

Supplementary disclosure – Brightstar business development activities

Alto Metals Limited (ACN 159 819 173) (ASX:AME) (**Alto**) refers to its proposed scheme of arrangement under which Brightstar Resources Limited (ASX:BTR) (**Brightstar**) may acquire 100% of the shares in Alto (**Scheme**).

Alto has today sent a letter to shareholders which contains supplementary information in relation to the Scheme (**Supplementary Information Letter**). The Court has approved the dispatch of the Supplementary Information Letter.

A copy of the Supplementary Information Letter is attached to this announcement and is available on Alto's website, www.altometals.com.au.

The Scheme Meeting and the time for lodging proxies have **not** changed. The Scheme Meeting will be held at 1:30pm (AWST) on 19 November 2024 at The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005.

The Directors of Alto continue to believe that the Scheme is in the best interests of Alto Shareholders and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Alto Shareholders and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Alto Shareholders.

This announcement was authorised by the Board of Alto.

ENDS

For further information, please contact:

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7 November 2024

Dear Alto Shareholder

Supplementary Disclosure – Brightstar ASX Announcements

As previously announced by Alto Metals Limited (ASX:AME) (**Alto**), Brightstar Resources Limited (ASX:BTR) (**Brightstar**) proposes to acquire all of the shares in Alto by way of a scheme of arrangement (**Scheme**), for consideration of four (4) New Brightstar Shares for every one (1) Alto Share held by Alto Shareholders on the Record Date.¹

Scheme Booklet

The explanatory statement in relation to the Scheme (**Scheme Booklet**) was released to ASX on 14 October 2024 and dispatched to Alto Shareholders on 18 October 2024. By now, you should have received a copy of the Scheme Booklet or details on how to access and download the Scheme Booklet (including the Independent Expert's Report in relation to the Scheme, at Appendix 1).

The purpose of this letter is to provide supplementary disclosure to Alto Shareholders following Brightstar's ASX announcements of 29 October 2024. This letter supplements and should be read together with the Scheme Booklet.

Terms defined in the Scheme Booklet have the same meaning in this letter.

Supplementary Disclosure

On 29 October 2024, Brightstar announced to the ASX that:

- (a) Brightstar is presently in discussions with Aurumin Limited (ASX: AUN) (**Aurumin**) in relation to the potential formation of a joint venture, in respect of Aurumin's Central Sandstone Project which is situated adjacent to Alto's Sandstone Gold Project.
- (b) Brightstar is presently in early negotiations with Ocean Partners USA, Inc (**OP**), in relation to the potential entry into a gold prepayment debt facility with key terms comprised of a up to US\$11,500,000 pre-sale gold facility. The interest rate is proposed to be based on the 3-month term Secured Overnight Financing Rate plus 11.0% p.a. with security to be held over Brightstar's gold ore stockpiles. The proposed funding is for general working capital, with no restrictions regarding the use of funds. However, Brightstar intends to apply a portion of the funds to the development of the Fish Underground Project. Accordingly, Brightstar expects the proposed debt financing arrangement to see Brightstar well-funded to commence mining operations in CY25 at the Fish Underground Project (Jasper Hills) in addition to Brightstar's other ongoing exploration, development and mining operations.
- (c) Brightstar is presently negotiating potential ore processing arrangements (by way of a Toll Milling Agreement or Ore Purchase Agreement) with various third parties in the Eastern Goldfields, in relation to the processing of ore from Brightstar's Menzies and Laverton Gold Projects in CY25 and beyond. Brightstar expects that an agreement, if reached, will enable it to meaningfully increase its gold production in CY25.

Collectively these matters are referred to in this letter as the **Proposed Transactions**.

Brightstar also announced infill (not extensional) drilling results for its Menzies Gold Project, but noted that it did not expect the drilling results to be material to the market trading for Brightstar Shares.

Brightstar announced, and Alto understands, that no binding agreements have been reached in respect to any of the Proposed Transactions, but the relevant parties are continuing discussions.

¹ Other than Ineligible Foreign Shareholders and Non-electing Small Shareholders (in the case of Non-electing Small Shareholders only, being Small Shareholders who do not provide an Opt-in Notice to receive New Brightstar Shares), who will receive their respective pro rata proportion of the Sale Proceeds of the New Brightstar Shares which would otherwise have been issued to them under the Scheme. See section 3.12 of the Scheme Booklet for further details.

Brightstar was obliged to disclose these matters in response to an ASX price and volume query it received on 24 October 2024. The timing of any binding agreements for the Proposed Transactions (should they be entered into at all) and of the implementation of any Proposed Transactions that may be agreed is unknown. Brightstar will make further announcements in the event of any material developments.

Benefits and Risks

Provided the Proposed Transactions are concluded on commercially reasonable terms, the Directors of Alto consider that they are, individually and collectively, consistent with the rationale for the Scheme as outlined in section 7.2(a) of the Scheme Booklet and supportive of the benefits of the Scheme outlined in section 7.2(b) of the Scheme Booklet.

Nonetheless, Alto Shareholders are directed to sections 8.3(d), 8.3(i) and 8.3(j) of the Scheme Booklet, which address the risks to which the Merged Group may be subject as a result of financing (including debt), merger and acquisition, and joint venture activities, of the nature of the Proposed Transactions. In considering how to vote on the Scheme, Alto Shareholders should consider the potential for these risks in relation to the matters disclosed by Brightstar in the 29 October announcements.

The Proposed Transactions, if consummated, may also constitute or give rise to a “BTR Prescribed Event” within the meaning of the Scheme Implementation Deed, and therefore require the consent of Alto to avoid triggering the condition precedent to the Scheme relating to such events (see sections 3.6 and 10.11 of the Scheme Booklet for further details). Alto will only be able to make a decision in relation to any such BTR Prescribed Event if and when definitive terms for the Proposed Transactions are agreed. Alto will make an announcement to ASX in the event of any material developments in this regard.

Other material changes

Other than as outlined in this letter, each of Alto and Brightstar confirm that there has been no material change to the information contained in the Scheme Booklet for which they are responsible.

No change to the Alto Directors’ recommendation and voting intentions

The Directors of Alto have considered Brightstar’s announcements of 29 October 2024 and, notwithstanding the risks noted above, continue to unanimously recommend² that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Alto Shareholders. The Independent Expert, as part of their continuous disclosure obligations under RG 111, has indicated that Brightstar’s announcements made on 29 October 2024 do not constitute a material change in circumstances, and therefore, there is no current requirement to produce a Supplementary Independent Expert’s Report.

Should Brightstar announce that the matters have progressed to binding arrangements, the Board of Alto will consider the terms of those arrangements and will update Alto Shareholders via announcement to the ASX as appropriate. This may occur before or after the Scheme Meeting depending on when binding agreements are reached (if they are reached at all).

In the meantime, the Alto Directors’ recommendations and voting intentions (and their reasons therefor) have not changed from those set out in the Scheme Booklet.

Scheme Meeting and other important dates

There is no change to the date, time or venue of the Scheme Meeting or any other date or time set out in the ‘Important dates and times for the Scheme’ set out in page 1 of the Scheme Booklet. The Scheme Meeting will be held at **The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005 on 19 November 2024 at 1:30pm (AWST).**

² In considering the unanimous recommendation and intentions of the Directors to vote in favour of the Scheme, Alto Shareholders should have regard to the interests of the Directors in the outcome of the Scheme vote, as discussed in the Scheme Booklet in the section of the Letter from the Chair of Alto titled “Interests of the Directors in the Scheme” and disclosed in detail in section 3.3.

All Alto Shareholders who are registered on the Share Register at 4:00pm (AWST) on 17 November 2024 will be entitled to vote at the Scheme Meeting. Information on how to participate in and vote at the Scheme Meeting is set out in the Scheme Booklet.

Voting and Proxy Forms

All Alto Shareholders are encouraged to vote by either attending the Scheme Meeting in person, or lodging a Proxy Form. Valid Proxy Forms for the Scheme Meeting that have already been lodged are valid, unless revoked or withdrawn. If you have already submitted a Proxy Form and do not wish to change your vote, you do not need to take any action.

If you have submitted a Proxy Form but wish to change your vote, then you can request another Proxy Form by contacting Alto's Share Registry on 1300 441 597 (within Australia) or +61 2 8072 1465 (outside Australia) between 8:30am and 6:00pm (Sydney time) Monday to Friday, excluding public holidays, or via email at hello@automic.com.au. You can also lodge a new proxy appointment online at <https://investor.automic.com.au/#/loginsah>.

A new Proxy Form or appointment will revoke any existing Proxy Form or appointment.

Additional Information

This letter (or an email containing substantially the same information as this letter) will be dispatched Alto Shareholders on or around 7 November 2024. A copy of this letter has been provided to ASIC and has been released on ASX. Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the contents of this letter.

The fact that the Court has ordered that the Scheme Meeting be convened and has approved the dispatch of this letter (which forms part of the Scheme Booklet) does not mean that the Court has formed any view as to the merits of the proposed Scheme or how Alto Shareholders should vote, or has prepared or is responsible for the content of, this letter or the Scheme Booklet.

Brightstar has consented to the inclusion of the references to it and its intentions in this supplementary disclosure.

The Independent Expert has also consented to the inclusion of the references to it in this supplementary disclosure.

General

I encourage Alto Shareholders to read this letter in conjunction with the Scheme Booklet carefully and in full. Alto Shareholders should also monitor any announcements by Alto or Brightstar to ASX in the lead up to the Scheme Meeting.

Alto Shareholders who have questions regarding the Scheme, the Scheme Booklet, or this letter can contact the Share Registry on 1300 441 597 (within Australia) or +61 2 8072 1465 (outside Australia) or via email at hello@automic.com.au. If you are in any doubt as to what action you should take, please consult your broker or financial, legal, taxation or other professional adviser immediately.

Further updates in relation to the Scheme will be announced to the ASX and will be available under Alto's profile on the ASX's website and at www.altometals.com.au.

If you have recently sold all of your Alto Shares, please disregard this letter.

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

Mark Connelly
Non-Executive Chairman
Alto Metals Limited