

ALTO SECURES ADDITIONAL \$1M BRIDGE LOAN FACILITY TO CONTINUE EXPLORATION AT SANDSTONE GOLD PROJECT

Bridging facility allows Alto to continue exploration activities, including follow up drilling at Lord Nelson, due to deferred settlement of Entitlement Issue

KEY DETAILS

- Alto secures additional \$1m short term, unsecured bridge loan facility from a major shareholder Harvest Lane Asset Management
- Facility provided to allow Alto to continue drilling and meet working capital requirements, due to the extended delays caused by Habrok's application to the Takeovers Panel and the Panel's interim orders deferring the announced Entitlement Issue while the application is considered
- Exploration activities include follow up RC drilling targeting gold mineralisation 200m south of the Lord Nelson pit and beneath the pit, as part of the planned 10,000m program underway
- A total of approximately 3,500m of RC drilling, of a planned 10,000m program has now been completed since early July.
- Results for the first 1,500m have been released and results for approximately a further 2,000m currently pending. The next phase of 2,000m of planned RC drilling at Lord Nelson is expected to commence shortly.

Alto Metals Limited (ASX: AME) (**Alto** or **Company**) is pleased to provide shareholders with an update on the Company's short term funding and ongoing exploration activities at the Company's flagship Sandstone Gold Project (**Sandstone Gold Project**).

Alto's Managing Director Matthew Bowles commented:

"We are pleased to have negotiated this bridge facility with Harvest Lane, who are supportive of our strategy and, like the majority of our shareholders, want to see Alto continue with our planned drilling and exploration activities and not be impeded by further delays due to securing funding."

We look forward to having the deferral of the Entitlement Issue resolved quickly, so that we may more appropriately fund our exploration strategy and focus on significantly increasing our drilling activity at Lord Nelson and the multiple other targets at the Sandstone Gold Project."

Bridging Loan Facility

Alto is pleased to advise that it has entered into a Loan Facility Agreement (“Loan Agreement” or “Facility”) for up to \$1,000,000 with a major shareholder, Harvest Lane Asset Management Pty Ltd (**Harvest Lane**).

The Harvest Lane Facility is in addition to the Windsong Valley Pty Ltd Loan Facility announced on [date] and provides Alto with the ability to continue drilling at Lord Nelson and working capital. The Company has secured these interim facilities, due to the extended delays in settlement of the Entitlement Issue impacting on the Company’s ability to continue appropriate exploration activities and fund its general working capital requirements.

The key terms of the Facility are set out below:

- There is no minimum drawdown amount and Alto may drawdown up to \$1,000,000 during the period 11 August 2020 to 10 August 2021 (**Availability Period**) by issuing Drawdown Notices to Harvest;
- The interest rate applicable on outstanding monies is 8% per annum, accrued monthly and calculate monthly;
- All outstanding monies and interest under the Facility are payable on 11 August 2021 (**Maturity Date**);
- Alto may elect to repay any amount of outstanding monies and interest at any time prior to the Maturity Date, without penalty; and
- The Facility is repayable immediately in the event that Alto is subject to a change of control, where an offer is unconditional and the party obtains a relevant interest in 50% or more share in the Company.

As disclosed in the Company’s quarterly report release on 31 July 2020, at the end of the Jun-20 quarter, Alto’s closing cash position at June 30 was \$127,000. The Company has a \$1,000,000 facility in place with Windsong Valley Pty Ltd, of which \$550,000 currently remains undrawn.

Exploration Update – Drilling continues at Lord Nelson



Figure 1: RC Drilling at Lord Nelson, July 2020 facing north.

As disclosed in the June quarterly, Alto is pleased to provide an update to shareholders that **exploration is continuing at Sandstone Gold Project**, with a total of approximately 3,500m of RC drilling of the planned 10,000m program, now completed.

Four-metre composite assays from 1,500m of RC drilling completed at Lord Nelson, in early July, targeting shallow mineralisation extending south of the pit (SRC182 and SRC183) and primary mineralisation beneath the pit (SRC184-188), were released on 27 July and 29 July 2020 respectively. These results included:

- **36m @ 1.6 g/t gold** from 48m (SRC183) including:
 - **20m @ 2.3 g/t gold** from 64m
- **4m @ 4.1 g/t gold** from 112m (SRC182)
- **28m @ 3.1 g/t gold** from 228m (SRC184), including:
 - **12m @ 5.0 g/t gold** from 244m, including:
 - **4m @ 11.3 g/t gold** from 244.
- **12m @ 1.6 g/t gold** from 140m (SRC187).

An additional 1,974m of RC drilling, including further infill and step out at Lord Nelson and drilling of targets at Bulchina South and Bollinger, has since been completed, with **assays currently pending**.

The next phase, planned for 2,000m of RC drilling is due to commence shortly, to further test strike and depth extensions of mineralisation along the Lord Nelson corridor (refer to figure 2). The remainder of the proposed 10,000m program is currently planned to include:

- additional infill and extension drilling both along strike and at depth at Lord Nelson; and
- commence testing of additional repeat lode targets in the Lord's Camp area.

The Company is looking forward to the resolution of the Takeovers Panel matter with a view to completing the Entitlement Issue promptly. These funds will allow Alto to accelerate exploration by committing to a more substantial drilling program at Lord Nelson and other priority regional targets at Sandstone.

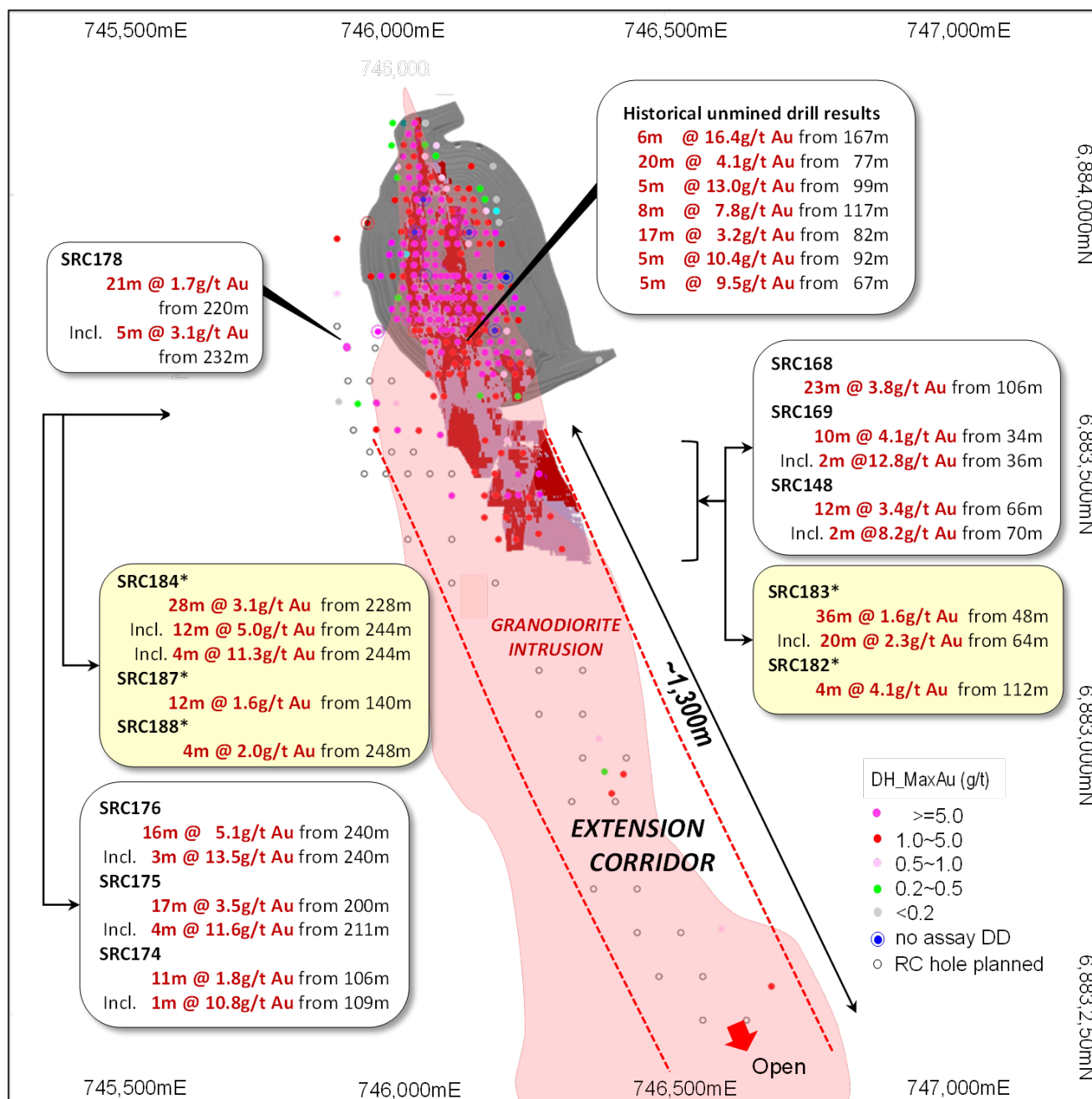


Figure 2. Lord Nelson plan view showing significant assay results. (*Four metre composite assays)

For further information regarding the 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.

Please direct enquiries or requests for further information to:

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Exploration results

The exploration results referred to in this announcement were first reported in accordance with Listing Rule 5.7 in the Company's announcements of 27 July and 29 July 2020 . The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement.