



ALCHEMY RESOURCES LIMITED

ABN 17 124 444 122

Prospectus

For a non-renounceable pro-rata offer to Eligible Shareholders of 32,482,470 New Shares at a price of \$0.13 per Share on the basis of 1 New Share for every 3 Existing Shares held to raise approximately \$4,222,721 before issue costs

ASX Code: ALY

Underwriters: Jindalee and Grandor

This Prospectus provides important information about the Company. You should read the entire document including the Application Form. If you have any questions about the Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 12 January 2012 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Shareholders with a registered address in Australia and New Zealand can obtain a copy of this Prospectus during the Offer period on the Company's website at www.alchemyresources.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Application Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Application Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 8.5 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as "anticipate", "estimate", "opportunity", "plan", "intend", "aim", "seek", "believe", "should", "will", "may" and similar expressions.

Privacy

Please read the privacy information located in section 7.14 of this Prospectus. By submitting an Application Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on +61 8 9481 4400 or Security Transfer Registrars Pty Ltd (the Company's Share Register) on +61 8 9315 2333 at any time between 8.00am and 5.00pm (Perth time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.

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Corporate Directory

Directors

Oscar Aamodt (Non-Executive Chairman)
 Lindsay Dudfield (Non-Executive Director)
 Anthony Ho (Non-Executive Director)

Registered and Business Office

Level 2, 72 Kings Park Road
 West Perth WA 6005
 Tel: +61 8 9481 4400
 Fax: +61 8 9481 4404
 Email: admin@alchemyresources.com.au

Underwriters

Jindalee Resources Limited
 Level 2, 18 Kings Park Road
 West Perth WA 6005

Grandor Pty Ltd ATFT Mark Scott Pension Fund
 106 New South Head Road
 Vaucluse NSW 2030

WEBSITE

www.alchemyresources.com.au

Company Secretary

Bernard Crawford

Share Registry

Security Transfer Registrars Pty Ltd
 770 Canning Highway
 Applecross WA 6153
 Tel: +61 8 9315 2333
 Fax: +61 8 9315 2233

Solicitors to the Offer

Kings Park Corporate Lawyers
 Suite 8, 8 Clive Street
 West Perth WA 6005

1 TIMETABLE TO THE OFFER

Lodgment Date	12 January 2012
Ex Date - Shares trade ex Entitlement	17 January 2012
Record date to determine Entitlement	23 January 2012
Prospectus with Application Form dispatched	30 January 2012
Offer opens for receipt of Applications	30 January 2012
Closing date for acceptances	13 February 2012
Notify ASX of under-subscriptions	16 February 2012
Allotment and issue of New Shares	21 February 2012
Dispatch of shareholding statements	21 February 2012
Trading of New Shares expected to commence	22 February 2012
Last date to issue Shortfall Shares (see section 8.3)	29 February 2012

Note:

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and Corporations Act.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue	97,447,408
Options currently on issue	2,800,000
Shares offered under this Prospectus ¹	32,482,470
Amount raised under this Prospectus (before costs) ¹	\$4,222,721
Shares to be issued to Grosvenor Gold Pty Ltd ²	26,923,077
Total Shares on issue following the Offer and completion of the acquisition of the Grosvenor Assets	156,852,955

Note:

¹ This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

² See section 5.3 for details of the acquisition of the Grosvenor Assets.

3 CHAIRMAN'S LETTER

Dear Shareholder

On behalf of Alchemy, I am pleased to invite you to participate in the fully underwritten 1 for 3 non-renounceable pro-rata entitlement offer at an issue price of \$0.13 per share to raise approximately \$4.2 million (before costs). The issue price represents a 10.6% discount to the VWAP of the closing price on the ASX over the last 20 trading days.

On 16 December 2011 Shareholders approved the issue of Shares to the value of \$3.5 million to Grosvenor to acquire various exploration assets adjacent to the Company's tenements in the Bryah Basin (the area which hosts Sandfire Resources' DeGrussa copper-gold project) and settle litigation. The Offer satisfies a further condition of the settlement and acquisition and will allow Alchemy to immediately commence a significant exploration program proposed for its tenement holding in the region.

The Company's existing cash balance of approximately \$2.4 million (at 31 December 2011) will be used to meet ongoing working capital requirements.

I am particularly pleased that Jindalee Resources and Grandor (an entity controlled by Mr Mark Scott, the Chairman of Jindalee), two of your Company's key shareholders, have both agreed to take up their Entitlements and to fully underwrite the balance of the Offer. I believe this indicates strong support for the future of the Company and firm interest in the technical merit of the Company's Gascoyne Project.

I refer shareholders to the Company's website (www.alchemyresources.com.au), and in particular to its most recent presentation (announced 21 December 2011) which sets out further information on the Company's Projects.

Please note that Entitlements are non-renounceable, and Shareholders who do not take up all or any part of their entitlements will not receive any payment for those Entitlements and will be diluted. Eligible Shareholders are invited to apply for more than their Entitlement, and Shortfall Shares will be allocated firstly to allow Shareholders with non-marketable parcels to top-up their holdings.

This Prospectus contains important information about the Offer, including:

- details of the Offer, including key dates, and its effect on the Company;
- actions to be taken by Eligible Shareholders;
- additional information such as the key risks to you in taking up this Offer; and
- a personalised Acceptance Form which details your Entitlement.

This Offer Booklet and personalised Acceptance Form should be read carefully and in their entirety before deciding whether or not to participate in this Offer. In particular Eligible Shareholders should consider the key risk factors outlined in Section 6 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for our Company.

Yours faithfully

Oscar Aamodt
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information
What is being offered?	<p>Under this Prospectus 32,482,470 New Shares are being offered to Eligible Shareholders (assuming no Options are exercised) at an issue price of \$0.13 on the basis of 1 New Share for every 3 Existing Shares held.</p> <p>Eligible Shareholders can, in addition to their Entitlement, also apply for Shortfall Shares.</p>	Section 7.1
How will the proceeds of the Offer be used?	<p>The Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none"> • \$4,021,721 - Exploration on the Company's Projects, with a particular focus on exploration for DeGrussa style copper-gold deposits on the Gascoyne Project tenements in the Bryah Basin. • \$201,000 - Costs of the Offer. 	Section 5.2
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> • Exploration risks - The Company's Projects are early stage exploration tenements with significant exploration risk. • The Company's future capital needs and additional funding may be required to complete the proposed exploration program. • As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	Section 6
Is the Offer underwritten?	The Offer is fully underwritten by Jindalee and Grandor (an entity controlled by Mr Scott, Jindalee's Chairman) who have agreed to take up their Entitlements and fully underwrite the balance	Section 7.9

Question	Response	Where to find more information
	<p>of New Shares offered. They will receive an underwriting fee of 5% on the balance of New Shares offered.</p> <p>Mr Lindsay Dudfield, a non-executive Director, holds approximately 23% of Jindalee and is its managing director. The Directors other than Mr Dudfield consider the underwriting fee to be reasonable and on arm's length terms.</p>	
What will be the effect on control of the Offer?	Jindalee and Grandor currently hold approximately 10.06% and 0.85% of the Company's Shares respectively. The maximum percentage they will hold if no other person subscribes for New Shares will be 17.56% and 9.93% of the Company respectively, assuming the issue of 26,923,077 Shares to Grosvenor.	Section 5.7
How do I apply for Shares under the Offer?	<p>Applications can be made by Eligible Shareholders completing the personalised Application Form and sending it to the Company's share registry, Security Transfer Registrars Pty Ltd.</p> <p>Eligible Shareholders may also apply for Shortfall Shares by following the instructions in section 7.5.</p>	Section 7.2 and 7.5
How will the Shortfall Shares be allocated?	<p>The Directors will allocate any Shortfall Shares as follows:</p> <ul style="list-style-type: none"> • firstly, to Minimum Parcel Shareholders who apply for Shortfall Shares, so that they will have a minimum parcel of Shares tradable on ASX; and then • at the discretion of the Directors and in consultation with the Underwriters. 	Section 7.5
When will I know if my Application was successful?	A holding statement confirming your allocation under the Offer will be sent to you on about 21 February 2012.	Section 8
How can I obtain further advice?	Contact the Company Secretary on +61 8 9481 4400 or Security Transfer Registrars Pty Limited (the Company's Share Register) on +61 8 9315 2333 at any time between 8.00am and 5.00pm (Perth time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise approximately \$4,222,721 before issue costs under the Offer, a non-renounceable pro rata offer to Eligible Shareholders at a price of \$0.13 per Share on the basis of 1 New Share for every 3 Existing Shares held as at the Record Date.

Jindalee Resources Limited (**Jindalee**) and Grandor Pty Ltd (**Grandor**) (an entity controlled by Mr Mark Scott, a director of Jindalee) have each agreed to subscribe for their Entitlements in full and equally to underwrite the balance of the New Shares offered.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Exploration on the Gascoyne Project (including the Grosvenor Assets) with a particular focus on exploration for DeGrussa style copper-gold deposits. Exploration will be dominated by detailed ground geophysics, including electromagnetic (EM) and audio magneto-telluric surveys, followed by drilling (reverse circulation and diamond) and downhole EM to follow up conductors generated from this work.	\$4,021,721
Costs of the Offer ¹	\$201,000
Total	\$4,222,721

Notes:

¹ The costs of the Offer includes underwriting fees of \$188,106.

This table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.

5.3 Grosvenor Assets

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 (as defined in the Asset Sale Agreement) and a 50% interest in the iron); and
 - (d) all mining information in relation to the above tenements,
- (together the **Grosvenor Assets**).

On 16 December 2011 Shareholders approved the issue of Shares to the value of \$3,500,000 to Grosvenor (or its nominee) in consideration for the sale of the Grosvenor Assets. The issue price of these consideration Shares will be \$0.13 and therefore the Company will issue 26,923,077 Shares to Grosvenor.

The Asset Sale Agreement is conditional on:

- (a) the approval by Shareholders of the issue of the Shares to Grosvenor (or its nominee) (which has occurred);
- (b) the Company raising a minimum of \$4,000,000 (this Offer satisfies this condition);
- (c) Grosvenor and ATR entering into a deed of settlement with respect to litigation between the parties (which has occurred); and
- (d) the execution of certain deeds of assumption.

Further information on the Grosvenor Assets and the Company's proposed exploration can be obtained from the Company's most recent presentation, announced to ASX on 21 December 2011 (a copy of which is available from www.alchemyresources.com.au or by contacting the Company Secretary).

5.4 Effect of the Offer

The effect of the Offer will, assuming no Options are exercised and Entitlements are taken up in full, be that:

- (a) cash reserves will increase by approximately \$4,021,721 (after costs);
- (b) the number of Options on issue will remain the same at 2,800,000; and
- (c) the number of Shares on issue will increase from 97,447,408 to 129,929,878, with a further 26,923,077 Shares to be issued to Grosvenor (refer to section 5.3 above), so that the total number of Shares on issue will be 156,852,955.

5.5 Statement of financial position (unaudited)

Set out below is the Consolidated Statement of Financial Position of the Company and the Consolidated Pro-Forma Statement of Financial Position (both unaudited), as at 31 December 2011 and on the basis of the following assumptions:

- (a) the Offer was effective as at 31 December 2011;
- (b) no further Shares are issued (including by way of exercise of Options);
- (c) all Shares offered under this Prospectus are taken up; and
- (d) completion of the acquisition of the Grosvenor Assets occurs and the Company issues 26,923,077 Shares to Grosvenor.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for year ended 30 June 2011.

Consolidated Statement of Financial Position

	Unaudited 31 December 2011 \$	Unaudited Pro forma 31 December 2011 \$
ASSETS		
Current Assets		
Cash and cash equivalents	2,411,053	6,432,774
Trade and other receivables	156,785	156,785
Other current assets	57,121	57,121
Total Current Assets	2,624,959	6,646,680
Non-Current Assets		
Exploration and evaluation	12,085,111	15,585,111
Property, plant and equipment	375,406	375,406
Total Non-Current Assets	12,460,517	15,960,517
TOTAL ASSETS	15,085,476	22,607,197
LIABILITIES		
Current Liabilities		
Trade and other payables	314,917	314,917
Provisions	56,535	56,535
Interest bearing liabilities	41,554	41,554
Total Current Liabilities	413,006	413,006
Non-Current Liabilities		
Interest bearing liabilities	124,064	124,064
Total Non-Current Liabilities	124,064	124,064
TOTAL LIABILITIES	537,070	537,070
NET ASSETS	14,548,406	22,070,127
EQUITY		
Contributed equity	20,422,910	27,944,631
Reserves	350,884	350,884
Accumulated losses	(6,225,388)	(6,225,388)
TOTAL EQUITY	14,548,406	22,070,127

5.6 Consolidated capital structure

Assuming that Entitlements are taken up in full and that no Options are exercised prior to the Record Date, at the close of the Offer and following the acquisition of the Grosvenor Assets, the capital structure of the Company will be:

	Shares	
	Shares No.	Shares %
Existing Shares	97,447,408	62.13
New Shares issued under this Prospectus	32,482,470	20.71
Issue of Shares to Grosvenor	26,923,077	17.16
Total Shares	156,852,955	100%

Options	Number
Options exercisable at \$0.37 on or before 30 June 2012	1,000,000
Options exercisable at \$0.25 on or before 30 September 2012	750,000
Options exercisable at \$0.50 on or before 30 June 2013	1,050,000
Total Options	2,800,000

5.7 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

As detailed in section 7.9 of this Prospectus, the Underwriters have agreed to take up their Entitlement and to fully underwrite the subscription of the remaining New Shares. Jindalee and Grandor currently have a relevant interest in 9,800,000 Shares (10.06%) and 829,300 Shares (0.85%) respectively.

The Underwriters' relevant interests in the Company following the Offer will depend upon the number of New Shares taken up, the number of New Shares applied for by Minimum Parcel Shareholders and other Shareholders, and the number of New Shares subscribed for by sub-underwriters.

The following tables set out each Underwriter's relevant interests in the Company's Shares under various scenarios. It is noted that, as stated in section 7.9 of this Prospectus, if one Underwriter terminates the Underwriting Agreement and the other chooses to continue, the continuing Underwriter may elect to underwrite the entire offer. Accordingly, each of the tables sets out two alternate situations, the first assumes that the Underwriters each underwrite 50% of the Offer; and the second assumes that the other Underwriter has terminated its portion of the underwriting and therefore the relevant Underwriter is underwriting 100% of the Offer

Following is a table that sets out Jindalee's relevant interest under various scenarios:

	Take-up of New Shares (excluding the Underwriters' Entitlement)			
	0%	25%	50%	75%
Assuming Jindalee underwrites 50% of the Offer				
Shortfall Shares available to Jindalee (prior to any Shortfall Shares being issued to Minimum Parcel Shareholders).	14,469,685	10,852,264	7,234,843	3,617,421
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Jindalee takes up all Shortfall Shares available to it.	17.56%	15.25%	12.94%	10.64%
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Jindalee takes up 75% of Shortfall Shares available to it.	15.25%	13.52%	11.79%	10.06%
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Jindalee takes up 50% of Shortfall Shares available to it.	12.94%	11.79%	10.64%	9.48%
Assuming Jindalee underwrites 100% of the Offer				
Shortfall Shares available to Jindalee (prior to any Shortfall Shares being issued to Minimum Parcel Shareholders) if Grandor terminates the Underwriting Agreement.	28,939,370	21,704,528	14,469,686	7,234,842
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Grandor terminates the Underwriting Agreement and Jindalee takes up all Shortfall Shares available to it.	26.78%	22.17%	17.56%	12.94%
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Grandor terminates the Underwriting Agreement and Jindalee takes up 75% of Shortfall Shares available to it.	22.17%	18.71%	15.25%	11.79%
Jindalee's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Grandor terminates the Underwriting Agreement and Jindalee takes up 50% of Shortfall Shares available to it.	17.56%	15.25%	12.94%	10.64%

Following is a table that sets out Grandor's relevant interest under various scenarios:

	Take-up of New Shares (excluding the Underwriters' Entitlement)			
	0%	25%	50%	75%
Assuming Grandor underwrites 50% of the Offer				
Shortfall Shares available to Grandor (prior to any Shortfall Shares being issued to Minimum Parcel Shareholders).	14,469,685	10,852,264	7,234,843	3,617,421
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Grandor takes up all Shortfall Shares available to it.	9.93%	7.62%	5.32%	3.01%
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Grandor takes up 75% of Shortfall Shares available to it.	7.62%	5.89%	4.16%	2.43%
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares and Grandor takes up 50% of Shortfall Shares available to it.	5.32%	4.16%	3.01%	1.86%
Assuming Grandor underwrites 100% of the Offer				
Shortfall Shares available to Grandor (prior to any Shortfall Shares being issued to Minimum Parcel Shareholders) if Jindalee terminates the Underwriting Agreement.	28,939,370	21,704,528	14,469,686	7,234,842
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Jindalee terminates the Underwriting Agreement and Grandor takes up all Shortfall Shares available to it.	19.15%	14.54%	9.93%	5.32%
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Jindalee terminates the Underwriting Agreement and Grandor takes up 75% of Shortfall Shares available to it.	14.54%	11.08%	7.62%	4.16%
Grandor's relevant interest if no Minimum Parcel Shareholders apply for Shortfall Shares, Jindalee terminates the Underwriting Agreement and Grandor takes up 50% of Shortfall Shares available to it.	9.93%	7.62%	5.32%	3.01%

6 RISK FACTORS

An investment in the New Shares the subject of this Prospectus is highly speculative as the Company is a resource exploration company. Please consider the risks described below and the information contained in other sections this Prospectus. You should also consider consulting with your professional advisers before deciding whether or not to apply for the New Shares.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations.

6.1 Company and Industry risks

The risks outlined below are specific to the Company's operations and to the resource industry in which the Company operates.

(a) Exploration

Whilst considered highly prospective, the Company's tenements are early stage exploration tenements with limited exploration undertaken on them to date.

Exploration is a high risk undertaking. The Company does not give any assurance that exploration of the Projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

(b) Resource estimations

The Company has previously announced resource estimates. These estimates are expressions of judgment based on knowledge, experience and resource modeling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(c) Gold, copper and other commodity prices

As an explorer for copper, gold and potentially other minerals, any earnings of the Company are expected to be closely related to the price of copper, gold and other commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(d) Future capital needs and additional funding

The funds raised by the Offer will primarily be used to fund exploration on the Company's Projects. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a

number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(e) Environmental

The Company's Projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's Projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(f) Legal Proceedings

The Company is currently defending proceedings brought by Mr Robert Brierley, the Company's former Managing Director. See section 10.6 for details.

6.2 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

7 DETAILS OF THE OFFER

7.1 Shares offered for subscription

By this Prospectus the Company offers 32,482,470 New Shares (assuming no Options are exercised before the Record Date) under a non-renounceable pro rata offer to Eligible Shareholders at a price of \$0.13 per Share on the basis of 1 New Share for every 3 Existing Shares held as at the Record Date to raise \$4,222,721 before issue costs. Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 8.

All New Shares offered under this Prospectus will rank equally with existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

7.2 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5pm (WST) on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) subject to certain limited exceptions, are not in the United States or a US Person or acting for the account or benefit of a US Person (to that extent); and
- (d) are eligible under all applicable securities laws to receive an offer under this Prospectus,

or, in the Company's absolute discretion, they are persons resident in any other country who are reasonably able to demonstrate to the Company that they are otherwise eligible to participate in the Offer relying on a relevant exemption from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they are resident or have a registered address.

By returning the accompanying Application Form along with the application money, or by making a payment in respect of an Application by BPay®, you will be taken to have represented and warranted that you satisfy the criteria above to be an Eligible Shareholder. The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

It is the responsibility of each Applicant to ensure compliance with the laws of any country relevant to their Application. The Company, in its absolute discretion, reserves the right to determine whether a person is an Eligible Shareholder and therefore able to participate in the Offer, or an Ineligible Shareholder and therefore unable to participate in the Offer. To the maximum extent permitted by law, the Company disclaims all liability in respect of any determination as to whether a person is an Eligible Shareholder.

However, in limited circumstances, and in the Company's absolute discretion, the Company may elect to treat as Eligible Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia or New Zealand.

7.3 Beneficial holder. Nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 7.7 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

7.4 Rights Trading

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

7.5 Shortfall Shares

Any Entitlements not taken up may become available as Shortfall Shares. Subject to the terms of the Underwriting Agreement, the Directors reserve the right to, under this Prospectus, offer for issue Shortfall Shares at their discretion within 3 months after the Closing Date as follows:

- (a) firstly, to Minimum Parcel Shareholders so that they will each have a marketable parcel;
- (b) secondly and in conjunction with the Underwriter, at the discretion of the Directors to:
 - (i) Eligible Shareholders who apply for New Shares in addition to their Entitlement; and
 - (ii) others.

Eligible Shareholders may, in addition to their Entitlement, apply for additional Shortfall Shares regardless of the size of their present holding. It is possible that there will be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Company reserves the right to scale back any applications for Shortfall Shares in its absolute discretion and it is an express term of the Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest as soon as practicable after all Shortfall Shares have been issued.

7.6 Offer outside Australia and New Zealand

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

7.7 Treatment of Overseas Shareholders

Given the small number of Shareholders with registered addresses outside Australia or New Zealand and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to any Shareholder, as at the Record Date, whose registered address is not situated in Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

7.8 Application Money held in Trust

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

7.9 Underwriting

Jindalee and Grandor have each agreed to subscribe for their full Entitlement and to underwrite all Shortfall Shares on an equal basis in accordance with the Underwriting Agreement. The Underwriters will be paid a fee for underwriting the Offer of 5% of the issue price of the New Shares (excluding those for which the Underwriters have an Entitlement), or a total amount equal to \$188,106 plus GST (**Underwriting Fee**)

The Company will also be required to reimburse the Underwriters for all of the reasonable costs incurred by the Underwriters in relation to the Offer.

The underwriting of the Offer is conditional upon the satisfaction or waiver by the Underwriters of the following conditions:

- (a) the Underwriters being satisfied with the due diligence investigations by the Company in relation to the Offer;
- (b) the Underwriters consenting to being named as such in this Prospectus;
- (c) the Company's solicitors providing the Underwriters with a legal sign off letter in relation to the due diligence investigations; and
- (d) this Prospectus being lodged by 5:00pm on 12 January 2012.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain limitations) agreed to indemnify the Underwriters, their affiliates, successors and related bodies corporate, and their directors, officers, agents, employees, representatives and advisers against losses suffered or incurred in connection with the Offer;
- (b) the Company and the Underwriters have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) the Underwriters may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) the price of Shares finish trading on ASX on any 5 consecutive trading days with a closing price that is less than the Price;
 - (ii) a statement contained in the Prospectus is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the offer materially omits any information they are required to contain;
 - (iii) ASX will not grant quotation of the New Shares;
 - (iv) Alchemy withdraws the Offer;
 - (v) there is a delay in the timetable for the Offer for more than 3 business days, without the prior consent of the Underwriter;
 - (vi) there are adverse changes or disruptions to the financial markets of key countries or hostilities commence or escalate in key countries;
 - (vii) the All Ordinaries Index (IRESS XAO.ASX), the S&P/ASX 200 (IRESS:XJO.ASX) or the S&P/ASX 200 Energy (IRESS:XEJ.ASX) as published by ASX is at any time after the date of the Underwriting Agreement 7.5% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or
 - (viii) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of Alchemy and its subsidiaries.

The Underwriting Agreement allows for the situation where one Underwriter terminates the Underwriting Agreement, but the other Underwriter chooses not to terminate. If this occurs the continuing Underwriter may elect to underwrite the entire Offer or continue underwriting 50% of the Offer. If the continuing Underwriter elects to underwrite the entire Offer, it will be entitled to be paid the entire Underwriting Fee.

The Underwriting Agreement provides for the appointment of sub-underwriters. Fees payable to the sub-underwriters are at the discretion of the Underwriters. The Company is not responsible for any payment of fees to sub-underwriters.

Mr Lindsay Dudfield, a Director of the Company, is the managing director of Jindalee and has a relevant interest in approximately 22.86% of Jindalee's Share capital. As a result, Jindalee is a related party of the Company for the purposes of Chapter 2E of the Corporations Act and, subject to certain exceptions (including transactions at arm's length) shareholder approval is required for the Company to provide a financial benefit to Jindalee, in the form of the issue of Shortfall Shares and payment of the underwriting fees as detailed above.

Messrs Aamodt and Ho, as independent Directors of the Company, consider the financial benefits to be reasonable in the circumstances as if Jindalee and the Company were dealing on arm's length terms and, for that reason, Shareholder approval was not sought for the Underwriting Agreement. Mr Dudfield was not involved in Board deliberations or negotiations in relation to the Underwriting Agreement.

7.10 ASX Listing

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all Application Moneys without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

7.11 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgment of this Prospectus with the ASIC, and the last market sale price on the date before the lodgment date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price	\$0.17	\$0.115	\$0.135

7.12 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

7.13 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

7.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

7.15 Enquiries

Any queries regarding the Offer should be directed to Bernard Crawford, Company Secretary on +61 8 9481 4400.

Any queries regarding the Application Form should be directed to the Share Registry on +61 8 9315 2333.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

8 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

8.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all of your Entitlement (see section 8.2); and
- (b) apply for Shortfall Shares (see section 8.3); or
- (c) allow all or part of your Entitlement to lapse (see section 8.4).

8.2 To subscribe for all of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out on that form. The Application Form sets out the number of New Shares you are entitled to subscribe for.

8.3 To apply for Shortfall Shares

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Application Form in accordance with the instructions set out on that form. Refer to section 7.5 for details of the manner in which Shortfall Shares will be allocated.

A single cheque should be used for the Application Money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Application Form.

Surplus Application Moneys will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

8.4 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

8.5 Payment methods

Cheque or bank draft

The completed Application Form must be accompanied by a cheque or bank draft made payable to "Alchemy Resources Limited - Share Offer Account" and crossed "Not Negotiable" for the appropriate Application Money in Australian dollars calculated at \$0.13 per New Share accepted. The Company will present the cheque or bank draft on or around

the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

The Application Form must be received by the Company at either of the following addresses by no later than 5.00 pm (WST) on the Closing Date:

By Post to:	By Delivery to:
Alchemy Resources Limited c/- Security Transfer Registrars Pty Limited PO Box 535 Applecross WA 6953	Alchemy Resources Limited c/- Security Transfer Registrars Pty Limited 770 Canning Highway Applecross WA 6153

BPAY®

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5pm Eastern Daylight Savings Time (3pm (WST)) on the Closing Date.

8.6 Application Form is binding

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;

- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

An original, completed and lodged Application Form, together with a cheque for the application moneys, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the Application Form is not completed correctly, or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application moneys.

9 RIGHTS AND LIABILITIES ATTACHING TO SHARES

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

(c) Future Issues of Securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Election of Directors

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the

next general meeting. These retirement rules do not apply to certain appointments including the managing director.

(g) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide the assets of the Company among the members in kind;
- for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

(i) Shareholder Liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10 ADDITIONAL INFORMATION

10.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgment of the Company's annual financial statements of the Company for the financial year ended 30 June 2011 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial statements of the Company for the financial year ended 30 June 2011 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since the 30 June 2011 audited financial statements:

Date	Description of announcement
30/09/2011	Magnus Copper Project Exploration Update
21/10/2011	Notice of Annual General Meeting/Proxy Form
27/10/2011	Quarterly Cashflow Report
27/10/2011	Quarterly Activities Report
11/11/2011	Trading Halt
15/11/2011	ALY Significantly Enhances Prospective Tenure in Bryah Basin
15/11/2011	PNN: WA Plaints Settlement PepinNini Robinson Range
15/11/2011	Notice of General Meeting/Proxy Form
25/11/2011	Trading Halt
25/11/2011	Results of Annual General Meeting
28/11/2011	New Board at Alchemy Resources
28/11/2011	Final Director`s Interest Notice x 4
28/11/2011	Initial Director`s Interest Notice x 3
30/11/2011	Chairman`s Letter to Shareholders
08/12/2011	Appendix 3Y - Lindsay Dudfield
16/12/2011	General Meeting Presentation to Shareholders
16/12/2011	Response to Press Speculation
16/12/2011	Results of General Meeting
19/12/2011	Appendix 3Y - Oscar Aamodt
21/12/2011	Updated Presentation to Shareholders
11/01/2012	Trading Halt

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Oscar Aamodt	Lindsay Dudfield ¹	Anthony Ho
Securities			
Shares	100,000	10,154,000	Nil
Options	Nil	Nil	Nil
Entitlement	33,000	3,384,667 ²	Nil

Remuneration from the date of the Directors' appointment on 25 November 2011 to the date of this Prospectus³

Short term	\$4,167	\$3,333	\$3,333
Long term	Nil	Nil	Nil

Notes:

¹ Mr Dudfield is the managing director and a substantial shareholder of Jindalee, and has announced to ASX a relevant interest in the Shares held by Jindalee.

² Jindalee and Grandor have agreed to subscribe for their Entitlement and any Shortfall Shares. See section 7.9 for details.

³ The Chairman and non-executive Directors are entitled to annual directors' fees of \$50,000 and \$40,000 (inclusive of superannuation) respectively.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to seven years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of advisors

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Kings Park Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$4,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates.

Jindalee and Grandor are the Underwriters to the Offer and will be paid such fees as are outlined in section 7.9. Neither Jindalee nor Grandor have received fees for services to the Company in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Kings Park Corporate Lawyers	Lawyers
Security Transfer Registrars Pty Limited	Share Registry
Jindalee	Underwriter
Grandor	Underwriter

10.5 Expenses of the Offer

The total expenses of the Offer are estimated to be \$201,000, consisting of the following:

Cost	\$
Underwriters' fees	\$188,106
Legal fees	\$4,000
ASIC and other expenses	\$8,894
Total	\$201,000

These expenses have or will be paid by the Company.

10.6 Litigation

Robert Brierley, the Company's former Managing Director, has filed an application in the Industrial Relations Commission for the payment of a total of \$163,500, being 6 months' salary plus superannuation he claims should be paid to him in lieu of notice of termination following his resignation from the Company in November 2011. The Company considers the application has no merit and will defend the proceeding.

Other than as set out above, as at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 12 January 2012

A handwritten signature in blue ink, appearing to be 'Oscar Aamodt', written over a faint, larger signature.

.....
Signed for and on behalf of
Alchemy Resources Limited by
Mr Oscar Aamodt

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AFSL	Australian Financial Services Licence.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for New Shares pursuant to this Prospectus.
Application Form	the personalised entitlement and acceptance application form attached to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
Asset Sale Agreement	the asset sale agreement dated 11 November 2011 between the Company, Grosvenor and ATR.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ATR	Alchemy Resources (Three Rivers) Pty Ltd (ACN 70 131 301 409).
Board	the board of Directors.
Closing Date	the closing date for receipt of Application Forms under this Prospectus, estimated to be 5.00pm WST on 13 February 2012 or an amended time as set by the Board.
Company or Alchemy	Alchemy Resources Limited (ABN 17 124 444 122).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Ex Date	17 January 2012.
Existing Share	a Share issued as at 5pm (WST) on the Record Date.
Grandor	Grandor Pty Ltd (ACN 001 992 043) as trustee for the Mark Scott Family Pension Fund (ABN 29 395 518 803).
Grosvenor	Grosvenor Gold Pty Limited (ACN 98 126 541 624).

Grosvenor Assets	the exploration and prospecting licence interests purchased from Grosvenor Gold Pty Ltd as detailed in the notice of meeting announced on the ASX platform on 15 November 2011.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Jindalee	Jindalee Resources Limited (ACN 064 121 133)
Listing Rules	the listing rules of the ASX.
Minimum Parcel Shareholders	a Shareholder that holds less than a marketable parcel (as defined in the Listing Rules) of Shares.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an invitation made in this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	13 January 2012.
Option	an option to purchase a Share.
Price	\$0.13 per Share
Project	any project held by the Company including the Magnus Copper Project, the Gascoyne Gold Project, and the Murchison Projects (comprising six separate areas in the Murchison District).
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	23 January 2012.
Share	a fully paid ordinary share in the Company.
Share Registry	Security Transfer Registrars Pty Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall	will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
Underwriters	Jindalee and Grandor.
Underwriting Agreement	the underwriting agreement between the Company and the Underwriter executed on 12 January 2012.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the United States Securities Act of 1933, as amended.
WST	Western Standard Time, Western Australia.

ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
LEVEL 2
72 KINGS PARK ROAD
WEST PERTH WA 6005
AUSTRALIA

ALCHEMY RESOURCES LIMITED

ABN: 17 124 444 122

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 5.00pm WST
on 23 January 2012:

Entitlement to Securities 1:3:

Amount payable on acceptance
@ \$0.13 per Security:

NON-RENOUNCEABLE PRO-RATA SHARE OFFER CLOSING AT 5.00PM WST ON 13 FEBRUARY 2012

(1) I/We the above named being registered at 5.00pm WST on 23 January 2012 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.13 PER SHARE
Entitlement or Part Thereof	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
Additional New Shares*	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
TOTAL	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	TOTAL \$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

(* refer to Section 8 of the Prospectus)



- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (7) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format.
- (8) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER
()

EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.		REGISTRY DATE STAMP
	Biller Code: 159483 Ref: <input type="text"/>	
	CHEQUE/MONEY ORDER All cheques (expressed in Australian currency) are to be made payable to ALCHEMY RESOURCES LIMITED and crossed "Not Negotiable".	
BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this Offer and is not to be used for any other offer.		E & O.E.

PAYMENT INSTRUCTIONS



Biller Code: 159483

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.



CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. You may apply for additional New Shares. Subject to the terms of the Underwriting Agreement, the Directors reserve the right to issue Shortfall Shares at their discretion within 3 months of the Closing Date, in the manner set out in section 7.5 of the Prospectus.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.