

# 2023 ANNUAL GENERAL MEETING

Dear Shareholder

Notice is hereby given that the 2023 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 Thursday 30 November 2023 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 2023, 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 2023

**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 2023</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 2023.”***

*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 – 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 of the Company’s Constitution and Listing Rule 14.5 and for all other purposes, Mark Connelly 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 – Ratification of Issue of Tranche 1 Placement Shares**

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

***“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:***

- (a) ***33,107,693 Placement Shares issued under Listing Rule 7.1; and***
- (b) ***60,200,000 Placement Shares issued under Listing Rule 7.1A,***

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

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#### **Resolution 4 – Approval of issue of Director Placement Shares**

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

***‘That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Placement Shares to the Participating Directors (or their respective nominees) as follows:***

- (a) ***up to 384,615 Placement Shares to Mark Connelly;***
- (b) ***up to 538,462 Placement Shares to Matthew Bowles; and***
- (c) ***up to 1,923,077 Placement Shares to Richard Monti,***

***on the terms and conditions in the Explanatory Memorandum.’***

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#### **Resolution 5 – Ratification of Issue of Securities to Challenge Drilling**

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

***“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 8,076,923 fully paid ordinary shares issued to a nominee of Challenge Drilling under Listing Rule 7.1, on the terms and conditions in the Explanatory Memorandum.”***

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**Resolution 6 – Ratification of Issue of Placement 2022 Shares**

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 10,769,232 Placement 2022 Shares issued under Listing Rule 7.1, on the terms and conditions in the Explanatory Memorandum."*

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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."*

## Voting exclusions

Pursuant to Listing Rule 14.11, the Company will disregard any votes cast in favour of:

- (a) **Resolution 1:** by a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or a Closely Related Party of such a member;
- (b) **Resolution 3(a):** by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares, or any of their respective associates;  
**Resolution 3(b):** by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares, or any of their respective associates;
- (c) **Resolution 4(a):** by or on behalf of Mark Connelly (or his nominees), or any other person who will obtain a material benefit as a result of the issue of these Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) **Resolution 4(b):** by or on behalf of Matthew Bowles (or his nominees), or any other person who will obtain a material benefit as a result of the issue of these Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) **Resolution 4(c):** by or on behalf of Richard Monti (or his nominees), or any other person who will obtain a material benefit as a result of the issue of these Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

**Resolution 5:** by or on behalf of Challenge Drilling, or any of its associates; and

**Resolution 6:** by or on behalf of a person who participated in the issue of the Placement 2022 Shares, or any of their respective associates.

The above voting exclusions do 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 on the Resolution, 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 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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## **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 2023

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 2023 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 2023 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 – MARK CONNELLY**

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 Connelly is required to retire and being eligible for election, offers himself for re-election.

Details of Mark Connelly's background and experience are set out in the Annual Report.

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

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

If Resolution 2 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.

The Board recommends that Shareholders vote in favour of Resolution 2.

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### 3. RESOLUTION 3(a) & (b) – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES

#### 3.1 General

On 24 July 2023, the Company announced that it had received firm commitments to raise approximately \$5,000,000 (before costs) through a placement of up to 96,153,846 Shares at an issue price of \$0.052 per Share (**Placement Shares**), consisting of:

- (a) 93,307,693 Shares (**Tranche 1 Placement Shares**) to be issued to professional and sophisticated investors using the Company's available placement capacity under Listing Rules 7.1 and 7.1A to raise \$4,852,000 (before costs); and
- (b) 2,846,154 Placement Shares (**Director Placement Shares**) to be issued to certain directors of the Company who wish to participate in the Placement to raise an additional \$148,000 (before costs), subject to Shareholders approving Resolution 2(a) and (b),

(together, the **Placement**).

On 31 July 2023, the Company issued the Tranche 1 Placement Shares as follows:

- (c) 33,107,693 Placement Shares under Listing Rule 7.1; and
- (d) 60,200,000 Placement Shares under Listing Rule 7.1A.

Taylor Collison Limited (**Lead Manager**) acted as lead manager and bookrunner to the Placement and was paid a 6% fee on funds raised under the Placement.

Resolution 3(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

Resolution 4(a)-(c) seek Shareholder approval pursuant to Listing Rule 10.11 to issue the Director Placement Shares.

#### 3.2 Listing Rules 7.1, 7.1A and 7.4

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.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase its 15% placement capacity under Listing Rule 7.1 by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 30 November 2022.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacities under Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12-month period following the issue of the Tranche 1 Placement Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

The effect of Shareholders passing Resolution 3(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 and the 10% additional placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 3(a) is passed, 33,107,693 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3(b) is passed, 60,200,000 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3(a) is not passed, 33,107,693 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 33,107,693 Equity Securities for the 12 month period following the issue of those Placement Shares.

If Resolution 3(b) is not passed, 60,200,000 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 60,200,000 Equity Securities for the 12 month period following the issue of those Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

### **3.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) The Tranche 1 Placement Shares were issued to sophisticated and professional investors identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from new and existing contacts of the Company and clients of the Lead Manager. No Material Investors were issued Tranche 1 Placement Shares.
- (b) A total of 93,307,693 Tranche 1 Placement Shares were issued as follows:
  - (i) 33,107,693 Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1; and
  - (ii) 60,200,000 Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1A.
- (c) The Tranche 1 Placement Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Tranche 1 Placement Shares were issued on 31 July 2023 at an issue price of \$0.052 per Share.
- (e) The proceeds from the issue of the Placement Shares have been or are intended to be applied towards the ongoing exploration at the Company's 100% owned, Sandstone Gold Project, in Western Australia. This funding sees the Company fully funded for all exploration currently planned for CY2023 and the program planned for the next 12 months. It is intended that the proceeds will primarily be used to continue the ongoing extensional and resource drilling at both Indomitable and Vanguard where drilling has been targeting higher grade structures at depth within the fresh rock, along with priority regional targets, including the Hacks and Oroya region.
- (f) There are no other material terms to the agreement for the subscription of the Tranche 1 Placement Shares.
- (g) A voting exclusion statement is included in the Notice.

### **3.4 Additional information**

Resolution 3(a) and (b) are separate ordinary Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 3(a) and (b).

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## **4. RESOLUTION 4(a)-(c) – APPROVAL OF ISSUE OF DIRECTOR PLACEMENT SHARES**

### **4.1 General**

The background to the Placement is summarised in Section 3.1 above.

Resolution 4(a)-(c) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to

2,846,154 Director Placement Shares to Mark Connelly, Matthew Bowles and Richard Monti (**Participating Directors**) (or their respective nominees).

#### **4.2 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Participating Directors are Related Parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to the Participating Directors (or their respective nominee) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 4(a)-(c) will be to allow the Company to issue the Director Placement Shares, raising \$148,000 (before costs).

If Resolution 4(a)-(c) are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares under the relevant Resolution, and will not receive the \$148,000 (before costs) committed by the Participating Directors.

#### **4.3 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) The Director Placement Shares will be issued to the Directors (or their respective nominees) as follows:
  - (i) up to 384,615 Placement Shares to Mark Connelly;
  - (ii) up to 538,462 Placement Shares to Matthew Bowles; and
  - (iii) up to 1,923,077 Placement Shares to Richard Monti;
- (b) The Participating Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 2,846,154 Director Placement Shares will be issued to the Participating Directors (or their respective nominee).
- (d) The Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares are proposed to be issued at an issue price of \$0.052 each, being the same issue price as other Placement Shares.
- (g) A summary of the intended use of funds raised from the Placement is in Section 3.3(e) above.
- (h) The proposed issue of the Director Placement Shares is not intended to remunerate or incentivise the Participating Directors.

- (i) There are no other material terms to the proposed issue of the Director Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

#### **4.4 Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Director Placement Shares will be issued on the same terms as those Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

#### **4.5 Additional information**

Resolution 4(a)-(c) are separate ordinary resolutions.

The Board declines to make a recommendation in respect of Resolution 4(a)-(c) as each of the Directors have a personal interest in the Resolutions.

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### **5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO CHALLENGE DRILLING**

#### **5.1 General**

On 31 July 2023, the Company issued 8,076,923 Shares (**Drilling Shares**) to a nominee of Challenge Drilling at a deemed issue price of \$0.052 (being the same issue price as the Placement Shares) as consideration for the provision of drilling services with a market value of approximately \$420,000. Under the terms of a drilling services arrangement, it was agreed that Challenge Drilling or its nominee would be remunerated for drilling services through the issue of the Drilling Shares (**Drilling Services Agreement**).

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Drilling Shares.

#### **5.2 Listing Rules 7.1 and 7.4**

Listing Rules 7.1 and 7.4 are summarised in Section 3.2 above.

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 5 is passed, 8,076,923 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, 8,076,923 Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 8,076,923 Equity Securities for the 12 month period following the issue of those Shares.

#### **5.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Drilling Shares:

- (a) The Drilling Shares were issued to a related party to Challenge Drilling.

- (b) A total of 8,076,923 Drilling Shares were issued.
- (c) The Drilling Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Drilling Shares were issued on 31 July 2023.
- (e) The Drilling Shares were issued as consideration for the provision of drilling services at a deemed issue price of \$0.052 per Share. Accordingly, nil cash was raised through the issue of the Drilling Shares.
- (f) The Drilling Services Agreement is summarised in Section 5.1.
- (g) A voting exclusion statement is included in the Notice.

#### **5.4 Additional information**

Resolution 5 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

### **6. RESOLUTION 6 - RATIFICATION OF ISSUE OF PLACEMENT 2022 SHARES**

#### **6.1 General**

On 16 December 2022, the Company announced that, in conjunction with its share purchase plan, it had received firm commitments to raise approximately \$700,000 (before costs) through a placement of up to a total of 10,769,232 Shares (**Placement 2022 Shares**) at an issue price of \$0.065 per Share.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement 2022 Shares.

#### **6.2 Listing Rules 7.1 and 7.4**

Listing Rules 7.1 and 7.4 are summarised in Section 3.2 above.

The effect of Shareholders passing Resolution 6 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, 10,769,232 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, 10,769,232 Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 10,769,232 Equity Securities for the 12 month period following the issue of those Shares.

#### **6.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement 2022 Shares:

- (a) The Placement 2022 Shares were issued to sophisticated and professional investors known to the Directors of the Company. No Material Investors were issued Placement 2022 Shares.
- (b) A total of 10,769,232 Placement 2022 Shares were issued.
- (c) The Placement 2022 Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement 2022 Shares were issued on 22 December 2022 at an issue price of \$0.065 per Share.
- (e) The funds raised from the issue of the Placement 2022 Shares were applied towards:
  - (i) ongoing resource work updating the current mineral resource at the Sandstone Gold Project; and

- (ii) general working capital.
- (f) There are no other material terms to the agreement for the subscription of the Placement 2022 Shares.
- (g) A voting exclusion statement is included in the Notice.

#### **6.4 Additional information**

Resolution 6 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

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### **7. RESOLUTION 7 – 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 \$32 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2023).

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 19 October 2023.

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		
		\$0.0225 50% decrease in Issue Price	\$0.045 Issue Price/Current Market Price	\$0.09 100% increase in Issue Price
<b>Current</b> <b>714,200,095 Shares</b>	Number of shares	71,420,009	71,420,009	71,420,009
	Funds raised	\$1,606,950	\$3,213,900	\$6,427,801
<b>50% increase</b> <b>1,071,300,143 Shares</b>	Number of shares	107,130,014	107,130,014	107,130,014
	Funds raised	\$2,410,425	\$4,820,851	\$9,641,701
<b>100% increase</b> <b>1,428,400,190 Shares</b>	Number of shares	142,840,019	142,840,019	142,840,019
	Funds raised	\$3,213,900	\$6,427,801	\$12,855,602

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 714,200,095.
- (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 \$0.045, being the closing price of the Shares on ASX on 18 October 2023.

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 2022 annual general meeting on 30 November 2022.

During the period following Shareholder approval, the Company issued 60,200,000 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 8.4% of the total diluted number of Equity Securities on issue in the Company on 19 October 2023, which was 714,200,095. It is noted that Resolution 3(b) seeks ratification of the 60,200,000 Shares.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

<b>Date of Issue and Appendix 2A</b>	<b>Date of Issue:</b> 31 July 2023 <b>Date of Appendix 2A:</b> 31 July 2023
<b>Recipients</b>	The Placement Shares were issued to sophisticated and professional investors identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from new and existing contacts of the Company and clients of the Lead Manager. No Material Investors were issued Tranche 1 Placement Shares.
<b>Number and Class of Equity Securities Issued</b>	60,200,000 Shares. <sup>2</sup>
<b>Issue Price and discount to Market Price<sup>1</sup> (if any)</b>	\$0.052 per Share (at a discount 2% to Market Price). <sup>1</sup>
<b>Total Cash Consideration and Use of Funds</b>	<b>Amount raised:</b> \$3,130,400 <b>Amount spent:</b> \$Nil  <b>Use of funds:</b> The proceeds from the issue of the Placement Shares are intended to be applied towards the ongoing exploration at the Company's 100% owned, Sandstone Gold Project, in Western Australia. This funding sees the Company fully funded for all exploration currently planned for CY2023 and the program planned for the next 12 months. It is intended that the proceeds will primarily be used to continue the ongoing extensional and resource drilling at both Indomitable and Vanguard where drilling has been targeting higher grade structures at depth within the fresh rock, along with priority regional targets, including the Hacks and Oroya region.  <b>Amount remaining:</b> \$3,130,400 <b>Proposed use of remaining funds<sup>3</sup>:</b> as above

**Notes:**

1. **Market Price** means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. **Fully paid ordinary shares** in the capital of the Company, ASX Code: AME (terms are set out in the Constitution).
3. **This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.**

**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.

## 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 2023

**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.

**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.

**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 2023.

**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.

Your proxy voting instruction must be received by **11.30am (AWST) on Tuesday, 28 November 2023**, 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/#/loginsah> 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:

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