

**ASX RELEASE**

**1 May 2019**

**ASX Code: AME**

**Dear Fellow Shareholder**

**THE DIRECTORS OF ALTO UNANIMOUSLY RECOMMEND THAT YOU  
REJECT THE MIDDLE ISLAND OFFER BY TAKING NO ACTION**

As you are no doubt aware, on 1 March 2019 Middle Island Resources Limited (**Middle Island**) announced an unsolicited takeover offer for all of your shares in Alto Metals Ltd (**Alto** or the **Company**).

After careful consideration of the Bidder's Statement and the offer, the directors of Alto unanimously resolved to recommend that you **REJECT** the Middle Island all scrip offer of 5 Middle Island shares for every 1 Alto share (**the Offer**).

You will shortly be receiving Middle Island's formal Offer document, called a Bidder's Statement, in the mail. This will be followed by the Target's Statement, which will be your directors' formal response to the Offer.

The Offer from Middle Island was not unexpected. Middle Island have previously approached Alto on a number of occasions with incomplete proposals, none of which have been advanced enough to present to shareholders. Middle Island's understanding of the value of Alto has clearly increased through their presence in the Sandstone Goldfield. Your directors believe that Middle Island now recognises the inherent value of Alto's Sandstone Project and the 818km<sup>2</sup> of the historic Archaean Sandstone Goldfield controlled by Alto, which your directors have long believed to be one of the most prospective gold provinces in Western Australia today.

Your directors believe that Middle Island launched its unsolicited Offer because it knew that the terms it was going to offer would, again, not be accepted by your directors, but it nevertheless wanted to acquire as many Alto shares as possible before Alto appreciated further in value.

Your Company has received strong messages of support from Alto's three largest shareholders, who collectively own or control 68,608,175 Alto shares<sup>1</sup> (equal to, in aggregate, 32.12% of Alto's shares on issue), with those shareholders each providing intention statements indicating that they **do not intend to accept** the Offer<sup>2</sup>.

Your directors are currently preparing a detailed response to the Offer (our Target's Statement).

Ahead of sending you our Target's Statement, your directors consider that it is important to provide you with an overview of the reasons why we believe the Offer should be rejected. We urge you to read the attached summary carefully and to contact us should you wish to discuss any aspect of this matter.

- 1. The Offer fails to recognise Alto's unrealised potential;**
- 2. Middle Island needs Alto, however Middle Island's proposal offers little benefit to Alto shareholders;**
- 3. Alto's 3 largest shareholders do not intend to accept the Offer;**
- 4. Your directors believe this is likely to be Middle Island's first move; and**
- 5. The Offer is highly conditional and uncertain.**

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<sup>1</sup> Windsong Valley Pty Ltd and Marymount Pty Ltd (being related parties of Alto's Chairman, Terry Wheeler) (40,708,175 Alto Shares), Sinotech (Hong Kong) Corporation Limited (15,900,000 Alto Shares) and Enterprise Metals Ltd (12,000,000 Alto Shares).

<sup>2</sup> See ASX announcement dated 19 March 2019.

Until you are able to review our Target's Statement, your directors recommend that you **TAKE NO ACTION** in relation to the Middle Island offer and **IGNORE ALL CORRESPONDENCE YOU RECEIVE FROM MIDDLE ISLAND**.

Following the release of our Target's Statement we shall be hosting a shareholder briefing and Q&A session. Further details shall be provided shortly.

You will gain NO ADVANTAGE by accepting the Offer immediately on receipt of the Bidder's Statement, even if you are otherwise inclined to do so. Indeed, by doing so, you may be unable to sell your Alto shares on market at a higher price if the opportunity arises, and you may also miss out on the benefits of any superior alternative proposal that might emerge from a third party.

### **Alto's objective is to delineate a high grade multi-million oz ore body at Sandstone**

Alto holds ~818km<sup>2</sup> of highly prospective and sought-after exploration ground on a major Archaean greenstone belt at Sandstone.

Since acquiring the Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration and drilling campaigns which commenced in late-2016. Alto's initial goal is the delineation of JORC 2012 compliant Mineral Resources of at least 1 million ounces of gold, that can become the basis for a re-establishment of standalone oxide and primary gold mining and milling operations at Sandstone.

### **Strategy of 2019 - Focused gold exploration**

Your Board has a clear strategy for exploration success in 2019. The Company already has advanced gold deposits at Vanguard and Indomitable and multiple high priority prospects and targets for drill testing, including Havilah and Ladybird.

The Company is focused on realising value for shareholders through systematic exploration of the entire project and drill testing known prospects, many of which has never been adequately tested below 100m.

The 2019 exploration plan will build on the work completed over the past 24 months and includes:

- RC drilling at Vanguard and Indomitable Camp deposits to further define and extend the known Mineral Resources;
- RC drilling at Havilah and Ladybird to further define and extend the known gold mineralisation; and
- AC drill testing of soil and laterite gold geochemical anomalies.

The Company will also continue to progress its resource evaluation work with:

- Maiden mineral resource estimation (JORC 2012) for Ladybird and Havilah using existing available data;
- Updates to the Company's JORC 2012 Mineral Resource inventory; and
- Geotechnical drilling, bulk density measurements and metallurgical test work, where required, to convert gold mineralisation into mineral resources.

Drilling at Vanguard is planned to commence following completion of the placement of the shortfall to test for interpreted higher grade mineralisation at depth.

Your directors believe that both they and the Alto management team, including key consultants, have the necessary skills and experience to realise the full potential of Alto's assets and are best placed to deliver shareholders value over the long term. In this regard, your directors wish to draw attention to a false statement made by Middle Island in its letter to Alto Shareholders dated 26 April 2019, which suggested that Alto "*had seen no less than 17 Board changes since June 2016*". The tenure of your directors is set out below:

- Terry Wheeler (director since 2 December 2016);
- Jingbin Wang (director since 12 October 2016); and
- Matthew Bowles (director since 27 February 2019).

In addition, Dermot Ryan, who was a director at the time of completion of the acquisition of the Sandstone Gold Project in June 2016 and recently resigned his position as Executive Director of the Company on 27 February 2019, continues to assist the Company on a consultancy basis. Of the remaining 4 directors who have resigned from the Board since June 2016, two of those directors ceased their directorships in 2016 (Anna Mao, Bill Robertson).

As noted above, further details of the Directors' recommendation will be provided in the Target's Statement. A copy will also be available on the ASX website, [www.asx.com.au](http://www.asx.com.au) and Alto's website, [www.altometals.com.au](http://www.altometals.com.au), as will news of any other developments in relation to the Offer.

Your Directors look forward to your continuing support as we respond to the Offer.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Terry Wheeler'.

**Terry Wheeler**  
Chairman  
Alto Metals Ltd

Please direct enquiries or requests for further information to:

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## WHY YOUR DIRECTORS RECOMMEND YOU REJECT MIDDLE ISLAND'S OFFER

Your directors believe Alto Shareholders are best served by **REJECTING** the Middle Island Offer:

1	<p><b>THE OFFER FAILS TO RECOGNISE ALTO'S UNREALISED POTENTIAL</b></p> <ul style="list-style-type: none"> <li>• The Offer does not adequately recognise the exploration potential of Alto's Sandstone Gold Project and the 818km<sup>2</sup> of the historic Archaean Sandstone Goldfield controlled by Alto</li> <li>• You should not allow Middle Island to profit to your detriment</li> </ul>
2	<p><b>MIDDLE ISLAND NEEDS ALTO, HOWEVER MIDDLE ISLAND'S PROPOSAL OFFERS LITTLE BENEFIT TO ALTO SHAREHOLDERS</b></p> <ul style="list-style-type: none"> <li>• <b>Middle Island needs long term growth</b> - Control of Alto will create an exciting growth story for Middle Island's shareholders, however that growth story will come at the expense of Alto Shareholders</li> <li>• <b>Alto shareholders face immediate further dilution</b> - dilution will be further exacerbated to the extent that Alto shareholders don't or are unable to participate in future capital raising initiatives. In addition, Middle Island has a large number of options, which will considerably dilute Alto Shareholders in the event that the options are exercised.</li> <li>• <b>Alto's control 818km<sup>2</sup> of the historic Archaean Sandstone Goldfield</b> - provides the ability to progress exploration of Alto's Sandstone Gold Project on a standalone basis</li> </ul>
3	<p><b>ALTO'S 3 LARGEST SHAREHOLDERS DO NOT INTEND TO ACCEPT THE OFFER</b></p> <ul style="list-style-type: none"> <li>• Alto's three major shareholders, who collectively own or control 32.12% of Alto, have stated that they <b>do not intend</b> to accept the Offer</li> <li>• Middle Island will be unable to meet the 90% compulsory acquisition threshold under the current Offer</li> <li>• In addition, Middle Island will be unable to secure a shareholding of greater than or equal to 75% of Alto Shares, being the required threshold to pass special resolutions and to seek delisting of Alto from ASX (without shareholder approval)</li> <li>• Accordingly, there are likely to be limited synergies generated from the transaction</li> </ul>
4	<p><b>YOUR DIRECTORS BELIEVE THIS IS LIKELY TO BE MIDDLE ISLAND'S FIRST MOVE</b></p> <p>Your directors believe that</p> <ul style="list-style-type: none"> <li>• Middle Island is determined to secure a foothold shareholding in Alto, irrespective of whether or not it is able to secure a 100% takeover - that is why it has reduced the minimum acceptance condition to 50.1%</li> <li>• Middle Island is unlikely to secure control of Alto in this first takeover attempt and it is, therefore, possible that Middle Island will return with a higher offer in the future, on the basis that Alto represents a highly valuable asset which your directors believe is very important to Middle Island's long-term growth aspirations</li> </ul>
5	<p><b>THE OFFER IS HIGHLY CONDITIONAL AND UNCERTAIN</b></p> <ul style="list-style-type: none"> <li>• You cannot assume that the Offer will proceed</li> </ul>

## WHY YOUR DIRECTORS BELIEVE THE OFFER IS OPPORTUNISTIC

### 1. THE OFFER FAILS TO RECOGNISE ALTO'S UNREALISED POTENTIAL

Alto controls ~818km<sup>2</sup> of highly prospective Archaean Sandstone Goldfield, 818km north of Perth in the East Murchison Mineral Field of Western Australia. Since acquiring the Sandstone Gold Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration and drilling campaigns which commenced in late-2016.

Alto has successfully delineated significant gold Mineral Resources of 261,000 ounces (JORC 2012) at Lord Henry, Lord Nelson, Indomitable Camp and Vanguard Camp. This is soon to be increased with a maiden mineral resource estimate for Havilah and Ladybird prospects

Furthermore, the success of Alto's existing exploration program and subsequent exploration across Alto's 100% owned tenements (where a plethora of additional prospects have been identified) is expected to provide a significant uplift in Alto's resource position.

By comparison, the Middle Island tenure is completely surrounded by, or immediately adjoins, Alto's Sandstone Tenements, within a confined area of approximately 158.4km<sup>2</sup> per Middle Island (or 118km<sup>2</sup> according to the Dept of Mines and Petroleum records) and contains a current Mineral Resource of a modest 125,300 ounces of gold (JORC 2012).



In the opinion of your directors, the Middle Island Offer does not adequately reflect the unrealised potential of Alto's Sandstone Gold Project and does not recognise the exploration potential at Alto's extensive tenement holdings.

***Your directors believe the success of Alto's existing exploration program and subsequent exploration across Alto's 100% owned tenements is expected to provide a significant uplift in Alto's resource position, and the Offer fails to recognise Alto's unrealised potential.***

## 2. MIDDLE ISLAND NEEDS ALTO, HOWEVER MIDDLE ISLAND'S PROPOSAL OFFERS LITTLE BENEFIT TO ALTO SHAREHOLDERS

Your directors believe that, through its presence in the Sandstone Goldfield, Middle Island now fully appreciates that Alto's Sandstone Project and the 818km<sup>2</sup> of the historic Archaean Sandstone Goldfield, controlled by Alto, is in one of the most prospective gold provinces in Western Australia today, with enormous upside potential.

That is why your directors believe that Middle Island has made its unsolicited offer at this time.

### **MIDDLE ISLAND NEEDS LONG TERM GROWTH – MIDDLE ISLAND SEEKS TO TAKE CONTROL OVER THE DEVELOPMENT OF THEIR GEOGRAPHICALLY STRANDED SANDSTONE GOLD PROJECT**

Control of Alto will create an exciting growth story for Middle Island shareholders, at the expense of Alto Shareholders, through the opportunity to develop new gold mines and utilise the Middle Island processing plant at Sandstone.

Through Middle Island's own admission in the Bidder's Statement:

*"If, as MDI anticipates, the consolidated tenement holdings justify the recommissioning of MDI's wholly-owned Sandstone Gold Plant"<sup>3</sup>; and*

*"MDI has determined that its current gold resource base, in isolation, applying current economics, does not justify the expense of refurbishing and recommissioning the Sandstone Gold Plant."<sup>3</sup>*

Only by taking control of Alto can Middle Island control the development of Alto's Sandstone Gold project and capture the exploration upside of Alto's extensive 100% owned ground position.

Alto Shareholders deserve this upside and should not have it diluted through acceptance of Middle Island's Offer.

***Alto's control of the area gives it the ability to progress Alto's Sandstone Gold Project on a standalone basis. Shareholders should not hand over project control by accepting Middle Island's Offer.***

### **ALTO SHAREHOLDERS FACE IMMEDIATE FURTHER DILUTION**

Middle Island believes (and Alto agrees) that Alto's current Mineral Resources **do not currently justify a new stand-alone plant**. As such, Middle Island considers its proximal Sandstone gold plant represents the only viable opportunity to realise near-term value from Alto's deposits.

Middle Island has estimated that the refurbishment cost of their existing Sandstone gold plant and associated infrastructure is approximately \$10.3M, **excluding contractor mobilisation, pre-production mining and working capital**.

Contingent on the successful outcome of the Offer, Middle Island has

*"a high level of confidence that they have broker support to raise up to \$5M, via a placement, to provide funds to pursue the Sandstone Gold Plant re-commissioning decision. In addition, and again contingent on the successful outcome of the Offer, MDI Directors intend to undertake a simultaneous share purchase plan to ensure all MDI Shareholders, including AME Shareholders who accept the Offer, have an opportunity to participate."*

Even if the Offer is successful, Middle Island can provide no guarantee that the merged operations will lead to a re-commissioning decision.

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<sup>3</sup> Refer page iv of Middle Islands Bidder's Statement released to ASX 24 April 2019

Your directors believe that there are significant benefits for Middle Island and its shareholders in securing additional mineral resources and **spreading its funding requirements and risk, to the detriment of Alto Shareholders.**

According to section 2.7 of the Bidder's Statement, Middle Island's capital structure comprised:

- (i) 1,046,852,156 Middle Island shares;
- (ii) 30,000,000 Middle Island options (exercisable at \$0.03, expiry 8 November 2021); and
- (iii) 348,950,719 Middle Island options (exercisable at \$0.008, expiry 31 January 2022).

Alto's Directors note that the exercise of the above options would considerably dilute the voting power of other holders of Middle Island shares if these options converted into Middle Island shares.

Furthermore, Middle Island acquired a 100% interest in its Sandstone gold project from Black Oak Minerals Limited (in Liquidation) (Receivers & Managers appointed) in July 2016 for \$2.5 million. A final payment of \$500,000 is contingent on first production from the recommissioned Sandstone Gold Plant.

By accepting the Middle Island, your exposure to the Alto Sandstone gold project will be significantly diluted. The dilution will be further exacerbated to the extent that Alto shareholders either don't or are unable to participate in future capital raising initiatives conducted by Middle Island or in the event that Middle Island options are exercised.

***Alto Shareholders should not accept this funding risk and dilution uncertainty and should REJECT Middle Island's Offer.***

### **3. ALTO'S THREE LARGEST SHAREHOLDERS DO NOT INTEND TO ACCEPT THE OFFER**

Supporting your directors' position, Alto has received separate shareholding voting intention statements from the Company's three major shareholders (together, **Major Shareholders**):

- Windsong Valley Pty Ltd and Marymount Pty Ltd (being related parties of Alto's Chairman, Terry Wheeler);
- Sinotech (Hong Kong) Corporation Limited; and
- Enterprise Metals Ltd,

who collectively own or control 68,608,175 Alto shares (equal to, in aggregate, 32.12% of the Alto's shares on issue), that they **do not intend to accept the Offer** of 5 Middle Island shares for every 1 Alto share.

***On the basis of the statements made by the Major Shareholders, Middle Island will be unable to secure 100% control of Alto under the current Offer. In addition, Middle Island will be unable to secure a shareholding of greater than or equal to 75% of Alto Shares, being the required shareholding threshold to pass special resolutions and to seek delisting of Alto from ASX (without shareholder approval).***

## 4. YOUR DIRECTORS BELIEVE THIS IS LIKELY TO BE MIDDLE ISLAND'S FIRST MOVE

Your directors believe that Middle Island understood that, when it first announced its unsolicited offer, it was unlikely to secure 100% control of Alto via this takeover bid and that one or more further takeover bids would be required to secure 100% control. Accordingly, your directors believe that this may be just the first step in Middle Island's plan to take 100% control of Alto.

Middle Island has indicated that it recognises Alto as a continuation of its strategy to pursue growth opportunities, in particular as Alto is adjacent to its current core operations in Western Australia. However, this unrealised potential, including development optimisation, will not be fully available to Middle Island unless it acquires 100% control of Alto.

When Middle Island announced its intention to make a takeover bid, the offer was subject to a 90% minimum acceptance condition which was subsequently amended on 10 April 2019. The Offer is now subject to a 50.1% minimum acceptance condition.

Your directors believe that if Middle Island fails to acquire 100% of Alto in its first attempt (i.e. under the Offer), which is a likely outcome given holders of 32.12% of Alto's shares have provided voting intention statements indicating that it is their intention to not accept the Offer at the current price, it is possible that Middle Island may return in the future with a separate, follow-on, offer in order to acquire 100% of Alto Shares. If your directors' views regarding the potential enhancements to the value and economics of the Sandstone Gold Project are realised, it is possible that any follow-on offer by Middle Island would be at a higher price than the current Offer.

Alto shareholders should note that your directors are not aware of any specific intention on the part of Middle Island to make any follow-on offer in the event that it fails to secure 100% of Alto Shares (or sufficient interests to allow it to proceed to compulsory acquisition) under the Offer, and there can be no guarantee as to what action Middle Island might take in these circumstances.

However, if you do accept the current Offer and it becomes unconditional, you will be unable to benefit from any future offers that Middle Island may make.

***Your directors urge you not to sell to Middle Island at a price that does not, in the opinion of your Directors, reflect the medium and long-term potential upside that Alto offers you.***

## 5. THE OFFER IS HIGHLY CONDITIONAL AND UNCERTAIN

The Offer is subject to 13 conditions, which make it uncertain whether the Offer will ever become unconditional.

These conditions include that Middle Island receives acceptances in respect of more than 50.1% of the sum of the number of Alto Shares on issue, which is entirely beyond Alto's control.

There are also Conditions which restrict Alto from issuing shares (other than Alto shares issued as a result of the exercise of Alto options or the Alto performance rights). There are also restrictions on the conduct of Alto's business.

As previously announced, Alto is progressing the placement of the shortfall from the entitlement offer undertaken in early 2019. Under the ASX Listing Rules, Alto has 3 months in which to place the shortfall and issue shares. The issue of shares by AME during the Offer Period is a "prescribed occurrence" (see section 9.10 (h)(d) of Middle Island's Bidder's Statement), such that the Offer Conditions would be unable to be met (and therefore Middle Island would have to directly waive that condition of the Offer).

Further information in relation to the conditions and their status will be reflected in the Target's Statement.

If you accept the Offer while it is still conditional, there will be no certainty that the Offer will proceed, but you will also be unable to sell your Alto shares on market and may be unable to participate in any alternative proposal, if one arises.

*Your directors urge you not to sell to Middle Island in circumstances where, in the opinion of your directors, the Offer does not reflect the medium and long-term potential upside that Alto offers you.*

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**A TARGET'S STATEMENT WILL BE ISSUED BY YOUR DIRECTORS NEXT WEEK AND WILL CONTAIN ALL OF THE INFORMATION YOU NEED TO CONSIDER THE OFFER.**

**PENDING RECEIPT OF THE TARGET'S STATEMENT, YOUR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU TAKE NO ACTION IN RELATION TO YOUR ALTO SHARES.**

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**Competent Person Statement**

Mineral Resource estimates for Lord Nelson and Lord Henry contained in this release were estimated in 2017 by Snowden Mining Industry Consultants and are reported pursuant to the 2012 Edition of the JORC Code. The Company is not aware of any new information or data that materially affects the information provided in the 2017 Snowden Mining Industry Consultants Reports on these deposits, and considers that all of the previous assumptions and technical parameters underpinning the Mineral Resources in the previous announcements have not materially changed.

The information in this release that relates to 2018 Vanguard Camp and Indomitable Camp Inferred Mineral Resources is based on resource estimation by Dr Spero Carras of Carras Mining Pty Ltd. Dr. Carras has disclosed that a related party of his is a very minor security holder of the Company. Dr Carras is a Fellow of the Australasian Institute Mining and Metallurgy (AusIMM) and has over 40 years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. S. Carras consents to the inclusion in this release of the matters based on the information in the context in which it appears.

The information in this release that relates to historical exploration data and Alto's Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee of XServ Pty Ltd and a security holder of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ryan consents to the inclusion in this release of the matters based on the information in the context in which it appears.

**Forward looking statements**

This release contains forward-looking statements. These statements are not based on historical facts, but rather reflect the current expectations of Alto and its Directors held only as at the date of this announcement (or the date on which the relevant statement was actually made, as the case may be) concerning future results and events (but is not a prediction of future outcomes) and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential" or other similar words and phrases. Statements that describe Alto's objectives, plans, goals or expectations may also be forward-looking statements.

Although Alto believes that the views reflected in any forward-looking statements in this announcement have been made on a reasonable basis, the forward-looking information is not a representation or warranty (express or implied) as to future matters and no assurance can be given that such views will prove to be correct. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information.

Any forward-looking information: (i) is based on certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; (ii) may involve significant elements of

subjective judgment and assumptions as to future events which may or may not be correct; and (iii) involve known and unknown risks and are subject to significant uncertainties and contingencies, many of which are outside the control of Alto. Subject to any continuing obligations under law and the ASX Listing Rules, Alto does not give any undertaking to update or revise any forward-looking statements after the date of this announcement to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

**Previously Reported Information**

This release includes information that relates to Mineral Resources, Exploration Targets and exploration results which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company’s previous ASX announcements as follows:

- Mineral Resources: Annual Report 2018.
- Exploration Results.
  - AME ASX Release 16 May 2017. “Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz.”
  - AME ASX Release 28 April 2017. “Lord Nelson Mineral Resource Increased to 68,000oz.”
  - AMEASX Release 25 September 2018. “Maiden Gold Resource at Indomitable and Vanguard Camps”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person’s findings are presented have not been materially modified from the original market announcements.

**APPENDIX - 1: Sandstone Gold Project – Mineral Resources (JORC 2012)**

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry <sup>1</sup>	Indicated	0.8	1,200	1.6	65,000
	Inferred	0.8	110	1.3	4,000
Lord Nelson <sup>2</sup>	Inferred	0.8	980	2.2	68,000
Indomitable Camp <sup>3</sup>	Inferred	0.3-0.5	1700	1.3	74,000
Vanguard Camp <sup>3</sup>	Inferred	0.5	860	1.8	50,000
<b>Total indicated</b>			<b>1,200</b>	<b>1.6</b>	<b>65,000</b>
<b>Total inferred</b>			<b>3,670</b>	<b>1.7</b>	<b>196,000</b>
<b>Total Indicated &amp; Inferred</b>			<b>4,870</b>	<b>1.7</b>	<b>261,000</b>

**Note 1.** AME ASX Release 16 May 2017. “Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz.”

**Note 2.** AME ASX Release 28 April 2017. “Lord Nelson Mineral Resource Increased to 68,000oz.”

**Note 3.** AME ASX Release 25 Sept 2018. “Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA”

**Note 4:** For reporting purposes, Appendix 1 totals have been rounded. Rounding may result in some slight discrepancies in totals reported

**All material assumptions and technical parameters underpinning the 2017 and 2018 JORC (2012) Mineral Resource estimates in the above ASX announcements continue to apply and have not materially changed since last reported.**