

Funding Update

Alto Metals Ltd (ASX: AME) (“Alto”, “the Company”) wishes to advise that it has entered into a convertible loan financing facility agreement (“Loan Agreement”) with its acting Chairman and number one shareholder, Mr Terry Wheeler, through his private vehicle Windsong Valley Pty Ltd (“Windsong Valley”).

Windsong Valley has agreed to provide \$300,000 (in three \$100,000 tranches) (“Convertible Loan”). The Company is not required to provide any security for the Convertible Loan. The Convertible Loan will accrue interest at a rate of 8% per annum and is repayable on or before 31 December 2019 (“Maturity Date”).

The first tranche is expected to be received immediately and the two remaining tranches are to be advanced on or before 31 January 2019 and 28 February 2019 respectively. Any interest accrued on the Convertible Loan will be repaid in cash.

On or at any time prior to Maturity Date, the Company may elect to:

- (a) repay the outstanding principal and any accrued interest in cash; or
- (b) subject to shareholders approving the conversion under the ASX Listing Rules, issue up to 6,382,979 fully paid ordinary shares (“Shares”) in the Company, ranking equally with the then existing Shares at an issue price of \$0.047 per Share in satisfaction of the Convertible Loan.

The Loan Agreement contains other provisions customary to agreements of this nature and standard representations and warranties.