

29 January 2019

Dear Shareholder

Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of fully paid ordinary shares (**Shares**) in Alto Metals Limited (ASX: AME) (**Company**) as at today's date. The Company is undertaking a non-renounceable pro-rata entitlement offer to eligible shareholders of 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 option (**Option**) for every 2 New Shares subscribed for and issued (**Entitlement Offer**).

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 (**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.

Purpose of the Entitlement Offer

On the basis that no 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).

Subject to the satisfactory completion of the Entitlement Offer, funds raised under the Entitlement Offer are intended to be used towards an exploration program for the Company's Sandstone Gold Project in Western Australia, including drilling programs as well as for costs of the Offers and general working capital. Full details of the proposed use of funds are included in the Prospectus.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand and Hong Kong will not be eligible to participate in the Entitlement Offer (**Ineligible Shareholder**).

As you are not eligible to participate in the Entitlement Offer you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia, New Zealand and Hong Kong compared with the small number of Ineligible Shareholders and the number and value of New Shares and Options to which they would otherwise be entitled.

For all enquiries relating to the Entitlement Offer, please contact the Company Secretary by telephone on +61 8 9381 2808 and for all general shareholder enquiries, please contact Automic Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Yours sincerely

A handwritten signature in blue ink that reads 'Dermot Ryan'.

Dermot Ryan
Executive Director