
ALCHEMY RESOURCES LIMITED

ACN 124 444 122

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.30am (WST)

DATE: 24 November 2016

PLACE: BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Your Annual Report is available online at:
www.alchemyresources.com.au

This Notice of Annual General 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 Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 9481 4400.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Alchemy Resources Limited to which this Notice of Meeting relates will be held at 11.30am (WST) on Thursday, 24 November 2016 at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia 6008.

YOUR VOTE IS IMPORTANT

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

HOW TO VOTE

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile; or
- lodging your proxy and voting online at www.securitytransfer.com.au by following the instructions set out on the attached Proxy Form.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Shareholders can download and fill out the “Appointment of Corporate Representative” form from the website of the Company’s share registry at www.securitytransfer.com.au.

VOTING BY PROXY

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy votes, they must cast all directed proxies as directed.
- If a proxy does not vote on a resolution which has been directed by the Shareholder, the proxy for that resolution will automatically default to the Chair, who will vote the proxy as directed.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

However, where a member of the Key Management Personnel or a Closely Related Party of such a member is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy.

- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report).
- Should any resolution, other than those specified in this Notice of Meeting, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- If a proxy has 2 or more appointments that specify different ways to vote on a resolution then the proxy must not vote on a show of hands.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
- If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the Company Secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice of Meeting, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

LODGEMENT OF PROXY FORMS

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

- (a) post to Security Transfer Australia Pty Ltd, PO Box 535, Applecross, Western Australia 6953;
- (b) delivery to Security Transfer Australia Pty Ltd, Alexandria House, Suite 1, 770 Canning Highway, Applecross, Western Australia 6153;
- (c) facsimile to Security Transfer Australia Pty Ltd on facsimile number (08) 9315 2233 (International: +61 8 9315 2233); or
- (d) by voting online at www.securitytransfer.com.au.

so that it is received not later than 11.30am (WST) on Tuesday, 22 November 2016.

Proxy Forms received after this time will be invalid.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00 pm WST on 22 November 2016.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Alchemy Resources Limited will be held at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia 6008 at 11.30am (WST) on Thursday, 24 November 2016.

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

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

AGENDA

1. ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2016 be adopted."

The Remuneration Report is contained in the Directors' Report in the Company's Annual Report for the year ended 30 June 2016.

Note: Whilst the Corporations Act requires the Remuneration Report to be put to the vote, the vote on this Resolution is advisory only and does not bind the Directors of the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

Voting Prohibition Statement: The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - OSCAR AAMODT

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

“That, Oscar Aamodt, being a Director of the Company who retires in accordance with clause 11.3 of the Company’s Constitution and, being eligible, offers himself for election, be re-elected a Director of the Company.”

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

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 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Shares and 2,500,000 Options on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

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 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Options on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

6. RESOLUTION 5 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement.”

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

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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: 13 OCTOBER 2016
BY ORDER OF THE BOARD

BERNARD CRAWFORD
COMPANY SECRETARY
ALCHEMY RESOURCES LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Alchemy Resources Limited (“Alchemy” or the “Company”).

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Company to lay its Financial Report, Directors’ Report and Auditor’s Report for the last financial year before the Annual General Meeting (“AGM”).

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

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

In addition to taking questions at the Meeting, written questions to the Company’s auditor about:

- (a) the content of the auditor’s report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company’s registered office.

The Company’s 2016 Annual Report is available on the Company’s website at www.alchemyresources.com.au.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

2.1 Introduction

In accordance with section 250R(2) of the Corporations Act the Company is required to put a resolution at its Annual General Meeting to its Shareholders that the Remuneration Report be adopted.

The Directors’ Report for the year ended 30 June 2016 contains a Remuneration Report which explains the Board’s policies in relation to the nature and level of remuneration paid to Key Management Personnel (including Directors), and sets out remuneration details, service agreements and the details of any share based compensation.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a

resolution that a further meeting is held at which all of the Company's Directors who were directors of the Company when the resolution to make the directors' report considered at the second of those annual general meetings was passed (other than the Managing Director) must go up for re-election.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. A reasonable opportunity will be provided for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

2.2 Voting on the Remuneration Report

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report (other than the Chair) or any Closely Related Party of that member as your proxy to vote on the Remuneration Report, you must direct the proxy how they are to vote. Where you do not direct a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on the Remuneration Report, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution.

The above note on voting does not apply if the voter is the Chair of the meeting and the undirected proxy expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - OSCAR AAMODT

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

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

Mr Oscar Aamodt, last elected to the Board on 26 November 2013, retires in accordance with clause 11.3 of the Constitution and being eligible, seeks re-election.

Details of Mr Oscar Aamodt's qualifications and experience are set out in the Company's 2016 Annual Report.

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

4.1 General

On 30 May 2016, the Company announced its entry into a farmin agreement (**Farmin Agreement**) with Heron Resources Ltd (**Heron**) in respect of prospective gold and base metal projects in the Lachlan region of New South Wales. As consideration for entry into that agreement the Company issued Heron 2,000,000 Shares and 2,500,000 Options, each exercisable at \$0.10 on or before 31 May 2019.

The Company issued the Shares and Options without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options.

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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

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

4.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Shares and Options:

- a) 2,000,000 Shares and 2,500,000 Options were issued;
- b) the Shares and Options were issued for nil cash consideration as they were issued as consideration for entry into the **Farmin Agreement**;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- d) the Options were issued on the terms and conditions set out in Schedule A;
- e) the Shares and Options were issued to Heron Resources Limited, who is not a related party of the Company; and
- f) no funds raised from the issue of the Shares and Options as they were issued as consideration for entry into the **Farmin Agreement**.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

5.1 General

On 29 June 2016, the Company announced the issue of 5,000,000 Options, each exercisable at \$0.10 on or before 31 May 2019, as fees to an advisor who assisted the Company in concluding the **Farmin Agreement** transaction with Heron referred to in Section 4.1.

The Company issued the Options without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1.

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

5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Options:

- a) 5,000,000 Options were issued;
- b) the Options were issued for nil cash consideration as they were issued as fees for advisory services provided;
- c) the Options were issued on the terms and conditions set out in Schedule A;
- d) the Options were issued to New Holland Capital Pty Ltd, who is not a related party of the Company; and
- e) no funds raised from the issue of the Options as they were issued as as fees for advisory services provided.

6. RESOLUTION 5 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

6.1 General

ASX Listing Rule 7.1A enables eligible entities, subject to Shareholder approval, to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity, as its market capitalisation based on a Share price of \$0.02 (being the closing price of the Shares on ASX on 8 September 2016) is less than \$300 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

6.2 Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has on issue only one class of quoted Equity Securities, namely quoted Shares.

c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 230,788,035 Shares. The actual number of Equity Securities that the Company will have capacity to issue under Listing

Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price (“VWAP”) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

6.3 Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under Listing Rule 7.1.

6.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company currently has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A		Dilution		
		\$0.01 50% decrease in Issue Price	\$0.02 Issue Price	\$0.04 100% increase in Issue Price
Current Variable A 230,788,035 Shares	10% voting dilution	23,078,803 Shares	23,078,803 Shares	23,078,803 Shares
	Funds raised	\$230,788	\$461,576	\$923,152
50% increase in current variable A 346,182,052 Shares	10% voting dilution	34,618,205 Shares	34,618,205 Shares	34,618,205 Shares
	Funds raised	\$346,182	\$692,364	\$1,384,728
100% increase in current variable A 461,576,070 Shares	10% voting dilution	46,157,607 Shares	46,157,607 Shares	46,157,607 Shares
	Funds raised	\$461,576	\$923,152	\$1,846,304

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue price is \$0.02, being the closing price of the Shares on ASX on 8 September 2016.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration work on the Lachlan Projects in New South Wales, the Karonie Project in WA and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new resources, assets, investments or for the payment of goods or services provided to the

Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard, but not limited to, the following factors:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

- (f) In the 12 months preceding the date of the AGM, the Company has issued 9,500,000 Equity Securities. This represents approximately 4.1% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of all issues of Equity Securities by the Company during the 12 months preceding the date of the AGM are as follows:

Date of issue:	1 June 2016
Number of equity securities issued:	2,000,000
Class of equity security:	Fully paid ordinary shares
Summary of the terms of the class of equity security:	The Shares rank equally in all respects with existing ordinary shares of the Company.
Names of persons to whom the equity securities were issued or the basis on which those persons were determined:	The Shares were issued to Heron Resources Limited as consideration for the Farm in and Joint Venture Agreement for the gold and base metals projects in the Lachlan region of New South Wales.
Price at which the equity securities were issued:	Nil cash consideration but deemed issue price of \$0.014 per Share at time of issue.
Discount of price to closing market price (if any):	n/a
Total cash consideration received:	n/a
Amount of cash consideration spent and its use:	n/a
Intended use of remaining cash consideration:	n/a
Non-cash consideration (if any):	Farm in and JVA over gold and base metals projects in Lachlan region.
Current value of non-cash consideration:	\$40,000 (at \$0.02 per Share, being the closing price of the Shares on ASX on 8 September 2016)

Date of issue:	1 June 2016
Number of equity securities issued:	2,500,000
Class of equity security:	Unlisted Options
Summary of the terms of the class of equity security:	Exercisable at \$0.10 on or before 31 May 2019
Names of persons to whom the equity securities were issued or the basis on which those persons were determined:	The Unlisted Options were issued to Heron Resources Limited as consideration for the Farm in and Joint Venture Agreement for the gold and base metals projects in the Lachlan region of New South Wales.
Price at which the equity securities were issued:	Nil
Discount of price to closing market price (if any):	n/a
Total cash consideration received:	n/a
Amount of cash consideration spent and its use:	n/a
Intended use of remaining cash consideration:	n/a
Non-cash consideration (if any):	Farm in and JVA over gold and base metals projects in the Lachlan region of New South Wales.
Current value of non-cash consideration:	Each Unlisted Option has been valued at \$0.01229 (total value of \$30,735) as at 8 September 2016 using the Black Scholes option valuation methodology.*

* The value of Options is measured using the Black Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying

Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.

Date of issue:	28 June 2016
Number of equity securities issued:	5,000,000
Class of equity security:	Unlisted Options
Summary of the terms of the class of equity security:	Exercisable at \$0.10 on or before 31 May 2019
Names of persons to whom the equity securities were issued or the basis on which those persons were determined:	The Unlisted Options were issued to an Advisor as consideration for their services in relation to completion of the Farm in and Joint Venture Agreement for the gold and base metals projects in the Lachlan region of New South Wales.
Price at which the equity securities were issued:	Nil
Discount of price to closing market price (if any):	Nil
Total cash consideration received:	Nil
Amount of cash consideration spent and its use:	n/a
Intended use of remaining cash consideration:	n/a
Non-cash consideration (if any):	Advisor to the Farm-in and JVA agreement with Heron Resources Limited
Current value of non-cash consideration:	Each Unlisted Option has been valued at \$0.01229 (total value of \$61,450) as at 8 September 2016 using the Black Scholes option valuation methodology.*

* The value of Options is measured using the Black Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.

- (g) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 6.1 of the Explanatory Statement.

10% Placement Period has the meaning given in Section 6.2 of the Explanatory Statement.

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

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2016.

ASIC means the Australian Securities and Investment Commission.

ASX means Australian Securities Exchange Limited.

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

Board means the current board of directors of the Company.

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

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

Equity Securities has the meaning given in the ASX Listing Rules.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the meeting convened by the Notice of Meeting.

Notice, Notice of Meeting or Notice of Annual General Meeting means this notice of Annual General Meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Resolution means a resolution as set out in the Notice of Meeting, or any of them, as the context requires.

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

Shareholder means a holder of a Share.

Trading Day or Trading Days has the meaning given in the ASX Listing Rules.

VWAP means volume weighted average price.

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

SCHEDULE A - TERMS AND CONDITIONS OF OPTIONS

1. No monies will be payable for the issue of the Options.
2. The Option is a right in favour of the option holder to subscribe for one fully paid ordinary share (**Share**) in Alchemy Resources Limited ACN 124 444 122 (**Company**). The Company shall not apply to have the options listed for Official Quotation.
3. The Options expire at 5pm on 31 May 2019 (**Expiry Date**).
4. The option holder may exercise Options at any time prior to the Expiry Date.
5. A Holding Statement (**Statement**) will be issued for the Options.
6. Shares allotted to option holders on exercise of Options shall be issued at \$0.10 each (**Exercise Price**).
7. The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
8. Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Options; and
 - (b) payment of the subscription monies in full for the exercise of each Option.
9. The notice must be accompanied by the Statement and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by the option holder.
10. The Company must allot the resultant Shares and deliver a Holding Statement for the Shares within ten business days of the exercise of the Option.
11. Subject to any restrictions on transfer agreed between the Company and the option holder, the Options shall be freely transferable.
12. Shares allotted pursuant to an exercise of Options rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
13. If the Company is on the Official List of ASX, the Company must in accordance with the ASX Listing Rules make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation.
14. In the event of any re-organisation of the issued capital of the Company (including consolidation, subdivisions, reduction or return), the rights of an option holder will be changed to the extent necessary to comply with the ASX listing rules applying to a re-organisation of capital at the time of the re-organisation (regardless of whether or not the Company is on the Official List of the ASX).

15. The Options will not give any right to participate in dividends, bonus issues or entitlement issues until Shares are allotted pursuant to the exercise of the relevant Options. The option holder will be afforded the period of ten business days prior to and inclusive of the record date (to determine entitlements to the issues to exercise the Options). There is no right to change the exercise price of Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a bonus or entitlements issue.

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ALCHEMY RESOURCES LIMITED

ACN: 124 444 122

REGISTERED OFFICE:SUITE 8
8 CLIVE STREET
WEST PERTH WA 6005

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SHARE REGISTRY:Security Transfer Australia 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:

ALY

Holder Number:

PROXY 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.

**VOTE
ONLINE**Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:30am WST on Thursday 24 November 2016 at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco Western Australia 6008 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Adoption of the Remuneration Report

2. Re-election of Director - Oscar Aamodt

3. Ratification of Prior Issue of Shares and Options

4. Ratification of Prior Issue of Options

5. Approval of Additional 10% Placement Facility

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/We have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/We expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) (except where I/We have indicated a different voting intention above) even though Resolution 1 (to adopt the Remuneration Report) is connected directly with the remuneration of a member of key management personnel for the Company, which includes the Chairman.**If no directions are given my proxy may vote as the proxy thinks fit or may abstain.** * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.**SECTION C: Signature of Security Holder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:30am WST on Tuesday 22 November 2016.

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ALYPX1241116

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders should sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 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 Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, 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 Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

