



Alto Metals Limited

ABN: 62 159 819 173

ASX: AME

Suite 9, 12-14 Thelma St
West Perth

WA 6872

Phone: 61 8 9381 2808

Email:

admin@altometals.com.au

Website:

altometals.com.au

Directors:

Acting Chairman
Mr Terry Wheeler

Executive Director
Mr Dermot Ryan

Non-Executive Director
Dr Jingbin Wang

Company Secretary & CFO
Mr Patrick Holywell

ASX RELEASE

25 January 2019



NON-RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- **1 for 3 non-renounceable rights issue at an issue price of \$0.036 per share, together with 1 free-attaching unquoted option for every 2 shares subscribed for, to raise up to approximately \$2.38 million.**
- **Funds raised will be used to carry out exploration at the Company's Sandstone Gold Project, including drilling programs, as well as for general working capital and the costs of the offers.**

ENTITLEMENT OFFER

Alto Metals Limited (the "Company") is pleased to announce a non-renounceable pro-rata entitlement offer to eligible shareholders of fully paid ordinary shares ("Shares") in the Company at an issue price of \$0.036 per Share, on the basis of 1 new Share ("New Share") for every 3 Shares held as at 4pm (WST) on 31 January 2019 ("Record Date"), together with 1 free-attaching unquoted option ("Option") for every 2 New Shares subscribed for and issued ("Entitlement Offer"). The issue price of \$0.036 represents a discount of 10% to the last closing price and an 18.4% discount to the 15 trading day VWAP as at 23 January 2019.

The Options will have an exercise price of \$0.07 and an expiry date of 18 months from the date of issue. The company will not apply to ASX for official quotation of the Options.

The Entitlement Offer is available to all Company shareholders registered on the Record Date whose registered address is in Australia, or subject to certain offer restrictions, New Zealand or Hong Kong ("Eligible Shareholders"). The Entitlement Offer is not being extended to any shareholders with addresses outside these jurisdictions.

On the basis that no further Shares are issued, or performance shares or performance rights exercised prior to the Record Date, the Company will issue up to 66,018,534 New Shares and 33,009,267 Options under the Entitlement Offer to raise approximately \$2.38 million (before costs).

SHORTFALL OFFER

Any New Shares and Options not taken up pursuant to the Entitlement Offer by the closing date ("Shortfall Securities") will be offered to Eligible Shareholders on the same terms and conditions as the Securities offered under the Entitlement Offer ("Shortfall Offer"). Shortfall Securities will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The Shortfall Securities are to be issued at the discretion of the Directors, subject to compliance with the Listing Rules and Corporations Act, in a manner that does not prejudice the rights of Eligible Shareholders, having regard to the number of Eligible Shareholders applying for Shortfall Securities.

If any Shortfall Securities are remaining after the applications for shortfall have been satisfied, the Directors reserve the discretion, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to place any such remaining Shortfall Securities within three months after the close of the Entitlement Offer to investors who are not Eligible Shareholders who apply for Shortfall Securities.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Appendix 3B and Prospectus with ASX	25 January 2019
Notice of Offers sent to Shareholders	29 January 2019
Shares quoted on an "EX" basis	30 January 2019
Record Date for determining Entitlements	31 January 2019
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	5 February 2019
Last day to extend the Entitlement Offer Closing Date	11 February 2019
Closing Date of Entitlement Offer (5pm WST)*	14 February 2019
Shares quoted on a deferred settlement basis	15 February 2019
Notification of Shortfall	19 February 2019
Anticipated date for issue of the Securities under the Entitlement Offer	21 February 2019
Deferred settlement trading ends	
Anticipated date for commencement of Securities trading on a normal settlement basis	25 February 2019

*The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such, the date that the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

USE OF FUNDS

Completion of the Entitlement Offer will result in an increase in cash at hand of up to \$2,376,667 (before costs). The funds raised will be used to carry out exploration at the Company's Sandstone Gold Project in Western Australia, including drilling programs, as well as for general working capital and the costs of the Entitlement Offer.

The following indicative table sets out the proposed use of funds raised under the Entitlement Offer:

Proposed Allocation of Funds	Amount (\$'000)
Exploration	1,967
Working capital requirements	369
Expenses of the Offers ¹	40
TOTAL	2,376

Note:

1. If the Entitlement Offer is not fully subscribed, and the shortfall under the Shortfall Offer is not subsequently placed, the Company intends on adjusting the use of funds on a pro rata basis.

The above is a statement of current intentions at today's date. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

FURTHER INFORMATION

Full details of the Entitlement Offer and Shortfall Offer will be contained in a prospectus to be lodged with ASX and to be dispatched to Eligible Shareholders in accordance with the indicative timetable set out above.