
ALCHEMY RESOURCES LIMITED

ACN 124 444 122

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: 26 November 2010

PLACE: Harcourts Conference Centre
125 Cambridge Street
West Leederville, 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

VENUE

The Annual General Meeting of the Shareholders of Alchemy Resources Limited to which this Notice of Meeting relates will be held at 10.00am (WST) on Friday, 26 November 2010 at Harcourts Conference Centre, 125 Cambridge Street, West Leederville, Western Australia.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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 10.00am (WST) on Wednesday, 24 November 2010.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Alchemy Resources Limited will be held at Harcourts Conference Centre, 125 Cambridge Street, West Leederville, Western Australia at 10.00am (WST) on Friday, 26 November 2010.

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 24 November 2010.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

Resolution 1 - 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 2010."

Voting Note: The Directors' Report is included in the Company's Annual Report for the year ended 30 June 2010. 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 2 - 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 Robert Hartley Downey, a Director who retires by rotation, and being eligible, is re-elected as a Director."

Resolution 3 – Ratification of Share Issue

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 7,692,308 Shares at an issue price of \$0.65 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as 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.

Resolution 4 – Appointment of auditor

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

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd, having been nominated by a Shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”

DATED: 18 OCTOBER 2010

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.

EXPLANATORY STATEMENT

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 Harcourts Conference Centre, 125 Cambridge Street, West Leederville, Western Australia on Friday, 26 November 2010 at 10.00am (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.

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 2010 Annual Report is available on the Company's website at www.alchemyresources.com.au/announcements/.

2. RESOLUTION 1 - 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 2010 contains such a Remuneration Report. A copy of the Report is set out in pages 11 to 14 of the 2010 Annual Report, which is available on the Company's website at 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.

3. RESOLUTION 2 - 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 Robert Hartley Downey was elected to the board on 16 March 2007, retires by rotation and seeks re-election.

4. RESOLUTION 3 - RATIFICATION OF SHARE ISSUE

4.1 BACKGROUND

As announced to ASX on 24 March 2010, the Company resolved to proceed with a capital raising of \$5,000,000. The capital raising comprised a placement of 7,692,308 Shares to sophisticated and professional investors at \$0.65 each ("**Placement**").

The Placement was allotted on 29 March 2010 under the Company's 15% placement capacity.

The proceeds of the Placement were to be used to drill an array of highly promising targets at Alchemy's Magnus Copper-Gold Project, which borders Sandfire Resource's tenements, and to grow the existing indicated JORC resource at its Hermes gold project nearby.

4.2 LISTING RULES 7.1 AND 7.4

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

Prior to the Meeting, the Company completed the Placement of 6,875,000 Shares at \$0.65 each. None of the subscribers pursuant to the Placement were related parties of the Company. Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of the 7,692,308 Shares ("**Ratification**").

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 7,692,308 Shares were allotted and issued to sophisticated and professional investors, none of which are related parties to the Company;
- (b) the issue price of each of the Shares was \$0.65 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company; and
- (d) the funds raised were to be used to conduct further drilling at the Magnus Copper-Gold Project and Hermes Gold Project.

5. RESOLUTION 4 - APPOINTMENT OF AUDITOR

In June 2010, the Company was informed by the Perth office of PKF Chartered Accountants ("PKF"), the Company's auditors since incorporation, that its audit division had resigned and as such would not be able to complete the audit for the 2010 financial year.

As the entire audit division of PKF moved to Deloitte Touche Tohmatsu ("Deloitte") and due to the proximity of the move to the end of the 2010 financial year, the Directors consented to the 2010 audit being completed by Deloitte.

Deloitte has now given notice of their intention to resign as auditor of the Company (under section 329(5) of the Corporations Act); this is subject to receipt of the consent of the Australian Securities and Investments Commission ("ASIC") and shareholder approval of this Resolution 4 for the appointment of BDO Audit (WA) Pty Ltd as auditor.

Subject to ASIC consenting to the resignation of Deloitte and Deloitte submitting a resignation to the Company, it is proposed that the Company appoint BDO Audit (WA) Pty Ltd as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination form from a shareholder for BDO Audit (WA) Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

BDO Audit (WA) Pty Ltd has given its written consent to act as the Company's auditor subject to shareholder approval of this Resolution 4.

If Resolution 4 is passed, the appointment of BDO Audit (WA) Pty Ltd as the Company's auditor will take effect at the close of the AGM.

GLOSSARY

\$ 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.

ANNEXURE A
AUDITOR NOMINATION

11 October 2010

The Directors
Alchemy Resources Limited
18 Emerald Terrace
WEST PERTH WA 6005

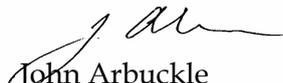
Dear Sirs

**NOMINATION OF BDO AUDIT (WA) PTY LTD AS AUDITOR OF ALCHEMY
RESOURCES LIMITED**

We, Canaccord Capital (Australia) Pty Ltd, being a shareholder of Alchemy Resources Limited, hereby nominate BDO Audit (WA) Pty Ltd of 38 Station Street, Subiaco, Western Australia 6008 for appointment as auditor of Alchemy Resources Limited at its 2010 Annual General Meeting.

We consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2010 Annual General Meeting of Alchemy Resources Limited as required by section 328B(3) of the Corporations Act 2001.

Executed by Canaccord Capital (Australia) Pty Ltd in accordance with its constitution,


John Arbuckle
Director


Robert Downey
Director

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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 10.00am (WST) on Friday, 26 November 2010 at Harcourts Conference Centre, 125 Cambridge Street, West Leederville, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Auditor	<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 2010

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 10.00am (WST) on 24 November 2010.

Proxy forms received later than this time will be invalid.