



31 DECEMBER 2020 QUARTERLY REPORT

Successful quarter sets up Alto for a big CY2021 as it kicks off a major 30,000m drilling program to test the Lords Corridor and regional gold targets

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: 420m

Share Price: \$0.10

Market Cap: \$42m

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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#altometals

ONGOING EXPLORATION

- Major 30,000m RC drilling campaign commenced to test the +3km Lords corridor and a number of regional targets.
- Drilling for CY2020 concluded in December with a total of 36 holes and 6,084m drilled. **Assays pending.**
- Drilling to recommence in **early February** on the Lords Corridor.
- **Second rig to arrive mid February** to accelerate exploration.
- Three-dimensional induced polarisation (3D-IP) survey completed covering 4km² of the Lords corridor, targeting potential anomalies at depth. **Results pending.**
- Successful EIS co-funding application for up to \$150,000 to drill test the Chance prospect, ~2km long gold-in-soil anomaly, located within the Edale Shear.

EXCELLENT GOLD RECOVERIES

- Preliminary test work indicates excellent **gold recoveries averaging 96%** in Lord Nelson primary zone mineralisation and **>93%** in oxide and transitional zones from previous metallurgical testwork.
- Testwork carried out to date confirms the oxide, transitional and primary mineralisation at Lord Nelson is **amenable to conventional cyanide extraction.**

CORPORATE

- Strong cash position with \$6.5 million at the end of the quarter and no debt.
- Approximately \$2.1 million is anticipated to be received during the March 21 quarter through the conversion of options expiring in early March.
- Continued to focus on increasing investor marketing activities.

Alto's Managing Director, Matthew Bowles said:

This was another solid quarter for us as we kicked off a major drilling program, setting the foundations for another solid year of exploration in 2021.

The discovery of the Orion Lode and deeper high-grade primary mineralisation below Lord Nelson were some of the exploration highlights for shareholders in 2020.

We are excited about the year ahead and are confident that the deeper drilling of the Lords corridor, along with the 3DIP survey, will start to reveal the significant potential of this system.

We are also looking forward to drilling some of our other outstanding regional targets within our 800km² land holding.

Quarterly activities statement for the period ending 31 December 2020

Alto Metals Limited (“Alto” or “the Company”) (ASX: AME) is pleased to provide an update on the progress it made for the December quarter 2020, within the Company’s +800km² Sandstone Gold Project (“Sandstone Gold Project”).

EXPLORATION – A FOCUS ON THE CORRIDOR

Major 30,000m drilling program to test repeat lode targets along the Lords Corridor and regional targets

In early November Alto commenced an extensive 30,000m drilling campaign at the Sandstone Gold Project to test for further Lord Nelson repeats, similar to the recent Orion Lode discovery, along the Lords Corridor.

The Orion Lode is considered to be a repeat lode of the Lord Nelson deposit (Figure 1) with the majority of the mineralisation defined to date, in the oxide and transitional zone. This geological model further predicts the **significant potential for multiple Lord Nelson style repeat lodes**, coincident with splays (Trafalgar splay) and cross-cutting structures, to exist along the +3km Lords Corridor (Figure 2).

The program also plans to test depth extensions of primary mineralisation below and down plunge of the existing resources at Lord Nelson and Lord Henry and other regional targets, including Vanguard and Chance.

The RC drilling program has successfully concluded for CY2020. Drilling on a **wide-spaced step out (80m by 80m grid) to an average of 200m vertical depth, up to 1km south of the Orion Lode** (Figure 1) with a **total of 36 holes drilled for a total of 6,084m** completed.

Lords Corridor

- 10 holes at C1 and C2 Targets for a total for 1,994m;
- 9 holes at C3 North for 1,187m and 7 holes at C3 Mid Target for 1,413m; and
- 6 holes at C5 Horatio Target for 888m.

Vanguard Camp

- 4 holes at Vanguard Camp, for 602m. These initial holes were drilled earlier than planned due to limited access to the Lords corridor during the IP survey.

Assay results are pending.

Upcoming planned exploration activities

Drilling is planned to re-commence in early February 2021 to complete the balance of the currently planned 30,000m and will include:

- Depth extensions of primary high-grade gold mineralisation beneath the Lord Nelson pit, the Orion Lode (C1 and C2 targets) and the Lord Henry pit (C6 target);
- Exploration and follow up drilling to test the additional near-term targets (C2-C5 targets) along the +3km Lords corridor;
- Any drill targets delineated by the IP survey;
- Exploration drilling at regional targets including Vanguard and Chance; and
- Multiple other targets within the 800km² Sandstone Gold Project.

A second RC rig is expected to arrive in mid February 2021 to accelerate the drilling of targets along the Lords corridor, before being moved to test priority regional targets, including Vanguard and Chance. The first RC rig will remain focused on testing the plunge extensions of existing mineralisation at C1, C2 and C5 and new targets along the corridor.

3D-IP survey

A three-dimensional induced polarisation (3D-IP) survey was completed in December covering 4km² of the Lords corridor, **targeting potential anomalies at depth**. The 3D-IP survey comprised two survey spreads with an a-spacing of 100m. The survey data is being processed by Terra Resources. **Results are pending**.

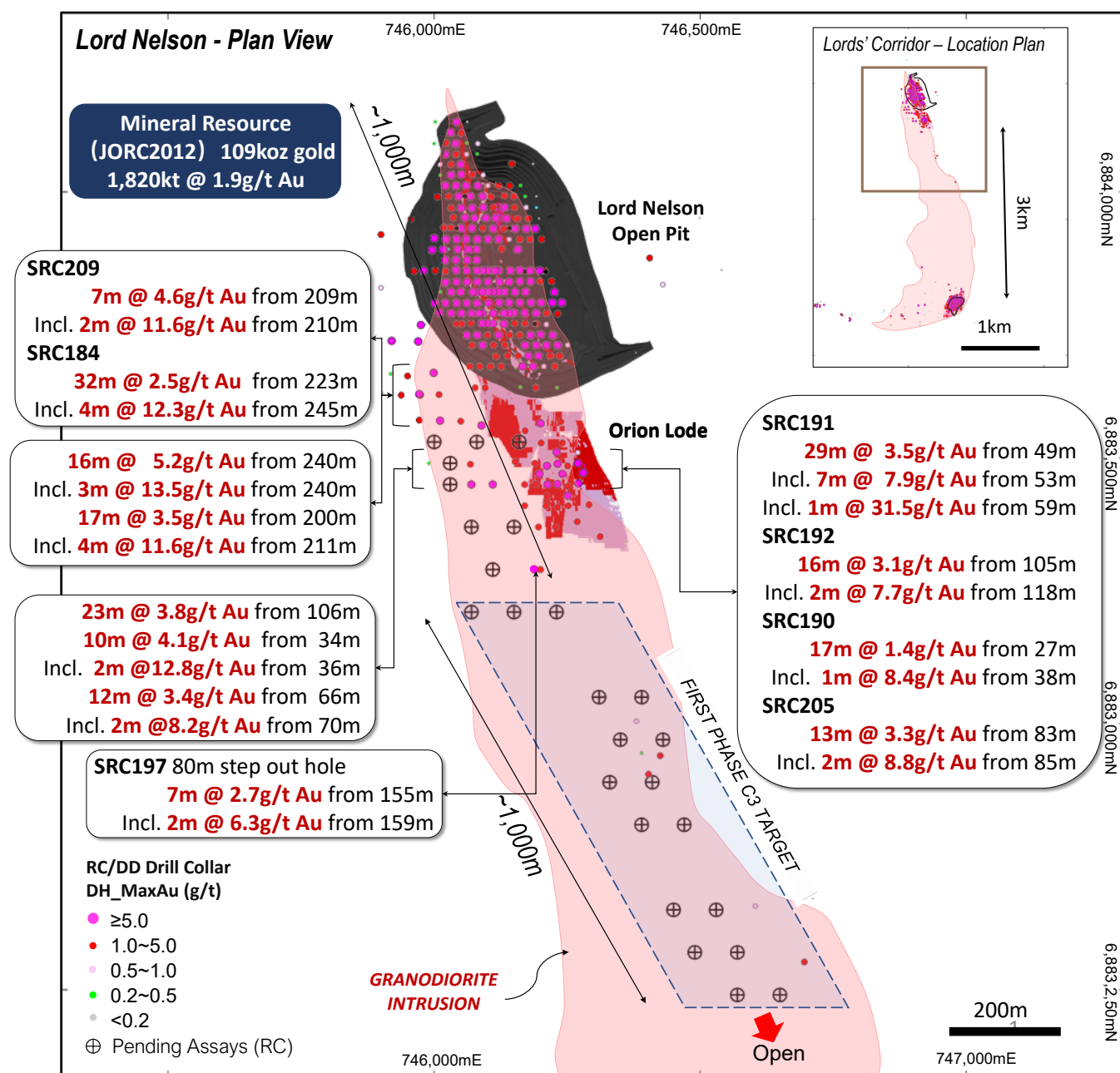


Figure 1. Lord Nelson plan view showing significant assay results.

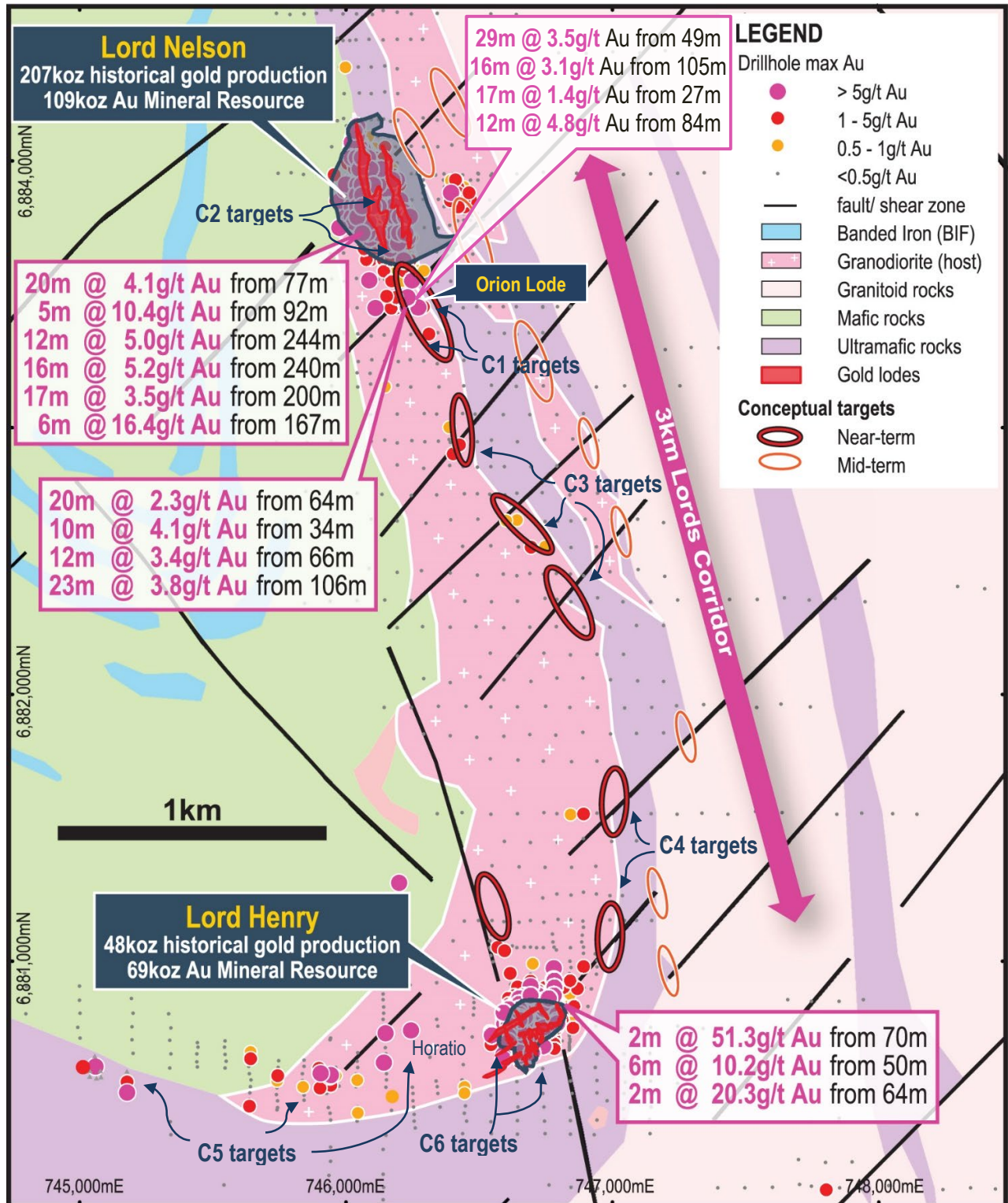


Figure 2. Lords Deposits and +3km Lords Corridor - 1:5,000 geological interpretation (labelled drill results are from unmined zones).

Successful EIS Co-funding grant – Chance Prospect

Alto was successful in its application for a grant of up to \$150,000 under Round 22 of the WA Governments Exploration Incentive Scheme (EIS Grant).

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

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

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

The Chance prospect has not been previously tested by drilling and is a priority greenfield target.

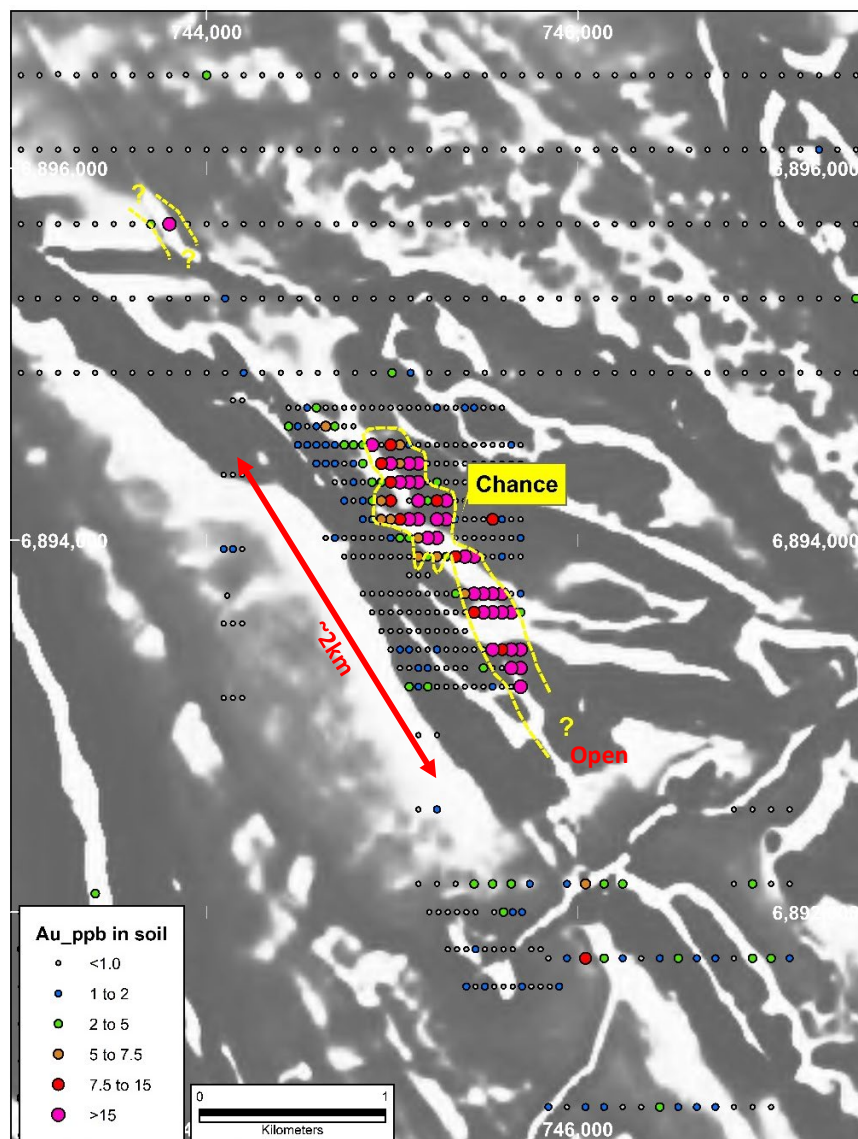


Figure 3. Exploration data over 1VD Magnetic image, Chance prospect

REGIONAL EXPLORATION – MULTIPLE TARGETS

While Alto's immediate exploration strategy is focused on the Lords corridor, the Company has commenced a review of the **multiple other targets** within the +800km² Sandstone Gold Project.

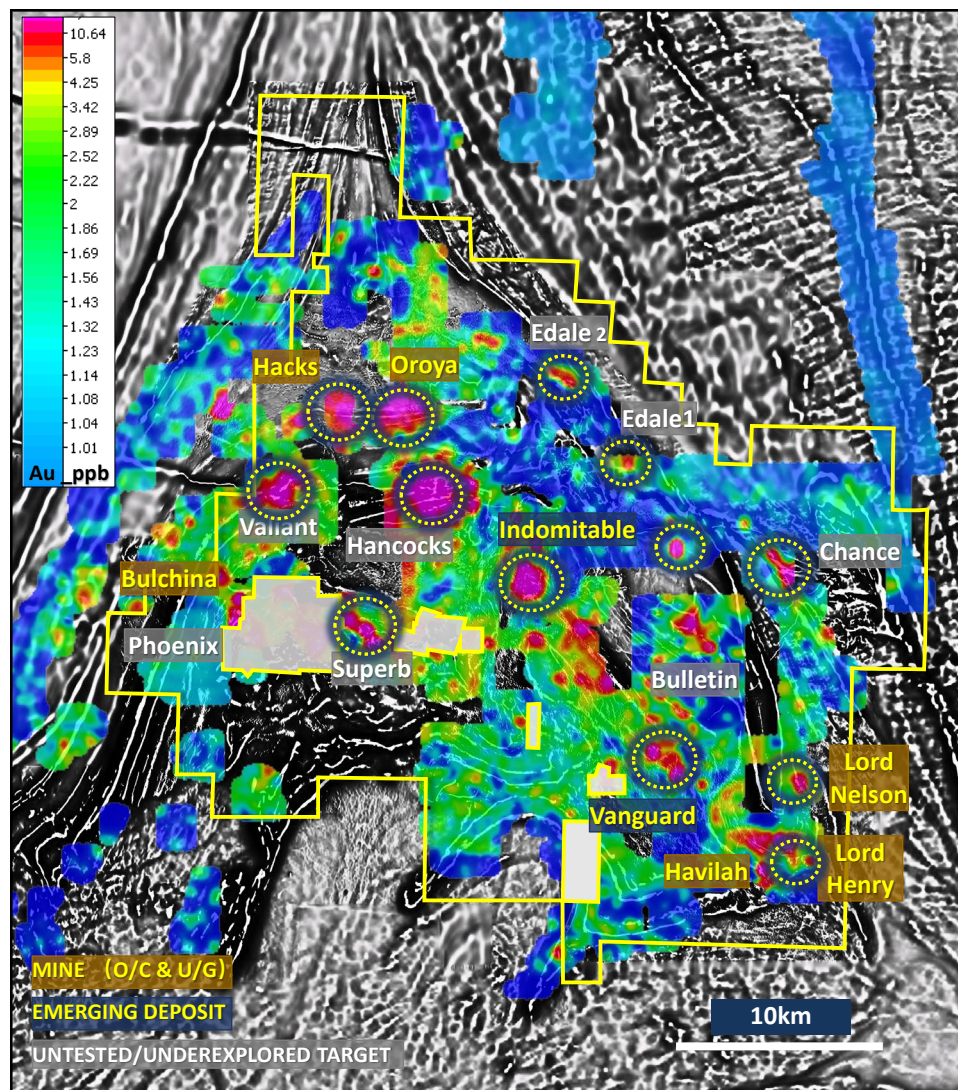


Figure 4. Location of gold prospects and historical mines at Sandstone Gold Project. Surface soil geochemistry over airborne magnetic image

PRELIMINARY TESTWORK

During the quarter, Alto provided shareholders with an update on preliminary gold recovery testwork from various prospects at the Sandstone Gold Project, including Lord Nelson.

Primary Mineralisation

During August 2020, Alto collected 4 RC drill samples within primary zone mineralisation with gold grades ranging from ~3 g/t Au to ~11 g/t Au and submitted the samples to Intertek Genalysis (Intertek) for Accelerated Cyanide Leach LeachWELL™ testwork. Sample details and results are summarised in Table 1. The sampling and testwork methodology is described in more detail further below.

The preliminary testwork was carried out to determine the cyanide extractable gold and **to provide an indication of the potential gold recovery in metallurgical processes and circuits** of the Lord Nelson primary mineralisation. This testwork is preliminary in nature and Alto intends to carry out further gold recovery testwork as the project continues to be advanced.

All four samples reported an **average gold recovery of 96%**, suggesting the gold within the Lord Nelson primary zone mineralisation is amenable to conventional cyanide extraction methods.

Table 1. Summary of Accelerated Cyanide Leach Testwork at Lord Nelson.

Deposit	Hole ID	From (m)	To (m)	Head Grade ¹ (g/t Au)	Leach Grade ² (g/t Au)	Tail Grade ³ (g/t Au)	Recovery (%)	Rock Type
Lord Nelson	SRC169	36	40	7.14	7.88	1.67	82.5%	Oxide
	SRC168	116	120	4.28	5.39	0.17	96.9%	Fresh
	SRC175	211	215	10.1	9.24	0.14	98.5%	Fresh
	SRC176	240	244	10.5	11.5	0.52	95.7%	Fresh
	SRC188	248	250	3.21	3.08	0.15	95.4%	Fresh

Footnotes: 1 Grade by 50gm FA on "A" sample. 2 Grade by LeachWELL™ on "B" sample. 3 Grade by 50gm FA on "B" sample tail

Oxide and Transitional Mineralisation

A further sample was collected within oxide zone mineralisation at Lord Nelson and submitted to Intertek for the same testwork (refer Table 1 above). This sample returned a gold recovery of 82.5%.

More rigorous metallurgical testwork was previously carried out at Lord Nelson by Troy Resources NL (Troy) as part of initial feasibility study work on both oxide and transitional ore (Troy, 2009).

This testwork determined:

- Lord Nelson ore was found to be free milling.
- Gravity gold recovery was found to be required to prevent coarse gold entering the leach circuit and being partially lost to the tailings and it was estimated that over 20% of total gold could be recovered as concentrate from the oxide ore and close to 40% for the transitional ore.
- Acceptable **gold recoveries of >93% for oxide and transitional ores** were obtained after 24 hours of direct cyanide leaching.

Troy mined the Lord Nelson deposit as an open pit mine to ~90m below surface between 2005 and 2010 and recovered 207koz at 4.6 g/t Au. The ore was processed through Troy's Sandstone treatment plant, which had a general design flow sheet described by Troy as fairly typical of other gold plants in operation on the WA goldfields (Troy, 2009).

Troy reported that **recovery of gold at the Sandstone plant typically ranged from 93% to 96%** with total recovery in the period July 2006 to end of June 2007 (i.e. during mining and processing of Lord Nelson) of 94.4%.

Preliminary Gold Recovery testwork at Indomitable & Vanguard Camps, Havilah and Ladybird

In 2018 and 2019 the Company announced maiden mineral resource estimates for the Vanguard Camp, Indomitable Camp, Havilah and Ladybird deposits. (Refer to ASX announcements on 25/09/18 and 11/06/19).

As part the Mineral Resource estimation, Alto collected and submitted a total of 25 samples to Intertek Genalysis for Accelerated Cyanide Leach LeachWELL™ testwork.

Samples comprised various grades and lithologies within oxide, transitional and primary mineralisation as summarised in Table 2.

An **average gold recovery of >92%** was reported indicating the mineralisation at these deposits is also amenable to conventional cyanide extraction methods.

Accelerated Cyanide Leach LeachWELL™ Methodology

Analysis was carried out by Intertek Genalysis (Intertek) in Maddington. Intertek stated that “*High grade cyanide leaches utilise the LeachWELL™ accelerant to determine the cyanide extractable gold and provide an indication of potential recoveries in metallurgical processes and circuits. Recovery and analysis of the residues provide the option of reporting total gold values and thus determining the refractory gold fraction*”².

Alto’s samples comprised 10kg composite samples collected using split pvc from the 1m RC intervals. Samples were submitted to Intertek in Maddington, dried and split into two equal 5kg portions labelled “A” and “B”.

Sample A was crushed to 2mm, a split was taken and pulverised to 75um followed by 50gm fire assay for gold (Intertek Genalysis method code FA50/AA).

Sample B was pulverised to nominal 90% passing 106um. A 1kg split was analysed by 24 hour pH10 cyanide leach (Accelerated Cyanide Leach LeachWELL™) with an ICP-MS finish for gold (Intertek Genalysis method code LW1000/MS).

The tails were recovered, washed, re-homogenised and analysed by 50gm fire assay for gold (Intertek Genalysis method FA50T/OE).

An estimate of gold recovery was calculated as a percentage using the results from the above two methods and the formula:

$$\text{Recovery (\%)} = (\text{LW1000/MS}) / [(\text{LW1000/MS}) + (\text{FA50T/OE})] \times 100$$

Table 2: Drill hole information (MGA94 Zone 50) (ASX release 02/10/20)

Deposit	Hole ID	Easting	Northing	mRL	Dip	Azimuth	Depth
Lord Nelson	SRC169	746270	6883490	473	-60	90	80
	SRC168	746213	6883450	475	-60	90	140
	SRC175	746011	6883570	473	-60	90	230
	SRC176	745973	6883619	472	-60	90	266
	SRC188	745972	6883571	475	-60	90	260
Tiger Moth	SRC115	733598	6891165	500	-62	0	102
Indomitable	SRC086	733270	6892294	500	-60	60	102
Vanguard	SRC114	740807	6884218	488	-82	197	102
Havilah	SRC118	743980	6881206	477	-60	180	80
Ladybird	SRC119	740650	6887210	499	-60	45	80

Table 3. Summary of Accelerated Cyanide Leach Testwork at other Alto deposits (ASX release 02/10/20)

Deposit	Hole ID	From (m)	To (m)	Head Grade ¹ (g/t Au)	Leach Grade ² (g/t Au)	Tail Grade ³ (g/t Au)	Recovery (%)	Rock Type
Tiger Moth (Indomitable Camp)	SRC115	32	36	0.14	0.17	0.01	94%	Oxide
		52	56	5.11	6.99	0.36	95%	Oxide
		56	60	2.7	2.6	0.21	93%	Oxide
		92	96	0.26	0.14	0.01	93%	Oxide
Indomitable (Indomitable Camp)	SRC086	30	32	0.46	0.43	0.05	90%	Oxide
		32	34	0.21	0.23	0.02	92%	Oxide
		34	36	1.81	1.15	0.08	93%	Oxide
		88	90	0.48	0.39	0.02	95%	Oxide
		90	92	2.11	2.54	0.18	93%	Oxide
		92	94	0.83	1.14	0.07	94%	Oxide
		94	96	2.01	2.29	0.13	95%	Oxide
Vanguard	SRC114	28	32	0.1	0.13	0.01	93%	Oxide
		80	84	4.45	4.16	0.21	95%	Fresh
		84	88	7.73	5.96	0.25	96%	Fresh
		88	92	0.96	0.78	0.12	87%	Fresh
		92	96	1.92	1.45	0.05	97%	Fresh
Havilah	SRC118	36	40	2.255	2.69	0.17	94%	Transitional/ Fresh
		40	44	0.610	0.74	0.05	94%	Transitional/ Fresh
		44	48	0.235	0.30	0.03	91%	Transitional/ Fresh
		48	52	0.279	0.35	0.03	92%	Transitional/ Fresh
		52	56	0.262	0.26	0.02	93%	Transitional/ Fresh
		60	62	0.757	0.78	0.10	89%	Transitional/ Fresh
		68	72	0.045	0.02	X		Transitional/ Fresh
Ladybird	SRC119	52	56	3.648	3.86	0.50	89%	Oxide/ Transitional
		56	60	1.042	1.10	0.08	93%	Oxide/ Transitional

Footnotes: 1 Grade by 50gm FA on "A" sample. 2 Grade by LeachWELL™ on "B" sample. 3 Grade by 50gm FA on "B" sample tail

Refer to ASX Announcement of 2 October 2020, for further details.

CORPORATE

Cash & Finances

At the end of the quarter Alto's cash position was \$6.5 million. Approximately \$2.1m is anticipated to be received during the March-21 quarter through the conversion of options expiring in early March.

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$826,000. No expenditure was incurred on mining production or development activities during the quarter.

Payments totaling approximately \$180,000 were made to related parties of the Company, as shown in the Appendix 5B. These payments related to current and accrued fees payable to directors.

Annual General Meeting (AGM)

The Company held its AGM on 25 November. All resolutions were passed.

Substantial Shareholders

On 30 November 2020, Middle Island Resources Limited (ASX:MDI) acquired, 10% of the current issued capital of Alto, at that time. The Company understands the shares were acquired from Habrok (Alto) Pty Ltd, an entity who previously made an unsuccessful off-market takeover offer for the Company.

GS Group Australia Pty Ltd (GSGA) also lodged a substantial shareholder notice on 30 November 2020, that their interest in the Company had increased to 10.22% of the current issued capital of Alto, at that time, through acquiring shares on-market.

Following the completion of Alto's share placement and conversion of options, the equity positions held by MDI and GSGA are 8.9% and 11.1% respectively.

Marketing activities

The Company continues to focus on increasing its profile through investor marketing activities, including attending the 121 Mining Investment APAC virtual conference and Noosa Mining Virtual Conference. In addition the Company has hosted a number virtual and physical investor and broker presentations, and site visit during December.

For further information regarding the Sandstone Gold Project please visit the ASX platform (ASX: AME) or the Company's website at www.altometals.com.au

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

Mr Matthew Bowles
Managing Director & CEO
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E: admin@altometals.com.au

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 4 below shows the current Total Indicated & Inferred Mineral Resources (JORC 2012) for the Sandstone Gold Project at 31 December 2020.

Table 4: 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 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 4 are shown in Figure 5.

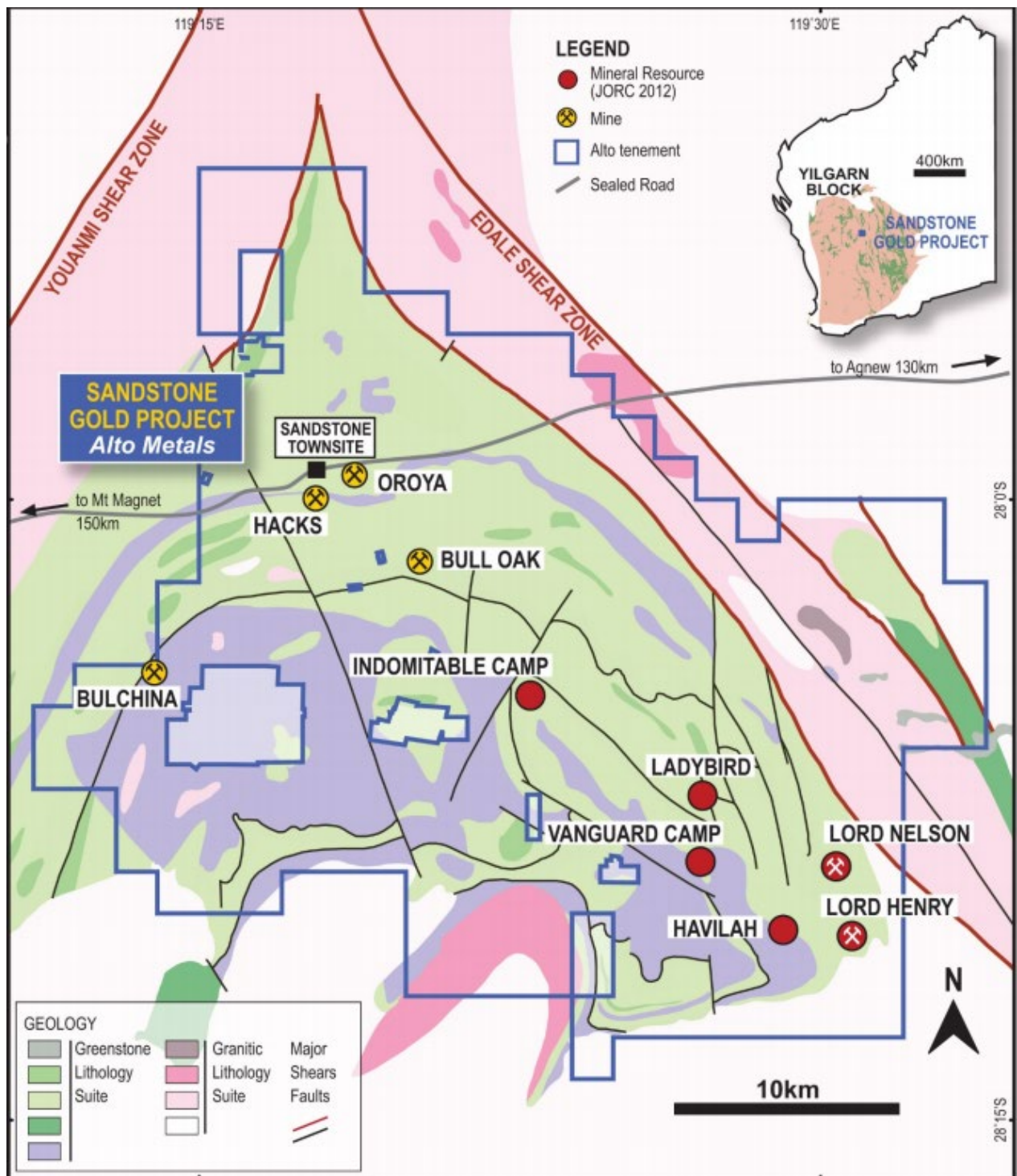


Figure 5. Location of gold prospects and historical mines at Sandstone Gold Project

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 east of Perth in the East Murchison Mineral Field of Western Australia (Figure 6).

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.

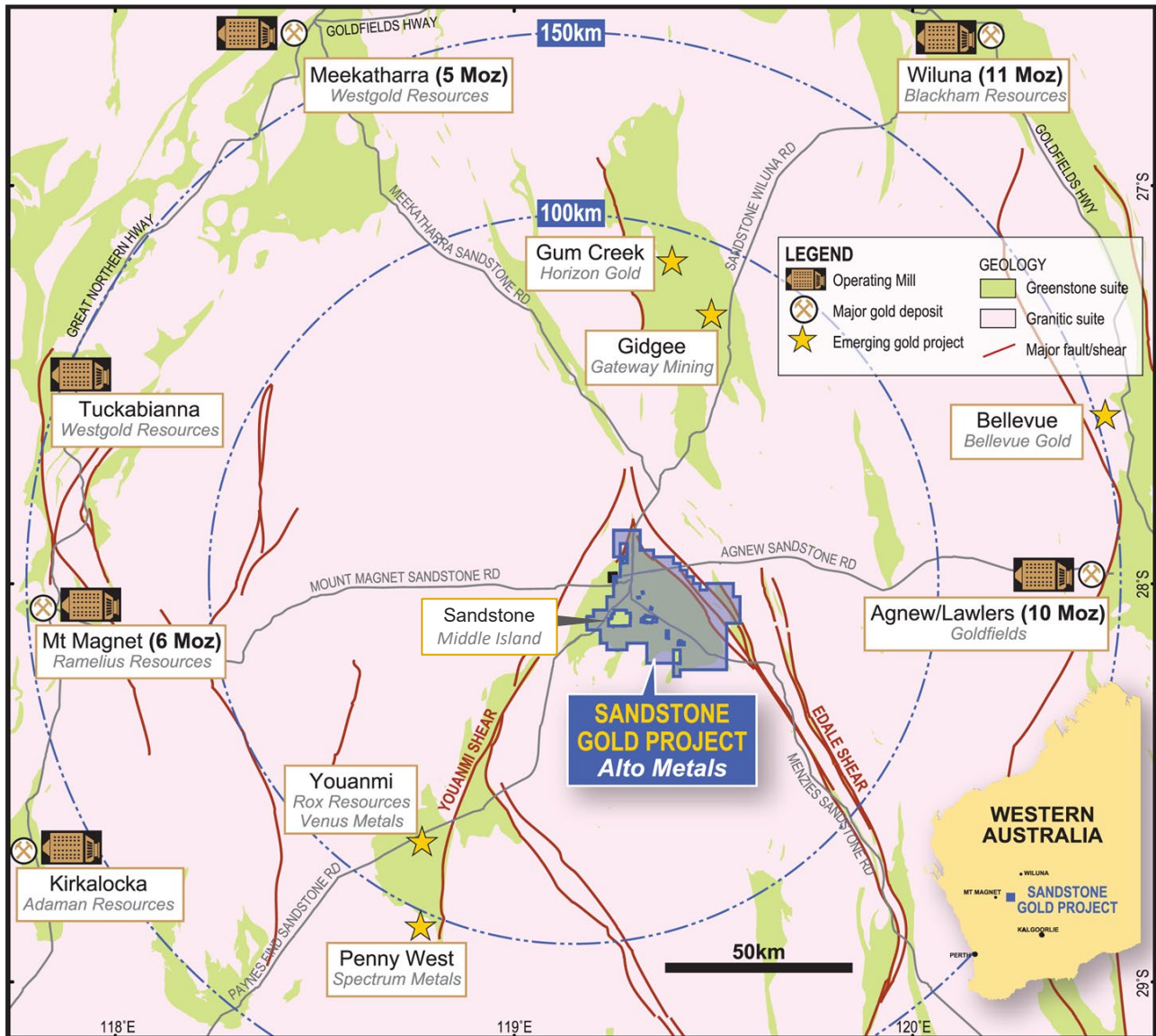


Figure 6. Location of Sandstone Gold Project within the East Murchison Gold Field, WA

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 31 December 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")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		5	5
1.2 Payments for			
(a) exploration & evaluation (if expensed)			
(b) development			
(c) production			
(d) staff costs		(248)	(347)
(e) administration and corporate costs		(453)	(657)
1.3 Dividends received (see note 3)			
1.4 Interest received		3	3
1.5 Interest and other costs of finance paid		(16)	(16)
1.6 Income taxes paid			
1.7 Government grants and tax incentives		12	52
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(697)	(960)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) tenements			
(c) property, plant and equipment		(40)	(42)
(d) exploration & evaluation (if capitalised)		(826)	(1,039)
(e) investments			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(866)	(1,081)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,430	6,430
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	2,199	2,571
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(335)	(337)
3.5	Proceeds from borrowings		200
3.6	Repayment of borrowings	(450)	(450)
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	7,844	8,414

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	219	127
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(697)	(960)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(866)	(1,081)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,844	8,414

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	6,500	6,500

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		219
5.2	Call deposits	6,500	
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)	6,500	219

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**

180

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		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	2,000	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	2,000	-
7.5	Unused financing facilities available at quarter end		2,000
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.		
<p>1. Unsecured Loan Facility Agreement with Windsong Valley Pty Ltd, an entity associated with Non-Executive Director, Terry Wheeler. Interest rate is 8% per annum. Alto may drawdown up to \$1,000,000 during the period 11 March 2020 to 10 March 2021.</p> <p>2. Unsecured Loan Facility Agreement with Harvest Lane Asset Management Pty Ltd for up to \$1 million. Interest rate is 8% per annum. The loan can be drawn down between 11 August 2020 and 10 August 2021, and the loan is repayable in full by 11 August 2021.</p>			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(697)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(826)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,523)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,500
8.5	Unused finance facilities available at quarter end (Item 7.5)	2,000
8.6	Total available funding (Item 8.4 + Item 8.5)	8,500
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	5.6
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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:	
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:	
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:	

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.

25 January 2021

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.