
ALTO METALS LIMITED

ACN 159 819 173

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:30am (WST)

DATE: Wednesday 25 November 2020

PLACE: The Meeting Room, The Country Women's Association of WA,
1176 Hay St, West Perth, WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 2808.

ALTO METALS LIMITED
ACN 159 819 173
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Alto Metals Limited ("Alto Metals" or "the Company") will be held as follows:

TIME:	9:30am (WST)
DATE:	25 November 2020
LOCATION:	The Meeting Room, The Country Women's Association of WA, 1176 Hay St, West Perth, WA 6005, 6005

Words and phrases used in the Resolutions are defined in the section headed 'Definitions' of the accompanying Explanatory Memorandum and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 including the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, the following resolution as a **non-binding** resolution:

"That, for the purpose of section 250R(2) of the Corporations Act, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) (b) above; or

- (b) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

Resolution 2 – Election of Director – Mr Richard Monti

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of clause 16.3(b) of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Mr Richard Monti, who was appointed by the Board on 13 March 2020, is elected as a Director."

Resolution 3 – Re-election of Director – Dr Jingbin Wang

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 16.4(a) of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Dr Jingbin Wang retires by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 4 – Ratification of Issue of Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 44,639,137 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Shares or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Ratification of Issue of Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 29,759,424 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Shares or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 - Participation of Director in Placement - Mr Richard Monti

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 666,667 Shares to Mr Richard Monti (or his nominee) at an issue price of 7.5¢ per Share and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Richard Monti; or
- An associate of Richard Monti; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Participation of Director in Placement - Mr Matthew Bowles

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 666,667 Shares to Mr Matthew Bowles (or his nominee) at an issue price of 7.5¢ per Share and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Matthew Bowles; or
- An associate of Matthew Bowles; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Participation of Director in Placement - Mr Terry Wheeler

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 10,666,667 Shares to Mr Terry Wheeler (or his nominee) at an issue price of 7.5¢ per Share and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Terry Wheeler; or
- An associate of Terry Wheeler; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following as a special resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Resolution 10 – Replacement of Constitution

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"That, for the purposes of section 136(2) of the Corporations Act, approval is given for the Company to repeal its existing Constitution and adopt the new constitution tabled at the meeting and signed by the Chair of the Meeting for the purposes of identification, with effect from the close of the Meeting."

Resolution 11 – Approval of Employee Securities Incentive Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the establishment of the Alto Metals Limited Employee Securities Incentive Plan of the Company known as the "Alto Metals Limited Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- any person who is eligible to participate in the Incentive Plan; and
- an associate of that person;

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 12 – Approval of Issue of Performance Rights – Richard Monti

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Performance Rights to Mr Richard Monti on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Richard Monti; or
- an associate of Richard Monti; and
- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Alto Metals Limited Employee Securities Incentive Plan in question.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 13 – Approval of Issue of Performance Rights – Matthew Bowles

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 3,500,000 Performance Rights to Matthew Bowles on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Matthew Bowles; or
- An associate Matthew Bowles; and
- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Alto Metals Limited Employee Securities Incentive Plan in question.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 14 – Approval of Issue of Performance Rights – Dr Jingbin Wang

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Performance Rights to Dr Jingbin Wang on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Dr Jingbin Wang; or
- An associate of Dr Jingbin Wang; and
- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Alto Metals Limited Employee Securities Incentive Plan in question.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 15 – Approval of Issue of Performance Rights – Terry Wheeler

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Performance Rights to Mr Terry Wheeler on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Terry Wheeler; or
- An associate of Terry Wheeler; and
- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Alto Metals Limited Employee Securities Incentive Plan in question.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Mail to: Automic C/- GPO Box 5193, Sydney NSW 2001
- By hand to: Automic C/- Level 5, 126 Phillip Street, Sydney NSW 2000

To be effective, a Proxy Form and, if the Proxy Form is signed by the Shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 9:30am (WST) on 23 November 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated 26 October 2020

By order of the Board

Graeme Smith
Company Secretary

ALTO METALS LIMITED
ACN 159 819 173

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Memorandum sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Explanatory Memorandum are set out in the section headed 'Definitions' in the Explanatory Memorandum. Accompanying this Explanatory Memorandum is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it no later than 48 hours before the time specified for the commencement of the Annual General Meeting.

2. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2020 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2020 Annual Report, a copy of which is available on the Company's website at www.altometals.com.au.

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

A representative from the Company's auditors will be invited to the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

4. RESOLUTION 2 – ELECTION OF DIRECTOR – MR RICHARD MONTI

Clause 16.3(b) of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next general meeting following his or her appointment, but is eligible for re-election at that general meeting (and is not to be taken into account in determining the number of directors for the purposes of retirement by rotation under clause 16.4 of the Constitution).

ASX Listing Rule 14.4 also provides that a Director (excluding the Managing Director) appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting following the Director's appointment.

In accordance with clause 16.3(b) of the Constitution and ASX Listing Rule 14.4, since he was appointed as an addition to the Board on 13 March 2020, Mr Monti is required to retire and being eligible for election, offers himself for re-election.

Mr Monti is a geologist with a successful career of over 50 years in the international mineral resource industry, resulting in broad industry knowledge and strong strategic planning capabilities. He has first-hand working knowledge of all aspects of the industry.

He has 50 years of experience as a Director on 15 ASX and TSX listed companies, covering exploration and mining activities. Directorships include 4 as Chair and sitting on numerous sub-committees. Richard has held roles at several international and Australian companies including Anaconda Nickel, Azimuth Resources Limited, The North Group and The Normandy Group.

He was a founding Director of Azimuth Resources and the architect of the Company's eventual take over for A\$190m in 2013. Richard was Principal of Ventnor Capital from 2005 to 2010, a corporate advisory business supplying advice across the commercial and corporate spectrum to junior and mid-size companies.

Mr Monti is considered by the Board to be an independent Director.

Directors recommendation

The Board (other than Mr Monti) unanimously supports the election of Mr Monti.

5. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR JINGBIN WANG

Clause 16.4(a) of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, except the Managing Director, must retire from office provided that no Director may hold office without re-election past the third AGM following the Director's appointment or 3 years, whichever is longer. The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agreed amongst themselves) be determined by drawing lots. A Director who retires by rotation under clause 16.4(a) of the Constitution is eligible for re-election.

ASX Listing Rule 14.4 also provides that a Director (excluding the Managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or three years, whichever is longer.

In accordance with clause 16.4(a) of the Constitution and ASX Listing Rule 14.4, Dr Wang is required to retire and being eligible for election, offers himself for re-election.

Dr. Wang is a senior geologist with extensive international minerals experience, and has been Chair of Sinotech Minerals Exploration Co. Ltd since March 2004. He has a B.Sc in Mineral Prospecting & Exploration from Central South University of Technology in Changsha, China, and a MSc and PhD in Magmatic Petrology & Metallogeny and Geotectonics & Metallogeny from the same university.

He has been President of the prestigious Beijing Institute of Geology for Mineral Resources in China since 2002 and is an accomplished mining team leader with excellent track record of discovering major deposits around the world. Dr. Wang has also held the title of Vice-President of the China Nonferrous Metals Industry Association since 2008 and was Executive Director of China Nonferrous Metals Resource Geological Survey from 2003-2015. Dr. Wang is a leader in the non-ferrous metals industry in China with over 30 years' experience in mineral resources exploration and mining.

Dr Wang is considered by the Board to be an independent Director.

Directors recommendation

The Board (other than Dr Wang) unanimously supports the re-election of Dr Wang.

6. RESOLUTIONS 4 & 5 – RATIFICATION OF ISSUE OF SHARES

6.1 General

On 22 September 2020 the Company announced it had secured commitments for a placement to raise approximately \$5.5 million (before costs) through the issue of 74.4 million shares in the Company at an issue price of 7.5 cents per Share (**Placement Shares**).

The majority of funds raised from the Placement will be used to fund planned exploration and drilling at Lord Nelson, the Lords' Corridor, a number of regional targets at the Sandstone Gold Project and general working capital.

The shares were issued utilising the Company's existing placement capacities under Listing Rules 7.1 and 7.1A in the following proportions:

- 44,639,137 Placement Shares were issued, on 2 October 2020, at \$0.075 per Share under ASX Listing Rule 7.1, and are the subject of Resolution 4; and
- 28,368,174 Placement Shares were issued, on 2 October 2020 and 1,391,250 Placement Shares were issued on 9 October 2020, at \$0.075 per Share under ASX Listing Rule 7.1A, and are the subject of Resolution 5.

The Company issued the Shares the subject of the Placement without prior Shareholder approval pursuant to both its 15% annual placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 44,639,137 Placement Shares issued on 2 October 2020 at an issue price of \$0.075 per Share under ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 29,759,424 Placement Shares issued on 2 October 2020 (28,368,174 Placement Shares) and on 9 October 2020 (1,391,250 Placement Shares) at an issue price of \$0.075 per Share under ASX Listing Rule 7.1A.

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue the subject of Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Company confirms that the issue and allotment of the Placement Shares, the subject of Resolution 4 did not breach ASX Listing Rule 7.1.

If Resolution 4 is not passed the issue of the Placement Shares is still valid however it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the issue.

6.3 ASX Listing Rule 7.1A

On 29 November 2019, the Company held its annual general meeting where shareholder approval was sought and obtained to, amongst other things, approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue. The Company confirms that the issue and allotment of the Placement Shares, the subject of Resolution 5 did not breach ASX Listing Rule 7.1A.

By ratifying the issue the subject of Resolution 5, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 5 is not passed, the issue of the Placement Shares is still valid however it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1A for 12 months following the issue or until additional approval is obtained at an Annual General Meeting of Shareholders.

6.4 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (c) A total of 74,398,561 Placement Shares were allotted and issued by the Company on the following basis;
 - (i) In relation to Resolution 4, 44,639,137 Placement Shares were issued pursuant to ASX Listing Rule 7.1 on 2 October 2020;
 - (ii) In relation to Resolution 5, 28,368,174 Placement Shares were issued pursuant to ASX Listing Rule 7.1A on 2 October 2020 and 1,391,250 Placement Shares were issued pursuant to ASX Listing Rule 7.1A on 9 October 2020;

- (d) the issue price was \$0.075 per Placement Share for both Resolution 4 and Resolution 5;
- (e) the Placement Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (f) the Placement Shares were issued to sophisticated and professional investors, none of which are related parties of the Company;
- (g) \$5,579,892 (before costs) was raised from the issue of the Placement Shares. The funds raised will be used to advance exploration and planned drilling and at the Company's 100%-owned, flagship Sandstone Gold Project, located in the east Murchison district of Western Australia, as well as general working capital purposes; and
- (h) a voting exclusion statement is included in the Notice.

Directors' Recommendation

The Directors of the Company believe that Resolutions 4 and 5 are in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5.

7. RESOLUTION 6 - 8 – ISSUE OF SHARES TO MR RICHARD MONTI, MR MATTHEW BOWLES & MR TERRY WHEELER

7.1 Background

As detailed in the Explanatory Statement for Resolutions 4 & 5, at section 6.1 above, the Company undertook the Placement for the purposes of raising funds for planned exploration and drilling at Lord Nelson, the Lords' Corridor, a number of regional targets at the Sandstone Gold Project and general working capital.

Resolutions 6 to 8 seek approval to issue Shares under the Placement to three Directors of the Company, Mr Richard Monti, Mr Matthew Bowles and Mr Terry Wheeler (or their respective nominees), should they elect to subscribe for Shares under the Placement pursuant to Listing Rule 10.11 in the following proportions:

- (a) up to 666,667 Shares to Mr Richard Monti, Director ;
- (b) up to 666,667 Shares to Mr Matthew Bowles, Director ;
- (c) up to 10,666,667 Shares to Mr Terry Wheeler, Director ;

Resolutions 6 – 8 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 6 to 8.

7.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Shares will be issued to Messrs Monti, Bowles and Wheeler on the same terms as non-related party participants in the Placement (described in Section 6) and as such the giving of the financial benefit to them will be on arm's length terms.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Section 7.3(a) to 7.3(c); or
- (e) a person whose relationship with the company or a person referred to in Sections 6.3(a) to Section 6.3(d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of the Shares to Messrs Monti, Bowles and Wheeler (or their nominees) falls within Listing Rule 10.11.1, as they are all a related party to the Company, and do not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 6 seeks the requisite Shareholder approval to issue Shares to Mr Richard Monti (or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 7 seeks the requisite Shareholder approval to issue Shares to Mr Matthew Bowles (or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 8 seeks the requisite Shareholder approval to issue Shares to Mr Terry Wheeler (or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolutions 6-8 are passed, the Company will be able to proceed with the issue of Shares to Messrs Monti, Bowles and Wheeler (or their nominees) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the Shares without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 6-8 are not passed, the Company will not be able to proceed with the issue of Shares to Messrs Monti, Bowles and Wheeler (or their nominee).

7.4 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Messrs Monti, Bowles and Wheeler is provided as follows:

- (a) the Shares will be issued to Messrs Monti, Bowles and Wheeler (or their respective nominees);
- (b) Messrs Monti, Bowles and Wheeler are all directors and therefore a related party of the Company under Listing Rule 10.11.1;
- (c) 666,667 Shares will be issued to Richard Monti (or his nominee);
- (d) 666,667 Shares will be issued to Matthew Bowles (or his nominee);
- (e) 10,666,667 Shares will be issued to Terry Wheeler (or his nominee);
- (f) the Shares to be issued to Messrs Monti, Bowles and Wheeler (or their respective nominees) are fully paid ordinary shares and rank equally in all respects with the Company's existing fully paid ordinary shares on issue;
- (g) the Company will issue the Shares to Messrs Monti, Bowles and Wheeler (or their respective nominees) no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (h) the Shares will be issued to Messrs Monti, Bowles and Wheeler (or their respective nominees) at an issue price of \$0.075 per Share;
- (i) the funds raised from the issue of the Shares to Messrs Monti, Bowles and Wheeler (or their respective nominees) will be used for the purposes detailed in Section 6.1; and
- (j) a voting exclusion statement is included in the Notice.

7.5 Directors recommendation

The Director (other than Messrs Monti, Bowles and Wheeler) recommend that Shareholders vote in favour of Resolutions 6 to 8.

8. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting at which a resolution for the purpose of Listing Rules 7.1A is passed by special resolution (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company has a market capitalisation of approximately \$34,000,000 as at 7 October 2020. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The Company may use the 10% Placement Facility to continue its exploration activities at the Sandstone Gold Project, Western Australia and/or to acquire new resource assets or investments.

8.2 Description of Listing Rule 7.1A

Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities being Ordinary Shares.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 373,337,252 Shares.

Subject to the approval of Resolutions 4 & 5, the Company will be able to issue a total of:

- (i) 56,000,588 Equity Securities under Listing Rule 7.1; and
- (ii) 37,333,725 quoted Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2. That formula is:

$$(A \times D) - E$$

- A is number of fully paid ordinary securities on issue at the commencement of the relevant period,
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,
 - plus the number of fully paid ordinary securities issued in the relevant period on the +conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,

Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.

- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4; and

“relevant period” has the same meaning as in rule 7.1

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity’s next annual general meeting; or
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

8.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (i) Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
 - (b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
- (ii) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (iii) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.055 50% decrease in Issue Price	\$0.11 Issue Price/Current Market Price	\$0.22 100% increase in Issue Price
Current 373,337,252 Shares	Number of shares	37,333,725	37,333,725	37,333,725
	Funds raised	\$2,053,355	\$4,106,710	\$8,213,420
50% increase 560,005,878 Shares	Number of shares	56,000,587	56,000,587	56,000,587
	Funds raised	\$3,080,032	\$6,160,065	\$12,320,129
100% increase 746,674,504 Shares	Number of shares	74,667,450	74,667,450	74,667,450
	Funds raised	\$4,106,710	\$8,213,420	\$16,426,839

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No convertible securities (including any convertible securities issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) Resolutions 4 & 5 are passed and variable "A" in Listing Rule 7.1A.2 is 373,337,252.
 - (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (viii) The issue price is \$0.11, being the closing price of the Shares on ASX on 7 October 2020.
- (iv) The Company will only issue and allot the Equity Securities during the 10% Placement Period.
- (v) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration activities at the Sandstone Gold Project, Western Australia, the acquisition of new assets or investments (including expense associated with such acquisitions), feasibility study expenditure on the Company's current assets and/or general working capital.
- (vi) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (vii) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - the effect of the issue of the Equity Securities on the control of the Company;
 - the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (viii) The Company previously obtained approval under ASX Listing Rule 7.1A at its last annual general meeting on 29 November 2019.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting under LR 7.1A.2 is 29,795,424 representing 10% of the Equity Securities on issue at

the commencement of the 12 month period. Refer to Schedule 1 of this Notice of Meeting for details of those Equity Securities issued during the preceding 12 month period pursuant to Listing Rule 7.1A.

- (ix) A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

9. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

9.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 10 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution which is of the type required for a public company limited by shares, updated to ensure it reflects the current provisions of the Corporations Act and the ASX Listing Rules as well as changes to the ASX Listing Rules which took effect on 1 December 2019 in relation to the issue of restricted securities pursuant to transactions to which ASX Listing Rules 10.1 or 11.1.3 apply (**Proposed Constitution**).

The Proposed Constitution will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2012.

In addition, ASX has introduced a number of rule changes to make aspects of the listing process and ongoing compliance with the listing rules more efficient for issuers and for ASX.

ASX has introduced a two-tier escrow regime where ASX can (and will) require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

The new listing rules came into effect on 1 December 2019. A company now cannot issue restricted securities unless the constitution is amended to include the wording below. Given the Company is already admitted to the official list of ASX, the circumstances in which the Company may issue restricted securities is limited, and would most likely relate to transactions requiring approval under ASX Listing Rule 10.1 or if the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules because of the application of ASX Listing Rule 11.1.3 (i.e. a significant change to the Company's nature or scale of activities).

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions of the existing Constitution. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are neither material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below in section 9.2.

A copy of the proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

The Chair intends to exercise all available proxies in favour of Resolution 10.

9.2 Summary of Material Proposed Changes

Dividends (clause 11)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- 1 the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- 2 the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- 3 the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (clause 4.13)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption or last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Unmarketable Parcels (clause 2.10)

Clause 2.10 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 2.10 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 4.4)

In 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to as “off-market transfers”.

Clause 7.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Restricted Securities (clause 2.9)

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- a. a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- b. if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company’s issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities.
- c. the Company will refuse to acknowledge any disposal (including, without limitation, to registering any transfer), assignment or transfer of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- d. a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and

if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

9.3 Directors’ Recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10.

10. RESOLUTION 11 – APPROVAL OF EMPLOYEE SECURITIES INCENTIVE PLAN

10.1 General

The *Alto Metals Limited Employee Securities Incentive Plan (Plan)* was established in 2020 to assist in the recruitment and retention of key personnel.

Purpose of the Plan

The Plan is designed to assist in attracting and retaining key personnel required for the ongoing management and continued growth and development of the Company in the future. Securities issued under the Plan are expected to increase the motivation of Employees of the Company, promote retention of Employees, align Employee interests with those of the Company and its shareholders and to reward Employees who contribute to the growth of the Company.

The future success of the Company is in part dependent on the skills and commitment of the Company's Employees. It is therefore important that the Company is able to attract and retain people of the highest caliber.

ASX Listing Rule 7.1 prohibits a company from issuing new securities representing more than 15% of its issued share capital during the following 12 month period without Shareholder approval. ASX Listing Rule 7.2 (Exception 13) provides that securities issued under an Alto Metals Limited Employee Securities Incentive Plan are excluded from this restriction, provided that, within 3 years before the date of issue, the issue of securities under the scheme have been approved by Shareholders in general meeting.

Resolution 11 seeks the approval of Shareholders for the potential issue of securities under the Plan for 3 years after the date of the general meeting, without those securities being subject to the 15% limit contained in ASX Listing Rule 7.1 or the 10% limit contained in ASX Listing Rule 7.1A.

If Resolution 11 is passed, any securities issued under the Plan will not count towards the limits in Listing Rule 7.1 or 7.1A.

If Resolution 11 is not passed, any securities issued under the Plan will count towards the limits in Listing Rule 7.1 and 7.1A.

No Securities have been issued under the Plan as at the date of this Notice.

It should be noted that directors of the Company will not be issued securities under the Plan without first obtaining Shareholder approval under Listing Rule 10.14.

Summary of key features

The key features of the Plan are as follows:

- Securities may be issued under the Plan to those persons nominated by the Board including, but not limited to, employees, directors or consultants (together called "Eligible Participants") of the Company (or any associated companies);
- the Securities will be issued for no consideration and are transferable;
- the exercise price of the Securities shall be determined by the Board (and may be Nil);
- the expiry date of the Securities will be determined by the directors at the time of issue of the Securities;
- the Directors may elect to issue the Securities with vesting conditions or performance hurdles whereby the Securities will vest to the Eligible Participant progressively over a period of time;
- Securities that have not vested may be exercised in the event of a takeover offer or a change of control of the Company;
- the maximum number of Securities on issue under the Plan cannot be more than 15 million;
- the Company will not apply for official quotation of the Securities; and
- all Shares issued upon exercise of the Securities will rank pari passu with existing Shares on issue.

The Board also has the authority to vary the terms of the Plan (other than in respect of the maximum number of Securities that may be issued under the Plan).

The material terms of the Plan may be found in Schedule 3. A full copy of the terms and conditions of the Plan is available upon request.

Directors recommendation

The Directors recommend that Shareholders vote in favour of Resolution 11.

11. RESOLUTIONS 12 - 15 – ISSUE OF PERFORMANCE RIGHTS TO RICHARD MONTI, MATTHEW BOWLES, DR JINGBIN WANG & TERRY WHEELER

11.1 General

Resolutions 12 - 15 seek Shareholder approval for the issue of the Performance Rights to Richard Monti, Matthew Bowles, Dr Jingbin Wang & Terry Wheeler (or their nominees) (**Related Parties**).

11.2 Performance Rights

Vesting Conditions

The Performance Rights will vest, subject to the satisfaction of the following performance milestones being met before the Expiry Date (**Milestone**) and the relevant holder being an employee, office-bearer or consultant of the Company at the time of the Milestone being satisfied, or as otherwise determined by the Board.

Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

JORC 2012 compliant Mineral Resource located within the Sandstone Gold Project	% of Class Performance Rights Eligible for Vesting
at least 500,000 ounces of Gold	50%
at least 1,000,000 ounces of Gold	100%

Change of Control Event

In the event that the Sandstone Gold Project is sold or a Change of Control Event (as defined in Schedule 2) occurs, the Performance Rights will vest.

If the Board determines that a Change of Control Event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

The material terms of the Performance Rights may be found in Schedule 2.

Vesting Process

Provided the Vesting Conditions are met or otherwise waived by the Board, a Vesting Notification will be sent to the Related Party from the Board, informing them that some or all of the Performance Rights have vested. Unless and until the Vesting Notification is issued by the Company, the Performance Rights will not be considered to have vested.

Following the issue of the Vesting Notification for the Performance Rights, the Related Party will have until the Expiry Date of the Performance Rights to convert any vested Performance Rights on the basis of one fully paid ordinary share for each vested performance Right. Any vested Performance Rights that remain unconverted after this date will automatically expire and lapse.

If the Vesting Conditions of a Performance Right are not achieved by the applicable Expiry Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

11.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to the Related Parties constitutes giving a financial benefit the Related Parties are a related party of the Company by virtue of being a Director. The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to the Related Parties.

11.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive plan:

10.14.1 a director of the Company;

10.14.2 an associate of a person referred to in Listing Rules 10.14.1;

10.14.3 a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders;

unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 or 10.14.2 and therefore requires the approval of Shareholders under Listing Rule 10.14.

The Company has chosen to use performance rights as it believes they create a share price alignment between directors, staff and ordinary shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest.

Resolutions 12 - 15 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14. The material terms of the Plan may be found in Schedule 3.

11.5 Technical information required by Listing Rule 14.1A

If Resolutions 12 - 15 are passed, the Company will be able to proceed with the issue of the Performance Rights to Richard Monti, Matthew Bowles, Dr Jingbin Wang & Terry Wheeler (or their nominees). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12 - 15 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to Richard Monti, Matthew Bowles, Dr Jingbin Wang & Terry Wheeler (or their nominees).

11.6 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolutions 12 - 15:

- (a) the Performance Rights will be issued to Richard Monti, Matthew Bowles, Dr Jingbin Wang & Terry Wheeler (or their nominees) (Related Parties),
- (b) The Related Parties fall within the category set out in Listing Rule 10.14.1, by virtue of them being a Director or category 10.14.2 if they choose to have their Performance Rights issued to a nominee;
- (c) The maximum number of Performance Rights to be issued to the Related Parties is 8,000,000, comprising:
 - (i) 2,500,000 Performance Right to Richard Monti;
 - (ii) 3,500,000 Performance Rights to Matthew Bowles;
 - (iii) 1,000,000 Performance Rights to Dr Jingbin Wang; and
 - (iv) 1,000,000 Performance Rights to Terry Wheeler.
- (d) The value attributable to each of the Performance Rights is set out below.

Director	Performance Right	Value per Performance Right ¹	Value of Rights	Current Remuneration
R Monti	2,500,000	\$0.105	\$262,497	\$48,000
M Bowles	3,500,000	\$0.105	\$367,500	\$284,700
T Wheeler	1,000,000	\$0.105	\$105,000	\$36,000
J Wang	1,000,000	\$0.105	\$105,000	\$36,000

¹ Valuation based on the Black Scholes methodology.

Option Valuation details

Details	
Share price	\$0.105
Exercise Price	-
Risk Free Rate (RBA Cash Rate)	0.23%
Volatility (Annualised)	79%
Start Date	30 Nov 2020
Expiry Date	30 Nov 2023
Value per Option	\$0.105

- (e) no securities have previously been issued under the Incentive Plan;
- (f) the terms and conditions of the Performance Rights are set out below in Schedule 2;
- (g) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur progressively;
- (h) the issue price of the Performance Rights will be nil.
- (i) The Company will not receive any other consideration in respect of the issue of the Performance Shares;
- (j) Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- (k) a voting exclusion statement is included in Resolutions 12 - 15 of the Notice.

11.7 Directors' Recommendation

The Directors do not make any recommendation with respect to the issue of Performance Rights as such recommendation regarding the remuneration of the Directors of the Company may be a conflict of interest (as set out in ASIC guidance set out on page 25 of ASIC Regulatory Guide 76).

DEFINITIONS

In this Explanatory Memorandum:

10% Placement Facility has the meaning set out in section 8.1.

10% Placement Period has the meaning set out in section 8.2.

Annual General Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the Board of Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Alto Metals Limited, ACN 159 819 173.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Notice of Annual General Meeting or Notice means the notice convening the Annual General Meeting accompanying this Explanatory Memorandum.

Placement Shares has the meaning set out in section 6.1

Proposed Constitution has the meaning set out in section 9.1.

Proxy Form means the form of proxy accompanying this Notice of Annual General Meeting.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2020.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Section means a section of the Notice of Annual General Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

WST means Western Standard Time.

SCHEDULE 1 – ISSUES OF LR7.1A EQUITY SECURITIES DURING THE PREVIOUS YEAR

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
2 October 2020	28,368,137	Shares ²	Sophisticated and professional investors	Issue price = 7.5¢ Closing price = 8.7¢ Discount = 14%	Amount raised = \$2,127,613 Amount spent = Nil Use of funds: Per Section 6.1 Amount remaining = \$2,127,613
9 October 2020	1,391,250	Shares ²	Sophisticated and professional investors	Issue price = 7.5¢ Closing price = 10.5¢ Discount = 28.5%	Amount raised = \$104,344 Amount spent = Nil Use of funds: Per Section 6.1. Amount remaining = \$104,344

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AME (terms are set out in the Constitution).

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- (a) A Performance Right is a right to receive a fully paid ordinary share in the capital of the Company (**Share**) subject to satisfaction of the following Vesting Conditions.
- (b) The Performance Rights will vest, subject to the satisfaction of the following performance milestones being met before the Expiry Date (**Milestone**) and the relevant holder being an employee, office-bearer or consultant of the Company at the time of the Milestone being satisfied, or as otherwise determined by the Board.
- (c) Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

JORC 2012 compliant Mineral Resource located within the Sandstone Gold Project	% of Class Performance Rights Eligible for Vesting
at least 500,000 ounces of Gold	50%
at least 1,000,000 ounces of Gold	100%

- (d) A Performance Right for which Vesting Condition has not been satisfied expires on the date which is three (3) years from issue of that Performance Right (**Expiry Date**).
- (e) A Performance Right does not entitle the holder to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (f) A Performance Right does not entitle the holder to any dividends.
- (g) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (h) A Performance Right is not transferable unless otherwise determined by the Board or a delegate of the Board.
- (i) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (j) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right into a Share in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (k) Subject to compliance with applicable law (including the ASX Listing Rules as they apply to the Company), Performance Rights shall immediately convert to Shares upon a Change of Control Event occurring.

Change of Control Event means:

- a. a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in over 50% of the Company's issued shares;
 - b. the sale of all or substantially all of the assets of the Company;
 - c. a court approves under section 411(4)(b) of the Corporations Act, a proposed compromise arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - d. in any other case, a person obtains voting power in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring the voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (l) If the Board determines that a Change of Control Event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

- (m) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (n) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (o) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (p) Subject to paragraph (q) below, a Performance Right will convert into a Share upon the achievement of an Applicable Milestone to that Performance Right prior to the Expiry Date. An Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.
- (q) In the event an Applicable Milestone is satisfied prior to the Expiry Date, Performance Rights held by a Holder will convert into an equal number of Shares.
- (r) If an Applicable Milestone for a Performance Right is not achieved by the Expiry Date, all Performance Rights will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (s) The Shares into which the Performance Rights will convert will rank *pari passu* in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (t) The conversion of Performance Rights is subject to compliance at all times with the ASX Listing Rules if the Company is listed on ASX at the relevant time and the Corporations Act.

Eligible Participants

An eligible participant is a person invited by the Board to be an eligible participant including full, part time or casual employees, contractors, directors of the Company or an associated body corporate of the Company, or a prospective participant being a person to whom an invitation is made but who can only accept the invitation if an arrangement has been entered into that will result in the person becoming a full, part time, or casual employee, contractor, director of the Company (**Eligible Participant**).

Purpose

The *Alto Metals Limited Employee Securities Incentive Plan (Plan)* is designed to assist in attracting and retaining key personnel required for the ongoing management and continued growth and development of the Company in the future. Securities issued under the Plan are expected to increase the motivation of Employees of the Company, promote retention of Employees, align Employee interests with those of the Company and its shareholders and to reward Employees who contribute to the growth of the Company.

Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

Offers

The Board may from time to time and in its absolute discretion determine that an Eligible Participant may participate in the Alto Metals Limited Employee Securities Incentive Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

Change of Control Event

If a Change of Control Event (as defined) occurs, the Performance Rights will vest.

If the Board determines that a Change of Control Event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

Incentive Securities

Incentive Securities are Incentive Options, Incentive Performance Rights, Shares or any other securities issued under the Employee Securities Incentive Plan.

Grant of Securities

The Company will grant to the Eligible Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

Lapse

If at any time before the exercise of an Incentive Option or an Incentive Performance Right, a holder ceases to be an Eligible Participant:

- (a) by reason of death, disability, bona fide redundancy or other reason approved by the Board, and at that time the Eligible Participant continued to satisfy any other relevant conditions of the grant, the Board may determine the extent to which the Incentive Securities held by the Eligible Participant vest; and a period of time for the Incentive Options or Incentive Performance Rights to be exercised;

or

- (b) for any other reason, all Incentive Options or Incentive Performance Rights held by the Eligible Participant will automatically lapse unless the Board otherwise determines within 30 days of the holder ceasing to be an Eligible Participant.

Terms of Convertible Securities

Each Convertible Security represents a right to acquire one or more Shares subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised, an Eligible Participant does not have any interest in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. An Eligible Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all of the vesting conditions have been satisfied or have been waived by the Board, a vesting notice will be sent to the Eligible Participant informing them the relevant Convertible Securities have vested. If the vesting conditions relevant to a Convertible Security are not satisfied and /or otherwise waived by the Board, that Convertible Security will lapse.

Shares issued on exercise of Incentive Options and Incentive Performance Rights

Each Incentive Option or Incentive Performance Right entitles the holder to one fully paid ordinary share on exercise of the Incentive Option or Incentive Performance Right.

The Board may decide in its absolute discretion that an Eligible Participant may make use of a “cashless exercise facility” whereby the Eligible Participant will not be required to provide payment of the Exercise Price of Incentive Options or Incentive Performance Rights, but that on exercise of the Incentive Options or Incentive Performance Rights, the Eligible Participant may elect that the Company instead allot and issue the number of Shares that are equal in value to the difference between the then Share price and the Exercise Price otherwise payable in relation to the Incentive Options or Incentive Performance Rights (with the number of Shares rounded down).

Limitation on number of Securities

If the Company is relying on the ASIC relief to issue Incentive Securities then, at the time of making the offer of Incentive Securities, the Company must have reasonable grounds to believe that the number of Shares to be received on the exercise of all Incentive Securities under the *Alto Metals Limited Employee Securities Incentive Plan* when aggregated with the number of Shares that have been issued or that may be issued during the previous 3 years under any Plan of the Company must not exceed 18 million.

Restrictions on trading

The Board may determine, prior to the offer of the relevant Incentive Securities, any restrictions upon trading in Shares issued under the Plan or issued pursuant to the exercise of an Incentive Security.

Name of Shareholder (s)

Address of Shareholder (s)

STEP 1 **Appoint Proxy to Vote on Your Behalf**

I / We being a member / s of Alto Metals Limited hereby appoint

the Chair of the Meeting

OR

PLEASE NOTE: leave this box blank if you have selected the Chair of the Meeting. Do not insert your own names (s)

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Alto Metals Limited to be held at The Meeting Room, The Country Women's Association of WA, 1176 Hay St, West Perth, WA 6005 on 25 November 2020 at 9:30 am (WST) and at any adjournment of that meeting.

The Chair of the Meeting intends to vote all available proxies in favour of all Resolutions.

STEP 2 **Items of Business**

PLEASE NOTE: if you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director - Mr Richard Monti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Dr Jingbin Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Participation of Director in Placement - Mr Richard Monti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Participation of Director in Placement - Mr Matthew Bowles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Participation of Director in Placement - Mr Terry Wheeler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of additional 10% share issue capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval of Issue of Performance Rights – Mr Richard Monti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of Issue of Performance Rights – Mr Matthew Bowles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval of Issue of Performance Rights – Dr Jingbin Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Approval of Issue of Performance Rights – Mr Terry Wheeler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ Shares.

SIGN

Signature of Security holder – Please sign here

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director / Company Secretary

Joint Shareholder 3

Director

Dated this _____ day of _____ 2020

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The Proxy Form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the Proxy Form.
5. To be effective, forms to appoint proxies **must be received by the Company by 9:30am 23 November 2020** by post, facsimile or email to the respective addresses stipulated in this Proxy Form.
6. The Chairman will cast all available proxies in favour of the Resolutions.
7. If the Proxy Form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (j) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (k) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (l) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
8. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.