

Sandstone Gold Project

Alto fully funded to advance current exploration planned for CY2023 at Sandstone Gold Project

Successful \$5m Placement to support ongoing exploration including RC and Diamond drilling at Indomitable to drive further resource growth

Highlights

- Firm commitments received to raise \$5 million through the issue of approximately 96 million shares at an issue price of \$0.052 per share (Placement). The Placement was strongly supported by existing major shareholders and new leading resource-focused funds, including \$1 million from Lion Selection Group (ASX: LSX).
- Firm commitments received well in excess of the offer size, indicating strong investor demand for Alto.
- In addition, the Company has agreed to place approximately 8 million fully paid shares, at the same issue price as the Placement, under a drill for equity arrangement for a total of \$420,000.
- The Company is now fully funded for all exploration currently planned for CY2023. The next phase of planned exploration at Sandstone, to commence in the coming weeks following receipt of pending assays includes:
 - Follow up RC and Diamond drilling at Indomitable targeting higher grade gold mineralisation at depth; and
 - Step-out drilling along both the Vanguard and Indomitable trends.
- The strengthened balance sheet also allows for ongoing exploration over the historic Hacks and Oroya mines and other advanced regional gold targets, along with continuing low-cost lithium targeting work.
- **Assays currently pending** for ~ 4,500m of drilling at Indomitable from the latest exploration drilling program targeting high-grade structures at depth; outside the current optimised open-pit 832,000oz @ 1.5 g/t gold resource¹.



Alto's Managing Director, Matthew Bowles said:

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

Our drilling at Sandstone continues to deliver outstanding results and this capital raising sees Alto fully funded for all our current exploration planned for CY2023 and forward program for the next 12 months. We are looking forward to receiving assays currently pending from over 4,500m of RC drilling at Indomitable, targeting potential high-grade structures in the primary rock at depth, and rigs are ready to be mobilised to follow up on these pending results. Regionally, our low-cost lithium exploration work is continuing along with our review of historical data.

Placement

Alto Metals Limited (ASX: AME) (Alto or Company) is pleased to advise that it has secured firm commitments to raise a total of \$5 million (before costs) through the issue of approximately 96.2 million shares at an issue price of \$0.052 per share (**Placement**). The Placement was well supported by both existing and new shareholders and enables the Company to continue the ongoing exploration at the Company's 100% owned, Sandstone Gold Project, in Western Australia, to drive further resource growth and new discoveries.

The Directors have also committed their support for the Placement with a collective total of \$148,000 under the Placement being 2.8 million new shares, which will be subject to shareholder approval, to be sought at a General Meeting (GM) expected to be held in early September 2023.

In addition, the Company has agreed to a place approximately 8.1 million new fully paid ordinary shares, at the same issue price as the Placement, under a drill for equity arrangement, for a total of \$420,000 (**Drilling Agreement**).

The Placement will be completed in two Tranches, as follows:

- Tranche 1: 101,384,615 shares to institutional, professional and sophisticated investors and under the Drilling Agreement pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A (41,184,615 under LR7.1 and 60,200,000 and LR7.1A)
- Tranche 2: 2,846,154 shares, for director participation in the placement, subject to shareholder approval, to be sought at a General Meeting (GM) expected to be held in early September 2023

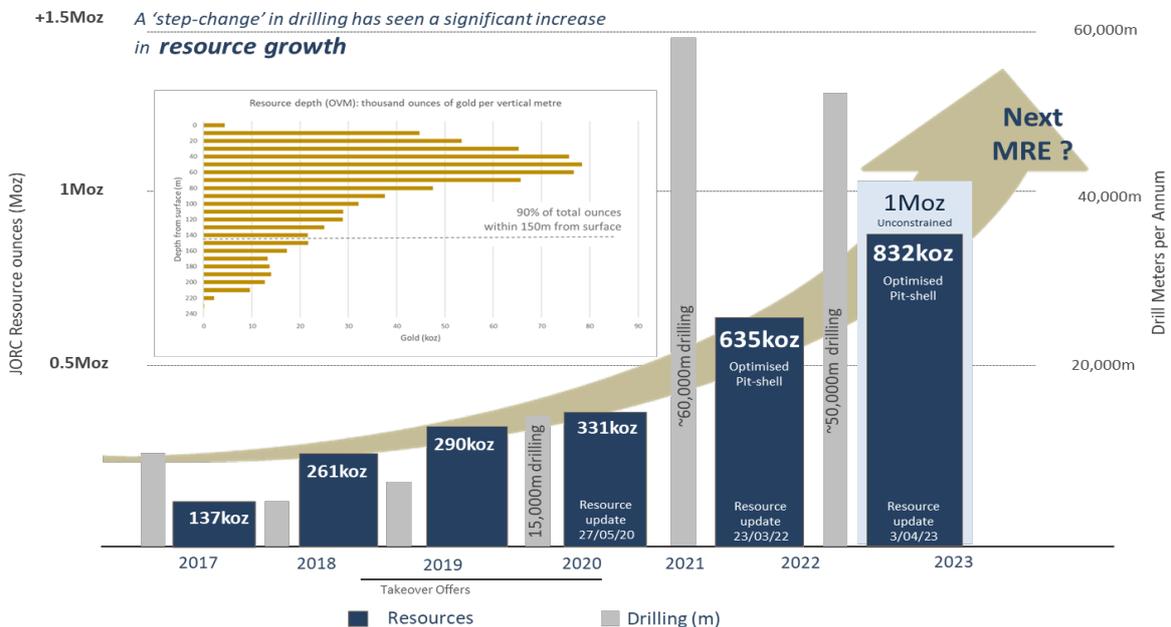
The issue of the new shares under Tranche 1 is expected to occur on or around Monday, 31 July 2023. New shares to be issued under both the Placement and Drilling Agreement are fully-paid ordinary shares and will rank equally with existing shares on issue.

The issue price of \$0.052 represents a discount of 7.1% discount to the last traded price and 11.3% to the 30 day VWAP.

Taylor Collison Limited acted as Lead Manager and Bookrunner to the Placement and will be paid a 6% fee on funds raised under the Placement.

A Growing Shallow Gold Resource

Drilling focused on adding quality shallow ounces – depth potential yet to be tested...



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

Alto's focus remains on further growing the existing resources within the Alpha Domain, while continuing to review the multiple advanced brownfield prospects, within the +740km² Sandstone Gold Project, as part of the Company's longer term strategy to continue to advance the overall project pipeline.

This funding sees the Company fully funded for all exploration currently planned for CY2023 and the current forward program planned for the next 12 months. The proceeds of the Placement are primarily planned be used to continue the ongoing extensional and resource drilling at both Indomitable and Vanguard, where drilling has been targeting higher grade structures at depth within the fresh rock, along with priority regional targets, including Hacks and Oroya region.

Assays are currently pending from over ~4,500m of RC drilling at Indomitable. Following receipt of these pending assays the next phase of planned exploration at Sandstone, to commence in the coming weeks, includes:

- A further 5,000-10,000m of extensional and resource RC drilling and ~3,000m of Diamond drilling (DD) at Indomitable, targeting high-grade primary mineralisation;
- A further 5,000m of extensional and resource RC drilling at Vanguard;
- First pass RC drilling at a number of historic gold workings within the Hacks West area and regional targets; and
- Low-cost lithium exploration work at Sandstone, where are number of prospective targets have been identified.

Funds will also be applied to follow-on phases of exploration and resource drilling and continuing to evaluate priority regional gold targets. Funds will also be used for costs associated with the capital raising, corporate and general working capital purposes.

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 on behalf of the Board of Alto Metals Limited.

Matthew Bowles

Managing Director & CEO

Alto Metals Limited

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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 an optimised, open-pit constrained mineral resource estimate of 832,000oz gold at 1.5g/t, capturing over 80% of the unconstrained total MRE of 1.05Moz. 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.

Tables 1 & 2: Mineral Resource Estimate for Sandstone Gold Project

Table 1: Total Mineral Resource Estimate for Sandstone Gold Project

Mineral Resource Estimate for the Sandstone Gold Project as at March 2023				
Classification	Cut-off grade (g/t gold)	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	0.5	4.3	1.6	226
Total Inferred	0.5	13.3	1.4	606
TOTAL	0.5	17.6	1.5	832

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: Unconstrained Mineral Resources for Sandstone Gold Project, March 2023

Unconstrained Mineral Resources for the Sandstone Gold Project as at March 2023				
Classification	Cut-off grade (g/t gold)	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	0.5	4.3	1.6	227
Total Inferred	0.5	19.2	1.4	819
TOTAL	0.5	23.5	1.4	1,046

Unconstrained Mineral Resources reported at a cut-off grade of 0.5 g/t gold. Minor discrepancies may occur due to rounding of significant figures.

The references 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, Indomitable, Bull Oak release: "Significant increase in shallow gold resources at Sandstone Gold Project" 3 April 2023;
- (b): Vanguard Camp, Havilah Camp, Lord Henry: release titled: "Sandstone Mineral Resource increases to 635,000oz gold" 23 March 2022;
- (c): Indomitable Camp (Piper & Tiger Moth deposits): release "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" 25 Sep 2018;
- (d): Ladybird: release "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" 11 June 2019; and

1. Refer to Alto Metals ASX release dated 3 April 2023 for full Mineral Resource estimate details. In accordance with ASX Listing Rule 5.23, the Company is not aware of any new information or data that materially affects the information included in this release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.