

8 August 2019

Dear Shareholder,

Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer

Alchemy Resources Limited (ASX: **ALY**) (**Company**) announced to the ASX on 7 August 2019 a 1 for 4 pro-rata non-renounceable Entitlement Offer (**Entitlement Offer**) of up to 110,104,870 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.012 per New Share to raise up to \$1,321,258 (before costs).

The Entitlement Offer is being made to all shareholders of the Company (**Shareholders**) named on the register at 5.00pm (WST) on 12 August 2019 (**Record Date**), whose registered address is in Australia or New Zealand (**Eligible Shareholders**). For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares. In addition, the Directors, subject to the allocation policy set out in the Prospectus, reserve the right to issue any New Shares not applied for under the Entitlement Offer.

The funds raised will be primarily used to fund exploration drilling at the Karonie Gold Project (WA), to fund further drilling at the Overflow Gold-Base Metal Project (NSW), to undertake additional metallurgical test work on mineralised samples from the West Lynn nickel-cobalt resource and the Summervale alumina resource, as well as for general working capital and the costs of the Entitlement Offer.

On 7 August 2019 the Company lodged a prospectus for the Entitlement Offer with the ASIC and the ASX (**Prospectus**). The Prospectus is available on the ASX website <http://www.asx.com.au> and the Company's website at 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 15 August 2019.

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.

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	7 August 2019
Shares quoted on an “EX” basis	9 August 2019
Record Date for determining Entitlements	12 August 2019
Prospectus and Application Form dispatched to Eligible Shareholders. Offer opens for receipt of Applications.	15 August 2019
Closing Date of Entitlement Offer (5pm WST)*	2 September 2019
Shares quoted on a deferred settlement basis	3 September 2019
Notification of Shortfall	5 September 2019
Anticipated date for issue of Securities. Deferred settlement trading ends.	9 September 2019
Trading of New Shares expected to commence	10 September 2019

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	440,419,481	22,000,000
Maximum Number of New Shares offered under the Entitlement Offer*	110,104,870	Nil
Total at completion of the Entitlement Offer	550,524,351	22,000,000

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

If you have any queries, please contact the Company Secretary on +61 (08) 9481 4400.

Yours sincerely



Lindsay Dudfield

Non-Executive Chairman