

30 June 2023 Quarterly Report

Alto delivers another quarter of outstanding exploration results as Indomitable continues to highlight growth potential

Updated pit constrained mineral resource increased to 832,000oz @ 1.5 g/t gold

RC drilling intersects bonanza gold including 3m @ 62.2 g/t

Assays pending from further RC drilling targeting high-grade gold structures at depth

Regional review outlines several lithium targets coincident with mapped pegmatites.

Highlights of the quarter

Updated Mineral Resource

- Updated Independent Mineral Resource Estimate outlines an optimised and pit-constrained 17.6 Mt @ 1.5 g/t gold for 832,000 oz within A\$2,500/oz optimised pit-shells reported at 0.5 g/t gold cut-off.
 - Pit-optimisations demonstrate the robust nature of the resource, capturing approximately 80% of the total unconstrained MRE of 23.5 Mt @ 1.4 g/t gold for 1.05 Moz.
 - Mineral Resources are shallow with 90% of pit-constrained ounces within 150m from surface.
 - Mineralisation remains open along strike and at depth highlighting the strong potential for further growth.
 - Majority of resources are located on granted mining licences and supported by excellent infrastructure.

2023 Exploration Results - Indomitable

- High-grade gold intersected in first phase of 5,000m CY2023 RC drilling. Latest assays, not included in the MRE:
 - 16m @ 13.1 g/t gold from 19m, incl. 3m @ 62.2 g/t gold from 29m, incl. 1m @ 122.6 g/t gold from 29m (SRC918)
 - 5m @ 7.9 g/t gold from 32m, incl. 1m @ 23.4 g/t gold from 34m (SRC907)
 - 5m @ 3.0 g/t gold from 34m, incl. 1m @ 11.6 g/t gold from 36m and
 - 14m @ 2.2 g/t gold from 47m incl 4m @ 5.5 g/t gold from 48m (SRC916)
 - 6m @ 3.0 g/t gold from 95m, incl. 1m @ 11.0 g/t gold from 99m (SRC908)
 - 16m @ 7.2 g/t gold from 65m, incl. 4m @ 24.2 g/t gold from 74m (SRC928)
- A second phase of ~5,000m of RC drilling at Indomitable targeting mineralised structures at depth completed during the quarter. Assays from the first 500m of drilling include 16m @ 3.0 g/t gold from 167m
- Assays remain pending from a further ~4,500m of RC drilling.

Low-cost regional Lithium Exploration

- High-resolution satellite imagery and multi spectral analysis has identified several lithium pegmatite targets at the Sandstone Project. Field work has identifying outcropping pegmatites spatially coincident to several of the targets

2023 Drilling & Exploration

- The Company is fully funded for its planned CY2023 drilling programs, focusing on continued resource growth and depth targets within the Alpha Domain and priority regional targets.
- Cash position of \$1.1 million at the end of the quarter. Subsequent to the end of the quarter the Company announced a \$5m share Placement and an additional \$420,000 via a drill for equity arrangement, on the same terms as the Placement.

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June quarter 2023 activities

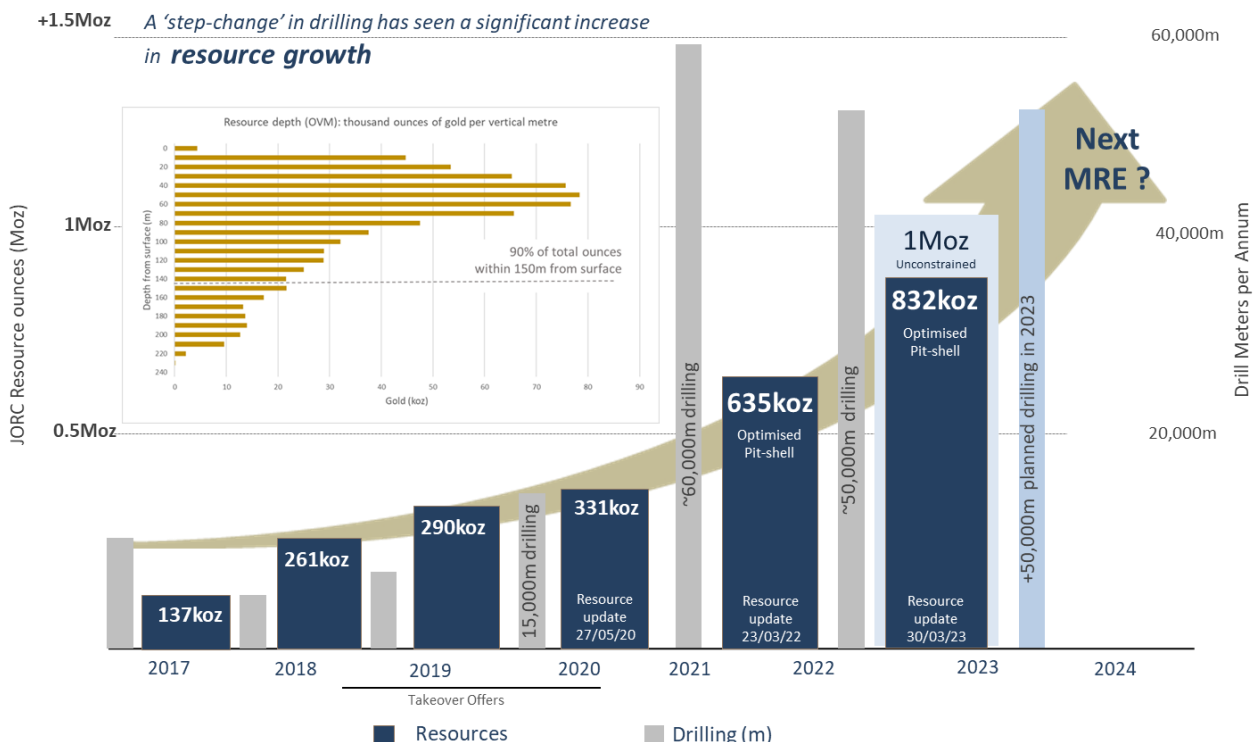
Alto Metals Limited ("Alto" or "the Company") (ASX: AME) is pleased to report on an outstanding quarter, during which the Company released an updated mineral resource for its Sandstone Gold Project in Western Australia and additional outstanding exploration results from ongoing follow up drilling, not included in the resource update.

Updated Mineral Resource – Significant increase in shallow gold resource

- **Updated Independent Mineral Resource Estimate outlines an optimised and pit-constrained 17.6Mt @ 1.5 g/t gold for 832,000 oz** within A\$2,500/oz optimised pit-shells¹ reported at 0.5 g/t gold cut-off (consistent with the March 2022 update²) (Refer to Table 1).
- **Pit-optimisations demonstrate the robust nature of the resource**, capturing approximately 80% of the total unconstrained MRE of 23.5Mt @ 1.4 g/t gold for 1.05Moz (Refer to Table 2).
- **Mineral Resources are shallow** with over 70% of pit-constrained ounces³ within 100m from surface and 90% within 150m.
- **Mineralisation remains open along strike and at depth** highlighting the strong potential to continue growing the resource inventory with further drilling.
- **Rapid shallow resource growth at Indomitable Camp** almost tripling in size to 5.4Mt @ 1.2 g/t gold for 210,000oz with mineralisation currently defined along a +3km long NW/SE trending gold corridor.
- **Majority of resources are located on granted mining licences⁴**, supported by excellent surrounding infrastructure and are in close proximity to each other, forming part of one mining field.
- **Alto intends to continue focusing on adding quality shallow gold ounces** by targeting 'step-out' mineralisation as well as priority targets at depth, to establish a multi-million ounce stand-alone operation at Sandstone.

A Growing Shallow Gold Resource

Drilling focused on adding quality shallow ounces – depth potential yet to be tested...



1 Updated Mineral Resources in this release includes Inferred and Indicated Resources and are optimised and constrained using A\$2,500/oz pit shells. Mineral resources for Ladybird, Piper and Tiger Moth are based on A\$2,000/oz pit shells and have not been updated.
2 Refer to ASX announced dated 23 March 2022 "Sandstone Mineral Resource increases to 635,000oz gold"
3 Refers to the optimised and constrained Resources reported 3 April 2023.
4 All mineral resources are located within granted mining licences, with the exception of Indomitable East, Musketeer, Ladybird and Bull Oak.

Updated Mineral Resource Estimate - Shallow gold resource continues to grow

Optimised and pit constrained resource increased to 832,000oz @ 1.5 g/t gold, capturing 80% of the total unconstrained MRE.

During the quarter, the Company announced a significant Mineral Resource update at the Company's 100% owned Sandstone Gold Project in Western Australia, (Sandstone Gold Project). The updated Mineral Resource incorporates updates for the Indomitable Camp (including a maiden resource for Indomitable East and Musketeer), an update to Lord Nelson and a maiden Mineral Resource estimate for Bull Oak. The updated Mineral Resource Estimates (MRE) were prepared by independent mining industry consultants, Snowden Optiro and reported in accordance with the JORC Code (2012 Edition).

The updated MRE includes all drilling completed up to the end of November 2022. Resource estimates for Lord Henry, Vanguard, Vanguard North, Havilah Camp, Tiger Moth, Piper and Ladybird deposits are unchanged from the Mineral Resources reported in March 2022, 25 September 2018 and 11 June 2019, respectively.

Optimised pit-shell constrained MRE – 832,000oz @ 1.5 g/t gold

Open-pit optimisations have been performed by Snowden Optiro on the updated Mineral Resource using a \$2,500/oz gold price and reported at a 0.5 g/t gold cut-off, **resulting in an optimised pit-shell constrained Total Inferred and Indicated Mineral Resource Estimate totalling 17.6Mt at 1.5 g/t gold for 832,000oz of contained gold** (refer to Tables 1 and 3).

The optimised pit shells are based on mining parameters and operating costs typical for Australian open pit extraction deposits of similar scale and geology.

Table 1: Mineral Resource Estimate for Sandstone Gold Project, March 2023

Mineral Resource Estimate for the Sandstone Gold Project as at March 2023				
Classification	Cut-off grade (g/t gold)	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	0.5	4.3	1.6	226
Total Inferred	0.5	13.3	1.4	606
TOTAL	0.5	17.6	1.5	832

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold within the optimised pit-shell. Minor discrepancies may occur due to rounding of significant figures.

Only Indicated and Inferred categories of mineralisation that fall within the optimised pit shells are reported in the optimised Mineral Resources. *Mineralisation outside of the optimised pit shells (based on the current optimisation parameters) has been excluded from the optimised Mineral Resource statement until such time as further drilling and / or a refinement of optimisation parameters and gold price can be undertaken, to potentially convert additional in-pit resources.*

Over 27% of the Total MRE within the optimised pit-shells is in the Indicated category.

All resources contained in the Inferred category are due to the drill spacing at Indomitable, Vanguard, Havilah and Ladybird and the historical nature of drilling at Lord Nelson, Lord Henry and Bull Oak. It is reasonably expected that infill drilling and additional confirmatory drilling of the historical areas should allow an upgrade of the Inferred Resources to a higher category.

Alto considers the total mineral resources (Table 1) for the Sandstone Gold Project have a reasonable prospect of eventually being mined, taking into account the shallow nature of the deposits, the thickness and gold grades of the deposits, which are located on granted mining or exploration leases, and proximity to existing infrastructure.

The updated 2023 MRE was optimised and pit-constrained using the same gold price and optimisation parameters to provide continuity to the 2022 MRE.

Unconstrained MRE – 1Moz @ 1.4 g/t gold

The unconstrained Mineral Resource Estimate for the Sandstone Gold Project is, **23.5Mt at 1.4 g/t gold for 1,046,000oz of contained gold**, using a 0.5 g/t gold cut-off (refer to Tables 2 and 5). **The 214,000oz outside the optimised pit-shell constrained MRE highlights the potential for additional in-pit resource growth through refinement of optimisation parameters, an improving gold price and further drilling.**

Table 2: Unconstrained Mineral Resources for Sandstone Gold Project, March 2023

Unconstrained Mineral Resources for the Sandstone Gold Project as at March 2023				
Classification	Cut-off grade (g/t gold)	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	0.5	4.3	1.6	227
Total Inferred	0.5	19.2	1.4	819
TOTAL	0.5	23.5	1.4	1,046

Unconstrained Mineral Resources reported at a cut-off grade of 0.5 g/t gold. Minor discrepancies may occur due to rounding of significant figures.

Next Steps – Future Resource Growth Potential

This Mineral Resource update is a significant increase in the total Mineral Resources at the Sandstone Gold Project and provides strong encouragement that the Company can continue to grow its Resource Inventory and progress its strategy to develop a stand-alone gold operation.

Significant potential for both shallow and deeper high-grade resource expansion remains, with the Company's exploration strategy continuing to focus on the Alpha Domain as a priority.

Importantly, when considering the exploration potential of the Sandstone Gold Project, **over 70% of the current Mineral Resources are less than 100m from surface and 90% are defined within the top 150m from surface** (see Figure 1). The vast majority of the +740km² project area is virtually untested below 100m.

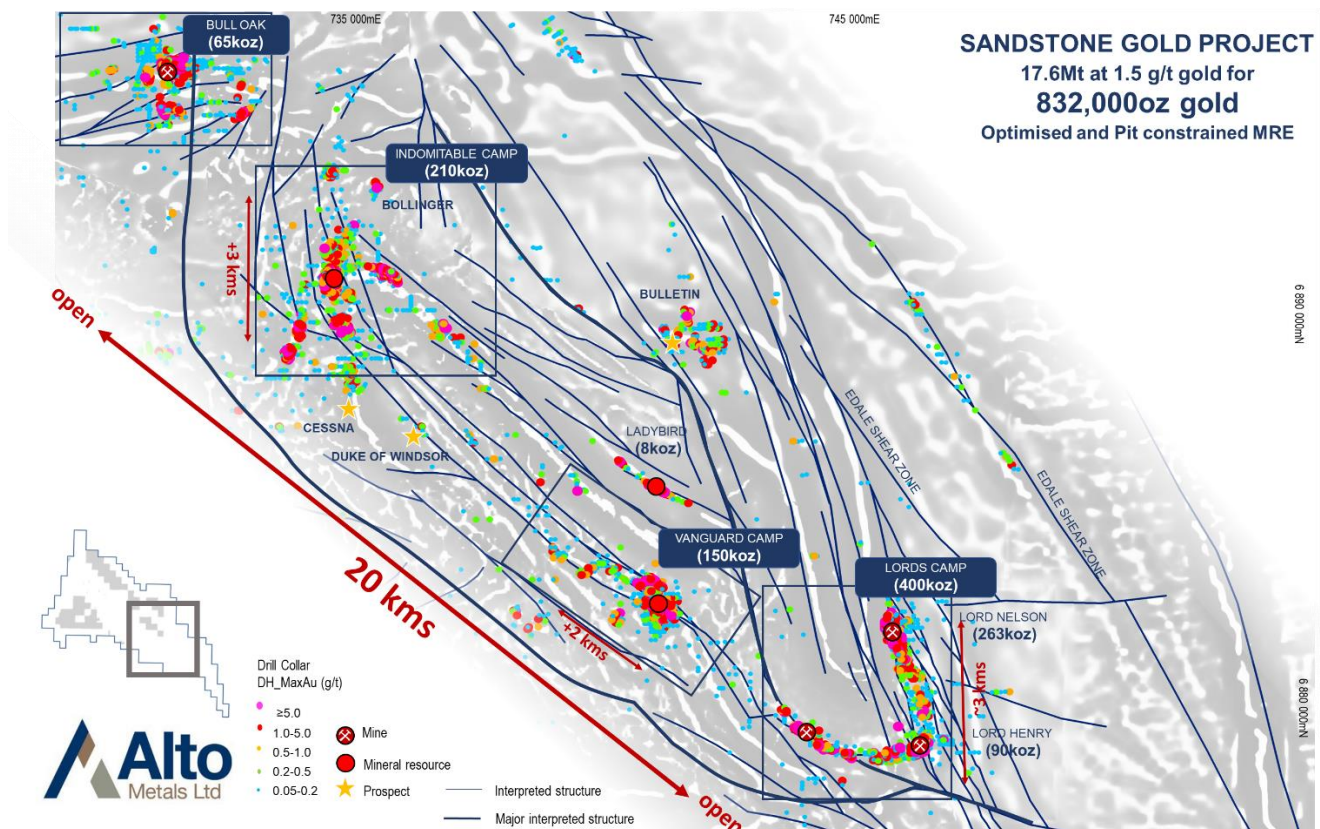


Figure 1: Sandstone Gold Project –Mineral Resources hosted within the +20km gold corridor of the Alpha Domain

Table 3: Optimised MRE March 2023 Grade and Tonnage by cut-off grade within the optimised pit (excl. Piper, Tiger Moth & Ladybird)¹

Cut-off grade (g/t gold)	Tonnage (Mt)	Grade (g/t gold)	Contained gold (koz)
0.3	17.7	1.4	803
0.5	16.9	1.5	792
0.8	12.4	1.8	697
1.0	9.8	2.0	621

All tonnages are reported in dry metric tonnes. Minor discrepancies may occur due to rounding of appropriate significant figures.

1 Table 3 shows the total grade and tonnage by cut-off grade for all optimised mineral resources, including the updated deposits, based on a 0.5 g/t gold cut-off. The estimates for Piper, Tiger Moth and Ladybird are excluded from this table as grade tonnage cut-off grades were not included in the release for these mineral resource estimates

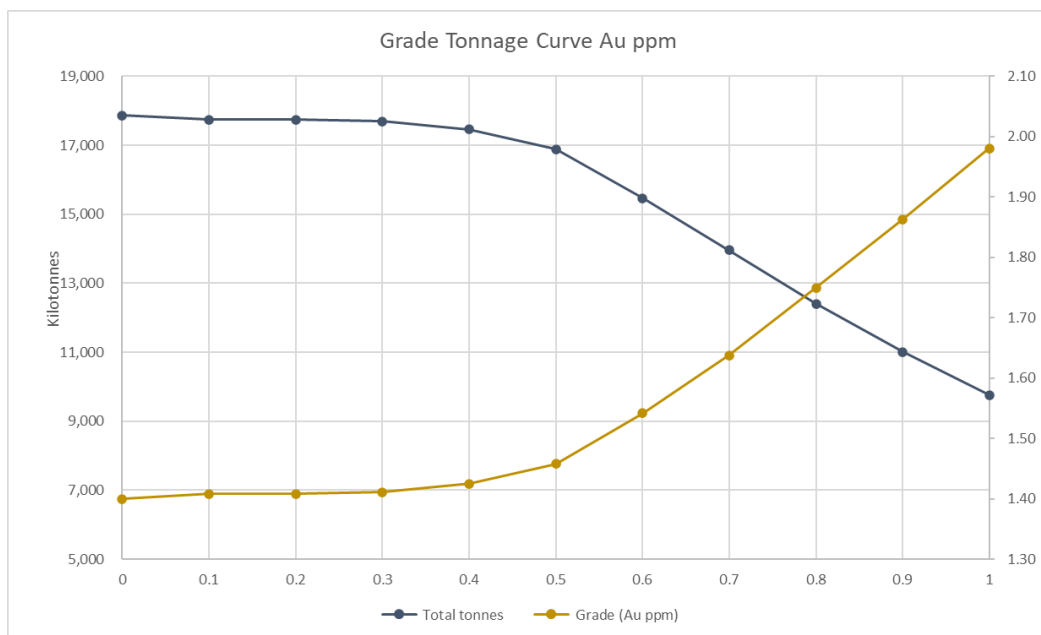


Figure 2: Sandstone Gold Project – grade tonnage curve (excl. Piper, Tiger Moth & Ladybird) and using a 0.5 g/t gold cut off

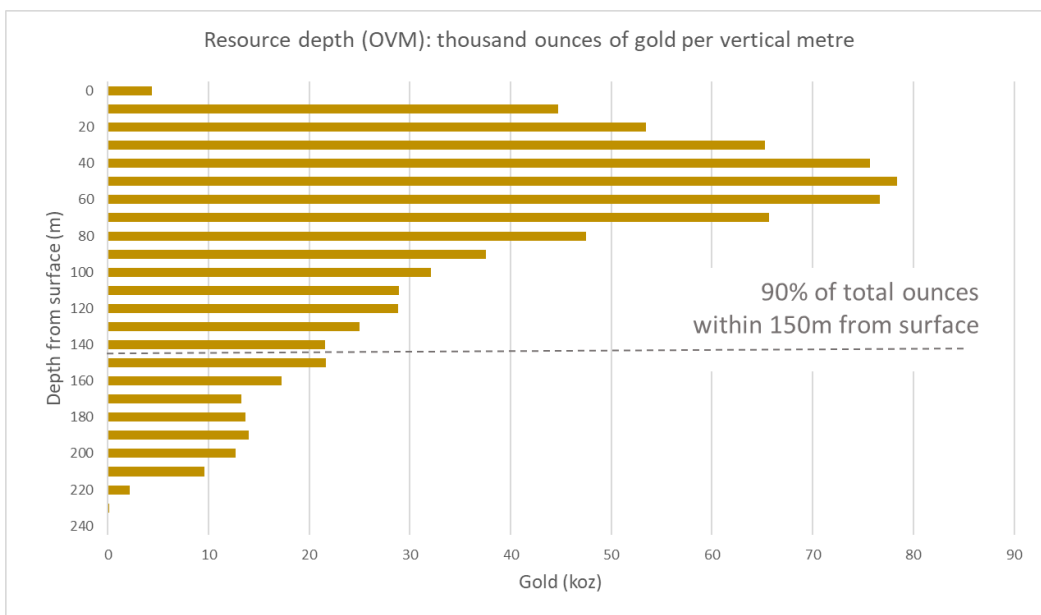


Figure 3: Sandstone Gold Project – Total ounces per vertical metre (excl. Piper, Tiger Moth & Ladybird).

Optimised pit-shell constrained MRE

Table 4: Mineral Resource Estimate for Sandstone Gold Project, March 2023 (by deposit)

Mineral Resource Estimate for the Sandstone Project - March 2023										
Prospect	Cut-Off	Indicated			Inferred			TOTAL		
		Tonnes (Mt)	Grade (g/t)	Gold Ounces (koz)	Tonnes (Mt)	Grade (g/t)	Gold Ounces (koz)	Tonnes (Mt)	Grade (g/t)	Gold Ounces (koz)
Lord Nelson	0.5	1.5	2.1	100	3.5	1.4	163	5.0	1.6	263
Lord Henry	0.5	1.6	1.5	77	0.3	1.2	13	1.9	1.4	90
Havilah	0.5				0.9	1.4	38	0.9	1.4	38
Maninga Marley	0.5				0.1	2.6	8	0.1	2.6	8
Havilah Camp	0.5				1	1.5	46	1.0	1.5	46
Vanguard	0.5	0.4	2	26	1.5	1.6	77	1.9	1.7	103
Vanguard North	0.5				0.4	3.8	47	0.4	3.8	47
Vanguard Camp	0.5	0.4	2	26	1.9	1.6	124	2.3	2.0	150
Musketeer	0.5				0.8	1.5	40	0.8	1.5	40
Indomitable	0.5	0.8	0.9	23	2.2	1.2	81	3.0	1.1	104
Indomitable East	0.5				1	1.1	34	1.0	1.1	34
Tiger Moth	0.5				0.5	1.7	28	0.5	1.7	28
Piper	0.5				0.1	1	4	0.1	1.0	4
Indomitable Camp	0.5	0.8	0.9	23	4.6	1.1	187	5.4	1.2	210
Bull Oak	0.5				1.9	1.1	65	1.9	1.1	65
Ladybird	0.5				0.1	1.9	8	0.1	1.9	8
Total	0.5	4.3	1.6	226	13.3	1.4	606	17.6	1.5	832

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold and are constrained within a A\$2,500/oz optimised pit shells based on mining parameters and operating costs typical for Australian open pit extraction deposits of a similar scale and geology. Mineral Resources for Lord Henry, Vanguard Camp, Havilah Camp, Piper, Tiger Moth and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

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): Vanguard Camp, Havilah Camp, Lord Henry: release titled: "Sandstone Mineral Resource increases to 635,000oz gold" 23 March 2022;
- (b): Indomitable Camp (Piper & Tiger Moth deposits): release "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" 25 Sep 2018;
- (c): Ladybird: release "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" 11 June 2019; and

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.

Unconstrained MRE

Table 5: Unconstrained total classified resources for Sandstone Gold Project, March 2023 (by deposit)

Prospect	Cut-Off	Indicated			Inferred			TOTAL		
		Tonnes (Mt)	Grade (g/t)	Gold Ounces (koz)	Tonnes (kt)	Grade (g/t)	Gold Ounces (koz)	Tonnes (kt)	Grade (g/t)	Gold Ounces (koz)
Lord Nelson	0.5	1.5	2.1	100	4.1	1.4	191	5.6	1.6	291
Lord Henry	0.5	1.6	1.5	78	0.6	1.1	20	2.2	1.4	98
Havilah	0.5				1.0	1.3	42	1.0	1.3	42
Maninga Marley	0.5				0.2	2.1	12	0.2	2.1	12
Havilah Camp	0.5				1.2	1.3	54	1.2	1.3	54
Vanguard	0.5	0.4	2.0	26	2.7	1.4	119	3.1	1.5	145
Vanguard North	0.5				0.7	3.3	72	0.7	3.3	72
Vanguard Camp	0.5	0.4	2.0	26	3.4	1.4	191	3.8	1.5	217
Musketeer	0.5				1.4	1.3	59	1.4	1.3	59
Indomitable	0.5	0.8	0.9	23	3.2	1.1	110	4.0	1.0	133
Indomitable East	0.5				2.1	0.9	64	2.1	0.9	64
Tiger Moth	0.5				0.5	1.7	28	0.5	1.7	28
Piper	0.5				0.1	1.0	4	0.1	1.0	4
Indomitable Camp	0.5	0.8	0.9	23	7.3	0.9	265	8.1	0.9	288
Bull Oak	0.5				2.5	1.1	90	2.5	1.1	90
Ladybird	0.5				0.1	1.9	8	0.1	1.9	8
Total		4.3	1.6	227	19.2	1.3	819	23.5	1.4	1,046

Reported at a cut-off grade of 0.5 g/t gold. Mineral Resources for Lord Henry, Vanguard Camp, Havilah Camp, Piper, Tiger Moth and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

Mineral Resource Update – Indomitable Camp

The optimised and pit-constrained Inferred Mineral Resource Estimate for Indomitable Camp has almost tripled in size to **5.4Mt at 1.2 g/t gold for 210,000oz**, reported at a 0.5 g/t gold cut-off, constrained within an A\$2,500 pit shell.

Approximately 37,000m of RC drilling was completed at Indomitable Camp during 2022 and the successful extensional drilling has significantly contributed to the growth in the Mineral Resources.

The updated Mineral Resource for Indomitable Camp comprises Indomitable and maiden Inferred Mineral Resource estimates for the Musketeer and Indomitable East deposits, all of which remain open down dip and along strike. Piper and Tiger Moth were not updated as part of the 2023 MRE update but are included in the Indomitable Camp.

Indomitable Camp is currently defined over 3km strike length and is hosted within the +20km NW/SE Indomitable/Vanguard/Havilah gold corridor that forms part of the priority 'Alpha Domain' target area.

The Company considers the rapid rate of growth demonstrates the potential to continue increasing both the grade and scale of the Mineral Resources with further drilling.

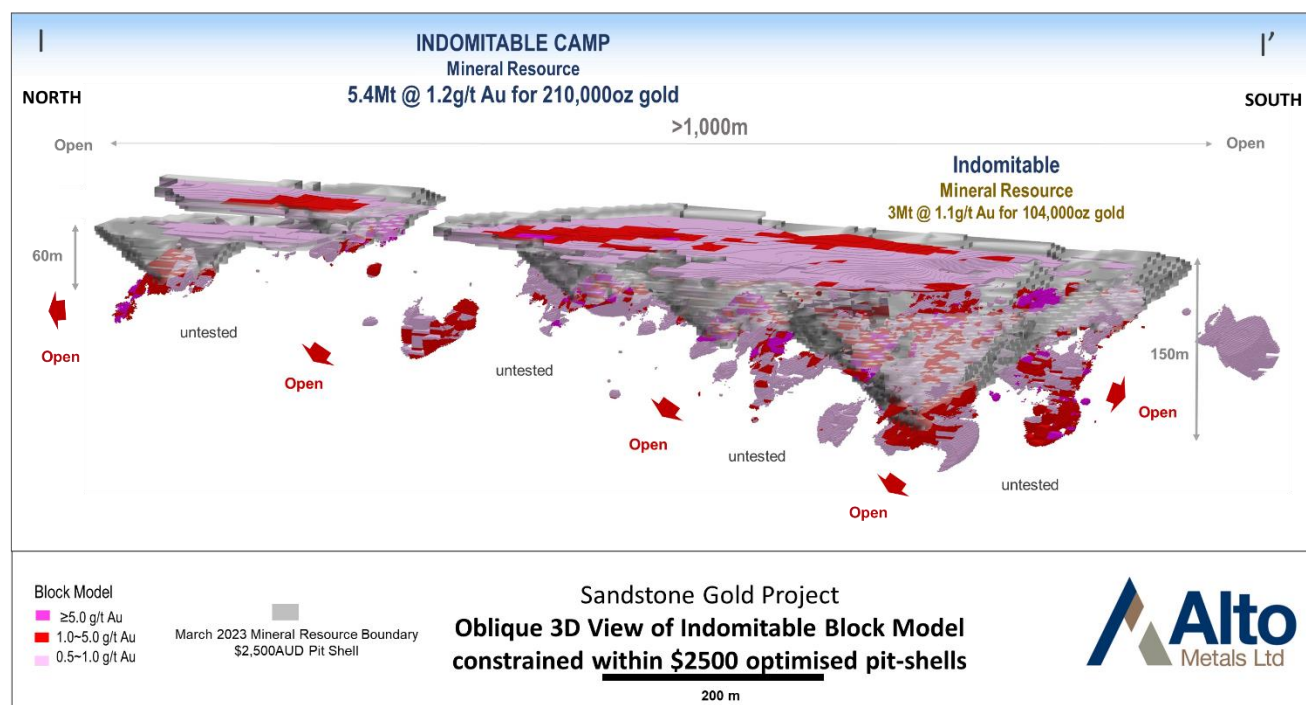


Figure 4: Oblique 3D view of Indomitable resource block models (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised pit shell.

Figure 4 shows the Mineral Resources at Indomitable, constrained within the optimised pit shells and the additional mineralisation, outside the current pit shells, which remain open along strike and untested at depth.

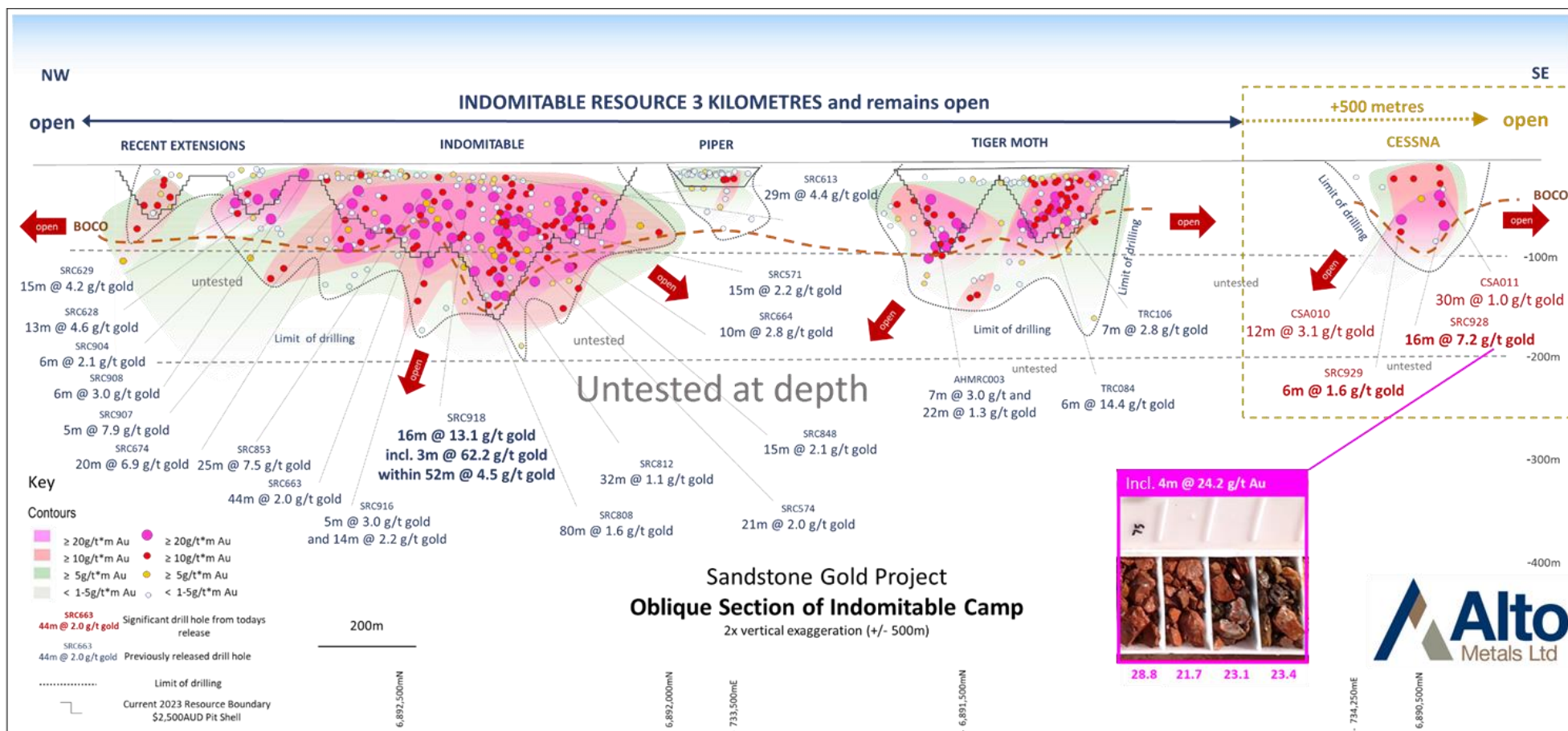


Figure 5: Oblique section of Indomitable Camp showing g/t*m drill results

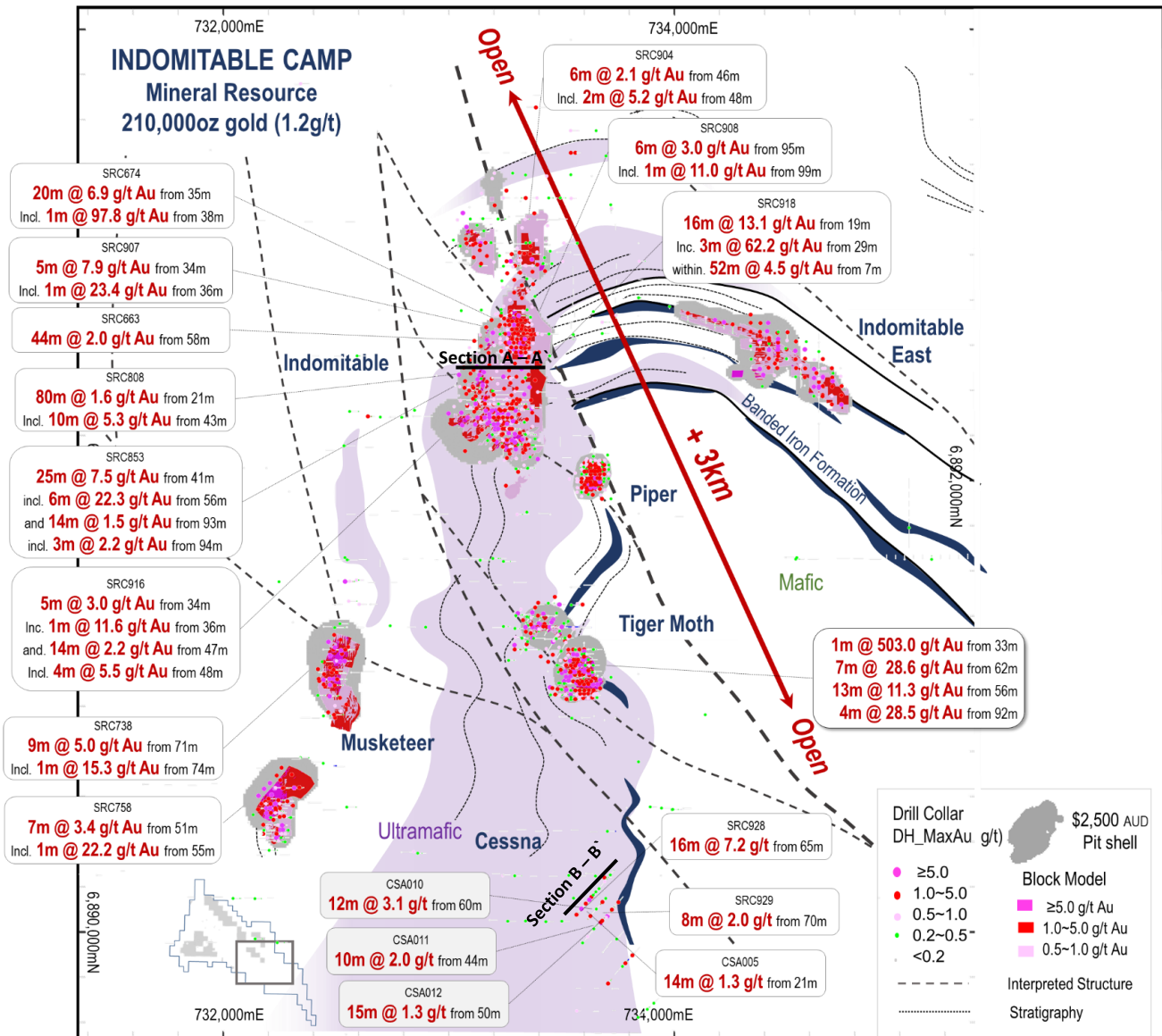


Figure 6: Indomitable Camp plan view block model of Resources (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised

Exploration activities during the quarter

RC drilling at Indomitable targeting strike and depth extensions intersects bonanza gold mineralisation

In line with Alto's focused exploration approach, the Company has continued ongoing geological review and field work over the 20km long NW/SE trending gold corridor within the Alpha Domain.

During the quarter assay results from the first phase of 5,000m of RC drilling for CY2023 at Indomitable, were received. This drilling was designed to both follow up on interpreted high-grade structures identified from drilling in late 2022 (refer to ASX announcement 24 Nov 2022) and test strike extensions of the existing mineralisation.

SRC918 drilled on the eastern side of Indomitable, targeting an interpreted northern control, **returned a spectacular:**

- **16m @ 13.1 g/t gold** from 19m, incl.
- 3m @ 62.2 g/t gold** from 29m, incl.
- 1m @ 122.6 g/t gold** from 29m.

This is the highest-grade drill intercept Alto has drilled to date at Indomitable and is within an overall 52m intercept averaging 4.5 g/t gold from 7m (234 gram*metre). A number of RC holes were drilled on an east-west orientation to test interpreted structural oriented controls. The interpretation of these controls, which may include steeply plunging shoots, is still at an early stage and the second phase of drilling is targeting the orientation of these mineralised structures within the fresh rock at depth.

SRC918 is located 80m south of SRC808 which returned **80m @ 1.6 g/t gold** from 21m and is located 230m east of SRC853 returned **25m @ 7.5 g/t gold** from 41m along an interpreted parallel zone

Additional new significant gold results from this first phase of drilling at Indomitable included:

- **5m @ 7.9 g/t gold** from 32m, incl. **1m @ 23.4 g/t gold** from 34m (SRC907)
- **5m @ 3.0 g/t gold** from 34m, incl. **1m @ 11.6 g/t gold** from 36m and
14m @ 2.2 g/t gold from 47m incl **4m @ 5.5 g/t gold** from 48m (SRC916)
- **6m @ 3.0 g/t gold** from 95m, incl. **1m @ 11.0 g/t gold** from 99m (SRC908)
- **6m @ 2.1 g/t gold** from 46m, incl. **2m @ 5.2 g/t gold** from 48m (SRC904)
- **10m @ 1.1 g/t gold** from 82m, incl. **3m @ 2.0 g/t gold** from 85m and
10m @ 1.2 g/t gold from 154m, incl. **5m @ 2.0 g/t gold** from 157m (SRC913)
- **7m @ 1.0 g/t gold** from 10m, incl. **1m @ 2.1 g/t gold** from 13m (SRC909)
- **8m @ 2.1 g/t gold** from 9m (SRC919)

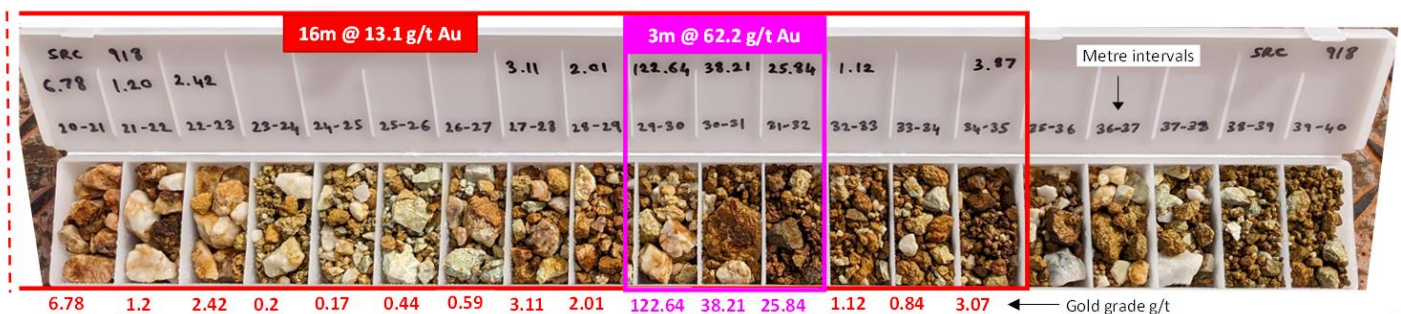


Figure 7: SRC918 chip tray from 20m – 40m showing 15 of the individual metre intervals that returned 16m at 13.1 g/t from 19m gold including the three metre intervals that returned 3m @ 62.2 g/t gold from 30m.

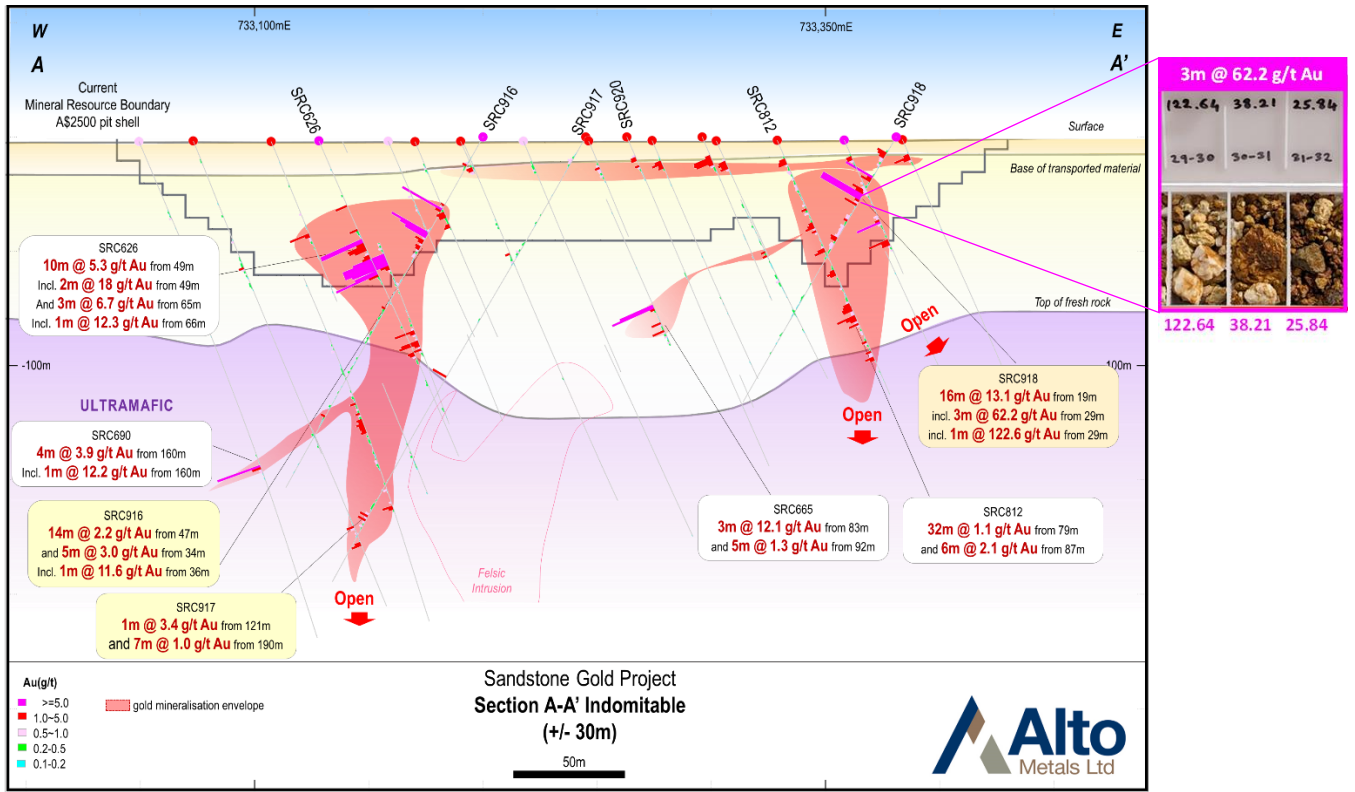


Figure 8: Indomitable Cross section A – A' showing SRC916, SRC917 and SRC918



Figure 9: RC drilling at Indomitable

First pass drilling at Cessna

First pass RC drilling at the new Cessna prospect, located within the Indomitable Camp, testing historical drill results and extensions of mineralised banded iron formation, has confirmed high-grade mineralisation, including:

- **6m @ 1.6 g/t gold** from 56m, incl. **4m @ 2.0 g/t gold** from 58m (SRC928); and
16m @ 7.2 g/t gold from 65m, incl. **4m @ 24.2 g/t gold** from 74m;

- **8m @ 2.0 g/t gold** from 70m, incl. **1m @ 11.8 g/t gold** from 71m (SRC929)

Significant results from historical first pass air-core (AC) drilling at Cessna include:

- **12m @ 3.1 g/t gold** from 60m, incl. **6m @ 5.2 g/t gold** from 60m (CSA010) (ended in mineralisation)
- **30m @ 1.0 g/t gold** from 40m, incl. **10m @ 2.0 g/t gold** from 44m (CSA011)
- **15m @ 1.3 g/t gold** from 5m, incl. **7m @ 2.1 g/t gold** from 7m (CSA012)
- **14m @ 1.3 g/t gold** from 21m, incl. **1m @ 6.5 g/t gold** from 31m (CSA005) (ended in mineralisation)
- **19m @ 1.1 g/t gold** from 38m, incl. **1m @ 9.6 g/t gold** from 56m (CSA001)
- **18m @ 1.1 g/t gold** from 57m, incl. **2m @ 2.4 g/t gold** from 61m and **2m @ 2.3 g/t gold** from 68m (CSA015)
- **22m @ 1.0 g/t gold** from 13m, incl. **5m @ 1.7 g/t gold** from 20m (CSA020)

These latest assays from Cessna have confirmed mineralisation at Indomitable extends over 3.5kms of strike and remains open in all directions. The Company believes the extent of shallow oxide mineralisation at Indomitable Camp, is an indication of a potentially much larger gold system at depth.

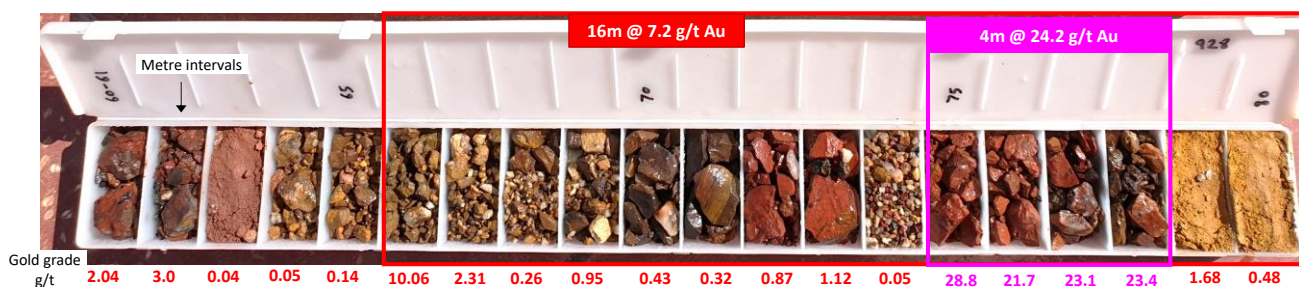


Figure 10: SRC928 chip tray from 60m – 80m showing 16 of the individual metre intervals that returned 16m at 7.2 g/t from 65m gold including the four metre interval that returned 4m @ 24.2 g/t gold from 74m.

Background - Cessna

In 1997, BMA carried out BLEG soil sampling which defined a ~500m by ~300m gold geochemical anomaly that straddles the Sandstone-Menzies Road. The anomaly was named Cessna with the highest result being 421ppb Au (Reference WAMEX a54231). BMA drilled a line of seven RAB holes for 369m to test the Cessna anomaly. The drilling intersected laterites and saprolitic clays with quartz veining with all holes reporting anomalous values of >100ppb Au. The BMA exploration data was not reported in digital format and has not been captured in digital format.

Troy Resources NL commenced exploration in 1998 and followed up the BMA drilling with RAB and AC drilling at Cessna. Most holes did not reach recognisable fresh rock due to the water table at approximately 30m and strong weathering to at least 60m below surface.

No RC drilling has been previously undertaken at the Cessna prospect. The historical drilling was reported on a local grid and discrepancies with location and possibly the azimuth were identified when verifying the historical data.

Alto completed two RC drill holes at the Cessna prospect (SRC928 and SRC929) as a first pass program to verify the historical drilling. Drilling targeted gold mineralisation intersected in historical AC drilling on two section lines 100m apart. Significant gold mineralisation was intersected in SRC928 below the historical drilling, including **4m at 24 g/t Au** from 74m.

Mineralisation was intersected in the oxide zone and appears to be associated with quartz veined BIF in contact with strongly oxidised mafic/ultramafic units (see Figure 1). **Mineralisation remains open, and further drilling is warranted to determine the nature and extent of the mineralisation.**

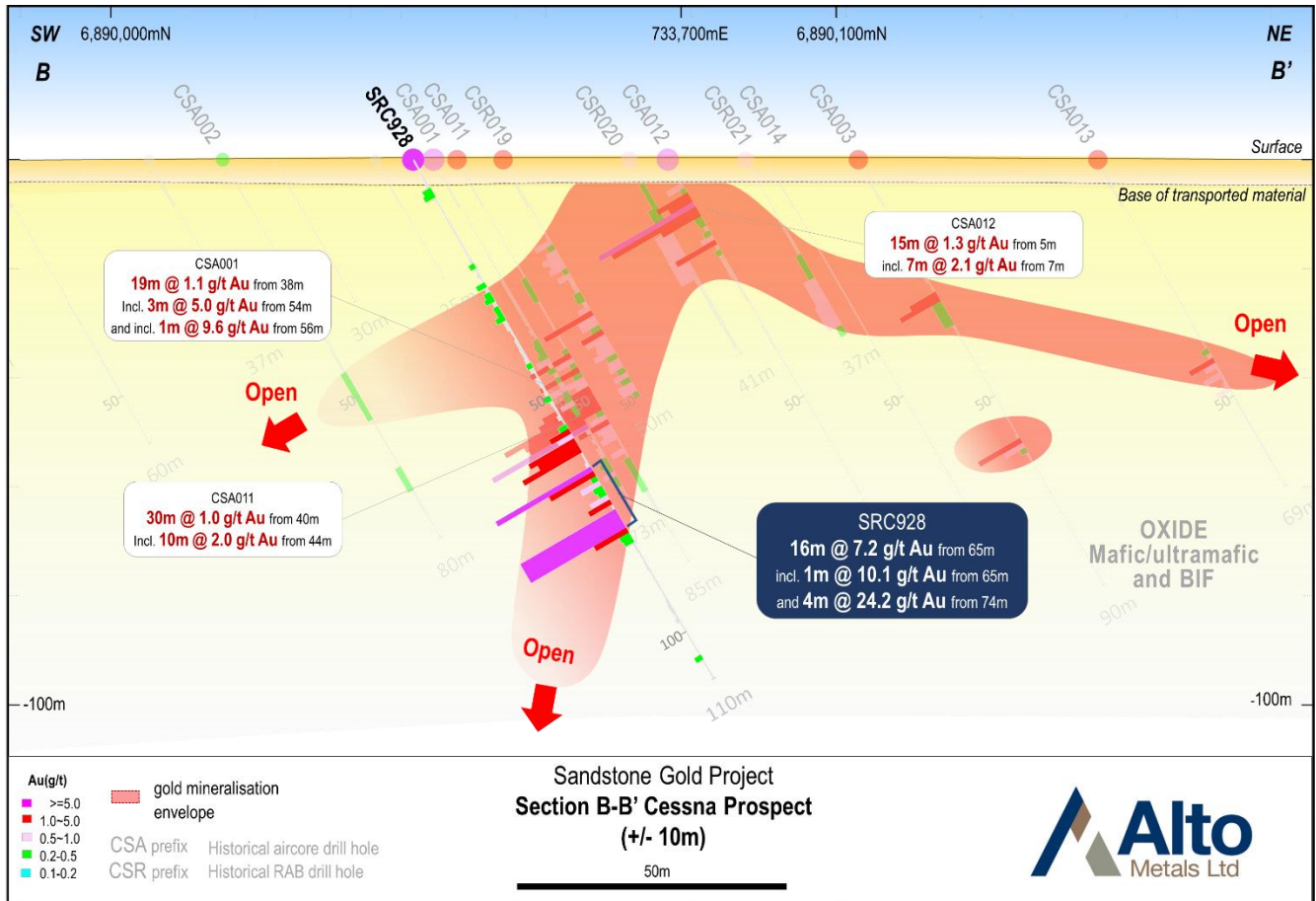


Figure 11: Indomitable Cross section B – B' showing SRC928

CY2023 second phase of drilling Indomitable

A second phase of follow up RC drilling comprising ~5,000m program targeting deeper mineralisation at Indomitable commenced during the quarter.

Initial assay results from the laboratory submission for the first four RC holes have been received, intersected further high-grade gold mineralisation including:

- **24m @ 2.2 g/t gold** from 160m (SRC941) comprising;
 - **16m @ 3.0 g/t gold** from 167m; including:
 - **1m @ 8.8 g/t gold** from 175m; and
 - **1m @ 9.4 g/t gold** from 182m

This latest result from SRC941 represents **the deepest significant gold mineralisation intersected at Indomitabile to date outside the current mineral resource**, beneath the optimised pit shell.

Assays are currently pending for approximately a further ~4,500m of RC drilling. Refer to 'Pending assays and planned exploration activities for 2023' section of this report for further information.

Regional review outlines several lithium targets coincident with mapped pegmatites.

The **Sandstone Greenstone Belt** is considered to be highly prospective for lithium, given that within Western Australia, the rare-element Lithium-Caesium-Tantalum (LCT) family of pegmatite deposits occur dominantly within Archean greenstone belts in upper greenschist to amphibolite-facies, however, **no previous lithium exploration has ever been undertaken** at the Sandstone Project.

Lithium focused exploration activity has recently increased in the Sandstone region, including Rio Tinto Exploration Pty Limited, a wholly owned subsidiary of Rio Tinto Ltd (ASX :RIO) entering a joint venture earn-in with Everest Metals (ASX:EMC) and acquiring additional ground contiguous to the Sandstone Project on the eastern border and Sensore (ASX:S3N) farming into tenure held by Gateway Mining Ltd's (ASX: GML) for lithium focused exploration (see Figure 12).

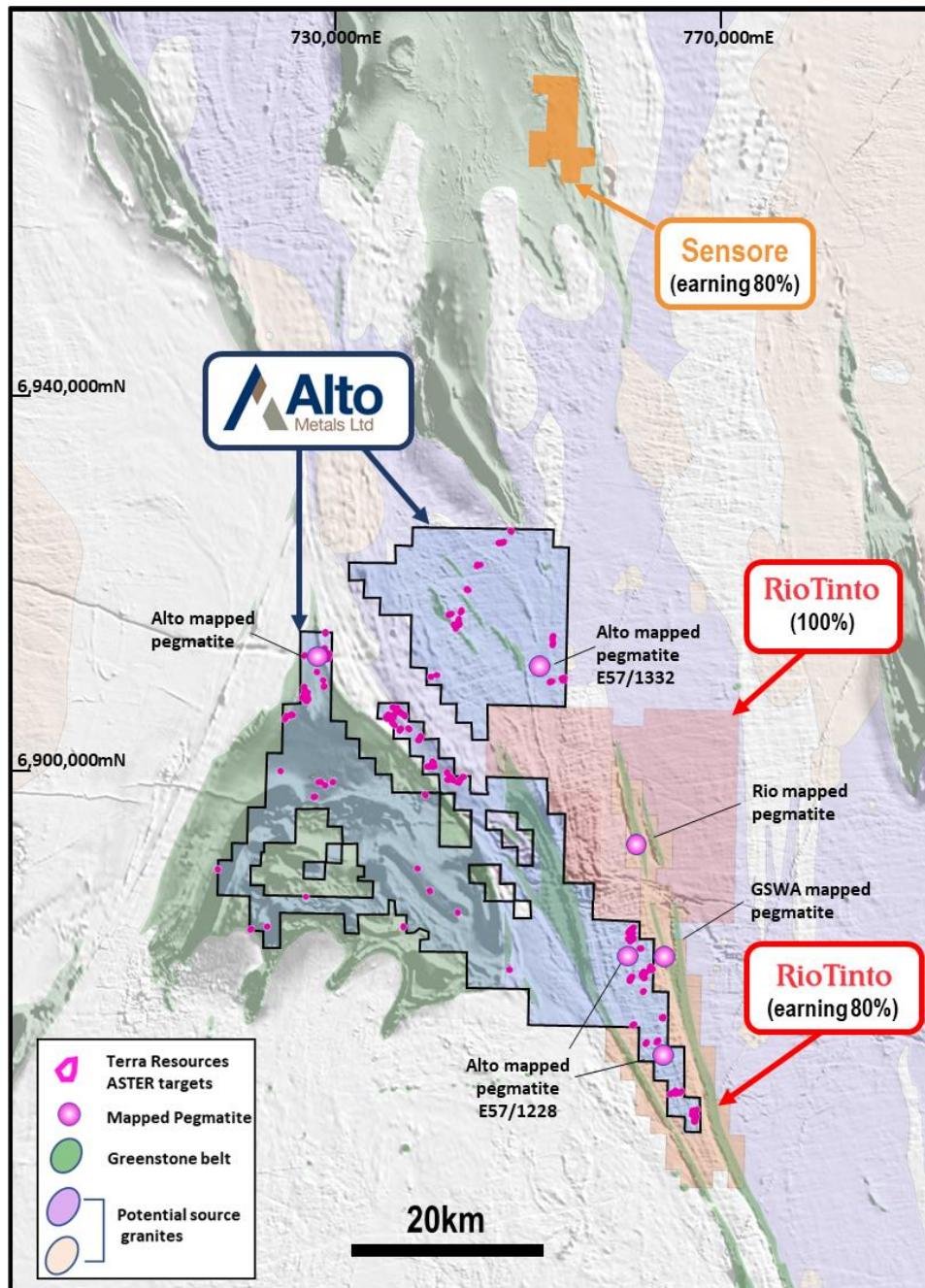


Figure 12: Lithium targets and mapped pegmatites at the Sandstone Project and surrounding tenure

Lithium Targeting work

Low-cost regional exploration work undertaken by Alto has highlighted the lithium prospectivity and identified numerous lithium pegmatite targets, at its 100% owned, Sandstone Project, in Western Australia. This work includes:

- High-resolution satellite imagery and multi spectral analysis has **identified several lithium pegmatite targets at the Sandstone Project** (see Figure 13)
- Field work has commenced, **identifying outcropping pegmatites** spatially coincident to several of the targets located on the eastern flank of the project area where Rio Tinto have recently enter into a JV earn-in and secured additional contiguous tenure, focused on lithium exploration (see Figure 12).
- **Further field mapping and sampling is ongoing.** Planning is underway for an infill soil geochemistry program and assays are currently pending for selected rock chip samples.
- **No previous lithium exploration work ever been undertaken at the Sandstone Project** and, whilst early stage, the Company considers the results of this initial reconnaissance and targeting work encouraging. Alto has engaged CSA Global and Terra Resources to support its ongoing lithium targeting work.

Given the scale of the project and in response to third party interest in the lithium potential at Sandstone, Alto is considering various options to maximise shareholder value, so that it can remain focused on gold exploration.

Multispectral Analysis

The Company engaged Terra Resources Pty Ltd (Terra) to undertake a remote sensing study across the larger-scale Sandstone Project to identify potential lithium pegmatite targets. The analysis utilised 24 spectral bands in both Sentinel 2 and Aster satellite imagery data, which were reprocessed according to documented spectral wavelengths of spodumene.

Multispectral analysis using Sentinel 2 and ASTER has **successfully identified numerous lithium pegmatite targets** over the entire project area, with a concentration over the greenstone granite contact on the eastern side of the project. These targets were identified by shape, texture and colour, and represent potential concentrations of lithium based on spectral signature characteristics. Lithium is difficult to detect using satellite imagery, although there is a lot of research currently being conducted in the space. The Lithium minerals of lepidolite/spodumene/petalite/amblygonite have different spectra and the Lithium band combinations can therefore be used to derive potential Lithium-pegmatite targets. The multispectral analysis conducted by Terra reviewed a suite of Sentinel 2 and ASTER historical satellite data to reprocess 24 spectral bands (Nonvisual, Short wave and thermal infrared bands) for correlation with known spodumene spectral bands.

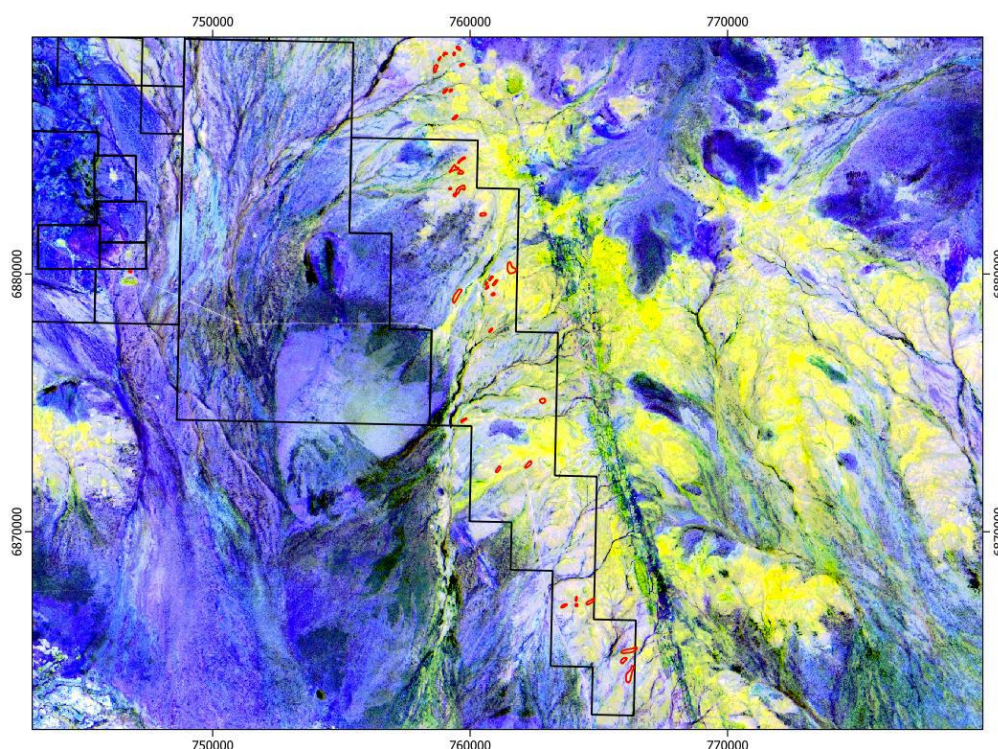


Figure 13: Sandstone Project – ASTER imagery identified and ranked targets (red) over E57/1228.

Initial Lithium Field Work

Alto geologists conducted initial ground truthing and field mapping during the quarter, **identifying outcropping pegmatites**, with selected samples submitted to the laboratory for assay.

Mapping identified large blocky potassic (K) -feldspar (up to 30cm) (see Fig 14) and outcropping pegmatite dykes (see Fig 15), which appear to have a parallel north-south strike extent, parallel to the greenstone/granite contact, however most of the area around the known mapped pegmatite dykes are covered by alluvium and it is likely that these areas are far more extensive than the known outcrops.

Regional granite samples have also been collected along the eastern flank of the tenement package and submitted to the laboratory for whole rock multielement assay to assist in an initial assessment of country granite fertility as potential - source melts for rare-element LCT pegmatites.

Historic mapping by GSWA identified outcropping pegmatite on tenure (about to be drilled by Rio Tinto) immediately east of the tenement EL57/1228 (see Figure 2). Recent field work has confirmed that pegmatites extend onto Alto's E57/1228.



Figure 14: Large blocky K-feldspar E57/1332



Figure 15: Outcropping pegmatite E57/1232

No previous lithium exploration work has ever been undertaken at Sandstone and, whilst at an early stage, the Company considers the results of this initial reconnaissance and targeting work encouraging.

Next steps

- Assess and interpret results from collected pegmatite and granite samples (results pending).
- Undertake multi element analysis on selected historical drill pulps and soil samples for LCT pegmatite pathfinders.
- Commence detailed mapping and soil sampling in prospective areas.
- Assess broader regional prospectivity of the Sandstone tenements.

Alto has engaged CSA Global and Terra Resources to support its ongoing lithium targeting work.

Pending assays and planned exploration activities for 2023

A second phase of 5,000m of RC drilling for CY2023 commenced drilling at Indomitable during the quarter. This program focused on testing interpreted high-grade mineralised structures at Indomitable in preparation for follow up planned diamond drilling.

Following the recent Placement, the Company is now fully funded for all exploration currently planned for CY2023 and the current forward program planned for the next 12 months. The proceeds of the Placement are primarily planned be used to continue the ongoing extensional and resource drilling at both Indomitable and Vanguard, where drilling has been targeting higher grade structures at depth within the fresh rock, along with priority regional targets, including Hacks and Oroya region.

Assays are currently pending from over ~4,500m of RC drilling at Indomitable. Upon receipt of these pending assays the next phase of planned exploration at Sandstone, to commence in the coming weeks, includes:

- A further 5,000-10,000m of extensional and resource RC drilling and ~3,000m of Diamond drilling (DD) at Indomitable, targeting high-grade primary mineralisation;
- A further 5,000m of extensional and resource RC drilling at Vanguard;
- First pass RC drilling at a number of historic gold workings within the Hacks West area and regional targets; and
- Ongoing low-cost lithium exploration work at Sandstone.

Funds will also be applied to follow-on phases of exploration and resource drilling and continuing to evaluate priority regional gold targets and regional lithium prospects.



Figure 16: RC samples at Indomitable

Corporate

Cash position

Alto's closing cash position was \$1.1 million at the end of the quarter.

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$811,000. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$118,000 were made to related parties of the Company, as shown in the attached Appendix 5B. These payments related to current fees paid to directors.

Subsequent to the end of the quarter, the Company announced a \$5 million Placement through the issue of 96 million shares at \$0.052 per share. The Placement was strongly supported by existing major shareholders and new leading resource-focused funds, including \$1 million from Lion Selection Group (ASX: LSX).

In addition, the Company has agreed to a place approximately 8 million fully paid shares, at the same issue price as the Placement, under a drill for equity arrangement for a total of \$420,000.

Other Corporate

Subsequent to the quarter Westgold Resources Limited (ASX: WGX) divested its remaining 68.5m (~11%) shares held in Alto, with the majority 60.1m (9.9%) acquired by Horizon Gold Limited (ASX: HRN).

Ongoing investor and marketing activities

The Company hosted an investor and broker site trip to Sandstone in April, following the release of the updated mineral resource. Alto presented at the RIU Sydney Resources in May and at both Mines and Money Melbourne and White Noise/Caldera House Gold Event in June. During August the Company will be attending the annual Diggers and Dealers Conference in Kalgoorlie and the Australian Gold Conference in Sydney. Other investor marketing activities continue, focused on further increasing the Company's profile.

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 Managing Director on behalf of the Board of Alto Metals Limited.

Matthew Bowles

Managing Director & CEO

+61 8 9381 2808

About Alto Metals

Alto Metals Ltd (ASX: AME) is an advanced gold explorer that owns the Sandstone Gold Project (100%) located in the east Murchison of Western Australia.

The Sandstone Gold Project covers ~740km² of the Sandstone Greenstone Belt and currently has an optimised, open-pit constrained mineral resource estimate of 832,000oz gold at 1.5g/t, capturing over 80% of the unconstrained total MRE of 1.05Moz. Alto is currently focused on growing these resources through continued exploration success and new discoveries.



Figure 17. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.

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, and he is also entitled to participate in Alto's Employee Incentive Scheme. 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.

Previously Reported Results

There is information in this report relating to Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed. With regards to Exploration Results, please refer to ASX announcement for full details on these exploration results. Alto Metals Ltd is not aware of any new information or data that materially effects the information in the said announcements.

APPENDIX - 1: Tenement Information as Required by Listing Rule 5.3.3

Alto Metals Ltd and its 100% owned subsidiary, on a consolidated basis at 30 June 2023

Tenement	Location	Interest	Registered Holder	Lease Status
E57/1029	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1030	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1031	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1033	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1044	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1072	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1101	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1108	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1153	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1228	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1232	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1233	Sandstone, WA	-	Sandstone Exploration Pty Ltd	Application
M57/646	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/647	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/650	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/651	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/652	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/658	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application
M57/662	Sandstone, WA	-	Sandstone Exploration Pty Ltd	Application
M57/663	Sandstone, WA	-	Sandstone Exploration Pty Ltd	Application
P57/1377	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1529	Sandstone, WA	-	Sandstone Exploration Pty Ltd	Application

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTO METALS LIMITED

ABN

62 159 819 173

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(41)	(435)
	(e) administration and corporate costs	(184)	(541)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	18
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	86	86
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(136)	(872)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(811)	(6,243)
	(e) investments		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets			
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(811)	(6,243)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		5,088
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (capital raising costs)		(153)
3.10	Net cash from / (used in) financing activities	-	4,935

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,023	3,256
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(136)	(872)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(811)	(6,243)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,935
4.5	Effect of movement in exchange rates on cash held	-	
4.6	Cash and cash equivalents at end of period	1,076	1,076

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	276	23
5.2	Call deposits	800	2,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,076	2,023

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	118
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(136)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(811)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(947)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,076
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	1,076
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, some one-off grants received during the quarter and exploration work may increase in the Sept quarter.		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Company announced a \$5M capital raising on 24 July 2023		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, based on \$5M capital raising announced on 24 July		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2023.....

Authorised by: The Board of Alto Metals Limited

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.