

12 August 2020

Dear Optionholder

NOTICE TO OPTIONHOLDERS OF NON-RENOUNCEABLE ENTITLEMENT OFFER

We write to you as the registered holder of Alchemy Resources Limited (ASX: **ALY**) (**Company**) options as at today's date. As advised in the Company's ASX announcement dated 11 August 2020, the Company is undertaking a non-renounceable pro-rata Entitlement Offer (**Offer**) to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.015 per share and on the basis of 1 new share (**New Share**) for every 10 shares held, together with 1 attaching option (**Option**) for every 4 new Shares subscribed for, at the record date on 17 August 2020 (**Record Date**). Pursuant to the Offer, the Company will issue up to 55,052,435 New Shares to raise approximately \$825,800 before costs.

The Offer will be available to all of the Company's shareholders registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

A prospectus in relation to the Offer was lodged with ASIC on 12 August 2020 and will be sent to Eligible Shareholders in due course. Under the terms of the options you currently hold, there is no entitlement to participate in the Offer unless you exercise your options and are entered onto the register as a shareholder of the Company by 5pm (WST) on the Record Date.

If you wish to participate in the Offer, a notice of options exercise and payment of the options exercise price should be lodged with the Company's share registry, Automic Group, with sufficient time to ensure that you are registered as a shareholder of the Company by the Record Date.

If you do not wish to participate in the Offer, no action is required.

If you require clarification on any of the above matters, please contact the Company Secretary, on +61 (8) 9481 4400 and for all general shareholder enquiries, please contact Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Yours sincerely



Lindsay Dudfield
Non-Executive Chairman