

Sandstone Gold Project

Alto confirms \$3m Placement and undertakes \$1m Share Purchase Plan to drive further resource growth at the Sandstone Gold Project

Equity raising to support ongoing drilling at Indomitable, the planned resource upgrade for March quarter and first pass drilling at the high-grade historic Oroya mine

Highlights

- Firm commitments received for a total of \$3 million Placement, strongly supported by existing major shareholders and resource-focused institutional investors and Alto Directors (\$650,000).
- Intends to undertake Share Purchase Plan to raise up to \$1 million on the same terms as the Placement
- Alto will apply the funding to ongoing resource drilling and plan the next phase of exploration at the Sandstone Gold Project, which includes:
 - Ongoing resource drilling at the large and growing Indomitable Camp, hosted within a 20km gold trend that is continuing to deliver significant high-grade shallow oxide gold results; and
 - First pass drilling at the exciting historic Oroya Mine, to follow up on the significant high-grade gold mineralisation that remains below the shallow-mined open-pit.
- The strengthened balance sheet also allows for low-cost exploration over advanced regional targets, outside of the Alpha domain.
- Assays are still pending for over 10,000m of drilling at Indomitable, as part of the ongoing resource drilling.
- Work is continuing on updating the current shallow open-pit 635,000oz @ 1.6 g/t gold resource, which is anticipated to be completed by early in the March 2023 quarter.

Alto's Managing Director, Matthew Bowles said:

Our drilling campaign this year at our Sandstone Gold Project continues to deliver outstanding shallow, high-grade results and which we are confident will drive significant future resource growth.

The capital raising announced today positions us well as we head into 2023, allowing us to continue focusing on the resource drilling and mineral resource work, while at the same time preparing to commence our first drilling program at the exciting high-grade Oroya mine later this month.

We are extremely pleased with the overwhelming support in the Placement from our existing shareholders and new investors, which is a strong endorsement of the quality of our Sandstone Gold Project, and I would like to thank everyone who participated for their support.

We are also pleased to offer all shareholders the opportunity to participate in the Share Purchase Plan, as we look continue to advance this outstanding gold project.

Alto Metals Limited

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Issued Shares: 535m
Share Price: \$0.075
Market Capitalisation: \$40m



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ASX: AME

Alto Metals Limited (ASX: AME) (Alto or Company) is pleased to advise that it has secured firm commitments to raise a total of \$3 million (before costs) through the issue of 46,153,846 shares (**New Shares**) at an issue price of \$0.065 per share (**Placement**). The Placement was well supported by both existing and new shareholders and enables the Company to continue the ongoing drilling at the Company's 100% owned, Sandstone Gold Project, in Western Australia, to drive further resource growth and new discoveries.

The Company also intends to undertake a Share Purchase Plan on the same terms as the Placement, to raise a further \$1 million.

Placement

The New Shares issued under the Placement to institutional, professional and sophisticated investors will be issued within Alto's existing placement capacity under Listing Rule 7.1. The issue of these New Shares is expected to occur on or around Thursday, 10 November 2022.

The Directors have also committed their support for the Placement with a collective total of \$650,000 under the Placement being 10,000,000 New Shares, which will be subject to shareholder approval. The Company is preparing the relevant notice of meeting documentation and is undertaking all the necessary steps to convene the shareholder meeting as soon as possible.

New Shares to be issued under the Placement are fully-paid ordinary shares and will rank equally with existing shares on issue.

The issue price of \$0.065 represents a discount of 13.3% to the 15 day VWAP and last closing price of \$0.075.

Taylor Collison Limited acted as Lead Manager to the Placement.

Share Purchase Plan

The Company also intends to offer existing eligible shareholders the opportunity to participate in a non-underwritten Share Purchase Plan (**SPP**) to raise an additional \$1 million.

Under the SPP, eligible Alto shareholders, being shareholders with a registered address in Australia or New Zealand ("**Eligible Shareholders**") recorded on Alto's share register as at 5:00pm (Perth time) on Wednesday, 2 November 2022 ("**Record Date**"), will have the opportunity to apply for up to \$30,000 of New Shares without incurring brokerage or other transaction costs.

New shares issued under the SPP shall be issued at the same price as the New Shares issued under the Placement ("**SPP Issue Price**").

The SPP offer period will open on Thursday, 10 November 2022 and is expected to close at 5:00pm (Perth time) on Friday, 2 December 2022.

As the SPP is not underwritten, the Company may raise more or less than this amount. If applications received under the SPP is greater than \$1 million, the Directors in their absolute discretion may decide to accept applications (in whole or in part) that results in the SPP raising more than the \$1 million subject to compliance with the ASX Listing Rules.

In the event that less than \$1 million is applied for under the SPP by Eligible Shareholders, the Directors may in their absolute discretion seek to place that number of Shares at the SPP Issue Price to raise \$1 million when combined with the amount raised under the SPP ("**SPP Shortfall Offer**") subject to compliance with the ASX Listing Rules.

The full terms and conditions of the SPP will be set out in the SPP Offer Booklet, which is expected to be released to the ASX and dispatched to eligible shareholders via their preferred method of contact on Thursday, 10 November 2022.

New Shares to be issued under the SPP and will rank equally with existing Alto shares, from their respective date of issue.

Key Timeline of Events

Event	Date
SPP Record Date	5:00pm (Perth time) on Wednesday, 2 November 2022
Placement and SPP announcement and lodgement of Appendix 3B	Thursday, 3 November 2022
Despatch of SPP Offer Booklet to Eligible Shareholders and release of Booklet on the ASX	Thursday, 10 November 2022
SPP Offer opens	Thursday, 10 November 2022
SPP Offer closes	5:00pm (Perth time) on Friday 2 December 2022
Announcement of Result of SPP	Friday 9 December 2022
Issue of New Shares under the APP, Lodgement of Appendix 2A	Friday 9 December 2022
Official quotation and commence of trading of the SPP Shares	Monday 12 December 2022

Note: This timetable is indicative only and may be subject to change. The commencement of trading and quotation of New Shares under the Placement and SPP is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules. Alto reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting applications generally or in particular cases, without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Use of funds | Continued focus on resource growth and systematic to exploration

Alto's immediate focus remains on growing the existing resources within the Alpha Domain, while continuing to review the multiple advanced brownfield prospects, within the +750km² Sandstone Gold Project, as part of the Company's longer term strategy to continue to advance the overall project pipeline.

The proceeds of the Placement and SPP are planned to primarily be used to continue the ongoing resource drilling at Indomitabile, the updated global mineral resource update planned for March quarter 2023 and commence the next phase of exploration and drilling. Based on the successful exploration results received to date, future exploration activities shall focus on:

- Ongoing extensional and resource drilling at Indomitabile, where drilling continues to intercept shallow, high-grade oxide mineralisation
- First pass RC drilling at the historic high-grade Oroya gold mine where significant mineralised material remains due to historical mining activities focusing only on bonanza style mineralisation.
- Low cost geochemical sampling over priority regional targets including Hacks West and Sandstone North
- Updating to the current 635,000oz mineral resource for the Sandstone Gold Project. The updated mineral resource, planned for completion during the March quarter 2023, is expected to include the results from the additional drilling completed at Lord Nelson earlier in the year and the excellent results announced to date from drilling at Indomitabile.

The proceeds will also be used for costs associated with the capital raising, corporate and working capital purposes.

Assays remain pending from over 10,000m of RC drilling at Indomitabile as part of the ongoing resource drilling.

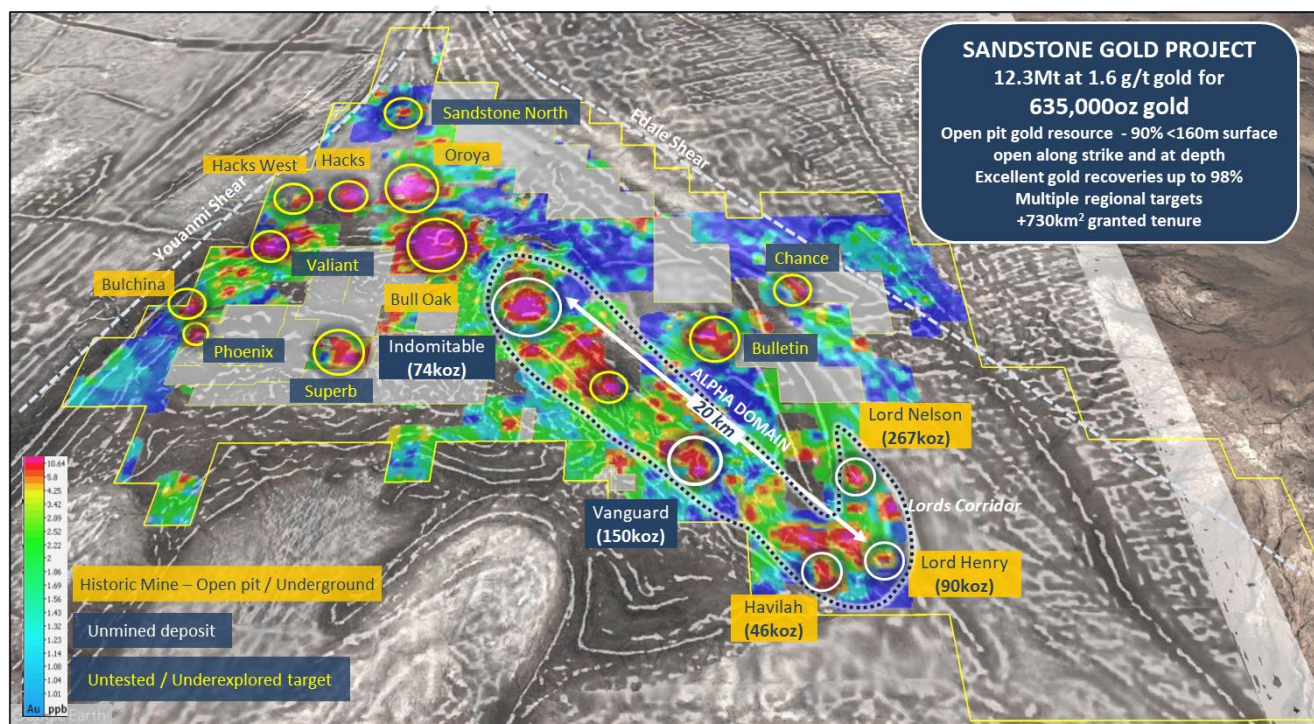


Figure 1: Regional prospect map showing gold-in-soils over 1VD Magnetics highlighting the Alpha Domain and multiple brown and greenfield regional prospects.

For further information regarding Alto and its 100% owned Sandstone Gold Project, please visit the ASX platform (ASX: AME) or the Company's website at www.altometals.com.au.

The Company requests that its securities are reinstated to official quotation with immediate effect.

This announcement has been authorised by the Managing Director of Alto Metals Limited.

Matthew Bowles

Managing Director & CEO
 Alto Metals Limited
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Exploration Results

The references in this announcement to Exploration Results for the Sandstone Gold Project were reported in accordance with Listing Rule 5.7 in the announcements titled:

Multiple high-grade near mine gold targets identified at Hacks & Oroya, 10 October 2022

Further high-grade results up to 97 g/t gold at Indomitable, 10 August 2022

Table 1: Mineral Resource Estimate for Sandstone Gold Project

Table 1: Total Mineral Resource Estimate for Sandstone Gold Project

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
TOTAL	12.4	1.6	635

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 Camp: announcement titled: "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" 25 Sep 2018; and
- (b): Ladybird: announcement titled: "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" 11 June 2019.
- (c): Lord Henry, Lord Nelson, Vanguard Camp & Havilah Camp: announcement titled: "Sandstone Mineral Resource increases to 635,000oz of gold" 23 March 2022

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.

About Alto Metals

Alto Metals Ltd (ASX: AME) is an advanced gold explorer that owns the Sandstone Gold Project (100%) located in the east Murchison of Western Australia.

The Sandstone Gold Project covers ~740km² of the Sandstone Greenstone Belt and currently has a mineral resource estimate of 635,000oz gold at 1.6g/t, constrained within optimised pit shells. Alto is currently focused on growing these resources through continued exploration success and new discoveries.

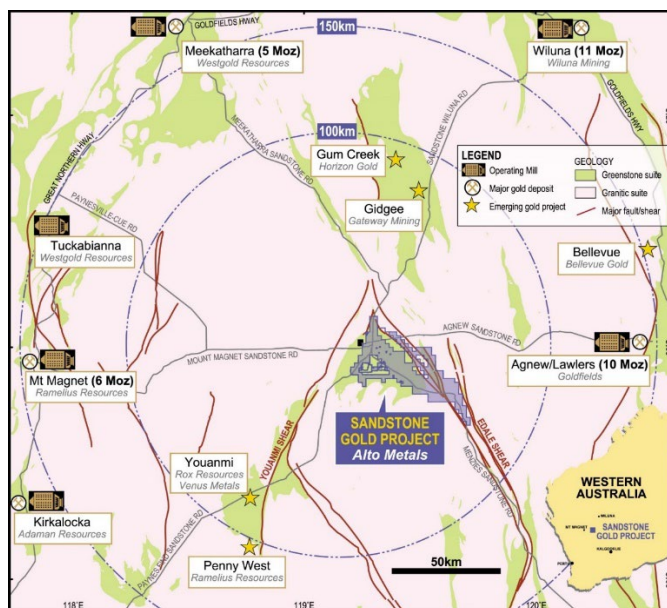


Figure 2. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.