

Middle Island Takeover offer – Take NO ACTION

Alto Metals Limited (ASX:AME) ("Alto" or the "Company") refers to the announcement dated 27 June 2019 by Middle Island Resources Ltd (ASX:MDI) ("Middle Island" or "MDI") advising that Middle Island has varied its off-market takeover offer to acquire 100% of the ordinary shares of Alto (**Offer**) by varying the consideration under the Offer from:

- five (5) Middle Island shares for every one (1) Alto share; to
- six (6) Middle Island shares for every one (1) Alto share (**Offer Variation**).

The Alto Board is formulating its response to the Offer Variation and shareholders are advised to **TAKE NO ACTION** in respect of the Offer until the Board makes its formal recommendation.

In the meantime, the Directors wish to make the following observations:

- Based on the last trading price of \$0.004 per MDI share on 27 June 2019, the implied increased consideration as a result of the Offer Variation is \$0.024 cents, which represents a:
 - **discount of 27%** to the closing price of Alto shares of \$0.033 on 27 June 2019; and
 - **discount of 33%** to the price of the Alto shortfall placement of \$0.036 announced on 6 May 2019.
- In respect of Middle Island's Fourth Bidder's Statement submitted on 27 June 2019, MDI states that "*MDI has not extended the Offer to the Shortfall Shares and, as at the date of this Fourth Supplementary Bidder's Statement, does not intend to extend the Offer to the Shortfall Shares*". Alto notes that the Shortfall Shares represent 21% of the ordinary shares of Alto on issue as at the date of this announcement; and
- As at 21 June 2019, being the date of MDI's Third Bidder's Statement, MDI had only received acceptances in relation to the Offer representing 1.52% of Alto shares which are subject to the Offer. To the extent the *Shortfall Shares* outlined above are included in the calculation, the acceptance level is only ~1.2% since the Offer opened on 24 April 2019.

The Directors are disappointed with the time and resources being allocated to the Offer given the lack of traction and advise that shareholders should TAKE NO ACTION, and await the Board's formal recommendation.

Please direct enquiries or requests for further information to:

Terry Wheeler
Chairman
Alto Metals Ltd

Matthew Bowles
Non-Executive Director
Alto Metals Limited
+61 8 9381 2808