

30 September 2021 Quarterly Report

Alto delivers another strong quarter of outstanding exploration results at the Sandstone Gold Project

RC and diamond drilling intersects further thick high-grade gold mineralisation at the Lords Corridor, discovers the new Juno lode and visible gold in core at Vanguard.

Sandstone Gold Project Highlights

Exploration

- ~24,100m of RC drilling completed during the quarter with two RC drill rigs operating. ~59,000m drilled 2021 YTD.
- Maiden diamond drilling program completed with 3,424 metres drilled at Lord Nelson, Orion, Lord Henry, Vanguard and Indomitable.

Lords Corridor

- Assay results from deeper RC and diamond drilling, below and south of the Lord Nelson open pit highlight the continuity of high-grade gold mineralisation at depth, over 300 metres strike which remains open, include:
 - **3m @ 11.4 g/t gold** from 191m and **48m @ 3.4 g/t gold** from 214m, incl. **19m @ 6.0 g/t gold** from 223m (SRC423) – Lord Nelson
 - **45m @ 3.2 g/t gold** from 161m, incl. **5m @ 17.5 g/t gold** from 162m; (SRC432) – Lord Nelson
 - **36m @ 2.0 g/t gold** from 203m, incl. **3.6m @ 10.5 g/t gold** from 232.8m (SDD001) – Lord Nelson
 - **26m @ 2.0 g/t gold** from 232m and **11m @ 1.1 g/t gold** from 263m (SRC422) – Lord Nelson
 - **29.5m @ 1.5 g/t gold** from 192m (SDD008) – Lord Nelson
 - **21m @ 3.5 g/t gold** from 76m (SDD003) – Orion
 - **43m @ 1.0 g/t gold** from 104m; (SRC437) – Orion
- RC drilling **discovered a new zone**, named **Juno**, 400m south of the Lord Nelson pit which is considered a previously undiscovered extension of the mineralised zone below the Lord Nelson pit, outside the current resource, which now extends for over 1 kilometre strike. Results, subsequent to the quarter, include;
 - **13m @ 5.1 g/t gold** from 162m, incl. **3m @ 17.0 g/t gold** from 168m (SRC443)
 - **23m @ 1.7 g/t gold** from 141m (SRC444)
 - **22m @ 1.6 g/t gold** from 135m (SRC449)
- The discovery of **Juno** is significant as it highlights the potential for **additional repeat gold lodes** along the corridor.
- At **Lord Henry**, resource and extensional RC drilling below and to the west of the open pit intersected further shallow, high-grade gold mineralisation, including;
 - **4m @ 15.6 g/t gold** from surface; and **4m @ 2.1g/t gold** from 12m, and **8m @ 13.6 g/t gold** from 56m (SRC398)
 - **20m @ 1.3 g/t gold** from 40m, incl **8m @ 2.0 g/t gold** from 44m and **4m @ 6.0 g/t gold** from 80m (SRC 387)
 - **52m @ 2.1 g/t gold** from 40m, incl. **4m @ 13.8 g/t gold** from 72 (SRC380)

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Issued Shares: 450m
Share Price: \$0.10
Market Capitalisation: \$45m



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ASX: AME

Vanguard

- **Wide-spaced step-out RC drilling** at Vanguard. Results from four metre composites, include:
 - **28m @ 1.5 g/t gold** from 132m, incl. **4m @ 4.3 g/t gold** from 152m (SRC272)
 - **8m @ 1.8 g/t gold** from 144m, incl. **4m @ 2.9 g/t gold** from 144m (SRC270)
 - **4m @ 2.0 g/t gold** from 64m (SRC284)
 - **4m @ 1.4 g/t gold** from 40m (SRC280)
- SRC284 was drilled 80m south-east of SCR286 which returned **12m @ 22.5 g/t gold incl. 4m @ 60.6 g/t gold** from 40m (ASX 13 May 2021) and **remains open along strike and downdip**.
- Vanguard and Vanguard North mineralisation trends are together defined over a total 2,000m and **remain open along strike and down dip**.
- Maiden diamond drilling at **Vanguard** intersected a quartz-rich laminated shear vein with visible gold in primary mineralisation in SDD0015, assays are pending.

Assays and ongoing drilling & exploration

- Assays remain pending for >100 RC holes and 10 diamond drill holes targeting infill and extensions of known mineralisation at Lords Corridor, Vanguard and regional targets.
- Following receipt of all outstanding assays an updated mineral resource estimate for Lord Nelson, Lord Henry and Vanguard is planned to be completed by the end of the next quarter or early next year, subject to the timing of assays.

Corporate

- Strong cash position of \$3.1 million at the end of the quarter and no debt.

Alto's Managing Director, Matthew Bowles said:

This was another busy quarter for us with over 26,000m of drilling completed, including our maiden diamond drilling program.

The Lords corridor continues to produce excellent results with drilling highlighting the continuity of thick, high-grade gold, outside the current resource, both below and south of the Lord Nelson pit. And the discovery of the new Juno lode south of Lord Nelson highlights the potential to discover additional repeat lodes, as we test further along the Lords Corridor with the aim to continue to grow our resources.

It is pleasing to see the results of our aggressive drilling campaign, which is starting to demonstrate the potential that remains at this historic goldfield.

We look forward to receiving all outstanding assay results, updating our mineral resource and continue unlocking value through further drilling at the Sandstone Gold Project.

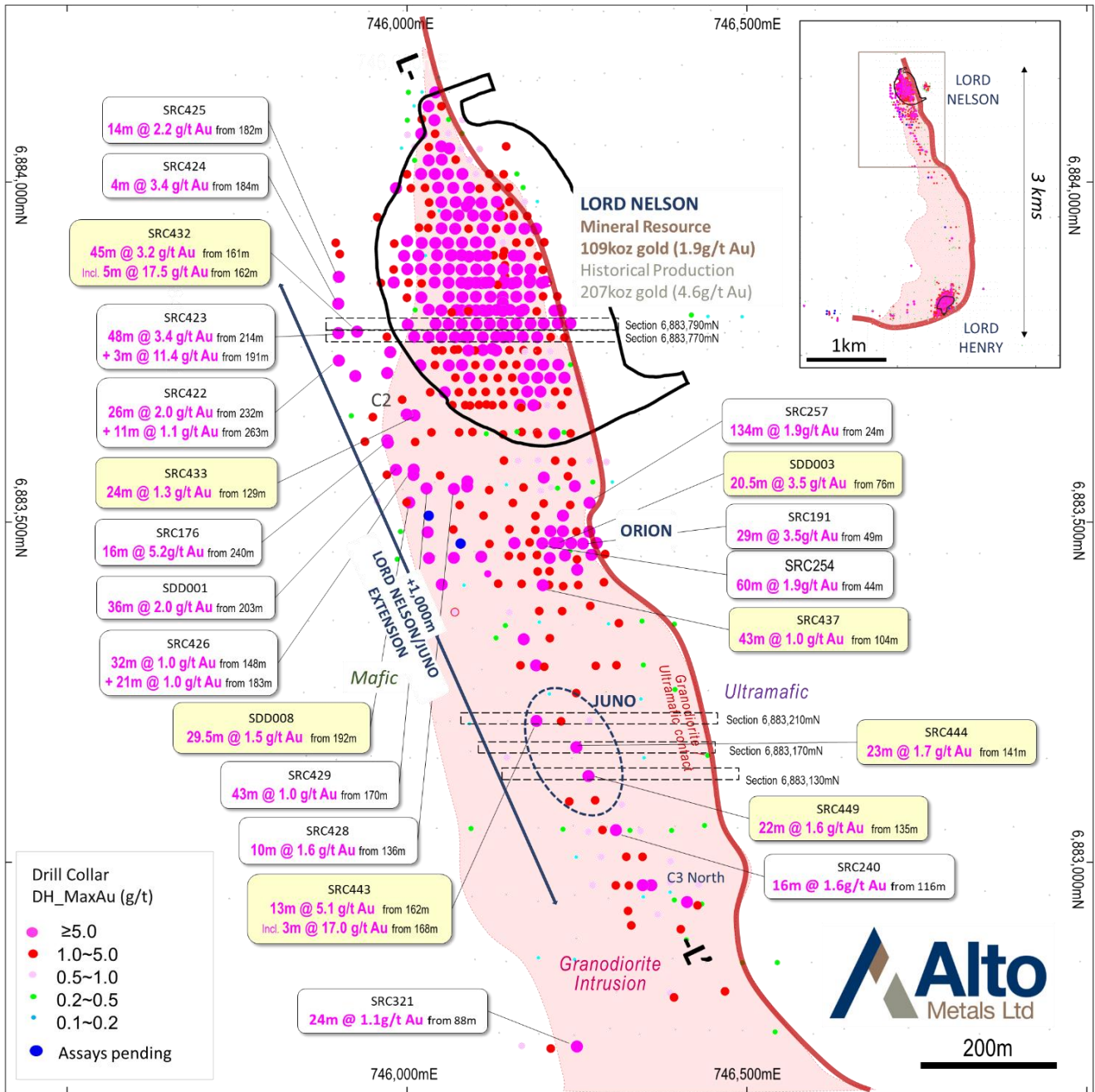


Figure 1: Plan view of Lord Nelson showing recent results and pending RC assays – simplified geological interpretation.

September quarter 2021 activities

Alto Metals Limited (“Alto” or “the Company”) (ASX: AME) is pleased to provide an update on the significant progress it made for the September quarter 2021, within the Company’s +900km² Sandstone Gold Project.

EXPLORATION

The Company completed 24,091m of RC drilling during the quarter focused on infill, extensional and step-out drilling. RC drilling remained a focus at the Lords Corridor and Vanguard camp with some drilling at the Havilah, Maninga Marley and Indomitable prospects, all located within the Company’s Alpha Domain.

The Company completed its maiden diamond drilling program with 17 holes drilled for 3,424m at Lord Nelson, Orion, Lord Henry, Indomitable and Vanguard.

Lords Corridor

During the quarter the Company completed 46 RC drill holes for 8,608m of infill, extensional and step-out drilling at Lord Nelson, Orion, Central Zone and Lord Henry. A further three diamond drill holes were completed for 718m at Lord Nelson.

The deeper RC and diamond drilling, targeting dip and plunge extensions both below and to the south of the Lord Nelson pit, and into the Orion lode intersected thick, high-grade gold mineralisation.

The nature and style of mineralisation that is observed at the Lords granodiorite, with gold mineralisation within the granodiorite ‘damage zone’ and high-grade gold along the margin of the ultramafic footwall, is considered to be very similar to that of the Tarmoola granodiorite at Red 5’s King of the Hills.

Significant assay results released during the quarter from RC and diamond drilling, >30 g/t*metre are shown in Figures 2-8 and include:

- **45m @ 3.2 g/t gold** from 161m, incl. **5m @ 17.5 g/t gold** from 162m; (SRC432) – Lord Nelson
- **29.5m @ 1.5 g/t gold** from 192m (SDD008) – Lord Nelson
- **24m @ 1.3 g/t gold** from 129m (SRC433) – Lord Nelson
- **36m @ 2.0 g/t gold** from 203m, incl. **3.6m @ 10.5 g/t gold** from 232.8m (SDD001) – Lord Nelson
- **26m @ 2.0 g/t gold** from 232m and **11m @ 1.1 g/t gold** from 263m (SRC422) Lord Nelson
- **43m @ 1.0 g/t gold** from 170m, (SRC429) - Lord Nelson
- **14m @ 2.2 g/t gold** from 182m, incl. **2m @ 13.4 g/t gold** from 183m (SRC425) Lord Nelson
- **32m @ 1.0 g/t gold** from 148m and **21m @ 1.0 g/t gold** from 183m (SRC 426) Lord Nelson
- **3m @ 11.4 g/t gold** from 191m and
48m @ 3.4 g/t gold from 214m, incl. **19m @ 6.0 g/t gold** from 223m (SRC423) – Lord Nelson
- **21m @ 3.5 g/t gold** from 76m (SDD003) – Orion
- **43m @ 1.0 g/t gold** from 104m; (SRC437) – Orion

These latest results highlight the continuity of high-grade gold mineralisation at depth, over 300 metres strike which remains open (refer to Figure 2).

All of these results, with the exception of SDD003 and SRC437, **are outside the current resource**, highlighting the strong potential for future resource growth.

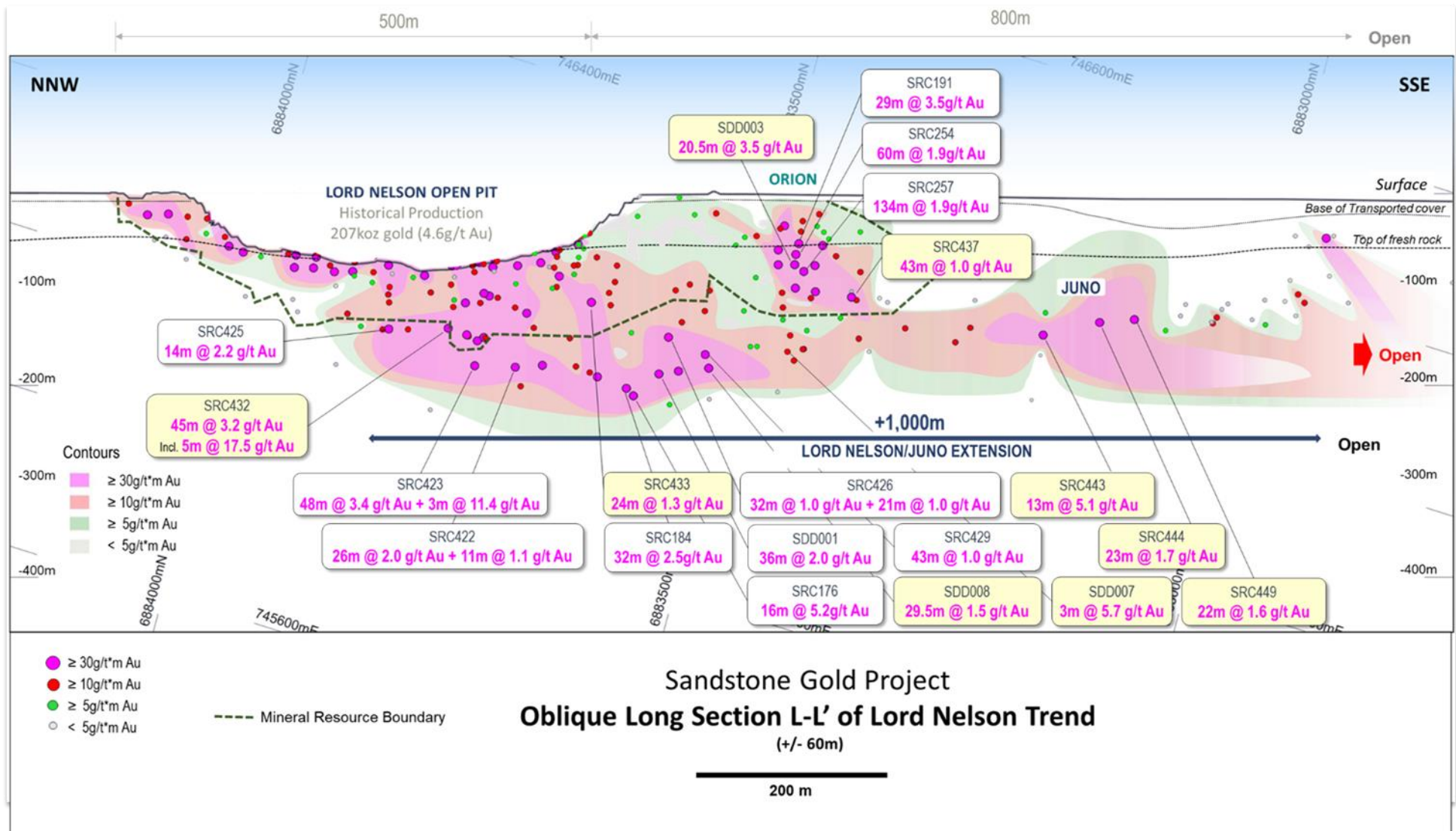


Figure 2: Lord Nelson long section (+/- 60m).

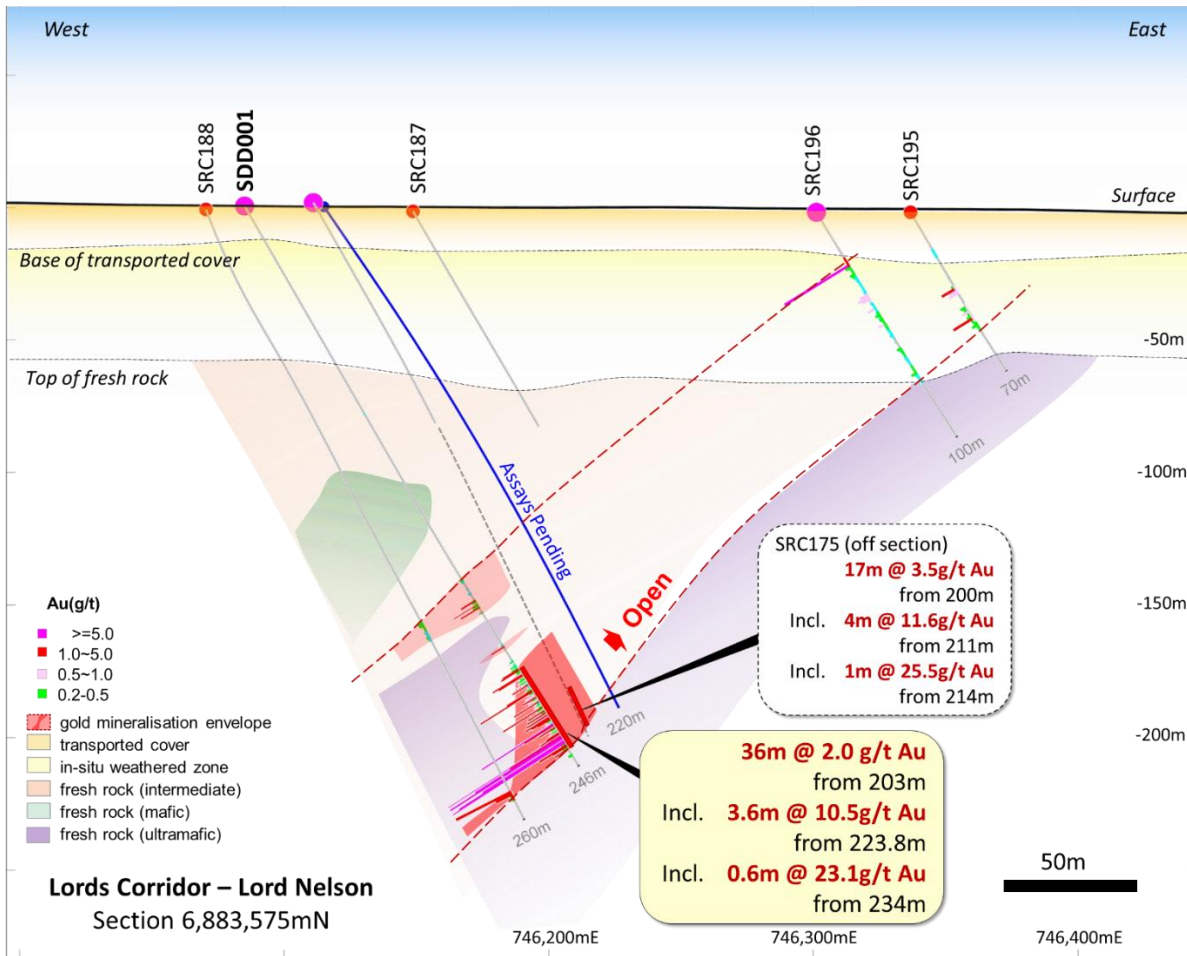


Figure 3: Lord Nelson cross section 6,883,575mN showing SDD001.

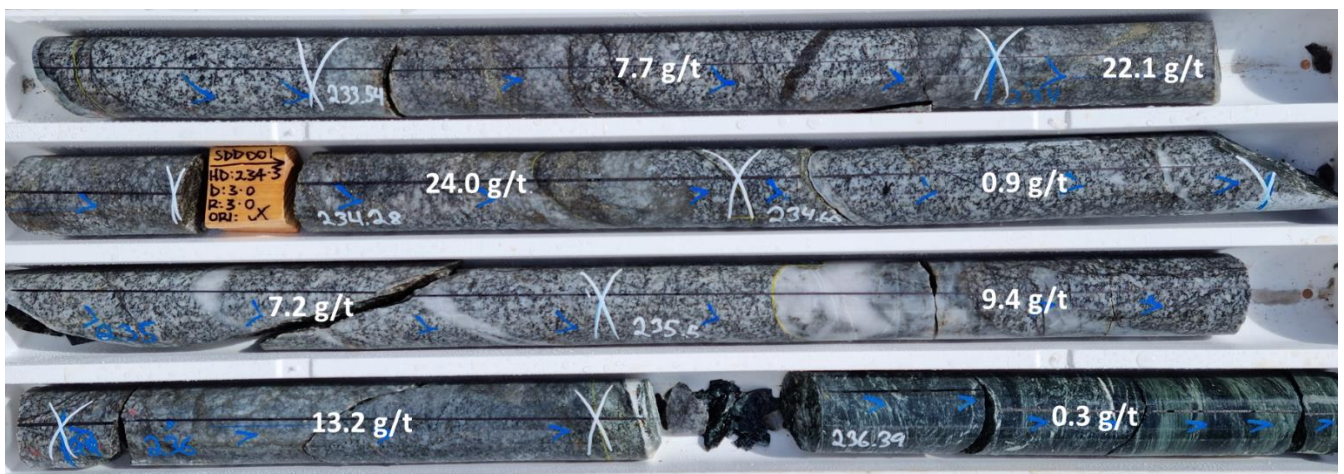


Figure 4: (SDD001) Lord Nelson diamond core from 233.5m to 236.8m showing high-grade gold mineralisation in strong quartz-pyrite veining.

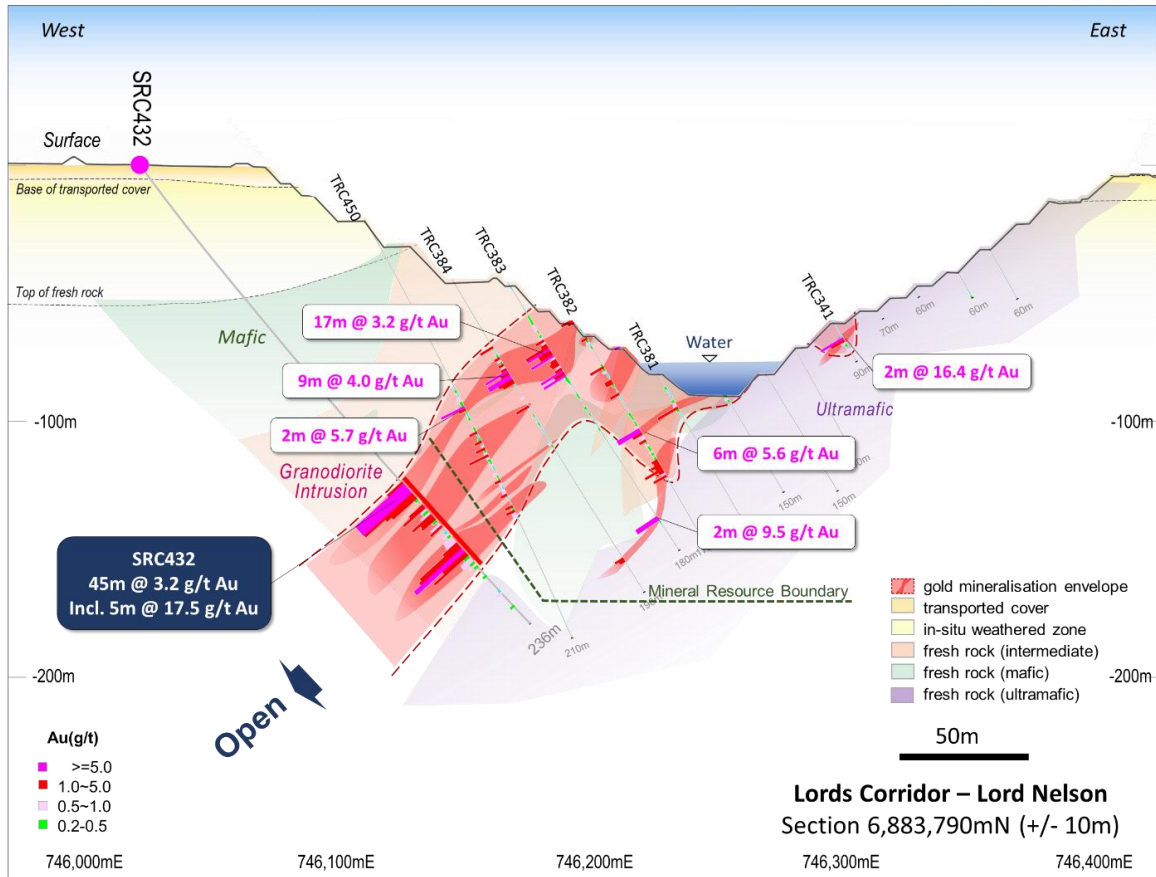


Figure 5: Lord Nelson cross section 6,883,790mN.

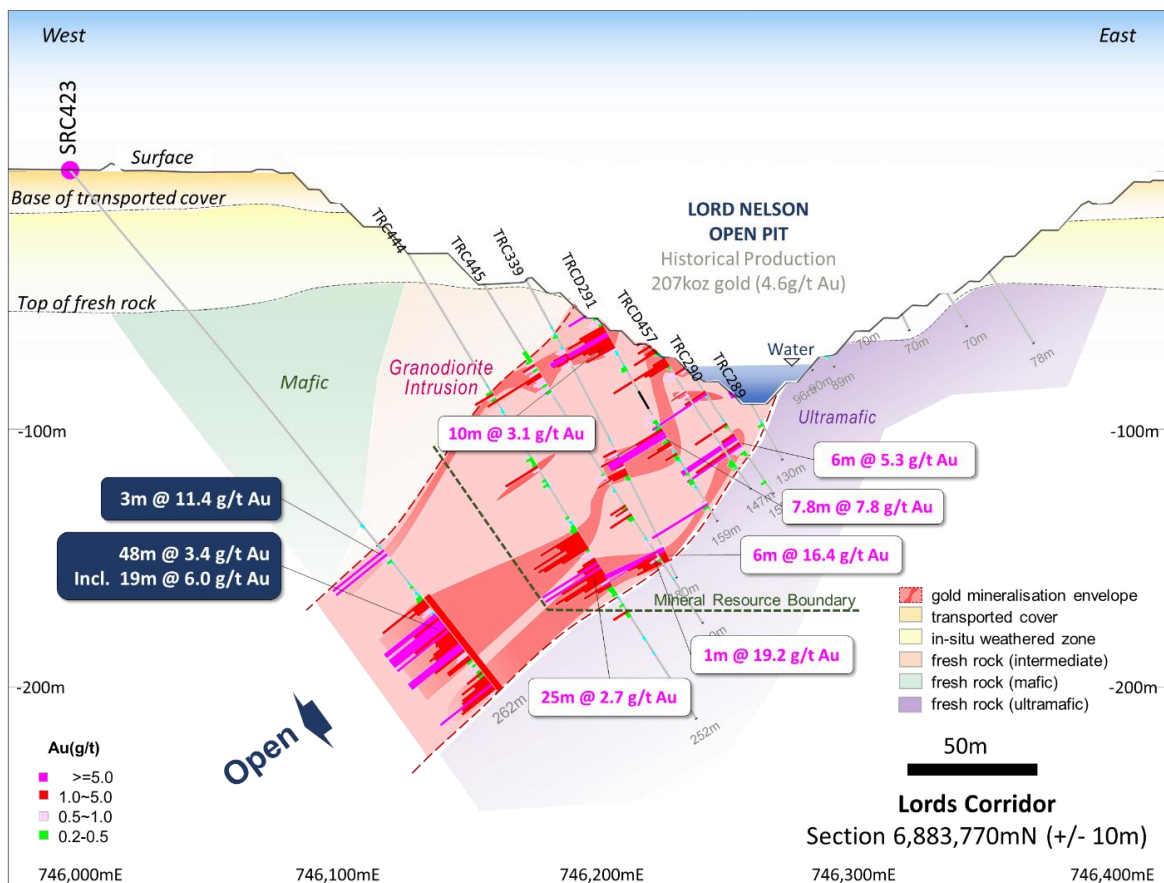


Figure 6: Cross section showing SRC423 (highlighted in blue), drilled to the south of SRC432 (see Figure 5 above).



Figure 7: (SDD003) -Orion Lode HQ (63.5mm) diamond core from 82.71m to 86.7m showing high-grade gold mineralisation in oxide and transitional zone.



Figure 8: (SDD003) -Orion Lode HQ (63.5mm) diamond core from 90.53m to 96.8m showing high-grade gold mineralisation in pyrite-quartz veining, along the contact between silicified granodiorite and strong foliated ultramafic contact



Figure 9: (SDD008) -Lord Nelson NQ (47.6mm) diamond core from 213.42m to 222.58m showing high-grade gold mineralisation in strong quartz-pyrite veining, along the contact between silicified granodiorite and strong foliated ultramafic contact

New Juno discovery – undiscovered extension of the new mineralised zone below Lord Nelson pit

Assay results announced subsequent to the quarter relating to RC drilling on 40m line spacing up to 600m south of the Lord Nelson pit, confirmed that drilling had intersected broad zones of significant gold mineralisation across a total of over 600m strike in a newly defined area, to a maximum vertical depth of 160m.

The new zone, named Juno, is considered a previously undiscovered extension of the mineralised zone below the Lord Nelson pit, outside the current resource, which now extends for over 1 kilometre strike (Refer to Figure 2). Juno has the same interpreted gentle southerly plunge and remains open up and down dip, and along strike.

Significant >30 g/t*metre results from the new Juno lode are shown in Figures 2 and 3 and Figures 10-12 and include:

- **13m @ 5.1 g/t gold** from 162m, incl. **3m @ 17.0 g/t gold** from 168m (SRC443)
- **23m @ 1.7 g/t gold** from 141m (SRC444)
- **22m @ 1.6 g/t gold** from 135m (SRC449)

The discovery of Juno highlights the potential for additional repeat gold lodes along the Lords Corridor.

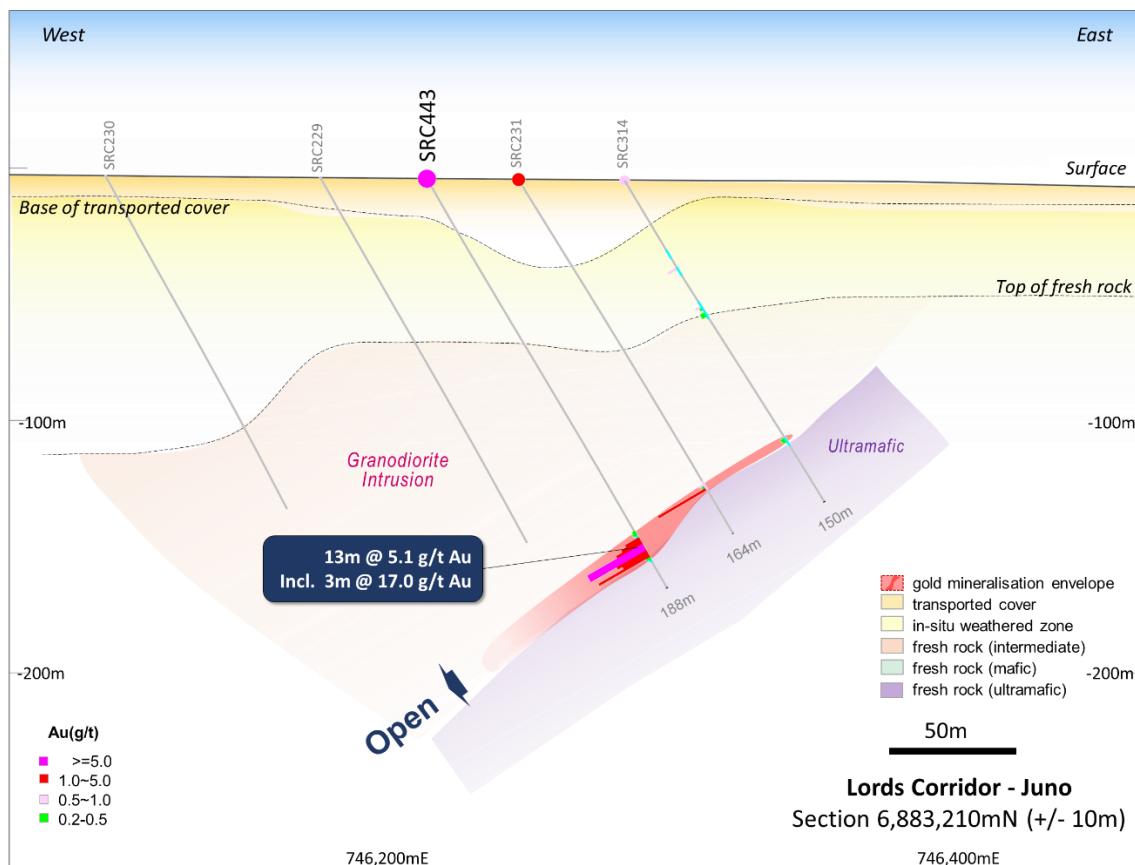


Figure 10: Cross section 6,883,210mN of the new Juno lode, 40m north of section 6,883,170mN.

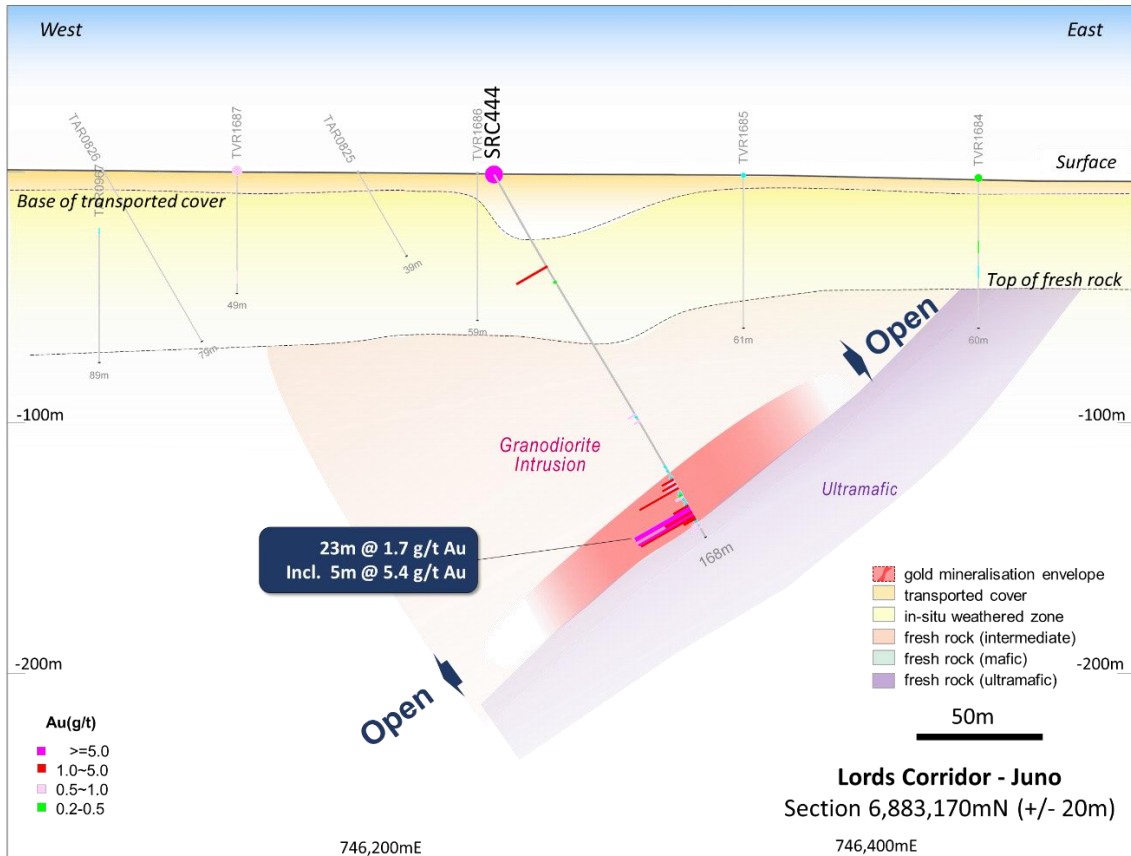


Figure 11: Cross section 6,883,170mN of the new Juno lode.

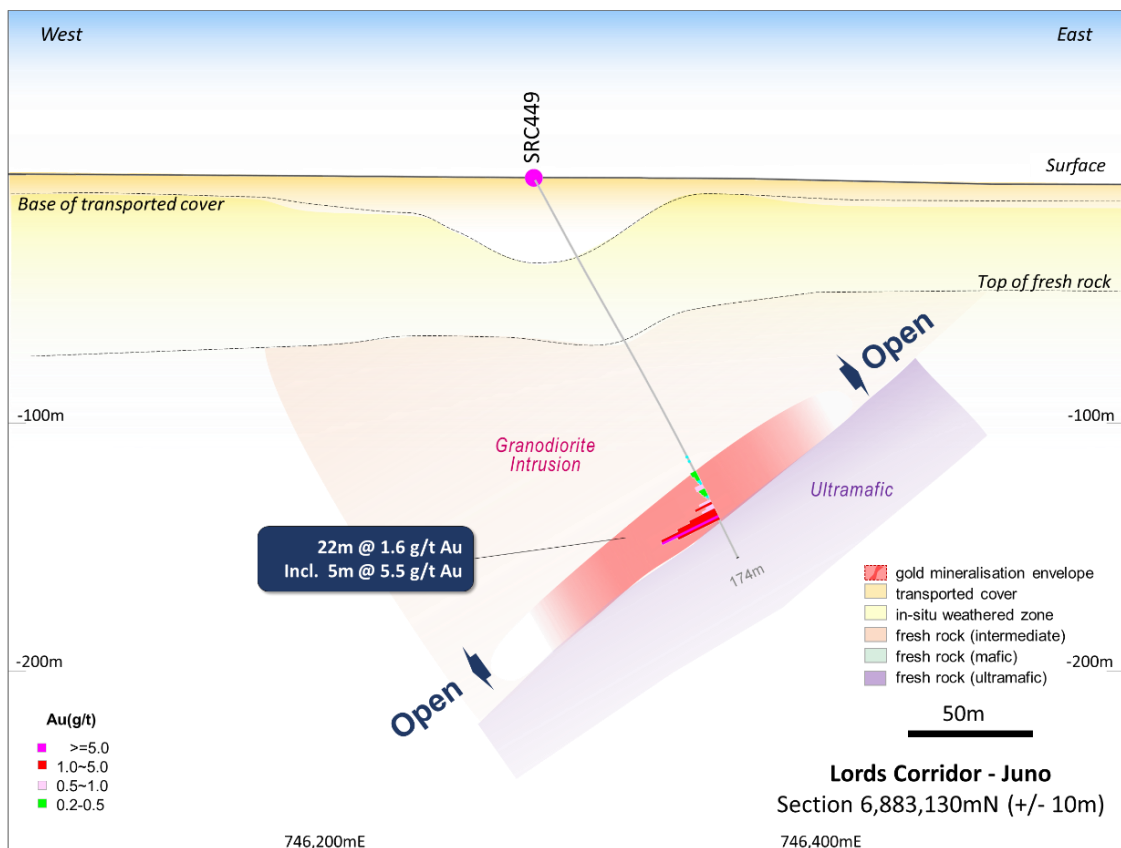


Figure 12: Cross section 6,883,130mN of the new Juno lode, drilled 80m south of SRC443 (shown in Figure 10).

Lord Henry - Further high-grade gold results from below the Lord Henry pit and step-out drilling to the west

Results from resource and extensional RC drilling below and to the west of the Lord Henry pit, located at the southern end of the +3 km Lords Corridor granodiorite intrusion, intersected further shallow, high-grade gold mineralisation (Figures 13-15), including:

- **4m @ 15.6 g/t gold** from surface; and **4m @ 2.1g/t gold** from 12m, and **8m @ 13.6 g/t gold** from 56m (SRC398)
- **20m @ 1.3 g/t gold** from 40m, incl **8m @ 2.0 g/t gold** from 44m and **4m @ 6.0 g/t gold** from 80m (SRC 387)
- **36m @ 1.9 g/t gold** from 8m (SRC399)
- **4m @ 4.5 g/t gold** from 88m (SRC389)
- **4m @ 1.9 g/t gold** from 76m (SRC390)
- **4m @ 1.1 g/t gold** from 12m (SRC391)
- **4m @ 1.6 g/t gold** from 64m (SRC392)
- **52m @ 2.1 g/t gold** from 40m, incl. **4m @ 13.8 g/t gold** from 72 (SRC380)
- **16m @ 1.8 g/t gold** from 12m (SRC374)
- **4m @ 6.2 g/t gold** from 64m (SRC381)

Mineralisation remains open down-dip to the north and along strike. These latest results from the current RC drill program, continue to demonstrate the continuity of shallow dipping, stacked lodes at Lord Henry and the potential for further repeat lodes to be discovered at depth.

Two diamond drill holes were completed at Lord Henry with assays still pending.

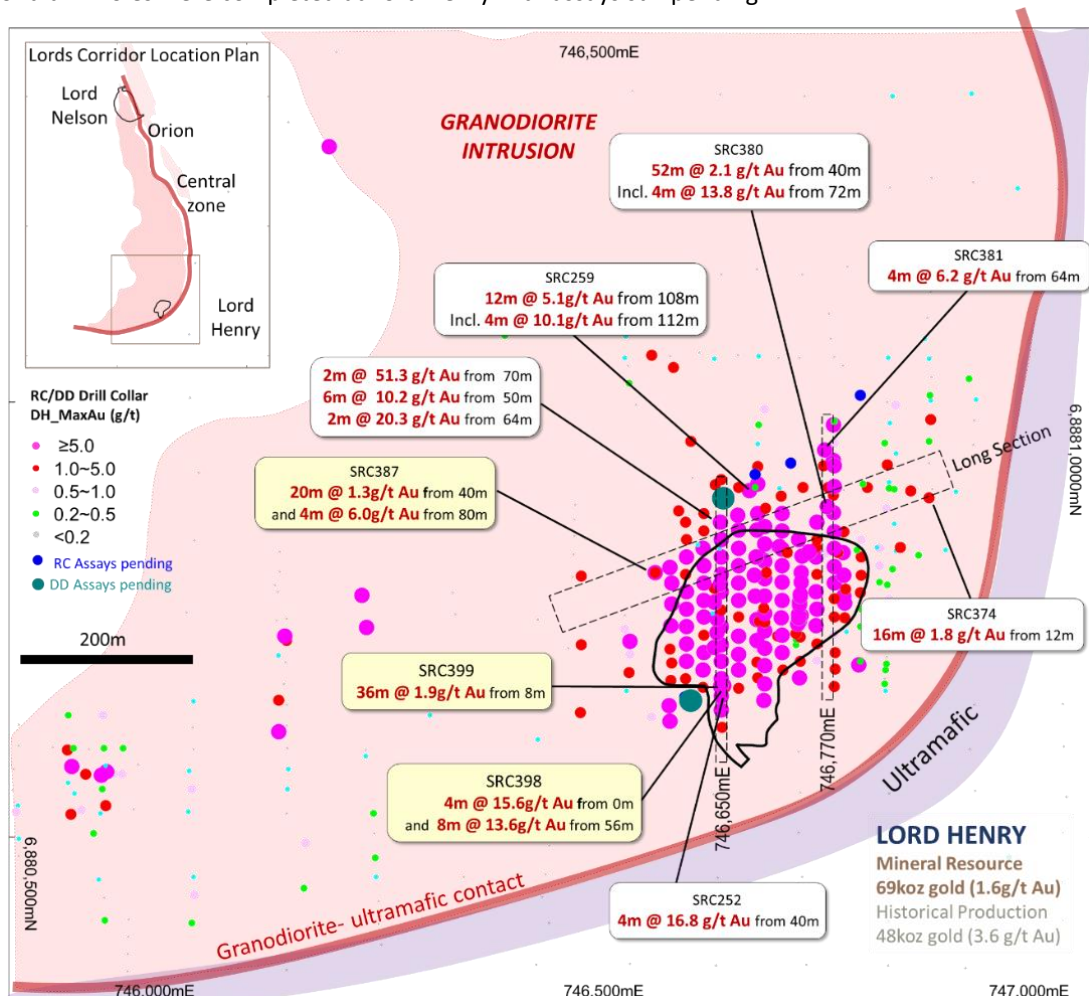


Figure 13: Lord Henry plan view.

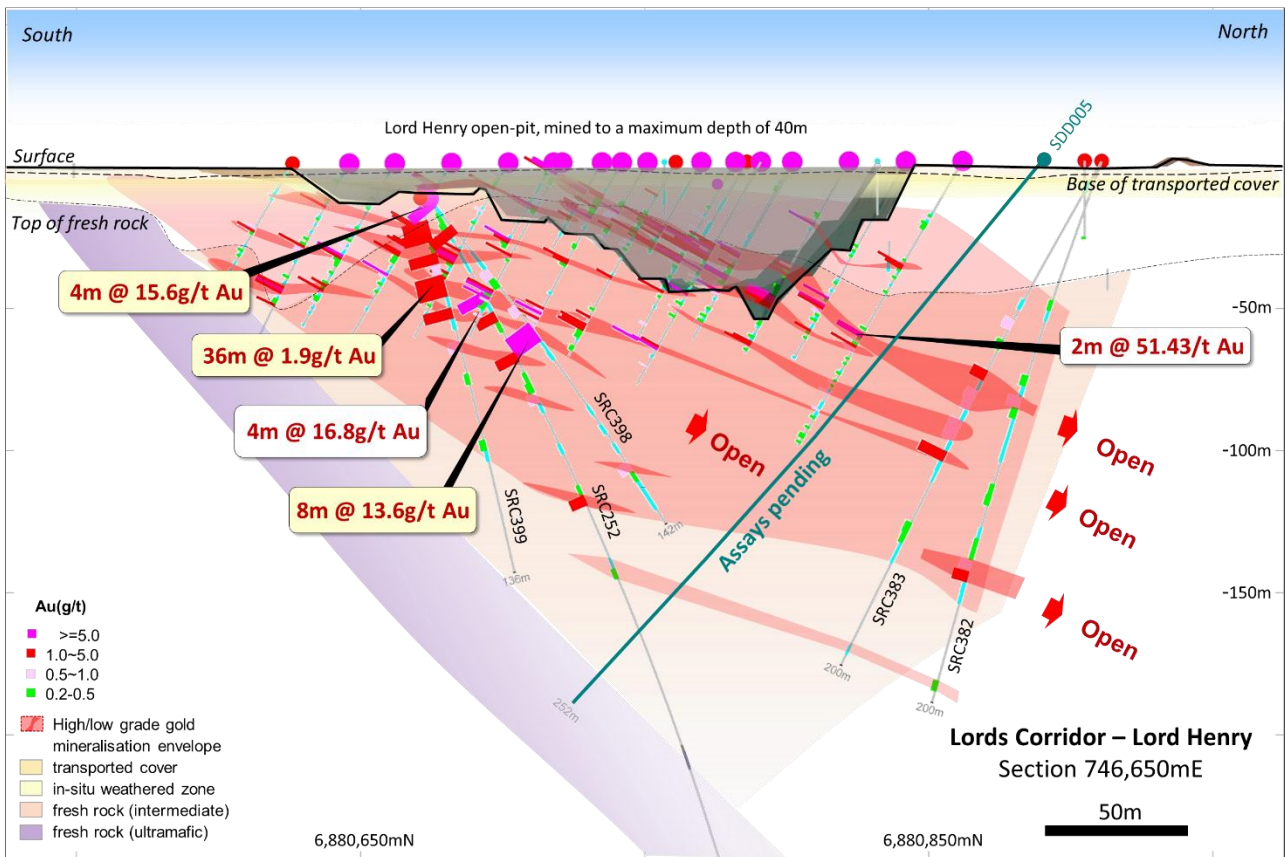


Figure 14: Lord Henry cross section 746,650mE.

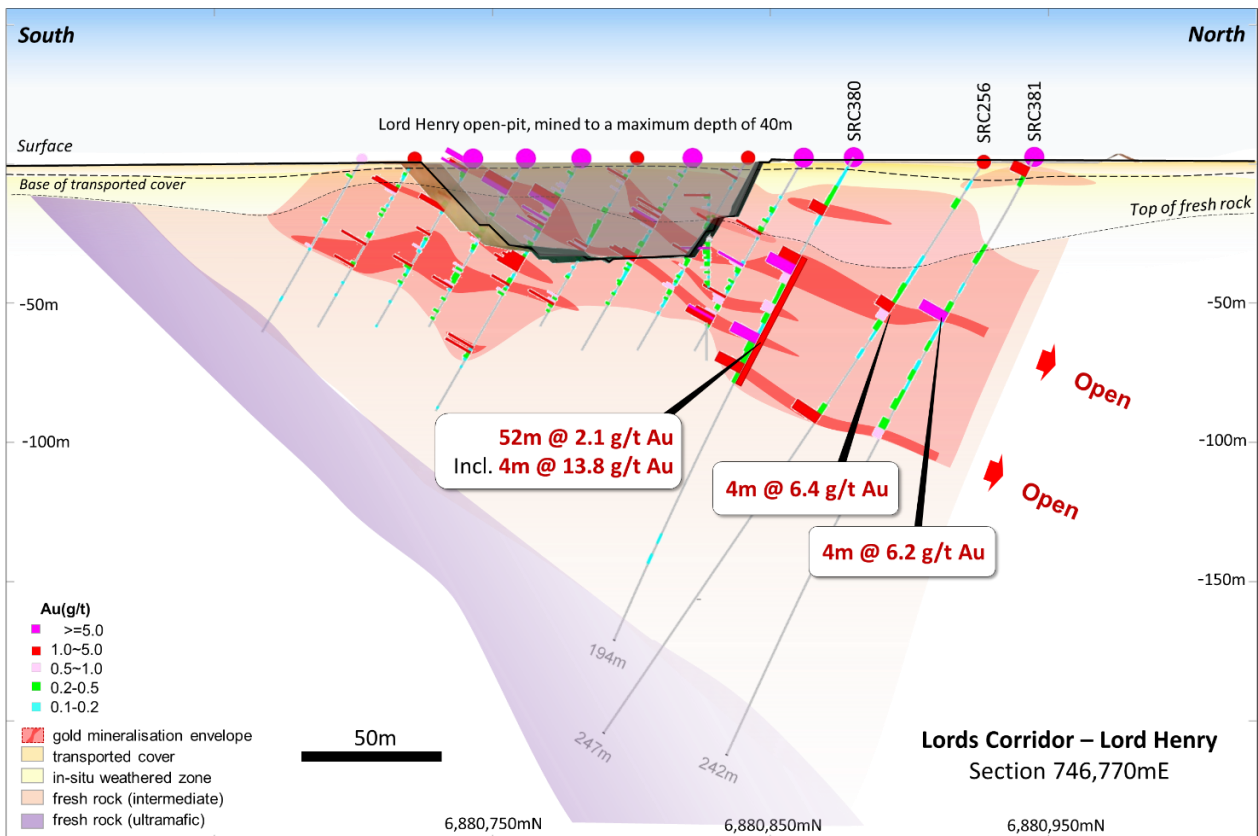


Figure 15: Lord Henry cross section 746,770mE.

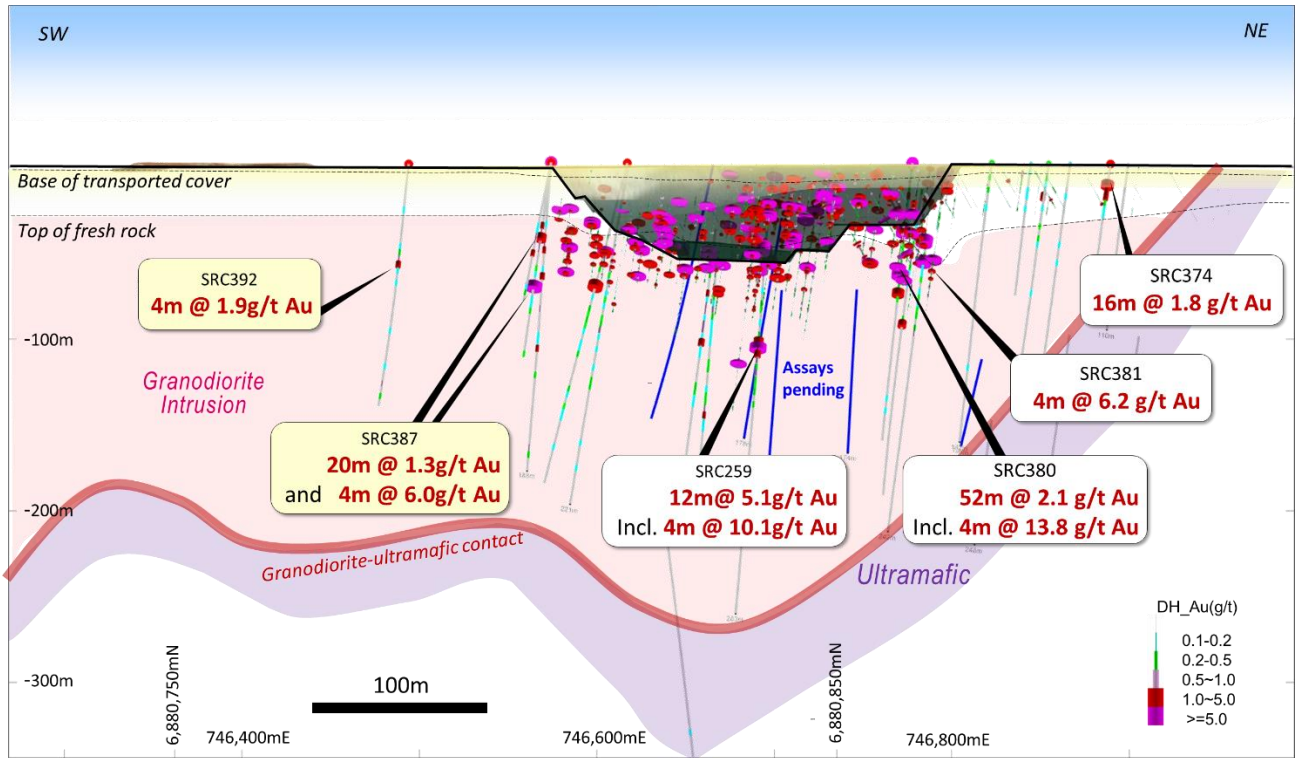


Figure 16: Lord Henry long section(+/-60m). Looking north west.



Figure 17: Drilling at Lord Henry. Looking north.

Vanguard Camp

Regionally, the Vanguard Camp is located only 5kms west of the Lords Corridor and hosted **within a 20 kilometre NW/SE trending corridor**, of differentiated dolerite, which also hosts the Indomitable and Havilah deposits.

During the quarter the Company completed 67 RC drill holes for 9,859m of infill and step-out drilling and four diamond holes for 666m at Vanguard.

Results announced during the quarter from four metre composite samples from **wide-spaced step-out RC drilling** at Vanguard completed during the previous quarter, included:

- **28m @ 1.5 g/t gold** from 132m, incl. **4m @ 4.3 g/t gold** from 152m (SRC272)
- **8m @ 1.8 g/t gold** from 144m, incl. **4m @ 2.9 g/t gold** from 144m (SRC270)
- **4m @ 2.0 g/t gold** from 64m (SRC284)
- **4m @ 1.4 g/t gold** from 40m (SRC280)

SRC284 was drilled 80m south-east of SCR286 which returned **12m @ 22.5 g/t gold incl. 4m @ 60.6 g/t gold** from 40m (ASX 13 May 2021) and **remains open along strike and downdip**.

Visible gold encountered in maiden diamond drilling at Vanguard

First time diamond drilling has been undertaken at Vanguard, with the objective of evaluating the nature of the gold mineralisation and orientation of the mineralised structures.

Diamond hole SDD015 was designed to test the grade, geology and structural orientation of mineralisation adjacent to RC drill holes SRC075, SRC114 and SRC032; which returned significant intervals of **25m @ 3.8 g/t gold** from 85m (SRC075), **40m @ 3.6 g/t gold** from 61m (SRC114) and **22m @ 3.3 g/t gold** from 103m (SRC032), (Refer to ASX Announcements 24/01/18,20/03/18 and 15/10/18).

SDD015 intersected a quartz-rich laminated shear vein from 107.3m to 109.2m, within a broad 28m wide zone of extensional quartz veins, with distinct haloes of coarse-grained pyrite, from 88.5m to 116.5m. Visible gold was intersected in primary mineralisation at 107.4m downhole (Figures 16-18).

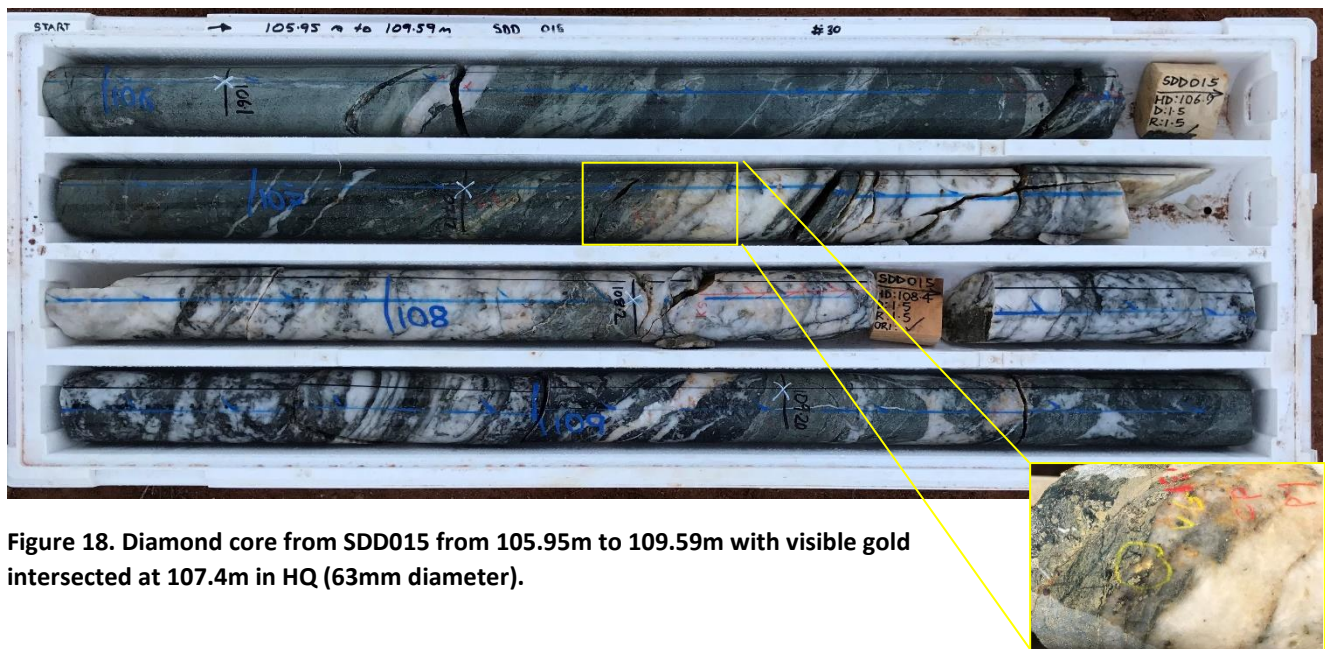


Figure 18. Diamond core from SDD015 from 105.95m to 109.59m with visible gold intersected at 107.4m in HQ (63mm diameter).

Cautionary Statement: It is important to note that these are visual estimates only and are not precise, accurate, or repeatable with significant variability in these estimates dependent on variable sulphide grain size (e.g. very fine, fine, medium, or coarse-grained), sample type, gangue minerals or the individual geologist making the observations. Laboratory assay results are required to determine the widths and grades of any mineralisation reported in preliminary geological logging.

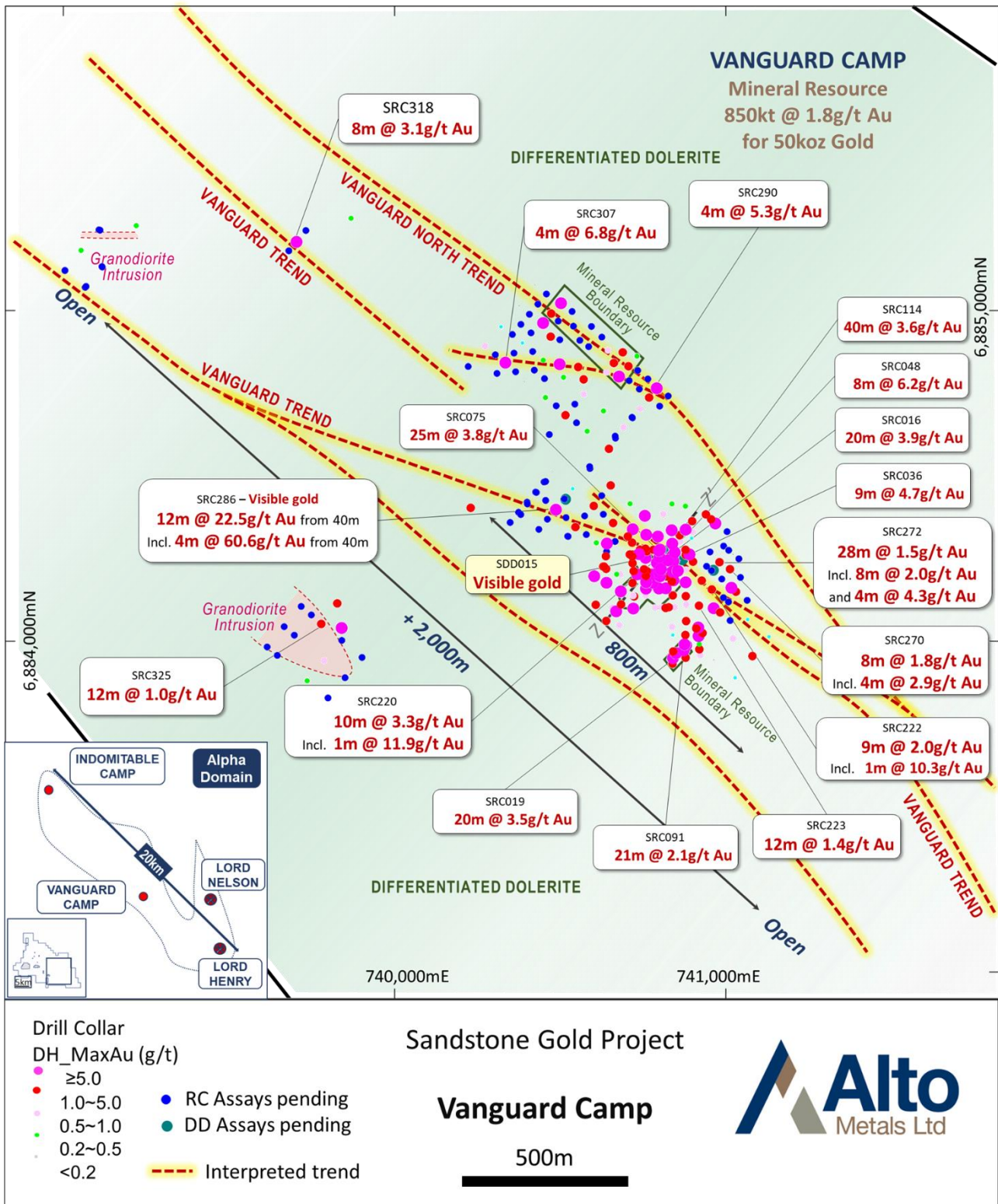


Figure 19. Vanguard plan view.

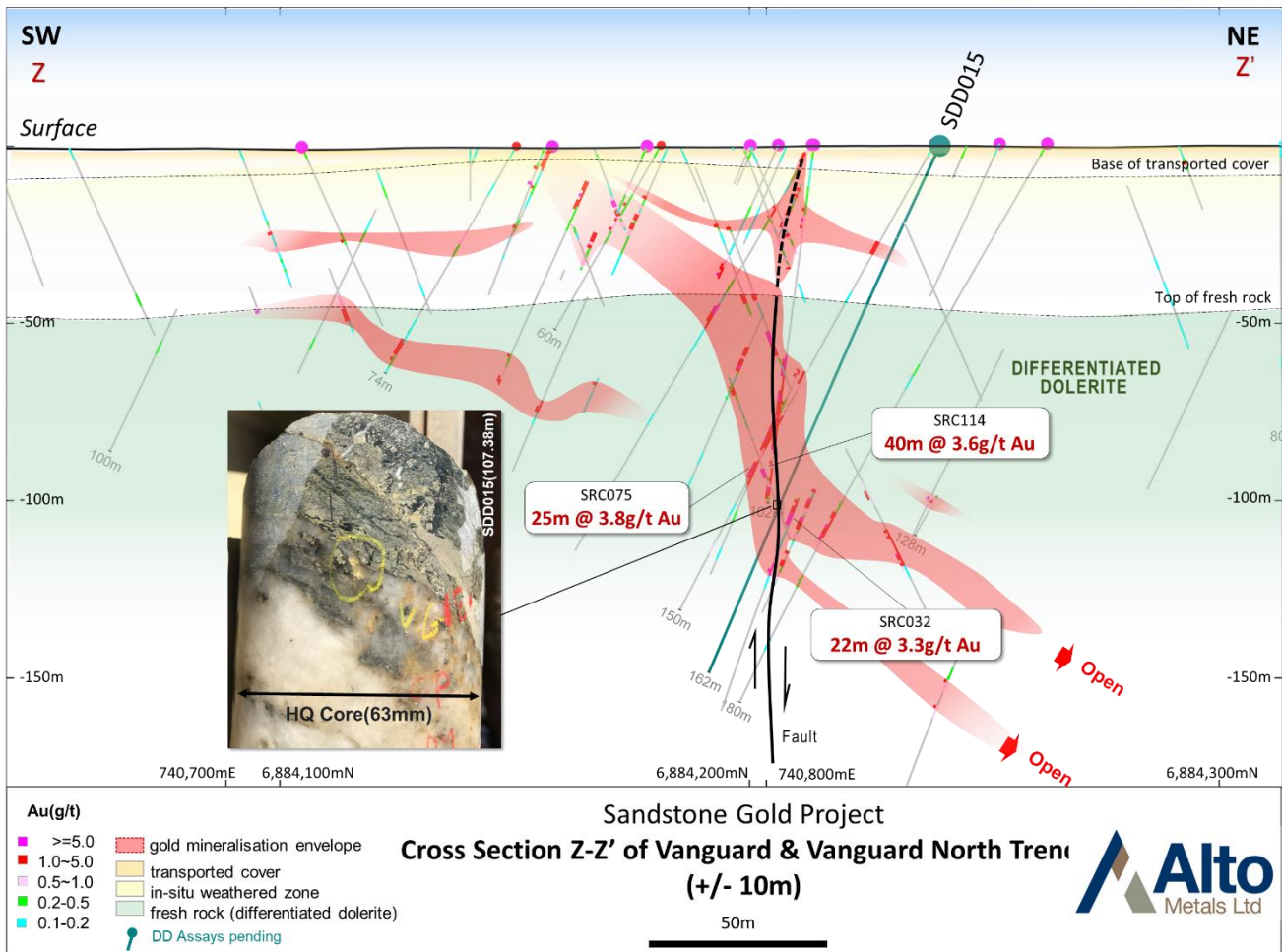


Figure 20. Vanguard cross section Z-Z' of Vanguard and Vanguard North Trend.

Gold mineralisation at Vanguard is hosted within a NW/SE trending differentiated dolerite package and is predominantly associated with quartz-pyrite veins in carbonate alteration haloes. The differentiated dolerite and granophyre texture occur within a sequence of mafic rocks, with the overall stratigraphy intruded by numerous felsic intrusions.

Recent drilling has more clearly defined mineralisation at the Vanguard and Vanguard North trends, with both significantly extended along strike and down dip. **Overall mineralisation of both of these trends is now defined over 2,000m and remains open.**

Regionally, the Vanguard Camp is located within a 20 kilometre north-west/south-east trending corridor which also hosts the Indomitable and Havilah deposits.

Drilling at other prospects

During the quarter step-out and extensional drilling was carried out at several other prospects within the Company's Alpha Domain.

A total of 43 RC drill holes for 5,624m and 4 diamond holes for 900m of diamond drilling was completed at;

- Havilah (8 RC holes for 988m).
- Maninga Marley (13 RC holes for 1,562m).
- Indomitable (22 RC holes for 3,074 and 4 diamond holes for 900m).

All assays remain pending.

Planned activities for next quarter

Approximately 59,000m of drilling has been completed this year including 325 RC holes for 55,597m and 17 diamond holes for 3,424m.

Assays remain pending for 10 diamond holes and over 100 RC holes from Lord Henry, Lord Nelson, Vanguard and Indomitable. RC drilling has been temporarily paused to allow for the receipt of the significant number of assays still pending.

Upcoming results expected to be received over the coming months include:

- RC results from Lord Henry – infill and extensional;
- RC results from Lord Nelson – extensional;
- DD results from Lord Henry (2 holes), Vanguard and Indomitable (8 holes); and
- RC results from Vanguard – extensional
- RC results from Indomitable – extensional.

Following receipt of all outstanding assays for Lord Nelson, Lord Henry and Vanguard, an updated mineral resource estimate is planned to be completed by the end of the next quarter or early next year, subject to the timing of assays.

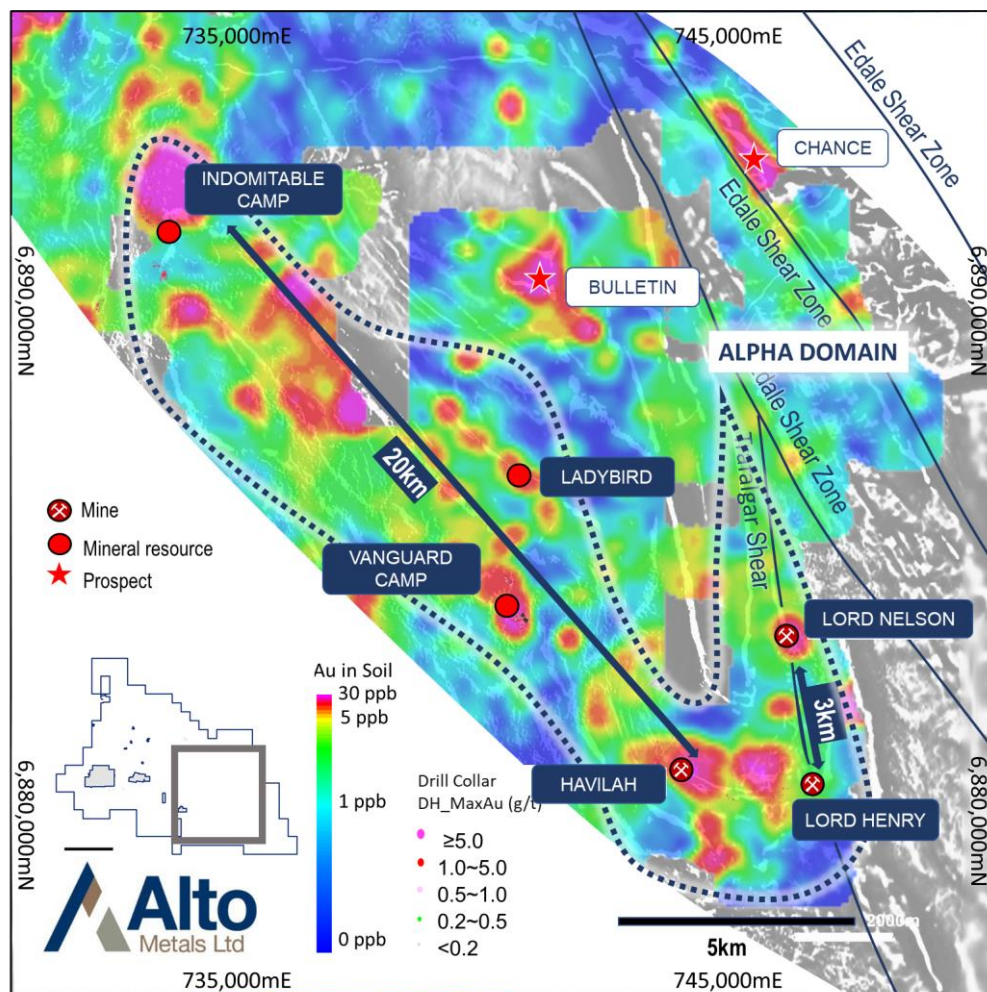


Figure 21. Regional prospect map (Alpha Domain) showing gold-in-soil anomalies over VD1 magnetics.

CORPORATE

Cash position

Alto remains in a strong cash position with \$3.1 million at the end of the quarter and no debt.

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$1.7 million. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$104,000 were made to related parties of the Company, as shown in the attached Appendix 5B. These payments related to current fees paid to directors.

Ongoing investor and marketing activities

The Company recently presented at the Noosa Mining and Exploration Investor Conference and the Resource Rising Stars-Miningnews.net Investor Conference, in addition to a number of private investor presentations as it continues to focus on its ongoing investor marketing activities to increase the Company's profile. During the December quarter Alto will be presenting at the 121 EMEA Mining Investment Conference (virtually) in November and the RIU Resurgence Conference in December.

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.

Matthew Bowles

Managing Director & CEO

Alto Metals Limited

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Competent Persons Statement

The information in this Report that relates to current and historical Exploration Results is based on information compiled by Dr Changshun Jia, who is an employee 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 affects the information in the said announcements.

Table 1: Mineral Resource Estimate for Sandstone Gold Project

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

Small discrepancies may occur due to rounding

The references in this announcement to Mineral Resource estimates for the Sandstone Gold Project were reported in accordance with Listing Rule 5.8 in the following announcements:

(a): Lord Nelson: announcement titled "Alto increases Lord Nelson Resource by 60% to 109,000 ounces at 1.9g/t Gold" dated 27 May 2020,

(b): Lord Henry: announcement titled: "Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz." dated 16 May 2017,

(c): Indomitable & Vanguard Camp: announcement titled: "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" dated 25 September 2018; and

(d): Havilah & Ladybird: announcement titled: "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" dated 11 June 2019.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement noted above and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the previous market announcement continue to apply and have not materially changed.

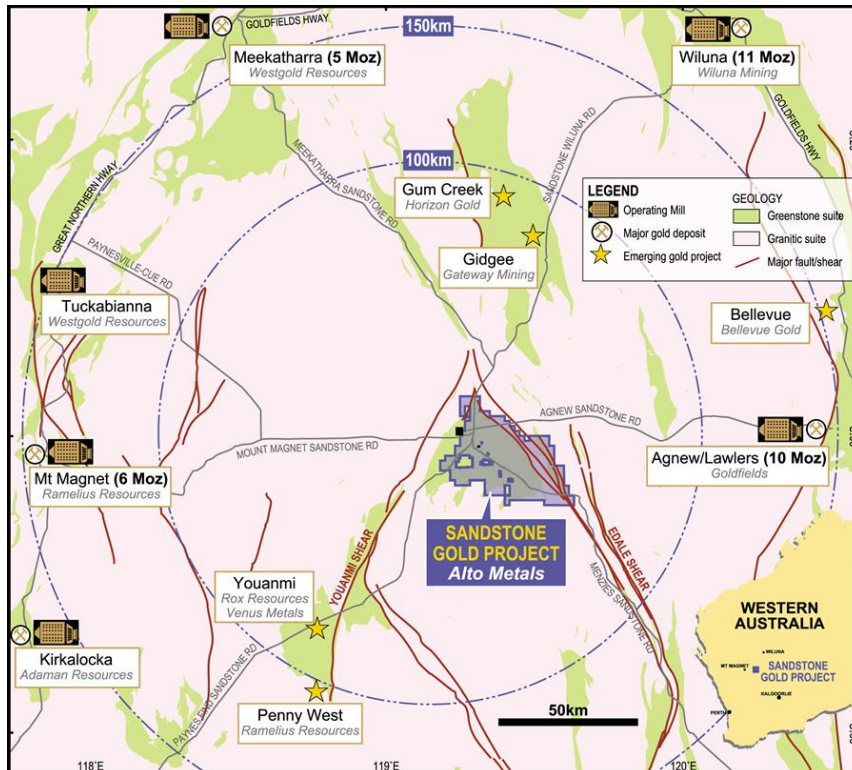


Figure 22. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.

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 30 September 2021

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
E57/1153	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
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
E57/1108	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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11	11
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(160)	(160)
(e) administration and corporate costs	(69)	(69)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
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)		
1.9 Net cash from / (used in) operating activities	(217)	(217)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(52)	(52)
(d) exploration & evaluation (if capitalised)	(1,740)	(1,740)
(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 (3 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	(1,792)	(1,792)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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 (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,108	5,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(217)	(217)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,792)	(1,792)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,099	3,099

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	99	33
5.2	Call deposits	3,000	5,075
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)	3,099	5,108

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

104

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

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility
amount at quarter
end
\$A'000

Amount drawn at
quarter end
\$A'000

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)	(217)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,740)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,957)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,099
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,099
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.5

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: No. Limited drilling planned while the Company is waiting for a large volume of results and therefore exploration expenditure will be less than previous quarter.

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: Alto's reduced exploration expenditure in the next quarter will provide > 2 quarters of funding and capital raising not currently required.

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: As per previous answers Alto's reduced expenditure will still allow the Company to meet its business objectives.

Compliance statement

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

25 October 2021

Date:

Authorised by:The Board of Alto Metals Limited.....
(Name of body or officer authorising release – see note 4)

Notes

- 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.
- 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.
- 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.

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

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.