

13 December 2013

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Alchemy Resources Limited (ASX: **ALY**) (**Company**) announced to the ASX on 11 December 2013 a 1 for 2 pro-rata non-renounceable Entitlement Issue (**Entitlement Issue** or **Offer**) of up to 78,426,477 new fully paid shares (**New Shares**) at an issue price of \$0.025 per New Share to raise up to \$1,960,662 (before costs). The funds raised from the Offer will be used for further exploration work, working capital and to cover the costs of the Offer.

The Company has secured the support of Oscar Aamodt and Lindsay Dudfield, directors of the Company, who have agreed to partly underwrite the Issue for \$350,000. Full details of the underwriting are contained in the prospectus for the Issue.

On 11 December 2013 the Company lodged a prospectus for the Offer with the ASIC and the ASX (**Prospectus**). The Prospectus for the Entitlement Issue is available on the ASX website <http://www.asx.com.au> and the Company's website at www.alchemyresources.com.au. The Prospectus will be mailed to Eligible Shareholders together with a personalised entitlement and acceptance form that sets out their entitlements by no later than 24 December 2013.

The Offer is being made to all shareholders of the Company named on the register at 5.00pm (AEDT) on 20 December 2013 (**Record Date**), whose registered address is in Australia or New Zealand (**Eligible Shareholders**). For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

In addition, the Directors, subject to the allocation policy set out in the Prospectus, reserve the right to issue any New Shares not applied for by Eligible Shareholders (**Shortfall Offer**). Eligible Shareholders may apply for Shortfall Shares by completing the entitlement and acceptance application form (**Application Form**) accompanying the Prospectus. Eligible Shareholders holding less than a marketable parcel of shares will receive priority in the allocation of Shortfall Shares to the extent required for them to have a marketable parcel.

Shareholders with a registered address outside Australia or New Zealand will not be offered any New Shares under the Offer, although may, subject to all applicable laws, apply for Shortfall Shares by contacting the Company Secretary on +61 (08) 9481 4400. There is no certainty ineligible shareholders may be issued any Shortfall Shares.

The important dates of the Entitlement Issue are set out below:

Announcement of Entitlement Issue and Lodgement of Prospectus	11 December 2013
Ex Date – shares trade ex Entitlement	16 December 2013
Record date to determine Entitlement	20 December 2013
Prospectus with Entitlement and Acceptance Form sent to Shareholders	24 December 2013
Offer opens for receipt of Applications	24 December 2013
Closing date for receipt of Acceptances	24 January 2014
Allotment and issue of New Shares and despatch of shareholding statements	4 February 2014
Trading of New Shares expected to commence	5 February 2014

The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date, subject to the Corporations Act. As such the date the New Shares are expected to commence trading on ASX may vary.

The Entitlement Issue is non-renounceable. There are a number of actions Eligible Shareholders may take:

- take up all or some of your entitlements;
- take up all of your entitlements and apply for Shortfall Shares;
- not participate in the Entitlement Issue and if so, you do not need to take any action.

Eligible Shareholders will need to ensure their application moneys for their entitlements and any Shortfall Shares are received by Securities Transfer Registrars Pty Ltd by no later than 5.00pm (AEDT) on 24 January 2014.

Shareholders should consider the prospectus in deciding whether to acquire New Shares under the Offer and Shortfall Shares under the Shortfall Offer, and will need to complete the personalised Application Form or the shortfall section of the Application Form accordingly.

This notice is important and requires your immediate attention. If you have any queries concerning the Entitlement Issue, please contact the Company Secretary on +61 (08) 9481 4400.

This letter does not constitute an offer of securities.

Yours sincerely



Oscar Aamodt
Chairman