

31 December 2021 Quarterly Report

Outstanding exploration results pave the way for an increase in the global Resource at the Sandstone Gold Project

Successful quarter highlighted by thick high-grade gold intersected at the Lords, the new Juno discovery and multiple shallow, high-grade hits at Vanguard

Highlights of the quarter

- Alto completed 14 RC holes for 1,906m of drilling during the quarter, with a total of approximately 60,000m drilled for the 2021 calendar year, including a maiden 3,424m of diamond drilling. Drilling comprised a mix of resource growth, resource definition, extensional and brownfield and green field exploration.
- Outstanding exploration results from the major drill program continued to be received including, thick high-grade intercepts at Lords Nelson and Lord Henry, the new Juno lode discovered ~400m south of the Lord Nelson pit and multiple high-grade intercepts and a potential new gold horizon discovered at Vanguard
- Preparations for an induced polarisation (IP) survey over an initial 3km of the Vanguard trend (now underway) and a gravity survey over the Lords Corridor (about to commence) were completed. These survey's shall assist in targeting the high-grade trend at Vanguard and the 'damage zone' of the Lords granodiorite along the contact of the ultramafic footwall
- Work on the updated Mineral Resource Estimate is progressing well and is on track for release by the end of the March quarter 2022, subject to further assays pending.
- The current JORC 2012 Mineral Resource Estimate at the Sandstone Gold Project is 6.2Mt @ 1.7 g/t gold for 331,000oz. These resources are shallow, defined to a depth of less than 200m and remain open.
- Assay results pending for over 50 RC holes, mainly from Lord Henry, Vanguard, Indomitable and Havilah.

Exploration results

Lords Corridor – Lord Nelson & Orion

- 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:
 - **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 76m (SDD003) – Lord Nelson
 - **15m @ 3.1 g/t gold** from 198m, incl. **6m @ 5.3 g/t gold** from 205m (SRC476) – Lord Nelson
 - **91m @ 2.8 g/t gold** from 56m, incl. **27m @ 5.1 g/t gold** from 72m; (SRC257) – Orion
 - **64m @ 1.7 g/t gold** from 42m incl. **15m @ 5.1 g/t gold** from 90m; (SRC254) – Orion
 - **21m @ 3.5 g/t gold** from 76m (SDD003) – Orion
 - **43m @ 1.0 g/t gold** from 104m; (SRC437) – Orion

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Issued Shares: 528m
Share Price: \$0.091
Market Capitalisation: \$48m



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ASX: AME

Lords Corridor – Lord Henry

- New assay results from RC drilling south of the Lord Henry open pit have been received, with new results returning further high-grade gold:
 - **24m @ 2.3 g/t gold** from 31m, incl. **4m @ 10.9 g/t gold** from 32m (SRC525)
 - **15m @ 1.0 g/t gold** from 63m (SCR524)
 - **10m @ 2.1 g/t gold** from 13m, incl. **1m @ 14.8 g/t gold** from 18m (SRC418)
 - **21m @ 1.4 g/t gold** from 100m, incl. **0.5m @ 27.4 g/t gold** from 102m (SDD005)
 - **6m @ 2.2 g/t gold** from 12m, incl. **1m @ 8.1 g/t gold** from 16m (SRC417)
- One-metre assay results from previously reported four-metre composites from extensional RC drilling north of the Lord Henry open pit, have confirmed high-grade gold mineralisation including:
 - **35m @ 2.2 g/t gold** from 43m, incl **2m @ 24.5 g/t gold** from 73m and **1m @ 14.5 g/t gold** from 87m (SRC380)
 - **15m @ 1.7 g/t gold** from 14m, incl. **3m @ 5.2 g/t gold** from 14m (SRC374)
 - **8m @ 2.7 g/t gold** from 60m, incl **1m @ 18.6 g/t gold** from 65m (SRC381)
 - **13m @ 3.1 g/t gold** from 41m incl. **2m @ 15.5 g/t gold** from 41m (SRC252)
 - **25m @ 2.2 g/t gold** from 104m incl. **3m @ 12.1 g/t gold** from 114m (SRC259)
- The high-grade gold mineralisation at Lord Henry is within **multiple stacked lodes, that remain open to the north.**

Lords Corridor – Juno

- Juno, a new gold zone discovered at the Lords Corridor south of the Orion lode, shows significant gold mineralisation:
 - **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, incl. **5m @ 5.4 g/t gold** from 154m (SRC444)
 - **22m @ 1.6 g/t gold** from 135m, incl. **5m @ 5.5 g/t gold** from 152m (SRC449)
 - **10m @ 2.1 g/t gold** from 140m incl. **3m @ 6.3 g/t gold** from 147m (SRC241) – Juno South
 - **20m @ 1.2 g/t gold** from 116m incl. **3m @ 6.0 g/t gold** from 125m (SRC240) – Juno South
- 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 and remains open.**
- The discovery of Juno **highlights the potential for additional repeat gold lodes** along the Lords Corridor.

Vanguard

- Assay results during the quarter from **a new mineralised horizon** 40m south-east of the Vanguard deposit include:
 - **24m @ 3.5 g/t gold** from 132m EOH, incl.
2m @ 11.7 g/t gold from 141m and **2m @ 18.6 g/t gold** from 154m EOH (SRC495)
 - **4m @ 2.7 g/t gold** from 38m; and
17m @ 1.6 g/t gold from 117m, incl. **1m @ 11.6 g/t gold** from 128m (SRC504)

Vanguard (cont.)

- Other **high-grade gold intercepts, outside the current resource**, reported from the Vanguard Camp reported during the quarter include:
- **30m @ 3.0 g/t gold** from 87m, incl. **1m @ 18.3 g/t gold** from 107.2m (SDD015)
- **7m @ 4.5 g/t gold** from 56m, incl. **2.3m @ 12.4 g/t gold** from 60m; and
16m @ 1.4g/t gold from 90m incl, **1.4m @ 6.96 g/t gold** from 101.6m (SDD016)
- **2m @ 20.8 g/t gold** from 102m (SRC480)
- **5m @ 6.5 g/t gold** from 67m, incl. **1m @ 27.3 g/t gold** from 69m (SRC469)
- **3m @ 8.5 g/t gold** from 143m, incl. **1m @ 22.2 g/t gold** from 143m (SRC474)
- Vanguard and Vanguard North parallel trends are together defined over a strike length of 2kms and form part of a major regional prospect to drive future resource growth within the Alpha Domain target area.

Assays and upcoming drilling & exploration

- Assays results are pending for over 50 RC holes targeting extensions of known mineralisation at Lord Henry, Vanguard, Indomitable and Havilah.
- The first RC rig is secured for the CY2022 drill program, planned to commence at Lord Nelson in February.

Updated Mineral Resource

- An updated mineral resource estimate is on track to be released in the March 2022 quarter, once all assays have been received and resource modelling work has been completed by the independent consultant.

Corporate

- Strong cash position of \$6.1 million at the end of the quarter and no debt.

Alto's Managing Director, Matthew Bowles said:

The December quarter was highlighted with by number of outstanding exploration results that continue to demonstrate the huge exploration upside at Sandstone; including thick high-grade gold from Lord Nelson, the discovery of the new Juno lode and what appears to be a new gold horizon at Vanguard. Importantly, all these results pave the way for the release of our mineral resource update in the March quarter.

It was great to see the support from the market for the raise completed during the period, which has set us up well to continue our aggressive exploration plans in 2022, with our geophysical programs already underway and the first rig arriving in the next few weeks.

It is an exciting time for us as a Company and for our shareholders, as we continue to build on the significant progress we have made over the last twelve months, with an updated mineral resource coming this quarter, a number of assays results pending and rigs about to start drilling again. We look forward to providing more updates on both the exploration and resource front in the coming weeks and months ahead.

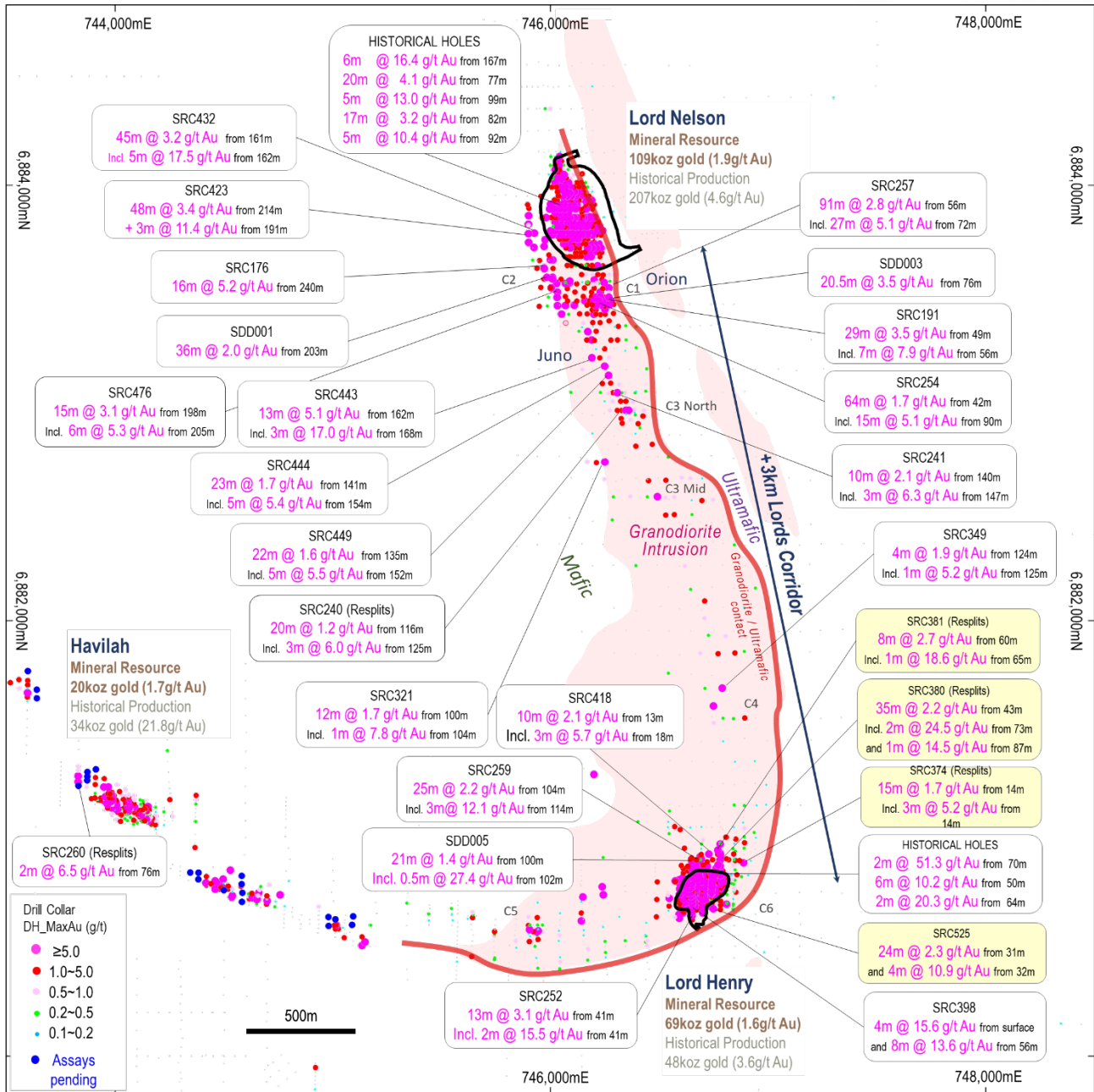


Figure 1: Plan view of the Lords Corridor showing recent results and pending RC assays – Simplified geological interpretation.

December 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 December quarter 2021, within the Company’s +900km² Sandstone Gold Project.



Figure 2: Aerial view illustrative schematic of the Lords Corridor looking south-south-east.

EXPLORATION

During the quarter, the Company completed 14 RC holes for 1,906m of drilling at Indomitable and continued to receive a significant number of assays from on infill, extensional and step-out drilling from the Lords Corridor, Vanguard and Indomitable.

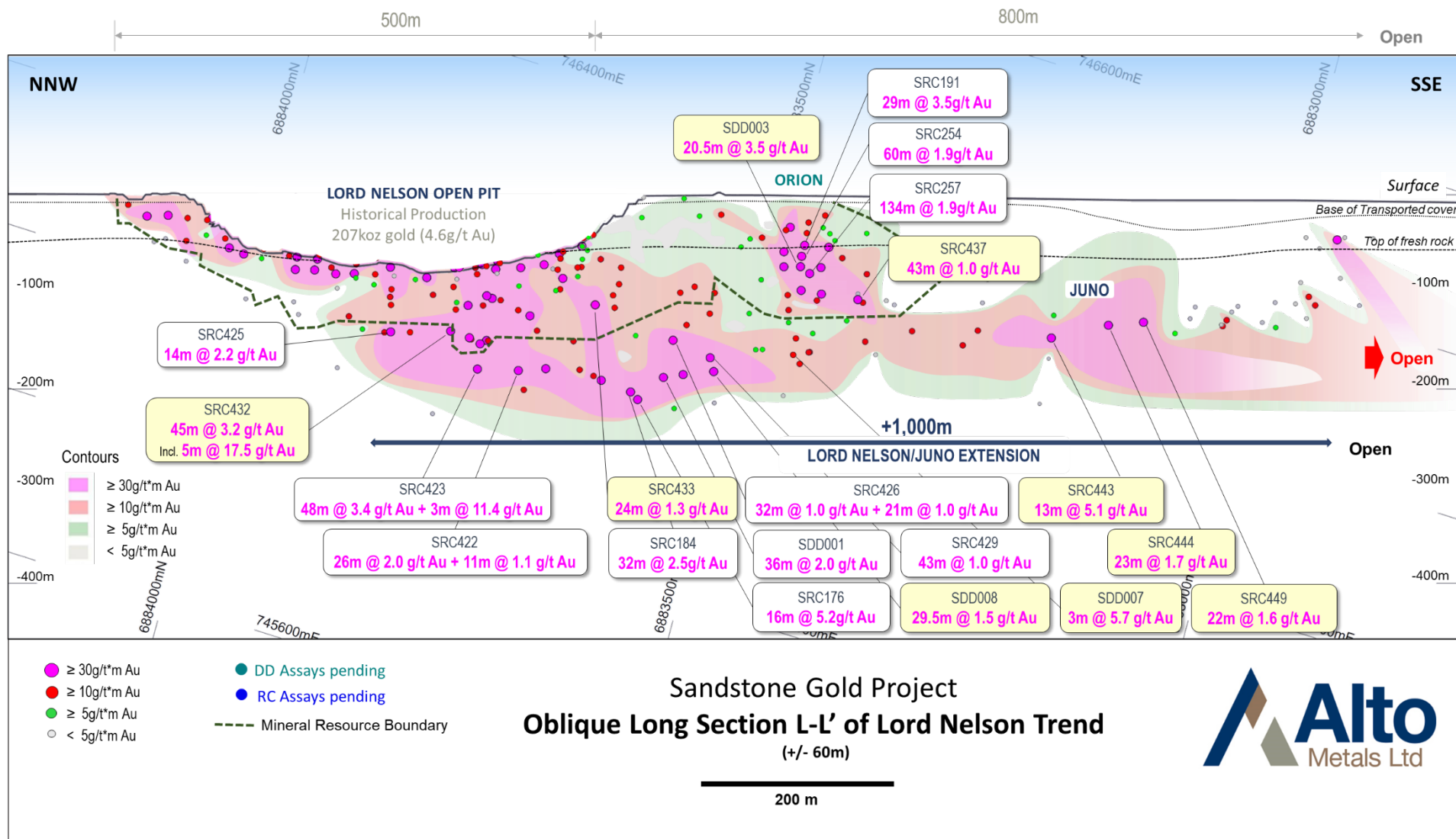
Lords Corridor

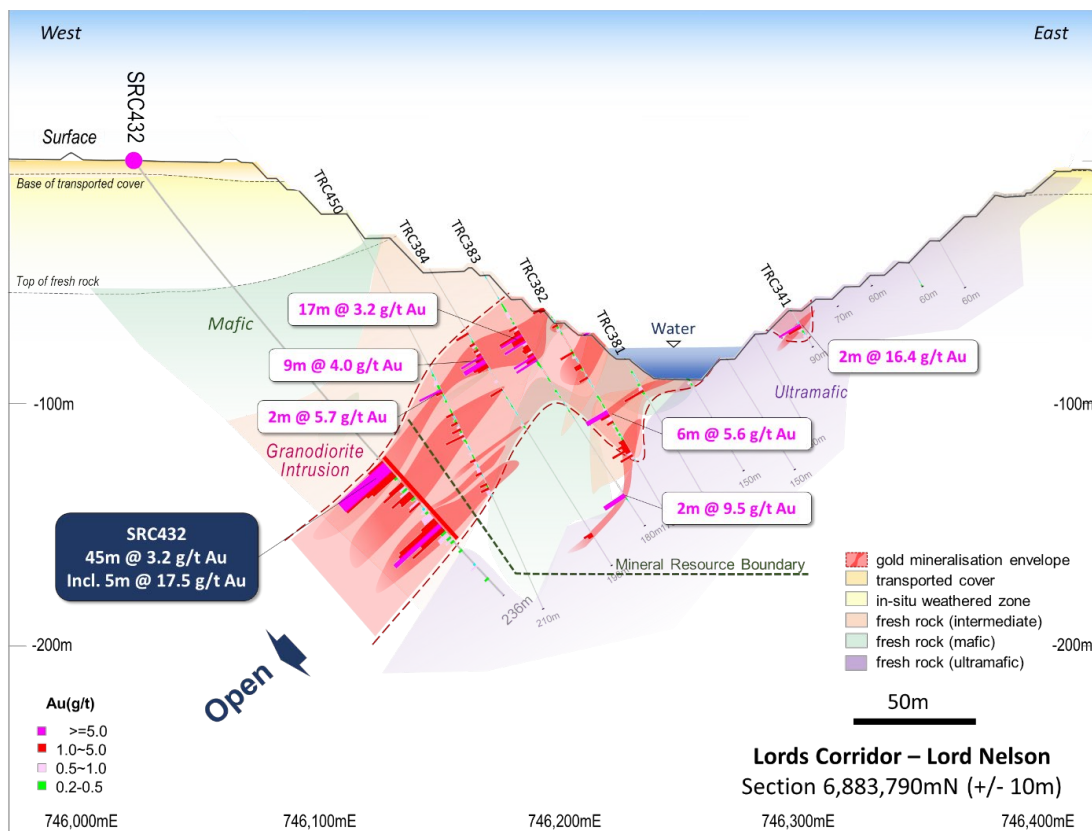
Assay results from deeper RC and diamond drilling, targeting dip and plunge extensions both below and to the south of the Lord Nelson pit, and into the Orion lode, which intersected thick, high-grade gold mineralisation were received during the quarter.

Selected significant assay results from RC and diamond drilling, **>30 g/t*metre** are shown in Figures 1, 3-5 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
- **15m @ 3.1 g/t gold** from 198m, incl. **6m @ 5.3 g/t gold** from 205m (SRC476) – Lord Nelson
- **21m @ 3.5 g/t gold** from 76m (SDD003) – Orion
- **43m @ 1.0 g/t gold** from 104m; (SRC437) – Orion

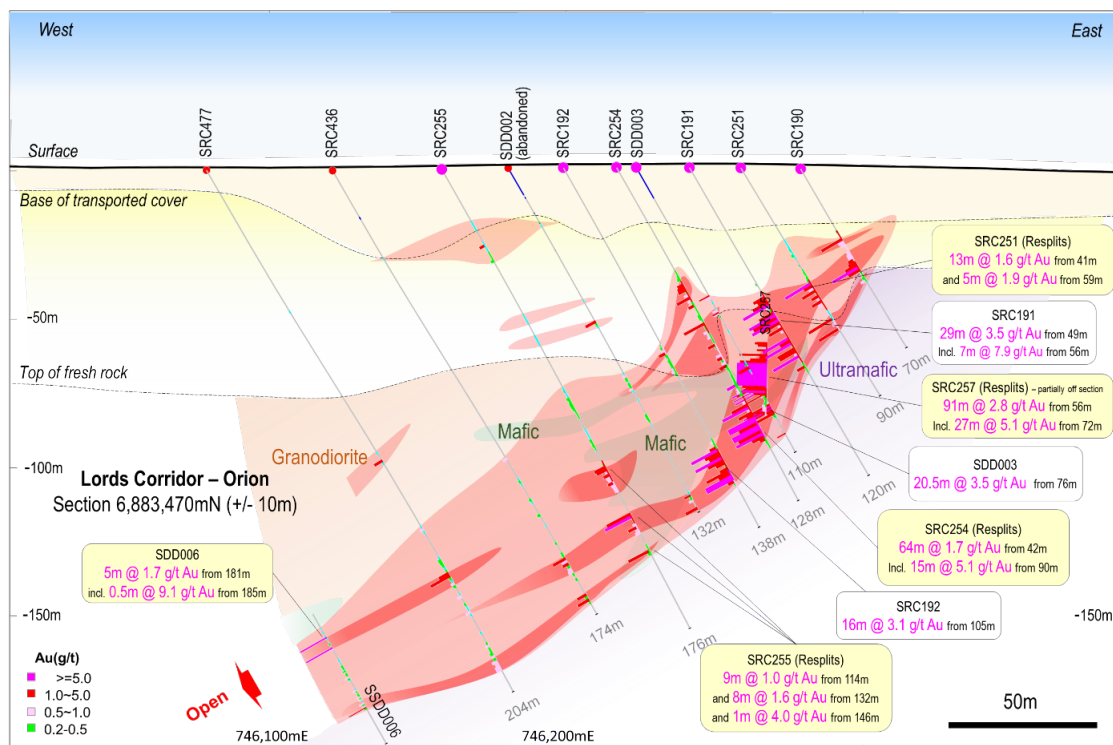
The nature and style of mineralisation that is observed at the Lords granodiorite, with gold mineralisation within the granodiorite ‘damage zone’ and high-grade gold along the margin of the ultramafic footwall, is considered to be very similar to that of the Tarmoola granodiorite at Red 5’s King of the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





One-metre assay results from previously report four-metre composites from RC drilling at Orion include:

- **91m @ 2.8 g/t gold** from 56m, incl. **27m @ 5.1 g/t gold** from 72m; (SRC257) – Orion
- **64m @ 1.7 g/t gold** from 42m incl. **15m @ 5.1 g/t gold** from 90m; (SRC254) – Orion





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

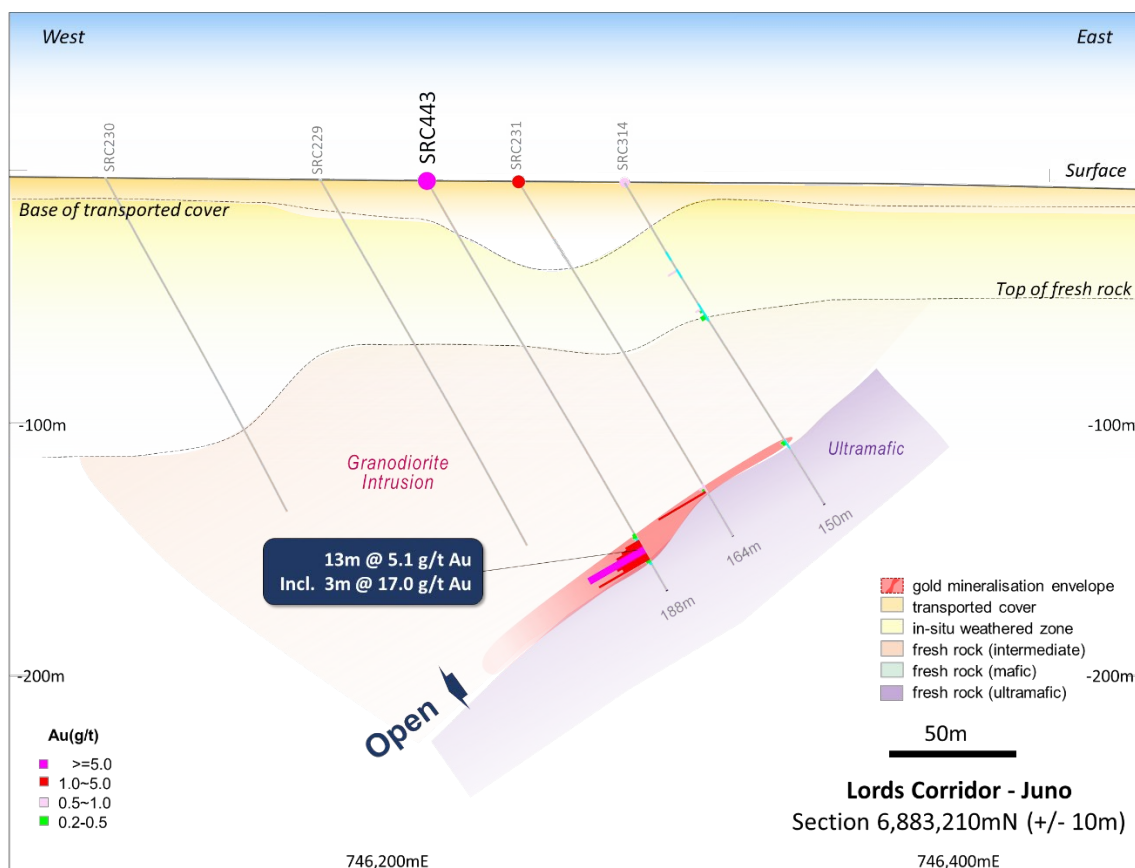
Assay results announced during the quarter relating to RC drilling on 40m line spacing up to 600m south of the Lord Nelson pit, confirmed that drilling had intersected broad zones of significant gold mineralisation across a total of over 600m strike in a newly defined area, to a maximum vertical depth 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 3 and 8 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.



One-metre assay results from previously report four-metre composites from step out RC drilling further south of Juno, along the Lords Corridor include:

- **10m @ 2.1 g/t gold** from 140m incl. **3m @ 6.3 g/t gold** from 147m (SRC241) – Juno South
- **20m @ 1.2 g/t gold** from 116m incl. **3m @ 6.0 g/t gold** from 125m (SRC240) – Juno South

Refer to Figures 1-3.

Lord Henry - Further shallow, high-grade intercepts from Lord Henry

During the quarter, the Company released new assay results from RC drilling south of the Lord Henry pit designed to targeting extensions around previous high-grade intersections south of the pit. Selected one-metre fire assay results released during the quarter include:

- **24m @ 2.3 g/t gold** from 31m, incl. **4m @ 10.9 g/t gold** from 32m; (SRC525)
- **15m @ 1.0 g/t gold** from 63m (SCR524)
- **10m @ 2.1 g/t gold** from 13m, incl. **1m @ 14.8 g/t gold** from 18m (SRC418)
- **21m @ 1.4 g/t gold** from 100m, incl. **0.5m @ 27.4 g/t gold** from 102m (SDD005)
- **6m @ 2.2 g/t gold** from 12m, incl. **1m @ 8.1 g/t gold** from 16m (SRC417)

One-metre resplits of previously reported four-metre composites from RC drilling at Lord Henry were also released during the quarter. These results continue to highlight the presence of multiple stacked lodes of high-grade gold, within broader zones of mineralisation, including:

- **35m @ 2.2 g/t gold** from 43m, incl **2m @ 24.5 g/t gold** from 73m and **1m @ 14.5 g/t gold** from 87m (SRC380)
- **15m @ 1.7 g/t gold** from 14m, incl. **3m @ 5.2 g/t gold** from 14m (SRC 374)
- **8m @ 2.7 g/t gold** from 60m, incl **1m @ 18.6 g/t gold** from 65m (SRC381)
- **13m @ 3.1 g/t gold** from 41m incl. **2m @ 15.5 g/t gold** from 41m (SRC252)
- **25m @ 2.2 g/t gold** from 104m incl. **3m @ 12.1 g/t gold** from 114m (SRC259)

Refer to figures 9-11.

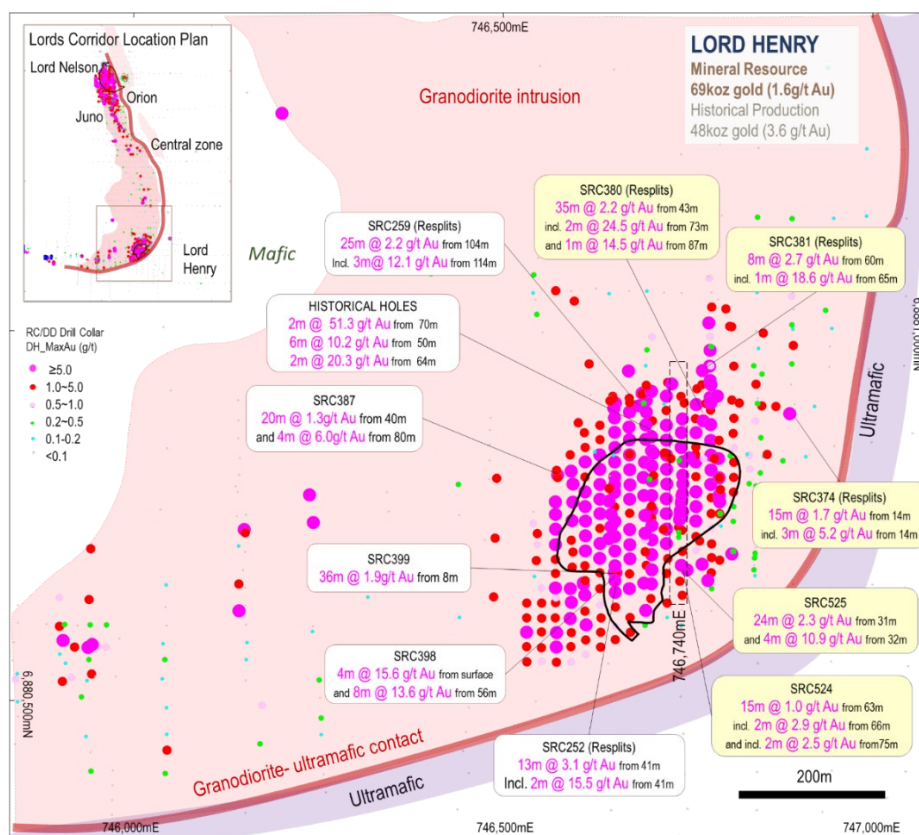


Figure 9: Plan view of Lord Henry showing recent results– Simplified geological interpretation.

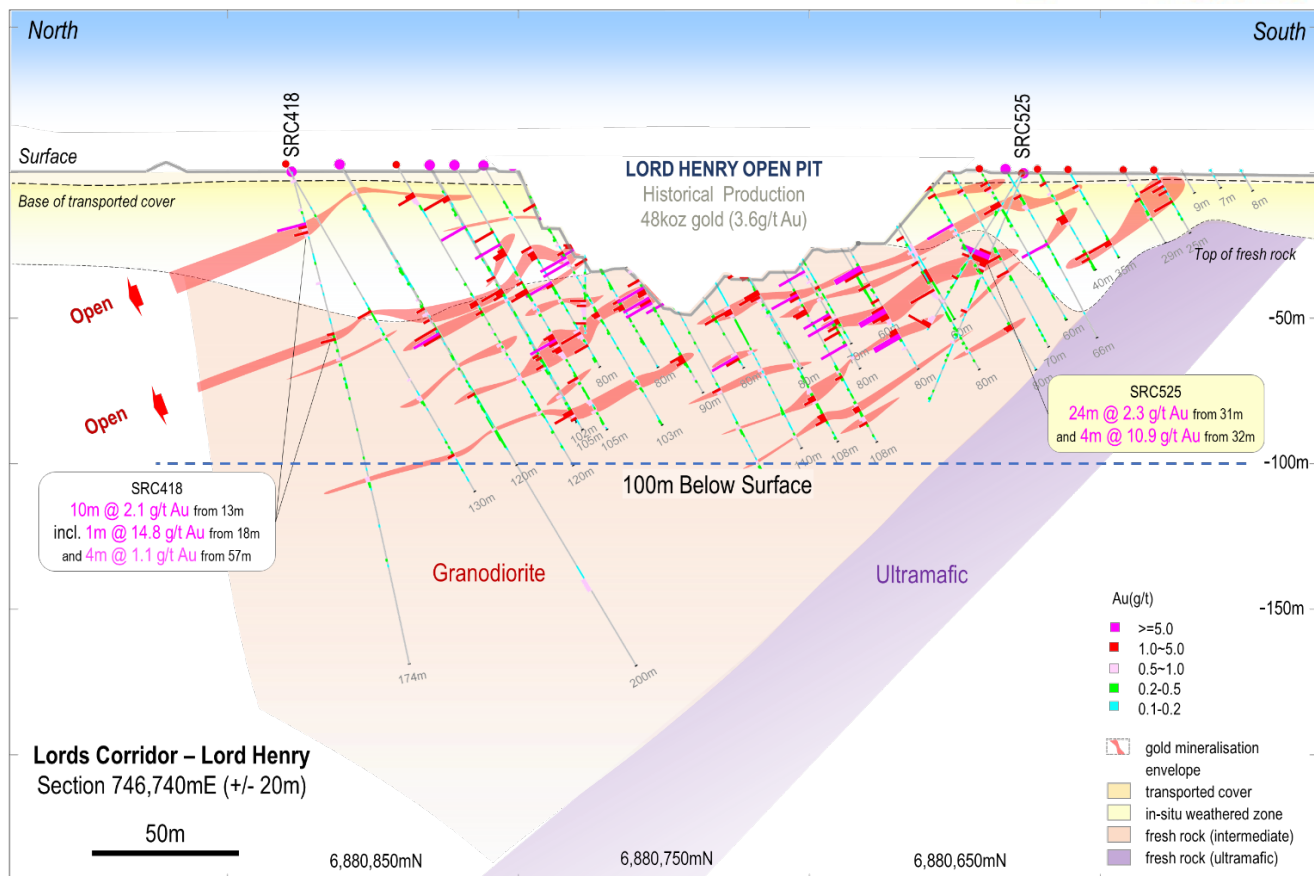


Figure 10: Cross sections 746,740mE showing recent results– Simplified geological interpretation.

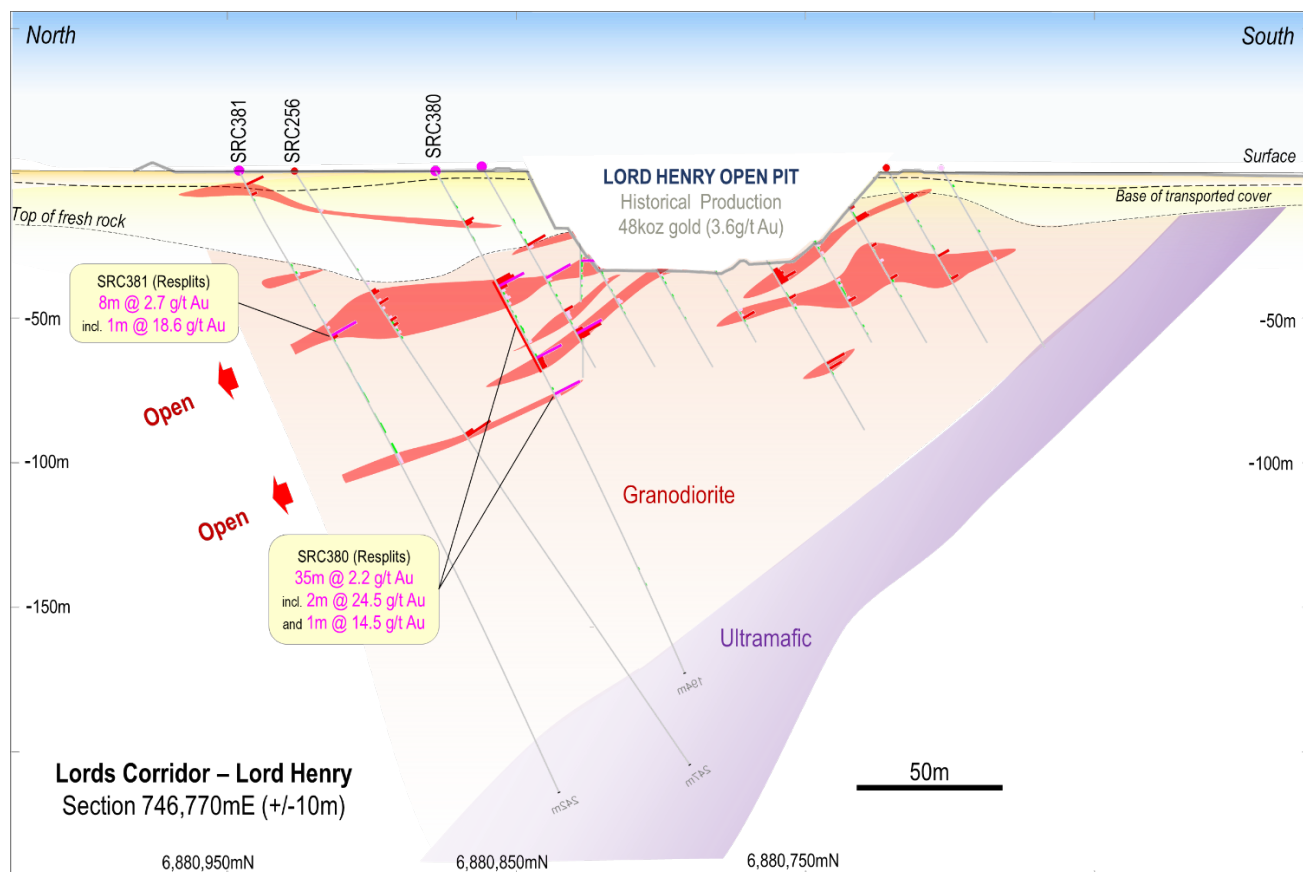


Figure 11: Cross section 746 770mE showing recent results– Simplified geological interpretation.

Vanguard Camp

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 continued to receive assays from infill and step-out drilling at Vanguard.

Results received from drilling east of the main Vanguard deposit confirmed the presence of a new mineralised gold horizon, including SRC495 which returned **24m @ 3.5 g/t gold** from 132m EOH, and was drilled on 40m spacing, north-west of previously reported SRC272 which returned **30m @ 1.9 g/t gold** from 131m (ASX 4 Nov 2021). Importantly, based on the drilling results to date and the interpreted structure and stratigraphy at Vanguard, there is potential for further repeats of the horizon at depth (Refer to Figures 12-14).

Significant drill results from the **new gold horizon** east of Vanguard reported during the quarter include:

- **24m @ 3.5 g/t gold** from 132m EOH, incl.
2m @ 11.7 g/t gold from 141m and **2m @ 18.6 g/t gold** from 154m EOH (SRC495)
- **4m @ 2.7 g/t gold** from 38m; and
17m @ 1.6 g/t gold from 117m, incl. **1m @ 11.6 g/t gold** from 128m (SRC504)
- **1m @ 5.13 g/t gold** from 152m (SRC509)
- **8m @ 1.0 g/t gold** from 84m (SRC505)
- **8m @ 1.2 g/t gold** from 160m (SRC507)
- **12m @ 1.2 g/t gold** from 201m (SRC512)

Other selected results reported during the quarter from Vanguard and Vanguard North parallel trends and the 'linking structures' between them (Refer to Figure 12) include:

- **30m @ 3.0 g/t gold** from 87m, incl. **1m @ 18.3 g/t gold** from 107.2m (SDD015) – Vanguard
- **7m @ 4.5 g/t gold** from 56m, incl. **2.3m @ 12.4 g/t gold** from 60m; and
16m @ 1.4g/t gold from 90m incl, **1.4m @ 6.96 g/t gold** from 101.6m (SDD016) – Vanguard
- **1m @ 11.6 g/t gold** from 52m (SDD017) – Vanguard
- **16m @ 2.1 g/t gold** from 40m (SRC411) – Vanguard
- **1m @ 6.9 g/t gold** from 108m (SRC415) – Vanguard
- **8m @ 1.3 g/t gold** from 72m (SRC396) – Vanguard
- **2m @ 20.8 g/t gold** from 102m (SRC480) – Vanguard North
- **3m @ 1.7 g/t gold** from 60m (SRC468) – Vanguard North
- **5m @ 6.5 g/t gold** from 67m, incl. **1m @ 27.3 g/t gold** from 69m (SRC469) – Vanguard North
- **3m @ 8.5 g/t gold** from 143m, incl. **1m @ 22.2 g/t gold** from 143m (SRC474) – Vanguard North
- **1m @ 17.4 g/t gold** from 87m (SRC475) – Vanguard North
- **4m @ 5.3 g/t gold** from 116m incl. **1m @ 15.0 g/t gold** from 116m (SRC481) – Vanguard North
- **1m @ 6.8 g/t gold** from 54m (SRC485) – Vanguard North
- **1m @ 7.8 g/t gold** from 55m (SRC486) – Vanguard North
- **1m @ 18.3 g/t gold** from 31m (SRC487) – Vanguard North
- **10m @ 2.2 g/t gold** from 50m incl. **1m @ 15.0 g/t gold** from 50m (SRC496) – Vanguard North

Vanguard and Vanguard North parallel trends are together defined over a strike length of 2kms and form part of a major regional prospect to drive future resource growth within the Alpha Domain target area.

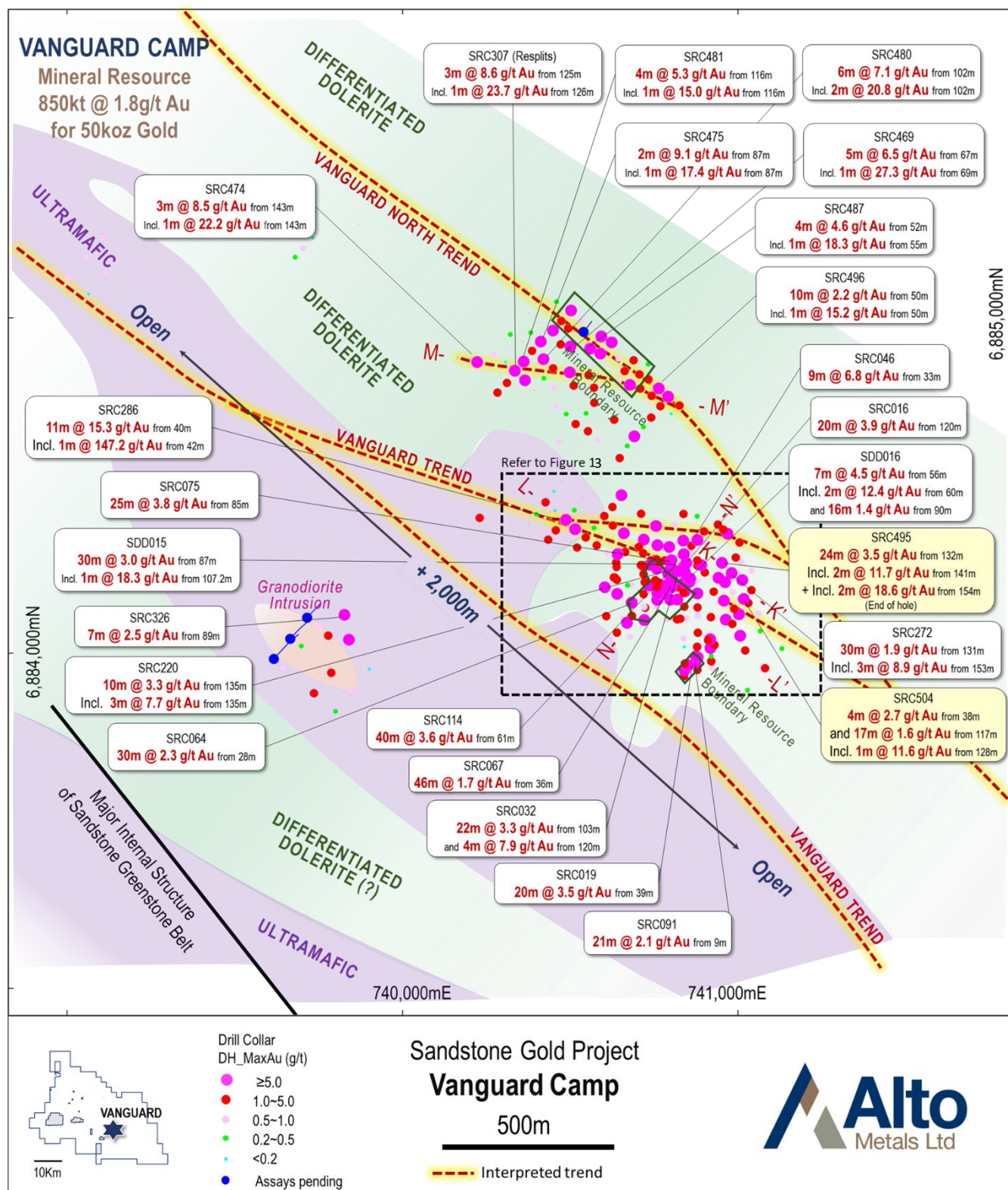


Figure 12: Plan view of Vanguard Camp showing recent results and pending RC assays – Simplified geological interpretation.

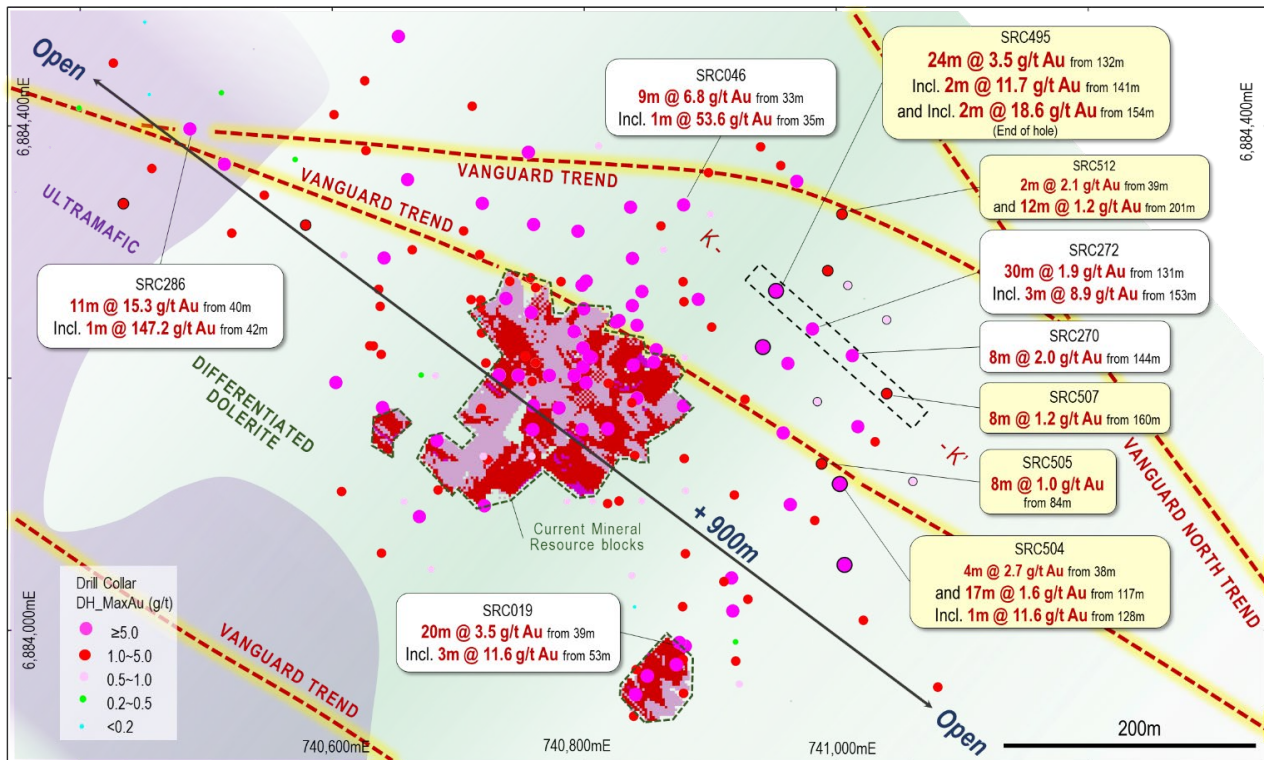


Figure 13: Plan view of Vanguard deposit showing recent results – Simplified geological interpretation.

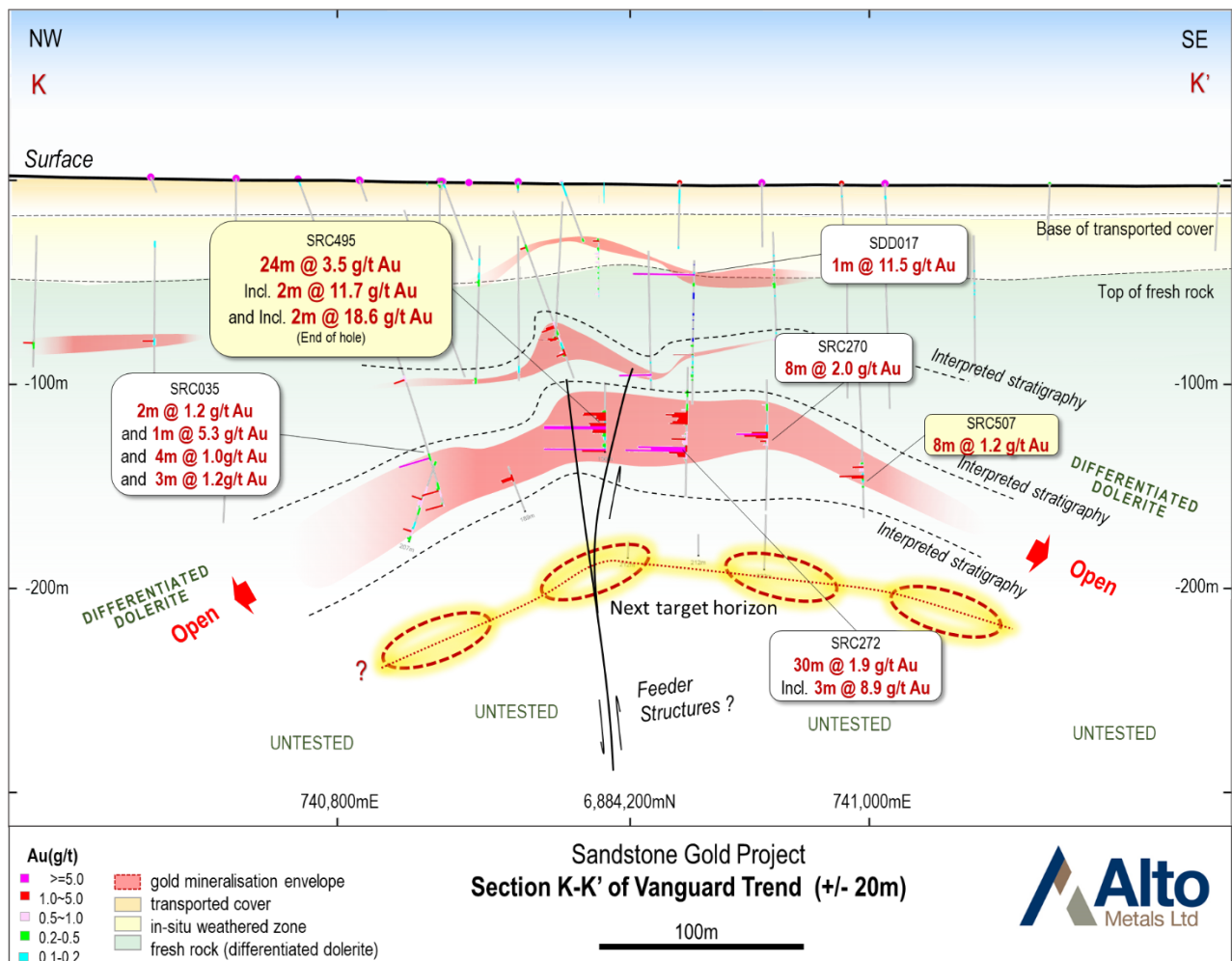


Figure 14: Cross section K – K' Vanguard showing recent results – Simplified geological interpretation.

Maiden diamond drill program at Vanguard

The objective of the diamond drilling completed at Vanguard was to evaluating the nature of the gold mineralisation and orientation of the mineralised structures

SDD015 returned **30m @ 3.0 g/t gold** from 87m, incl. **1m @ 18.3 g/t gold** from 107.2m which intersected a quartz-rich **laminated shear vein** from 107.3m to 109.2m (with visible gold occurrence) (ASX 25 August 2021), within a broad 28m wide zone of extensional quartz veins, with distinct haloes of coarse-grained pyrite, from 88.5m to 116.5m. The veining is hosted within a dark, fine-grained differentiated granophyric dolerite unit. The structure is oriented E to ESE and dips steeply north. (Refer Figures 15).

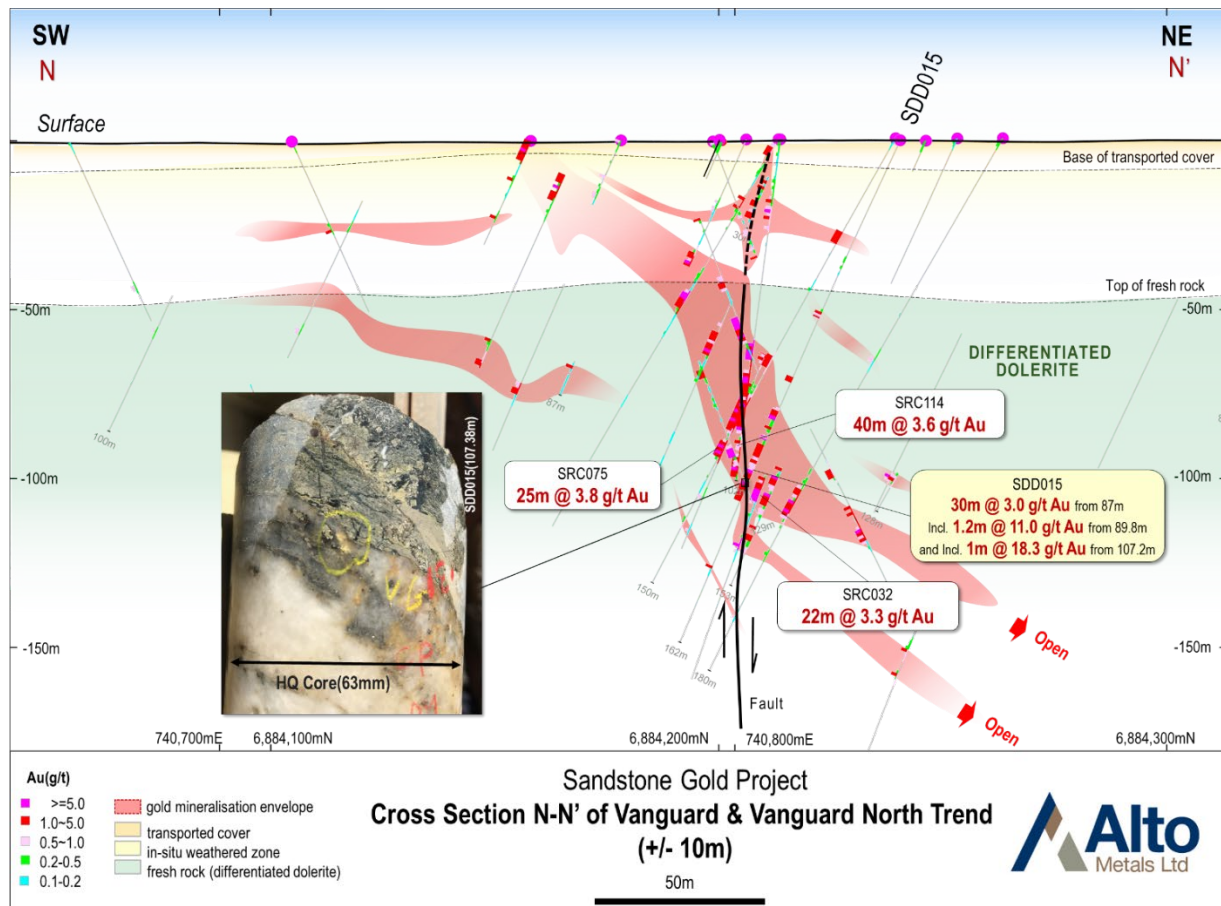


Figure 15: Vanguard Cross Section N – N'.

up to **147 g/t gold**. Selected results from Vanguard resplits reported during the quarter include

- **11m @ 15.3 g/t gold** from 40m, incl. **1m @ 147.2 g/t gold** from 42m; (SRC286) – Vanguard
- **30m @ 1.9 g/t gold** from 131m, incl. **3m @ 8.9 g/t gold** from 153m; (SRC272) – Vanguard
- **8m @ 2.0 g/t gold** from 144m, incl. **1m @ 5.1 g/t gold** from 145m; (SRC270) – Vanguard
- **7m @ 2.5 g/t gold** from 89m, incl. **1m @ 14.7 g/t gold** from 95m; (SRC326) – Vanguard
- **12m @ 1.2 g/t gold** from 204m, incl. **5m @ 2.2 g/t gold** from 208m; (SRC325) – Vanguard
- **3m @ 8.6 g/t gold** from 125m, incl. **1m @ 23.7 g/t gold** from 126m; (SRC307) – Vanguard North
- **4m @ 3.0 g/t gold** from 46m, incl. **1m @ 8.2 g/t gold** from 47m; (SRC290) – Vanguard North

These latest results from Vanguard Camp are from outside the current resource and shall be included in the updated mineral resource estimate planned to be released during the March quarter 2022.

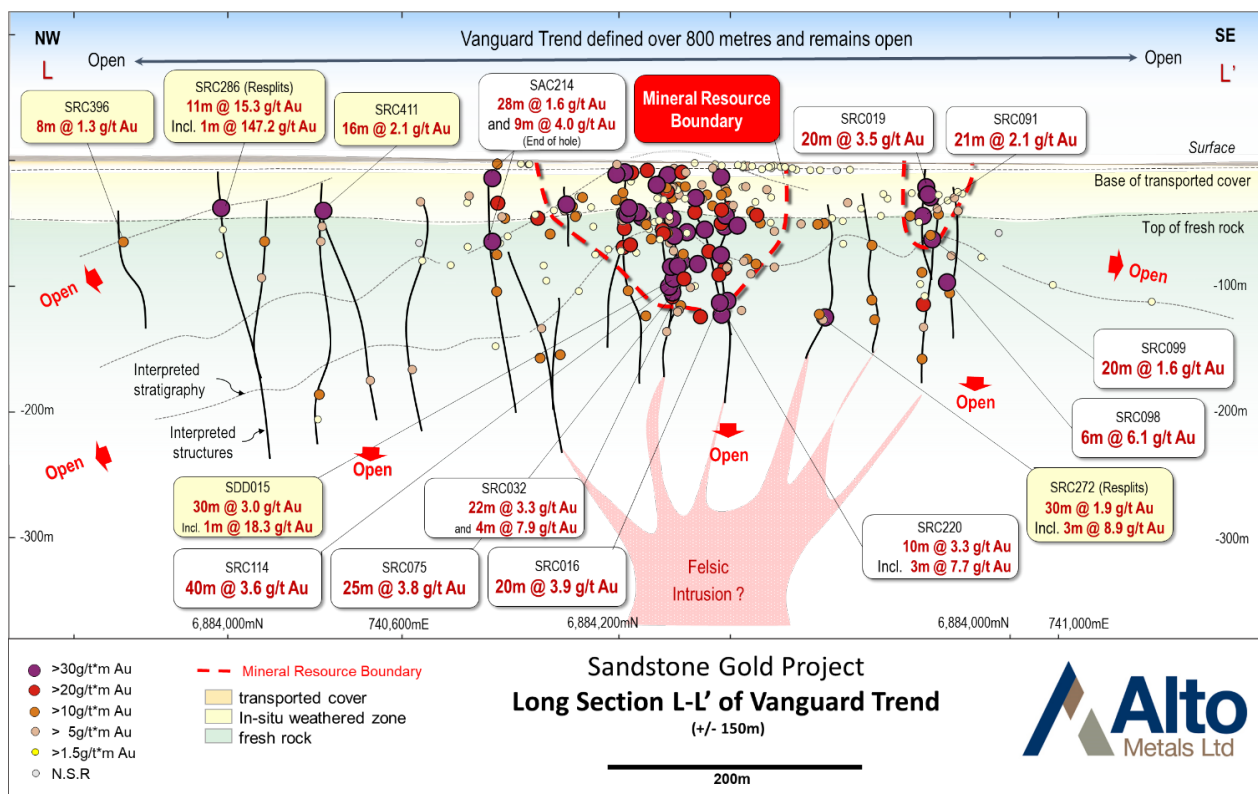


Figure 16: Vanguard Long Section L – L'.

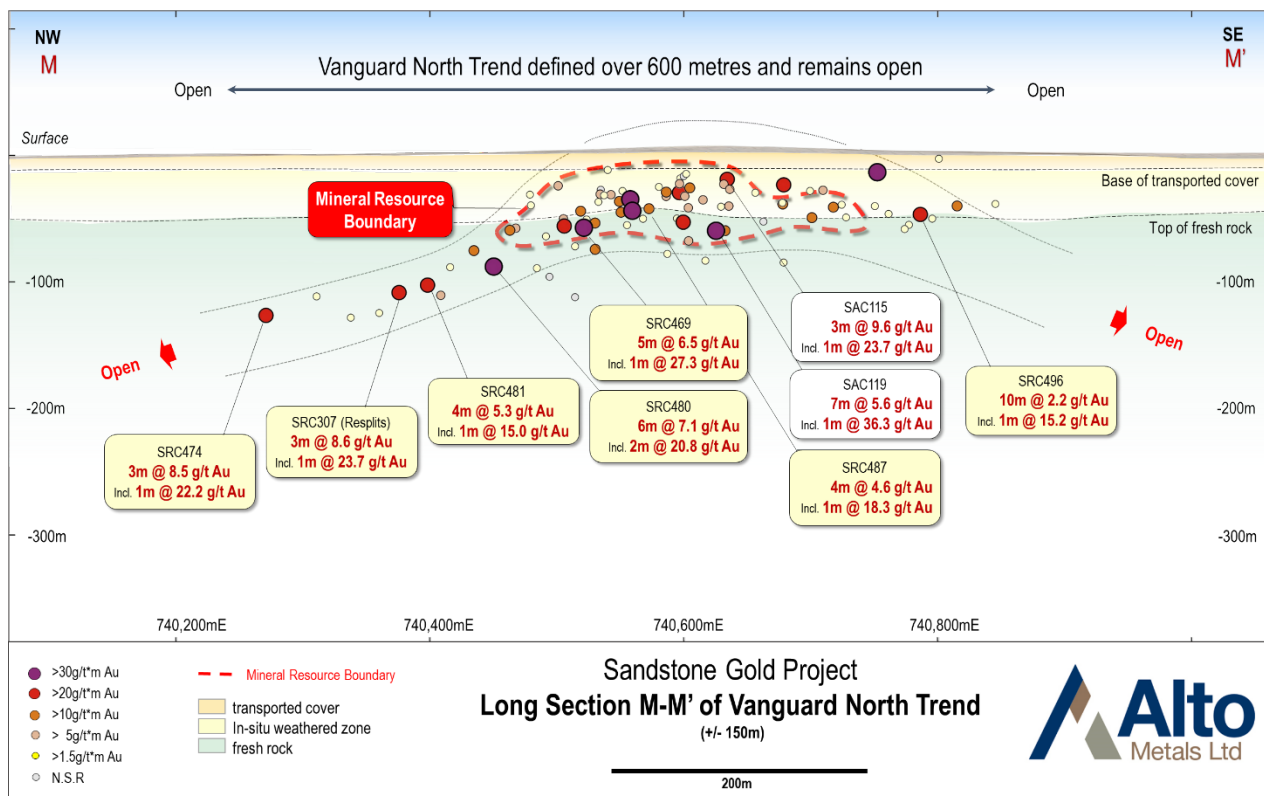


Figure 17: Vanguard North Long Section M – M'.

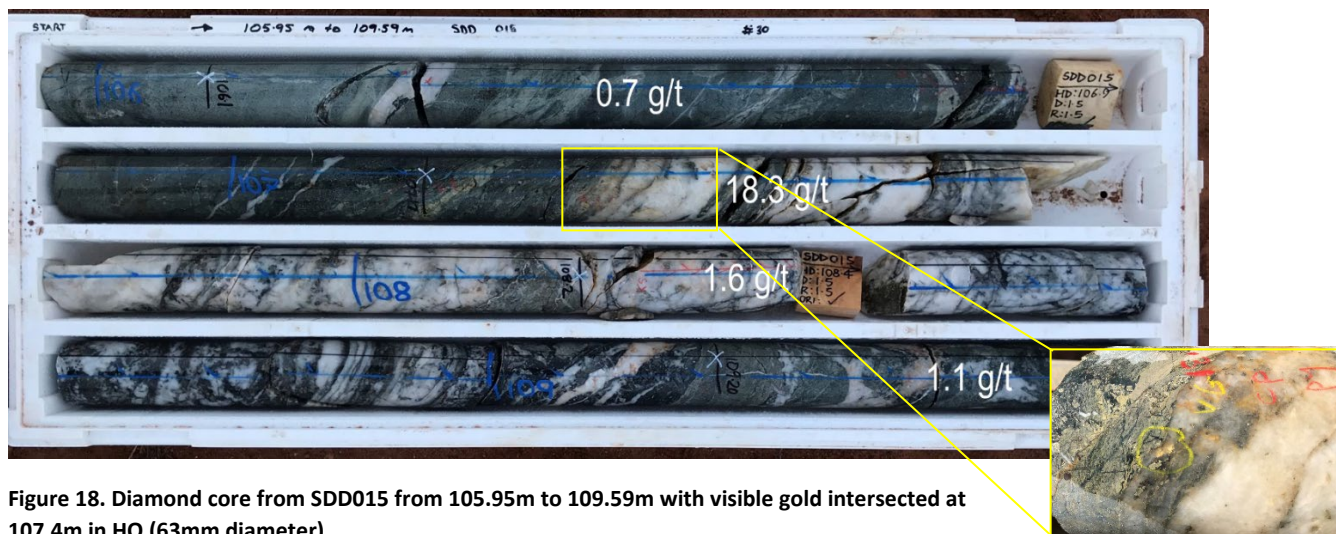
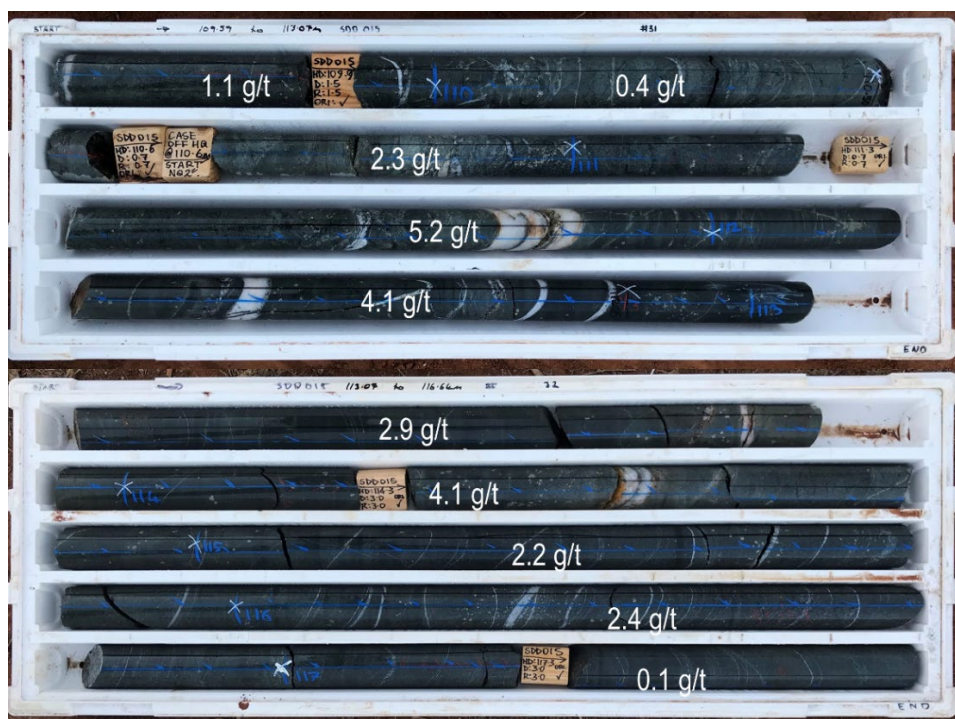


Figure 18. Diamond core from SDD015 from 105.95m to 109.59m with visible gold intersected at 107.4m in HQ (63mm diameter).



Hole_ID	mFrom	mTo	Au g/t
SDD015	87.5	88	1.0
SDD015	88	89	3.3
SDD015	89	89.76	2.8
SDD015	89.76	90.25	8.2
SDD015	90.25	91	12.9
SDD015	91	92	0.4
SDD015	92	93.16	0.4
SDD015	93.16	94	1.5
SDD015	94	95	0.5
SDD015	95	96	0.0
SDD015	96	96.35	0.7
SDD015	96.35	96.65	9.9
SDD015	96.65	97.05	0.1
SDD015	97.05	97.46	14.9
SDD015	97.46	98	0.3
SDD015	98	98.9	0.3
SDD015	98.9	100	4.2
SDD015	100	101	1.3
SDD015	101	102	4.3
SDD015	102	103	1.3
SDD015	103	104	0.7
SDD015	104	104.98	1.5
SDD015	104.98	106.1	0.9
SDD015	106.1	107.17	0.7
SDD015	107.17	108.2	18.3
SDD015	108.2	109.2	1.6
SDD015	109.2	110	1.1
SDD015	110	110.5	0.4
SDD015	110.5	111	2.3
SDD015	111	112	5.2
SDD015	112	112.85	4.1
SDD015	112.85	114	2.9
SDD015	114	115	4.1
SDD015	115	116	2.2
SDD015	116	117	2.4

Figure 19. (Top tray) Diamond core from SDD015 from 109.59m to 110.6m HQ (63mm diameter). (Bottom tray) Diamond core from SDD015 from 110.6m to 117.64m NQ (47.6mm diameter). (Table to the right) Summary assay table for SDD015 from 87.5m to 117m



Hole_ID	mFrom	mTo	Au g/t
SDD016	59	60	0.7
SDD016	60	61	11.2
SDD016	61	61.9	11.0
SDD016	61.9	62.3	18.7
SDD016	62.3	63	1.3

Figure 20. Diamond core from SDD016 from 59.05m to 62.5m HQ (63mm diameter). (Table to the right) Summary assay table for SDD016 from 59m to 66m

Indomitable Camp

As part of the major drilling program at Sandstone, four diamond holes were completed for a total of 900.2 metres at the Indomitable Camp, located within the main NW/SE trend, 10km NW of Vanguard. These four holes were part of the Company's maiden diamond drilling program to evaluate the nature of gold mineralisation and understand the orientation of the structural controls to assist with future drill targeting.

Significant results from this drilling include **15.2m @ 2.3 g/t gold** from 34.8m, incl. **1m @ 7.9 g/t gold** from 39m, SDD013, released during the quarter



Figure 21. Diamond core from SDD013 from 35.20m to 42.05m HQ (63mm diameter). (Table to the right) Summary assay table for SDD013 from 29.4m to 49m

The Tiger Moth deposit is part of the Indomitable Camp and is located approximately 600m south of Indomitable deposit. Assays results from five step-out RC holes drilled at Tiger Moth for a total of 958m, aiming to better define the shallow, flat-lying gold mineralisation that potentially overlay the deeper feeder structures, have extended the overall mineralised footprint by 200m to the NE and 200m to the SW. Significant results, outside of the current resource:

- **11m @ 1.2 g/t gold** from 77m (SRC362)
- **9m @ 2.2 g/t gold** from 153m, incl. **2m @ 8.3 g/t gold** from 153m (SRC363)
- **6m @ 1.6 g/t gold** from 135m (SRC 365)

Refer to Figure 22 for further results.

Assay results remain pending for a total of 22 RC holes for 3,074m drilled at Indomitable Camp, (Highlighted in blue in figure 22).

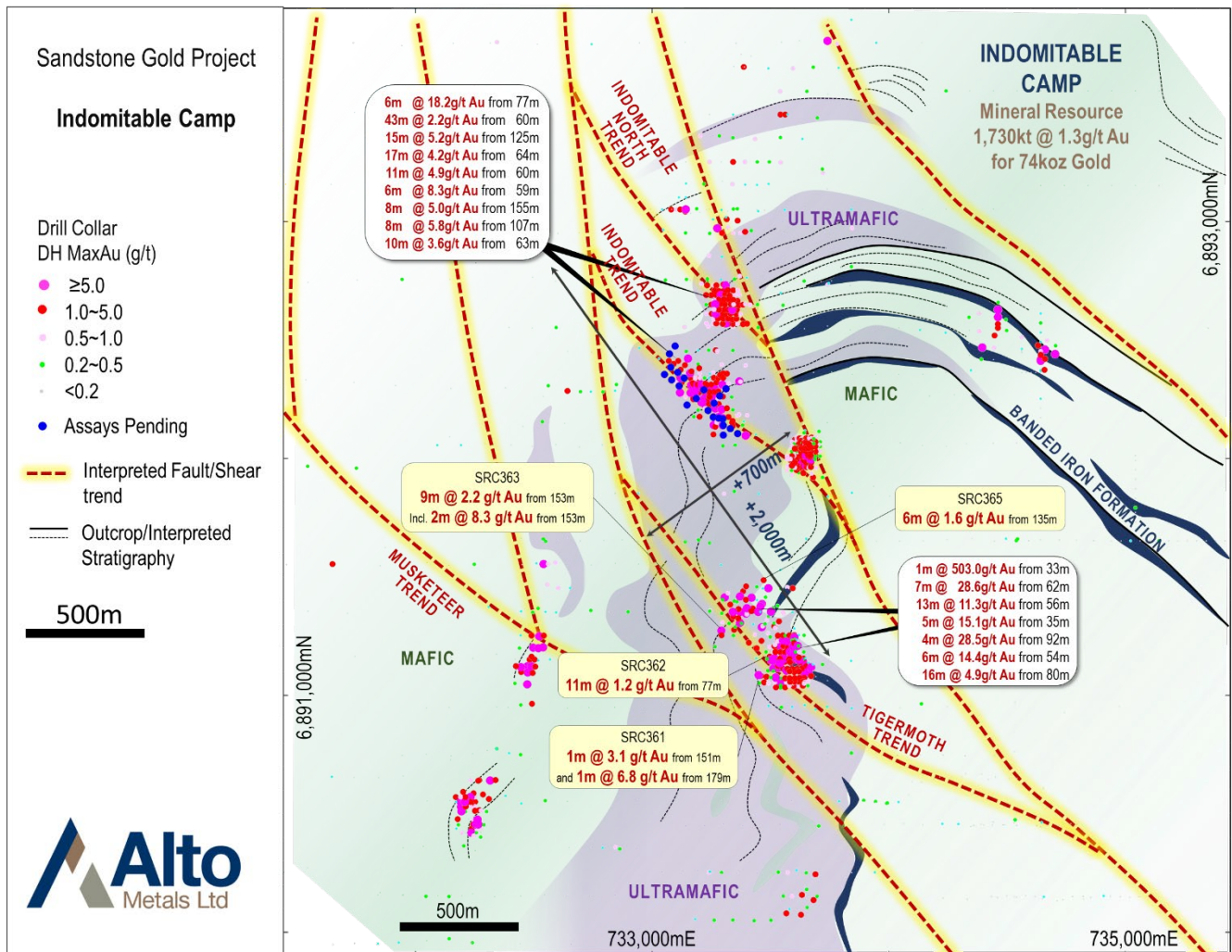


Figure 22: Plan view of Indomitable Camp showing recent results and pending RC assays – Simplified geological interpretation.

Planned activities for March 2022 quarter

Geophysical surveys - 3D-IP and Gravity

An induced polarisation (IP) survey over an initial 3kms of the Vanguard trend (Figure 23) commenced in mid-January with Moombarriga Geoscience Pty Ltd

The IP survey is expected to be completed during February and shall then be processed by Terra Resources Pty Ltd to produce a three-dimensional (3D) inversion model. The survey will test the chargeability and resistivity response of the mineralisation that is observed in the RC and diamond drilling at Vanguard and identify additional anomalies along strike and at depth that may represent extensions to the known mineralisation or new discoveries.

A gravity survey over the Lords Corridor is planned to commence by the end of January. The gravity data will assist in defining the Lords granodiorite below the limits of current RC drilling, and support the planning of deeper RC/DD drilling targeting the 'damage zone' of the granodiorite along the contact of the ultramafic footwall, at depth.

The survey will be carried out at 100m spacing covering the Lords Corridor and Havilah-Maninga Marley and 50m spacing covering approximately 1km of the northern end of the Lords Corridor, from Lord Nelson to the Central Zone. (Figure 23).

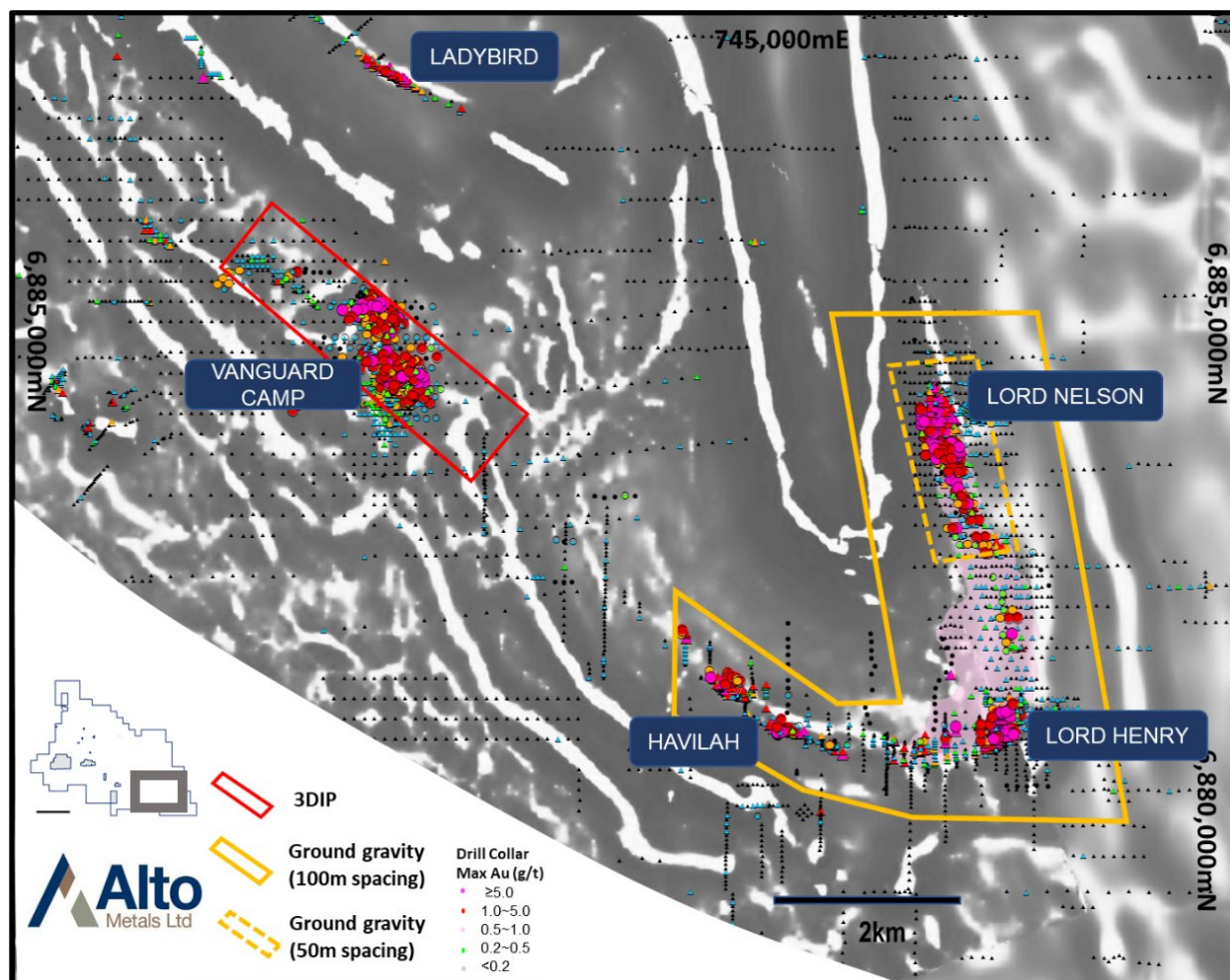


Figure 23: Plan view of showing area of planned gravity survey over the Lords Corridor (shown in orange, with detailed gravity shown as dashed lines) and area of planned IP survey over Vanguard (shown in red).

Assays and 2022 drill program

Approximately 60,000m of drilling was completed during the 2021 calendar year, including 325 RC holes for 55,597m and 17 diamond holes for 3,424m.

Assays remain pending for over 50 RC holes, mainly from Lord Henry, Vanguard, Indomitable and Havilah. The Company has experienced prolonged delays in assay turn-around times and is working with the laboratory's to reduce these delays for future assays delivered once the 2022 drill program commences.

Upcoming results expected to be received in the coming weeks:

- RC results from Lord Henry – infill and extensional;
- RC results from Vanguard, Indomitable, Havilah – extensional

The 2022 drill program is planned to commence in mid February, initially targeting depth and strike extensions of known mineralisation along the contact at the Lords granodiorite, including the recently discovered Juno Lode. Once the results from the gravity and IP survey's (refer Figure 23) have been received they will be used for the targeting of deeper drilling planned of the Lords Corridor and targets identified at Vanguard. Follow up drilling for Vanguard and Indomitable will be finalised once all results have been received.

Updated Mineral Resource

An updated mineral resource estimate for the Sandstone Gold Project remains on track to be released in the March quarter 2022, subject to the timing of final assays and the resource modelling work by the independent consultant.

A fly through of the Sandstone Gold Project, Alpha Domain and Inventum 3D model of the current mineral resources may be viewed at: <https://inventum3d.com/c/altometals/sandstone> or by visiting the Company's website.

Multiple regional targets across the entire Sandstone Gold Project | A systematic approach

Alto's immediate exploration strategy remains focused on discoveries and resource growth within the Alpha Domain which hosts, the Lords corridor, Vanguard, Indomitable and Havilah. Based on the success of the systematic approach to exploration to date, Alto has commenced a review of the multiple other early greenfield and advanced brownfield targets within the +900km² Sandstone Gold Project, as part of the Company's longer term strategy to continue to advance the overall project pipeline to support a stand alone operation.

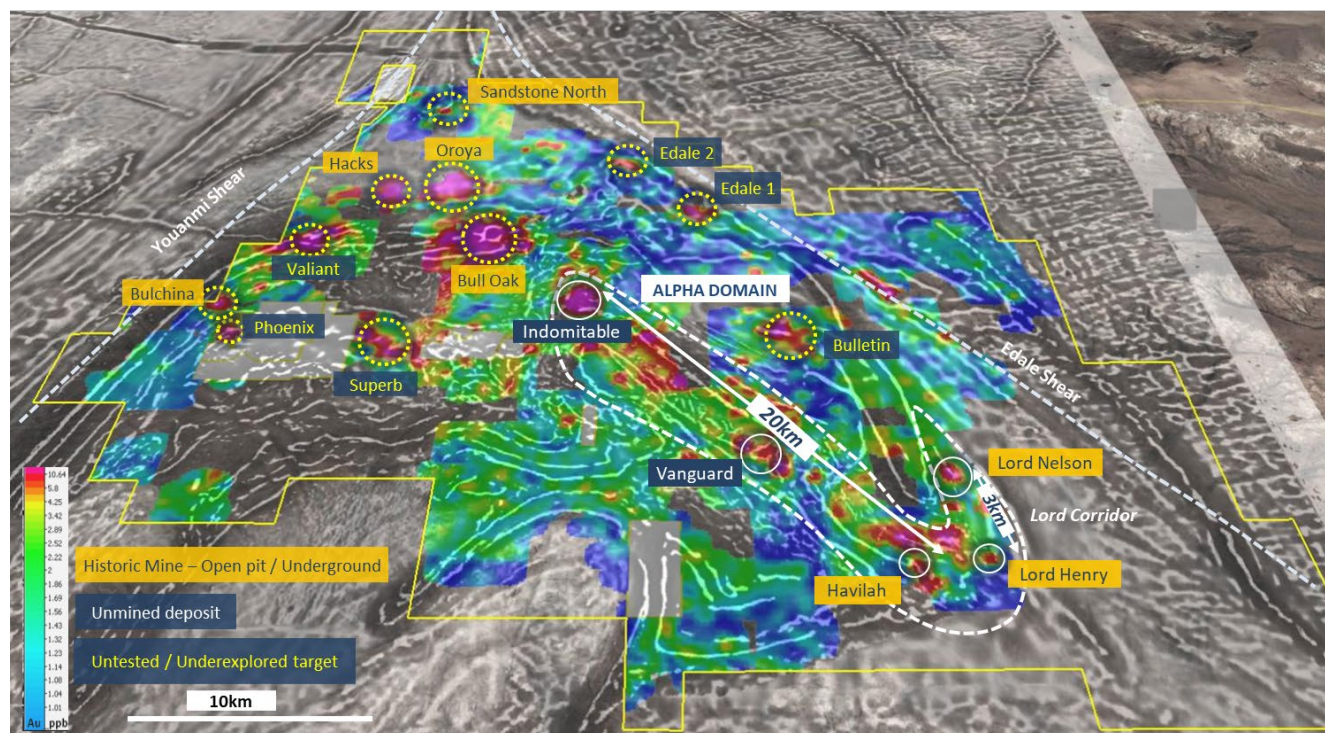


Figure 24: Regional prospect map showing gold-in-soils over 1VD Magnetics highlighting the Alpha Domain and multiple brown and greenfield regional prospects.

CORPORATE

Cash position

Alto remains in a strong cash position with \$6.1 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 \$3.2 million. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$144,000 were made to related parties of the Company, as shown in the attached Appendix 5B. These payments related to current fees paid to directors.

During the quarter, the Company completed a placement to raise a total of \$7m (before costs) through the issue of 77.8m shares (New Shares) at an issue price of \$0.09 per share (Placement). The Placement, to drive the next phase of aggressive exploration and resource growth at the Company's 100% owned, Sandstone Gold Project, in Western Australia, was well supported by both existing and new investors.

The Placement included participation by Directors for \$1,538,482 through the issue of 17,094,250 Placement shares on the same terms, approved by shareholders at a meeting on 21 December 2021.

Morgans Corporate Limited and Taylor Collison Limited acted as Joint Lead Managers to the Placement.

Ongoing investor and marketing activities

The Company recently presented at the 121 EMEA Mining Investment Conference (virtually) in November and the RIU Resurgence Conference in December, 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.

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

+61 8 9381 2808

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.

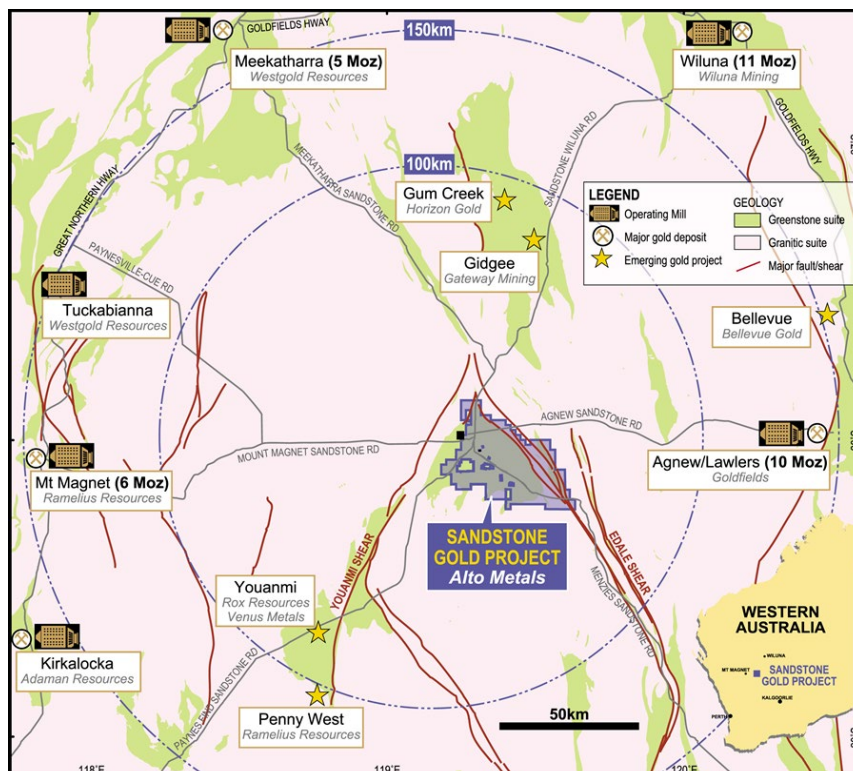


Figure 22. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.

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 31 December 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")

31 December 2021

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	59	70
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(224)	(384)
	(e) administration and corporate costs	(305)	(374)
1.3	Dividends received (see note 3)		
1.4	Interest received		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	(470)	(687)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		(52)
	(d) exploration & evaluation	(3,238)	(4,978)
	(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	(3,238)	(5,030)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,000	7,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (capital raising costs)	(308)	(308)
3.10	Net cash from / (used in) financing activities	6,692	6,692

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,099	5,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(470)	(687)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,238)	(5,030)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,692	6,692

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	6,083	6,083

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	1,549	99
5.2	Call deposits	4,534	3,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,083	3,099

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	144
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(470)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,238)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,708)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,083
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	6,083
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.64
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Cash flows will be lower in the near future as significant exploration costs were paid in the December quarter which related to work undertaken during the September quarter.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Entity has just completed a capital raising and, as per the answer to Q1, will have sufficient cash to fund its operations	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, as per answers to Q1 and 2 above

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date:27 January 2022.....

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.