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**ALCHEMY RESOURCES LIMITED**

**ACN 124 444 122**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 9.30am (WST)

**DATE:** 20 November 2009

**PLACE:** Olive Tree Function Room  
20 Emerald Terrace  
West Perth, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 4400.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders of Alchemy Resources Limited to which this Notice of Meeting relates will be held at 9.30am (WST) on Friday, 20 November 2009 at the Olive Tree Function Room, 20 Emerald Terrace, West Perth, Western Australia.

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Alchemy Resources Limited, 18 Emerald Terrace, West Perth, Western Australia 6005; or
- (b) facsimile to the Company on facsimile number (08) 9481 4404 (International: +61 8 9481 4404),

so that it is received not later than 9.30am (WST) on Wednesday, 18 November 2009.

**Proxy forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Alchemy Resources Limited will be held at the Olive Tree Function Room, 20 Emerald Terrace, West Perth, Western Australia at 9.30am (WST) on Friday, 20 November 2009.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 18 November 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

##### Resolution 1 - Re-election of Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of clause 11.3 of the Constitution and for all other purposes, Mr Warwick Jeffrey Davies, a Director who retires by rotation, and being eligible, is re-elected as a Director."*

##### Resolution 2 - Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the year ended 30 June 2009."*

**Voting Note:** The Directors' Report is included in the Company's Annual Report for the year ended 30 June 2009. The Remuneration Report is included in the Directors' Report. While the Corporations Act requires this report to be put to the vote, the vote on this resolution is advisory only and does not bind the Directors of the Company.

### **Resolution 3 – Proportional Takeover Bid Provisions**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*“That, for the purposes of Sections 136(2) and 648G of the Corporations Act, and for all other purposes, the Constitution of the Company is amended in the manner set out in the Explanatory Statement to insert proportional takeover bid provisions.”*

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**DATED: 9 OCTOBER 2009**

**BY ORDER OF THE BOARD**



**JOHN ARBUCKLE  
DIRECTOR/COMPANY SECRETARY  
ALCHEMY RESOURCES LIMITED**

#### **Voting Exclusion Note:**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at the Olive Tree Function Room, 20 Emerald Terrace, West Perth, Western Australia on Friday, 20 November 2009 at 9.30am (WST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

The Corporations Act requires the Company to lay its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's 2009 Annual Report is available on the Company's website at [www.alchemyresources.com.au/announcements/](http://www.alchemyresources.com.au/announcements/).

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### **2. RESOLUTION 1 - RE-ELECTION OF DIRECTOR**

Clause 11.3 of the Constitution requires that at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Mr Warwick Jeffrey Davies was elected to the board on 16 March 2007, retires by rotation and seeks re-election.

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### **3. RESOLUTION 2 - REMUNERATION REPORT**

Under the Corporations Act, the Company is required to include in the Directors' Report a detailed Remuneration Report setting out certain prescribed information relating to directors' and executives' remuneration, and submit this for adoption by resolution of Shareholders at the Annual General Meeting.

The Directors' Report for the year ended 30 June 2009 contains such a Remuneration Report. A copy of the Report is set out in pages 11 to 14 of the 2009 Annual Report, which is available on the Company's website at [www.alchemyresources.com.au/Announcements/](http://www.alchemyresources.com.au/Announcements/).

The Remuneration Report sets out matters including (but not limited to):

- (a) Company policies for determining the remuneration of directors and executives;
- (b) the Remuneration arrangements for directors and Executives;
- (c) If the remuneration of directors and executives is performance based, details of these performance conditions; and
- (d) Certain 'prescribed details' of specified directors and executives of the Company.

Shareholders are asked to adopt the Remuneration Report.

The Shareholder vote is advisory only and does not bind the Directors of the Company.

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## 4. RESOLUTION 3 - PROPORTIONAL TAKEOVER BID PROVISIONS

### 4.1 GENERAL

The Company is seeking to amend its Constitution to insert proportional takeover bid provisions. These provisions prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution is passed by shareholders approving the bid.

Under Section 648G of the Corporations Act, the Company may insert proportional takeover bid provisions by special resolution of Shareholders. Section 648G(5) of the Corporations Act also specifies certain information that must be provided in the notice of meeting. The following information is provided to satisfy those requirements.

### 4.2 INSERTED PROVISIONS

The proportional takeover bid provisions that are to be inserted are as set out below:

In Clause 1.1 of the Constitution, the following definitions are inserted:

**"Prescribed Resolution** means a resolution of the kind referred to in paragraph 1 of schedule 1."

**"Takeover Scheme** means a takeover scheme made in accordance with Part 6.3 of the Corporations Act (as contemplated by clause 6.12)."

#### **"6.12 Proportional Takeover Scheme**

Subject to the Listing Rules, if offers are made relating to a proportion of the shares in a class of shares in accordance with Part 6.3 of the Corporations Act, the Company must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under that takeover scheme unless and until a resolution to approve that takeover scheme is passed in accordance with the provision of schedule 1."

## **“SCHEDULE 1 - PROPORTIONAL TAKEOVER SCHEME**

1. A resolution to approve a Takeover Scheme must be voted on at a meeting of the Members (other than the offeror in respect of the Takeover Scheme and each associate of the offeror) who, as at the end of the day on which the first offer under the Takeover Scheme was made held shares of the class subject to the Takeover Scheme.
2. The meeting referred to in paragraph 1 of this schedule must be:
  - a. convened and conducted by the Company;
  - b. except as otherwise provided in this schedule, conducted as if it were a general meeting of the Company; and
  - c. held so that the Prescribed Resolution is voted on before the day which is 14 days before the end of the period during which the offers under the Takeover Scheme remain open.
3. At the meeting referred to in paragraph 1 of this schedule, only the persons entitled by paragraph 1 of this schedule to attend the meeting are entitled to vote on the Prescribed Resolution.
4. Each Member entitled to vote on the Prescribed Resolution is entitled to one vote for each share the subject of the Takeover Scheme held by that Member.
5. A Prescribed Resolution is carried if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.”

### **4.3 WHAT IS A PROPORTIONAL TAKEOVER BID?**

A proportional takeover bid is one in which a bidder offers to buy only a proportion of each shareholder’s shares in the target company. This can result in control being transferred to the bidder without shareholders having the chance to sell all their shares. It also means a bidder can obtain control of a company without paying appropriate consideration for gaining such control.

To deal with this possibility, the Corporations Act permits a company to require its shareholders to consider a resolution to approve a proportional takeover bid before the bid is accepted, by setting out appropriate provisions in its constitution.

The Company wishes to insert such provisions in its Constitution for the reasons set out in this Explanatory Statement.

### **4.4 EFFECT OF THE PROVISIONS**

If the proportional takeover bid provisions are inserted and a proportional takeover bid is subsequently made for a class of shares in the Company, the directors will be required to convene a general meeting of Shareholders in that class to vote on a resolution to approve the proportional takeover bid. The resolution must be passed more than 14 days before the last day of the bid period. The bidder and any of its associates will be excluded from voting.

If the resolution is rejected by Shareholders, then the bid will be deemed to be withdrawn and registration of any transfer of shares resulting from the proportional bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with the other provisions of the Company's Constitution.

If no resolution is voted on by the 14<sup>th</sup> day before the last day of the bid period, then the resolution approving the proportional bid will be deemed to have been approved.

If approved, the proportional takeover bid provisions will expire after three years, unless renewed by Shareholders by a special resolution.

#### **4.5 REASONS FOR PROPOSING RESOLUTION**

The directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without Shareholders having the opportunity to dispose of all their shares or dispose of their shares for an adequate control premium. The provisions give Shareholders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual Shareholders can make a separate decision as to whether they wish to accept the offer for their shares.

#### **4.6 PRESENT ACQUISITION PROPOSALS**

As at the date of this Explanatory Statement, none of the directors are aware of a proposal by a person to acquire or to increase the extent of a substantial interest in the Company.

#### **4.7 POTENTIAL ADVANTAGES AND DISADVANTAGES**

The proportional takeover bid provisions enable the directors to ascertain the views of Shareholders on a proportional takeover bid. Apart from this, there is no specific advantage or disadvantage for directors, as directors, in seeking to include the proportional takeover approval provisions in the Constitution.

The potential advantages of the proportional takeover bid provisions for Shareholders of the Company are:

- (b) the provisions ensure that all Shareholders (other than the bidder and its associates) will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed;
- (c) the requirements for Shareholder approval should ensure that the terms of any future proportional takeover bids are structured to be attractive to a majority of independent Shareholders;
- (d) the provisions may help Shareholders avoid being locked in as a minority; and
- (e) knowing the view of the majority of Shareholders may help individual Shareholders assess the likely outcome of a proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages of the proportional takeover bid provisions for shareholders of the Company are:

- (a) the need for Shareholder approval may make a proportional takeover bid more difficult to achieve and therefore proportional takeover bids may be discouraged;
- (b) this in turn may reduce opportunities which Shareholders may have to sell some of their shares at an attractive price to persons securing control of the Company and may reduce an element of takeover speculation from the Company's share price; and
- (c) the provisions arguably constitute an additional restriction on the ability of Shareholders to deal freely with their shares.

The Directors consider the potential advantages for Shareholders outweigh the potential disadvantages and that the approval of the proportional takeover bid provisions as proposed in the resolution are in the best interests of Shareholders.

The Directors recommend that you vote in favour of the resolution.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investment Commission.

**ASX** means Australian Securities Exchange Limited.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

**Company** means Alchemy Resources Limited (ACN 124 444 122).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Meeting** means the meeting convened by the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company, unless specified to the contrary.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**PROXY FORM**

**APPOINTMENT OF PROXY  
ALCHEMY RESOURCES LIMITED  
ACN 124 444 122**

I/We

(Name of shareholder)

Of

(Address)

being a Member/Members of Alchemy Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

(Name of proxy)

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 9.30am (WST) on Friday, 20 November 2009 at the Olive Tree Function Room, 20 Emerald Terrace, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

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**Voting on Business of the General Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Proportional Takeover Bid Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of the resolution if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this                      day of                      2009

**By:**

**Individuals and joint holders**

Signature

Signature

Signature

**Companies (affix common seal if appropriate)**

Sole Director/Company Secretary

Director

Director/Company Secretary

**ALCHEMY RESOURCES LIMITED**  
**ACN 124 444 122**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A shareholder entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If a shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.
2. **(Direction to Vote):** A shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the shareholders must sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Alchemy Resources Limited, 18 Emerald Terrace, West Perth, Western Australia 6005; or
  - (b) facsimile to the Company on facsimile number (08) 9481 4404 (International: +61 8 9481 4404),

so that it is received not later than 9.30am (WST) on 18 November 2009.

**Proxy forms received later than this time will be invalid.**