

27 April 2017

Dear Shareholder,

## **NON-RENOUNCEABLE ENTITLEMENT ISSUE AND PLACEMENT**

Alchemy Resources Limited (ASX: **ALY**) (**Company**) announced to the ASX on 26 April 2017 a 1 for 3 pro-rata non-renounceable Entitlement Offer (**Entitlement Offer** or **Offer**) of up to 76,929,345 new fully paid shares (**New Shares**) at an issue price of \$0.015 per New Share to raise up to \$1,153,940 (before costs).

The Offer is being made to all shareholders of the Company (**Shareholders**) named on the register at 5.00pm (WST) on 1 May 2017 (**Record Date**), whose registered address is in Australia or New Zealand (**Eligible Shareholders**). For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares. The Offer is not being extended to any Shareholders with addresses outside these jurisdictions.

The Company also announced to the ASX on 26 April 2017 that it had received commitments for a placement to sophisticated investors to raise \$519,273 by the issue of 34,618,205 shares at an issue price of \$0.015 per share (**Placement**). The Placement Shares will be issued after the Record Date for the Entitlement Offer and Participants in the Placement will not be eligible to participate in the Offer.

The funds raised from the Offer and Placement will be primarily used 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.

On 24 April 2017 the Company lodged a prospectus for the Offer with the ASIC and the ASX (**Prospectus**). The Prospectus for the Entitlement Offer is available on the ASX website [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.alchemyresources.com.au](http://www.alchemyresources.com.au). A copy of the Prospectus is intended to be mailed to Eligible Shareholders together with a personalised Entitlement and Acceptance Application Form (**Application Form**) on 4 May 2017.

### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

You are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in

jurisdictions outside Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

In addition, the Directors, subject to the allocation policy set out in the Prospectus, reserve the right to issue any New Shares to Eligible Shareholders not applied for under the Entitlement Offer (**Shortfall Offer**). Eligible Shareholders may apply for Shortfall Shares by completing the Application Form accompanying the Prospectus. Shareholders with a registered address outside Australia or New Zealand will not be offered any New Shares under the Offer.

### The important dates of the Entitlement Offer

The New Shares will be offered in accordance with the following indicative timetable:

Announcement of Entitlement Offer and Lodgement of Prospectus with ASX	26 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. Offer opens for receipt of Applications.	4 May 2017
Closing Date of Entitlement Offer (5pm WST)*	22 May 2017
Shares quoted on a deferred settlement basis	23 May 2017
Anticipated date for issue of Securities. Deferred settlement trading ends.	29 May 2017
Trading of New Shares expected to commence	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, subject to the Corporations Act. As such the date the New Shares are expected to commence trading on ASX may vary.

### Effect on Capital Structure

The table below sets out the impact of the Entitlement Offer on the capital structure of the Company:

Detail	Number of Shares	Number of options
Balance at date of announcement of the Entitlement Offer	230,788,035	10,500,000 <sup>1</sup>
Maximum Number of New Shares offered under the Entitlement Offer*	76,929,345	Nil
Shares to be issued under the Placement	34,618,205	Nil
Total at completion of the Entitlement Offer	342,335,585	10,500,000

\*Assuming no options are exercised prior to the Record Date.

There are a number of actions Eligible Shareholders may take:

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

Eligible Shareholders will need to ensure their application moneys for their entitlements and any Shortfall Shares are received by Securities Transfer Australia Pty Ltd by no later than 5.00pm (WST) on 22 May 2017.

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

The Directors of the Company urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter. If you have any queries concerning the Entitlement Issue, please contact the Company Secretary on +61 (08) 9481 4400.

This letter does not constitute an offer of securities.

Yours sincerely



**Oscar Aamodt**  
**Non-Executive Chairman**