

15 April 2019

The Manager
Market Announcements Office
ASX Limited

Our Ref: 190067
Solicitor: Simon Jenkins

Dear Sir or Madam

**Off-market takeover bid by Middle Island Resources Ltd for Alto Metals Limited
- First Supplementary Bidder's Statement**

We refer to the bidder's statement dated 10 April 2019 in respect of an off-market takeover bid by Middle Island Resources Limited (ACN 142 361 608) ("**MDI**"), for all of the ordinary shares in Alto Metals Limited (ACN 159 819 173) ("**AME**"), ("**Original Bidder's Statement**").

In accordance with section 647(3)(b) of the Corporations Act 2001 (Cth) ("**Corporations Act**"), we **enclose** a first supplementary bidder's statement dated 15 April 2019 ("**First Supplementary Bidder's Statement**")

The First Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission and has been served on AME in accordance with section 647 of the Corporations Act.

Yours faithfully



PRICE SIERAKOWSKI



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd
(ACN 142 361 608)

First Supplementary Bidder's Statement

1. INTRODUCTION

This document is a supplementary bidder's statement for the purposes of section 643 of the Corporations Act and is issued by Middle Island Resources Limited (ACN 142 361 608) ("**MDI**") and is dated 15 April 2019 ("**First Supplementary Bidder's Statement**").

This First Supplementary Bidder's Statement supplements, and must be read together with, MDI's Bidder's Statement, dated 10 April 2019, in relation to an off-market offer by MDI to acquire all of the ordinary shares in Alto Metals Limited (ACN 159 819 173) ("**AME**") ("**Original Bidder's Statement**").

Capitalised terms used in this First Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement, unless the context otherwise requires.

This First Supplementary Bidder's Statement prevails over the Original Bidder's Statement to the extent of any inconsistency.

This First Supplementary Bidder's Statement does not take into account the investment objectives, tax or financial situation and particular needs of any person. Before making any investment decision you should consider whether or not it is appropriate in the light of those factors. Accordingly, you may wish to seek independent financial and taxation advice, or legal advice before deciding whether or not to accept the Offer.

If you have recently sold all of your AME Shares, please disregard this document.

A copy of this First Supplementary Bidder's Statement will be dispatched with a copy of the Original Bidder's Statement to all holders of AME Shares on issue at the Record Date, being 5:00pm (Perth time) on 16 April 2019, in accordance with sections 646, 647(3)(c) and item 6 of section 633(1) of the Corporations Act.

2. AMENDMENTS TO THE ORIGINAL BIDDER'S STATEMENT

The Original Bidder's Statement included reference to Dr Jingbin Wang being a current director of Enterprise Metals Limited. This is an oversight, as Dr Wang is a former director of Enterprise Metals Limited, having retired in October 2016. The Original Bidder's Statement is amended by deleting the five (5) paragraphs after the heading 'Final Observation' within the Letter from MDI's Directors on page v of the Original Bidder's Statement and replacing it with the following:

"On 19 March 2019, AME made a release to the ASX headed "Major shareholders representing 32.12% do not intend to accept the Middle Island Offer" of 5 MDI Shares for every one AME Share.

The MDI Directors note that those major AME Shareholders referred to in the ASX release are associated with, or connected to, current or former AME Board members, namely:

- Windsong Valley Pty Ltd and Marymount Pty Ltd - associated with Terry Wheeler, current Chair of AME;
- Enterprise Metals Limited - Jingbin Wang, current director of AME, is a former director of Enterprise Metals Limited, and Dermott Ryan, former Managing Director of AME, is a current director of Enterprise Metals Limited, and
- Sinotech (Hong Kong) Corporation Limited - Jingbin Wang, current director of AME, is Chair of Sinotech Mineral Exploration Corporation Limited (which wholly-owns Sinotech (Hong Kong) Corporation Limited).

That AME ASX release was made without the benefit of reviewing MDI's Bidder's Statement, thereby effectively pre-empting an AME Board recommendation and potentially undermining the opportunity for all other AME Shareholders.

As a consequence, on 10 April 2019, the MDI Directors amended the initial proposal for the Offer, by reducing the minimum acceptance Offer Condition from 90% to 50.1%, in order to ensure that AME Shareholders are afforded a reasonable opportunity to assess the Offer presented by MDI on its merits.

I encourage you to accept the Offer as soon as possible and look forward to welcoming you as an MDI Shareholder.”

3. FURTHER INFORMATION

For further information, please contact MDI's Company Secretary on +61 8 9389 2111 between 9.00am and 5.00pm (WST) Monday to Friday.


4. APPROVAL STATEMENT OF FIRST SUPPLEMENTARY BIDDER'S STATEMENT

The First Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the MDI Directors.

DATED 15 April 2019

A copy of this First Supplementary Bidder's Statement was lodged with ASIC on 15 April 2019. ASIC takes no responsibility for the contents of this First Supplementary Bidder's Statement.

SIGNED for and on behalf of Middle Island Resources Limited by Rick Yeates being a director of Middle Island Resources Limited who is authorised to sign by a resolution passed by the directors of Middle Island Resources Limited.



Rick Yeates