



**ACN 124 444 122**

**PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED FOR A NON-RENOUNCEABLE PRO-RATA OFFER TO ELIGIBLE SHAREHOLDERS ON THE BASIS OF ONE NEW SHARE FOR EVERY THREE SHARES HELD ON THE RECORD DATE AT AN ISSUE PRICE OF \$0.015 EACH TO RAISE UP TO APPROXIMATELY \$1,150,000.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

This Prospectus is dated 24 April 2017 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 8, 8 Clive Street, West Perth, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.4).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Acceptances of Securities under the Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. If acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

## CORPORATE DIRECTORY

### Directors

Mr Oscar Aamodt*	Non-Executive Chairman
Mr Leigh Ryan	Managing Director
Ms Liza Carpena	Non-Executive Director
Mr Lindsay Dudfield	Non-Executive Director
Mr Anthony Ho	Non-Executive Director

### Company Secretary

Mr Bernard Crawford

### Registered Office

Suite 8  
8 Clive Street  
West Perth WA 6005

Telephone: +61 (8) 9481 4400  
Fax: +61 (8) 9481 4404  
Email: [admin@alchemyresources.com.au](mailto:admin@alchemyresources.com.au)

### Share Registry

Security Transfer Australia Pty Ltd  
PO Box 52  
Collins Street West VIC 8007

### Lawyers

Bellanhouse  
Ground Floor, 11 Ventnor Avenue  
West Perth WA 6005

**ASX Code:** ALY

**Website:** [www.alchemyresources.com.au](http://www.alchemyresources.com.au)

\*Upon successful completion of the Offer, it is anticipated that Mr Lindsay Dudfield will be appointed as a Non-Executive Chairman, and that Mr Oscar Aamodt will resign as Non-Executive Chairman.

## PROPOSED TIMETABLE FOR ENTITLEMENT OFFER

Lodgement of Appendix 3B and Prospectus with ASX Notice of Entitlement Offer sent to Optionholders	26 April 2017
Notice of Entitlement Offer sent to Shareholders	27 April 2017
Shares quoted on an “EX” basis	28 April 2017
Record Date for determining Entitlements	1 May 2017
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	4 May 2017
Last day to extend the offer closing date	17 May 2017
Closing Date of Entitlement Offer (5pm WST)*	22 May 2017
Shares quoted on a deferred settlement basis	23 May 2017
Notification of shortfall	25 May 2017
Anticipated date for issue of Securities Deferred settlement trading ends	29 May 2017
Anticipated date for commencement of Shares trading on a normal settlement basis	30 May 2017

\* The Directors may extend the Closing Date by giving at least 3 Business Days’ notice to ASX prior to the Closing Date. As such, the date the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

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## LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1-for-3 Entitlement Offer at an issue price of \$0.015 per Share to raise approximately \$1,150,000 (before payment of costs).

The issue price represents a discount of approximately 19.46% per cent to the 20-day VWAP of the Shares prior to the date of this Prospectus, providing Shareholders with an opportunity to increase their holdings at an attractive price.

The Company is also proposing to undertake a placement to sophisticated investors to raise up to a further \$519,273 by issuing 34,618,205 Shares at an issue price of \$0.015 per Share (**Placement**). Participants in the Placement will not be eligible to participate in the Entitlement Offer.

### Use of Funds

Subject to the satisfactory completion of the Offer, funds raised under the Entitlement Offer will be primarily used to undertake reverse circulation (RC) and aircore drilling at the Company's Karonie Project in Western Australia, and RC/diamond drilling at its Overflow Project in New South Wales, as well as for general working capital and the costs of the Offer.

The Board recommends that you take up your Entitlement under the Offer after reading this Prospectus in its entirety including the risks outlined in Section 4.

***Eligible Shareholders can, in addition to their Entitlement, avail themselves of the opportunity to apply for Shortfall Shares (refer to Section 1.2).***

Full details of the Offer are set out in this Prospectus.

I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



Oscar Aamodt  
Non-Executive Chairman

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.2
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> <li>• <b>Exploration risks</b> - Whilst exploration by the Company and others justifies further exploration, the Company's tenements carry exploration risk.</li> <li>• <b>Future capital needs and additional funding</b> - The Company's future capital needs and additional funding may be required to complete the proposed exploration program.</li> <li>• <b>Securities investments and share market conditions</b> - As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks.</li> </ul>	Section 4
<p><b>Entitlement Offer</b></p> <p>This Prospectus is for a non-renounceable entitlement issue of one new Share for every three existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.015 per new Share to raise up to approximately \$1,150,000 (before costs).</p>	Section 1.1
<p><b>Shortfall Offer</b></p> <p>Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Shares under the Shortfall Offer subject to such applications being received by the Closing Date.</p> <p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.015 being the price at which new Shares have been offered under the Entitlement Offer.</p>	Section 1.2

Key Information	Further Information															
There is no guarantee that Eligible Shareholders will receive new Shares applied for under the Shortfall Offer.																
<p><b>Eligible Shareholders</b></p> <p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and</li> <li>• have a registered address in Australia or, subject to the offer restrictions in Section 1.16, New Zealand.</li> </ul>	Sections 1.15, 1.16 and 1.17															
<p><b>Placement</b></p> <p>The Company is intending to complete a Placement to sophisticated and professional investors to raise approximately \$519,273 by the issue of 34,618,205 Shares at \$0.015 per Share. It is intended that the issue of Shares pursuant to the Placement will occur on or about 2 May 2017. Participants in the Placement will not be eligible to participate in the Entitlement Offer.</p>	Section 1.3															
<p><b>Use of funds</b></p> <p>Funds raised under the Offer are intended to be used to undertake reverse circulation (RC) and aircore drilling at the Company's Karonie Project in Western Australia, and RC / diamond drilling at its Overflow Project in New South Wales, as well as for general working capital and the costs of the Offer.</p>	Section 1.4															
<p><b>Effect on control of the Company</b></p> <p>The Company is of the view that the Offer will not affect the Control of the Company. Shareholders should note that if they do not participate in the Offer, their holdings will be diluted.</p>	Section 1.7															
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The indicative capital structure upon completion of the Capital Raising is set out below:</p> <table border="1" data-bbox="204 1574 1134 1980"> <thead> <tr> <th></th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>230,788,035</td> <td>10,500,000<sup>1</sup></td> </tr> <tr> <td>To be issued pursuant to the Offer</td> <td>76,929,345</td> <td>Nil</td> </tr> <tr> <td>To be issued pursuant to the Placement<sup>2</sup></td> <td>34,618,205</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>342,335,585</b></td> <td><b>10,500,000<sup>1</sup></b></td> </tr> </tbody> </table>		Shares	Options	Balance at the date of this Prospectus	230,788,035	10,500,000 <sup>1</sup>	To be issued pursuant to the Offer	76,929,345	Nil	To be issued pursuant to the Placement <sup>2</sup>	34,618,205	Nil	<b>Total</b>	<b>342,335,585</b>	<b>10,500,000<sup>1</sup></b>	Sections 3.1 and 3.2
	Shares	Options														
Balance at the date of this Prospectus	230,788,035	10,500,000 <sup>1</sup>														
To be issued pursuant to the Offer	76,929,345	Nil														
To be issued pursuant to the Placement <sup>2</sup>	34,618,205	Nil														
<b>Total</b>	<b>342,335,585</b>	<b>10,500,000<sup>1</sup></b>														



Key Information	Further Information																		
<p><b>Note:</b></p> <ol style="list-style-type: none"> <li>Comprising: <ul style="list-style-type: none"> <li>1,500,000 Options exercisable at \$0.10 each on or before 31 October 2017;</li> <li>1,500,000 Options exercisable at \$0.20 each on or before 31 October 2017; and</li> <li>7,500,000 Options exercisable at \$0.10 each on or before 31 May 2019.</li> </ul> </li> <li>This assumes the Placement is fully subscribed.</li> </ol> <p>The indicative pro-forma balance sheet showing the effect of the Capital Raising is in Section 3.2.</p>																			
<p><b>Directors' interests in Shares and Entitlements</b></p> <p>The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:</p> <table border="1" data-bbox="204 846 1139 1249"> <thead> <tr> <th>Name</th> <th>Existing Shares</th> <th>Entitlement</th> </tr> </thead> <tbody> <tr> <td>Mr Oscar Aamodt</td> <td>4,420,201</td> <td>1,473,400</td> </tr> <tr> <td>Mr Leigh Ryan</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Ms Liza Carpene</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Mr Lindsay Dudfield*</td> <td>13,715,947</td> <td>4,571,982</td> </tr> <tr> <td>Mr Anthony Ho</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>It is the intention of the Mr Aamodt to take up his Entitlement specified above under the Entitlement Offer.</p> <p>*Mr Dudfield has a relevant interest in 17,469,759 Shares in addition to those Shares specified above. It is the intention of Mr Dudfield to take up all of his Entitlement, excluding his interests held indirectly through Jindalee Resources Limited. Mr Dudfield has an interest in 17,469,759 Shares held by Jindalee Resources Limited (of which Mr Dudfield is the managing director). Investment decisions made in relation to those 17,469,759 Shares are made by the board of Jindalee Resources Limited without Mr Dudfield. Mr Dudfield makes no representation to whether the Entitlement attaching those 17,469,759 Shares (that is 5,823,253 Shares) will be taken up.</p>	Name	Existing Shares	Entitlement	Mr Oscar Aamodt	4,420,201	1,473,400	Mr Leigh Ryan	Nil	Nil	Ms Liza Carpene	Nil	Nil	Mr Lindsay Dudfield*	13,715,947	4,571,982	Mr Anthony Ho	Nil	Nil	Section 5.7(b)
Name	Existing Shares	Entitlement																	
Mr Oscar Aamodt	4,420,201	1,473,400																	
Mr Leigh Ryan	Nil	Nil																	
Ms Liza Carpene	Nil	Nil																	
Mr Lindsay Dudfield*	13,715,947	4,571,982																	
Mr Anthony Ho	Nil	Nil																	
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are</p>	Key Information and Section 4																		

Key Information	Further Information
<p>considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

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## **1. Details of the Offer**

### **1.1 Entitlement Offer**

The Company is making a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of \$0.015 each to Eligible Shareholders on the basis of one Share for every three Shares held at 5:00pm (WST) on the Record Date (**Entitlement Offer**).

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no existing Options are exercised prior to the Record Date, the Entitlement Offer is for a maximum of 76,929,345 Shares, to raise up to approximately \$1,153,940 (before costs).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

Further details on the rights and liabilities attaching to the Shares under the Offer are contained in Section 5.1.

### **1.2 Shortfall Offer**

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares.

The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Shares will be \$0.015 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares using BPAY® (refer to Section 2.3).

Shortfall Shares will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

No Shares will be issued under the Shortfall Offer if their issue would contravene the takeover prohibition in section 606 of the Corporations Act. In addition, no Shares will be issued under the Shortfall Offer to any related parties of the Company.

The Shortfall Shares are to be issued at the discretion of the Company and as such there is no guarantee that any Shortfall Shares will be issued to Eligible Shareholders or other third parties. Excess Application Monies for the Shortfall Offer will be refunded without interest.

The Company's allocation policy under the Shortfall Offer will be such that if the Company receives applications for Shortfall Shares which in aggregate exceeds

the total number of Shortfall Shares on offer, then the applications for Shortfall Shares will be scaled back:

- (a) on a pro rata basis, according to the proportional number of Shares held by each applicant under the Shortfall Offer on the Record Date;
- (b) such that the maximum number of Shares to be issued under the Shortfall Shares will not exceed the total number of Shortfall Shares; and
- (c) so that no applicant will be issued with more Shortfall Shares than they have applied.

It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Shares, the Applicant will be bound to accept such lesser number allocated to them. Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

The Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall Shares at their discretion and to conduct a placement of the remaining Shortfall Shares so as to ensure a maximum amount of funds are raised. Any Shortfall Shares will be issued within three months after the Closing Date.

### 1.3 Placement

The Company is intending to complete a Placement to sophisticated and professional investors to raise approximately \$519,273 (before costs) by the issue of 34,618,205 Shares at \$0.015 per Share. It is intended that the issue of Shares pursuant to the Placement will occur on or about 2 May 2017. Participants in the Placement will not be eligible to participate in the Entitlement Offer.

### 1.4 Use of funds

Completion of the Capital Raising will result in an increase in cash at hand of approximately \$1,673,213 (before payment of costs), assuming the Placement is fully subscribed.

The following indicative table sets out the proposed use of funds raised under the Capital Raising:

Proposed use	\$
Western Australia - Exploration on the Karonie Project with a particular emphasis on finding shallow, high-grade gold mineralisation. Exploration work will include drill testing priority gold targets via: Follow-up RC drilling:	215,000
Targeted aircore drilling:	485,000
New South Wales - Diamond drilling at the Overflow Prospect with a focus on a strong airborne EM conductivity anomaly identified down plunge of the known high-grade gold-silver mineralisation.	250,000

Proposed use	\$
RC drilling Au-Cu-Pb-Zn in soil anomalies associated with Fe-rich gossan	65,000
General working capital <sup>1</sup>	607,077
Costs of the Placement	26,156
Costs of the Offer	24,980
<b>TOTAL</b>	<b>1,673,213</b>

**Notes:**

1. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
2. If the Placement is not fully subscribed, it is intended that the proposed expenditure for each category listed above will be reduced on a pro rata basis.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

## 1.5 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the date it dispatches the Prospectus and Entitlement and Acceptance Forms until 5:00pm (WST) on Monday, 22 May 2017 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

## 1.6 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

## 1.7 Effect on control of the Company

The total number of Shares proposed to be issued under the Offer is 76,929,345 which will constitute 25% of the Shares on issue following completion of the Offer (assuming no other Shares are issued or Securities exercised or converted to Shares prior to the Record Date).

The Company is of the view that the Offer will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Entitlement and Acceptance Form.

The Company's largest Shareholder is Northern Star Resources Limited (ASX: NST), which currently has a voting power in the Company of 14.44%. NST has indicated its intention to subscribe for a maximum of 16,666,667 Shares (equivalent to \$250,000) under the Capital Raising. In the unlikely event that NST is the only participant in the Entitlement Offer and it subscribes for its full Entitlement (11,111,111 Shares, that is, \$166,667), its voting power would increase to 18.37%. The Company will not issue Shares to NST under the Placement or the Shortfall if it may result in NST acquiring a voting power in excess of the 20% threshold in section 606 of the Corporations Act.

## 1.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Northern Star Resources Limited <sup>1</sup>	33,333,334	14.44%
Mr Lindsay Dudfield <sup>2</sup>	31,185,706	13.51%

**Note:**

1. NST has indicated its intention to subscribe for a maximum of 16,666,667 Shares under the Capital Raising. See to Section 1.7 for further detail.
2. See Section 5.7(b) for details for Mr Dudfield's security holdings.

## 1.9 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	45,000,000	19.50%	15,000,000	45,000,000	14.62%
Shareholder 2	22,500,000	9.75%	7,500,000	22,500,000	7.31%
Shareholder 3	11,250,000	4.87%	3,750,000	11,250,000	3.66%
Shareholder 4	5,500,000	2.38%	1,833,333	5,500,000	1.79%
Shareholder 5	2,000,000	0.87%	666,667	2,000,000	0.65%

**Notes:**

1. The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. Shareholders will be further diluted by the issue of the Placement Shares. Assuming all Placement Shares are issued, Shareholders will be diluted by a further 10.1%.

### **1.10 No rights trading**

The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Shares under the Entitlement Offer by the Closing Date, the Entitlement Offer to you will lapse.

### **1.11 Issue Date and dispatch**

All Securities under the Entitlement Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

### **1.12 Application Monies held on trust**

All Application Monies received for the Shares under the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

### **1.13 ASX quotation**

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official

quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

#### **1.14 CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Security Transfer Australia Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

#### **1.15 Ineligible Foreign Shareholders**

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Securities that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.



Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

#### **1.16 New Zealand offer restrictions**

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **1.17 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

#### **1.18 Risk factors**

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

#### **1.19 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

#### **1.20 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2016, can be found in the Company's Annual Report announced on ASX on 23 September 2016 and, for the half-year ended 31 December 2016, the Half Year Accounts announced on ASX on 7 March 2017. The Company's continuous disclosure notices (i.e. ASX announcements) since 23 September 2016 are listed in Section 5.4. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

## **1.21 Privacy**

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

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance 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 bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **1.22 Enquiries concerning Prospectus**

For enquiries concerning the Entitlement and Acceptance Form and the Prospectus, please contact Alchemy Resources Limited on +61 8 9481 4400.

For general shareholder enquiries, please contact Security Transfer Australia Pty Ltd on 1300 992 916 (within Australia) or +61 3 9268 220 (outside Australia).

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## **2. Action required by Shareholders**

### **2.1 Acceptance of Entitlement in full**

Should you wish to accept all of your Entitlement to Shares under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Alchemy Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

Security Transfer Australia Pty Ltd  
PO Box 52  
Collins Street West VICTORIA 8007

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **2.2 If you wish to take up only part of your Entitlement**

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under the Entitlement Offer must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.015 per Share accepted), and attach a cheque, bank draft or money order for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Alchemy Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **2.3 If you wish to apply for Shortfall Shares**

If you wish to apply for Shares in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Shares you may do so by completing the relevant separate section of the Entitlement and Acceptance Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued at the complete discretion of the Directors.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Alchemy Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **2.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

### **2.5 Entitlement and Acceptance Form**

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, or making a payment via BPAY, 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 Entitlement and Acceptance 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 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 Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the offer restrictions in Section 1.16, New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## **2.6 Enquiries concerning your Entitlement**

For all enquiries concerning the Prospectus, please contact Alchemy Resources Limited on +61 8 9481 4400.

For all general shareholder enquiries, please contact Security Transfer Australia Pty Ltd on 1300 992 916 (within Australia) or +61 3 9628 2200 (outside Australia).

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer

	Number of Shares	Number of Options
Balance at the date of this Prospectus	230,788,035	10,500,000 <sup>1</sup>
Maximum number of Shares to be issued under the Offer <sup>2</sup>	76,929,345	Nil
To be issued pursuant to the Placement <sup>3</sup>	34,618,205	Nil
<b>TOTAL</b>	<b>342,335,585</b>	<b>10,500,000<sup>1</sup></b>

**Note:**

1. This assumes that all Shares offered under the Offer will be issued. The actual number of Shares to be issued will vary based on the Shares subscribed for and issued pursuant to the Offer. This number is also subject to rounding.
2. Comprising:
  - 1,500,000 Options exercisable at \$0.10 each on or before 31 October 2017;
  - 1,500,000 Options exercisable at \$0.20 each on or before 31 October 2017; and
  - 7,500,000 Options exercisable at \$0.10 each on or before 31 May 2019.
3. This assumes the Placement is fully subscribed

#### 3.2 Pro forma consolidated statement of financial position

	Audited 31-Dec-16 \$	Pro Forma Adjustments \$	Pro Forma 31-Dec-16 \$
<b>Current Assets</b>			
Cash and cash equivalents	856,979	1,622,077	2,479,056
Trade and other receivables	11,751	-	11,751
Other current assets	6,738	-	6,738
<b>Total Current assets</b>	<b>875,468</b>	<b>1,622,077</b>	<b>2,497,545</b>
<b>Non-Current Assets</b>			
Exploration and evaluation	12,634,414	-	12,634,414
Property, plant and equipment	5,967	-	5,967
<b>Total Non-Current Assets</b>	<b>12,640,381</b>	<b>-</b>	<b>12,640,381</b>
<b>TOTAL ASSETS</b>	<b>13,515,849</b>	<b>1,622,077</b>	<b>15,137,926</b>
<b>Current Liabilities</b>			
Trade and other payables	84,663	-	84,663
Provisions	4,751	-	4,751

	Audited 31-Dec-16 \$	Pro Forma Adjustments \$	Pro Forma 31-Dec-16 \$
Total Current Liabilities	89,414	-	89,414
<b>TOTAL LIABILITIES</b>	<b>89,414</b>	<b>-</b>	<b>89,414</b>
<b>NET ASSETS</b>	<b>13,426,435</b>	<b>1,622,077</b>	<b>15,048,512</b>
<b>EQUITY</b>			
Contributed equity	29,313,022	1,622,077	30,935,099
Reserves	503,907	-	503,907
Accumulated losses	(16,390,494)	-	(16,390,494)
<b>TOTAL EQUITY</b>	<b>13,426,435</b>	<b>1,622,077</b>	<b>15,048,512</b>

### Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005).

The pro forma balance sheets have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the audited financial position as at 31 December 2016 and is adjusted to reflect the following assumptions:

- (a) all Placement Shares will be issued and \$519,273 is raised by the issue of 34,618,205 Shares at \$0.015 per Share;
- (b) the Offer is fully subscribed and \$1,153,940 is raised by the issue of 76,929,345 Shares at \$0.015 per Share;
- (c) the costs of the Offer are approximately \$24,980; and
- (d) the costs of the Placement are approximately \$26,156.

Other than in the ordinary course of business or as described above, there have been no other material transactions between 31 December 2016 and the date of this Prospectus.

### 3.3 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest:	\$0.025 on 13 February 2017
Lowest:	\$0.017 on 20 April 2017

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.017 per Share on 20 April 2017.



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## 4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### 4.1 Risks specific to the Company

#### (a) Exploration

Whilst exploration by the Company and others justifies further exploration, the Company's tenements carry exploration risk.

Exploration is a high risk undertaking. The Company does not give any assurance that exploration of its current 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) 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.

#### (c) Joint venture

The Company is currently, and may in the future become a party to joint venture agreements governing the exploration and development of its

projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

**(d) Title risk**

The Company's granted tenements permit the Company to undertake exploration. Each tenement carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a tenement if the conditions are not met or if there are insufficient funds available to meet expenditure commitments.

The Company also has tenement applications. There is no guarantee that these tenements will be granted and as such they should not be considered as current assets or projects of the Company. Various conditions may also be imposed as a condition of grant of any of these tenements.

**(e) Exploitation, exploration and mining licences**

The tenements that have been granted only permit the Company to undertake exploration on the tenements. In the event that the Company successfully delineates economic deposits on any of the tenements, it will need to apply for a mining lease to undertake development and mining on the tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Company's exploration tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

**(f) Commodity prices**

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.

**(g) 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.

**(h) Key personnel**

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

**(i) Native Title and Aboriginal heritage**

The Cobar Basin / Lachlan Gold Project is located within an area that is the subject of a native title determination claim and the southern part of the Karonie Gold Project is located within the Ngadju People non-exclusive native title claim area (WCD2014/004). *The Native Title Act 1993* (Cth) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain exploration areas or to obtain mining production titles. Settling any such claims will incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, the Company is not able to quantify the impact, if any, of such matters on its operations.

## **4.2 General Risks**

**(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.

#### **4.3 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## 5. Additional information

### 5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek 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) Liquidation rights

The Company has one class of shares on issue, ordinary shares, which rank equally in liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

There must be a minimum of 3 but not more than 10 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) 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.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

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

(l) 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.

(m) 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.

## **5.2 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below). Copies of all documents announced to the ASX can be found at <http://www.alchemyresources.com.au/index.php/investor-centre-menu>.

## **5.3 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## **5.4 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2016, being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the financial statements of the Company for the half year ended 31 December 2016;
- (c) the annual report of the Company for the financial year ended 30 June 2016, being the last annual report of the Company lodged with ASIC after lodgement of the financial statements referred to in paragraph 5.4(a) above and before the issue of this Prospectus; and

- (d) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph 5.4(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
21/04/2017	Trading Halt
06/04/2017	Karonie Project Exploration Update
31/03/2017	HRR: Alchemy Resources announcement at Overflow
29/03/2017	Strong Gold and Silver Intercepts from Drillhole at Overflow
07/03/2017	Half Yearly Report and Accounts
23/02/2017	Successful Completion of Diamond Drill Hole at Overflow
15/02/2017	Investor Presentation
09/02/2017	Alchemy Commences Drilling at Overflow
31/01/2017	Quarterly Activities Report
31/01/2017	Quarterly Cashflow Report
10/01/2017	Appendix 3X - Leigh Ryan
09/01/2017	Appointment of Managing Director
24/11/2016	Results of 2016 Annual General Meeting
24/11/2016	2016 AGM Presentation
21/11/2016	Appendix 3Y - Lindsay Dudfield
16/11/2016	Appendix 3Y - Lindsay Dudfield
11/11/2016	Appendix 3Y - Lindsay Dudfield
28/10/2016	Quarterly Activities Report
28/10/2016	Quarterly Cashflow Report
13/10/2016	Notice of Annual General Meeting/Proxy Form
28/09/2016	Resignation of CEO



Date lodged	Subject of Announcement
23/09/2016	Appendix 3Y - Lindsay Dudfield
23/09/2016	Appendix 4G
23/09/2016	Corporate Governance Statement

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

## 5.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## 5.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## 5.7 Interests of Directors

### (a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with:
  - (A) its formation or promotion; or
  - (B) the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (iv) as an inducement to become, or to qualify as, a Director; or

- (v) for services provided in connection with:
- (A) the formation or promotion of the Company; or
- (B) the Offer.

(b) **Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares	Options
Mr Oscar Aamodt	4,420,201 <sup>1</sup>	Nil
Mr Leigh Ryan	Nil	Nil
Ms Liza Carpene	Nil	Nil
Mr Lindsay Dudfield	31,185,706 <sup>2</sup>	Nil
Mr Anthony Ho	Nil	Nil

**Notes:**

- Mr Oscar Aamodt's interests are held indirectly through Cardinal Management Services Pty Ltd (which Mr Aamodt is a director and shareholder).
- Mr Lindsay Dudfield's interests are held as follows:
  - 24,000 Shares are directly held by Mr Dudfield;
  - 17,469,759 Shares are held indirectly through Jindalee Resources Limited (which Mr Dudfield is the managing director);
  - 424,001 Shares are held indirectly through Mrs Yvonne Dudfield (being Mr Dudfield's spouse);
  - 808,225 Shares are held indirectly through Jopan Management Pty Ltd (which Mr Dudfield's spouse is the sole director and beneficiary);
  - 12,459,721 Shares are held indirectly through the LG Dudfield Pension Fund.

It is the intention of Mr Aamodt to take up all of his Entitlement under the Entitlement Offer. It is the intention of Mr Dudfield to take up all of his Entitlement, excluding his interests held indirectly through Jindalee Resources Limited. Mr Dudfield has an interest in 17,469,759 Shares held by Jindalee Resources Limited (of which Mr Dudfield is the managing director). Investment decisions made in relation to those 17,469,759 Shares are made by the board of Jindalee Resources Limited without Mr Dudfield. Mr Dudfield makes no representation to whether the Entitlement attaching those 17,469,759 Shares (that is 5,823,253 Shares) will be taken up.

(c) **Remuneration**

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal Shares. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested

increase shall have been given to Shareholders in the notice convening the meeting. No Non-Executive Director shall be paid as part or whole of his or her remuneration a commission on or a percentage of profits or a commission on or a percentage of operating revenue, and no Executive Director shall be paid as whole or part of his or her remuneration a commission on or percentage of operating revenue. The aggregate amount of compensation for non-executive directors is \$250,000 approved by Shareholders at the Company's annual general meeting held on 22 July 2008. There has been no change to these levels since 2008.

The remuneration of executive directors is to be fixed by the Board. The Company currently has one Executive Director, Mr Leigh Ryan. Mr Ryan's base salary is comprised of a base salary of \$150,000 per year (exclusive of superannuation, and a bonus of up to \$50,000 upon satisfactory completion of 12 month services to the Company.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the year to 30 June 2015:

Director	Directors' fees, and salary (\$)	Superannuation (\$)	Share based payments (\$)	Total (\$)
Mr Oscar Aamodt	25,000	-	-	25,000
Ms Sofia Bianchi <sup>1</sup>	-	-	-	-
Ms Liza Carpene	-	-	-	-
Mr Lindsay Dudfield	-	-	-	-
Mr Anthony Ho	19,998	-	-	19,998

Directors received the following remuneration for the year ended 30 June 2016:

Director	Directors' fees, and salary (\$)	Superannuation (\$)	Share based payments (\$)	Total (\$)
Mr Oscar Aamodt	25,000	-	-	25,000
Ms Sofia Bianchi <sup>1</sup>	-	-	-	-
Ms Liza Carpene	-	-	-	-
Mr Lindsay Dudfield	-	-	-	-

Mr Anthony Ho	19,998	-	-	19,998
Mr Leigh Ryan <sup>2</sup>	-	-	-	-

**Note to 2016 remuneration:**

1. Ms Bianchi resigned on 24 February 2016.
2. Mr Ryan was appointed as Managing Director on 9 January 2017.

## 5.8 Related party transactions

There are no related party transactions involved in the Entitlement Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

## 5.9 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

## 5.10 Expenses of Offer

The estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,350
ASX quotation fee	5,630
Legal and preparation expenses	10,000
Printing, mailing and other expenses	7,000
<b>Total</b>	<u>24,980</u>

## 5.11 Consents

- (a) Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors,

any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

- (b) Each of the parties referred to in this Section:
  - (i) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
  - (ii) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
- (c) Bellanhouse has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Bellanhouse Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.
- (d) Security Transfer Australia Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfer Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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## 6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Leigh Ryan  
**Managing Director**

Dated: 24 April 2017

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## 7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Acceptance** means a valid acceptance of Shares made pursuant to this Prospectus on a Form.

**Applicant** means a person who submits an Entitlement and Acceptance Form.

**Application** means a valid application for Shares made on an Entitlement and Acceptance Form.

**Application Monies** means application monies for Shares received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**Capital Raising** means the Offer and the Placement.

**CHES** means ASX Clearing House Electronic Subregistry System.

**Closing Date** has the meaning given to it in Section 1.5.

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

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**Entitlement and Acceptance Form** means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Shareholders to subscribe for Shares pursuant to the Entitlement Offer.

**Entitlement** means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one new Share for every existing three Shares held on the Record Date.

**Entitlement Offer** means the offer under this Prospectus of up to approximately 76,929,345 new Shares to Eligible Shareholders in the proportion of one new Share for every three Shares held on the Record Date.

**Ineligible Foreign Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

**Listing Rules** means the listing rules of ASX.

**Offer** means an offer under this Prospectus to subscribe for Shares.

**Option** means the right to acquire one Share in the capital of the Company.

**Placement** means the placement to sophisticated and professional investors to raise approximately \$519,273 by the issue of the Placement Shares.

**Placement Shares** means 34,618,205 new Shares to be issued at \$0.015 each Share pursuant to the Placement.

**Prospectus** means this prospectus dated 24 April 2017.

**Record Date** means 5:00pm (WST) on the date identified in the proposed timetable.

**Section** means a section of this Prospectus.

**Securities** mean any securities including Shares or Options issued or granted by the Company.

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

**Shareholder** means a holder of Shares.

**Shortfall** means Shares not subscribed for under the Entitlement Offer.

**Shortfall Offer** means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Shares.

**Shortfall Shares** means Entitlements not subscribed for under the Entitlement Offer.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time.