



30 JUNE 2020 QUARTERLY REPORT

June Quarter sees Alto increase the Lord Nelson Resource by 60% to 109,000oz at 1.9g/t gold and deliver impressive high-grade gold results from ongoing exploration

SANDSTONE GOLD PROJECT HIGHLIGHTS

Sandstone Gold Project

Located in a world class gold province in WA

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

Multiple targets

Multi million oz potential

Significant landholding of over 800km² within a major gold district

Capital Structure

Issued Shares: 293m

Share Price: \$0.089

Market Cap: \$26m

Directors

Non- Executive Chairman
Richard Monti

Managing Director
Matthew Bowles

Non-Executive Director
Dr Jingbin Wang

Non-Executive Director
Terry Wheeler

Company Secretary & CFO

Graeme Smith

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ASX: AME



#altometals

RESOURCE UPGRADE

- JORC 2012 Inferred Mineral Resource for the Lord Nelson deposit was updated and increased to **1.8 Million tonnes at 1.9 g/t Au for 109,000 ounces gold**.
- Updated Inferred Mineral Resource represents an increase of 840kt (+86%) for an increase of 41,000 ounces gold (+60%).
- Mineral resource is limited by drilling with **numerous high-grade intersections outside the resource** awaiting close spaced drilling.
- Mineralisation remains **open along strike, down dip and down plunge**.
- Total Indicated and Inferred (JORC 2012) Mineral Resources for Sandstone Project now **6.2 Million tonnes at 1.7 g/t Au for 331,000 ounces gold**.

ONGOING EXPLORATION

- Alto's exploration focus is currently on Lord Nelson, **targeting both shallow gold mineralisation +200m along strike** from the Lord Nelson Pit and along the +3km Lords' corridor and **primary mineralisation beneath the Pit**.
- Final fire assays announced on 22 April 2020, incl.
 - **23m @ 3.8g/t gold** from 106m (SRC 168)
 - **10m @ 4.1 g/t gold** from 34m (SRC 169)
 - **17m @ 3.5 g/t gold** from 200m (SRC175)
 - **16m @ 5.2 g/t gold** from 240m (SRC176)
- The first stage of a planned ~10,000m follow up RC drilling program commenced in early July, with 1,500m now completed.
- First two RC holes targeting shallow mineralization (~50m vertical depth) have **confirmed a new repeat lode**, with 4 metre composite assays returning:
 - **20m @ 2.3 g/t gold** from 64m (SRC183) **within a broader zone of:**
 - **36m @ 1.6 g/t gold** from 48m.
 - **4m @ 4.1 g/t gold** from 112m (SRC182).
- Five follow up RC holes targeting high-grade primary mineralisation (beneath the Lord Nelson pit), 4 metre composite assay results, included
 - **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).
- Gold mineralization footprint at Lord Nelson expanded to over 870m with results highlighting the likelihood of a **large-scale gold mineralization system**.

CORPORATE

- Goldsea Australia Mining Pty Ltd (**Goldsea**) gave notice of its intention to let its off-market takeover offer lapse on 8 July 2020.
- Habrok (Alto) Pty Ltd (**Habrok**) announced an off-market takeover offer to acquire all the issued shares in Alto for A\$0.066 cash per share (**Share Offer**) and a separate cash offer to acquire all the issued options (Option Offer).
- Non-executive Director, Mathew Bowles appointed as Managing Director and CEO.
- 1 for 4 Accelerated Entitlement Offer at an offer price of \$0.07 per share launched to raise up to \$5.1M, with commitments secured for \$2.6m.
- **Top 5 Alto shareholders** (excluding Habrok) **representing 51.45%** of the Company have separately confirmed their support for the Entitlement Offer and their intention **NOT TO ACCEPT** the Habrok Share Offers¹.
- Entitlement Offer subsequently placed on hold as a result of an application to the Takeovers Panel Application from Habrok, with Interim Orders issued by the President to defer the Entitlement Offer until further order by the Panel.
- At the end of the quarter Alto's cash position was \$127,000. The Company has in place an unsecured Bridge Loan Facility for up to \$1m, of which \$250,000 was drawn down during the quarter. Subsequent to the quarter a further \$200,000 from the facility was drawn down. Unused facilities available are \$550,000. The Company intends to repay this facility upon completion of the Entitlement Offer.

Quarterly activities Statement for the period ending 30 June 2020

Alto Metals Limited ("Alto" or "the Company") (ASX: AME) is pleased to provide an update on activities for the second quarter 2020, within the Company's +800km² Sandstone Gold Project ("Project").

LORD NELSON RESOURCE UPDATE

Following Alto's successful ~3,700m RC drilling program in February-March 2020, Snowden Mining Industry Consultants (Snowden) were engaged by the Company to update the mineral resource estimate for the Lord Nelson deposit. The updated JORC 2012 Inferred Mineral Resource estimate by Snowden amounts to;

- **1.8 million tonnes at 1.9g/t Au for 109,000 ounces gold** (Table 1, Figure 1).

The updated Inferred Mineral Resource represents an increase of 840kt (+86%) for an increase of 41,000 ounces gold (+60%) from the previous mineral resource estimated by Snowden in 2017.

Importantly, the mineral resource is limited by drilling with significant mineralisation intersected **in the primary zone below the Lord Nelson pit outside the current resource** (refer to Figure 2). These results include:

- **17m @ 3.5 g/t gold** from 200m (SRC175) including:
 - **4m @ 11.6 g/t gold** from 211m, and
 - **1m @ 25.5 g/t gold** from 214m
- **16m @ 5.2 g/t gold** from 240m (SRC176) including:
 - **3m @ 13.5 g/t gold** from 240m
- **5m @ 3.1 g/t gold** from 232m (SRC178)

¹ Refer to the Company's announcements of 15, 16 and 20 July 2020 for additional information.

Table 1: Update of Mineral Resources for Lord Nelson deposit

Category	Reporting Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained Gold (oz)
Inferred	0.8	1,820	1.9	109,000

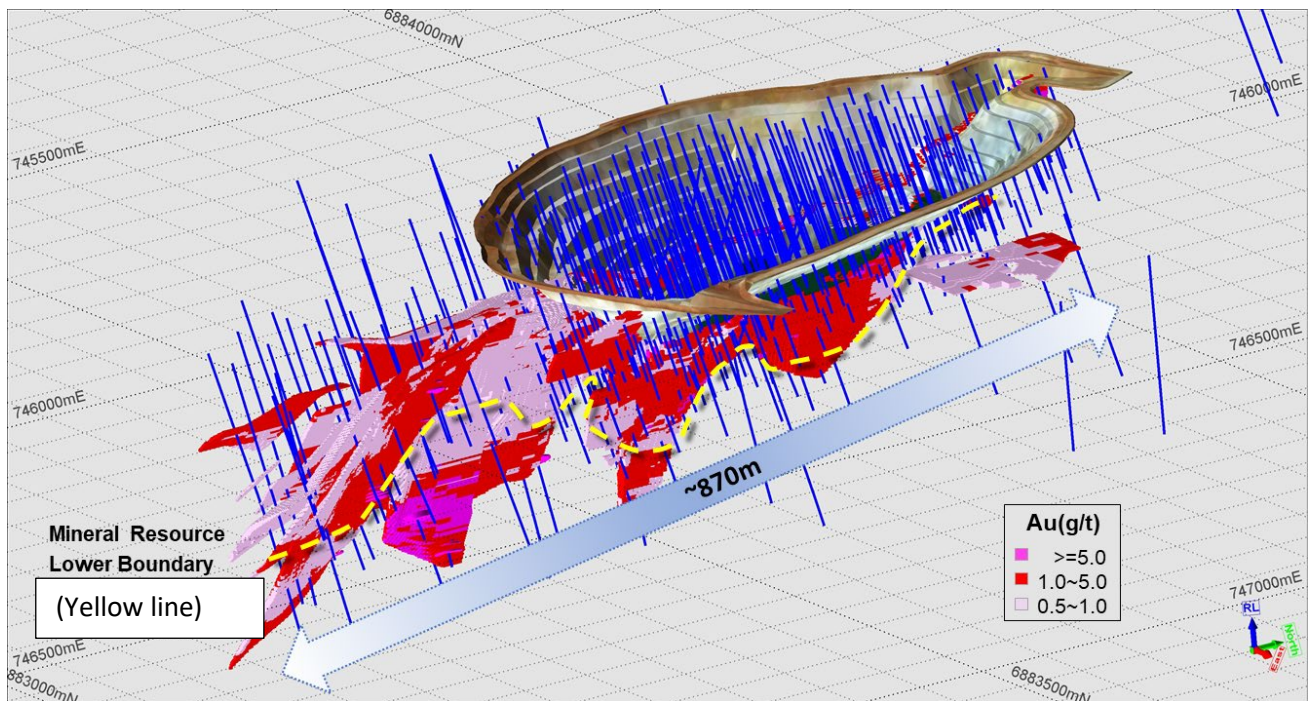


Figure 1. Mineral Resources 3D modeling at Lord Nelson showing existing drilling (Blue lines), existing open pit, and mineral resource lower boundary (yellow dashed line)

For further details refer to the 27 May 2020 ASX Announcement.

Total Mineral Resources of Sandstone Gold Project

Total Indicated and Inferred (JORC 2012) Mineral Resources for the Sandstone Gold Project has increased to;

- **6.2 Million tonnes at 1.7 g/t Au for 331,000 ounces gold (Table 2).**

Table 2: Sandstone Gold Project – Summary of Total Mineral Resources (JORC 2012)

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry ¹	Indicated	0.8	1,200	1.6	65,000
TOTAL INDICATED			1,200	1.6	65,000
Lord Henry ¹	Inferred	0.8	110	1.3	4,000
Lord Nelson ^{2,5}	Inferred	0.8	1,820	1.9	109,000
Indomitable & Vanguard Camp ³	Inferred	0.3-0.5	2,580	1.5	124,000
Havilah & Ladybird ⁴	Inferred	0.5	510	1.8	29,000
TOTAL INFERRERD			5,020	1.7	266,000
TOTAL INDICATED AND INFERRERD			6,220	1.7	331,000

Note 1. AME ASX Release 16 May 2017. "Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz."

Note 2. AME ASX Release 28 April 2017. “Lord Nelson Mineral Resource Increased to 68,000oz.”

Note 3. AME ASX Release 25 Sept 2018. “Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA”

Note 4. AME ASX release 11 June 2019. “Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project”

Note 5. AME ASX release 27 May 2020. “Alto increases Lord Nelson Resource by 60% to 109,000 Ounces at 1.9 g/t Gold”

EXPLORATION AT LORD NELSON

During the quarter, Alto received the 1m re-split fire assays for the RC drilling completed in February and March (19 drill holes for 3,718m) targeting southern extensions of the Lord Nelson deposit and untested areas beneath the open pit.

Lord Nelson Deeper Primary Mineralisation

Final 1m assays have been received from drill holes targeting primary gold mineralisation in previously untested areas below the Lord Nelson open pit. The results are in line with previously released 4m composite results (refer ASX announcements on 16 March and 2 April) and confirm the **continuity of wide zones of high-grade gold mineralisation at depth below the open pit.**

The Lord Nelson deposit was previously mined by Troy Resources NL down to 90m depth and produced 207koz at 4.6 g/t gold. The results of the recent drilling program support the Company’s view that the mineralisation style and geological setting of the Lord Nelson deposit and the newly discovered mineralisation below the open pit are analogous to many other Yilgarn orogenic gold deposits that extend to great depth

The Company believes that the significant potential of this area has not yet been realised and the prospect will remain a priority area and the focus of the Company’s future drilling programs.

Significant 1m assay results for the deeper RC drill holes beneath the Lord Nelson open pit are summarised below and shown in Figures 1 to 4. All assay results above 0.5g/t Au are included in Table 1:

- **17m @ 3.5 g/t gold** from 200m (SRC175) including
 - **4m @ 11.6 g/t gold** from 211m and
 - **1m @ 25.5 g/t gold** from 214m
- **16m @ 5.2 g/t gold** from 240m (SRC176) including
 - **3m @ 13.5 g/t gold** from 240m
- **5m @ 3.1 g/t gold** from 232m (SRC178)

Lord Nelson Shallow Mineralisation

The above results complement previously reported significant 1m fire assay results from the **shallow drilling targeting southern extensions** of the Lord Nelson deposit, which include:

- **23m @ 3.8 g/t gold** from 106m (SRC168) including:
 - **6m @ 4.6 g/t gold** from 106m, and
 - **10m @ 4.5 g/t gold** from 116m
- **10m @ 4.1 g/t gold** from 34m (SRC169) including:
 - **2m @ 12.8 g/t gold** from 36m

Refer to ASX announcements released on 16th March 2020 and 2nd April 2020 for further details on previously released drilling assay results.

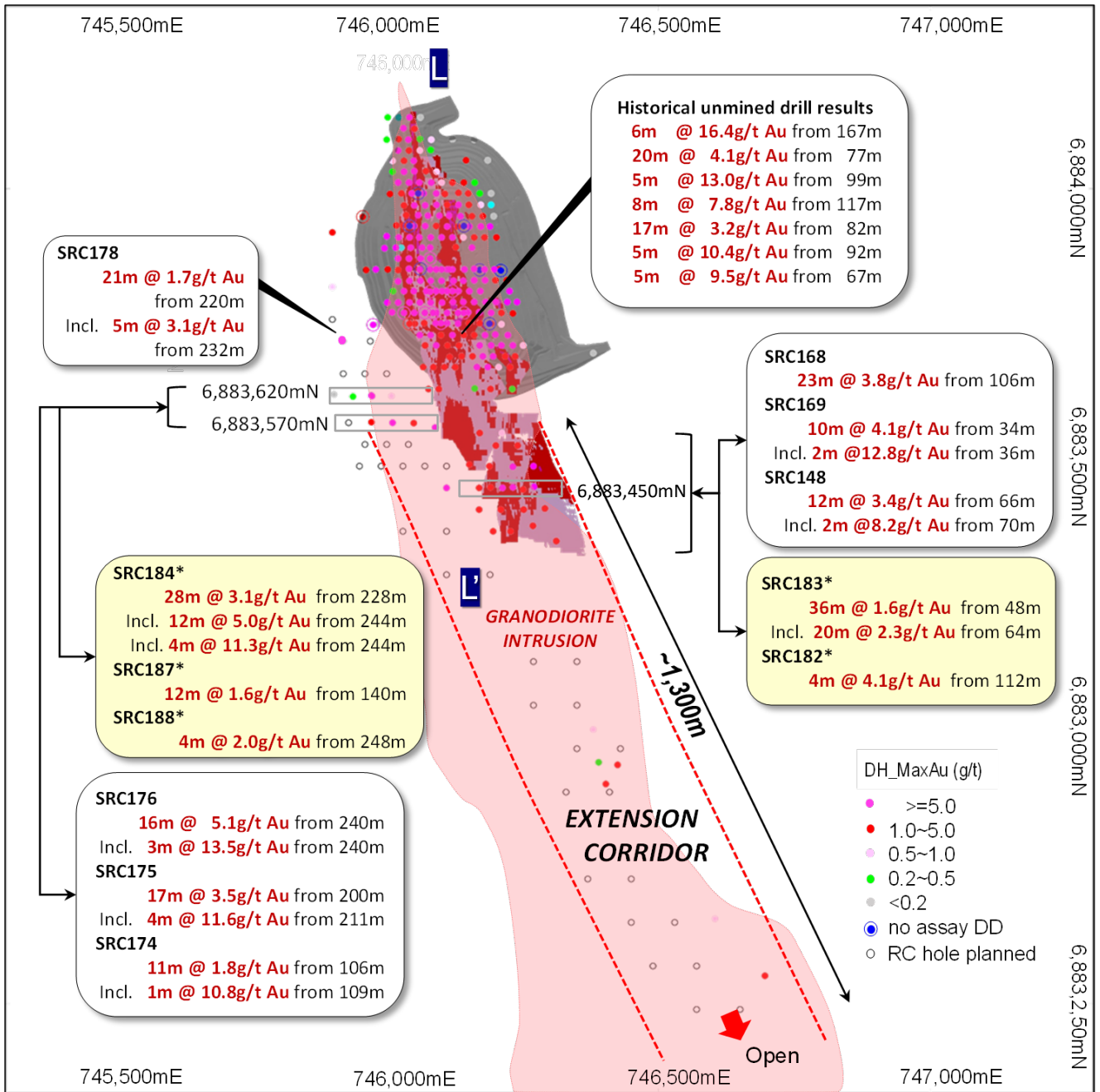


Figure 2. Lord Nelson plan view showing significant assay results. (*Four metre composite assays)

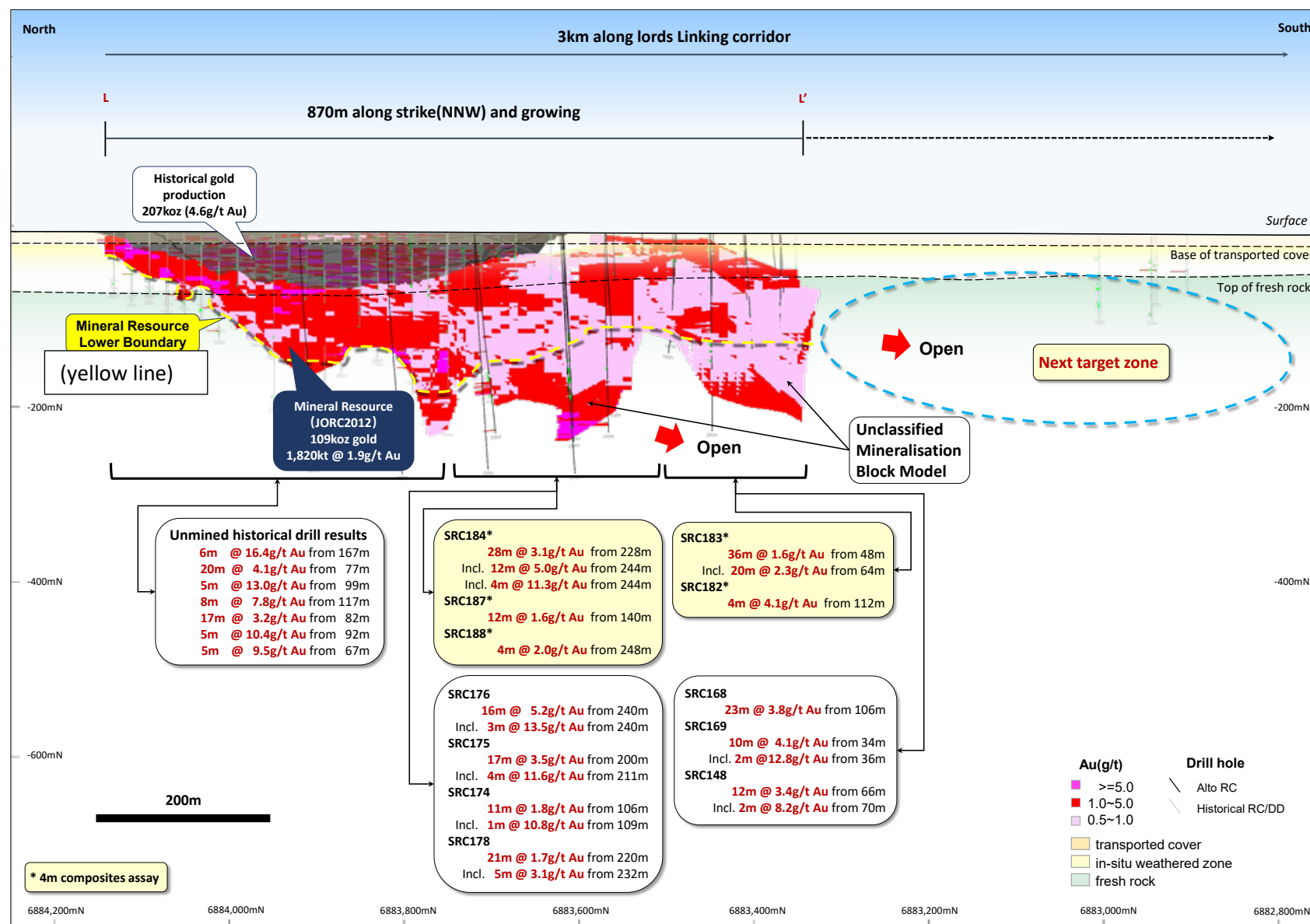


Figure 3. Longitudinal projection Lord Nelson showing the new shallow mineralized lode, deeper primary zone target area and mineral resource lower boundary (yellow dashed line).

In early July the Company completed an initial ~1,500m of a planned ~10,000m RC drilling program, targeting shallow mineralization south of the Lord Nelson open pit, primary mineralization beneath the Lord Nelson open pit, and other prospects including Bulchina South, Vanguard and Indomitable Camps within the Company's +800km² Sandstone Gold Project.

Four-metre composite sample assay results from the first two infill RC drill holes south of the Lord Nelson open pit have been received with gold mineralization intersected in both drill holes. Assay results include;

- **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)

Four-metre composite samples assay received for the five RC drill holes **targeting primary gold mineralisation beneath the current Lord Nelson pit** have been received, with assay results including:

- **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).

These infill drill holes followed up on the previous results announced on 22 April 2020, which demonstrated the **continuity of thick zones of high-grade gold mineralisation** at depth and including:

Assay results are shown in Figures 3 to 6. Further assays are pending for the remaining 5 RC drill holes (SRC184-SRC188).

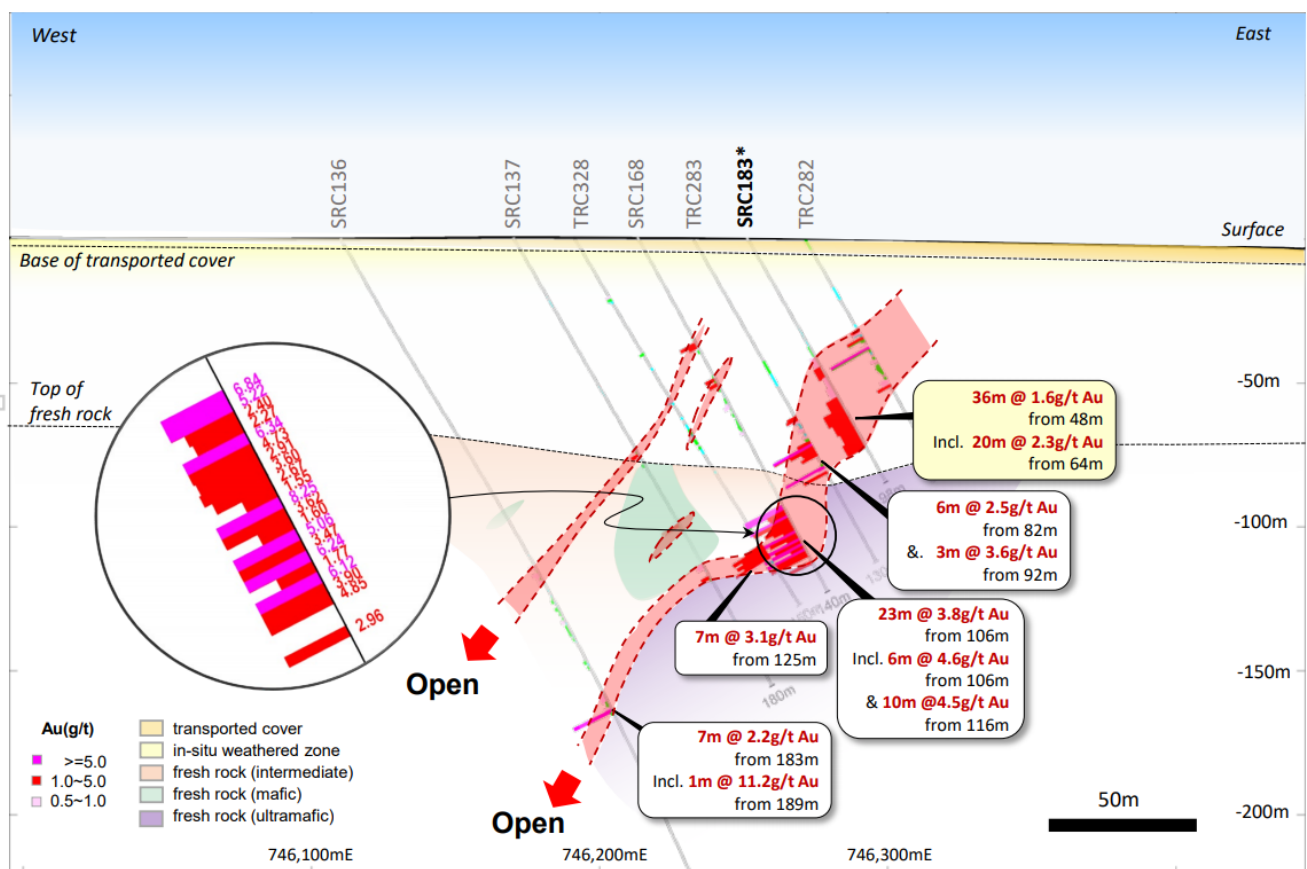


Figure 4. Lord Nelson – Section 6,883,450mN showing significant 4m composite results for SRC183.

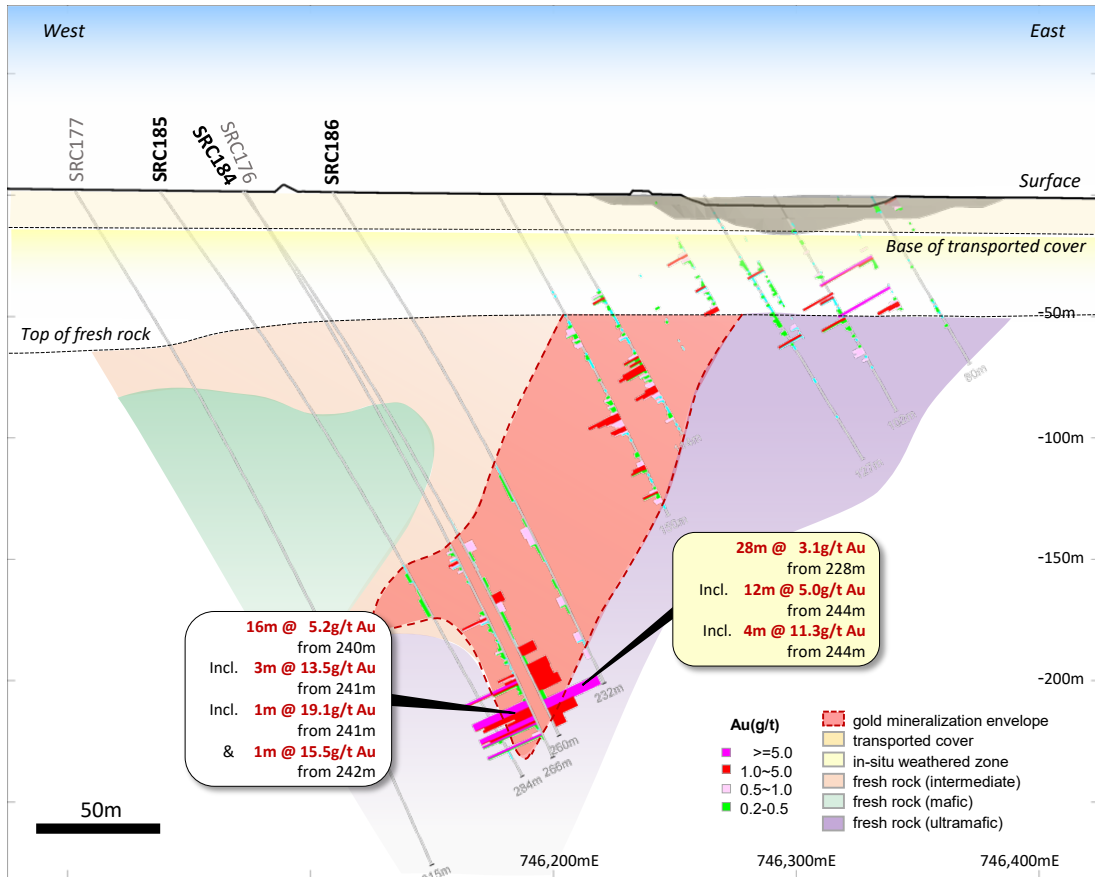


Figure 5. Cross Section 6,883,620mN showing significant 4m composite with photon assay results for SRC184-6.

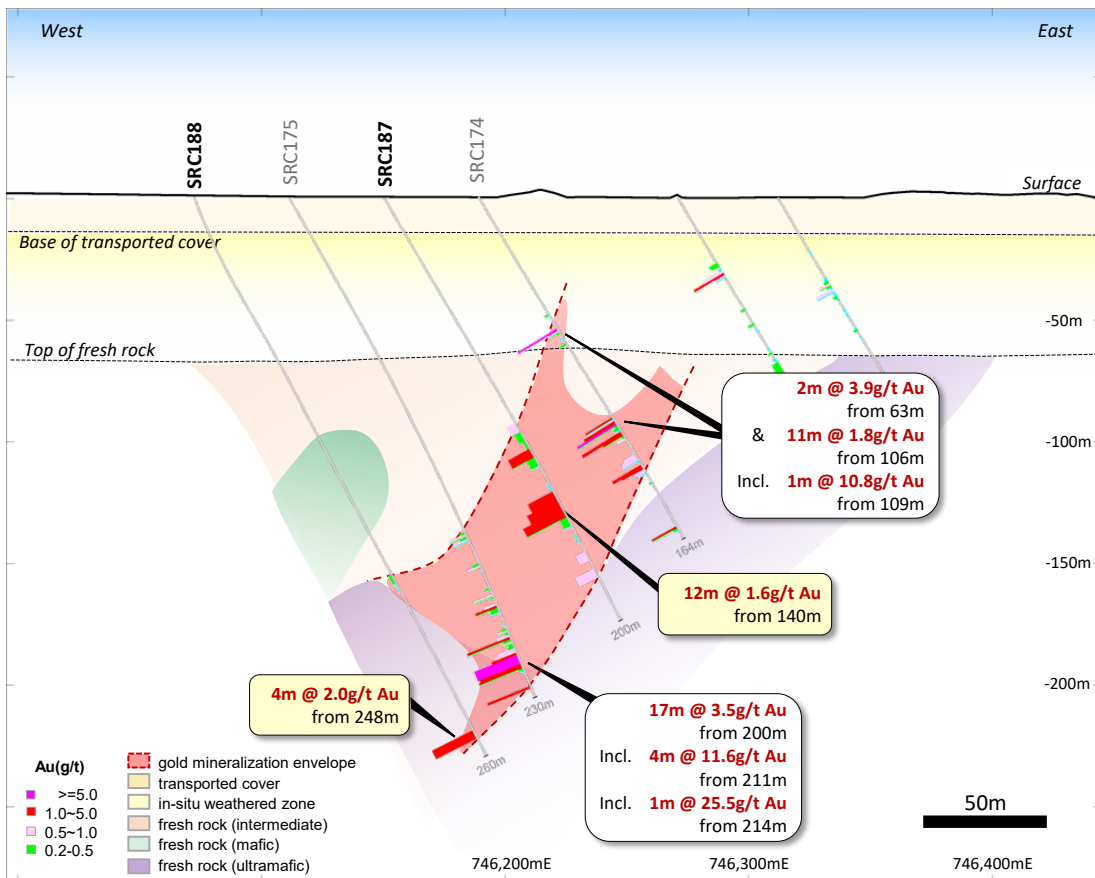


Figure 6. Cross Section 6,883,450mN showing significant 4m composite with photon assay results for SRC187-8.

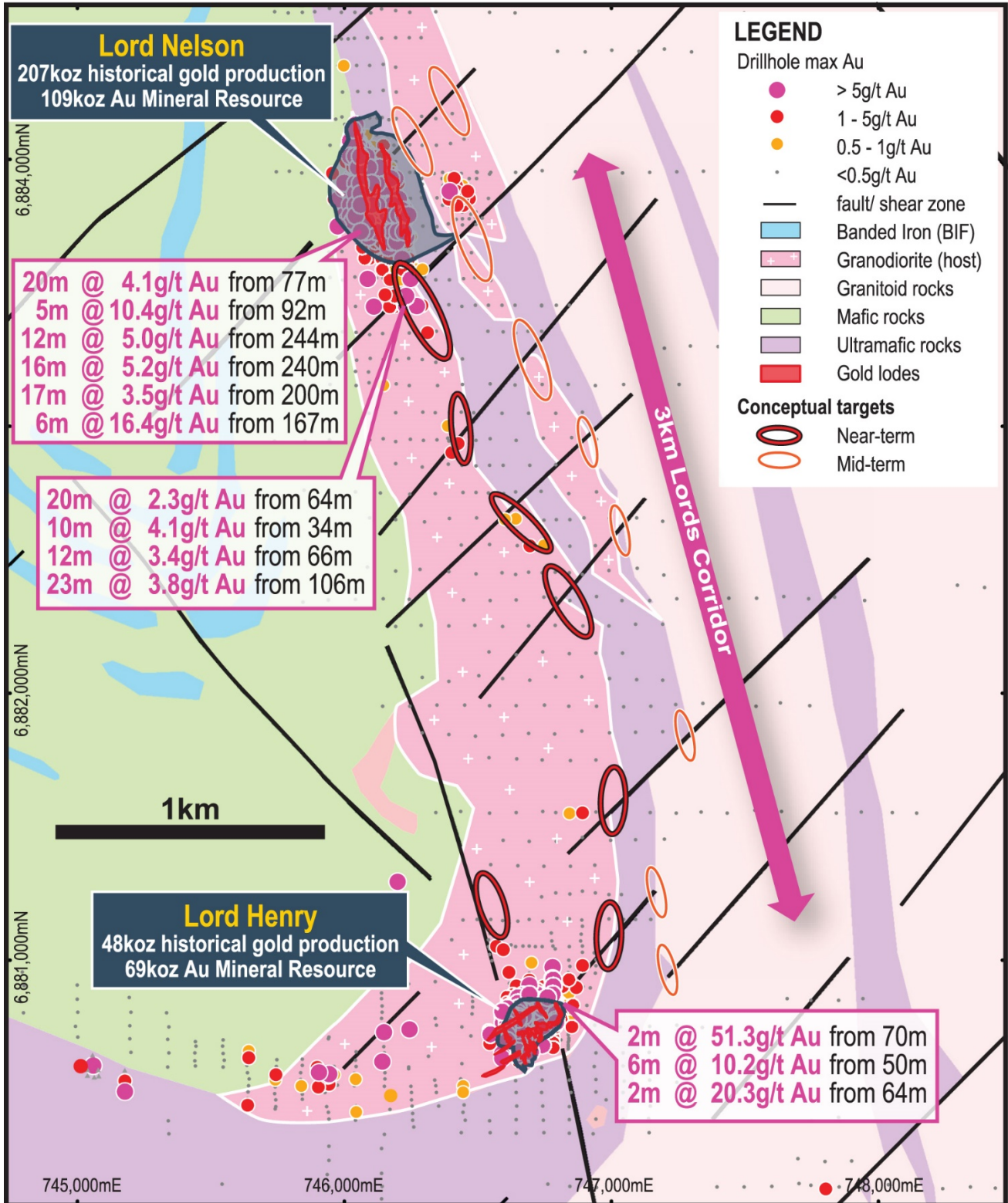


Figure 7. Lords Deposits and +3km Corridor – 1:5,000 geological interpretation (labelled drill results are from unmined zones).



Figure 8: RC Drilling at Lord Nelson, July 2020. Facing south with Lord Henry deposit in the background.

Planned Exploration

The results from recent drill programs support the Company's exploration strategy and provide justification for its priority focus at Lord Nelson and the southern extension corridor. With the first 1,500m of the overall planned 10,000m RC drilling has now been completed. The next phase of 2,000m is planned to commence in early August and shall focus on further infill and extension drilling both along strike and at depth at Lord Nelson. The remainder of the program is currently planned to include:

- additional infill and extension drilling both along strike and at depth at Lord Nelson;
- commence testing of additional repeat lode targets in the Lord's Camp area as shown in Figure 6;
- follow up drilling at other prospects including Bulchina South and Vanguard and Indomitable Camps; and
- multiple other regional targets within the +800km² Sandstone Gold Project area.

CORPORATE

Appointment of Managing Director and CEO

On 13 July 2020 the Company was pleased to announce the appointment of Mr Bowles to the position of Managing Director and CEO, from his previous role as a non-executive director. Mr Bowles was appointed a Director of the Company on 27 February 2019.

Entitlement Offer

On the 13 July 2020 Alto announced that is offering eligible shareholders the opportunity to acquire new shares through an accelerated pro-rata non-renounceable entitlement offer of 1 new Alto share (**New Share**) for every 4 existing Alto shares held by eligible shareholders on the record date (15 July 2020), at an issue price of \$0.07 per New Share to raise up to approximately \$5.13 million (before costs) (**Entitlement Offer**).

The Company has received strong shareholder support with \$2.6 million already secured by commitments under the Institutional and Retail portions of the Entitlement Offer.

The Company has subsequently been required to place the Entitlement Offer on hold and vary the timetable as a result of an application to the Takeovers Panel by Habrok (refer below)

Takeover offer from Habrok

During the quarter Habrok (Alto) Pty Ltd lodged an unconditional cash offer of \$0.066 per share for all the issued shares in the Company and a separate cash offer for the Company's options.

Alto has received separate notices from key shareholders holding **51.45%** of the Alto shares currently on issue that they **DO NOT INTEND TO ACCEPT** the Habrok Share Offer price².

Takeovers Panel Application and Interim Orders

On 15 July 2020 Habrok made an application to the Takeovers Panel seeking a declaration of unacceptable circumstances in relation to the affairs of the Company. The Takeovers Panel subsequently made interim orders to the effect that Alto must defer the opening of the Retail Entitlement Offer and must not issue or allot any new shares under the Entitlement Offer without approval and until a decision has been reached by the of the Panel.

The Company also announced an updated indicative timetable for the Entitlement Offer. The Company has made submissions to the Panel and is awaiting the Final Orders of the Panel.

Loan Agreement to fund ongoing exploration

On 13 July 2020 the Company announced that it had entered into a Variation Agreement with Alto's largest shareholder, Windsong Valley Ltd regarding the terms of the Loan Facility Agreement announced on 13 March 2020 (**Facility**). The effect of the Variation Agreement is to increase the unsecured amount available under the Facility from \$500,000 to \$1,000,000.

The Facility provides Alto with the flexibility to draw down for working capital as required to ensure the commencement of planned exploration at Lord Nelson.

As of 29 July 2020, the Company had drawn \$450,000 of the Facility. The Company intends to repay this amount from the proceeds of the Entitlement Offer.

Goldsea Group –unsolicited takeover offer

Goldsea Australia Mining Pty Ltd (**Goldsea**), an Australian wholly-owned subsidiary of Shandong Goldsea Group Co. Ltd (**Goldsea Group**), gave notice of its intention to let its off-market takeover to acquire all of the Company's shares and options lapse on 8 July 2020.

Cash & Finances

At the end of the quarter Alto's cash position was \$127,000 of which \$250,000 from the Facility was drawn down in June. Subsequent to the period, the Company has drawn a further \$200,000 from the Facility.

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$150,000. No expenditure was incurred on mining production or development activities during the quarter.

Payments totaling approximately \$62,000 were made to related parties of the Company, as shown in the Appendix 5B. These payments related to director and consulting fees payable to non-executive directors.

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

² Refer to the Company's announcements of 15, 16 and 20 July 2020 for additional information.

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

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Mr Matthew Bowles
Non Executive Director
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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 anticipate, aim, expect, intend, plan or similar words, 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.

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 security holder of Alto Metals Limited. 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.

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 affects the information in the said announcements.

Mineral Resources – Sandstone Gold Project

Table 3 below shows the current Total Indicated & Inferred Mineral Resources (JORC 2012) for the Sandstone Gold Project at 30 June 2020.

Table 3: Sandstone Gold Project – Summary of Total Mineral Resources (JORC 2012)

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry ¹	Indicated	0.8	1,200	1.6	65,000
TOTAL INDICATED			1,200	1.6	65,000
Lord Henry ¹	Inferred	0.8	110	1.3	4,000
Lord Nelson ^{2,5}	Inferred	0.8	1,820	1.9	109,000
Indomitable & Vanguard Camp ³	Inferred	0.3-0.5	2,580	1.5	124,000
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TOTAL INFERRED			5,020	1.7	266,000
TOTAL INDICATED AND INFERRED			6,220	1.7	331,000

Note 1. AME ASX Release 16 May 2017. “Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz.”

Note 2. AME ASX Release 28 April 2017. “Lord Nelson Mineral Resource Increased to 68,000oz.”

Note 3. AME ASX Release 25 Sept 2018. “Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA”

Note 4. AME ASX release 11 June 2019. “Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project”

Note 5. AME ASX release 27 May 2020. “Alto increases Lord Nelson Resource by 60% to 109,000 Ounces at 1.9 g/t Gold”

All material assumptions and technical parameters underpinning the 2017, 2018, 2019 and 2020 JORC (2012) Mineral Resource estimates in the above ASX announcements continue to apply and have not materially changed since last reported.

The locations of the Alto Metals JORC 2012 Mineral Resources referred to in Table 3 are shown in Figure 9.

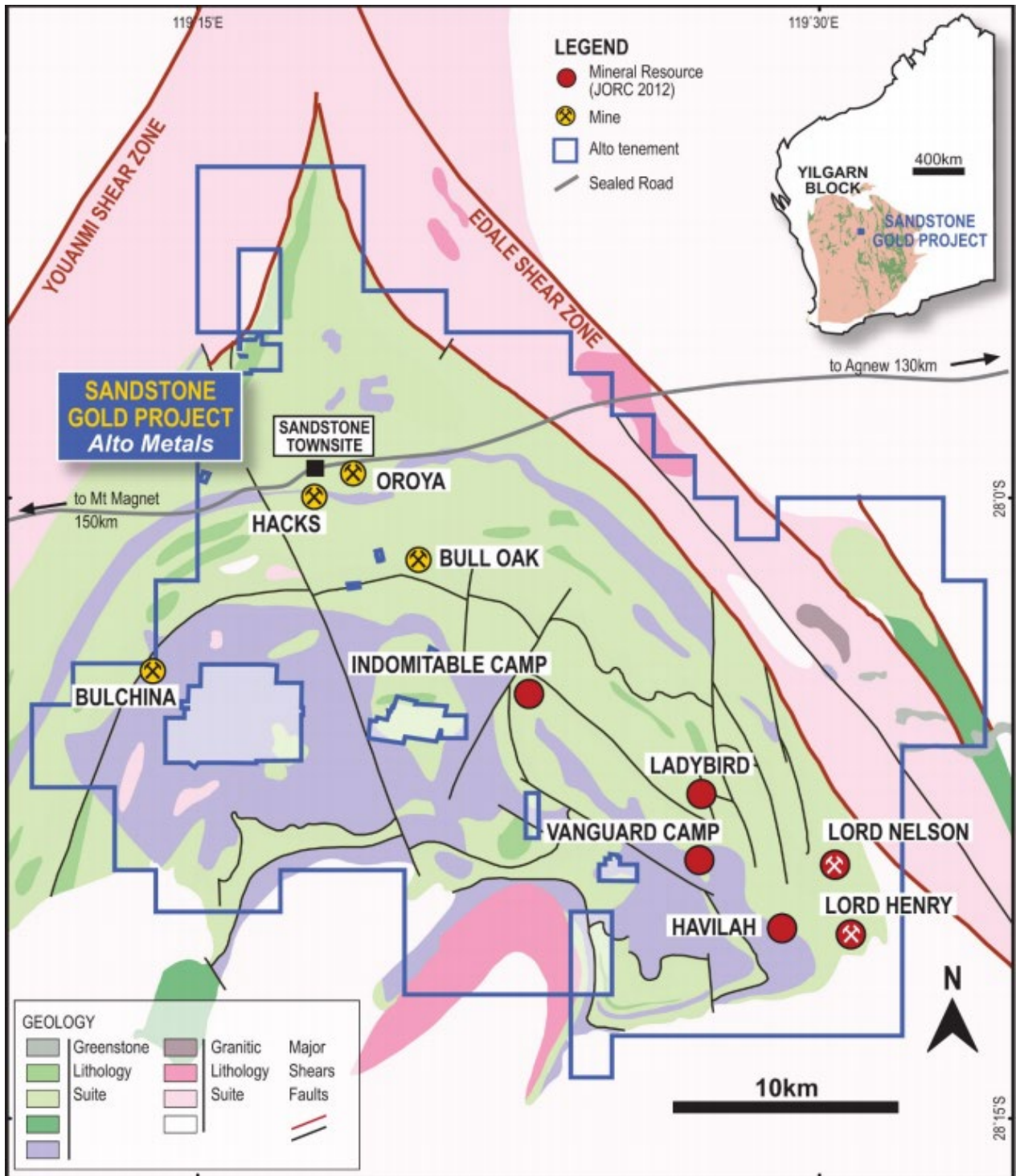


Figure 9. Location of gold prospects and historical mines at Sandstone Gold Project

About Alto Metals and the Sandstone Gold Project

Alto Metals Limited is a Western Australian based company and is focused on gold exploration in Australia. The company holds ~800 km² of the prospective Sandstone Greenstone Belt, ~600km north of Perth in the East Murchison Mineral Field of Western Australia (Figure 10).

Since acquiring the Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration drilling campaigns which commenced in November 2016, and which have defined JORC (2012) Mineral Resources of 331,000 ounces gold and numerous drill ready targets using a systematic Mineral System approach.

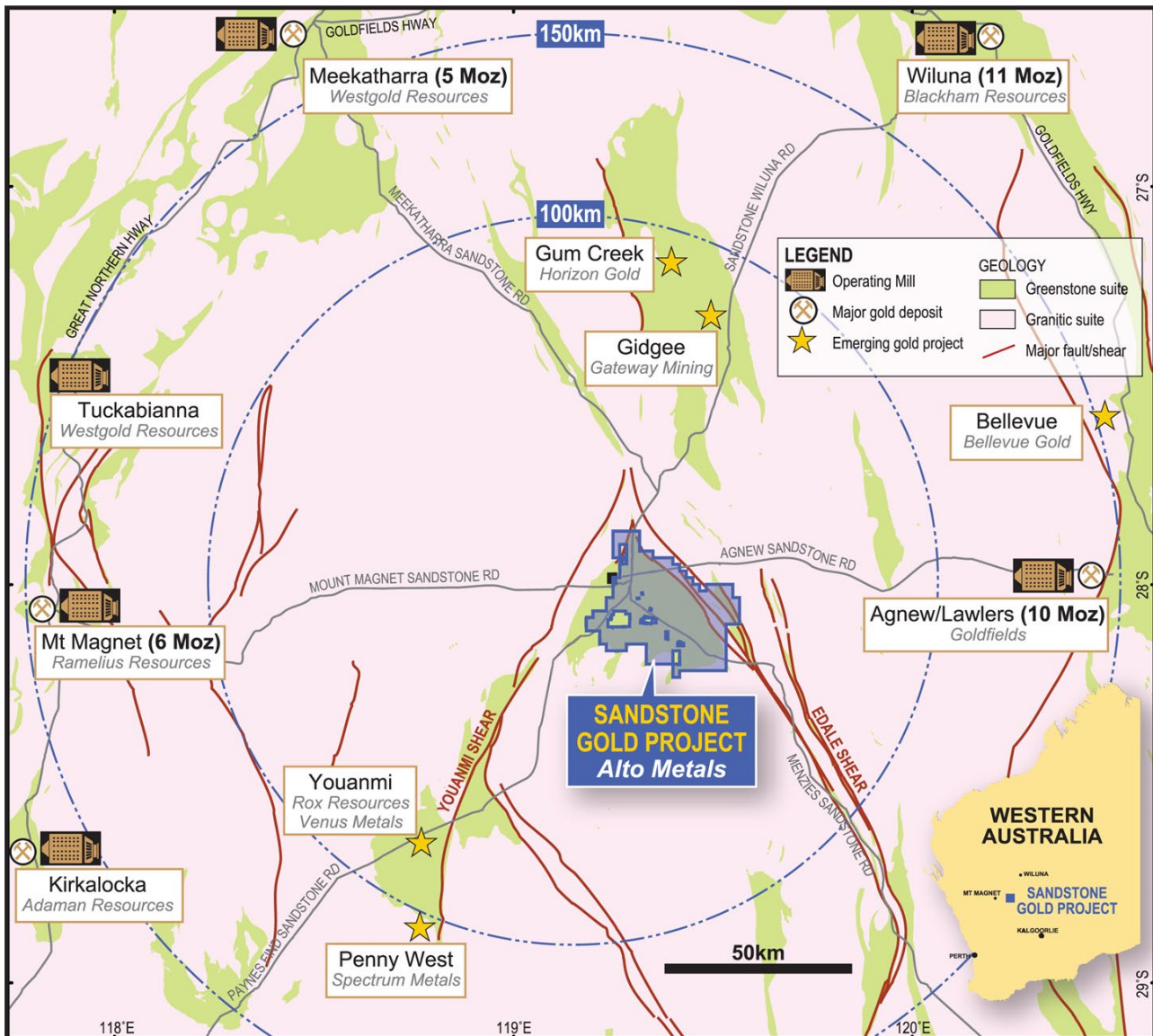


Figure 10. Location of Sandstone Gold Project within the East Murchison Gold Field, WA

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 30th June 2020

Tenement	Location	Interest Held	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
E57/1153	Sandstone, WA	100%	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
P57/1377	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted

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 2020

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 (if expensed)		
(b) development		
(c) production		
(d) staff costs	(100)	(507)
(e) administration and corporate costs	(118)	(532)
1.3 Dividends received (see note 3)		
1.4 Interest received		8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	37	60
1.9 Net cash from / (used in) operating activities	(181)	(971)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(3)
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(150)	(1,071)
(e) investments		
(f) other non-current assets		

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
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	(150)	(1,074)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	600
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		(5)
3.5	Proceeds from borrowings	250	250
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	250	845
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	208	1,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(181)	(971)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(150)	(1,074)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	250	845

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
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	127	127

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	5	15
5.2	Call deposits	122	193
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)	127	208

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
62

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

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

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	500	250
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	500	250

7.5 **Unused financing facilities available at quarter end** 250

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.

Unsecured Loan Facility Agreement with Windsong Valley Pty Ltd, an entity associated with Non-Executive Director, Terry Wheeler.

Interest rate is 8%.

Alto may drawdown up to \$500,000 during the period 11 March 2020 to 10 March 2021.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(181)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(150)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(331)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	127
8.5 Unused finance facilities available at quarter end (Item 7.5)	250
8.6 Total available funding (Item 8.4 + Item 8.5)	377
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.14

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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: Yes

- 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: The Company announced an entitlements issue on 13 July 2020 seeking to raise up to \$5.1 million. The entitlements issue was paused as a result of interim orders of the Takeovers Panel announced on 15 July 2020. Should the Company ultimately be permitted to complete the entitlements issue, it considers it will have sufficient cash to fund its operations, on the basis of the support received to date. If the Company is not ultimately permitted to complete the entitlements issue, it will need to seek alternate funding on an urgent basis.

- 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, if Company is ultimately permitted to undertake entitlements issue noted in Q2.

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.

31 July 2020

Date:

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.