

Sandstone Gold Project, Western Australia

Exploration Update

RC drilling about to recommence at Sandstone Gold Project.

Additional gold targets identified within the Alpha Domain, including visible gold in rock chips south of Indomitable. Updated MRE on track for completion this month.

Highlights

- **RC drilling commencing shortly at Indomitable**, to initially test interpreted high-grade mineralised structures and further step-out extensional drilling.
- Targeting review identifies **additional near-surface priority gold targets**, between Vanguard and Indomitable, with historical results including **12m @ 3 g/t gold** from 60m (ended in mineralisation) and **19m @ 1.5 g/t gold** from 40m.
- **All targets are near surface** and hosted within the +20km gold corridor of the Alpha Domain.
- **Visible gold confirmed** in surface rock chips taken from a new prospect area, within the Indomitable Camp, not adequately tested by previous drilling.
- An **update to the current open-pit table 635,000oz @ 1.6 g/t gold resource** for the Sandstone Gold Project is on track for delivery this March quarter.



Figure 1. RC rig on its way to Sandstone Gold Project.

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ASX: AME

Exploration update Sandstone Gold Project

Alto Metals Limited (ASX: AME) (Alto or the Company) is pleased to provide an update on its exploration activities at its 100% owned Sandstone Gold Project, including visible gold confirmed from rock chip samples from an area south of Indomitable, the identification of additional near-surface targets between Indomitable and Vanguard, planned RC drilling to commence in the coming days and work on the updated global resource estimate is progressing well.

Additional advanced near-surface, gold targets, within the Alpha Domain

In line with Alto's focused exploration approach, the Company has continued ongoing geological review and field work over the 20km long NW/SE trending gold corridor within the Alpha Domain. This work has highlighted a number of advanced near-surface targets, including between Vanguard and Indomitable Camps.

1. **Cessna:** is located approximately 1 kilometre south of Tiger Moth and appears to be a southern extension of the Indomitable Camp. within the Alpha Domain. Historical RAB and AC drilling reported significant gold mineralisation which remains open and has not been followed up. Historical air-core (AC) results from Cessna include:

- **12m @ 3.3 g/t gold** from 60m, ending in mineralisation (CSA0010)
- **19m @ 1.5 g/t gold** from 40m (CSA0011)
- **15m @ 1.3 g/t gold** from 5m (CSA0012)

Mineralisation at Cessna is defined over 140m of strike and remains open.

2. **New Prospect** (between Tiger Moth and Cessna): prospecting activity approximately 500m to the north of Cessna identified rock chips with visible gold. (see Figure 2). The rock chips comprise regolith material likely to be related to banded iron formation, which is associated with mineralisation at Musketeer and Indomitable East. These samples have not been assayed and laboratory assay results are required to determine size and grade of any visible mineralisation reported.

3. **Eclipse & Duke of Windsor:** are located approximately 2 kilometres SE of Cessna and situated along the same NW/SE orientation which hosts Vanguard and Indomitable. Eclipse and Duke of Windsor were mined underground in the early 1900s, with a total of ~860 ounces recovered at an average grade of ~17 g/t gold. The gold mineralisation is hosted within quartz reefs, described as being "sugary in texture, and strongly lineated exhibiting thin black laminae parallel to the vein walls. The prospects have not been adequately tested by drilling. Western Mining Corporation completed a small RC drill program however did not hold the tenement and were unable to drill in the most prospective locations. Troy Resources completed a small RAB program, however it appears that the drilling did not successfully target the quartz reefs.

4. **Bollinger:** is located approximately 2 kilometres north of Indomitable and appears to be an extension of the Indomitable Camp. Historical drilling intersected potentially significant gold mineralisation which has not been adequately followed up. In 2020 Alto completed 3 RC drill holes which included a previously announced shallow result of **28m @ 2.1 g/t gold** from 4m (ASX 18/08/20).

5. **Indomitable East Extensions:** located approximately 1.5 kilometres southeast of the Indomitable East prospect, within the same NW/SE structural trend, a number of historical drill holes intersected gold mineralisation, with results from two RAB holes including **11m @ 3.3 g/t gold** from 24m (HKP327) and **19m @ 0.9 g/t gold** from 36m (HKP415). The mineralisation appears to be associated with banded iron formation in a similar geological setting to Indomitable East.

6. **Bulletin:** is located on the eastern limb of the Sandstone Greenstone Belt, approximately 5km north of Vanguard, within an area of folded and sheared metabasalt, metadolerite, chert and banded iron formation. Mineralisation is defined over an area of approximately 1.5km x 1.5km and appears to be associated with quartz reefs, goethite altered quartz stringers within a porphyry intrusive and to the south is associated with banded iron formation. Historical drill results include **12m @ 2.2 g/t gold** from 46m (TAR2117) and **7m @ 3.1 g/t gold** from 18m (TAR1599).

7. **Bull Oak:** is located towards the centre of the Sandstone Greenstone Belt, approximately 10km NW of Indomitable. The Bull Oak granite is a porphyritic intrusion with a strike length of approximately 500m and a width of up to 150m. The intrusion has relatively steep dipping boundaries and has not been defined at depth. Underground mining was carried out at Bull Oak from 1904 to 1943, targeting the higher grade reefs. Historical production from the reefs are 10,617oz at a grade of 27g/t Au.

In 1997, Herald Resources carried out a small open-pit mining operation targeting oxide mineralisation and recovered a modest 9,701oz of gold at 1.87g/t before ceasing mining. The style of mineralisation at Bull Oak appears to be similar to that observed at Lord Henry, with multiple stack lodes within a granodiorite. Previously announced results from Bull Oak include 260m @ 0.4 g/t from 36m drilled by Alto (ASX 8/12/2021).

Refer to Table 3 of historical results for further information.

Visible gold confirmed in rock chips from an untested area within the Indomitable Camp

Alto is pleased to report the confirmation of visible gold in surface rock chips (Figure 2) taken from a new prospect area within the Indomitable Camp located midway between Tiger Moth and Cessna (Figure 3). The samples were collected as part of the exploration activities the Company has in place with local prospectors and represents the first identification of visible gold mineralisation in rock chips at this location. The rock chips comprise regolith material likely to be associated with banded iron formation.



Figure 2. Visible gold in surface sample rock chips from a new prospect area within the Indomitable Camp (pen for scale).

It is important to note that in relation to the disclosure of visual exploration results, the Company cautions that visual identification of gold is not an estimate of grade or assay results expected from laboratory analyses. Visible gold is not a proxy or substitute for laboratory analyses. The rock chips have not been submitted to the laboratory for assay.

Laboratory assay results are required to determine the widths and grades of any visual mineralisation reported.

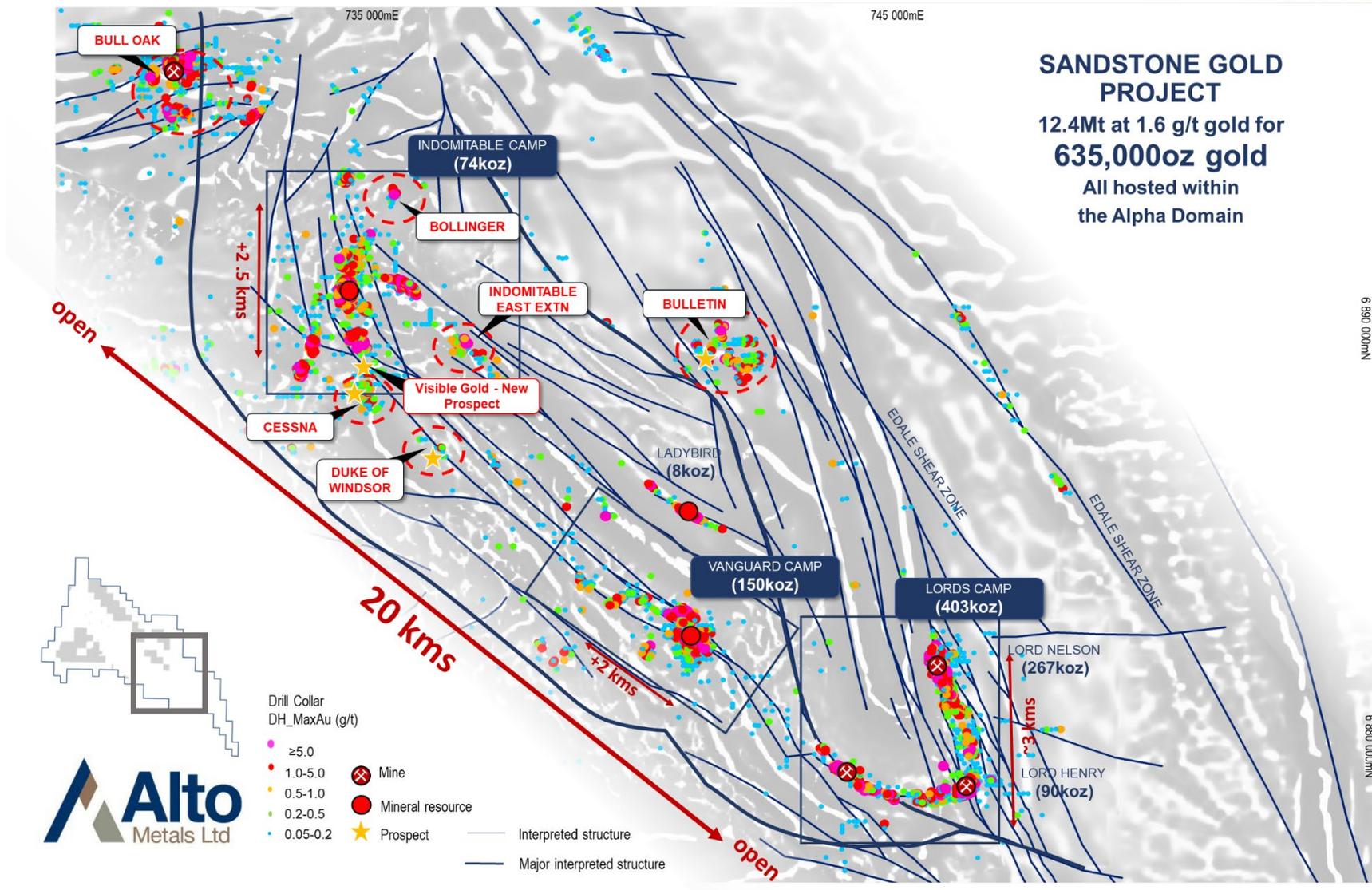


Figure 3. Plan view of Alpha Domain, within the Sandstone Gold Project.

RC drilling

An RC rig is anticipated to commence drilling at Indomitable in the coming days. The drill program is planned to include testing potential interpreted high-grade mineralised structures highlighted from the recent results announced at the end of last year, including 25m @ 7.5 g/t gold from 41m (ASX 24 November 2022). Drilling is also planned to test strike extensions at Indomitable East and Musketeer, and first pass drilling at the Cessna and Duke of Windsor prospects.

Updated mineral resource estimate

Work on the updating of the current **open-pit 635,000oz @ 1.6 g/t gold resource** for the Sandstone Gold Project is progressing and remains on track for completion this month.

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.

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

Matthew Bowles

Managing Director & CEO
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Competent Persons Statement

The information in this Report that relates to current and historical Exploration Results is based on information compiled by Mr Michael Kammermann, who is an employee and shareholder of Alto Metals Ltd, and he is also entitled to participate in Alto's Employee Incentive Scheme. Mr Kammermann 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. Mr Kammermann 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.

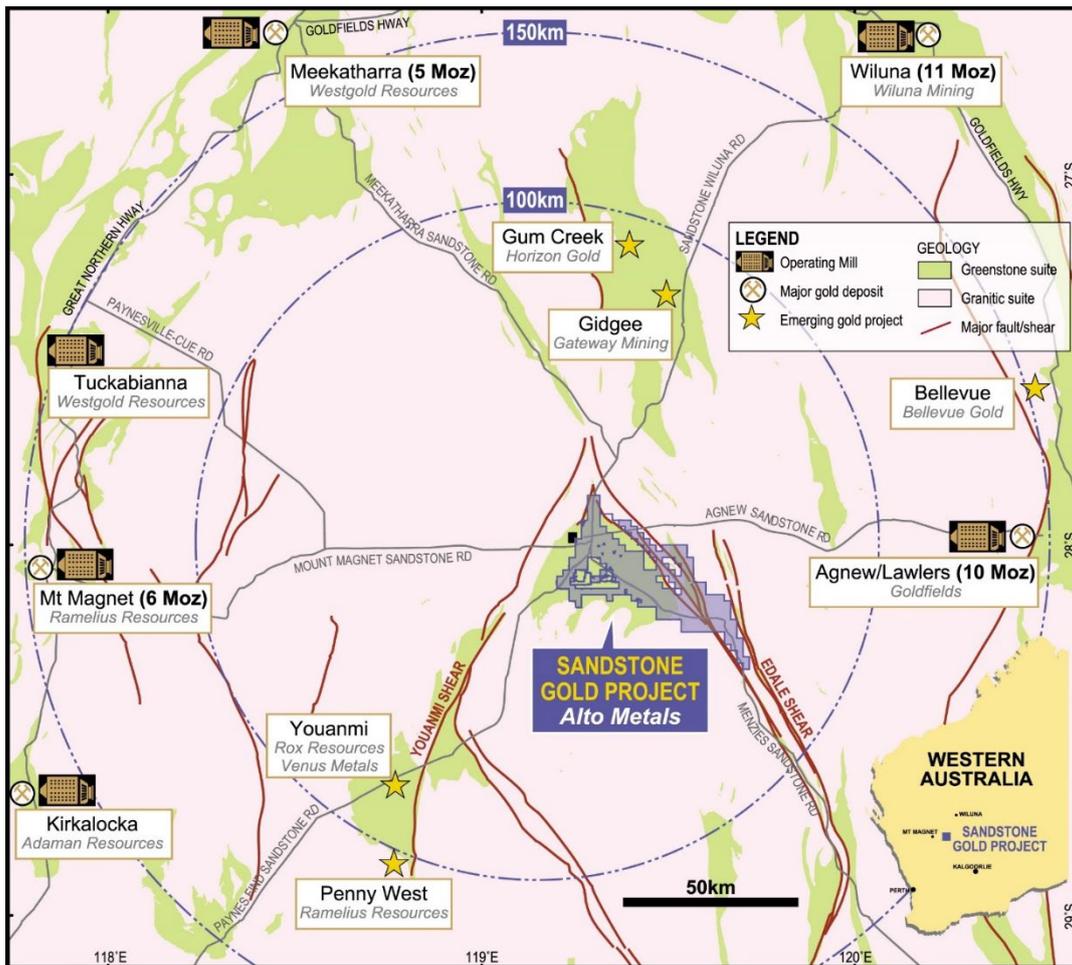


Figure 5. Location of Sandstone Gold Project within the East Murchison Gold Field, WA

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:

Outstanding gold results include an exceptional 25m @ 7.5 g/t intersection from Indomitable, 24 November 2022

80m @ 1.6 g/t gold from extensional drilling at Indomitable, 9 November 2022

Shallow high-grade gold results continue from Indomitable, 20 October 2022

Outstanding results from gold lode south of Lord Nelson Pit, 18 August 2020

Vanguard returns 24m @ 3.5 g/t gold, Sandstoen Gold Project, 8 December 2021

Zone of high-grade gold mineralisation beneath Lord Nelson, 16 March 2020

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements noted above.

Tables 1 & 2: 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. 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 (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 ^a				1.7	1.3	74	1.7	1.3	74
Ladybird ^b				0.1	1.9	8	0.1	1.9	8
TOTAL	3.0	1.7	159	9.4	1.6	476	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.

Table 3: Historical results and drill collar information (MGA 94 zone 50).

Hole_ID	Hole_Type	m_East	m_North	m_RL	Dip	Azimuth	MaxDepth	Prospect	From(m)	To(m)	Interval(m)	Au_g/t	g/t*m_Au	Comments
CSA010	AC	733,589	6,890,105	500	-60	40	72	Cessna	47	56	9	1.0	8.9	Cessna
								incl.	48	53	5	1.5	7.5	
								and	60	72	12	3.3	39.6	
								incl.	60	68	8	4.4	35.2	
CSA011	AC	733,675	6,890,046	500	-60	40	85	Cessna	40	59	19	1.5	28.5	Cessna
								incl.	44	59	15	1.6	24.0	
								and	63	75	12	0.2	2.9	
CSA012	AC	733,704	6,890,072	500	-60	220	72	Cessna	5	20	15	1.3	19.5	Cessna
								incl.	7	12	5	2.9	14.5	
								and incl.	16	18	2	1.3	2.6	
HKP327	RAB	735,642	6,891,192	510	-90	0	72	Ind. East	24	35	11	3.3	36.3	Ind. East
								incl.	24	28	4	7.2	28.8	
								and incl.	31	33	2	2.6	5.2	
HKP415	RAB	735,642	6,891,172	510	-90	0	66	Ind. East	26	30	4	0.8	3.2	Ind. East
								incl.	26	28	2	1.3	2.6	
								and	33	52	19	0.9	17.1	
								incl.	36	39	3	2.0	6.0	
								and incl.	45	46	1	1.3	1.3	
TAR175	RAB	735,284	6,888,757	503	-60	90	52	Duke of Windsor	42	52	10	0.4	4.0	Duke of Windsor
								incl.	44	45	1	1.0	1.0	
TAR2117	RAB	741,550	6,890,800	516	-60	0	77	Bulletin	46	58	12	2.2	26.4	Bulletin
								incl.	46	48	2	1.5	3.0	
								and incl.	52	53	1	18.3	18.3	
TAR1599	RAB	740,988	6,890,850	516	-90	0	30	Bulletin	18	25	7	3.1	21.7	Bulletin
								incl.	21	23	2	9.8	19.6	

JORC Code, 2012 Edition Table 1 – Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Samples were collected by air-core drilling (AC) and rotary air blast drilling (RAB). <u>Herald Resources Limited (Herald) 1993-1999</u> All RAB samples were collected in 4m composites using one scoop from each 1m sample heap, with the majority of significant intersections >0.2ppm Au re-sampled at 1m intervals and sent to the laboratory for aqua regia AAS gold determination with a lower detection limit of 0.02ppm Au. <u>Troy Resources NL (Troy) 1999-2009</u> Rotary Air Blast (RAB) and air core drilling (AC) samples were collected in 1m intervals and laid on the ground. From the bulk samples (RAB or AC), a 5m composite sample was collected using a split PVC scoop and then submitted to the laboratory for analysis. Where anomalous gold zones were detected, 1m re-split samples were collected and submitted to the laboratory.
Drilling techniques	<ul style="list-style-type: none"> Herald RAB drill holes were drilled by Grimwood Davies and Bostech Drilling. Troy RAB and AC drill holes were drilled by Bostech Drilling or Kennedy Drilling.
Drill sample recovery	<ul style="list-style-type: none"> Alto has no quantitative information on Troy or Herald RAB and AC sample recovery.
Logging	<ul style="list-style-type: none"> Detailed geology logging codes were used for the Herald and Troy drill holes.
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> Sample sizes are appropriate to give an indication of mineralisation. The sampling technique is appropriate for the material and style of mineralization. <u>Herald</u> All RAB samples were collected in 4m composites using a scoop off each 1m sample heap, with the majority of significant intersections >0.2ppm Au re-sampled at 1m intervals and sent to the laboratory for aqua regia AAS gold determination with a lower detection limit of 0.02ppm Au. <u>Troy</u> Troy samples were sent to various laboratories located in Perth, Western Australia, who were responsible for sample preparation and assaying for drill hole samples and associated check assays. The laboratories at the time, were certified to the ISO 9001 requirements for all related inspection, verification, testing and certification activities. Assays were submitted for 50g Aqua Regia digest followed by DIBK extraction Flame Atomic Absorption Spectrometry.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The Aqua Regia technique is considered to be a partial extraction technique where gold encapsulated in refractory sulphides or some silicate minerals may not be fully dissolved, resulting in partial reporting of gold content. Alto has no information to indicate that the gold at Sandstone is refractory. <u>Herald</u> Repeat assays were carried out and recorded on the logging sheets. There is no available documentation for the procedures of QAQC protocols. <u>Troy</u> For Troy drilling, an average of 1 field duplicate, 1 blank and 1 standard were submitted for every 50 samples. Troy engaged Maxwell to undertake periodic audit of the exploration QAQC data on a monthly basis. Laboratory Repeat assays were reported for Troy drill assays.
Verification of sampling and assaying	<ul style="list-style-type: none"> Drilling information pertaining to drilling carried out by Herald and Troy was compiled by Alto from WA Dept Mines Open File records (WAMEX). Data was transferred from WAMEX digital files to Alto's database. The original WAMEX files were generally in excel or text format and were readily imported into Alto's database. All significant intersections are reviewed by alternative company personnel.
Location of data points	<ul style="list-style-type: none"> All data is reported in GDA 94 zone 50. Troy drilling was located with a differential GPS (accurate to <1m). Herald drill holes were reported using an AMG grid established by contract surveyors. There is no available down hole survey data for the Troy or Herald drilling however it is unlikely that the drill hole deviation would be material given that the holes are either vertical or shallow.

Criteria	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> • Drill collar spacing is variable given that the drilling is exploration and not for resource estimation. • The drilling was composited downhole for estimation using a 1m, 4m or 5m interval.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Drill orientation is typically vertical or -60° to 090° which is designed to intersect mineralisation approximately perpendicular. However the drilling is mostly exploration and there is minimal to no outcrop hence little information is available with respect to geological structure.
Sample security	<ul style="list-style-type: none"> • No sample security details are available for Herald drill samples however, it is assumed that due care was taken with security of samples during field collection, transport and laboratory analysis. • Troy reported that their drill samples were collected in a labelled and tied calico bag. Up to six calico bags are then placed in a larger polyweave bag that is labelled with the laboratory address and sender details and tied with wire. The polyweave bags were picked up by a courier firm who counted the number of polyweave bags before taking them to the Mt Magnet depot. The samples were picked up by the courier's road train and transported to Perth. Upon receipt of the samples the laboratory checked the sample IDs and total number of samples and notified Troy of any differences from the sample submission form.
Audits and reviews	<ul style="list-style-type: none"> • No external audits or reviews have been undertaken at this stage.

JORC (2012) Table 1 – Section 2 Reporting of Exploration Results

Item	Comments
Mineral tenement and land tenure	<ul style="list-style-type: none"> • Alto's Sandstone Project is located in the East Murchison region of Western Australia and overlies the Sandstone Greenstone Belt with approximately 730 km² of granted tenements including prospecting, exploration and mining licences all 100% owned by Sandstone Exploration Pty Ltd, which is a 100% subsidiary of Alto Metals. • To date there have been no issues obtaining approvals to carry out exploration and there are no known impediments to potential future development or operations, subject to relevant regulatory approvals, over the leases where significant results have been reported. • Royalties include up to 2% of the Gross Revenue payable to a third party, and a 2.5% royalty payable to the State Government.
Exploration done by other parties	<ul style="list-style-type: none"> • Gold was first discovered in the Sandstone area in the 1890's. • Herald became operator of the project in 1993 and completed drilling, mineral resource estimation, feasibility studies and open pit mining. • Troy became operator in 1999 and completed drilling, mineral resource estimation, feasibility studies and open pit mining.
Geology	<ul style="list-style-type: none"> • The Indomitable Camp, which includes Cessna and Indomitable East is located within an area of alluvium covering deeply weathered, mafic and ultramafic units and banded iron formation. • At Indomitable East the stratigraphy is subvertical and has an east-west strike. Two main geological units are observed being a northern deeply weathered ultramafic unit and a southern unit comprising interlayered banded iron formation within deeply weathered ultramafic. Weathered banded iron formation is exposed on the surface. Elsewhere there is no outcrop. The gold mineralisation appears to be constrained to the banded iron formation/ ultramafic package. • At Cessna the dominant geological unit is weathered ultramafic rocks with minor banded iron formation. Gold mineralisation is possibly related to quartz veining within saprolite. • The Bull Oak granite is a porphyritic intrusion with a strike length of approximately 500m and a width of up to 150m. The intrusion has a depth of at least 250m and has relatively steep dipping boundaries. The intrusion trends north-east cutting across mafic rocks between the BIF units. The granite does not outcrop and is intensely kaolinised to clay plus quartz to a depth of approximately 60m below surface. The fresh granite is a medium grained, pale grey, biotite granodiorite with traces of pyrite. Mineralisation at the Bull Oak deposit is associated with north-west trending quartz reefs, which dip approximately 30 degrees to the north-east. • Bulletin is located on the eastern limb of the Sandstone Greenstone Belt within an area of folded and sheared metabasalt, metadolerite, chert and banded iron formation. Mineralisation is defined over an area of approximately 1.5km x 1.5km and appears to be associated with quartz reefs, goethite altered quartz stringers

Item	Comments
	within a porphyry intrusive and to the south is associated with banded iron formation.
Drill hole information	<ul style="list-style-type: none"> • The locations of all relevant drill holes are shown on various plans in the report. • Drill hole collar and relevant information for drill holes with significant mineralisation is included in a table in the main report.
Data aggregation methods	<ul style="list-style-type: none"> • Mineralised intervals for historical drilling are reported +0.2 g/t Au and may contain 2 to 4 metres of internal waste (less than 0.2 g/t Au mineralisation). • No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • Drill holes were either vertical or angled at -60° and designed to intersect perpendicular to the host stratigraphy or interpreted strike and dip of the mineralisation however there is minimal to no outcrop hence little information is available with respect to geological structure. • It is unknown if the downhole intercepts are representative of true widths given the current understanding of the mineralisation and geological structures.
Diagrams	<ul style="list-style-type: none"> • Relevant plans have been included in the main report.
Balanced reporting	<ul style="list-style-type: none"> • Drill hole collar and relevant information for the reported drill holes with significant mineralisation is included in a table. • The locations of all drill holes are shown on a plan in the report showing maximum gold value at the collar.
Other substantive exploration data	<ul style="list-style-type: none"> • All material exploration information has been included in the report.
Further work	<ul style="list-style-type: none"> • Alto has planned RC drilling to follow up the historical significant gold mineralisation.