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3 June 2020

The Manager
Market Announcements Office
ASX Limited
Central Park
Level 152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Takeover bid by Goldsea for Alto — third supplementary bidder's statement

We act for Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**).

We attach, by way of service pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of Goldsea's third supplementary bidder's statement in relation to Goldsea's off-market takeover bid for: (i) all of the issued and to be issued ordinary shares in Alto Metals Limited (ACN 159 819 173) (**Alto**); and (ii) all the unlisted Alto options pursuant to a separate options offer.

The third supplementary bidder's statement has been lodged today with the Australian Securities and Investments Commission and served on Alto.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Justin Mannolini', with a long horizontal flourish extending to the right.

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3 June 2020

Third Supplementary Bidder's Statement

1 Important notice

This document is a supplementary bidder's statement under section 643(1) of the *Corporations Act 2001* (Cth). It is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) issued by Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**) in relation to its off-market takeover bid for all the shares in Alto Metals Limited (ACN 159 819 173) (**Alto**) and all the Alto Options.

This Third Supplementary Bidder's Statement supplements, and should be read together with, Goldsea's bidder's statement dated 24 March 2020 (**Original Bidder's Statement**), first supplementary bidder's statement dated 1 May 2020 (**First Supplementary Bidder's Statement**) and second supplementary bidder's statement dated 28 May 2020 (**Second Supplementary Bidder's Statement**).

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

A copy of this Third Supplementary Bidder's Statement was lodged with ASIC on 3 June 2020. Neither ASIC nor any of its officers take any responsibility for its contents.

2 Habrok Intention Statement

On 1 June 2020, Alto announced to ASX that it had been advised by Habrok (Alto) Pty Limited (**Habrok**) that it is Habrok's current intention not to accept Goldsea's Share Offer in respect of any Alto Shares it may control from time to time (**Intention Statement**).¹ In the Intention Statement, Habrok reserves its rights to withdraw or otherwise act in a manner inconsistent with the Intention Statement in the event the defeating condition in section 13.7(b) of the Original Bidder's Statement (relating to FIRB approval) is satisfied and all other defeating conditions satisfied or waived, or Goldsea announces an intention (conditional or otherwise) to further increase the Share Offer Price.

As Habrok holds (as at the date of the Habrok Intention Statement) a Relevant Interest in 12.6% of the Alto Shares, unless Goldsea waives the 90% minimum acceptance condition to its Share Offer, or the requisite preconditions are met for Habrok to resile from the Intention Statement, and it does so and accepts the Goldsea Share Offer, the minimum acceptance condition to the Goldsea Share Offers will not be satisfied.

Goldsea confirms that it remains its intention to waive all conditions to the Offers (other than FIRB approval), including the minimum acceptance condition, if it holds a Relevant Interest in at least 50.1% of the Alto Shares on the day before Goldsea must give notice of the status of the defeating conditions of the Goldsea Share Offer. Under the current

¹ See Alto's ASX announcement dated 1 June 2020 for the full text of the Intention Statement.

timetable, Goldsea must give notice of the status of the defeating conditions of the Goldsea Share Offer by 1 July 2020.

If the offer period is extended further, the date for Goldsea to give notice of the status of the defeating conditions of the Goldsea Share Offer will be similarly extended (**Extended Notice Date**). It is Goldsea's intention to waive all conditions to the Offers (other than FIRB approval), including the minimum acceptance condition, if it holds a Relevant Interest in at least 50.1% of the Alto Shares on the day before any such Extended Notice Date.

3 Goldsea's conditions and entitlement to consideration

The Second Supplementary Bidder's Statement noted that all Alto Shareholders who accept the Share Offer, including all Alto Shareholders who have already accepted the Share Offer, are entitled to receive the increased Share Consideration.

Goldsea wishes to clarify (as noted in the Original Bidder's Statement) that unless all of the defeating conditions of its Offers are satisfied or waived, Alto Shareholders and Alto Optionholders will not receive the consideration payable under the relevant Offer. The defeating condition relating to FIRB approval cannot be waived by Goldsea. Accordingly, there is a risk that shareholders who accept or have accepted the Goldsea Share Offer or Options Offer (and do not exercise any rights of withdrawal they may have) while the Offers remain subject to that condition², will not receive the consideration under the Offers, if FIRB approval is not forthcoming. However, in that event they would retain their Alto Shares or Alto Options.

See sections 13.6 and 14.7 of the Original Bidder's Statement for more information on timing for payment of consideration under the Share Offer and Options Offer respectively.

Goldsea will keep Alto Shareholders and Alto Optionholders informed of any material developments in relation to its application for FIRB approval.

4 Withdrawal rights

Goldsea has varied its Offers by extending the offer period for Alto Shares and Alto Options to **7.00pm (Sydney time) on 8 July 2020** (unless further extended or withdrawn).

As noted in the Second Supplementary Bidder's Statement, because of this further extension, Alto Shareholders and Alto Optionholders who had already accepted the Offers on or before 28 May 2020 (equating to 4.63% of the Alto Shares) are now entitled to withdraw those acceptances within one month beginning on the day after the day on which they received the notice of variation dated 28 May 2020 and on the terms and in the manner specified therein.

5 Further information

Alto Shareholders and Alto Optionholders who have any questions in relation to the Offers or who would like another acceptance form should call the Offer Information Line

² The Options Offer is conditional on the Share Offer becoming unconditional, and this condition to the Options Offer will not be waived without ASIC's prior consent.

on 1300 660 106 (within Australia) or +61 1300 660 106 (outside Australia) between 8.30am and 5.30pm (AEST) on Business Days.

6 Approval of Third Supplementary Bidder's Statement

This Third Supplementary Bidder's Statement has been approved by the directors of Goldsea Australia Mining Pty Ltd.

Date 3 June 2020

Signed for and on behalf of **Goldsea Australia Mining Pty Ltd**

By

Sign here



Director

Print name Ms Jiayi Li