



SUCCESSFUL EIS CO-FUNDING APPLICATION TO TEST EDALE SHEAR, SANDSTONE GOLD PROJECT

**DRILLING OF THE ~2KM CHANCE ANOMALY TO BE INCLUDED IN THE CURRENT
30,000 METRE DRILL PROGRAM UNDERWAY FOCUSED ON THE LORDS CORRIDOR**

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 800km² of an entire greenstone belt

Capital Structure

Issued Shares: 381m

Share Price: \$0.12

Market Cap: \$46m

Directors

Non- Executive Chairman
Richard Monti

Managing Director
Matthew Bowles

Non-Executive Director
Terry Wheeler

Non-Executive Director
Dr Jingbin Wang

Company Secretary & CFO

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Highlights

- WA Government EIS Co-funded drilling grant of up to \$150,000 awarded to the Company to drill test the **Chance** prospect, Sandstone Gold Project
- The Chance prospect is a **~2km long gold-in-soil anomaly** located within the highly prospective Edale Shear, and has never been drill tested
- Drilling to be included in the planned **30,000m RC drill program** currently underway
- Immediate exploration focus remains on Lord Nelson and potential repeat lodes along the Lords' corridor and priority regional targets

Alto Metals Limited (ASX: AME) (**Alto** or **Company**) is pleased to advise that it has been successful in its application for a grant of up to \$150,000 under Round 22 of the WA Governments Exploration Incentive Scheme (EIS Grant).

The EIS Grant will contribute up to 50% of direct drilling costs, which will assist in funding Reverse Circulation (RC) and Diamond Drilling to test the Chance Prospect, located on the eastern side of the Company's Sandstone Gold Project, within the Edale Shear.

The Company wishes to acknowledge the Western Australian government and the Department of Mines, Industry Regulation and Safety for their continued investment in exploration.

Alto's Managing Director, Matthew Bowles said:

We wish to thank the Western Australian government and the Department of Mines, Industry Regulation and Safety for their funding support to test the Chance Prospect, a compelling ~2km long greenfield target, located on a major shear structure which has never been drill tested.

While our priority continues to remain on our drilling and exploration activities at Lord Nelson and the along the Lords' corridor, we look forward to a maiden drill program at Chance, in the first half of next year.

With a strong cash position and a major drill program underway, shareholders can expect exciting newsflow over the coming months from the drilling of a number of advanced targets at the Lords' and exciting new greenfield targets, such as Chance.

Edale Shear Zone

The Sandstone Greenstone Belt (SGB) has a highly anomalous geometry in terms of other Yilgarn greenstone belts, being a triangular-shaped belt flanked by two crustal-scale transpressional structures, the Youanmi Shear Zone (YSZ) and Edale Shear Zone (ESZ) (Figure 1). These structures are interpreted to be the deep feeder channels for orogenic gold deposits globally (Groves et al., 2018).

In terms of this structural geometry, it most closely resembles the similar-sized Agnew Greenstone Belt (AGB) in the Kalgoorlie Terrane, about 100km to the east. However, unlike the AGB, where the major deposits are aligned along shear zones parallel to and within 2- 5km from bounding crustal-scale transpressional shear zones, the major Sandstone gold deposits are mostly sited at >5-10km away from the bounding YSZ and ESZ. The only shear-hosted deposits are Lord Nelson, which lies in a subsidiary shear zone to the ESZ, and Bulchina, which lies within the YSZ.

Given these comparisons, and based on global models of the structural geometry of orogenic gold deposits, the corridor within and adjacent to the ESZ is considered highly prospective for economic gold deposits, particularly where there are corridors of high-angle cross faults.

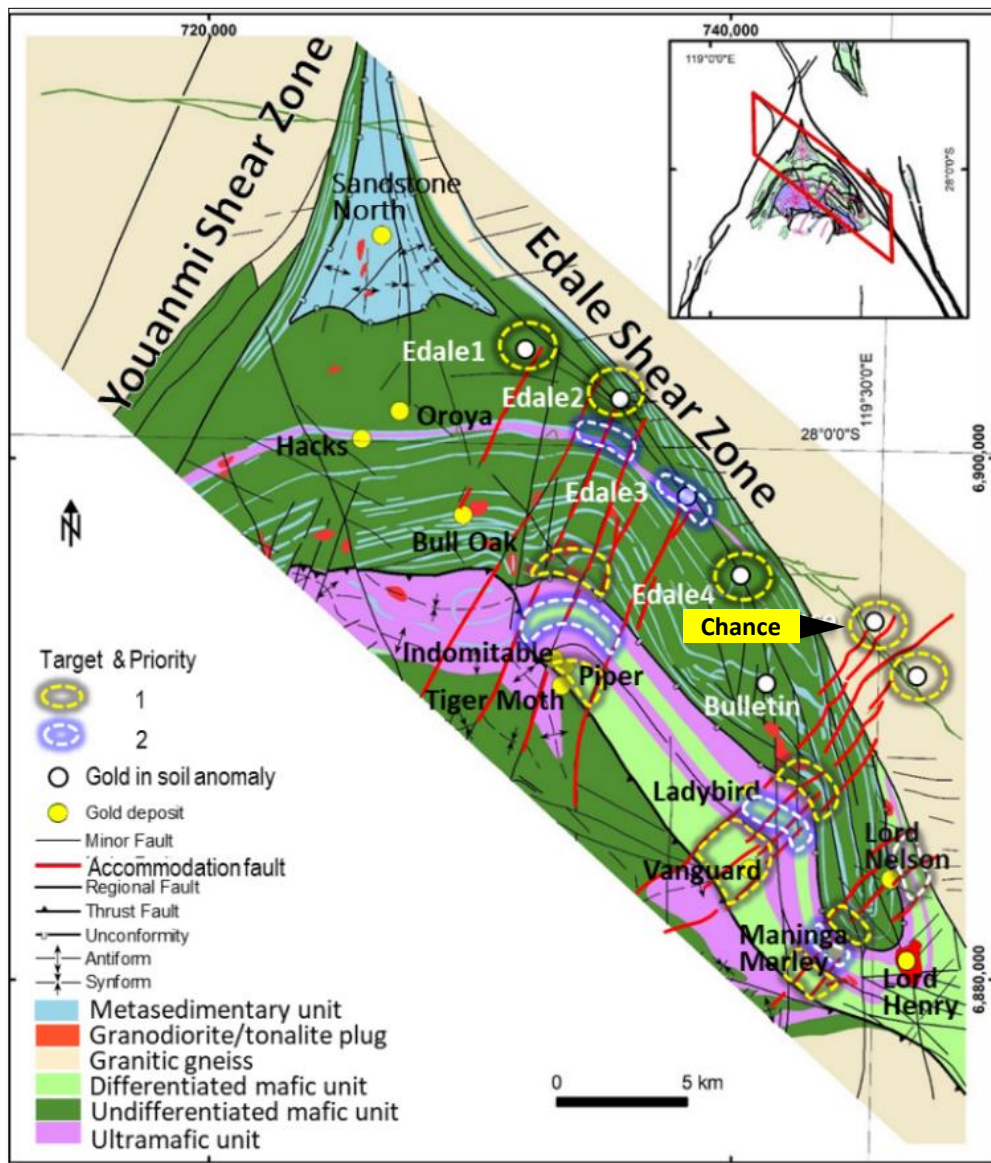


Figure 1. Targeting strategy in Edale Shear Zone of Sandstone Greenstone Belt (Source: Jia, C et al, 2019)

Edale Soil Geochemical Targets

Alto has identified numerous soil geochemical anomalies proximal to the ESZ, which includes the Edale soil anomalies (Edale 1, Edale 2, Edale 3, Edale 4) and the Chance prospect. These anomalies also lie within NE-trending corridors of cross-cutting faults which coincide with the position of known deposits further from the ESZ (Figure 1): a common structural geometry globally (Groves et al., 2018).

The most extensive of these targets is the Chance prospect, which is a **~2km long gold-in-soil anomaly** identified by Alto from detailed airborne magnetics and previous explorers' surface sampling (Figure 2).

Field inspection by Alto confirmed that the Chance anomaly is located within a ~300m wide high strain zone of strongly deformed granitic rocks (mylonitic), bounded to the west and east by monzogranite. A single rock chip sample from nearby historical workings returned 2.47g/t Au (ASR1024. Easting: 745490E, Northing: 6893197N, MGA94 Zone 50).

The Chance prospect has not been previously tested by drilling and is a priority greenfields target. The Company was previously awarded an EIS grant to drill the Chance prospect however was unable to carry out the drilling due to uncertainty of funding due to the various take-over offers received over the past 18 months.

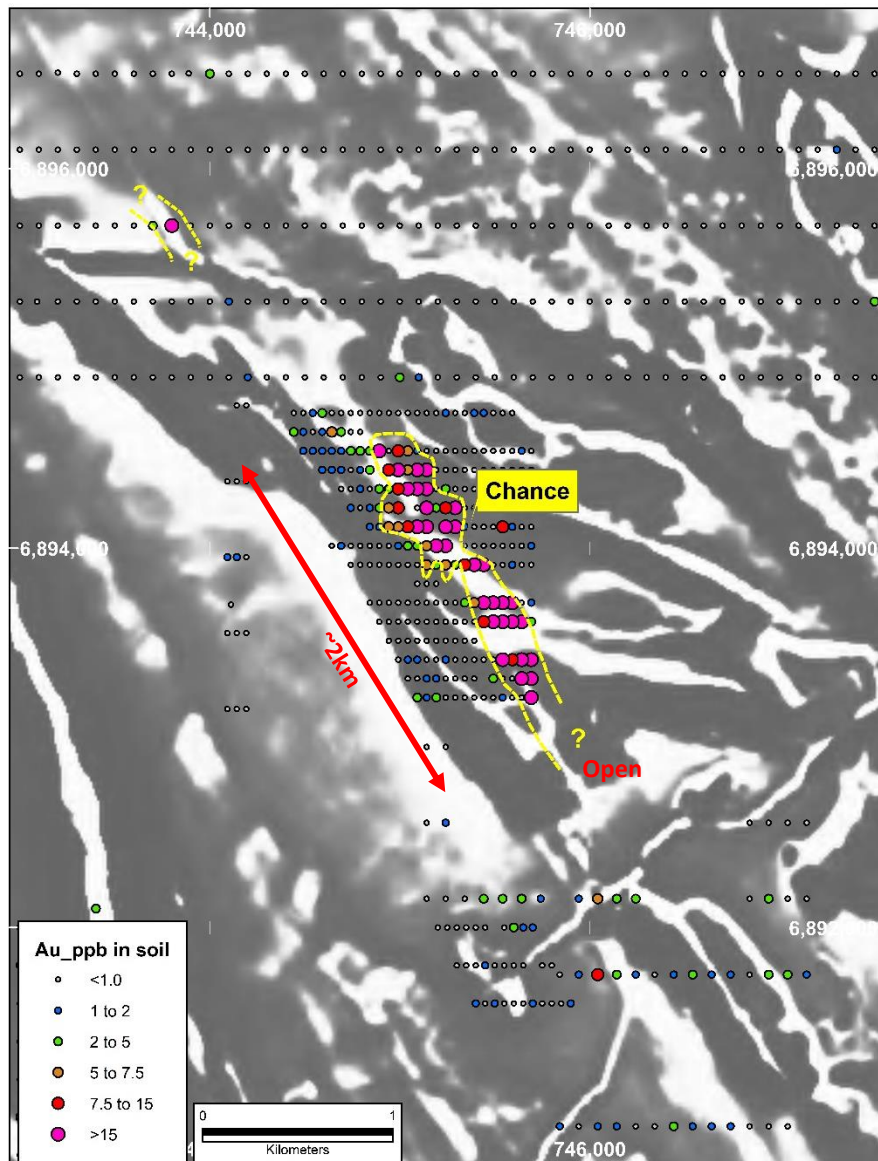


Figure 2. Exploration data over 1VD Magnetic image, Chance prospect



The Company recently commenced a 30,000m drill program planned for the remainder of 2020 and into 2021, focused on the Lord Nelson deposit and the newly discovered Orion Lode, potential repeats along the Lords Corridor and testing the strike and depth potential of a number of other regional targets, including Vanguard and Indomitable. The EIS contribution of up to 50% of direct drilling costs provides the Company with the incentive to include the Chance greenfields prospect within the 30,000m drill program.

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
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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 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.

References

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.

Jia, C., Groves, D.I., Kammermann, M.S., Ryan, D.M. and Davies, R.S. (2019) Use of immobile trace elements in gold exploration in the Neoproterozoic Sandstone Greenstone Belt, Yilgarn Block, Western Australia. *Mineralium Deposita* 55(2); 241-256.

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:

Three significant gold in soil anomalies gold defined adjacent to the Edale Fault at Sandstone, WA, 20 June 2018

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 ^(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.