



ALTO CONSOLIDATES STRATEGIC GROUND POSITION AT THE SANDSTONE GOLD PROJECT

ACQUISITION FROM GATEWAY MINING INCREASES ALTO'S TOTAL LANDHOLDING OVER 900KM² COVERING THE MAJORITY OF THE SANDSTONE GREENSTONE BELT

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 900km² within a major gold district

Proforma Capital Structure

Issued Shares: 420m

Share Price: \$0.078

Market Cap: \$33m

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

Contact details

Suite 9, 12-14 Thelma St
West Perth WA 6005

T: 61 8 9381 2808

E: admin@altometals.com.au
www.altometals.com.au

ASX: AME



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Highlights

- Alto signs binding agreement to acquire a granted tenement immediately south-east of its Sandstone Gold Project.
- Tenement covers over 15km strike of the regionally important Edale Shear.
- Additional tenement consolidates Alto's landholding to over 900km², comprising the majority of the highly prospective and under-explored Sandstone Greenstone Belt.
- Acquisition complements Alto's immediate exploration focus on the 'Alpha' domain region of the Sandstone Gold Project around the Lords Corridor and secures south-eastern extensions to the Edale Shear
- Aggressive drill program underway, with second RC arriving mid-February to accelerate drilling priority targets along the Lords Corridor.

Alto Metals Limited (ASX: AME) (**Alto** or **Company**) is pleased to advise that it has entered into a binding agreement with ASX-listed Gateway Mining Limited (ASX: GML) (**Gateway**) to acquire granted exploration tenement E57/1108 (**Tenement**), which is contiguous with the Company's Sandstone Gold Project tenements in Western Australia. (Refer to Figures 1 and 2)

Alto's Managing Director, Matthew Bowles said:

This acquisition further consolidates our considerable ground position, increasing our overall footprint to more than 900km² which covers the highly prospective and under-explored Sandstone Greenstone Belt.

We currently have an aggressive RC drilling program underway along the Lords Corridor, with a second rig arriving mid-February to accelerate drilling at Lord Henry, Lord Nelson and a number of other targets.

With recent results from a major step-out hole highlighting another new mineralised zone along the Lords Corridor, we are really excited about the potential that is starting to emerge at our Sandstone Gold Project.

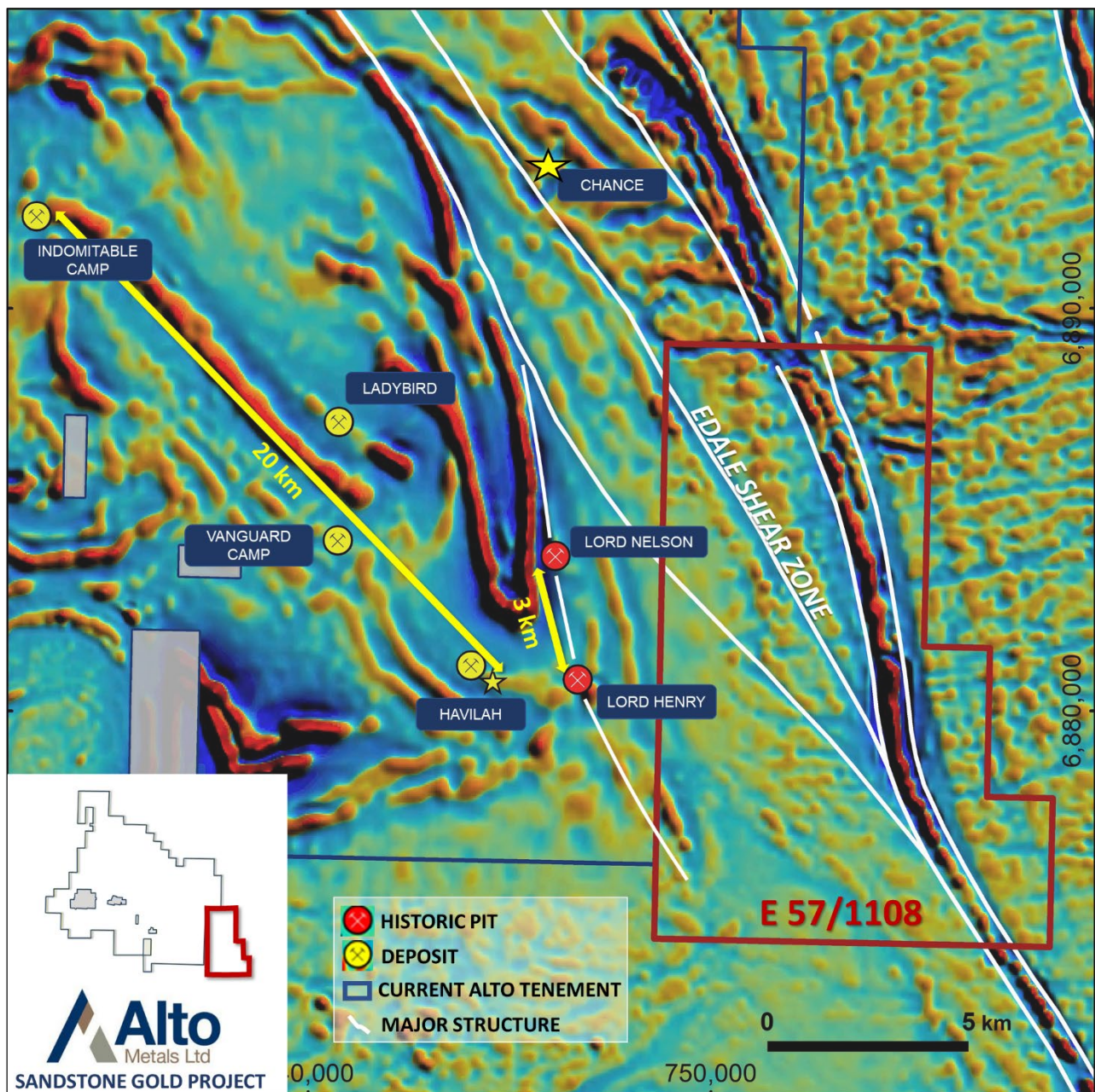


Figure 1. Tenement location map over VD1 magnetic image, Alpha Domain Sandstone Gold Project

Tenement E57/1108 (115km²) is located immediately east of Alto's 100% owned the Sandstone Gold Project and hosts over 15km of the regionally significant Edale Shear.

Exploration to date has been relatively limited, and the entire tenement is covered by recent alluvial/sheet wash sediments, masking mineralisation to historic prospecting activities and much surface geochemical sampling.

However, the Tenement is considered prospective to host moderate to large scale gold mineralisation, particularly associated with the Edale Shear, *which is a type of structure interpreted to be the deep feeder channels for orogenic gold deposits globally.*¹

¹ Groves, D.I., Santosh, M., Goldfarb, R.J. and Zhang, L. (2018). Structural geometry of orogenic gold deposits: implications for exploration of world-class and giant deposits. *Geoscience Frontiers* 9 (4): 1163-1177.

Summary of the key terms of the acquisition

Alto has signed a binding agreement with Gateway to acquire a 100% interest in granted exploration tenement E57/1108 on the following key commercial terms:

- Alto shall issue Gateway the equivalent of \$50,000 in Alto Shares, upon transfer of the Tenement¹;
- Gateway shall retain a 1% net smelter return (NSR) royalty over the Tenement;
- Alto has the right to extinguish the NSR by paying Gateway \$2.5 million at a decision to mine; and
- Alto retains pre-emptive rights in relation to the NSR.

(1) The share consideration is comprised the number of shares equivalent to the consideration amount, based on the 10-day volume weighted average price prior to the execution date of the agreement. The actual number of shares will be disclosed in the Appendix 2A at the time of issue

The agreement is subject to a certain number of suspensive conditions required to be satisfied by the parties, including transfer of the Tenement.

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.

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

Mr Matthew Bowles
Managing Director
T: +61 8 9381 2808
E: admin@altometals.com.au

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 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 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 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.

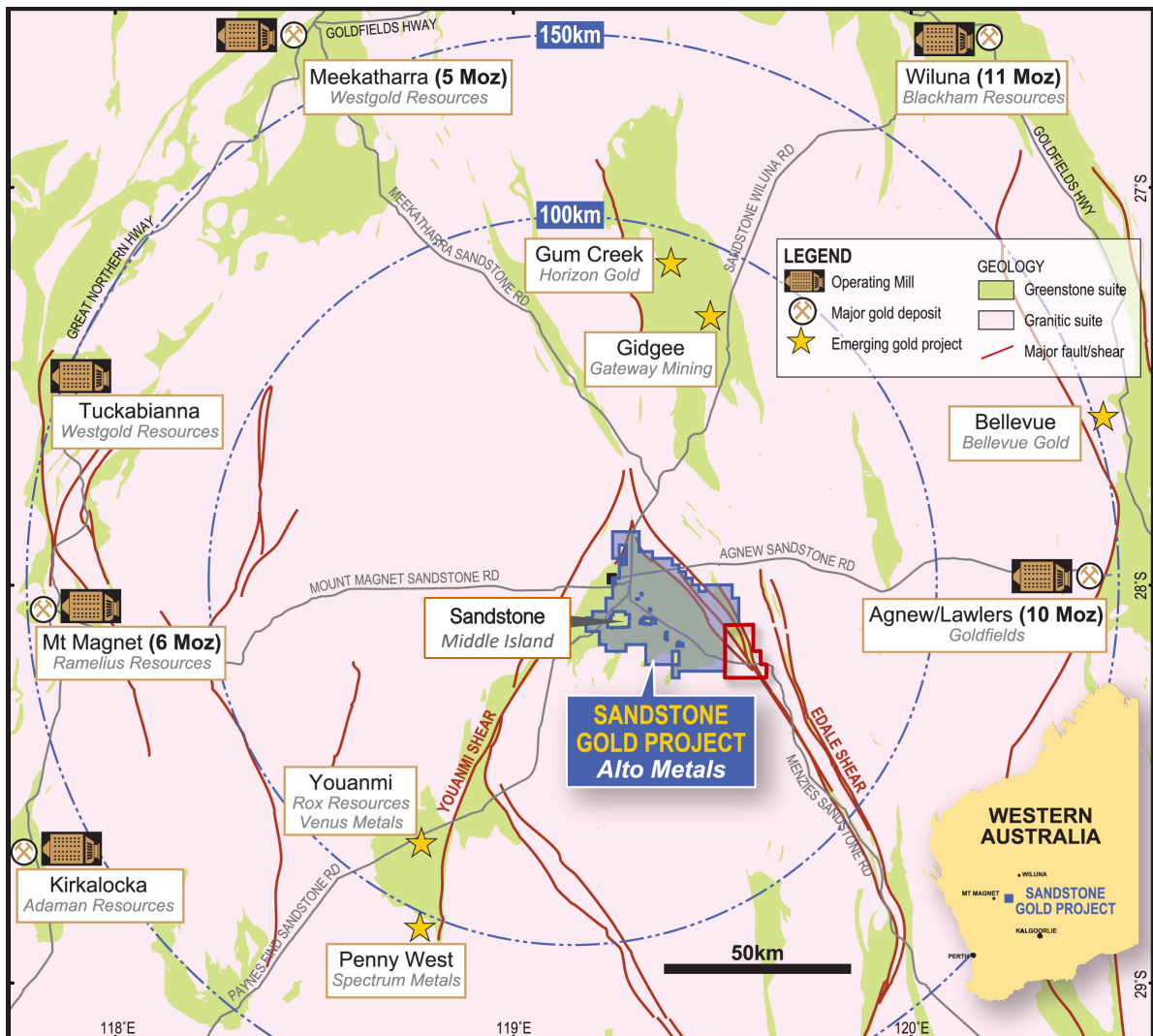


Table 1: Mineral Resource Estimate for Sandstone Gold Project

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

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.