

## 31 March 2022 Quarterly Report

# Substantial increase in the open-pit, high-grade gold resource at Sandstone during the quarter highlights future growth potential

Resource increased by 92% to 12.4Mt @ 1.6 g/t gold for 635,000oz, with resources remaining open along strike and at depth

Drilling ongoing to continue resource growth in H2 2022

### Highlights of the quarter

- Updated Mineral Resource Estimate of 12.4Mt @ 1.6 g/t gold for 635,000oz at Alto's flagship Sandstone Gold Project announced during the quarter.
- Resource update represents an increase of 92% in open-pit, high-grade gold resources constrained within A\$2,500/oz optimised pit-shells at a 0.5 g/t gold cut-off and over 90% of total ounces within 160m from surface.
- Mineral Resource Estimate excluded an update for Indomitable Camp – anticipated to be updated in H2 2022.
- Outstanding exploration success during the quarter, including broad zones of significant gold mineralisation at the Indomitable regional target including 21m @ 2.0 g/t gold from 46m outside the current resource.
- The first phase of drilling has now been completed with a total of 34 holes for 7,013 metres drilled at the Lord Nelson, Juno and C3 North target. Assay results are pending.
- Next phase of step-out drilling now underway at Indomitable Camp to drive further shallow resource growth.
- Alto remains in a strong cash position with \$5 million at the end of the quarter and no debt.

Alto's Managing Director, Matthew Bowles said:

*The key highlight of the March quarter for Alto was the substantial increase to the open-pit gold resource estimate at our Sandstone Gold Project to 635,000 ounces.*

*We very much view this as an interim resource update and our exploration activities are focused on adding further high-grade, quality ounces to continue to rapidly grow the scale of the resource in the near term.*

*Our major drilling program for 2022 is well underway, with the first 7,000m completed and those at samples already with the laboratory for assaying. This year will be another year of ongoing drilling and exploration and we look forward to providing more updates as we continue to unlock the value of this entire gold field.*

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Issued Shares: 528m  
Share Price: \$0.087  
Market Capitalisation: \$46m



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ASX: AME

## March quarter 2022 activities

Alto Metals Limited (“Alto” or “the Company”) (ASX: AME) is pleased to report on an outstanding quarter, during which the Company announced a substantial increase to the gold resource at the Company’s 100% owned Sandstone Gold Project that covers +900km<sup>2</sup> of the Sandstone Greenstone Belt in the East Murchison of Western Australia.

### Updated Mineral Resource – 92% increase in shallow high-grade gold resources

- Updated JORC 2012 Mineral Resource Estimate of **12.4Mt @ 1.6 g/t gold for 635,000oz** for the Sandstone Gold Project, incorporating updates for Lord Nelson, Lord Henry, Havilah Camp and Vanguard Camp.
- Resource update represents an **increase of 92%** in contained gold at an average **discovery cost of less than A\$14/oz**.
- Updated Mineral Resources **constrained within A\$2,500/oz optimised pit-shells** at a 0.5 g/t gold cut-off and **over 90% of total ounces within 160m from surface**.
- **Shallow, high-grade resources remain open along strike and at depth at all deposits** highlights the strong potential to continue to grow the resource inventory with further drilling.
- **Excellent gold recoveries of ~96% in fresh rock** returned from preliminary gold recovery testwork (avg. of 93% across all rock types) demonstrates gold will be recoverable through a simple cyanide extraction process.
- **Rapid growth at Vanguard Camp with a tripling of the resource to 2.3Mt @ 2.0 g/t gold for 150,000oz** and mineralisation remaining open along a +2km long NW/SE trending corridor.
- **Substantial resource growth at Lord Nelson, increasing by 138% to 5.3Mt @ 1.6 g/t gold for 267,000oz** and mineralisation remains open.
- **Mineral Resource Estimate excludes an update for Indomitable Camp**. Recent high-grade gold results outside the current resource and assays from planned drilling to be included in an update in the second half of the year.
- **Located on granted mining licences** and supported by excellent surrounding infrastructure.

### Exploration Results - Indomitable

- Multiple, broad zones of gold mineralisation intersected from shallow depths were reported during the period from 14 RC holes for 1,906m of step-out and extensional drilling at the Indomitable Camp, located approximately 15km north-west of the Lords Corridor, including:
  - **21m @ 2.0 g/t gold** from 46m, incl. **1m @ 14.9 g/t gold** from 61m and incl. **1m @ 6.3 g/t gold** from 66m, and **11m @ 2.5 g/t gold** from 92m, incl. **2m @ 7.0 g/t gold** from 93m (SRC 574)
  - **15m @ 2.2 g/t gold** from 44m, incl. **2m @ 13.2 g/t gold** from 45m; and **25m @ 1.2 g/t gold** from 65m, incl. **1m @ 11.5 g/t gold** from 71m (SRC 571).
  - **16m @ 1.1 g/t gold** from 76m, incl. **2m @ 5.3 g/t gold** from 83m (SRC 557) – ended in mineralisation.
  - **21m @ 1.1 g/t gold** from 136m, incl. **6m @ 1.8 g/t gold** from 136m and incl. **11m @ 1.0 g/t gold** from 146m (SRC 566)
  - **24m @ 0.7 g/t gold** from 82m, incl **4m @ 2.2 g/t gold** from 95m **29m @ 1.0 g/t gold** from 113m; and **15m @ 0.6 g/t gold** from 154m (SRC564) – ended in mineralisation.
- Of the total 22 RC step-out drill-holes completed at Indomitable, 21 have intersected mineralisation 15m from surface to up to 154m below surface, indicating the potential for much larger mineralised system.
- Results continue to extend mineralisation outside the existing shallow gold resource of 74,000oz @ 1.5g/t announced on 25 Sep 2018 (based on a A\$2,000 pit shell) and remains open both down plunge and along strike.

### Exploration Results - Havilah

- Assay results reported during the quarter from Havilah, located, located less than 1km west of the Lords Corridor, have returned high-grade gold results, including:
  - **3m @ 1.4 g/t gold** from 51m, and;
    - 13m @ 2.5 g/t gold** from 104m, incl **1m @ 21.9 g/t gold** from 114m (SRC 551)
  - **7m @ 2.0 g/t gold** from 15m, incl **1m @ 8.5 g/t gold** from 19m and;
    - 18m @ 1.7 g/t gold** from 99m, incl. **2m @ 8.1 g/t gold** from 101m (SRC550)
  - **6m @ 2.1 g/t gold** from 27m, incl. **1m @ 9.4 g/t gold** from 30m (SRC546)
  - **6m @ 1.7 g/t gold** from 74m, incl. **1m @ 7.0 g/t gold** from 79m (SCR547)
- These results were incorporated into the updated mineral resource estimate for Havilah Camp with is now 1Mt at 1.5 g/t gold for 46,000oz.

### Ongoing 2022 drilling & exploration program

- Alto's major 60,000m planned program for 2022 is progressing well, with the first phase of 7,013m of RC drilling at Lord Nelson, Juno and the Central Zone targeting extensions of known mineralisation now been completed. All samples for this first phase are with the lab and initial assays expected shortly.
- The RC rig has now been moved to Indomitable Camp to commence a planned 12,000 metre program.

### Next Updated Mineral Resource

- A further updated mineral resource estimate is anticipated to be completed for the second half of the year, subject to receipt of assays from the current drilling program underway.

### Corporate

- Strong cash position of \$5.0 million at the end of the March quarter and no debt.



Figure 1: Lords Corridor schematic looking south-east, highlighting the Lord Nelson, Orion and Juno Lodes and optimised pit-shell outline

## **Updated Mineral Resource Estimate**

### **Sandstone Gold Project grows by 92% to 635,000oz @ 1.6 g/t gold**

During the quarter Alto announced a significant mineral resource update for the Sandstone Gold Project, which now totals **12.4Mt at 1.6 g/t gold for 635,000oz of contained gold**. The updated mineral resource incorporates updates for Lord Nelson, Lord Henry, Havilah and Vanguard Camps (refer to Tables 1 and 2 below) prepared by independent mining industry consultants, Snowden Optiro and reported in accordance with the JORC Code (2012 Edition).

The updated mineral resource was reported using a 0.5 g/t gold cut-off and is constrained within a A\$2,500 optimised pit shells, based on mining parameters and operating costs typical for Australian open pit extraction deposits of similar scale and geology. Only Indicated and Inferred categories of mineralisation were considered for use in the optimisation of the mineral resource.

Alto considers the total mineral resources for the Sandstone Gold Project have a reasonable prospect of eventually being mined, taking into account the shallow nature of the deposits, the thickness and gold grades of the deposits, which are located on granted mining leases, and proximity to existing infrastructure.

The resource update includes all of the drilling completed up to the end of August 2021. Resource estimates for the Indomitable Camp and Ladybird deposit are unchanged from the maiden resources that were reported using a 0.3g/t - 0.5 g/t gold cut-off and constrained within A\$2,000 optimised pit shells, released to the ASX on 25 September 2018 and 11 June 2019, respectively. It is anticipated that Indomitable Camp will be included in the next mineral resource update planned for the second half of the year.

This mineral resource update is a significant increase in the total mineral resources at the Sandstone Gold Project and provides strong encouragement that the Company can continue to grow its Resource Inventory and progress its strategy to develop a stand-alone gold operation.



**Figure 2: 2022 RC drilling program underway at Lord Nelson.**

Table 1: Total Mineral Resource Estimate for Sandstone Gold Project, March 2022

JORC 2012 Mineral Resource Estimate for the Sandstone Gold Project as at March 2022			
Classification	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	3.0	1.7	159
Total Inferred	9.4	1.6	476
<b>TOTAL</b>	<b>12.4</b>	<b>1.6</b>	<b>635</b>

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold. Mineral Resources for Indomitable are reported at a cut-off grade of 0.3 g/t gold. Minor discrepancies may occur due to rounding of appropriate significant figures.

Table 2: Total Mineral Resource Estimate for Sandstone Gold Project, March 2022 (by deposit)

Deposit	Indicated			Inferred			Total		
	Tonnage (Mt)	Grade g/t	Gold (koz)	Tonnage (Mt)	Grade g/t	Gold (koz)	Tonnage (Mt)	Grade g/t	Gold (koz)
Lord Nelson	1.0	1.8	56	4.3	1.5	211	5.3	1.6	267
Lord Henry	1.6	1.5	77	0.3	1.2	13	1.9	1.4	90
Vanguard Camp	0.4	2.0	26	1.9	2.0	124	2.3	2.0	150
Havilah Camp				1.0	1.5	46	1.0	1.5	46
Indomitable Camp <sup>a</sup>				1.7	1.3	74	1.7	1.3	74
Ladybird <sup>b</sup>				0.1	1.9	8	0.1	1.9	8
<b>TOTAL</b>	<b>3.0</b>	<b>1.7</b>	<b>159</b>	<b>9.4</b>	<b>1.6</b>	<b>476</b>	<b>12.4</b>	<b>1.6</b>	<b>635</b>

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold and are constrained within a A\$2,500/oz optimised pit shells based on mining parameters and operating costs typical for Australian open pit extraction deposits of a similar scale and geology. Mineral Resources for Indomitable (reported at a cut-off grade of 0.3 g/t gold) and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

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): Indomitable & Vanguard Camp: announcement titled: "*Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA*" 25 Sep 2018; and
- (b): Havilah & Ladybird: announcement titled: "*Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project*" 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.

Table 3: Mineral Resource Estimate March 2022 Grade and Tonnage by cut-off grade within the optimised pit (excl. Indomitable & Ladybird)<sup>1</sup>

Cut-off grade (g/t gold)	Tonnage (Mt)	Grade (g/t gold)	Contained gold (koz)
0.3	10.8	1.6	557
0.5	10.5	1.6	553
0.8	8.5	1.9	510

All tonnages are reported in dry metric tonnes. Minor discrepancies may occur due to rounding of appropriate significant figures.

<sup>1</sup> Table 3 shows the total grade and tonnage by cut-off grade for the updated deposits in this release only. The estimates for Indomitable Camp and Ladybird are excluded from this table as grade tonnage cut-off grades were not included in the release for these mineral resource estimates

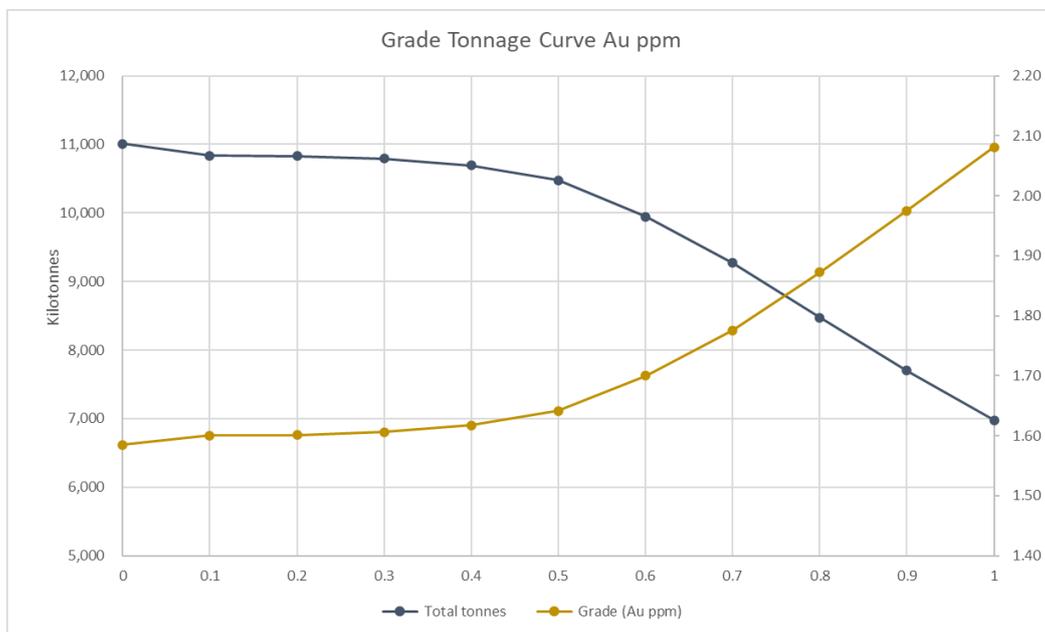


Figure 1: Sandstone Gold Project – grade tonnage curve (excl. Indomitable & Ladybird)<sup>1</sup>

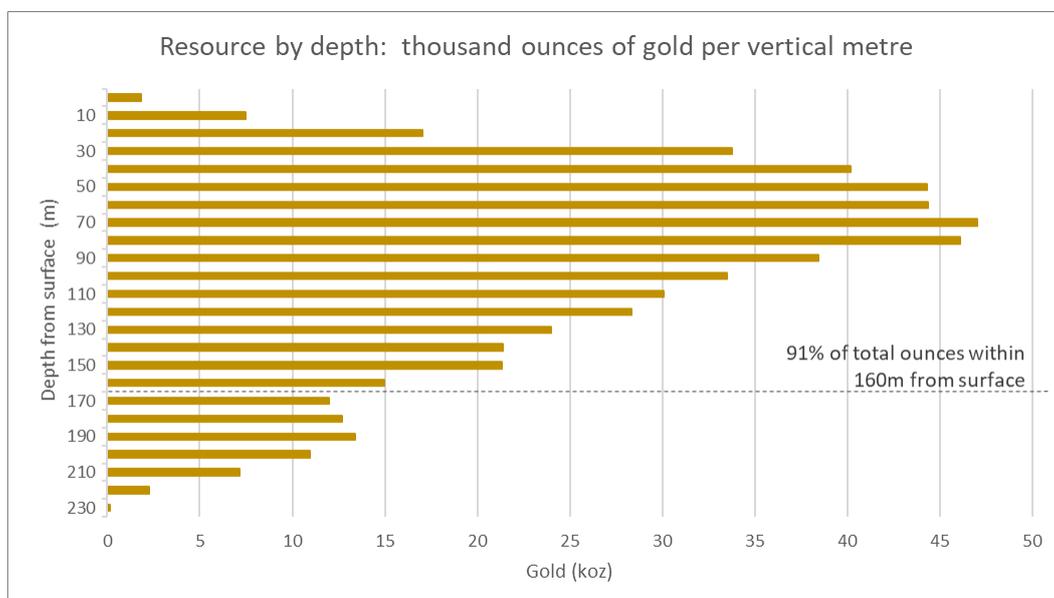


Figure 2: Sandstone Gold Project – Total ounces per vertical metre.

### Updated Mineral Resource

The total combined in-pit Indicated and Inferred Mineral Resources for the Sandstone Gold Project now stand at **12.4Mt at 1.6 g/t gold for 635,000oz of gold**, representing a **total increase of 92%** on the previous total mineral resource estimate released on 27 May 2020.

Mineral Resource estimates were updated for Lord Nelson, Lord Henry, Vanguard Camp and Havilah Camp, following infill and step out RC and diamond drilling completed during 2020 and 2021. The mineral resource update includes:

<b>Lord Nelson</b>	<b>5.3Mt at 1.6 g/t gold for 267,000oz (145% increase)</b>
<b>Lord Henry</b>	<b>1.9Mt at 1.4 g/t gold for 90,000oz (30% increase)</b>
<b>Vanguard Camp</b>	<b>2.3Mt at 2.0 g/t gold for 150,000oz (200% increase)</b>
<b>Havilah Camp</b>	<b>1Mt at 1.5 g/t gold for 46,000oz (119% increase)</b>

Mineral Resource estimates for Indomitable Camp of 1.7Mt @ 1.3 g/t gold for 74,000oz (ASX release 25 September 2018) and Ladybird deposit of 136kt @ 1.9 g/t gold for 8,000oz (ASX release 11 June 2019) remain unchanged. **It is anticipated that Indomitable will be updated and included in the next mineral resource update** planned for later in the year.

Only Indicated and Inferred categories of mineralisation that fall within the optimised pit shells are reported in the Mineral Resources. *Mineralisation outside of the optimised pit shells has been excluded from the Mineral Resource statement* until such time as further drilling can be carried out in these areas to potentially convert to additional in-pit resources.

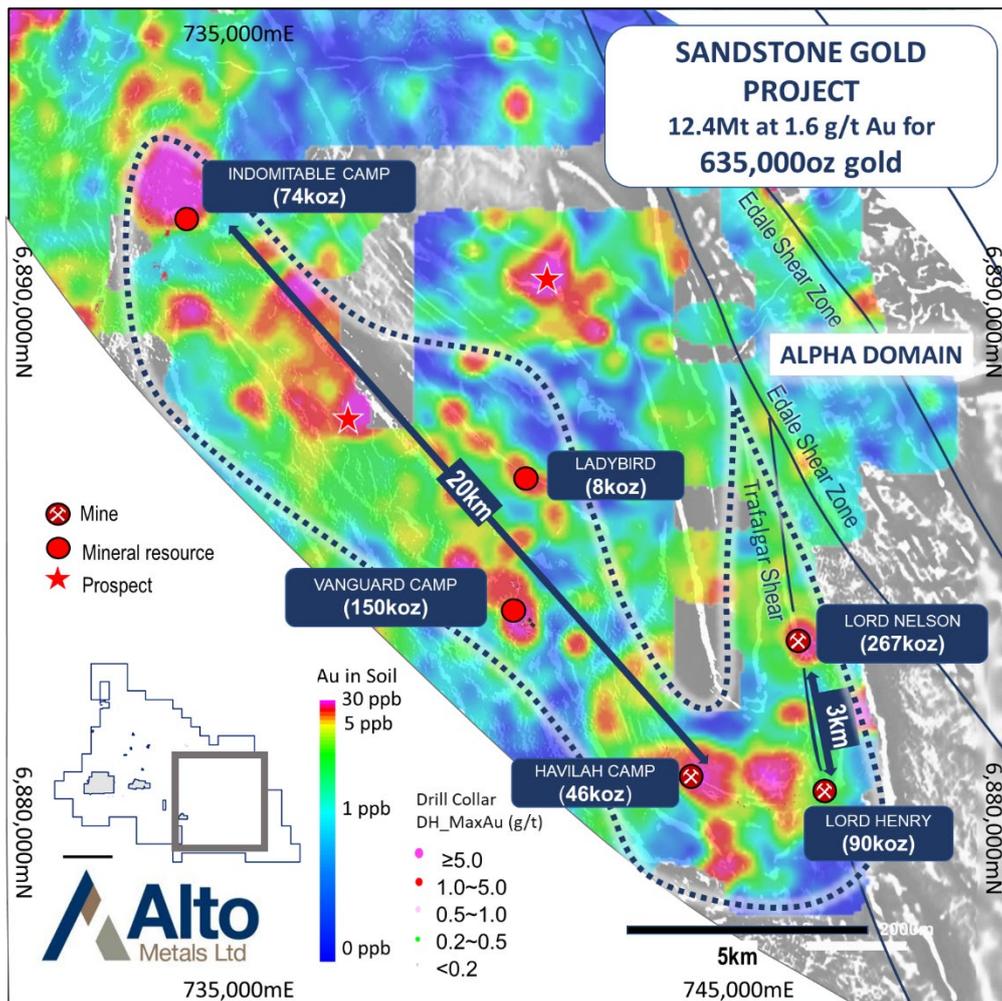


Figure 3: Location of total current mineral resources for Sandstone Gold Project within the Company's Alpha domain.

## Lord Nelson

Lord Nelson represents 42% of the total Mineral Resources, with an Indicated and Inferred Resource of **5.3Mt at 1.6 g/t gold for 267,000oz** reported at a 0.5 g/t gold cut-off, constrained within an A\$2,500 pit shell, that extends over 1.2km strike, up to 400m wide and to 230m below surface. Lord Nelson has more than doubled, with the contained gold increasing by 145% since its previous update. This was driven largely by the drilling completed in 2021, including the discovery of the new high-grade zones below the historic open pit and highlights the potential to continue to grow the Mineral Resource at Lord Nelson with further drilling.

The total gold endowment of Lord Nelson (including historical reported production of 207koz @ 4.6 g/t gold) is now 474,000oz.

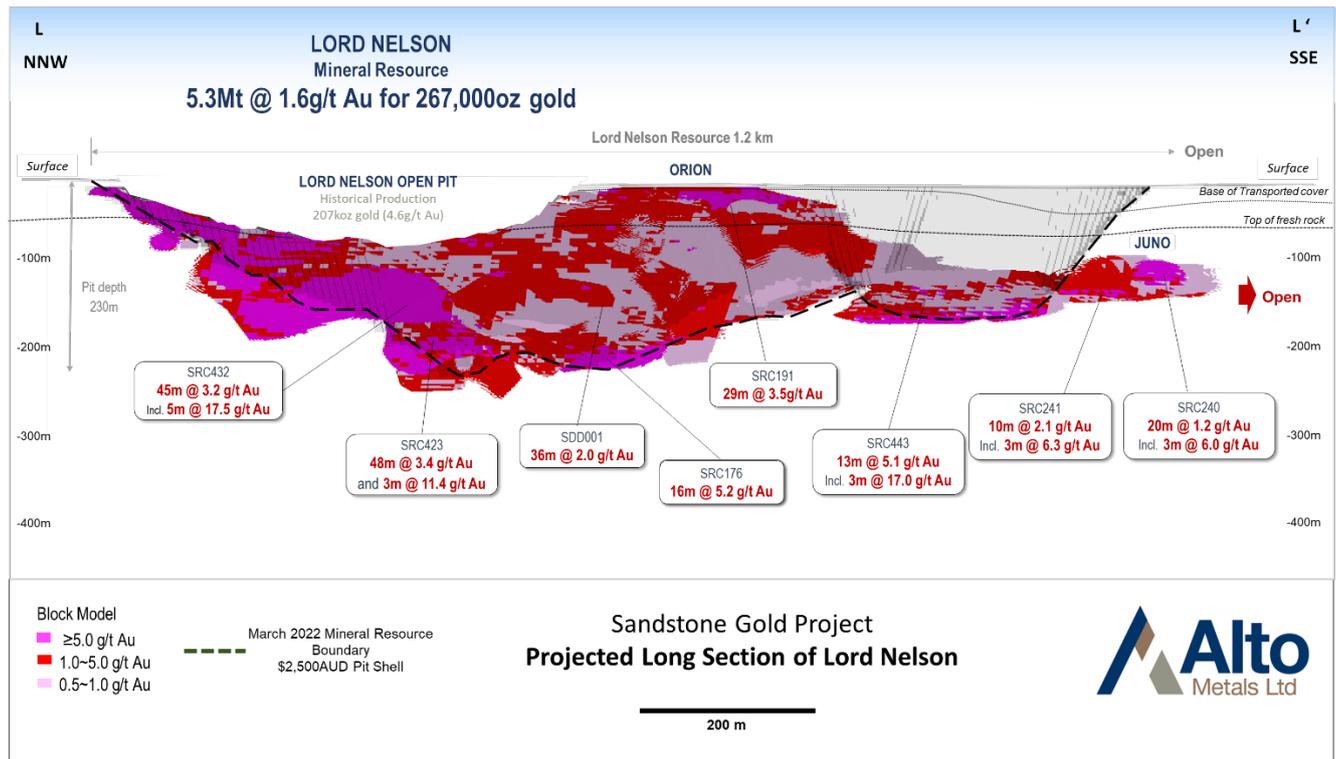


Figure 4: Lord Nelson resource block models (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised pit shell.

Recent drilling results from below the historic Lord Nelson pit and along strike to the south 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
- **13m @ 5.1 g/t gold** from 162m, incl. **3m @ 17.0 g/t gold** from 168m (SRC443) – Juno
- **23m @ 1.7 g/t gold** from 141m (SRC444) – Juno
- **22m @ 1.6 g/t gold** from 135m (SRC449) – Juno

Additionally, high-grade gold intercepts outside the optimised pit-shell not included in the current update highlight an excellent opportunity for further growth. It is anticipated that future infill and step-out drilling will allow this material to be included in subsequent resource updates.



### Lord Henry

The updated Indicated and Inferred mineral resource estimate for Lord Henry of **1.9Mt at 1.4 g/t gold for 90,000oz**, reported at a 0.5 g/t gold cut-off, constrained within an A\$2,500 pit shell, represents a 30% increase and is defined to a depth of 130m from surface. Lord Henry is located at the southern end of the Lords granodiorite and comprises multiple stacked lodes that make up the deposit, which remains open to the north.

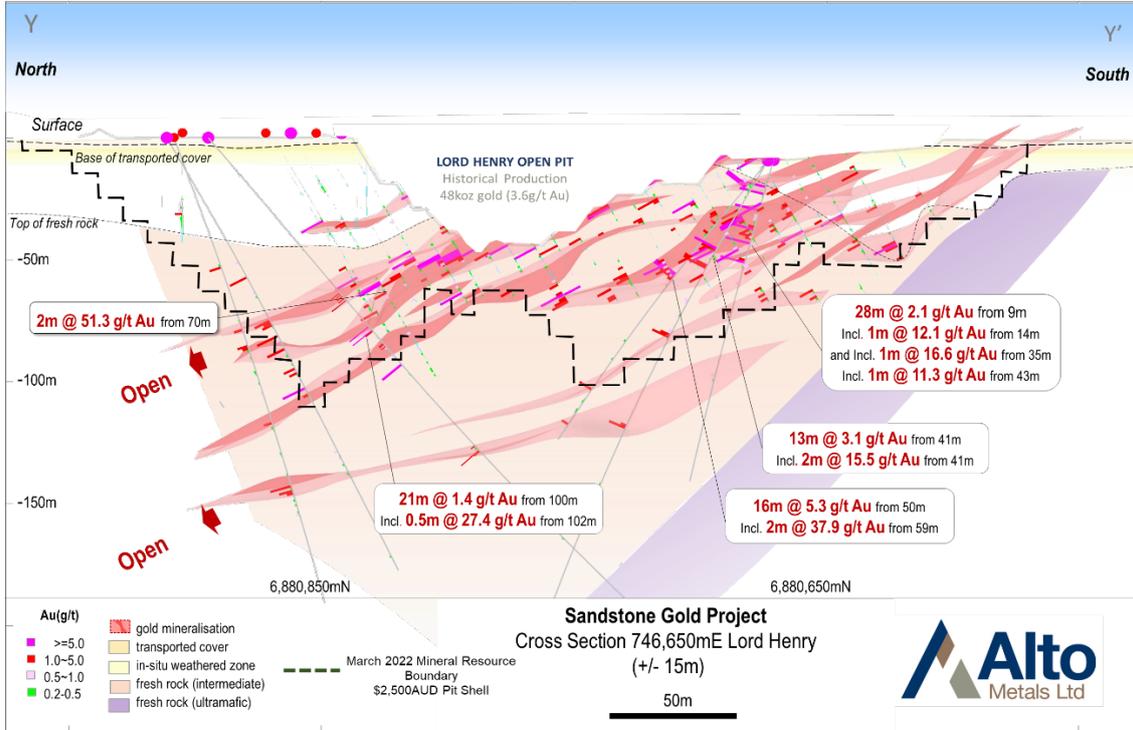


Figure 6: Cross section 746,650mE of Lord Henry within a \$2,500/oz optimised pit shell outline.

### Havilah Camp

The updated mineral resource estimate for Havilah Camp is **1Mt at 1.5 g/t gold for 46,000oz**, reported at a 0.5 g/t gold cut-off, constrained within an A\$2,500 pit shell, represents a 119% increase and is defined to a depth of 130m from surface. Havilah Camp is located 2km west of the Lords Corridor and comprises the Havilah and Maninga Marley deposits, where previously identified mineralisation was recently followed up with a RC program of 21 holes for 2,550m. (ASX 31/01/22)

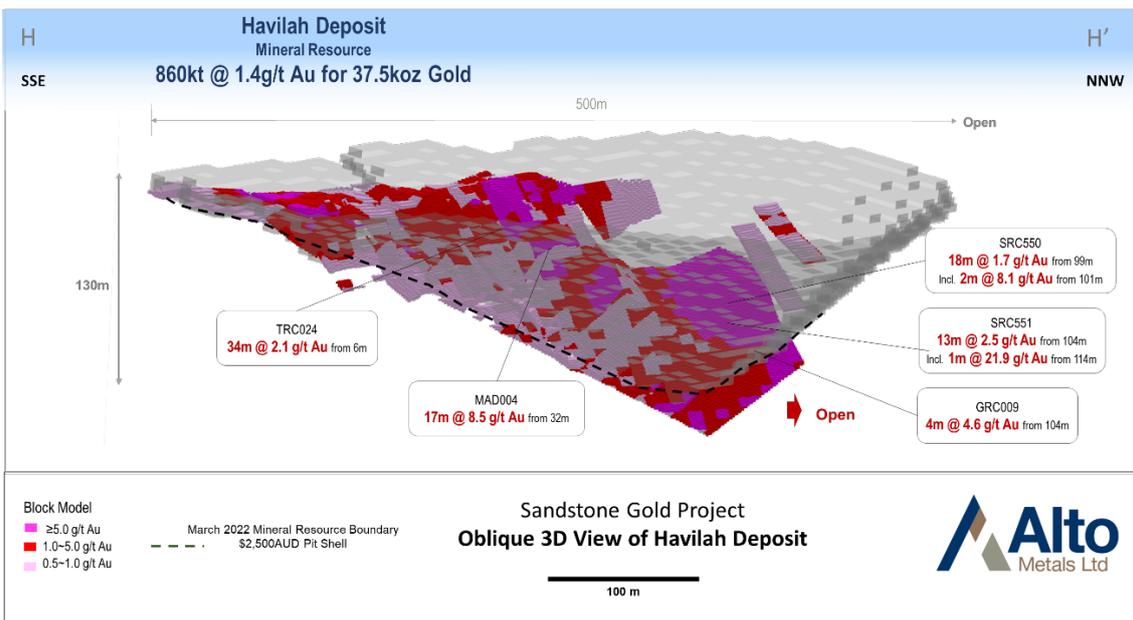


Figure 7: Oblique view of Havilah resource block models (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised pit shell.

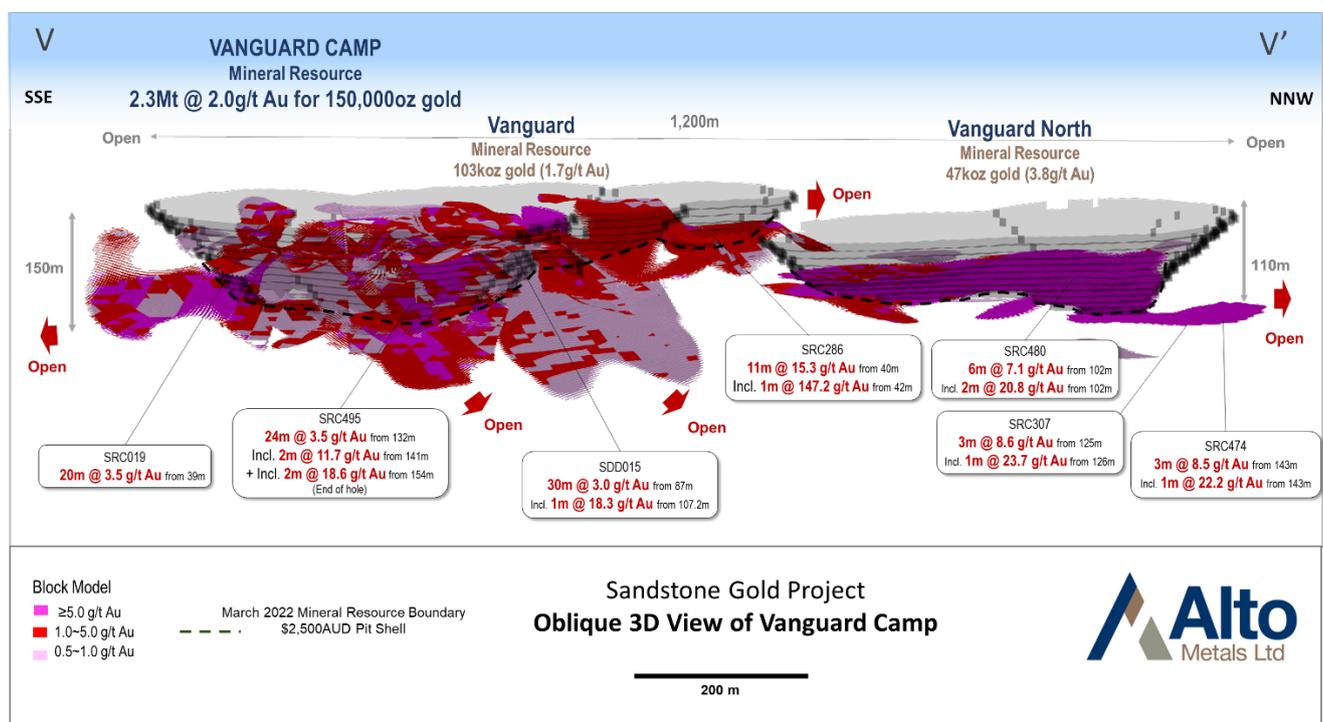
## Vanguard Camp

The updated Indicated and Inferred mineral resource estimate for Vanguard and Vanguard North (together Vanguard Camp) **has tripled in size to 2.3Mt at 2.0 g/t gold for 150,000oz**, reported at a 0.5 g/t gold cut-off, constrained within an A\$2,500 pit shell, and represents 24% of the total Mineral Resources.

Approximately 20,000m of RC and diamond drilling was completed at Vanguard Camp in 2021 and the successful north-west/south-east extensional drilling has significantly contributed to the growth in the Mineral Resources.

Mineralisation at Vanguard Camp remains open and the rapid rate of growth demonstrates the potential to continue increasing both the grade and scale of the Mineral Resources with further drilling.

Importantly, Vanguard Camp includes the high-grade Vanguard North deposit of **383kt @ 3.8 g/t gold for 47,000oz** where recent drilling returned significant high-grade gold mineralisation which remains open down dip and along strike.



**Figure 8: Oblique 3D view of Vanguard Camp resource block models (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised pit shell.**

Recent results from Vanguard North include:

- **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 @ 8.6 g/t gold** from 125m, incl. **1m @ 23.7 g/t gold** from 126m (SRC307)
- **3m @ 8.5 g/t gold** from 143m, incl. **1m @ 22.2 g/t gold** from 143m (SRC474)

Figure 8 shows the Mineral Resources at Vanguard Camp, constrained within the optimised pit shells and the additional mineralisation that remains open, outside the current pit shells.

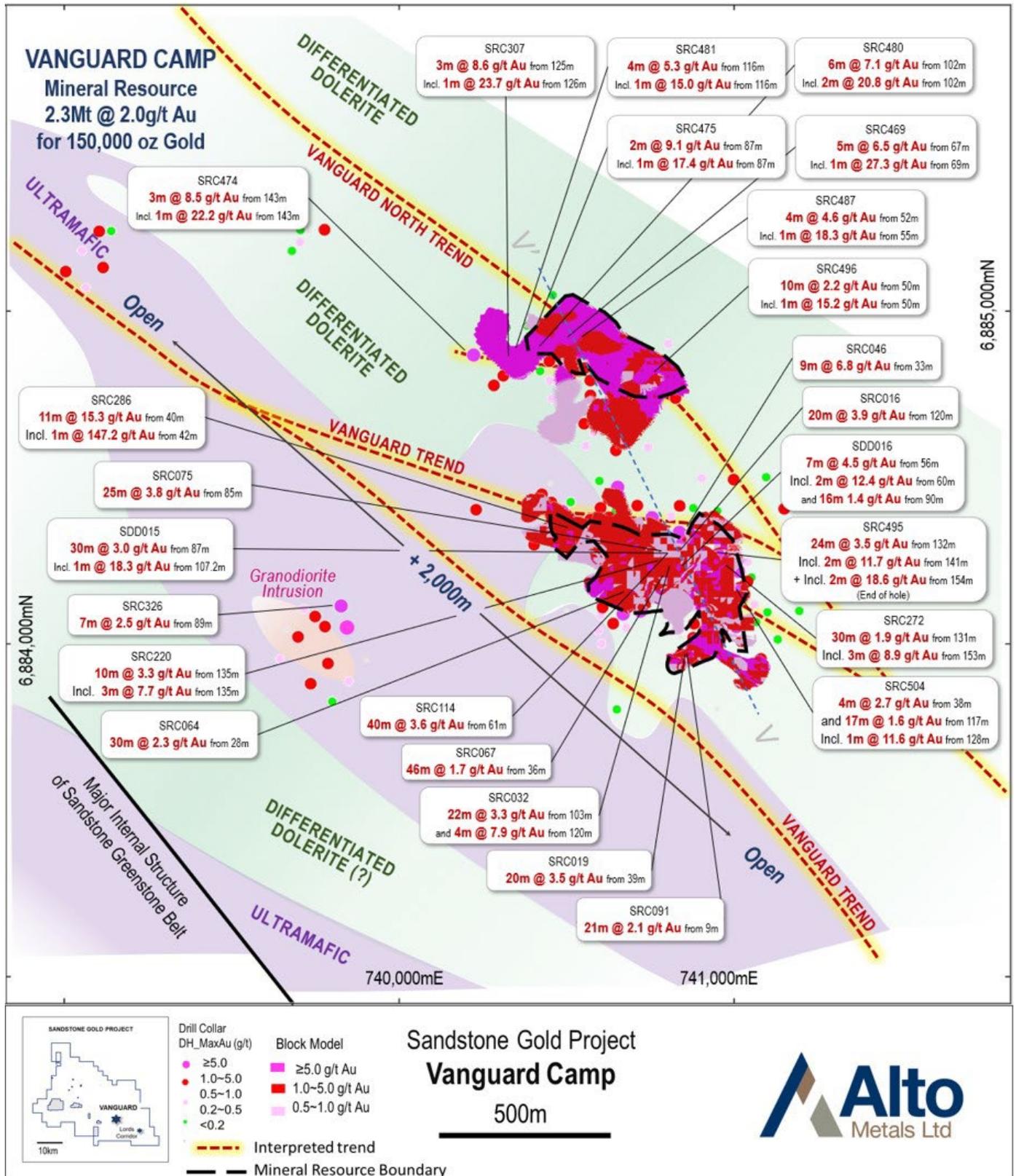


Figure 9: Vanguard Camp plan view block model of Resources (0.5 g/t cut-off) constrained within a A\$2,500/oz optimised pit shell.

## Resource Growth Potential And Next Anticipated Resource Update

The Company considers the current Mineral Resource update an interim estimate and believes there is considerable potential for continued growth at the Sandstone Gold Project, with another resource update anticipated for the second half of the year. 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 Company's systematic approach to exploration to date, Alto is continuing to review multiple other early greenfield and advanced brownfield targets within the +900km<sup>2</sup> Sandstone Gold Project, as part of its longer-term strategy to increase the resource base to support a stand-alone operation.

Importantly, when considering the exploration potential of the Sandstone Gold Project, 91% of the current resources are defined within the top 160m from surface and the vast majority of the +900km<sup>2</sup> Project is virtually untested below 100m.

### Indomitable Camp

The Indomitable Camp is currently defined over a 2km strike length and is hosted within the +20km NW/SE Indomitable/Vanguard/Havilah Trend that forms part of the priority 'Alpha Domain' target area. The mineral resource estimate for Indomitable Camp has not been updated since the maiden resource of 1.7Mt @ 1.3 g/t gold for 74,000oz in 2018 which was based on an A\$2,000/oz pit shell and a 0.3 g/t cut-off, remains open along strike and down plunge.

Recent drilling results from Indomitable intersected multiple, broad zones of gold mineralisation (Refer to Figure 12 of this report). Based on these latest exploration results the Company considers there is strong potential for further resource growth from Indomitable Camp.

### Vanguard Camp

There are opportunities to continue to extend the mineralised footprint further along the +2km long north-west trending high-grade trend at Vanguard Camp and also to follow up on the high-grade drill intercepts outside the current optimised pit shells.

### Lord Corridor

There are also immediate opportunities to follow up on the down dip extensions of thick, high-grade intercepts at Lord Nelson and the high-grade dip and strike extensions of the new Juno discovery, many of which are outside the optimised pit-shells and may well extend further south along the corridor.

### Regional exploration

Regionally, there are multiple high-priority targets within the Sandstone Gold Project, outside of the Alpha Domain.

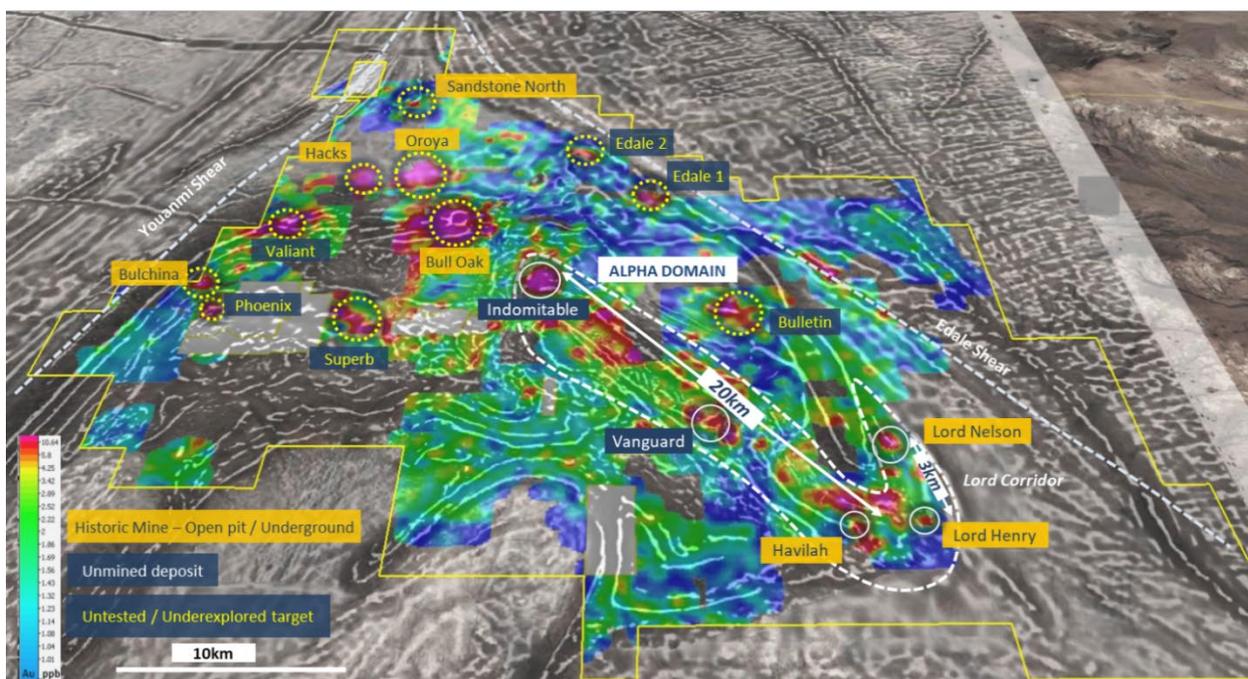


Figure 10: Regional prospect map showing gold-in-soils over 1VD Magnetics highlighting the Alpha Domain and multiple brown and greenfield regional prospects.

### Metallurgical Testwork – Excellent gold recoveries<sup>1</sup>

Preliminary test work indicates **excellent gold recoveries averaging 96%** in Lord Nelson primary zone mineralisation and >93% in oxide and transitional zones from previous testwork.

Previous detailed metallurgical testwork was carried out at Lord Nelson by Troy Resources NL (Troy) as part of initial feasibility study work on both oxide and transitional ore. 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 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%.

Testwork carried out to date confirms the oxide, transitional and primary mineralisation at Lord Nelson is amenable to conventional cyanide extraction.

The Company has also completed preliminary test work on samples from the Vanguard Camp, Indomitable Camp, Havilah and Ladybird deposits with a total of 25 samples comprising various grades and lithologies within oxide, transitional and primary mineralisation to Intertek Genalysis for Accelerated Cyanide Leach LeachWELL™ testwork. (Refer to ASX announcements 25/09/18 and 11/06/19). An average gold recovery of >92% was reported indicating the mineralisation at these deposits is also amenable to conventional cyanide extraction methods.

An **overall average gold recovery of 93%** was used in the pit optimisation parameters, refer to Appendix 1 and 2 for further details.

<sup>1</sup> Refer to ASX Announcement 2 October 2020

## Exploration Results

### Indomitable Camp

The Indomitable deposit forms part of the Indomitable Camp, which is currently defined over a 2km strike length and is hosted within the +20km NW/SE Indomitable/Vanguard/Havilah Trend that forms part of the priority 'Alpha Domain' target area (see Figure 10). Mineralisation is hosted within a package of mafic-ultramafic rocks, cross cut by interpreted major structures.

During the quarter, Alto reported assay results relating to 22 step-out RC holes drilled at Indomitable for a total of 3,074m, drilled on a 40m x 40m spacing to an average downhole depth of 140m. The aim of the RC drilling was to test strike extensions of the high-grade plunging shoots (interpreted feeder structures) at Indomitable and the results have successfully extended the overall mineralisation, outside the current resource, both along strike and at depth. Significant historical air-core holes were followed with RC, for inclusion in future mineral resource work.

Of the total 22 RC holes drilled, 21 intercepted gold mineralisation, with significant results including:

- **21m @ 2.0 g/t gold** from 46m, incl. **1m @ 14.9 g/t gold** from 61m and incl **1m @ 6.3 g/t gold** from 66m, and **11m @ 2.5 g/t gold** from 92m, incl. **2m @ 7.0 g/t gold** from 93m (SRC 574)
- **15m @ 2.2 g/t gold** from 44m, incl. **2m @ 13.2 g/t gold** from 45m, and **25m @ 1.2 g/t gold** from 65m, incl. **1m @ 11.5 g/t gold** from 71m (SRC 571)
- **16m @ 1.1 g/t gold** from 76m, incl. **2m @ 5.3 g/t gold** from 83m (SRC 557) – ended in mineralisation
- **21m @ 1.1 g/t gold** from 136m, incl. **6m @ 1.8 g/t gold** from 136m and incl. **11m @ 1.0 g/t gold** from 146m (SRC 566)
- **24m @ 0.7 g/t gold** from 82m, incl **4m @ 2.2 g/t gold** from 95m
- **29m @ 1.0 g/t gold** from 113m and
- **15m @ 0.6 g/t gold** from 154m (SRC564) – ended in mineralisation

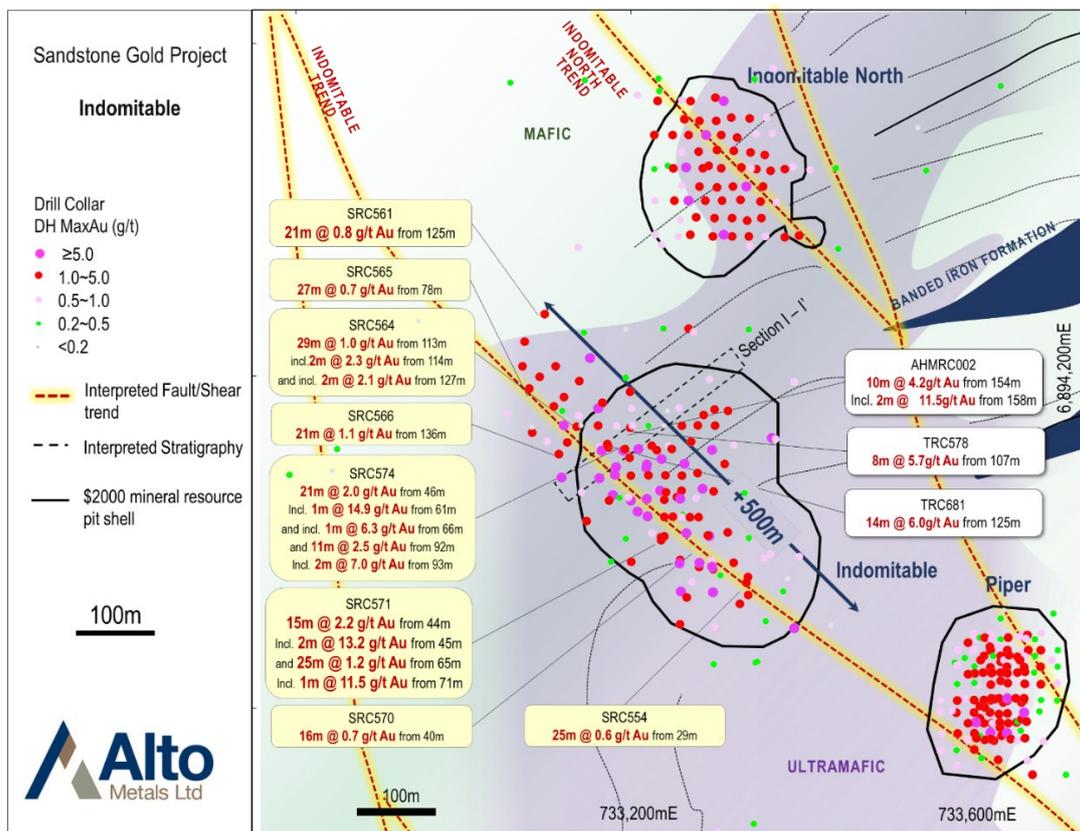


Figure 11: Plan view of Indomitable Camp showing recent RC drill results– Simplified geological interpretation.

The step-out drilling also intersected a number of broad zones of lower-grade ‘halo’ mineralisation, which is encouraging as it further suggests the Indomitable Camp is a large and fluid-rich mineralised system. Results include:

- **27m @ 0.7 g/t gold** from 78m, incl. **6m @ 1.8 g/t gold** from 78m (SRC 565)
- **21m @ 0.8 g/t gold** from 125m, incl. **10m @ 1.0 g/t gold** from 136m (SRC 561)
- **25m @ 0.6 g/t gold** from 29m (SCR554)
- **21m @ 0.7 g/t gold** from 122m (SRC 559)
- **16m @ 0.7 g/t gold** from 40m, incl **6m @ 1.3 g/t gold** from 49m (SRC 570)

RC hole SRC561, the furthest hole drilled along strike, returned **21m @ 0.8 g/t gold** from 125m, clearly demonstrating the mineralisation continues to the north-west and remains open.

Results continue to extend mineralisation outside the existing shallow gold resource of 74,000oz @ 1.5g/t (based on a A\$2,000 pit shell, ASX 25 September 2018) and remains open both down plunge and along strike. An updated mineral resource for Indomitable was not included in the recent Mineral Resource Update (ASX 23 March 2022) due to the delays with the receipt of assays and amount of drilling completed. A ~12,000m RC program is currently underway at Indomitable and these results are intended to be incorporated in updated Mineral Resource anticipated for the second half of the year

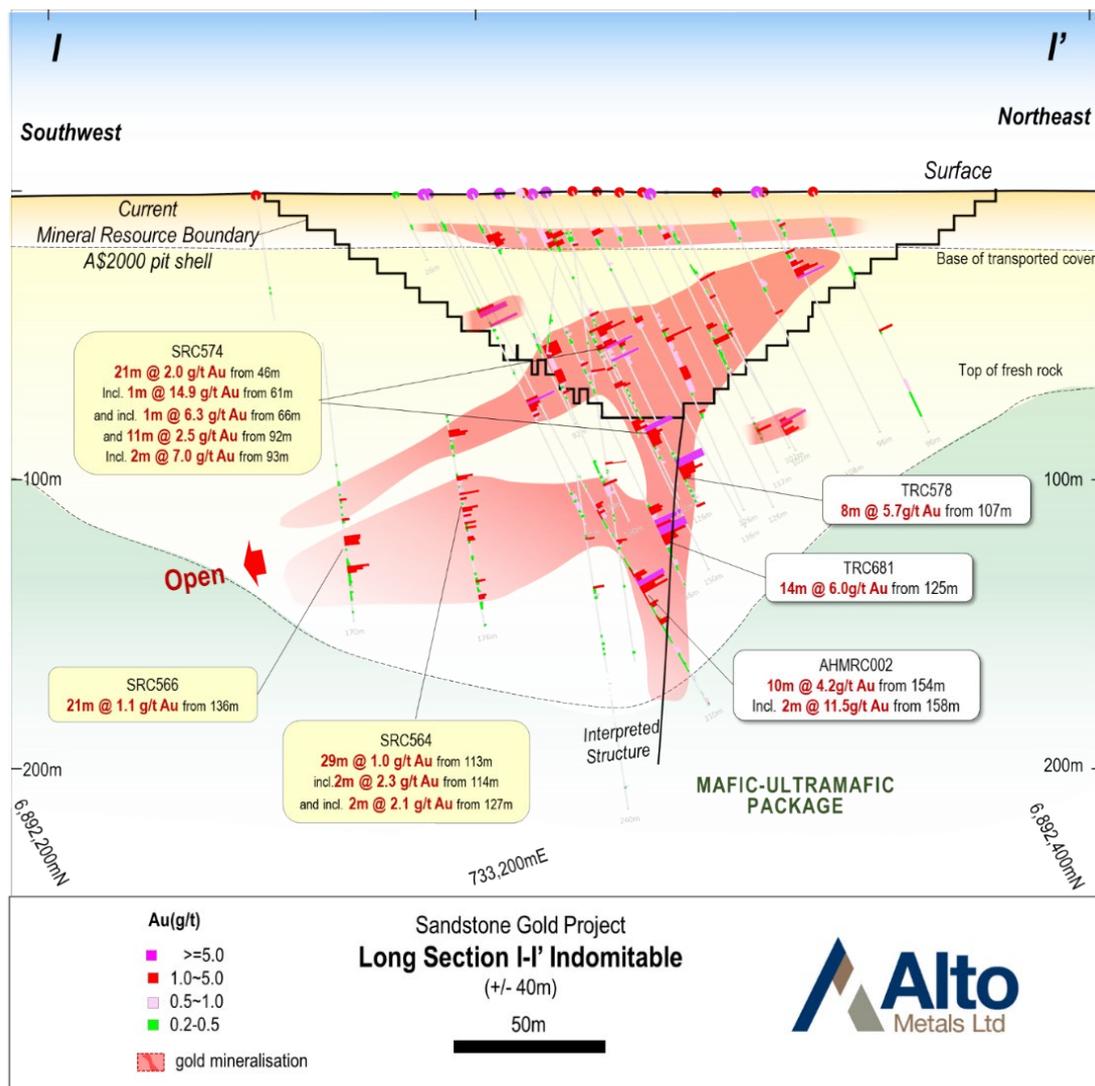


Figure 12: Section I – I' (+/-40m) showing recent results– Simplified geological interpretation.

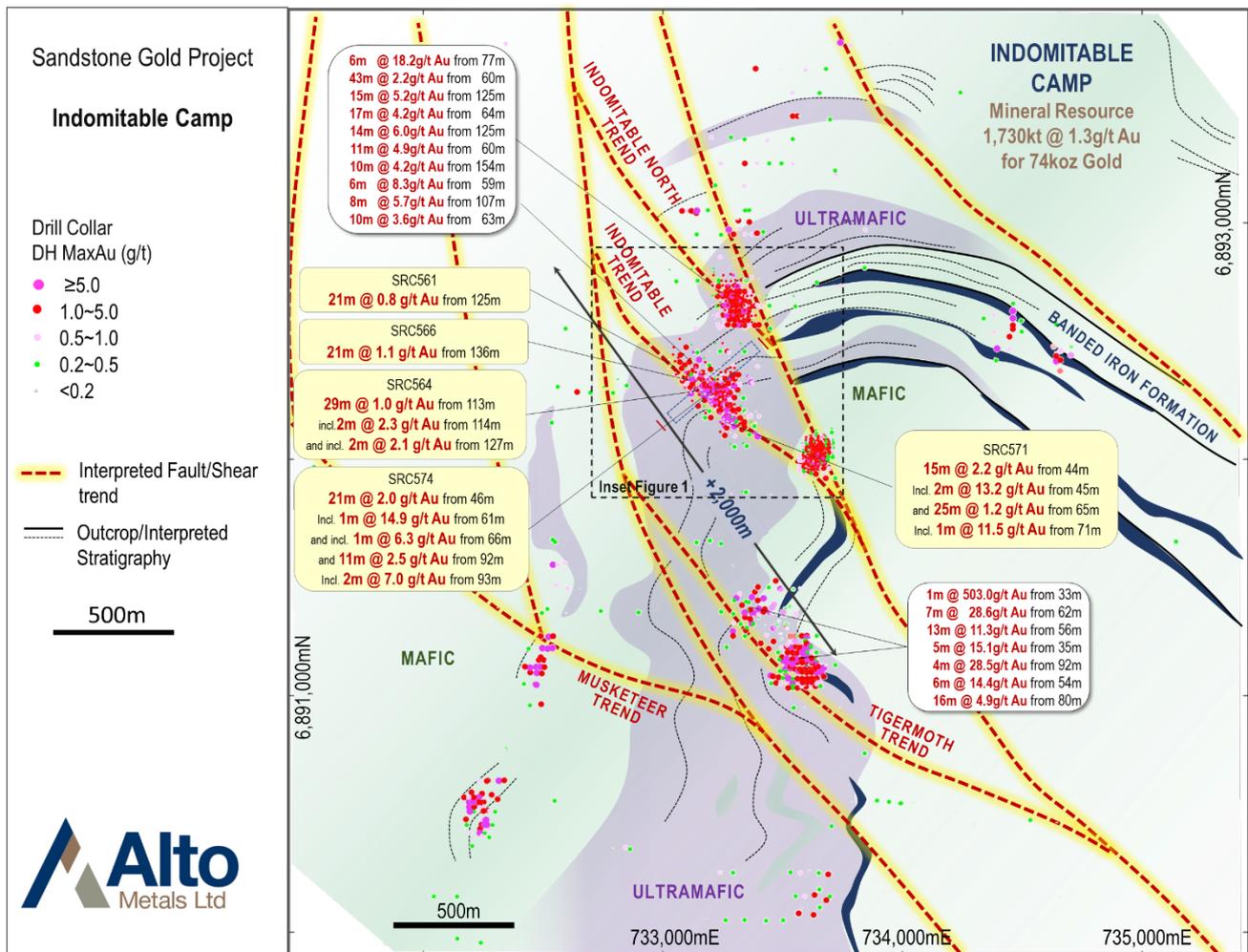


Figure 13: Regional plan view of Indomitable Camp showing recent RC drill results– Simplified geological interpretation.

### Havilah Camp

Assay results reported during the quarter from Havilah, located, located less than 1km west of the Lords Corridor, have returned high-grade gold results, including:

- **3m @ 1.4 g/t gold** from 51m, and;  
**13m @ 2.5 g/t gold** from 104m, incl **1m @ 21.9 g/t gold** from 114m (SRC 551)
- **7m @ 2.0 g/t gold** from 15m, incl **1m @ 8.5 g/t gold** from 19m and;  
**18m @ 1.7 g/t gold** from 99m, incl. **2m @ 8.1 g/t gold** from 101m (SRC550)
- **6m @ 2.1 g/t gold** from 27m, incl. **1m @ 9.4 g/t gold** from 30m (SRC546)
- **6m @ 1.7 g/t gold** from 74m, incl. **1m @ 7.0 g/t gold** from 79m (SCR547)

These results were incorporated into the updated mineral resource estimate for Havilah Camp with is now 1Mt at 1.5 g/t gold for 46,000oz.

### Planned activities for June 2022 quarter

The Company's extensive +60,000m drilling program planned for 2022 is underway, aggressively targeting resource expansion, high-grade extensions and high-priority regional targets, with an initial 18,000m of RC drilling.

The first phase of drilling at the northern part of the Lords Corridor has now been completed, with a total of 37 RC holes for 7,013 metres designed to target continuity and extensions of known primary mineralisation at Lord Nelson (Refer to Figure 14). Results from the 2021 drilling program being followed up include SRC423 which returned **48m @ 3.4 g/t gold** from 214m, incl. **19m @ 6.0 g/t gold** from 223m below the Lord Nelson pit and strike and dip extensions of the recently discovered Juno Lode, located 400m south of Lord Nelson, which appears to be an extension of the main mineralisation. RC drilling at the Lords is also planned for the Central Zone, located further to the south of Juno, where previous Alto reconnaissance drilling SRC321 returned **12m @ 1.7 g/t gold** from 110m, incl. **1m @ 7.8 g/t gold** from 104m within the Lords granodiorite. All samples for this first phase are with the lab and **initial assays are expected shortly**.

Following completion of the first phase drilling, the rig has now been moved and commenced a ~12,000m drilling program at Indomitable Camp, to follow up on the exceptional results announced in February this year (Refer to the Exploration Results section of this report) and a number of targets within the Indomitable Camp.

Alto has ongoing drilling planned at Sandstone, with at least one RC rig secured for the majority of 2022. Subject to availability, the Company intends to secure additional rigs to accelerate resource and exploration drilling.

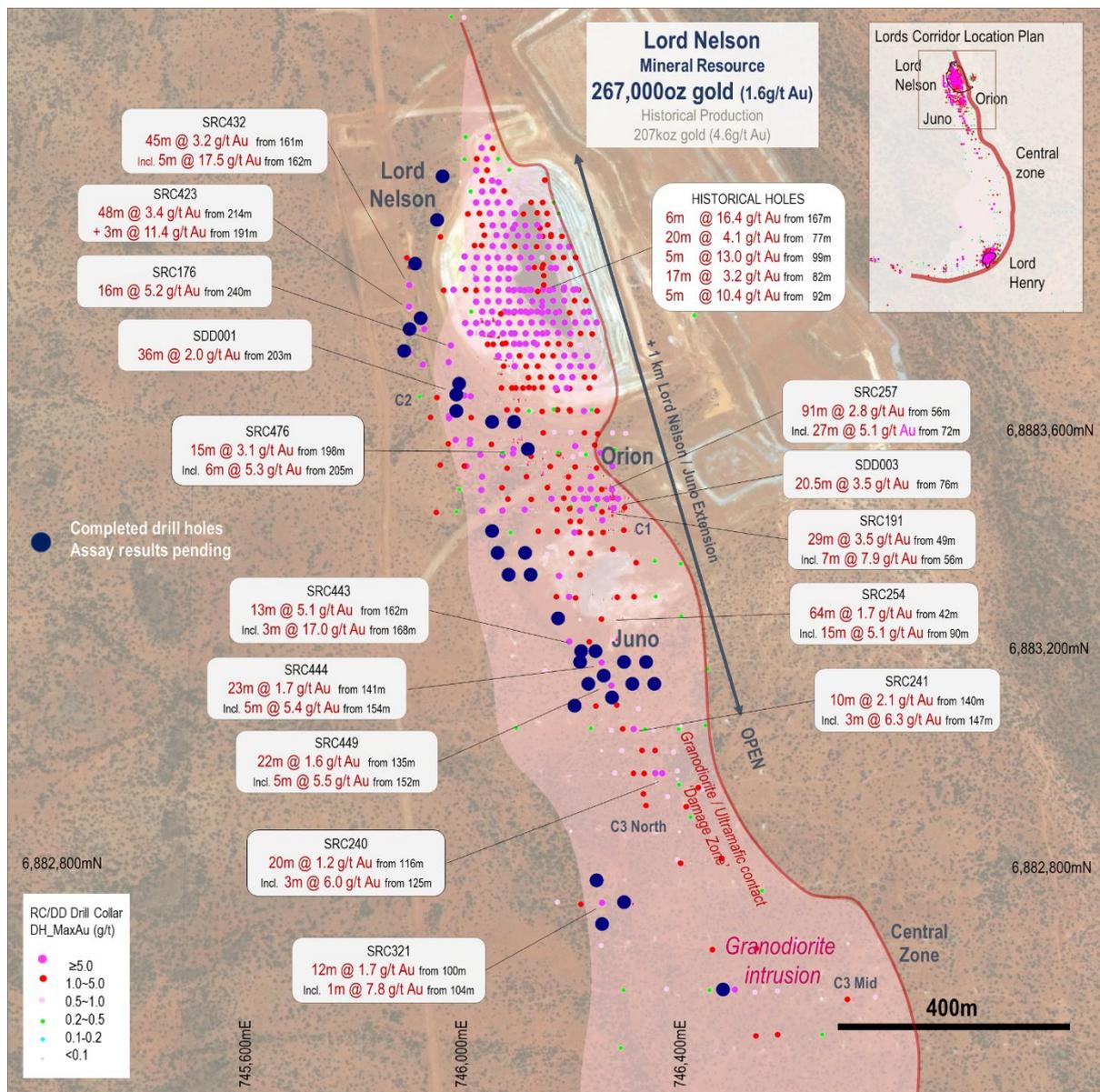


Figure 14. Plan view of the northern part of the Lords Corridor highlighting the first 7,013m of RC drilling (blue circles).

## **Corporate**

### **Cash position**

Alto remains in a strong cash position with \$5.0 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 \$0.8 million. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$150,000 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 presented at the RIU Explorers Conference in Fremantle, Western Australia in February and is current scheduled to attend the following conferences over the coming months

- RIU Sydney Resources Round-up, 3-5 May 2022
- Australian Gold Conference (Sydney) 14-15 July 2022
- Noosa Mining Investor Conference, 20-22 July, 2022

In addition, the Company is continuing to hold several private investor presentations as part of 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](http://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.

### 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 March 2022

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

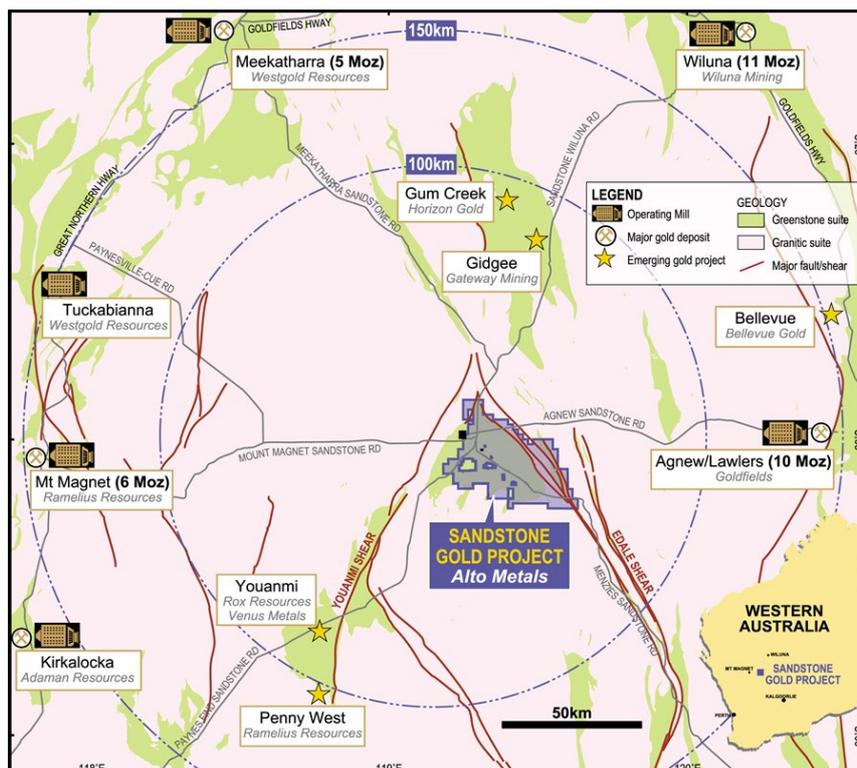


Figure 15. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.

## Appendix 5B

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

Name of entity

<b>ALTO METALS LIMITED</b>
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ABN

<b>62 159 819 173</b>
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Quarter ended ("current quarter")

31 March 2022
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	13	83
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(189)	(573)
(e) administration and corporate costs	(90)	(494)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
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)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(265)</b>	<b>(982)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(52)
(d) exploration & evaluation	(773)	(5,750)
(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 (9 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(773)</b>	<b>(5,802)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		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)	(31)	(310)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(31)</b>	<b>6,690</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,083	5,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(982)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(773)	(5,802)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(31)	6,690

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,014</b>	<b>5,014</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	20	1,549
5.2	Call deposits	4,994	4,534
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,014</b>	<b>6,083</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	150
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(265)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(773)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,038)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,014
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	5,014
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.83
<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: n/a	
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: n/a	
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: n/a	
<i>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.</i>	

**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: .....21 April 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.