
ALCHEMY RESOURCES LIMITED

ACN 124 444 122

NOTICE OF GENERAL MEETING

TIME: 10.30 am WST

DATE: 16 December 2011

PLACE: The Celtic Club, 48 Ord Street, 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 (+61 8) 9481 4400.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am WST on Friday, 16 December 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5.00 pm WST on Wednesday, 14 December 2011.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting by Proxy

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

- post to Alchemy Resources Limited, GPO Box 2815, Perth, Western Australia 6001;
- post to Alchemy Resources Limited, Level 2, 72 Kings Park Road, West Perth, Western Australia 6005; or
- facsimile to Alchemy Resources Limited on facsimile number (08) 9481 4404 (International: +61 8 9481 4404),

so that it is received not later than 10.30am (WST) on Wednesday, 14 December 2011.

Proxy forms received after this time will be invalid.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – ISSUE OF SHARES – GROSVENOR ASSET SALE AGREEMENT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 35,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, 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.

2. RESOLUTION 2 – SHARE PLACEMENT – CAPITAL RAISING

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 80,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, 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.

DATED: 15 NOVEMBER 2011**BY ORDER OF THE BOARD****BERNARD CRAWFORD
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – ISSUE OF SHARES – GROSVENOR ASSET SALE AGREEMENT

1.1 General

On 11 November 2011, the Company entered into an asset sale agreement with Grosvenor Gold Pty Ltd (**Grosvenor**) and Alchemy Resources (Three Rivers) Pty Ltd (**ATR**) (**Asset Sale Agreement**). ATR is a wholly owned subsidiary of the Company. Under the Asset Sale Agreement, Grosvenor agreed to sell the following assets to ATR:

- (a) an 80% joint venture interest in prospecting licences 52/1167, 52/1168, 52/1195 and 52/1196 and exploration licences 52/1668, 52/1678, 52/1722 and 52/1730;
- (b) a 100% interest in prospecting licences 52/1199 and 52/1200 and exploration licences 52/1731, 52/1810, 52/1852 and 52/1881;
- (c) a 100% interest in the "Other Minerals" Rights of exploration licence 52/1723-I, where "Other Minerals" means all minerals other than Iron (with the exception of soil, clay, limestone and sand extracted in Mining Operations);
- (d) a 50% interest in exploration licence 52/1723-I; and
- (e) all mining information in relation to the above tenements,

(together the **Sale Assets**). More information on the Sale Assets is set out in Section 1.2.

In consideration of the sale of the Sale Assets by Grosvenor to ATR under the Asset Sale Agreement, the Company agreed to issue Shares to the value of \$3,500,000 to Grosvenor (or its nominee). The Asset Sale Agreement is conditional on, among other things, the approval of the Company's shareholders for the issue of the Shares to Grosvenor (or its nominee).

Accordingly, Resolution 1 seeks Shareholder approval for the allotment and issue of up to 35,000,000 Shares (**Consideration Shares**) to Grosvenor (or its nominee) at a deemed issue price of not less than \$0.10 per Share in consideration for the sale of the Sale Assets to ATR (**Sale Agreement Issue**).

If the issue of the Consideration Shares to Grosvenor (or its nominee) would result in Grosvenor (or its nominee) holding 20% or more of the entire issued share capital of the Company, rather than issuing all of the Consideration Shares:

- (a) the Company will issue Grosvenor (or its nominee) such number of Shares as equates to a 19.9% shareholding in the Company; and
- (b) the Company will issue the remaining Consideration Shares (**Remaining Shares**) to Grosvenor (or its nominee) after completion and until all of the Remaining Shares have been issued in such instalments as from time to time:

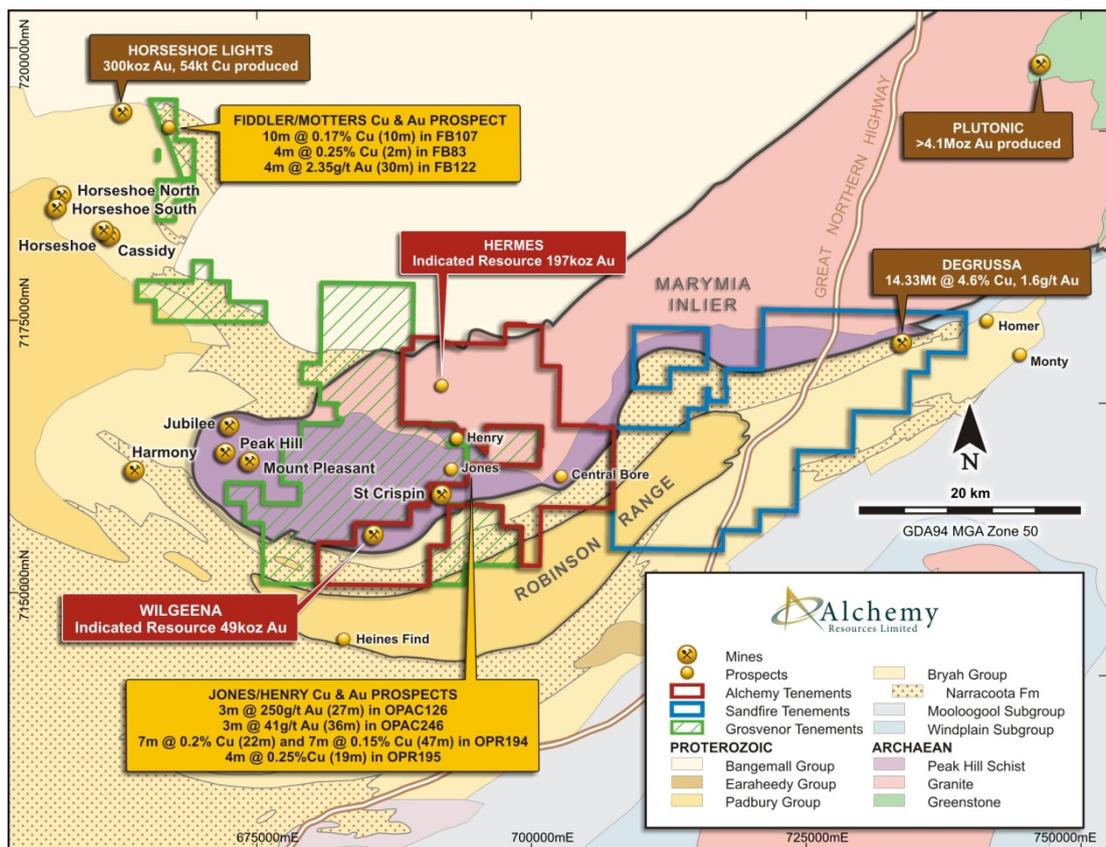
- (i) would not result in Grosvenor (or its nominee) having 20% or more Voting Power in the Company; or
- (ii) would be allowable under section 611 (Item 9) of the Corporations Act.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Sale Agreement Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 Sale Assets

These assets are exploration licences and prospecting licences that lie in close proximity to the Company's existing Gascoyne Gold and Magnus Copper Projects. The licences cover 356km² in the Bryah Basin, and are also adjacent to Sandfire Resources' DeGrussa VMS Copper Gold Project. The following map illustrates their location and proximity to existing Company and Sandfire assets:



Notes:

The Wilgeena Resource referred to in the above figure is an Indicated Mineral Resource of 659,480t @ 2.34 g/t gold (equivalent to 49,536 oz of gold).

The Hermes Resource referred to in the above figure is Indicated Mineral Resource of 2.79 Mt @ 2.19 g/t gold (equivalent to 196,650 oz of gold).

The information in this Notice that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is a Fellow of the Australian Institute of Geoscientists and is a full-time employee of Alchemy Resources Limited. Dr Cassidy has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Dr Cassidy consents to the inclusion in this Notice of the matters based on his information in the form and context in which it appears.

The information in this Notice that relates to Mineral Resources at the Hermes Gold Deposit and Wilgeena Gold Deposit is based on information compiled by Mr Simon Coxhell of Cocksrocks Pty Ltd, who is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Alchemy Resources Limited. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mr Coxhell consents to the inclusion in this Notice of the matters based on his information in the form and context in which it appears.

1.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the maximum number of Shares to be issued is 35,000,000;
- (b) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price will be not less than \$0.10 per Share;
- (d) the Consideration Shares will be allotted and issued to Grosvenor (or its nominee), who is not a related party of the Company;
- (e) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Consideration Shares as the Shares are being issued in consideration for the acquisition of the Sale Assets by ATR.

2. RESOLUTION 2 – SHARE PLACEMENT – CAPITAL RAISING

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up to 80,000,000 Shares at an issue price of not less than \$0.10 per Share to raise up to \$8,000,000 (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to 80,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than \$0.10 per Share;
- (d) the Directors will determine to whom the Shares will be issued but these persons will all satisfy the requirements of either Sections 708(8), 708(10) or 708(11) of the Corporations Act and therefore fall within one of the exclusions for the requirement for the Shares to be issued under a disclosure document. None of the subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards exploration and development activities on the Company's current projects and the projects to be acquired pursuant to the Asset Sale Agreement (referred to in Resolution 1) and general working capital.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited.

ASX 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 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.

General Meeting or **Meeting** means the meeting convened by the Notice.

Grosvenor means Grosvenor Gold Pty Ltd (ACN 126 541 624).

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

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

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PROXY FORM

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

GENERAL MEETING

I/We

of

being a member of Alchemy Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10.30 am WST on Friday, 16 December 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

Voting on Business of the General Meeting

Resolution 1 – Issue of Shares – Grosvenor Asset Sale Agreement
Resolution 2 – Share Placement – Capital Raising

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

ALCHEMY RESOURCES LIMITED
ACN 124 444 122

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a 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 member's voting rights. If a member 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 member of the Company.
2. **(Direction to Vote):** A member 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 members should 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 members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the 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, GPO Box 2815, Perth, Western Australia, 6001;
 - (b) post to Alchemy Resources Limited, Level 2, 72 Kings Park Road, West Perth, Western Australia, 6005; or
 - (c) facsimile to Alchemy Resources Limited on facsimile number (08) 9481 4404 (International: +61 8 9481 4404),

so that it is received later than 10.30am (WST) on Wednesday, 14 December 2011.

Proxy forms received later than this time will be invalid.