

7 May 2020

ALT RECEIVES ALL CASH OFF-MARKET TAKEOVER BID FROM PRIVATE EQUITY FIRM AURENNE GROUP HOLDINGS

Alt Resources Limited ("Alt Resources" or "the Company") (ASX: **ARS**) notes on 6 May 2020 it received a proposal from Aureenne Group Holdings Pty Limited ("AGH") of its intention to make a conditional off-market takeover offer through a wholly owned subsidiary ("Offer") to acquire 100% of the shares in Alt Resources for consideration of:

- A\$0.0505 for every 1 Alt Resources share held;
- Including Alt Resources shares issued upon the exercise of existing unlisted Options;
- Including 29,127,000 Alt Resources shares to be issued upon receipt of shareholder approval or board approval (as required) as part of agreed performance incentives for Directors, key executives and staff.

AGH is a privately held company located in Australia. It owns interests in a number of projects throughout the Goldfields Region.

The Board is supportive of the All-Cash Offer and is giving careful consideration to the detail of the Offer, including the conditions, and as part of a Due Diligence will engage an Independent Expert to prepare a report on the Offer. Accordingly, the Directors advise that shareholders should take no action at this stage and await the Board's formal response to the Offer including the Directors' full recommendation.

The AGH Offer is subject to a number of conditions, some of which are summarised below:

- a) a 90% minimum acceptance condition;
- b) no prescribed occurrence occurs;
- c) no termination or other adverse rights arise from a "change in control" of Alt Resources occurring;
- d) no material acquisitions, disposals or commitments and maintenance of the status quo during the bid period;
- e) mining rights and renewals and all tenements are kept in good standing during the bid period; and
- f) other customary conditions associated with proposals of this nature, including no material adverse changes occurring to Alt Resources and no adverse action by applicable regulatory authorities (excluding the Takeovers Panel or ASIC in relation to the bid).

Background to Offer

The Company has been considering funding options to meet the final vendor payments to secure the Bottle Creek Gold Project mining leases. The vendor payments amount to A\$5m with a partial payment of A\$500,000 due 1 July 2020 ("July Option Installment") and a final instalment of A\$4.5M due 30 November 2020. The company has spent in excess of A\$6M on exploration and resource drilling at the project since execution of the Bottle Creek Option when drilling commenced in 2018.

Under the Offer, the need for further significant dilution to shareholders to meet the Bottle Creek vendor payments, fund ongoing exploration, resource development and Corporate overheads is mitigated.

AGH has agreed to lend \$3.68 million to the Company through a Convertible Note which provides the Company funding security to meet its commitments to pay the July Option Installment and continue delivery of the Maiden Ore Reserve and the Mt Ida and Bottle Creek Pre-Feasibility Study without further dilution.

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Alt Resources Chairman, William Ellis, commented: *“The Board considers the AGH offer to be compelling and is a strong endorsement in the Company and its Mt Ida and Bottle Creek Gold Project assets. The Alt Resources Board remains fully committed to acting in the best interests of, Alt Resources shareholders.”*

The Board will keep shareholders informed as the Offer progresses.

Advisers

Alt Resources has appointed Hartleys Limited as financial adviser and Steinepreis Paganin as legal adviser in relation to the Offer.

Key information of the Offer, as set out in AGH’s Media Release dated 7 May 2020 is set out in Appendix 1

Timetable

Details of the Directors' recommendation, as well as further detail in respect of the Offer will be contained in Alt Resources’ Target's Statement, which will be issued within 15 days of Alt Resources receiving notice from AGH that the Bidder's Statement and offers have been sent to all Alt Resources Shareholders.

Convertible Note Issue

Alt Resources has received a commitment from AGH to raise A\$3.68 million via an issue of unlisted, unsecured convertible notes (the “Issue”).

Funds raised via the Issue will be used to fund:

- The 3rd tranche vendor payment for the Bottle Creek Gold Project;
- Delivery of the Mt Ida and Bottle Creek Maiden Ore Reserve Statement and Pre-Feasibility Study;
- Continued Metallurgical testwork;
- Working capital purposes.

The Issue has a conversion price of A\$0.03 per share which represents a 37% premium to the 30-day VWAP (volume weighted average price) of A\$0.0219, an interest rate of 5.0% and a Maturity Date 12 months from the date of issue. The Convertible Note is issued under the Company's placement capacity and can be converted at any time into 122,643,220 ordinary shares representing 16.7% of the issued capital.

Key terms of the convertible notes are set out in Appendix 2.

This announcement has been authorised by the Board of Alt Resources Limited.

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Contact:

Elissa Hansen

Company Secretary

Email: elissa.hansen@cosecservices.com.au

Peter Nesveda

Investor Relations & Corporate Affairs

Mob: +61 (0) 412 357 375

Email: peter@intuitiveaustralia.com.au

ABOUT ALT RESOURCES LIMITED

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 and 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 in the Northern Goldfields of WA, aims to consolidate the 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 Belt project to be a sustainable and profitable mining operation

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Appendix 1. Key information of the Offer, as set out in AGH's Media Release

Aurenne Group Holdings Pty Ltd

7th May, 2020

MEDIA RELEASE

The Company Announcements Office, ASX Limited

For immediate release to the market

Off Market Takeover Offer for ALT Resources Limited at 74% Premium to Last Closing Price

7th May 2020: Aurenne Group Holdings Pty Ltd ACN 627 857 176 (**AGH**) today announces that, through a wholly owned subsidiary, it intends to make a conditional off-market cash offer of \$0.0505 (5.05 cents) per share for all the ordinary shares in ALT Resources Limited ACN 168 928 416 (**ALT**), (**Offer**).

AGH (through a wholly owned subsidiary) has today entered into a convertible note deed with ALT lending ALT \$3,679,296.00 on terms set out in the announcement released by ALT. The note is convertible into up to 122,643,200 ordinary shares in ALT.

AGH is making the Offer to acquire all the issued ordinary shares in the capital of ALT (**ALT Shares**) that it does not have an interest in.

Offer at a Significant Premium

The Offer consideration of \$0.0505 in cash for each ALT Share represents a significant premium to the recent ALT Share price. Specifically, up to and including the last day of trading before ALT went into trading halt, the Offer represents:

- a 74% premium to the closing price of \$0.029 for ALT Shares on 28th April 2020, being the last day of trading before ALT went into trading halt;
- a 166% premium to the price of \$0.019 being the volume weighted average price of ALT Shares over the 30 days before 28 April 2020; and
- a 153% premium to the last price of \$0.02 per ALT Share at which ALT placed ALT Shares in the market to raise capital in April 2020.

Offer Highly Compelling

AGH believes that the Offer is highly compelling for ALT shareholders for the following reasons:

- the Offer represents a significant premium to recent trading prices of ALT Shares;
- shareholders will receive full, certain and immediate cash consideration for their ALT Shares (assuming the Offer becomes unconditional or the conditions are satisfied);

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- ALT requires significant funding to support its development plans which will (likely) require considerable shareholder support if it is to be successful as an independent company. In the last 12 months, ALT Shares on issue have increased from 277 million to over 700 million on a fully diluted basis;
- the Offer allows for avoidance of a number of risks associated with being a minority shareholder in ALT, including the risk of even lesser volumes of trade on market than currently; and
- the Offer is the only offer for ALT Shares and AGH considers the likelihood of a counter bidder emerging with a superior offer is low, particularly given the company's future funding requirements.

Other Offer conditions

The proposed Offer will be subject to various conditions which are set out in Annexure A and some of which are summarised below:

- (a) a 90% minimum acceptance condition;
- (b) no prescribed occurrence occurs;
- (c) no termination or other adverse rights arise from a "change in control" of ALT occurring;
- (d) no material acquisitions, disposals or commitments and maintenance of the status quo during the bid period;
- (e) mining rights and renewals and all tenements are kept in good standing during the bid period;
- (f) other customary conditions associated with proposals of this nature, including no material adverse changes occurring to ALT and no adverse action by applicable regulatory authorities (excluding the Takeovers Panel or ASIC in relation to the bid).

The Offer will extend to all ALT Shares issued on the exercise of ALT Options and on conversion of any ALT Performance Shares up to the end of the offer period.

Information on AGH

AGH is a privately held and fully funded company located in Australia. It owns interests in a number of projects throughout the Goldfields Region.

For more information, please contact:

Carl Rose, CEO, Aurene Group Holdings Pty Ltd

carl.rose@aurrene.com

0484 303 909

Annexure A – Conditions to the Takeover Offer

Conditions

The intended off-market cash offer (**Offer**) for all the ordinary shares in ALT Resources Limited (**ALT**), and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

(a) **Minimum acceptance condition**

Before the end of the period during which the Offer is open for acceptance (**Offer Period**), a wholly owned subsidiary of Aurene Group Holdings Pty Ltd (**Bidder**) and its associates have relevant interests in excess of 90% of ALT Shares then on issue.

(b) **Regulatory approvals**

During the Offer Period, all Regulatory Approvals which are required by law or by a Regulatory Authority in order to permit the Offer to be made to and accepted by ALT Shareholders and the lawful completion of the Offer if it is accepted and becomes unconditional are granted, given, made or obtained in each case on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(c) **No material adverse event**

Except as publicly announced to ASX prior to the date of this announcement (**Announcement Date**), none of the following has happened or happens, is announced, disclosed or otherwise becomes known to Bidder (whether it becomes public or not) during the period from and including the Announcement Date to the end of the Offer Period:

- (i) any event, action, proceeding, circumstance or change in circumstance that (individually or with others) has or is reasonably likely to have a material adverse effect on the assets, liabilities, financial condition or prospects of ALT, including but not limited to any one or more of the following effects:
 - (A) when considered together with any related events, occurrences or matters, but disregarding the effects of any unrelated events, occurrences or matters, a diminution in the value of the net assets of ALT by an amount equal to 20% or more by reference to the value of the net assets of ALT as at 31 December 2019 as shown in ALT's Report for the half year ended 31 December 2019; or
 - (B) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure previously disclosed publicly or to the Bidder in writing, where the quantum (whether individually or when aggregated with all such other events) exceeds \$100,000;
- (ii) any event or circumstance which constitutes or gives rise to, or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by a Regulatory Authority or any other person) give rise to, the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any material rights under any Mining Interest, or any material contract to which ALT or any subsidiary of ALT is a party;
- (iii) the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of a Mining Interest to any person other than the holder(s) of that Mining Interest (in that capacity) which materially conflict or could reasonably be expected to

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materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Mining Interest.

(d) **No material acquisitions, disposals, commitments, etc**

Between the Announcement Date and the end of the Offer Period, neither ALT nor any of its subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into;
- (ii) discloses the existence of; or
- (iii) incurs, becomes subject to, or brings forward the time for performance of (or is reasonably likely to incur, become subject to or bring forward the time for performance of),

an obligation or arrangement (other than pursuant to and in the proper discharge of a legally binding obligation entered into and fully disclosed to the ASX prior to the Announcement Date) or a decision by it, whether conditional or otherwise:

- (iv) to acquire an interest in property or other assets for an amount or having a market value in aggregate greater than \$100,000;
- (v) to dispose of an interest in any property or other asset for an amount, or in respect of which the book value (as recorded in ALT's balance sheet as at 31 December 2019) is, in aggregate, greater than \$100,000;
- (vi) to perform or acquire the benefit of any services or supplies of goods or services in relation to any asset, business or interest where the aggregate financial liability of ALT or any subsidiary of ALT in respect of those services exceeds or may exceed \$100,000 or the term of the arrangement exceeds and cannot be terminated within 12 months;
- (vii) to enter into or terminate, or, in any material respect, amend or waive, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a shareholders agreement, joint-venture, asset or profit sharing agreement, royalty agreement, partnership or joint-selling agreement or sale or purchase agreement or merger of business or of corporate entities; or
- (viii) to make or incur capital expenditure of more than \$100,000 (whether for an individual item or on an aggregated basis),

unless approved in writing by Bidder.

(e) **No Prescribed Occurrences between Announcement Date and service of Bidder's Statement**

Between the period beginning on the Announcement Date up to the date Bidder gives its Bidder's Statement to ALT, no Prescribed Occurrence occurs in relation to ALT or any of its subsidiaries.

(f) **No Prescribed Occurrences**

Between the period beginning on the date Bidder gives its Bidder's Statement to ALT and ending three Business Days after the end of the Offer Period, no Prescribed Occurrence occurs in relation to ALT or any of its subsidiaries.

(g) **Conduct of ALT's business**

Between the Announcement Date and the end of the Offer Period, none of the following events occurs:

- (i) except as required by law, ALT or a subsidiary of ALT:
- (A) increases the remuneration of or pays any bonus or issues any securities or options to, or otherwise varies the employment agreements with, any of its directors or employees except:
 - (I) as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (II) that the remuneration of employees (not including directors) may be increased provided that:
 - (aa) the remuneration of any one employee is not increased by more than 10% of the remuneration payable to that employee as at the Announcement Date; and
 - (ab) the aggregate of all the increases in remuneration do not exceed 10% of the total remuneration payable by ALT to all its employees (including the employees of ALT's Related Entities) as at the Announcement Date; or
 - (B) accelerates the rights of any of its directors or employees to benefits of any kind; or
 - (C) pays a director, executive or employee a termination payment, other than as provided for in an existing employment contract and approved by shareholders for the purposes of the Corporations Act or ASX Listing Rules (as appropriate) before the Announcement Date;
- (ii) ALT or a subsidiary of ALT gives or agrees to give a financial benefit to a related party of ALT within the meaning of Chapter 2E of the Corporations Act;
- (iii) ALT or a subsidiary of ALT enters into any arrangement for the borrowing of an amount in excess of \$100,000 except as a consequence of the renegotiation of its loan facilities that exist as at the Announcement Date, but without increasing the amount available under those facilities;
- (iv) ALT or a subsidiary of ALT enters into any arrangement under which ALT or a subsidiary of ALT may be required to advance or provide financial accommodation to another party, other than in the ordinary course of business;
- (v) ALT or any of its subsidiaries exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised;
- (vi) ALT declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise; or
- (vii) ALT or a subsidiary of ALT amends its constitution, or amends the terms of issue of any shares, options, performance rights or other convertible securities,

in each case (where relevant) except for the exercise of any ALT Options or the conversion of any ALT Performance Shares to ALT Shares in accordance with their terms (as disclosed to the ASX prior to the Announcement Date).

(h) **No untrue statements**

Between the Announcement Date and the end of the Offer Period, Bidder does not become aware of:

- (i) any statement that is untrue or misleading in any material respect; or
- (ii) any fact that is required to be stated to make a statement not misleading in any material respect,

in any document filed by or on behalf of ALT with ASX, other than changes, events or conditions fully and publicly announced or fully and publicly disclosed by ALT prior to the Announcement Date.

(i) **No regulatory action**

Between the Announcement Date and the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
- (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority with respect to ALT or a subsidiary of ALT;
- (iii) no application is made to any Regulatory Authority (other than by Bidder or any associate of Bidder),

in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the regulatory action results from action or inaction of Bidder or its associates) which is reasonably likely to or purports or threatens to:

- (iv) restrain, prohibit or impede, or otherwise materially adversely impact on, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including the acquisition of ALT Shares) or the continued ownership and operation of the business of ALT or a subsidiary of ALT; or
- (v) require the variation of the terms of the Offer; or
- (vi) require or approve the divestiture of any ALT Shares or the divestiture of any assets of ALT or a subsidiary of ALT or the Bidder or a subsidiary of the Bidder.

(j) **Non-existence or exercise of certain rights**

Between the Announcement Date and the end of the Offer Period, there is no person (other than the Bidder or any of its subsidiaries) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) and in all cases whether subject to conditions or not, as a result of any change of control event in respect of ALT (including Bidder acquiring shares in ALT) or any of its subsidiaries or assets, to:

- (i) terminate or alter any Mining Interest or any material contract to which ALT or any of its subsidiaries is a party;
- (ii) require the termination, modification or disposal or offer to dispose of any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (iii) accelerate or adversely modify the nature or performance of any material obligations of ALT or any of its subsidiaries under any Mining Interest or material contract.

(k) **ALT Options and ALT Performance Shares**

Prior to the earlier of the date on which Bidder declares the Offer free from all conditions or the end of the Offer Period:

- (i) all ALT Options have been exercised (and ALT Shares issued on exercise entered in the register of members of ALT), cancelled or transferred to Bidder or agreement has been reached between ALT, Bidder and the holders of the ALT Options to do so, and any necessary waiver of ASX Listing Rule 6.23 has been obtained; and
- (ii) all ALT Performance Shares have converted to ALT Shares (entered in the register of members of ALT) on satisfaction of the conditions for conversion or agreement has been reached between ALT, Bidder and the holders of the ALT Performance Shares to cancel or transfer their ALT Performance Shares to Bidder, and any necessary consents or approvals to give effect to the cancellation or transfer have been obtained.

(l) **Equal access to information**

At all times between the Announcement Date and the end of the Offer Period, ALT promptly (and in any event within two Business Days) provides to Bidder a copy of all material information concerning ALT's or any subsidiary of ALT's business and operations and that has not already been provided to Bidder relating to ALT or any subsidiary of ALT or any of their respective businesses or operations that is provided by ALT or any of its related parties (within the meaning of section 228 of the Corporations Act) to any person (other than Bidder) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a Competing Proposal.

(m) **No break fees**

- (i) Subject to paragraph (m)(ii) below, between the Announcement Date and the end of the Offer Period, neither ALT or body corporate which is or becomes a subsidiary of ALT, agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or to forego or otherwise reduce any payment or benefit to which it would otherwise be entitled, in connection with any person other than Bidder making or agreeing to participate in, or enter into negotiations concerning a Competing Proposal.
- (ii) Paragraph (m)(i) above does not apply to a payment:
 - (A) for providing professional advisory services to ALT;
 - (B) which is approved in writing by Bidder;
 - (C) lawfully made to any ALT directors, officers or employees (subject to paragraph (g)(i)(A)); or
 - (D) which is approved by a resolution passed at a general meeting of ALT.

(n) **Option Agreement**

In relation to the Option Agreement:

- (i) ALT has validly exercised its option under the Option Agreement and not ceased to be entitled (subject to payment of the outstanding consideration under the Option Agreement) to be transferred clear title to the assets the subject of the Option Agreement (**Option Assets**); and
- (ii) neither ALT, nor the vendor under the Option Agreement (**Vendor**), has failed to comply with any of their respective obligations under the Option Agreement (including any warranties given under the Option Agreement, assuming those warranties were given on each day) or otherwise

become entitled (whether immediately or with the effluxion of time) to terminate the Option Agreement.

(o) **No direct or indirect Disposal of or encumbrance over Mining Interests**

Between the Announcement Date and the end of the Offer Period, neither ALT nor any of its subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into; or
- (ii) discloses the existence of; or
- (iii) becomes subject to,
an obligation or arrangement, whether conditional or otherwise and irrespective of the consideration or value:
- (iv) to Dispose of all or any of, or any interest in, a Mining Interest; or
- (v) to Dispose or issue, or grant an option or other rights over or in respect of, all or any of the shares or other voting or economic interests in ALT or any subsidiary of ALT; or
- (vi) to grant, permit, suffer to subsist or enter into any encumbrance or other security interest over all or any of, or any interest in, a Mining Interest.

(p) **New Mining Contract and Mining Interest Renewals**

- (i) If before the end of the Offer Period:
 - (A) a mining contract has been entered into with a Regulatory Authority; or
 - (B) any Mining Interest in relation to which a renewal application:
 - (aa) has been made before and is outstanding on the Announcement Date; or
 - (bb) is made on or after the Announcement Date,
is renewed, that mining contract is entered into or (as the case may be) that renewal is granted in favour of, and solely for the benefit of, a wholly owned subsidiary of ALT and on terms and conditions that are substantially the same as the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms disclosed by ALT to ASX or to Bidder before the Announcement Date.
- (ii) If before the end of the Offer Period, such a mining contract has not been entered into or such a renewal has not been granted:
 - (A) the applicable Regulatory Authority has not before the end of Offer Period notified or otherwise made known an intention to refuse to enter into the mining contract or grant the renewal; and
 - (B) neither the applicable Regulatory Authority nor any member of the ALT Group has before the end of Offer Period notified or otherwise proposed or made known an intention to seek a material change to the terms and conditions of that mining contract or renewal relative to the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms disclosed by ALT to ASX or Bidder before the Announcement Date.

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(q) **Material fall in S&P/ASX All Ordinaries Gold index**

The S&P/ASX All Ordinaries Gold (Sub-Industry) index (ASX:XGD) does not fall by 20% from its level immediately before the Announcement Date and remain at or below that level (as at the close of trade) for at least five consecutive Business Days before the end of the Offer Period.

(r) **Material fall in the gold price**

The spot price of gold in \$A as specified on the Australian Gold and Silver Exchange website (XAU (GOLD)) does not fall to a level that is below A\$2,000 per ounce and remain at or below that level for at least five consecutive Business Days before the end of the Offer Period.

Each of the conditions in each paragraph and sub-paragraph above is a separate condition.

The conditions are conditions subsequent to the performance of the contract formed on acceptance of an Offer and do not prevent a contract resulting from acceptance of the Offer from coming into effect, but any non-fulfilment of them entitles Bidder to rescind any contracts resulting from acceptance of the Offer.

Glossary

In this Annexure A to Aurenne Group Holdings Pty Ltd's announcement dated 7 May 2020:

ALT Performance Share means a share on issue in ALT prior to the Announcement Date which is convertible to an ALT Share if certain performance criteria are met.

ALT Option means an option issued by ALT prior to the Announcement Date which the holder may exercise to subscribe for an ALT Share.

ALT Share means a fully paid ordinary share in ALT.

ALT Shareholder means a holder of one or more ALT Shares.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

Bidder Group means Bidder and each entity related to Bidder within the meaning of section 50 of the Corporations Act or which is an economic entity that is Controlled by Bidder.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.

Competing Proposal means any proposal, offer or transaction by a third party (other than Bidder or its related parties (within the meaning of section 228 of the Corporations Act) that, if completed, would mean:

- (a) a person would acquire a relevant interest or voting power in 10% or more of ALT Shares or of the securities of any subsidiary of ALT;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 10% or more of ALT Shares or of the securities of any subsidiary of ALT;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, ALT or any subsidiary of ALT;
- (d) a person would acquire Control of ALT or any subsidiary of ALT;
- (e) a person may otherwise acquire, or merge with, ALT or any subsidiary of ALT (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (f) ALT will issue, on a fully diluted basis, 10% or more of its capital as consideration for the assets or share capital to another person; or
- (g) any proposal by ALT to implement any reorganisation of capital or dissolution.

Control has the meaning given under section 50AA of the Corporations Act, and **Controlled** has the same meaning.

Corporations Act means the *Corporations Act 2001*.

Dispose means to sell, offer for sale, transfer, assign, swap, surrender, gift, create or allow to exist an encumbrance, option or trust or otherwise deal with or dispose of that property (or any legal or beneficial interest in it or part of it) or authorise, or agree conditionally or otherwise to do, any of the things referred herein.

Minerals means all solid minerals including without limitation coal, gold, iron ore, uranium, rare earths, diamonds, other gemstones and industrial minerals.

Mining Interest means any tenement, mining lease or right to explore for or extract Minerals in any given place.

Option Agreement means the Option Agreement dated 3 November 2017 between ALT and Rodney Lehmann, as amended by Deed of Variation dated 28 November 2018.

Prescribed Occurrence means any of the following events which event is not consented to in writing by Bidder:

- (a) ALT converts all or any of the ALT Shares into a larger or smaller number of shares;
- (b) ALT or a subsidiary of ALT resolves to reduce its share capital in any way;
- (c) ALT or a subsidiary of ALT:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) ALT or a subsidiary of ALT issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, except for the issue of ALT Shares on the exercise of any ALT Options or the conversion of any ALT Performance Shares to ALT Shares, each in accordance with their terms (as disclosed to the ASX prior to the Announcement Date);
- (e) ALT or a subsidiary of ALT issues, or agrees to issue, convertible notes;
- (f) ALT or a subsidiary of ALT disposes or agrees to dispose of the whole, or a substantial part, of its business or property;
- (g) ALT or a subsidiary of ALT charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) ALT or a subsidiary of ALT resolves to be wound up;
- (i) a liquidator or provisional liquidator of ALT or of a subsidiary of ALT is appointed;
- (j) a court makes an order for the winding up of ALT or of a subsidiary of ALT;
- (k) an administrator of ALT, or of a subsidiary of ALT, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) ALT or a subsidiary of ALT executes a deed of company arrangement; or
- (m) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of ALT or of a subsidiary of ALT.

Regulatory Approvals means such consents, approvals, instruments or other acts made or given by a Regulatory Authority required for the Takeover Bid.

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under a statute; and
- (d) in particular, ASX and ASIC.

Takeover Bid means an off-market takeover bid by Bidder (or a member of the Bidder Group) to acquire all ALT Shares (including any ALT Shares to be issued on exercise of ALT Options and on conversion of ALT Performance Shares) to be implemented in compliance with Chapter 6 of the Corporations Act.

Appendix 2. Key terms of the convertible notes.

- Parties: Aurenne Ularrina Pty Ltd (ACN 640 687 618) as Noteholder and Alt Resources Limited (ACN 168 928 416) as the Company;
- Face Value: A\$3,679,296;
- Conversion price: \$0.03 (3 cents);
- Term: 12 months;
- Convertible into ALT Shares at any time during the Term;
- Interest rate: 5% per annum, accruing daily and calculated monthly;
- Accrued Interest to be paid at the same time as repayment or conversion of Convertible Note. If the Company cannot issue shares in satisfaction of accrued interest, interest is to be paid in cash;
- Conversion is at sole election of Noteholder;
- Conversion must be in accordance with Corporations Act and ASX Listing Rules;
- Company to ensure all shares issued on conversion are freely tradeable as soon as possible following issue;
- Convertible Note is both unsecured and unlisted and does not provide any voting rights to the Noteholder;
- Convertible Note is transferable, subject to the Company's written consent;
- Early Repayment: possible on 30 days written notice to Noteholder;
- Adjustments: in the event of a reconstruction, a bonus issue or an entitlement issue, a proportionate adjustment must be made to the issue price or number of shares to be issued to the Noteholder such that the value of the Convertible Note is unaffected and the Noteholder will retain the same rights under the Convertible Note as if the reconstruction, bonus issue or entitlement issue had not occurred; and
- Key Events of Default:
 - The winding up or insolvency of the Company, the Company receives a statutory demand or a receiver or manager is appointed to the assets of the Company; and
 - Change in control of the Company.