



## DRILLING AND EXPLORATION UPDATE SANDSTONE GOLD PROJECT

**DRILLING SUCCESSFULLY CONCLUDED FOR CY2020 WITH A TOTAL OF ~6,000M  
COMPLETED OVER THE LORDS CORRIDOR AND REGIONAL TARGETS**

### Sandstone Gold Project

Located in a world class gold province in WA

Current resource is 6.2Mt @ 1.7g/t gold for 331,000oz

Multiple targets

Multi million oz potential

Significant landholding of over 800km<sup>2</sup> within a major gold district

### Capital Structure

Issued Shares: 420m

Share Price: \$0.095

Market Cap: \$40m

### Directors

Non- Executive Chairman  
Richard Monti

Managing Director  
Matthew Bowles

Non-Executive Director  
Terry Wheeler

Non-Executive Director  
Dr Jingbin Wang

### Company Secretary & CFO

Graeme Smith

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**ASX: AME**



#altometals

### Highlights

- Drilling activity for CY2020 has successfully concluded with a total of 36 holes and 6,084m drilled. Samples are either at or are en-route to the laboratory, with assays expected to be reported during the first quarter of CY2021.
- Drilling is **targeting potential repeat high-grade gold lodes** identified along the Lords corridor, **new extensions to oxide and deeper primary mineralisation** at the recently discovered Orion lode and priority targets at Vanguard.
- Drilling for CY2021 is planned to re-commence in late January, with a **second rig expected to arrive** on or around that time to accelerate completion of the 30,000m currently planned for Lord Nelson, Lord Henry, the Lords corridor and priority regional targets.
- A three-dimensional induced polarisation (3D-IP) survey was recently completed covering 4km<sup>2</sup> of the Lords corridor, targeting potential anomalies at depth. **Results are pending.**
- Alto's strategy for the Sandstone Gold Project is to **focus on exploration to make further new discoveries and increase the gold resource position** by testing the strike and depth extensions of previously mined and unmined oxide deposits.
- Alto's Sandstone Gold Project covers +800km<sup>2</sup> and comprises the majority of the highly prospective and under-explored Sandstone Greenstone Belt.

Alto Metals Limited (ASX: AME) (**Alto or Company**) is pleased to provide an update of recent exploration activities at its Sandstone Gold Project in Western Australia. The current Reverse Circulation (RC) drilling program has successfully concluded for CY2020, with a total of 36 holes drilled for a total of 6,084m. The primary focus of this program is to test multiple repeat gold targets identified along the 3km Lords corridor and extensions to oxide and primary mineralisation of the recently discovered Orion Lode, located 200m south of the Lord Nelson open pit (Figure 1).

Alto's Managing Director, Matthew Bowles said:

*Exploration results this year have already confirmed high-grade gold mineralisation, beneath the Lord Nelson open pit and the discovery of the Orion lode to the south, and have given indications of the presence of a much larger mineralised gold system.*

*Whilst drilling has successfully concluded for the year, we have 36 RC holes for a total of 6,084m of drilling pending assay results, which we anticipate will be announced early in the March 2021 quarter. Drilling is planned to recommence in late January to complete the current 30,000m program focused on testing for potential repeat lodes along the Lords corridor as well as a number of exciting regional targets within our 800km<sup>2</sup> of ground that covers the majority of the Sandstone Greenstone Belt.*

*I would like to thank our geological team, consultants and drilling contractors who helped us achieve a successful year of exploration, in difficult circumstances. With a strong cash balance and a major drill program underway, Alto is in an excellent position as we head into what we expect to be an exciting year ahead.*

### Major drilling program to test repeat lode targets along the Lords Corridor

RC drill results from Orion to date show the **presence of high-grade gold mineralisation within a much broader mineralised envelope**. The consistency of these results in the oxide, transitional and primary zone suggests that the oxide and transitional zones at the Orion Lode are hypogene (not supergene) in nature, highlighting the significant potential immediately below the weathering profile (30-70m below surface).

In early November Alto commenced an extensive 30,000m drilling campaign at the Sandstone Gold Project to test for Lord Nelson repeat targets along the +3 km Lords corridor, depth extensions of primary mineralisation below existing resources and multiple other regional targets including Vanguard and Chance

The RC drilling program has successfully concluded for CY2020. Drilling on a **wide-spaced 80m by 80m grid to an average of 200m vertical depth** (Figure 1) with a **total of 36 holes drilled for a total of 6,084m** completed;

#### Lords Corridor

- 10 holes at C1 and C2 Targets for a total for 1,994m; 9 holes at C3 North for 1,187m;
- 7 holes at C3 Mid Target for 1,413m;
- 6 holes at C5 Horatio Target for 888m; and

#### Vanguard Camp

- 4 holes at Vanguard Camp, 602m. These initial holes were drilled earlier than planned due to limited access to the Lords corridor during to the IP survey.

All samples are either at or are en-route to the laboratory, with **assays expected to be reported during the first quarter** of CY2021.

**Drilling is planned to re-commence in late January 2021** to complete the balance of the currently planned 30,000m and will include:

- Depth extensions of primary high-grade gold mineralisation beneath the Lord Nelson pit, the Orion Lode (C1 and C2 targets) and the Lord Henry pit (C6 target);
- Exploration and follow up drilling to test the additional near-term targets (C2-C5 targets) along the +3km Lords corridor;
- Any drill targets delineated by the IP survey;
- Exploration drilling at regional targets including Vanguard and Chance; and
- Multiple other targets within the 800km<sup>2</sup> Sandstone Gold Project.

**A second RC rig is expected to arrive in early February 2021** to accelerate the drilling of targets along the Lords corridor, before being moved to test priority regional targets, including Vanguard and Chance. The first RC rig will remain focused on testing the plunge extensions of existing mineralisation at C1, C2 and C5 and new targets along the corridor.

Given the scale of the drill program underway shareholders can expect regular newsflow over the coming months.

### 3D-IP survey

A three-dimensional induced polarisation (3D-IP) survey was completed during December covering 4km<sup>2</sup> of the Lords corridor, **targeting potential anomalies at depth**. The 3D-IP survey comprised two survey spreads with an a-spacing of 100m. The survey data is being processed by Terra Resources and **results are currently pending**.

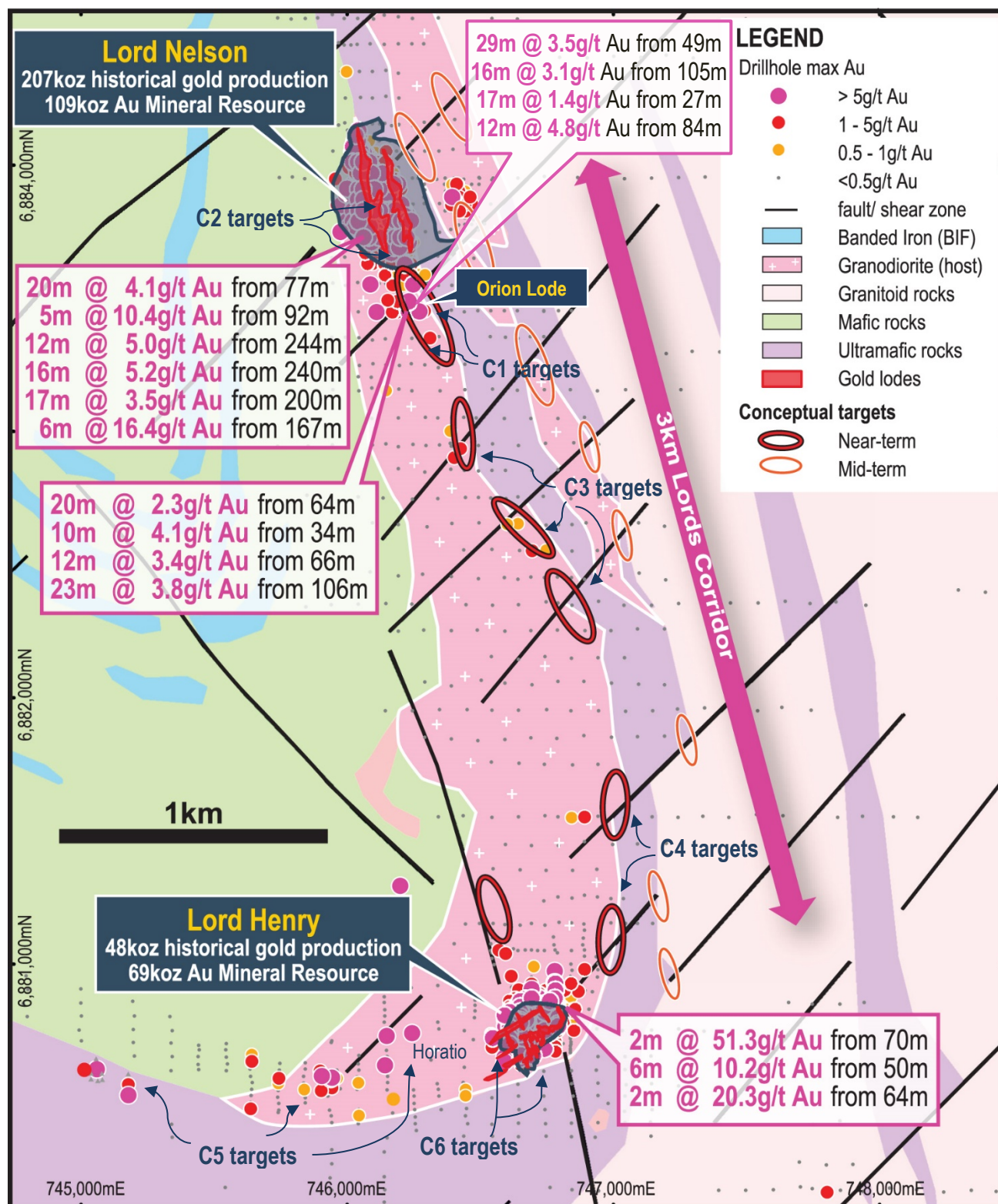
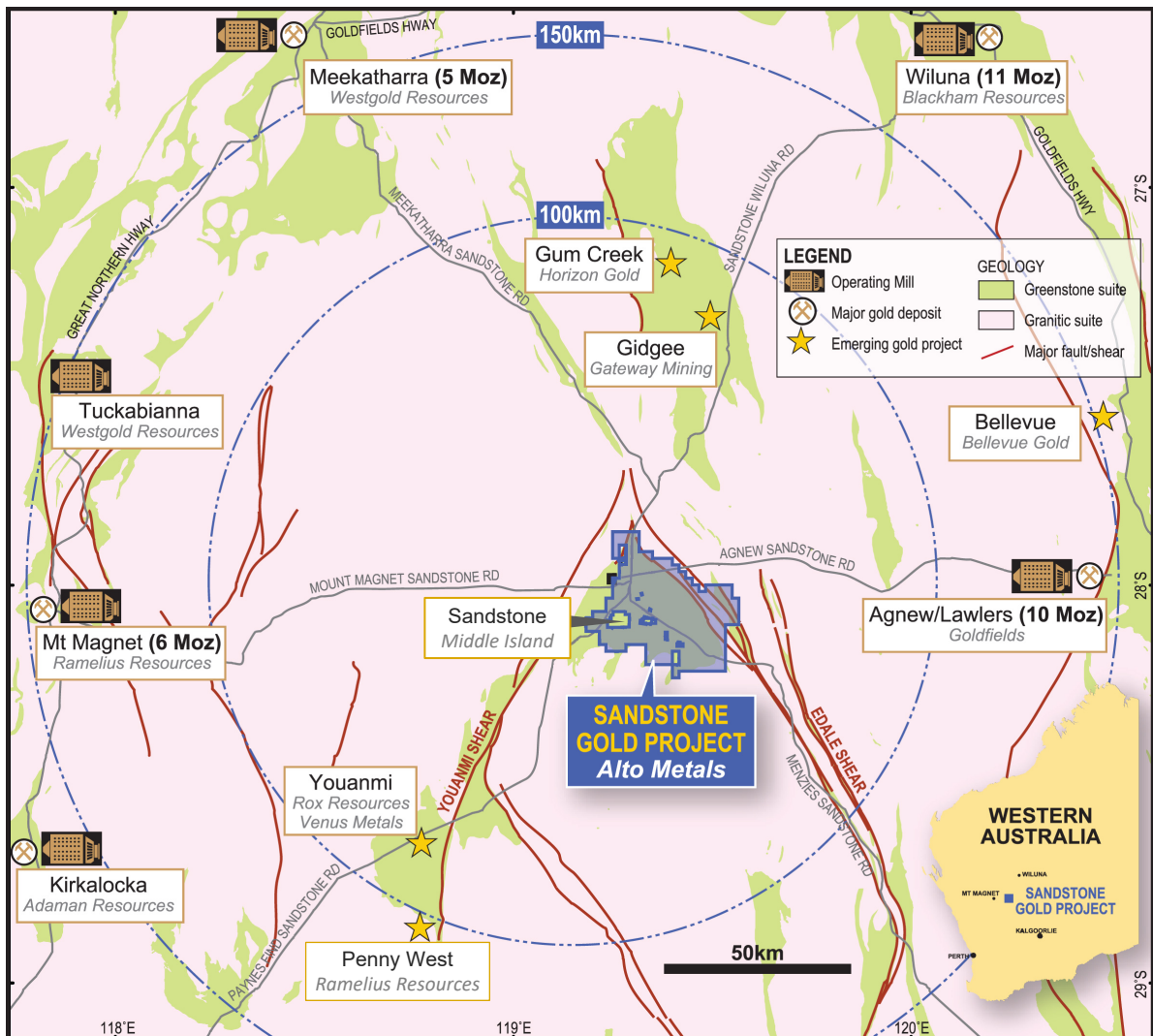


Figure 1. Lords Deposits and +3km Lords Corridor - 1:5,000 geological interpretation (labelled drill results are from unmined zones).



For further information regarding Alto and its Sandstone Gold Project please visit the ASX platform (ASX: AME) or the Company's website at [www.altometals.com.au](http://www.altometals.com.au).

This announcement has been authorised by the Board of Alto Metals Limited.

Mr Matthew Bowles  
 Managing Director  
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### **Competent Persons Statement**

The information in this Report that relates to current and historical Exploration Results is based on information compiled by Dr Changshun Jia, who is an employee and shareholder of Alto Metals Ltd. Dr Jia is a Member of the Australian Institute of Geoscientists 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 in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Jia consents to the inclusion in the report of the matters based on the information in the context in which it appears.

### **Forward-Looking Statements**

This release may include forward-looking statements. Forward-looking statements may generally be identified by the use of forward-looking verbs such as expects, anticipates, believes, plans, projects, intends, estimates, envisages, potential, possible, strategy, goals, objectives, or variations thereof or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved, or the negative of any of these terms and similar expressions. which are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Alto Metals Limited. Actual values, results or events may be materially different to those expressed or implied in this release. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this release speak only at the date of issue. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Alto Metals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

### **Exploration Results**

The references in this announcement to Exploration Results for the Sandstone Gold Project were reported in accordance with Listing Rule 5.7 in the announcements titled:

*Excellent gold recoveries, 2 October 2020*

*Orion Gold Lode Continues High-Grade Gold Drilling Results, 29 September*

*Further shallow results from New Orion Gold Lode and Exploration Update, 31 August 2020*

*Outstanding results from gold lode south of Lord Nelson pit, 18 August 2020*

*Alto hits more high grade gold at Lord Nelson, 29 July 2020*

*Thick zone of shallow gold mineralisation at Lord Nelson, 27 July 2020*

*High grade results continue from drilling at Lord Nelson open pit, 22 April 2020*

*Further high grade gold results from Lord Nelson and exploration update, 2 April 2020*

*Wide zone of high grade, primary gold mineralisation confirmed beneath Lord Nelson pit, 16 March 2020*

*Down plunge extensions confirmed at Lord Nelson, 22 July 2019*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements noted above.

**Table 1: Mineral Resource Estimate for Sandstone Gold Project**

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry <sup>(b)</sup>	Indicated	0.8	1,200	1.6	65,000
<b>TOTAL INDICATED</b>			<b>1,200</b>	<b>1.6</b>	<b>65,000</b>
Lord Henry <sup>(b)</sup>	Inferred	0.8	110	1.3	4,000
Lord Nelson <sup>(a)</sup>	Inferred	0.8	1,820	1.9	109,000
Indomitable & Vanguard Camp <sup>(c)</sup>	Inferred	0.3-0.5	2,580	1.5	124,000
Havilah & Ladybird <sup>(d)</sup>	Inferred	0.5	510	1.8	29,000
<b>TOTAL INFERRED</b>			<b>5,020</b>	<b>1.7</b>	<b>266,000</b>
<b>TOTAL INDICATED AND INFERRED</b>			<b>6,220</b>	<b>1.7</b>	<b>331,000</b>

*Small discrepancies may occur due to rounding*

The references in this announcement to Mineral Resource estimates for the Sandstone Gold Project were reported in accordance with Listing Rule 5.8 in the following announcements:

(a): Lord Nelson: announcement titled "Alto increases Lord Nelson Resource by 60% to 109,000 ounces at 1.9g/t Gold" dated 27 May 2020,

(b): Lord Henry: announcement titled: "Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz." dated 16 May 2017,

(c): Indomitable & Vanguard Camp: announcement titled: "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" dated 25 September 2018; and

(d): Havilah & Ladybird: announcement titled: "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" dated 11 June 2019.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement noted above and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the previous market announcement continue to apply and have not materially changed.