

ARS – ASX ANNOUNCEMENT

19 September 2019

ACQUISITION OF THE BOTTLE CREEK GOLD PROJECT AND FUNDING PACKAGE

Highlights:

- Alt Resources has executed a \$4.5 million funding package on attractive terms;
- Funds to be used to complete payment of the Bottle Creek Gold Project;
- Notes to convert at a significant premium to the Company's current share price;
- The Company to commence small scale mining at Tim's Find to service the facility; and
- The funding package significantly reduce equity dilution and allows the Company to focus on its mining ambitions.

Alt Resources Limited (**ASX:ARS**) (the **Company**) is pleased to announce that it has executed a non-binding term sheet for a funding package via a partially redeemable Convertible Note Deed (**Notes**) with Collins Street Value Fund (**CSVF**). The funds will enable the Company to make the final vendor payment for the acquisition of the Bottle Creek Project pursuant to the "Option to Purchase Agreement" well ahead of the November 2020 payment date¹.



Figure 1: The Bottle Creek Mining Leases showing the VB and Emu Pits and exploration camp.

Bottle Creek:

The Mt Ida project lies approximately 90km North West of Menzies in Western Australia. The Bottle Creek Mining Leases form a key part of the Company's 360km² Mt Ida Project. The two Mining Leases at Bottle Creek hold independent JORC 2012 Measured, Indicated and Inferred Resources of 5.6Mt @ 1.72g/t Au for 309,000oz Au and 3.78Moz Ag²³.

¹ <https://www.asx.com.au/asxpdf/20181128/pdf/440q593fb3182b.pdf>

² <https://www.asx.com.au/asxpdf/20190313/pdf/443fn0vp5v058p.pdf>

³ <https://www.asx.com.au/asxpdf/20190508/pdf/444ybh11w40wtx.pdf>



Bottle Creek was mined by Norgold Ltd, a subsidiary of Rio Tinto, between 1988 and 1989. The operation produced approximately 93,000oz Au from two open pits, VB and Boags, in an 18 month operation. The pits were mined to 50m depth and averaged 3.26g/t Au at the VB pit and 2.65g/t Au at Boags.

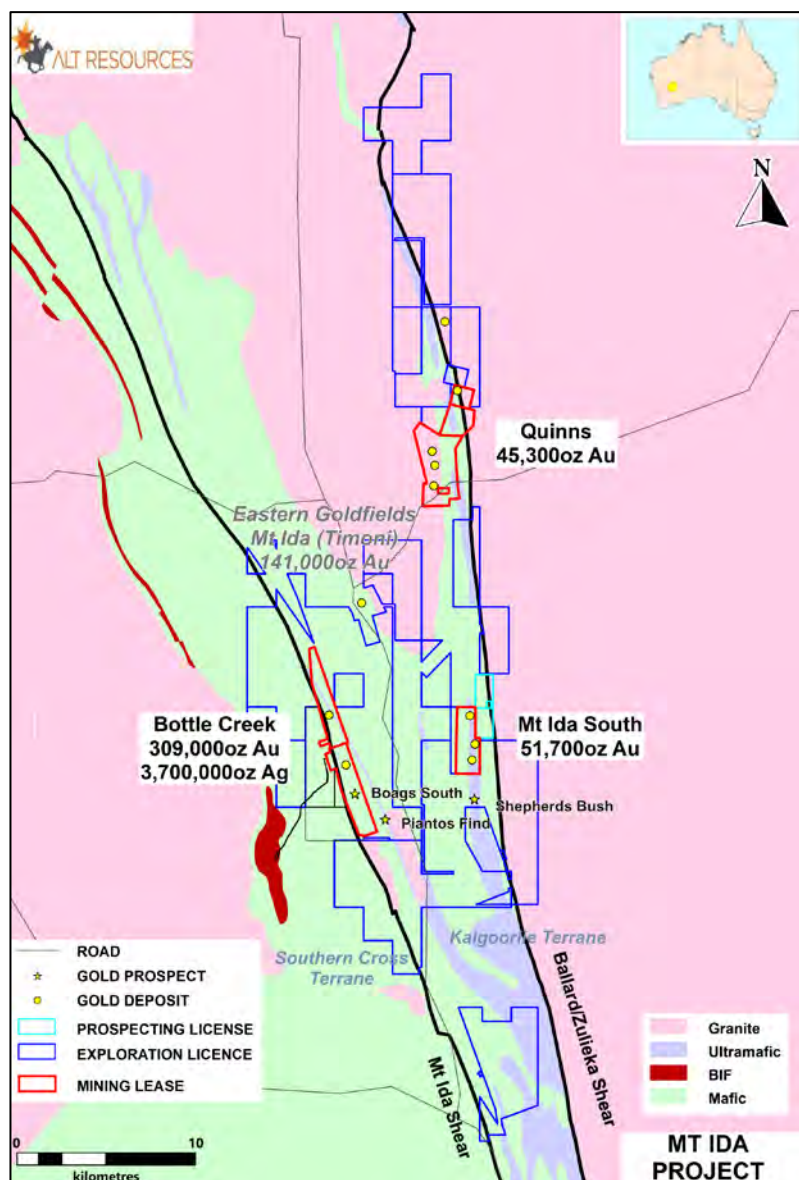


Figure 2: Map showing the Bottle Creek Mining Leases in relation to the rest of the Mt Ida project.

The ore was processed through a Minproc designed and built CIP plant. The plant was removed by Norgold during extensive mine rehabilitation in the early 1990's. Significant mining infrastructure still exists at Bottle Creek including tailings storage facilities, fully functioning exploration camp, potable water and communication services.

The Company will continue to focus on expanding its resource base at the Mt Ida and Bottle Creek gold projects with the aim of bringing these assets back into production. The third stage of resource and exploration drilling has commenced at Bottle Creek. Challenge Drilling currently have an RC drill rig onsite and drilling is underway.



Key Terms:

The key terms of the Notes include:

- CSVF will subscribe for Notes with a face value of \$5,400,000 for a payment of \$4,500,000 (**Subscription Money**), the difference being the equivalent of a 10% interest per annum over 24 months (**Maturity Date**);
- The Company has the right to pay back half of the Notes (\$2,700,000) within 12 months of execution;
- Within 12 months of execution, CSVF may convert up to \$2,700,000 of the Notes into fully paid ordinary shares in ARS (**Shares**) at \$0.032 per Share (**Conversion Price**), being a 47% premium to the 5 day VWAP (subject to any reconstruction).
- During the second year of the agreement, CSVF may convert any Notes, that haven't been converted or paid back, into Shares.
- On the Maturity Date the Company must redeem all Notes not converted into Shares by paying the face value of such Notes to CSVF.
- Subscription Money is to be used solely for the payment of the Bottle Creek Option (being the purchase by the Company of the Bottle Creek Mining Leases).
- The Note will be secured against the Bottle Creek Mining Leases (being M29/150 and M29/151) and the shares of and the assets held within MGK Resources Pty Ltd (a wholly owned subsidiary of the Company) excluding the Tim's Find mining lease (being M29/421).
- The Company will pay CSVF an establishment fee of \$90,000 in cash and Shares.

The Term Sheet is subject to binding final long form documents to be executed by Friday, 27th September 2019. Shaw and Partners introduced the Company to CSVF.

Conditions Precedent:

The Notes have a number of conditions precedent including:

- Obtaining shareholder approval to issue the Notes at a meeting held on or before 30 November 2019;
- The repayment and extinguishment of all debt facilities and current liabilities (other than equipment finance/leases) on or before 30 November 2019;
- Being issued a mining permit in respect of the Tim's Find mining leases (tenement M29/421) on or before 31st March 2020; and
- The Company signing a toll treatment and mining contracting agreement for mining at Tim's Find on or before 31st March 2020.

Management Comment:

Alt Resources Executive Director, Andrew Sparke, commented.

"We are extremely pleased to have attracted funding to secure the Bottle Creek mining project. This asset is the backbone of the Company's resource base and is pivotal to the Company's mining ambitions".

"The convertible note has been struck at very attractive terms for the Company. The conversion price of the notes represents a 47% premium to the 5 day VWAP of the Company's current share price prior to today's announcement. Under the agreement, the Company has the right to pay back up to 50% of



the Notes from the proceeds of a potential toll treatment operation at Tim's Find that is planned to commence in the first quarter 2020. This will ensure that we minimise equity dilution and maximise returns for Alt's shareholders".

"This financing is a strong endorsement of the results we have achieved and the inherent value investors see in Alt Resources. We wish to thank Collins Street Value Fund for their investment in the Company and for their support of the Mt Ida project."

Contact:

James Anderson

Chief Executive Officer

james.anderson@altresources.com.au

Peter Nesveda

Investor Relations

Mob: +61 (0) 412 357 375

Email: peter@intuitiveaustralia.com.au

About Alt Resources:

Alt Resources is an Australian based mineral exploration company that aims to become a gold producer by exploiting historical and new gold prospects across quality assets to build value for shareholders. The Company's portfolio of assets includes the greater Mt Ida and Bottle Creek Gold Projects located in the Mt Ida gold belt of Western Australia and the Paupong IRG Au-Cu-Ag mineral system in the Lachlan Orogen NSW.

Alt Resources, having acquired the Mt Ida and Bottle Creek Gold Projects with historical and under-explored tenements in the Mt Ida Gold Belt, aims to consolidate historical resources, mines and new gold targets identified within the region. Potential at Mt Ida exists for a centralised production facility to service multiple mines and to grow the Mt Ida Gold project to be a sustainable and profitable mining operation.

For further information, please visit www.altresources.com.au or phone Elissa Hansen, Company Secretary on 1300 660 001.