

Partner Michael Blakiston
Contact Marisa Orr
T +61 8 9413 8519
morr@gtlaw.com.au
Our ref MGB:MCO:1041530



Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000 AUS
T +61 8 9413 8400 F +61 8 9413 8444
www.gtlaw.com.au

28 May 2020

The Manager
Market Announcements Office
ASX Limited
Central Park
Level 152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Takeover bid by Goldsea for Alto — second supplementary bidder's statement and notices of variation

We act for Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**).

We attach, by way of service pursuant to sections 647(3)(b) and 650D of the *Corporations Act 2001* (Cth) (**Act**):

- a copy of Goldsea's second supplementary bidder's statement in relation to Goldsea's off-market takeover bid for: (i) all of the issued and to be issued ordinary shares in Alto Metals Limited (ACN 159 819 173) (**Share Offer**); and (ii) all the unlisted Alto options pursuant to a separate options offer (**Options Offer**);
- a formal notice of variation to the Share Offer to:
 - increase the share offer consideration from A\$0.065 cash per Alto share to A\$0.075 per Alto share;
 - extend the closing date for the Share Offer to 7.00pm (Sydney time) on 8 July 2020 (unless withdrawn or further extended) pursuant to section 650D of the Corporations Act; and
 - confirm the new date for giving notice of the status of the defeating conditions as a result of the extension of the Share Offer period pursuant to section 630(2)(b) of the Act; and
- a formal notice of variation to the Options Offer to:
 - extend the closing date for the Options Offer to 7.00pm (Sydney time) on 8 July 2020 (unless withdrawn or further extended); and
 - confirm the new date for giving notice of the status of the defeating conditions as a result of the extension of the Options Offer period pursuant to section 630(2)(b) of the Act.

The second supplementary bidder's statement and notices of variation have been lodged today with the Australian Securities and Investments Commission and served on Alto.

Yours faithfully



Michael Blakiston
Partner
T +61 8 9413 8401
mblakiston@gtlaw.com.au



28 May 2020

Second Supplementary Bidder's Statement

1 Important notice

This document is a supplementary bidder's statement under section 643(1) of the *Corporations Act 2001* (Cth). It is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) issued by Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**) in relation to its off-market takeover bid for all the shares in Alto Metals Limited (ACN 159 819 173) (**Alto**) and all the Alto Options.

This Second Supplementary Bidder's Statement supplements, and should be read together with, Goldsea's bidder's statement dated 24 March 2020 (**Original Bidder's Statement**) and first supplementary bidder's statement dated 1 May 2020.

Capitalised terms in this Second Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement, unless the context otherwise requires.

A copy of this Second Supplementary Bidder's Statement was lodged with ASIC on 28 May 2020. Neither ASIC nor any of its officers take any responsibility for its contents.

2 Increase in Share Offer Price

Goldsea notes the announcement by Alto regarding the intention of Habrok (Alto) Pty Limited (**Habrok**) to make an unconditional cash takeover bid for all the Alto Shares at A\$0.066 per Alto Share.

In response, Goldsea intends to **increase the Share Offer Price from A\$0.065 cash per Alto Share to A\$0.075 per Alto Share.**

There is no change to the Options Offer price.

The increased Share Offer Price represents:

- a 134% premium to the ASX closing share price of \$0.032 on 20 February 2020, being the last trading day prior to the announcement of Goldsea's intention to make the Offers;
- a 123% premium to the one-month VWAP to 20 February 2020 of \$0.034;
- a 114% premium to the three-month VWAP to 20 February 2020 of \$0.035;
- a 111% premium to the six-month VWAP to 20 February 2020 of \$0.036; and
- a 111% premium to Alto's capital raising price of \$0.036 per share in May 2019.

All Alto Shareholders who accept the Share Offer, including those Alto Shareholders who have already accepted the Share Offer, are entitled to receive the increased Share Offer price.

3 Sources of consideration

As a result of the increase in the Share Offer Price, the Maximum Offer Amount has increased from \$25.85 million to A\$28.23 million, calculated on the same basis as set in the Original Bidder's Statement and taking account of on-market purchases of Alto Shares by Goldsea since the date of the Original Bidder's Statement.

Goldsea confirms that the increased Maximum Offer Amount and associated transaction costs has been set aside by Goldsea and Mr Jiang Li out of funds held by them as described in the First Supplementary Bidder's Statement, including the amount previously set aside for the Goldsea Loan Facility. Funding for the Goldsea Loan Facility is expected to be made available by Mr Jiang Li. Mr Jiang Li has set aside A\$1,000,000 in bank accounts held in Singapore, which is immediately available without the need for any Chinese government or regulatory approvals, and will be provided to Goldsea within 3 Business Days of notice by Goldsea.

4 Alto Board maintains its recommendation of Goldsea's Offers

The Alto Board has advised Goldsea in writing that it intends to maintain its recommendation to Alto Shareholders and Alto Optionholders that they accept the Offers (as varied), in the absence of a superior proposal.

The Alto Directors have also re-confirmed their intention to, in the absence of a superior proposal, accept the Offers (as varied) in respect of any Alto Shares or Alto Options they own or control, which represent approximately 21.7% of the issued and outstanding ordinary shares in Alto. The Alto Options which are held by the Alto Directors and their associates, represent approximately 21.9%, in aggregate, of all the issued and outstanding Alto Options.

As at the last practicable trading date prior to the date of this Second Supplementary Bidder's Statement, Goldsea, together with its associates, has a Relevant Interest in 42,904,231 Alto Shares, representing 14.62% of Alto's shares, and Voting Power in Alto of approximately 14.62%.¹

5 Update on defeating conditions

Goldsea wishes to update that it has received and responded to a number of questions raised by the FIRB and has voluntarily agreed to extend the statutory deadline for consideration of its application to 30 June 2020. Goldsea has no reason to believe that FIRB approval will not be forthcoming in due course.

6 Extension of the Offer Period

In accordance with section 650D of the Corporations Act, Goldsea intends to vary its Offers by extending the offer period for Your Alto Shares and Your Alto Options to **7.00pm (Sydney time) on 8 July 2020** (unless further extended or withdrawn).

¹ Relevant Interest and Voting Power percentages include valid acceptances under the Offers.

In addition, for the purposes of section 630(2)(b) of the Corporations Act, Goldsea gives notice that the new date for the purposes of giving notice of status of defeating conditions in relation to its Offers will be 1 July 2020.

As a result of the extension of the offer period, Alto Shareholders and Alto Optionholders who have accepted the Offers will be entitled to withdraw those acceptances in accordance with section 650E of the Corporations Act, on the terms and in the manner described in the formal notices of variation.

7 Further information

Notices under section 650D of the Act effecting the variations described in this Second Supplementary Bidder's Statement have been lodged with ASIC and will be sent to Alto Shareholders and Alto Optionholders in accordance with the requirements of the Corporations Act.

Goldsea urges Alto securityholders to **ACCEPT** its **RECOMMENDED** Offers (as varied) without delay.

Goldsea considers the Offers are highly attractive to both Alto Shareholders and Alto Optionholders. See section 4 of the Original Bidder's Statement for the reasons why Goldsea considers Alto Shareholders and Alto Optionholders should accept the Offers.

Alto Shareholders and Alto Optionholders who have any questions in relation to the Offers or who would like another acceptance form should call the Offer Information Line on 1300 660 106 (within Australia) or +61 1300 660 106 (outside Australia) between 8.30am and 5.30pm (AEST) on Business Days.

8 Approval of Second Supplementary Bidder's Statement

This Second Supplementary Bidder's Statement has been approved by the directors of Goldsea Australia Mining Pty Ltd.

Date 28 May 2020

Signed for and on behalf of **Goldsea Australia Mining Pty Ltd**
By

Sign
here
▶



Director

Print Ms Jiayi Li
name _____

A copy of this notice was lodged with ASIC on 28 May 2020.

ASIC takes no responsibility for the contents of this notice.

Goldsea Australia Mining Pty Ltd (ACN 637 464 601)

Takeover bid for Alto Metals Limited (ACN 159 819 173)

Notice of variation of Share Offer – increase in share offer price and extension of share offer period

To: Australian Securities and Investments Commission

ASX Limited

Alto Metals Limited (ACN 159 819 173) (**Alto**)

Each Alto shareholder and other person referred to in sections 650D(1)(c) and 650D(2) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order 13/521)

Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**) gives notice for the purposes of section 650D of the *Corporations Act 2001* (Cth) (**Act**) that its takeover offers for all of the fully paid ordinary shares in Alto (**Share Offer**) contained in its bidder's statement dated 24 March 2020 (**Bidder's Statement**):

(a) as varied by a notice of variation – extension of offer period dated 1 May 2020; and

(b) as supplemented by the first supplementary bidder's statement dated 1 May 2020,

are further varied as set out in this notice of variation.

1 Increase of Share Offer Price

In accordance with section 650B of the Act, Goldsea varies the Share Offer by:

(a) increasing the Share Offer Price from A\$0.065 cash per Alto share to A\$0.075 per Alto share; and

(b) substituting "A\$0.065" for "A\$0.075" in sections 3, 4, 5, 12.2 and 13.1 of the Bidder's Statement and in all other places it appears (or is deemed to appear) in the Bidder's Statement.

The increased Share Offer Price will apply to all Alto shareholders who accept Goldsea's Share Offer, including those Alto shareholders who have already accepted the Share Offer and Alto optionholders who exercise their Alto options to accept into the Share Offer.

2 Extension of the Share Offer period

In accordance with section 650C of the Act, Goldsea varies the Share Offer by:

(a) extending the period during which the Share Offer will remain open so that the Share Offer will now close at **7.00pm (Sydney time) on 8 July 2020** (instead of 8 June 2020), unless further extended or withdrawn in accordance with the Act; and

- (b) substituting the date “8 June 2020” for “8 July 2020” in the Bidder’s Statement, the Acceptance Form and in all other instances in relation to the Offers, where “8 June 2020” appears (or is deemed to appear) as the last day of the offer period.

3 New date for giving notice as to status of conditions

In accordance with section 630(2) of the Act, Goldsea gives notice that as a result of the extension of the offer period for the Share Offer, the new date in section 13.10 of the Bidder’s Statement for giving notice under section 630 of the Act as to the status of the defeating conditions to the Share Offer set out in section 13.7 of the Bidder’s Statement (**Defeating Conditions**) is 1 July 2020.

As at the date of this notice, none of the Defeating Conditions have been freed or, so far as Goldsea knows, fulfilled and accordingly the Share Offers remain subject to those defeating conditions.

4 Right of withdrawal

In this section “Right of withdrawal”, words defined in the ASX Settlement Operating Rules have the same meaning in this notice, unless the context requires otherwise.

In accordance with section 650E of the Act, as this variation (combined with the previous variation of the Share Offer dated 1 May 2020) postpones for more than one month the time when Goldsea has to meet its obligations under the Share Offer, those Alto shareholders who have validly accepted the Share Offer on or before the date of this notice have the right to withdraw their acceptance by giving notice to Goldsea (**Withdrawal Notice**) within 1 month beginning on the day after the day on which they received this notice (**Withdrawal Period**).

A Withdrawal Notice by an Alto shareholder must:

- (a) if the Withdrawal Notice relates to Alto shares that are in a CHESS Holding:
 - (i) be in the form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASX Settlement Operating Rules; or
 - (ii) be in the form of a notice in writing to Goldsea setting out the information that Goldsea requires to transmit a Valid Originating Message to ASX Settlement on behalf of the Alto shareholder in accordance with Rule 14.16.5 of the ASX Settlement Operating Rules; and
- (b) in any other case, be in writing to Goldsea care of Link Market Services Limited at:

Link Market Services Limited
Alto Metals Limited Takeover
Locked Bag A14
Sydney South NSW 1235

If an Alto shareholder withdraws acceptance in accordance with section 650E of the Act, Goldsea must, before the end of 14 days after the day it is given the Withdrawal Notice:

- (a) return to the Alto shareholder any documents that were sent to it by the Alto shareholder with the acceptance; and
- (b) if the Withdrawal Notice relates to Alto shares that are in a CHESS Holding, Transmit to ASX Settlement a Valid Message that authorises the release of those shares from the Offer Accepted Subposition in which the CHESS Holding has been reserved in accordance with Rule 14.16.3 or Rule 14.16.5 of the ASX Settlement Operating Rules as applicable.

If you have already accepted the Share Offer and do not wish to withdraw your acceptance, you do not need to do anything.

5 No change to other terms of the Share Offer

Except for the variation to increase the Share Offer Price and further extend the offer period set out in this notice, the terms of the Share Offer made to you by Goldsea for your Alto shares remains the same.

6 Other information

This notice was approved by a resolution passed by the directors of Goldsea Australia Mining Pty Ltd.



Ms Jiayi Li

Director

Goldsea Mining Australia Pty Ltd

A copy of this notice was lodged with ASIC on 28 May 2020.

ASIC takes no responsibility for the contents of this notice.

Goldsea Australia Mining Pty Ltd (ACN 637 464 601)

Takeover bid for Alto Metals Limited (ACN 159 819 173)

Notice of variation of Options Offer – extension of option offer period

To: Australian Securities and Investments Commission

ASX Limited

Alto Metals Limited (ACN 159 819 173) (**Alto**)

Each Alto optionholder and other person referred to in sections 650D(1)(c) and 650D(2) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order 13/521)

Goldsea Australia Mining Pty Ltd (ACN 637 464 601) (**Goldsea**) gives notice for the purposes of section 650D of the *Corporations Act 2001* (Cth) (**Act**) that its takeover offers for all of the unlisted options in Alto (**Options Offer**) contained in its bidder's statement dated 24 March 2020 (**Bidder's Statement**):

- (a) as varied by a notice of variation – extension of offer period dated 1 May 2020; and
 - (b) as supplemented by the first supplementary bidder's statement dated 1 May 2020,
- are further varied as set out in this notice of variation.

1 Extension of the Options Offer period

In accordance with section 650C of the Act, Goldsea varies the Options Offer by:

- (a) extending the period during which the Options Offer will remain open so that the Options Offer will now close at **7.00pm (Sydney time) on 8 July 2020** (instead of 8 June 2020), unless further extended or withdrawn in accordance with the Act; and
- (b) substituting the date "8 June 2020" for "8 July 2020" in the Bidder's Statement, the Acceptance Form and in all other instances in relation to the Options Offer, where "8 June 2020" appears (or is deemed to appear) as the last day of the offer period.

2 New date for giving notice as to status of conditions

In accordance with section 630(2) of the Act, Goldsea gives notice that as a result of the extension of the offer period for the Options Offer, the new date in section 14.11 of the Bidder's Statement for giving notice under section 630 of the Act as to the status of the defeating conditions to the Option Offer set out in section 14.8 of the Bidder's Statement (**Defeating Conditions**) is 1 July 2020.

As at the date of this notice, none of the Defeating Conditions have been freed or, so far as Goldsea knows, fulfilled and accordingly the Options Offer remains subject to those defeating conditions.

3 Right of withdrawal

In this section "Right of withdrawal", words defined in the ASX Settlement Operating Rules have the same meaning in this notice, unless the context requires otherwise.

In accordance with section 650E of the Act, as this variation (combined with the previous variation of the Options Offer dated 1 May 2020) postpones for more than one month the time when Goldsea has to meet its obligations under the Options Offer, those Alto optionholders who have validly accepted the Options Offer on or before the date of this notice have the right to withdraw their acceptance by giving notice to Goldsea (**Withdrawal Notice**) within 1 month beginning on the day after the day on which they received this notice (**Withdrawal Period**).

A Withdrawal Notice by an Alto optionholder must be in writing to Goldsea care of Link Market Services Limited at:

Link Market Services Limited
Alto Metals Limited Takeover
Locked Bag A14
Sydney South NSW 1235

If an Alto optionholder withdraws acceptance in accordance with section 650E of the Act, Goldsea must, before the end of 14 days after the day it is given the Withdrawal Notice return to the Alto optionholder any documents that were sent to it by the Alto optionholder with the acceptance.

If you have already accepted the Options Offer and do not wish to withdraw your acceptance, you do not need to do anything.

4 No change to other terms of the Options Offer

Except for the variation to further extend the offer period set out in this notice, the terms of the Options Offer made to you by Goldsea for your Alto options remains the same.

5 Other information

This notice was approved by a resolution passed by the directors of Goldsea Australia Mining Pty Ltd.



Ms Jiayi Li

Director

Goldsea Mining Australia Pty Ltd