

ENTITLEMENT OFFER & TAKEOVERS PANEL UPDATE

Alto Metals Limited (ASX:AME) (**Alto** or **Company**) refers to its 1 for 4 pro rata accelerated non-renounceable entitlement offer at \$0.07 per new share to raise up to a total of \$5.1 million (before costs), as announced on 13 July 2020 (**Entitlement Offer**).

As announced on 15 July 2020, Habrok (Alto) Pty Ltd (**Habrok**) made an application to the Takeovers Panel seeking a declaration of unacceptable circumstances in relation to certain affairs of Alto, including the Entitlement Offer.

The Takeovers Panel has today made a declaration of unacceptable circumstances and final orders in relation to the affairs of Alto to the effect that:

The Panel has made orders that (in effect):

- Alto must terminate the Entitlement Offer.
- Alto must not announce (among other things) the terms of any new capital raising, or request or accept any commitments from Alto shareholders to participate in a new capital raising, for two weeks following the dispatch of Alto's supplementary target's statement (described below).
- Alto shareholders who have provided a shareholder intention statement (other than those Alto shareholders who are related to Alto directors) be given a right to withdraw their shareholder intention statement.
- Alto must dispatch a supplementary target's statement including an explanation of the effect of the Panel's declaration and orders, and details of the relationship (if any) between the Alto shareholders who have provided a shareholder intention statement and the Alto directors.

Alto strongly disagrees with the application made by Habrok and the conclusion of the Takeovers Panel and considers the continuation of exploration activities and the provision of funding by the Entitlement Offer to be in the best interests of all shareholders. However, as a result of the orders, Alto confirms that the Entitlement Offer is now terminated and it is considering alternate funding arrangements.

Alto notes that as a result of the Panel's orders, the "Offer Price Increase Condition" described in Habrok's announcement of 17 July 2020 has now been satisfied. Accordingly, the offer price under Habrok's offer to acquire Alto's shares is now increased from \$0.066 to \$0.07 per share.

Alto's operations have been frustrated by repeated unsuccessful takeover bids and considers that Habrok's share offer, at \$0.07 per share, is unlikely to result in any material acceptances given Alto's share price has closed above this price on every day since its offer opened on 22 July 2020.

Further information will be contained in the supplementary target's statement to be dispatched as soon as possible.

This announcement has been authorised by the Managing Director.



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