

**ALTO METALS LIMITED**  
**ACN 159 819 173**

## **SUPPLEMENTARY PROSPECTUS**

---

### **1. Important information**

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 24 January 2019 (**Prospectus**) issued by Alto Metals Limited ACN 159 819 173 (**Company**).

This Supplementary Prospectus is dated 5 May 2019 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at <https://altometals.com.au/>.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

---

### **2. Reasons for Supplementary Prospectus**

#### **2.1 Purpose**

This Supplementary Prospectus has been prepared to advise investors of:

- (a) changes to the board of directors (**Board**) and Company Secretary of the Company;
- (b) the proposed off-market takeover bid by Middle Island Resources Limited for all of the issued fully paid ordinary shares (**Shares**) of the Company; and
- (c) the conversion of \$300,000 of loan funding into Shares pursuant to the Loan Agreement between the Company and Windsong Valley Pty Ltd.

#### **2.2 Applicants**

As announced on 18 February 2019, the Company's non-renounceable entitlement offer (**Entitlement Offer**) closed on 14 February 2019 (**Closing Date**). The Company intends to allocate securities not applied for under the Entitlement Offer (**Shortfall Securities**) pursuant to the Shortfall Offer within three months of the Closing Date and in accordance with the allocation policy set out in the Prospectus. Applicants for

Shortfall Securities will be provided with a new application form and a copy of the Prospectus and this Supplementary Prospectus.

---

### 3. Board changes

On 27 February 2019, the Company announced that:

- (a) Mr Matthew Bowles had been appointed as a Non-Executive Director of the Company;
- (b) Mr Dermot Ryan had resigned as Executive Director of the Company;
- (c) Mr Patrick Holywell had been removed from the position of Chief Financial Officer and Company Secretary of the Company; and
- (d) Mr Graeme Smith had been appointed as Company Secretary of the Company (replacing Mr Patrick Holywell),

**(Board Update Announcement).**

As a result of the Board and Company Secretary changes outlined above, the following sections of the Prospectus are amended:

(a) **Corporate Directory**

The "Directors" and "Company Secretary" sections of the Corporate Directory are deleted and replaced with the following:

***"Directors***

*Mr Terence Wheeler*                      *Non-Executive Director and Chairman*

*Dr Jingbin Wang*                      *Non-Executive Director*

*Mr Matthew Bowles*                      *Non-Executive Director*

***Company Secretary***

*Mr Graeme Smith"*

(b) **Directors' interests**

Section 5.8(a) of the Prospectus is deleted in its entirety and replaced with the following:

*"The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out below:*

<b>Name</b>	<b>Existing Securities</b>			
	<b>Shares</b>	<b>%</b>	<b>Options</b>	<b>Performance Rights</b>
<i>Jingbin Wang</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>500,000</i>
<i>Terence Wheeler</i>	<i>40,708,185</i>	<i>19.1</i>	<i>Nil</i>	<i>Nil</i>
<i>Matthew Bowles<sup>1</sup></i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

**Notes:**

1. *Mr Bowles was appointed as a Non-Executive Director on 27 February 2019.*"

(c) **Remuneration of Directors**

The table in Section 5.8(b) of the Prospectus is deleted and replaced with the following table:

<b>Director</b>	<b>FY</b>	<b>Salary, fees &amp; leave</b>	<b>Super-annuation</b>	<b>Share-based payments</b>	<b>TOTAL</b>
<i>Dermot Ryan<sup>1</sup></i>	<b>2018</b>	<i>220,000</i>	-	-	<b>220,000</b>
	<b>2017</b>	<i>227,860</i>	-	<i>46,541</i>	<b>274,401</b>
<i>Jingbin Wang</i>	<b>2018</b>	<i>49,603</i>	-	-	<b>49,603</b>
	<b>2017</b>	<i>41,998</i>	-	<i>9,308</i>	<b>51,306</b>
<i>Terence Wheeler</i>	<b>2018</b>	<i>36,530</i>	<i>3,470</i>	-	<b>40,000</b>
	<b>2017</b>	<i>21,304</i>	<i>2,024</i>	-	<b>23,328</b>
<i>Matthew Bowles<sup>2</sup></i>	<b>2018</b>	-	-	-	-
	<b>2017</b>	-	-	-	-

**Notes:**

1. *Mr Ryan resigned from the position of Executive Director on 27 February 2019.*

2. *Mr Bowles was appointed as a Non-Executive Director on 27 February 2019.*

Further to the Company's announcement dated 27 February 2019 in respect to Mr Patrick Holywell's termination of the consultancy agreement between the Company and PWT Corporate Pty Ltd (a company controlled by Mr Holywell), Mr Holywell has advised the Company that he is owed amounts under his consulting agreement. The Company disputes this position and intends to vigorously defend any action (if and when it is commenced).

## 4. Takeover bid

On 1 March 2019, Middle Island Resources Limited (**MDI**) announced its intention to make an off-market takeover offer to acquire all of the Shares of the Company (**Offer**) (**Takeover Announcement**).

On 19 March 2019, the Company announced that it had received separate written notices from the Company's three major shareholders, Windsong Valley Pty Ltd and Marymount Pty Ltd (being related parties of Director Terence Wheeler), Sinotech (Hong Kong) Corporation Limited and Enterprise Metals Ltd (**Major Shareholders**), that they did not intend to accept the current Offer.

On 10 April 2019, MDI announced that it had reduced the minimum acceptance condition from 90% to 50.1%, such that the Offer would now be subject to MDI gaining a relevant interest in at least 50.1% of the Company's shares.

On 10 April 2019, MDI lodged its Bidder's Statement with ASIC and ASX and on 15 April 2019, MDI lodged a first Supplementary Bidder's Statement to correct disclosure the Bidder's Statement relating to the biography of Dr Jingbin Wang. On 24 April 2019, MDI confirmed dispatch of its Bidder's Statement to the Company.

On 1 May 2019, the Company announced that the Board had unanimously resolved to recommend to shareholders that they reject the Offer.

---

## 5. Conversion of Loan

Pursuant to the loan agreement between Windsong Valley Pty Ltd (an entity controlled by Terence Wheeler) (**Windsong Valley**) and the Company (**Loan Agreement**), Windsong Valley has elected to convert \$300,000 of loan funding into Shares. Shareholder approval for the conversion was received at the Company's general meeting held on 26 February 2019. On 5 March 2019, the Company issued 6,382,978 Shares at an issue price of \$0.047 per Share to Windsong Valley pursuant to the Loan Agreement.

---

## 6. Information excluded from continuous disclosure notices

Other than as set out below and in this Supplementary Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Supplementary Prospectus.

As announced previously, the Company is in the process of updating historical exploration results for Ladybird, Havilah and Sandstone North using existing available data to comply with the JORC Code 2012. The Company expects that this will be completed close to the end of May 2019, and does not consider this update to be material, but will keep the market informed in accordance with its continuous disclosure obligations under the Listing Rules.

---

## 7. ASX Announcements

Details of documents lodged by the Company with ASX since the date of the Prospectus and before the lodgement of this Supplementary Prospectus with ASIC are set out in the table below.

Date lodged	Subject of announcement
2/05/19	Trading Halt

<b>Date lodged</b>	<b>Subject of announcement</b>
1/05/19	Letter to AME Shareholders
30/04/19	Quarterly Activities & Cashflow Report
26/04/19	MDI: Letter to AME Shareholders
26/04/19	MDI: Letter to MDI Shareholders
26/04/19	Initial substantial holder notice from MDI
24/04/19	MDI: Bidder's Statement Dispatch Confirmation
15/04/19	MDI: First Supplementary Bidder's Statement
11/04/19	Middle Island Takeover Offer - Take NO ACTION
10/04/19	MDI: Bidder's Statement
10/04/19	MDI: AME Takeover Offer Variation to Minimum Acceptance Condition
19/03/19	Major Shareholders Do Not Intend to Accept MDI Offer
15/03/19	Half Yearly Report and Accounts
11/03/19	Change of Director's Interest Notice
6/03/19	Appendix 3B
1/03/19	Middle Island Takeover Offer - Take NO ACTION
1/03/19	MDI: Intention to Make Takeover Bid
27/02/19	Initial Director's Interest Notice
27/02/19	Final Director's Interest Notice
27/02/19	Results of Meeting
27/02/19	Reinstatement to Official Quotation
27/02/19	Board Composition
26/02/19	Suspension from Official Quotation
21/02/19	Trading Halt
20/02/19	Change of Director's Interest Notice - Ryan
20/02/19	Change of Director's Interest Notice - Wheeler
18/02/19	Director appointment
18/02/19	Completion of Entitlement Offer

Date lodged	Subject of announcement
11/02/19	Exploration Update - High Grade Gold at Sandstone North
31/01/19	December Quarterly Activities and Cashflow Reports
30/01/19	Exploration update for Ladybird Prospect
25/01/19	Letter to ineligible shareholders - Rights Issue
29/01/19	Letter to eligible shareholders - Rights Issue
25/01/19	Appendix 3B
25/01/19	Prospectus
25/01/19	Non-Renounceable Entitlements Offer

---

## 8. Consents

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

---

## 9. Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

This Supplementary Prospectus is signed for and on behalf of the Company by:




---

**Terence Wheeler**  
**Non-Executive Director and Chairman**  
**Alto Metals Ltd**

Dated: 5 May 2019