



ALTO RAISES \$5.5M TO ACCELERATE DRILLING AND EXPLORATION, SANDSTONE GOLD PROJECT

STRONG DEMAND FROM DOMESTIC AND INTERNATIONAL INVESTORS

*AGGRESSIVE EXPLORATION PROGRAM TO TEST POTENTIAL REPEAT LODES ALONG THE
3 KILOMETRE LORDS' CORRIDOR*

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

Proforma Capital Structure

Issued Shares: 372m

Placement Price: \$0.075

Market Cap: \$28m

Directors

Non- Executive Chairman
Richard Monti

Managing Director
Matthew Bowles

Non-Executive Director
Terry Wheeler

Non-Executive Director
Dr Jingbin Wang

Company Secretary & CFO

Graeme Smith

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Highlights

- **A\$5.5 million** Placement (before costs) at a price of A\$0.075 per share.
- Placement strongly supported by existing major shareholders and a number of new, resource focused, institutional and sophisticated investors.
- Firm commitments received well in excess of the offer size, indicating **strong demand**.
- Placement proceeds to fund planned exploration and drilling at Lord Nelson, the Lords' Corridor, a number of regional targets at the Sandstone Gold Project and general working capital.
- Next planned phase of exploration at Sandstone is now fully funded and includes:
 - **5,000m wide spaced RC drilling program to commence in the next week** to test multiple potential Lord Nelson repeats along the Lords' Corridor, and high-grade gold mineralisation beneath Lord Nelson pit and the Orion Lode.
 - Overall program planned to **increase to 30,000m RC drilling to test the entire 3km Lords' Corridor and a number regional targets** within the 800km² Sandstone Gold Project. Follow on drilling programs will be planned subject to these results.
- The Company also intends to seek shareholder approval to raise a further \$900,000 through a placement to Alto's Directors, including major shareholder Windsong Valley, on the same terms as the Placement.

Alto's Managing Director Mr Matthew Bowles commented:

We are extremely pleased with the overwhelming interest in the Placement to existing and new investors, including a number of resource focused institutional investors, which is strong endorsement of the potential of our Sandstone Gold Project.

The proceeds from this raising will allow Alto to undertake an extensive 30,000m RC drilling program, focused on testing extensions of known gold mineralisation at Lord Nelson and the new Orion lode discovery, in addition to a number of potential repeat lodes and along the 3 kilometre Lords' corridor.

I would like to thank everyone who participated in the placement for their support, and welcome our new shareholders to the register as we look forward to our next exciting phase of drilling due to commence next week.

ASX: AME



#altometals

Placement raises A\$5.5 million to fund exploration and drilling, Sandstone Gold Project.

Alto Metals Limited (ASX: AME) (**Alto** or **Company**) is pleased to advise that it has secured firm commitments to raise \$5.5 million via a single tranche placement (**Placement**) comprising the issue of approximately 74.4 million shares at an issue price of \$0.075 cents per share to institutional, sophisticated and professional investors.

The Placement was undertaken at an 11.8% discount to Alto's to the last trading price of \$0.085 per share on Wednesday, 16 September 2020. 44,639,137 Placement shares are intended to be issued within Alto's existing placement capacity under Listing Rule 7.1, and the balance of 29,759,424 Placement shares are intended to be issued pursuant to Listing Rule 7.1A.

The proceeds from the Placement will primarily be used to advance exploration and planned drilling and at the Company's 100%-owned, flagship Sandstone Gold Project, located in the east Murchison district of Western Australia, as well as general working capital purposes.

Planned exploration activities include:

- Commencement of 5,000m of wide-spaced RC drilling (increased from planned 2,000m) to test
 - extensions of high-grade gold mineralisation of the new Orion Lode, south of the Lord Nelson pit;
 - primary high-grade gold mineralisation beneath the Lord Nelson pit and Orion Lode; and
 - potential repeat lodes along the next 1 kilometre of the Lords' corridor.
- Additional 25,000m of RC drilling to include
 - exploration drilling to test the additional near-term targets along the 3km Lords' corridor;
 - exploration drilling at regional targets including Vanguard, Indomitable and Chance.

Alto is currently subject to an off-market takeover bid from Habrok (Alto) Ltd (**Habrok**) to acquire all the shares in Alto at \$0.07 per Share (the **Offer**). The Placement shares will not be subject to the Offer unless and until such time that Habrok elects to extend the Offer to the Placement shares and receives the necessary relief from ASIC to do so. The Offer is currently due to lapse at 7pm (Sydney time) on 30 September 2020.

Morgans Corporate Limited acted as Lead Manager to the Placement.

Director Placement

In addition to the Placement, the Company intends to seek shareholder approval to raise a further \$900,000 through a placement to certain Directors of Alto (or their respective nominees). The placement to Directors will be made on the same terms and conditions as the Placement. It is intended to seek shareholder approval for the participation in the Placement by the Company's Non-Executive Chairman, Richard Monti, to the extent of \$50,000, the Company's Managing Director, Matthew Bowles, to the extent of \$50,000, and Non-Executive Director Terry Wheeler (through major shareholder Windsong Valley Pty Ltd) to the extent of \$800,000.

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.

For further information, please contact:

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Sandstone Mineral Resources Statement

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	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 INFERRED			5,020	1.7	266,000
TOTAL INDICATED AND INFERRED			6,220	1.7	331,000

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

Note 2. AME ASX Release dated 27 May 2020, "Alto increases Lord Nelson Resource by 60% to 109,000 ounces at 1.9 g/t Gold."

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

Note 4. AME ASX Release dated 11 June 2019, "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project."

For reporting purposes at a high level, totals have been rounded. Rounding may result in some slight discrepancies in totals reported. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of all Inferred Mineral Resources to Indicated Mineral Resources.

Alto confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements referred to above. All material assumptions and technical parameters underpinning the Mineral Resource estimates in the previous announcements referred to above continue to apply and have not materially changed.