

# 2022 ANNUAL GENERAL MEETING

Dear Shareholder

Notice is hereby given that the 2022 Annual General Meeting (**Meeting**) of **Alto Metals Limited** (ASX:AME) (Alto) will be held as a physical meeting at:

**The Board Room,  
Suite 9, 12 – 14 Thelma Street, West Perth, WA 6005  
on Wednesday 30 November 2022 at 11:30am (AWST)**

In accordance with section 253RA(2) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice to shareholders unless a shareholder has requested a hard copy. A copy of the Notice of Meeting (NOM) is available on the Company's website at

[www.altometals.com.au](http://www.altometals.com.au)

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Pty Limited, using any of the following methods:

## **Easiest method**

**By mobile**                      Scan the QR code on your proxy form with the camera on your mobile device and follow the prompts.

## **Other methods**

**Online**                              <https://investor.automic.com.au/#/loginsah>

**By mail**                              Share Registry – Automic Pty Limited,  
GPO Box 5193, Sydney NSW 2001, Australia

Your proxy voting instruction must be received by 11:30am (AWST) on 28 November 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the NOM please contact the Company Secretary on +61 8 9 381 2808.

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Mark Connelly', with a stylized flourish at the end.

Mark Connelly  
**Chairman**

## **Your right to elect to receive documents electronically or physically**

The *Corporations Amendment (Meetings and Documents) Act 2022 (Amendment Act)* includes a new requirement for public companies and listed companies to give shareholders notice of their right to elect to be sent documents electronically or physically by the company in section 110K of the Corporations Act.

Recent legislative changes to the Corporations Act 2001 (Cth) mean there are new options for how Alto shareholders receive communications. Alto will no longer send physical meeting documents unless a shareholder requests a copy to be mailed.

## **Providing your email address to receive shareholder communications electronically**

Alto encourages all shareholders to provide an email address so we can provide investor communications electronically when they become available online, which includes items such as meeting documents and annual reports.

By providing your email address, you will:

- Support the company by reducing the cost of mailing/postage
- Receive your investor communications faster and in a more secure way
- Help the environment through the need for less paper

## **How do I update my communications preferences?**

Shareholders can still elect to receive some or all of their communications in physical or electronic form or elect not to receive certain documents such as annual reports. To review your communications preferences, or sign up to receive your shareholder communications via email, please update your communication preferences at <https://investor.automic.com.au/>

If you are a shareholder and would like a physical copy of a communication, need further information about the options available to you or have questions about your holding, visit <https://investor.automic.com.au/> or contact our share registry:

**Telephone (within Australia):** 1300 288 664

**Telephone (outside Australia):** +61 2 9698 5414

**Email:** [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

**Website:** <https://investor.automic.com.au/>

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**ALTO METALS LIMITED**

**ACN 159 819 173**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:30am (WST)

**DATE:** 30 November 2022

**PLACE:** Suite 9, 12 – 14 Thelma Street, West Perth, WA 6005

**This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 2808.**

**ALTO METALS LIMITED**  
**ACN 159 819 173**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of Alto Metals Limited (“Alto Metals” or “the Company”) will be held as follows:

<b>TIME:</b>	<b>11:30am (WST)</b>
<b>DATE:</b>	<b>30 November 2022</b>
<b>LOCATION:</b>	<b>Suite 9, 12 – 14 Thelma Street, West Perth, WA 6005</b>

Words and phrases used in the Resolutions are defined in the section headed ‘Definitions’ of the accompanying Explanatory Memorandum and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Memorandum.

**AGENDA**

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**ORDINARY BUSINESS**

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**Financial Statements and Reports**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 including the declaration of the Directors, the Directors’ report, the Remuneration Report and the auditor’s report.

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**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, the following resolution as a **non-binding** resolution:

***“That, for the purpose of section 250R(2) of the Corporations Act, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2022.”***

*Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.*

**Voting Exclusion Statement**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) (b) above; or
- (b) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

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#### **Resolution 2 – Re-election of Director – Richard Monti**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

***“That, for the purposes of clause 7.3 of the Company’s Constitution and Listing Rule 14.5 and for all other purposes, Richard Monti retires by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”***

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#### **Resolution 3 - Re-election of Director – Dr Jingbin Wang**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

***“That, for the purposes of clause 7.3 of the Company’s Constitution and Listing Rule 14.5 and for all other purposes, Dr Jingbin Wang retires by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”***

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#### **Resolution 4 – Election of Director – Mark Connelly**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

***“That for the purposes of clause 7.3(b) of the Company’s Constitution and Listing Rule 14.4 and for all other purposes, Mark Connelly, who was appointed by the board on 17 October 2022, is elected as a Director.”***

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#### **Resolution 5 – Ratification of Issue of Performance Rights**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 500,000 Performance Rights on the terms and conditions in the Explanatory Memorandum.”***

#### **Voting Exclusion Statement:**

The entity will disregard any votes cast in favour of this resolution by or on behalf of any person who participated in the issue of the Performance Rights or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## Resolution 6 (a), (b), (c) – Approval of Issue of Performance Rights

To consider and, if thought fit, to pass with or without amendment, the following resolutions as **ordinary resolutions**:

*“That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to:*

- a) 6,000,000 Performance Rights to Matthew Bowles;*
- b) 3,000,000 Performance Rights to Mark Connelly;*
- c) 3,000,000 Performance Rights to Richard Monti;*

*on the terms and conditions set out in the Explanatory Memorandum”.*

### **Voting Exclusion Statement:**

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Alto Metals Limited Employee Securities Incentive Plan in question or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (a) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## Resolution 7 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

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## Resolution 8 – Approval of Employee Securities Incentive Plan

To consider and, if thought fit, to pass without or without amendment, as an **ordinary resolution** the following:

*“That, for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the “Alto Metals Limited Employee Securities Incentive Plan” and the issue of up to 53,453,751 Securities under that plan, on the terms and conditions in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (iii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**Resolution 9 – Approval of potential benefits under the Plan**

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

***“That, conditional on 8 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the “Alto Metals Limited Employee Securities Incentive Plan”, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.”***

**Voting Prohibition Statement:**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the New Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person

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**Resolution 10 – Modification of existing Constitution**

To consider and, if thought fit, to pass with or without amendment as a **special resolution** the following:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this resolution is passed.”*



## **EXPLANATORY MEMORANDUM**

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

## **PROXIES**

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Mail to: Automic C/- GPO Box 5193, Sydney NSW 2001
- By hand to: Automic C/- Level 5, 126 Phillip Street, Sydney NSW 2000

To be effective, a Proxy Form and, if the Proxy Form is signed by the Shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

## **CORPORATE REPRESENTATIVES**

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

## **DATE FOR DETERMINING HOLDERS OF SHARES**

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 4:00pm (WST) on 28 November 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated 27 October 2022

By order of the Board

Graeme Smith  
Company Secretary

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

**EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

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**ACTION TO BE TAKEN BY SHAREHOLDERS**

This Explanatory Memorandum sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Explanatory Memorandum are set out in the section headed 'Definitions' in the Explanatory Memorandum. Accompanying this Explanatory Memorandum is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it no later than 48 hours before the time specified for the commencement of the Annual General Meeting.

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**ANNUAL FINANCIAL REPORTS**

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2022 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2022 Annual Report, a copy of which is available on the Company's website at [www.altometals.com.au](http://www.altometals.com.au).

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

A representative from the Company's auditors will be invited to the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

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**1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2022.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD MONTI**

Clause 7.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, except the Managing Director, must retire from office provided that no Director may hold office without re-election past the third AGM following the Director's appointment or 3 years, whichever is longer. The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agreed amongst themselves) be determined by drawing lots. A Director who retires by rotation under clause 7.3 of the Constitution is eligible for re-election.

ASX Listing Rule 14.5 also provides that directors must hold an election of directors at each annual general meeting.

In accordance with clause 7.3 of the Constitution and ASX Listing Rule 14.5, Mr Monti is required to retire and being eligible for election, offers himself for re-election.

Mr Monti is a geologist with a successful career of over 35 years in the international mineral resource industry, resulting in broad industry knowledge and strong strategic planning capabilities. He has first-hand working knowledge of all aspects of the industry.

He has 35 years of experience as a Director on 15 ASX and TSX listed companies, covering exploration and mining activities. Directorships include 4 as Chair and sitting on numerous sub-committees. Richard has held roles at several international and Australian companies including Anaconda Nickel, Azimuth Resources Limited, The North Group and The Normandy Group.

He was a founding Director of Azimuth Resources and the architect of the Company's eventual take over for A\$190m in 2013. Richard was Principal of Ventnor Capital from 2005 to 2010, a corporate advisory business supplying advice across the commercial and corporate spectrum to junior and mid-size companies.

Mr Monti is considered by the Board to be an independent Director.

If Resolution 2 is passed, Mr Monti will be elected to the Board as a Non-Executive Director.

If Resolution 2 is not passed, Mr Monti will not be elected to the Board as a Non-Executive Director and will leave the Board at the conclusion of the meeting.

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### **3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR JINGBIN WANG**

Clause 7.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, except the Managing Director, must retire from office provided that no Director may hold office without re-election past the third AGM following the Director's appointment or 3 years, whichever is longer. The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agreed amongst themselves) be determined by drawing lots. A Director who retires by rotation under clause 7.3 of the Constitution is eligible for re-election.

ASX Listing Rule 14.5 also provides that a Director (excluding the Managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or three years, whichever is longer.

In accordance with clause 7.3 of the Constitution and ASX Listing Rule 14.5, Dr Wang is required to retire and being eligible for election, offers himself for re-election.

Dr. Wang is a senior geologist with extensive international minerals experience, and has been Chair of Sinotech Minerals Exploration Co. Ltd since March 2004. He has a B.Sc in Mineral Prospecting & Exploration from Central South University of Technology in Changsha, China, and a MSc and PhD in Magmatic Petrology & Metallogeny and Geotectonics & Metallogeny from the same university.

He had been President of the prestigious Beijing Institute of Geology for Mineral Resources in China from 2002 till 2021 and is an accomplished mining team leader with excellent track record of discovering major deposits around the world. Dr. Wang had also held the title of Vice-President of the China Nonferrous Metals Industry Association from 2008 till 2021 and was Executive Director of China Nonferrous Metals Resource Geological Survey from 2003-2015. Dr. Wang is a leader in the non-ferrous metals industry in China with over 30 years' experience in mineral resources exploration and mining.

Dr Wang is considered by the Board to be an independent Director.

If Resolution 3 is passed, Dr Wang will be elected to the Board as a Non-Executive Director.

If Resolution 3 is not passed, Dr Wang will not be elected to the Board as a Non-Executive Director and will leave the Board at the conclusion of the meeting.

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### **4. RESOLUTION 4 – ELECTION OF DIRECTOR – MARK CONNELLY**

Clause 7.3(b) of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next general meeting following his or her appointment, but is eligible for re-election at that general meeting (and is not be taken into account in determining the number of directors for the purposes of retirement by rotation under clause 16.4 of the Constitution).

ASX Listing Rule 14.4 also provides that a Director (excluding the Managing Director) appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting following the Director's appointment.

In accordance with clause 7.3(b) of the Constitution and ASX Listing Rule 14.4, since he was appointed as an addition to the Board on 17 October 2022, Mr Connelly is required to retire and being eligible for election, offers himself for re-election.

Mr Connelly is considered by the Board to be an independent Director.

If Resolution 4 is passed, Mr Connelly will be elected to the Board as a Non-Executive Director.

If Resolution 4 is not passed, Mr Connelly will not be elected to the Board as a Non-Executive Director and will leave the Board at the conclusion of the meeting.

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## 5. RESOLUTION 5 – RATIFICATION OF ISSUE OF PERFORMANCE RIGHTS TO MARK CONNELLY

### 5.1 General

As announced on 17 October 2022, the Company has appointed Mr Mark Connelly as a director of the Company. Pursuant to this letter of appointment, the Company has agreed to:

- (a) pay a directors fee of \$60,000; and
- (b) issue 500,000 Performance Rights (the subject of this Resolution) to Mark Connelly (or his nominee) on the terms and conditions set out below.

Mr Connelly’s letter of appointment otherwise contains such other terms considered standard for an agreement of this nature.

The Performance Rights were issued without prior shareholder approval, pursuant to Listing Rule 10.12 Exception 12 and utilising the Company’s placement capacity under Listing Rule 7.1.

This Resolution seeks Shareholder ratification for the issue of the 500,000 Performance Rights to Mark Connelly (or his nominee) on the terms and conditions set out below.

### 5.2 Performance Rights

#### Vesting Conditions

The Performance Rights will vest subject to Mark Connelly remaining an employee, office-bearer or consultant of the Company and the satisfaction of the following performance milestones before their Expiry Date (**Milestone**).

Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

	<b>% of Class Performance Rights Eligible for Vesting</b>
JORC 2012 compliant Mineral Resource of 1.0 million ounces, located within the Sandstone Gold Project	100%

#### Change of Control Event

In the event that the Sandstone Gold Project is sold or a Change of Control Event (as defined in Schedule 1) occurs, the Performance Rights will vest.

If the Board determines that a Change of Control Event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

The material terms of the Performance Rights may be found in Schedule 1.

#### Vesting Process

Provided the Vesting Conditions are met or otherwise waived by the Board, a Vesting Notification will be sent to the Related Party from the Board, informing them that some or all of the Performance Rights have vested. Unless and until the Vesting Notification is issued by the Company, the Performance Rights will not be considered to have vested.

Following the issue of the Vesting Notification for the Performance Rights, the Related Party will have until the Expiry Date of the Performance Rights to convert any vested Performance Rights on the basis of one fully paid ordinary share for each vested performance Right. Any vested Performance Rights that remain unconverted after this date will automatically expire and lapse.

If the Vesting Conditions of a Performance Right are not achieved by the applicable Expiry Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

### 5.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Performance Rights were issued without Shareholder approval pursuant to Chapter 2E of the Corporations Act, on the basis that the agreement to grant the Performance Rights, reached as part of the negotiation of Mr. Connelly's remuneration package, was considered reasonable in the circumstances and was negotiated on arm's length terms. It therefore falls within the exception in section 211 and does not require Shareholder approval.

### 5.4 Listing Rule 10.11 and 10.12 Exception 12

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, approval should be obtained, unless an exception in Listing Rule 10.12 applies.

Listing Rule 10.12 Exception 12 provides an exception to Listing Rule 10.11 where the person is a related party by reason only of the agreement between the person and the Company which is the reason for the issue of securities and the application to it of section 228(6) of the Corporations Act.

### 5.5 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Because the exceptions described in paragraphs 5.3 and 5.4 above were applicable, the issue of Performance Rights to Mr Connelly did not require the approval of Shareholders, however, by ratifying the issue the subject of Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The Company confirms that the issue and allotment of the Performance Rights, the subject of resolution did not breach ASX Listing Rule 7.1.

If Resolution 5 is not passed, the issue of the Performance Rights is still valid however it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the issue.

### 5.6 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) On 17 October 2022, a total of 500,000 Performance Rights were allotted to Mr Mark Connelly on the terms and conditions set out in Schedule 1;
- (b) The performance Rights were issued to Mr Connelly as an incentive for him to become a director of the Company;
- (c) The terms of the agreement under which Mr Connelly joined the Company are noted in Section 5.1;
- (d) The Performance Rights were issued for nil consideration and therefore no money was raised from their issue; and
- (e) a voting exclusion statement is included in the Notice.

## 5.7 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

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## 6. RESOLUTIONS 6(a), (b) and (c) - ISSUE OF PERFORMANCE RIGHTS TO MATTHEW BOWLES, MARK CONNELLY AND RICHARD MONTI

### 6.1 General

Resolutions 6(a), (b) & (c) seeks Shareholder approval for the issue of the Performance Rights to Matthew Bowles (6(a)), Mark Connelly (6(b)) and Richard Monti (6(c)) (or their nominees) (**Related Parties**).

### 6.2 Performance Rights

#### Vesting Conditions

The Performance Rights will vest subject to the relevant Related Party remaining an employee, office-bearer or consultant of the Company and the satisfaction of the following performance milestones before their Expiry Date (**Milestone**).

Performance Rights will vest upon the Company announcing the following:

	<b>% of Class Performance Rights Eligible for Vesting</b>
JORC 2012 compliant Mineral Resource of 1.5 million ounces, located within the Sandstone Gold Project	50%
Completion of a Feasibility Study	50%

#### Change of Control Event

In the event that the Sandstone Gold Project is sold or a Change of Control Event (as defined in Schedule 2) occurs, the Performance Rights will vest.

If the Board determines that a Change of Control Event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

The material terms of the Performance Rights Plan may be found in Schedule 3.

#### Vesting Process

Provided the Vesting Conditions are met or otherwise waived by the Board, a Vesting Notification will be sent to the Related Party from the Board, informing them that some or all of the Performance Rights have vested. Unless and until the Vesting Notification is issued by the Company, the Performance Rights will not be considered to have vested.

Following the issue of the Vesting Notification for the Performance Rights, the Related Party will have until the Expiry Date of the Performance Rights to convert any vested Performance Rights on the basis of one fully paid ordinary share for each vested performance Right. Any vested Performance Rights that remain unconverted after this date will automatically expire and lapse.

If the Vesting Conditions of a Performance Right are not achieved by the applicable Expiry Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

### 6.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 5.3 above

The issue of the Performance Rights to the Related Parties constitutes giving a financial benefit. The Related Parties are a related party of the Company by virtue of being a Director. The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to the Related Parties.

### 6.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive plan:

10.14.1 a director of the Company;

10.14.2 an associate of a person referred to in Listing Rules 10.14.1;

10.14.3 a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders;

unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 or 10.14.2 and therefore requires the approval of Shareholders under Listing Rule 10.14.

The Company has chosen to use performance rights as it believes they create a share price alignment between directors, staff and ordinary shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest.

Resolution 6 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

#### 6.5 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights to Matthew Bowles, Mark Connelly and Richard Monti (or their nominees). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Matthew Bowles, Mark Connelly and Richard Monti (or their nominees).

#### 6.6 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) The Performance Rights will be issued to Matthew Bowles, Mark Connelly and Richard Monti (or their nominees) (Related Parties),
- (b) The Related Parties fall within the category set out in Listing Rule 10.14.1, by virtue of them being a Director or category 10.14.2 if they choose to have their Performance Rights issued to a nominee;
- (c) The maximum number of Performance Rights to be issued to the Related Parties is 12,000,000, comprising:
  - (i) 6,000,000 Performance Right to Matthew Bowles (Resolution 6(a));
  - (ii) 3,000,000 Performance Rights to Mark Connelly (Resolution 6(b)); and
  - (iii) 3,000,000 Performance Rights to Richard Monti (Resolution 6(c)).
- (d) The value attributable to each of the Performance Rights is set out below.

Director	Performance Right	Value per Performance Right <sup>1</sup>	Value of Rights
M Bowles	6,000,000	\$0.068	\$408,000
M Connelly	3,000,000	\$0.068	\$204,000
R Monti	3,000,000	\$0.068	\$204,000

<sup>1</sup> Valuation based on the Black Scholes methodology. Refer 6.6(f)

- (e) Current remuneration of directors is set out below:

Director	Current Remuneration
M Bowles	\$530,214
M Connelly	\$60,000
R Monti	\$170,878

- (f) Performance Right Valuation details

Details	
Share price	\$0.068

Exercise Price	-
Risk Free Rate (RBA Cash Rate)	3.11%
Volatility (Annualised)	85%
Start Date	30 Nov 2022
Expiry Date	30 Nov 2026
<b>Value per Option</b>	<b>\$0.068</b>

- (g) Previous issues of Performance Rights, for nil consideration, to the Related Parties was:
- (i) 3,500,000 Performance Rights to Matthew Bowles;
  - (ii) Nil Performance Rights to Mark Connelly; and
  - (iii) 2,500,000 Performance Rights to Richard Monti.
- (h) the terms and conditions of the Performance Rights are set out below in Schedule 2;
- (i) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur progressively;
- (j) the issue price of the Performance Rights will be nil.
- (k) The Company will not receive any other consideration in respect of the issue of the Performance Shares;
- (l) Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- (m) a voting exclusion statement is included in Resolution 6 of the Notice.
- (n) In determining the number, value and term of the Performance Rights to be granted, the Board considered:
- (i) the responsibilities involved in Mr Connelly's position as Chair of the Company and his experience and knowledge;
  - (ii) the responsibilities involved in Mr Monti's positions as a non-Executive Director, and his experience and knowledge;
  - (iii) the responsibilities involved in Mr Bowles' positions as Managing Director, and his experience and knowledge;
  - (iv) that it aligns remuneration with the future growth and prospects of Alto and the interests of Shareholders by encouraging Director share ownership;
  - (v) what it considered to be an appropriate assessment of the overall reasonable remuneration for Directors for an organisation of the Company's size and location;
    - i. the issue of performance rights in lieu of cash payments preserves the Company's cash resources and reduces ongoing costs; and
    - ii. the significant contribution that the Directors are likely to have to the Company's success.

## 6.7 Directors' Recommendation

The Directors do not make any recommendation with respect to the issue of Performance Rights as such recommendation regarding the remuneration of the Directors of the Company may be a conflict of interest (as set out in ASIC guidance set out on page 25 of ASIC Regulatory Guide 76).

## 7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

### 7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed



company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$36 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 14 October 2022).

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **7.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution:

### **7.3 Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **7.4 Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 9.4(i), the date on which the Equity Securities are issued.

### **7.5 Use of funds raised under the 7.1A Mandate**

The Company will only issue the Equity Securities for cash consideration. The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the development of the Company's business and the acquisition of new assets or investments.

### **7.6 Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 14 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0345 50% decrease in Issue Price	\$0.069 Issue Price/Current Market Price	\$0.138 100% increase in Issue Price
<b>Current</b> <b>534,537,512 Shares</b>	Number of shares	53,453,751	53,453,751	53,453,751
	Funds raised	\$1,817,428	\$3,634,855	\$7,269,710
<b>50% increase</b> <b>801,806,268 Shares</b>	Number of shares	80,180,626	80,180,626	80,180,626
	Funds raised	\$2,726,141	\$5,452,283	\$10,904,565
<b>100% increase</b> <b>1,069,024 Shares</b>	Number of shares	106,907,502	106,907,502	106,907,502
	Funds raised	\$3,634,855	\$7,269,710	\$14,539,420

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No convertible securities (including any convertible securities issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) Variable "A" in Listing Rule 7.1A.2 is 534,537,512.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (viii) The issue price is \$0.068, being the closing price of the Shares on ASX on 14 October 2022.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

#### 7.7 Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

#### 7.8 Previous approval under Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2021 annual general meeting on 29 October 2021. No securities have been issued under LR 7.1A since approval was previously received.

## 7.9 Voting Exclusion

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 7.10 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

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## 8. RESOLUTION 8 – APPROVAL OF EMPLOYEE SECURITIES INCENTIVE PLAN

### 8.1 General

On 1 October 2022, amendments to the Corporations Act will commence, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a new regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which has been in force since 30 October 2014.

To ensure that the Company's ESS complies with the New Regime, the Company will adopt, subject to Shareholder approval, a new ESS called the '**Alto Metals Limited Employee Securities Incentive Plan**' (the **New Plan**).

Resolution 8 seeks Shareholder approval of the New Plan in accordance with Listing Rule 7.2 exception 13(b).

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan. A summary of the key terms of the New Plan is provided in Schedule 3. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries.

### 8.2 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for "Invitations" (within the meaning given in the New Plan) made on or after 1 October 2022. These changes are reflected in the New Plan.

	Current position under the Class Order	Position from 1 October 2022
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS interests are offered for monetary consideration or for no monetary consideration.</p>	<p><b>If the offer of ESS interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p> <p><b>If the offer of ESS interests is for monetary consideration:</b></p> <ul style="list-style-type: none"><li>• Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.</li><li>• The participant cannot acquire the ESS interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li><li>• Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li></ul>
Eligible participants	<ul style="list-style-type: none"><li>• Directors;</li><li>• Full-time and part-time employees;</li><li>• Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li></ul>	<ul style="list-style-type: none"><li>• Directors;</li><li>• Full-time and part-time employees;</li><li>• Any service providers to the entity (with no minimum requirement of hours of service provided);</li><li>• Certain 'related persons' to the above.</li></ul>

	Current position under the Class Order	Position from 1 October 2022
5% limit	The maximum number of ESS interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<b>If the offer of ESS interests is for no monetary consideration:</b> There is no limit on the number of such ESS interests that may be issued. <b>If the offer of ESS interests is for monetary consideration:</b> The number of ESS interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS interests regardless of any suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices (or cleansing prospectuses for entities unable to must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	There are no ASIC lodgement requirements. ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with. ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

### 8.3 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice.

If Resolution 8 is passed, the Company will be able to issue Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 8 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

#### 8.4 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) A summary of the material terms of the New Plan is in Schedule 3.
- (b) As at the date of this Notice, no Equity Securities have been issued under the New Plan.
- (c) The Company obtained Shareholder approval for its existing employee securities incentive plan under Listing Rule 7.2, exception 13(b) at its annual general meeting held on 25 November 2020. Since that date, the Company has issued the following Equity Securities under the existing plan:
  - (i) 1 December 2020: 12,000,000 performance rights expiring 30 November 2023
  - (ii) 29 October 2021: 1,000,000 performance rights expiring 30 November 2023
- (d) The maximum number of Equity Securities permitted to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 8 is 53,453,751 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue
- (e) A voting exclusion statement is included in the Notice.

#### 8.5 Additional information

Resolution 8 is an ordinary resolution.

#### 8.6 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 8.

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### 9. RESOLUTION 9 – APPROVAL OF POTENTIAL BENEFITS UNDER THE PLAN

#### 9.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the New Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the New Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 9 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the New Plan.

#### 9.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 8, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the New Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the New Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the New Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the New Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### **9.3 Valuation of the termination benefits**

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to, without first obtaining shareholder approval, termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### **9.4 Additional information**

Resolution 9 is conditional on the passing of Resolution 8.

If Resolution 8 is not approved at the Meeting, Resolution 9 will not be put to the Meeting. Resolution 9 is an ordinary resolution.

### **9.5 Directors' Recommendation**

The Board declines to make a recommendation in relation to Resolution 9 due to their potential personal interests in the outcome of the Resolution.

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## **10. RESOLUTION 10 – MODIFICATION OF EXISTING CONSTITUTION**

### **10.1 General**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 10 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution will incorporate recent amendments to the Corporations Act regarding the holding of meetings of Shareholders using virtual meeting technology.

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website <https://altometals.com.au/> and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company Secretary at [gsmith@altometals.com.au](mailto:gsmith@altometals.com.au) Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 10 is passed, the Company will adopt the modified Constitution with effect from the date this resolution is passed.

### **10.2 Summary of material proposed changes**

The modifications provide for the ability of the Company to hold general meetings using virtual technology only, as well as physical or hybrid meetings. This improved flexibility is necessary to ensure the Company is able to hold general meetings at times where physical meetings may not be practicable (such as during pandemics).

Set out below are the proposed modifications to Article 6.2 of the existing Constitution:

**Prior to modification:**

*Convening of Members' Meetings*

- (a) *Subject to the Corporations Act, the Directors may call a meeting of Members at any time and place as the Directors resolve.*
- (b) *The Directors must call and arrange to hold a meeting of Members on the request of Members in accordance with the Corporations Act.*
- (c) *The Members may call and arrange to hold a meeting of Members as provided by the Corporations Act.*

**After modification:**

*Convening of Members' Meetings*

- (a) *Subject to the Corporations Act, the Directors may call a meeting of Members at any time and place as the Directors resolve.*
- (b) *The Directors must call and arrange to hold a meeting of Members on the request of Members in accordance with the Corporations Act.*
- (c) *The Members may call and arrange to hold a meeting of Members as provided by the Corporations Act.*
- (d) *The Company may hold a meeting of Members at a time determined by the Directors:*
  - (i) *at one or more physical venues;*
  - (ii) *at one or more physical venues and using virtual meeting technology; and*
  - (iii) *using virtual meeting technology only,**provided that, in each case, Members as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors.*
- (e) *If the Directors elect to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.*
- (f) *Notice of a general meeting must be given in accordance with article 6.4, the Corporations Act and the Listing Rules.*
- (g) *In computing the period of notice under article 6.2(f), the day of the meeting is to be disregarded.*
- (h) *A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

**10.3 Additional information**

Resolution 10 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**10.4 Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 10.

## DEFINITIONS

In this Explanatory Memorandum:

**\$ or A\$** means Australian Dollars.

**Annual General Meeting** means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the Board of Directors of the Company.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Alto Metals Limited, ACN 159 819 173.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice of Annual General Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of the ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**New Plan** means the proposed new Employee Securities Incentive Plan of the Company, the subject of Resolution 8– Approval of Employee Securities Incentive Plan

**Notice of Annual General Meeting or Notice** means the notice convening the Annual General Meeting accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Plan Securities** has the meaning given in 9.1.

**Proxy Form** means the form of proxy accompanying this Notice of Annual General Meeting.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2022.

**Resolution** means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Securities** means any Equity Securities of the Company (including Shares, Options and Performance Rights).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a person entered in the Company's register as a holder of a Share.

**WST or AWST** means Western Standard Time.



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**SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS**

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- (a) A Performance Right is a right to receive a fully paid ordinary share in the capital of the Company (**Share**) subject to satisfaction of the following Vesting Conditions.
- (b) The Performance Rights will vest, subject to the satisfaction of the following performance milestones being met before the Expiry Date (**Milestone**) and the relevant holder being an employee, office-bearer or consultant of the Company at the time of the Milestone being satisfied, or as otherwise determined by the Board.
- (c) Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

<b>JORC 2012 compliant Mineral Resource located within the Sandstone Gold Project</b>	<b>% of Class Performance Rights Eligible for Vesting</b>
JORC 2012 compliant Mineral Resource of 1 million ounces, located within the Sandstone Gold Project	100%

- (d) A Performance Right for which the Vesting Condition has not been satisfied expires on 30 November 2023 (**Expiry Date**).
- (e) A Performance Right does not entitle the holder to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (f) A Performance Right does not entitle the holder to any dividends.
- (g) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (h) A Performance Right is not transferable unless otherwise determined by the Board or a delegate of the Board.
- (i) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (j) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right into a Share in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (k) Subject to compliance with applicable law (including the ASX Listing Rules as they apply to the Company), Performance Rights shall immediately convert to Shares upon a Change of Control Event occurring.
- (l) Change of Control Event means:
- (i) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in over 50% of the Company's issued shares;
- (ii) the sale of all or substantially all of the assets of the Company;
- (iii) a court approves under section 411(4)(b) of the Corporations Act, a proposed compromise arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iv) in any other case, a person obtains voting power in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring the voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (m) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

- (n) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (o) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (p) Subject to paragraph (q) below, a Performance Right will convert into a Share upon the achievement of an Applicable Milestone to that Performance Right prior to the Expiry Date. An Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.
- (q) In the event an Applicable Milestone is satisfied prior to the Expiry Date, Performance Rights held by a Holder will convert into an equal number of Shares.
- (r) If an Applicable Milestone for a Performance Right is not achieved by the Expiry Date, all Performance Rights will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (s) The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (t) The conversion of Performance Rights is subject to compliance at all times with the ASX Listing Rules if the Company is listed on ASX at the relevant time and the Corporations Act.

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**SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS**

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- (a) A Performance Right is a right to receive a fully paid ordinary share in the capital of the Company (**Share**) subject to satisfaction of the following Vesting Conditions.
- (b) The Performance Rights will vest, subject to the satisfaction of the following performance milestones being met before the Expiry Date (**Milestone**) and the relevant holder being an employee, office-bearer or consultant of the Company at the time of the Milestone being satisfied, or as otherwise determined by the Board.
- (c) Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

	<b>% of Class Performance Rights Eligible for Vesting</b>
JORC 2012 compliant Mineral Resource of 1.5 million ounces, located within the Sandstone Gold Project	50%
Completion of a Feasibility Study	50%

- (d) A Performance Right for which Vesting Conditions have not been satisfied expires on the date which is four (4) years from issue of that Performance Right (**Expiry Date**).
- (e) A Performance Right does not entitle the holder to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (f) A Performance Right does not entitle the holder to any dividends.
- (g) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (h) A Performance Right is not transferable unless otherwise determined by the Board or a delegate of the Board.
- (i) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (j) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right into a Share in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (k) Subject to compliance with applicable law (including the ASX Listing Rules as they apply to the Company), Performance Rights shall immediately convert to Shares upon a Change of Control Event occurring.
- (l) Change of Control Event means:
- (i) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in over 50% of the Company's issued shares;
- (ii) the sale of all or substantially all of the assets of the Company;
- (iii) a court approves under section 411(4)(b) of the Corporations Act, a proposed compromise arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iv) in any other case, a person obtains voting power in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring the voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

- (m) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (n) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (o) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (p) Subject to paragraph (q) below, a Performance Right will convert into a Share upon the achievement of an Applicable Milestone to that Performance Right prior to the Expiry Date. An Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.
- (q) In the event an Applicable Milestone is satisfied prior to the Expiry Date, Performance Rights held by a Holder will convert into an equal number of Shares.
- (r) If an Applicable Milestone for a Performance Right is not achieved by the Expiry Date, all Performance Rights will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (s) The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (t) The conversion of Performance Rights is subject to compliance at all times with the ASX Listing Rules if the Company is listed on ASX at the relevant time and the Corporations Act.

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**SCHEDULE 3 – SUMMARY OF EMPLOYEE SECURITIES INCENTIVE PLAN**

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The following is a summary of the material terms and conditions of the New Plan:

1. **(Eligible Participant):** A person is eligible to participate in the New Plan (**Eligible Participant**) if they have been determined by the Board to be eligible to participate in the New Plan from time to time and are an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company.  
  
This relevantly includes, amongst others:
  - (a) an employee or director of the Company or an individual who provides services to the Company;
  - (b) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (c) a prospective person to whom paragraphs (a) or (b) apply;
  - (d) a person prescribed by the relevant regulations for such purposes; or
  - (e) certain related persons on behalf of the participants described in paragraphs (a) to (d) (inclusive).
2. **(Maximum allocation):**
  - (a) The Company must not make an offer of Securities under the New Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
    - (i) the total number of Plan Shares (as defined in paragraph 13 below) that may be issued or acquired upon exercise of the convertible securities offered; plus
    - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the New Plan at any time during the previous 3 year period,would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.
3. **(Purpose):** The purpose of the New Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
4. **(Plan administration):** The New Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the New Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
5. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the New Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the New Plan will comply with the disclosure obligations pursuant to Division 1A.  
  
On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.  
  
A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.
6. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the New Plan rules and any ancillary documentation required.

7. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the New Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

9. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the New Plan rules, or such earlier date as set out in the New Plan rules.

10. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the New Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

11. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the New Plan rules: any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

12. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

13. **(Rights attaching to Plan Shares):** All Shares issued under the New Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the New Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

14. **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
15. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
17. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the New Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the New Plan and determine that any amendments to the New Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the New Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

18. **(Plan duration):** The New Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the New Plan for a fixed period or indefinitely, and may end any suspension. If the New Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (WST) on Monday, 28 November 2022** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)



