

Condensed Consolidated Interim Financial Report

For the Half-Year Ended
31 December 2023



This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Alto Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

ALTO METALS LIMITED

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CORPORATE DIRECTORY

Directors

| | |
|----------------|------------------------------------|
| Mark Connelly | Independent Non-Executive Chairman |
| Matthew Bowles | Managing Director & CEO |
| Richard Monti | Independent Non-Executive Director |

Company Secretary

Graeme Smith

Principal Registered Office

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Auditor

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Australian Securities Exchange

ASX Code – AME

Directors' Report

Your Directors present their report together with the condensed consolidated interim financial report of Alto Metals Limited ("Alto" or the "Company") and the entities it controlled (together "the Group") for the half-year ended 31 December 2023 and the auditor's review report thereon.

Directors

The names of the Directors who held office during or since the end of the half-year are:

Mark Connelly
Richard Monti
Matthew Bowles

Directors were in office for this entire half-year unless otherwise stated.

Review of Results

A summary of consolidated revenues and results for the half-year is set out below:

| | 2023 | | 2022 | |
|-----------------------------|-----------------------|--|-----------------------|--|
| | Other Income \$ | Comprehensive loss for the half-year \$ | Other Income \$ | Comprehensive loss for the half-year \$ |
| Group other income and loss | 36,053 | (1,061,780) | 13,760 | (1,011,866) |

The Group's cash position at the end of the half-year was \$3,428,762 (30 June 2023: \$1,075,068).

Review of Operations

About Alto Metals and the Sandstone Gold Project

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 focused on growing these resources through continued exploration success and new discoveries.

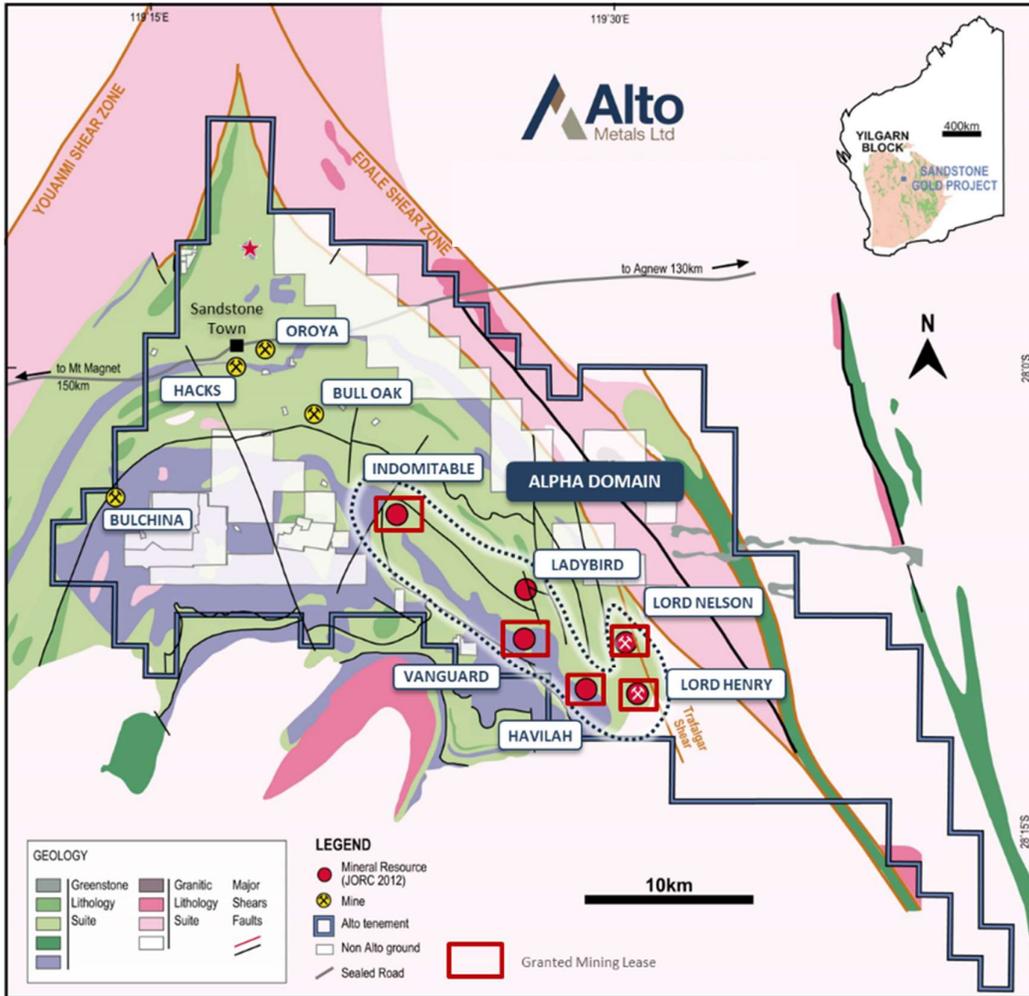


Figure 1. Location of Sandstone Gold Project within the East Murchison Gold Field, WA

Exploration Strategy

Alto remains focused on growing the existing core resource base within the Alpha Domain, while continuing to review and progress the multiple advanced brownfield prospects, as part of the Company's longer-term strategy to support a stand-alone operation at the Sandstone Gold Project.



Figure 2: Growth and development pipeline for Sandstone Gold Project

Summary of Exploration Activity

During the half year, the Company completed ~6400m of drilling at Indomitable, Bull Oak and other regional prospects. Surface soil sampling was conducted over greenfield and brownfield prospects.

Drilling at Indomitable continued to deliver high grade gold hits with shallow oxide gold mineralisation defined over a 3.5km strike length remaining open. Final assay results were received from the 5000m RC drill program following up on interpreted high-grade structures and strike extensions at Indomitable.

A review of historical data at Bull Oak suggested additional resource growth potential, and a 2,350m drill program was developed to extend mineralisation outside the current resource with step-out holes targeting extensions of mineralisation around the open pit. Shallow high grade gold results of up to 38 g/t highlight growth potential at Bull Oak.

At Sandstone North, a 6km long gold anomaly was identified from surface soil samples, with high grade gold mineralisation intersected in limited historical drilling below old workings. The company commenced an infill soils program in February 2024 and is planning a follow up air-core drilling at Sandstone North.

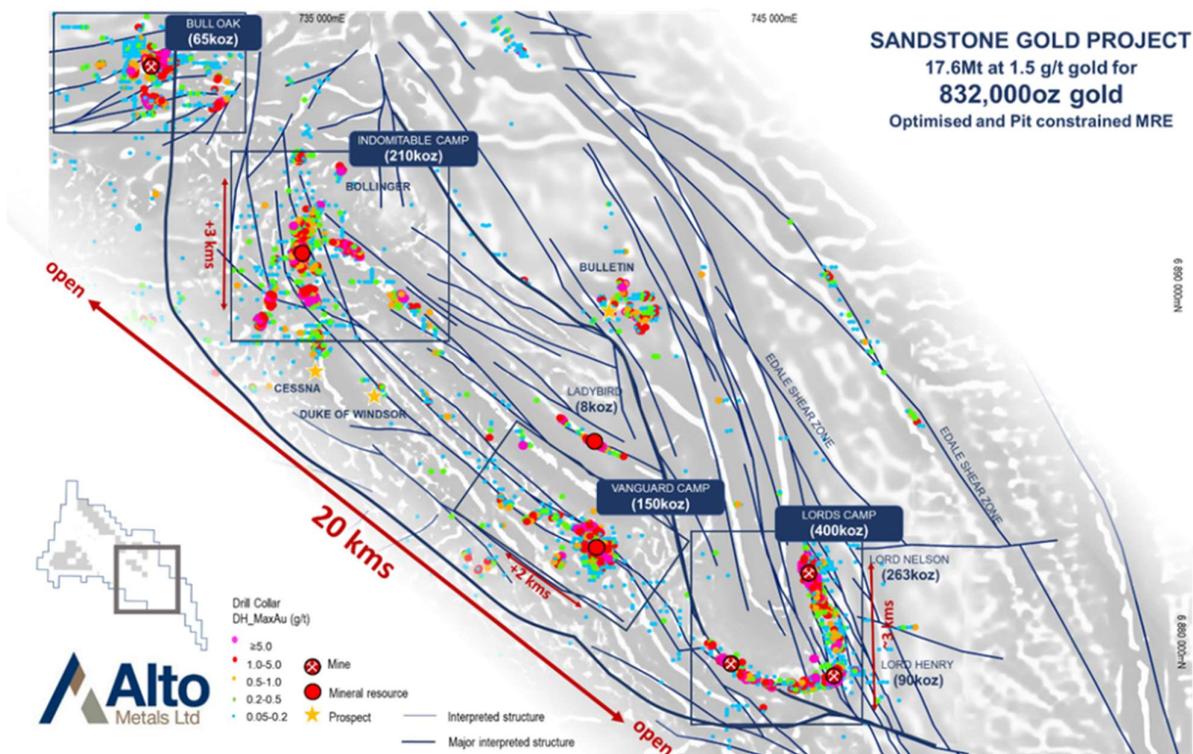


Figure 3: Location of total current mineral resources for Sandstone Gold Project

Highlights of the half year

New Gold Target – Sandstone North

- **Major new 6 kilometre long gold and pathfinder anomaly** identified from surface soil samples at Sandstone North.
- Limited previous drilling below historical workings over 300m strike within the overall 6 kilometre trend, returned **multiple high-grade results** including:
 - **15m @ 9.1 g/t gold** from 82m incl. **3m @ 32.1 g/t gold** from 94m (end in min.)
 - **13m @ 5.2 g/t gold** from 34m incl. **1m @ 58.0 g/t gold** from 39m
 - **15m @ 5.4 g/t gold** from 24m incl. **5m @ 10.8 g/t gold** from 30m
 - **23m @ 2.0 g/t gold** from 101m incl. **2m @ 11.3 g/t gold** from 104m
 - **6m @ 5.8 g/t gold** from 11m incl. **1m @ 29.5 g/t gold** from 13m
 - **12m @ 2.4 g/t gold** from 23m incl. **2m @ 6.4 g/t gold** from 29m
- Mineralisation remains open along strike and down plunge, with the **majority of the 6km target remaining undrilled**.

Shallow high grade results at Bull Oak

- **Drilling extends the high-grade Kohinoor North Reef** outside the current resource with mineralisation defined over 400m and remains open.
- New assay results from step-out RC drilling at Bull Oak, targeting extensions of mineralisation around the open pit, have delivered significant shallow high-grade gold intercepts outside the granodiorite including:
 - **11m @ 4.1 g/t gold** from 34m, incl; **1m @ 38.0 g/t gold** from 34m
 - **7m @ 4.7 g/t gold** from 29m, incl; **1m @ 28.9 g/t gold** from 32m
 - **3m @ 10.2 g/t gold** from 41m, incl; **1m @ 29.5 g/t gold** from 41m

Indomitable

- **High-grade gold results continue to highlight scale potential of +3km oxide footprint:**
 - **15m @ 3.1 g/t gold** from 32m; incl. **8m @ 5.0 g/t gold** from 32m; incl. **1m @ 22.2 g/t gold** from 33m
 - **15m @ 2.1 g/t gold** from 72m; incl. **5m @ 5.4 g/t gold** from 79m; and **1m @ 18.9 g/t gold** from 83m
 - **14m @ 2.6 g/t gold** from 61m; incl. **2m @ 10.6 g/t gold** from 61m; incl. **1m @ 18.8 g/t gold** from 62m
 - **11m @ 3.4 g/t gold** from 57m; incl. **2m @ 12.6 g/t gold** from 60m; and **1m @ 19.8 g/t gold** from 60m

Directors' Report

December half year 2023 activities

Alto is pleased to report on a half year of further strong exploration results and the discovery of new target areas during the half year.

In line with Alto's focused exploration approach to drive near-term resource growth, the Company has continued ongoing exploration, geological review and field work over the 20km long NW/SE trending gold corridor within the Alpha Domain which hosts the Lords, Vanguard, Indomitable and Bull Oak shallow gold deposits.



Figure 4. RC drilling at Bull Oak, Sandstone Gold Project.

Sandstone North – Major new 6 kilometre long high-grade structural gold target

In the December half year, results from fine fraction soil geochemical sampling over the Sandstone North area, located within the Company's 100% owned Sandstone Gold Project, defined a significant 6 kilometre-long gold and pathfinder element anomaly, up to 250m wide and coincident with interpreted north-trending shear zones along a major regional fold axis (refer to Figure 5).

A recent structural interpretation by Gold Vector Pty Ltd using high resolution aeromagnetic imagery, has correlated the anomalous zone with a major north-northwest trending interpreted shear and potentially a favourable sedimentary lithology or early structure along the western side of an ultramafic unit (refer to Figure 5), a similar setting to the large, high-grade Waroonga deposit at Agnew. The 6km long gold and pathfinder soil anomaly supports historical lag sampling data and geological mapping.

High-grade gold mineralisation has been intersected in previous drilling below the main historical workings, which are within a sedimentary unit close to a contact with ultramafic rocks and limited to a strike length of 300m within the overall 6km anomalous zone. The drilling below and immediately along strike to the workings reported some exceptionally high-grade results including **15m @ 9.1 g/t Au** from 82m incl. **3m @ 32.1 g/t gold** with mineralisation remaining open along strike and down plunge (Figure 5, 6 and 7).

Elsewhere within the 6km strike length of the anomalous zone, minimal drilling has been carried out and focused on testing the peaks of a small number of specific gold-in-lag targets.

Alto has employed modern exploration methodology incorporating fine fraction soil sampling with low level gold and multi-element assay, together with detailed structural interpretation using recent high resolution aeromagnetic imagery.

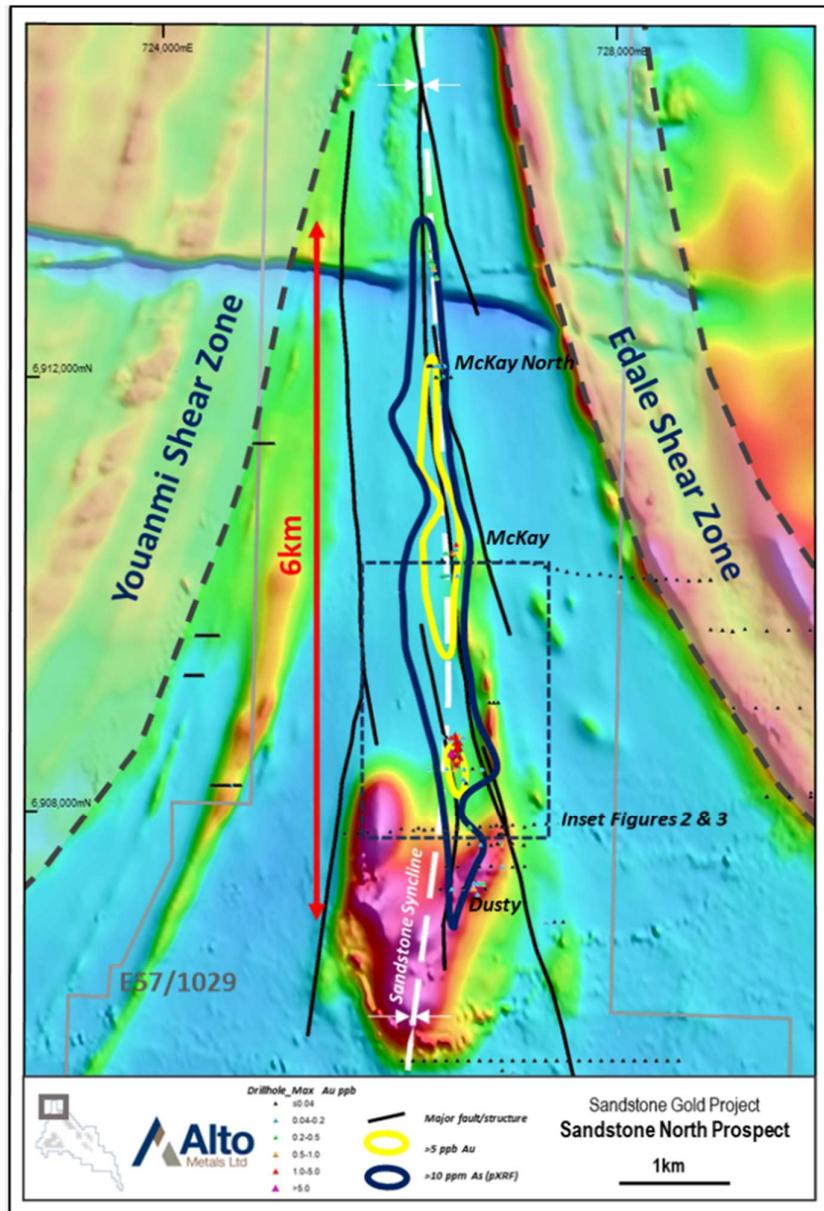


Figure 5: Plan view of 6km long gold and pathfinder target at Sandstone North, with key north-south trending structures.

The entire 6km long anomalous zone is considered a priority target based on the association with major north-northwest trending shears along the hinge of a major fold, competency contrasts between the sedimentary and ultramafic rocks which are often strongly silicified, and the known high-grade drilling intersections.

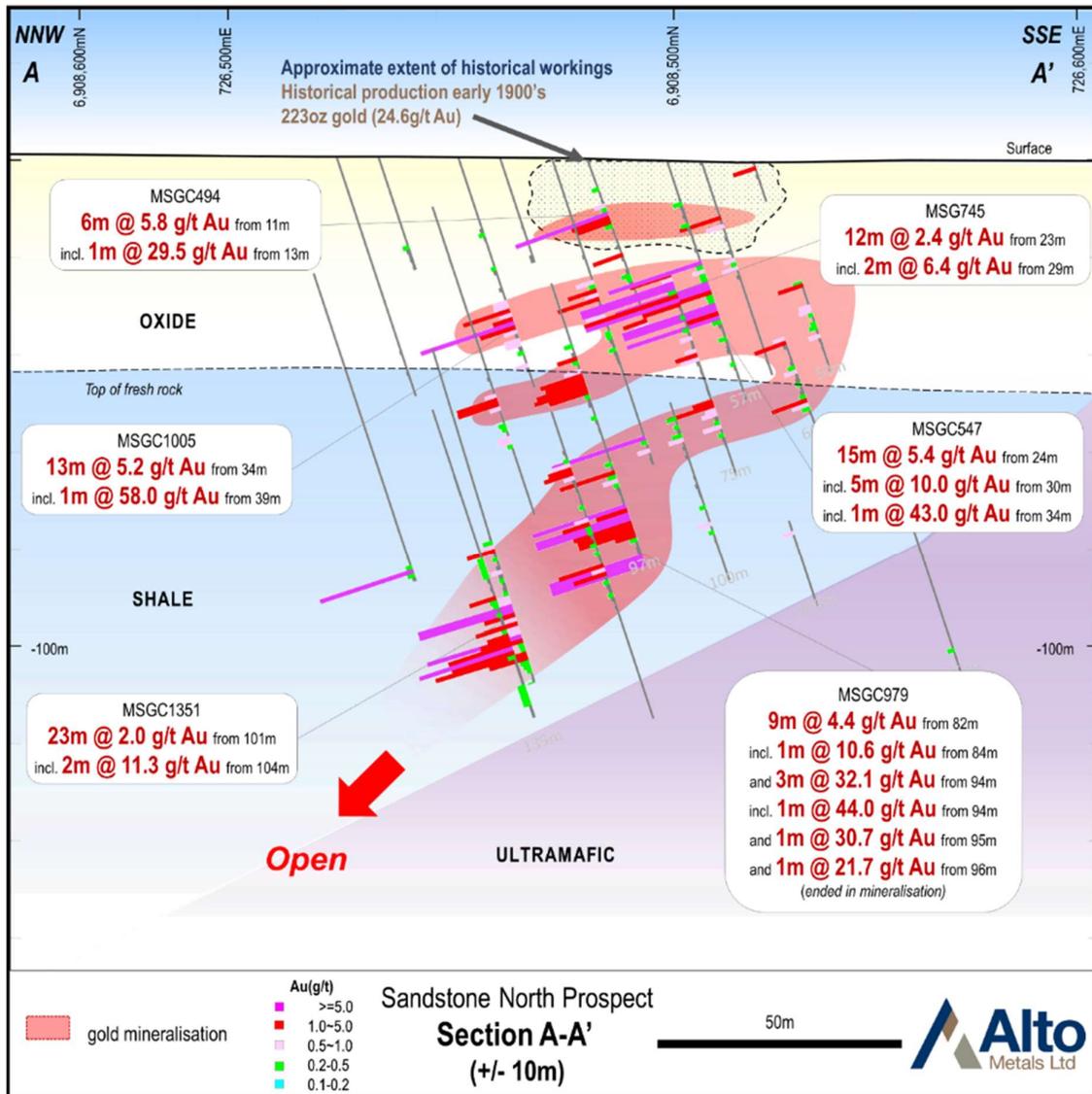


Figure 7: Section view of high-grade results below the historical workings at Sandstone North.

Key points related to Sandstone North

- The north-south trending gold anomaly is defined over a strike length of 6km strike at Sandstone North and is coincident with pathfinder elements associated with orogenic gold mineralisation
- High-grade gold mineralisation intersected in previous drilling over a 300m strike length within the overall 6km long anomalous zone with significant results including 15m @ 9.1 g/t Au from 82m, with mineralisation remaining open along strike and down plunge.
- Structural interpretation has identified the 6km long soil anomaly is coincident with major NNW trending interpreted shears.
- The mineralisation style and geological setting is potentially similar to Goldfield's high-grade Waroonga deposit at Agnew.
- Previous drilling was limited to testing below the historical workings and the peaks of a small number of gold-in-lag anomalies.

Bull Oak - drilling extends gold mineralisation

During the half year the Company released new assay results from an initial 18 hole RC program at Bull Oak, **successfully extended shallow high-grade gold mineralisation both along strike and below the historic mined open-pit.**

Multiple shallow high-grade gold intersections were identified with mineralisation associated with banded-iron-formation. Significant assay results include:

- **11m @ 4.1 g/t gold** from 34m, including; **1m @ 38.0 g/t gold** from 34m(SRC985)
- **7m @ 4.7 g/t gold** from 29m, including; **1m @ 28.9 g/t gold** from 32m(SRC983)
- **3m @ 10.2 g/t gold** from 41m, including; **1m @ 29.5 g/t gold** from 41m(SRC981)
- **10m @ 1.5 g/t gold** from 19m, including; **4m @ 3.1 g/t gold** from 24m(SRC973)

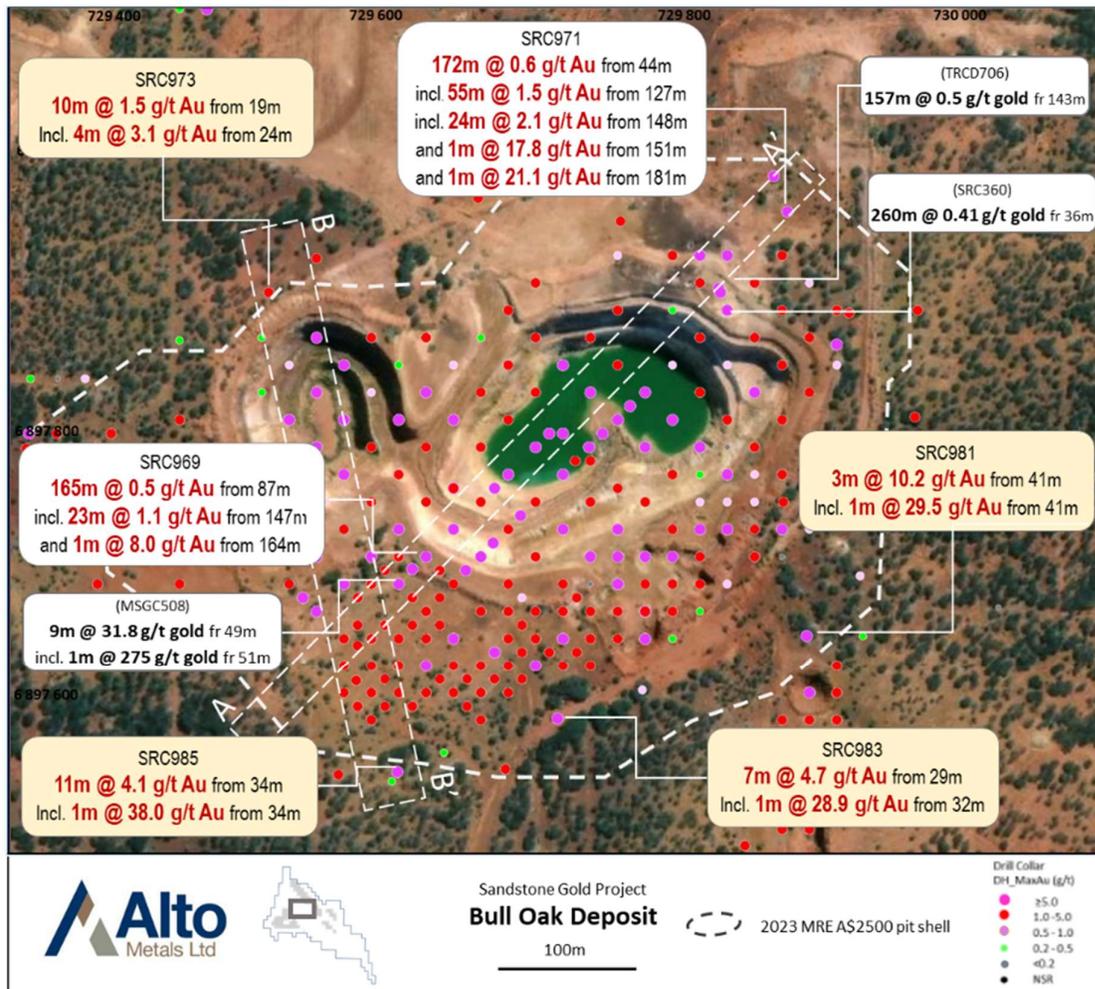


Figure 8: Plan view of Bull Oak Mine showing historical and Alto Metals drilling.

Four deeper RC holes intersected numerous mineralised intervals of within the granodiorite and the surrounding country rock. Significant results included

- **55m @ 1.5 g/t gold** from 127m, incl.
- 24m @ 2.1 g/t gold** from 148m, incl.
- 1m @ 17.8 g/t gold** from 151m, and.
- 1m @ 21.1 g/t gold** from 181m

within an overall intercept of **172m @ 0.64 g/t gold from 44m** (SRC971) - ended in mineralisation;

Directors' Report

- **23m @ 1.1 g/t gold** from 147m, incl.

8m @ 2.1 g/t gold from 157m, incl.

1m @ 8.0 g/t gold from 164m

within an overall intercept of **227m @ 0.44 g/t gold from 26m** (SRC969) - ended in mineralisation;

SRC971 was drilled in the north-east part of the deposit near the interpreted margin of the granodiorite. The drilling passed through the oxide zone and intersected mafic rocks and a wide interval of banded-iron-formation (BIF) intermixed with granodiorite, interpreted to be the contact of the Bull Oak intrusive (refer to Figure 9).

SRC969 was drilled in the south-west part of the Bull Oak granodiorite targeting mineralisation at depth below the current mineral resource, and was a step-out hole approximately 200m along strike from previous deep drill hole SRC360 which intersected multiple stacked lodes in an overall intercept of **260m @ 0.41 g/t gold** from 36m (including a high grade intercept of **up to 14.3 g/t gold**), with the hole ending in mineralisation. SRC969 also intersected multiple stacked lodes and ended in mineralisation.

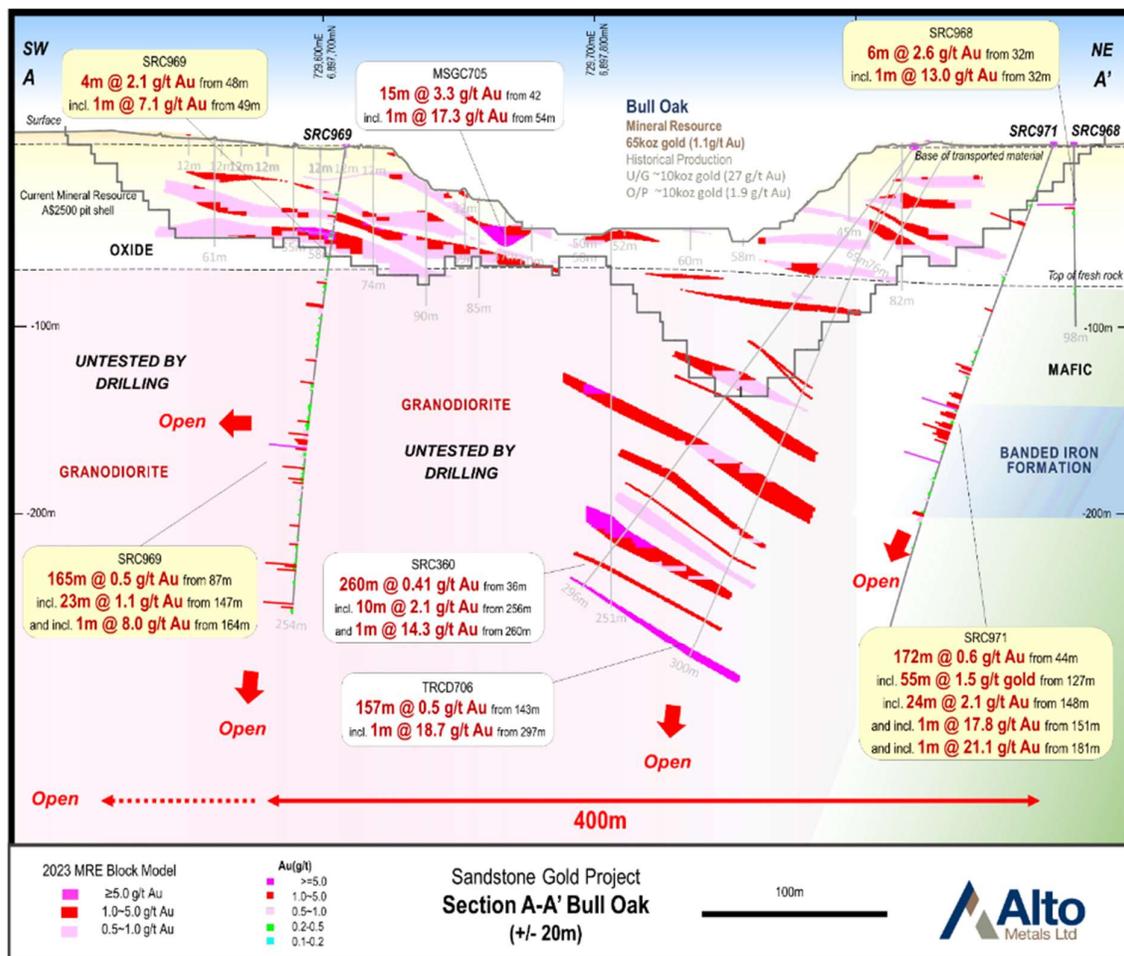


Figure 9: Drill section at Bull Oak looking north-west, showing two of the completed deeper drill holes (SRC969 and SRC971) to test extensions of the multiple stacked lodes below the open pit and current mineral resource.

Drilling has confirmed that **gold mineralisation is not constrained to the granodiorite** and extends into the surrounding rocks. Assay results from SRC971 at the granodiorite-BIF contact have confirmed that this is a favourable geological position for high-grade gold mineralisation. Historical surface geological mapping and shallow drilling defined multiple east-west oriented, sub-vertical BIF units that have been intruded by the granodiorite that remain untested by drilling at depth. These target areas represent an exciting opportunity to **potentially define further high-grade mineralisation, additional to the multiple stacked lodes within the granodiorite**, to be included in future mineral resource updates.

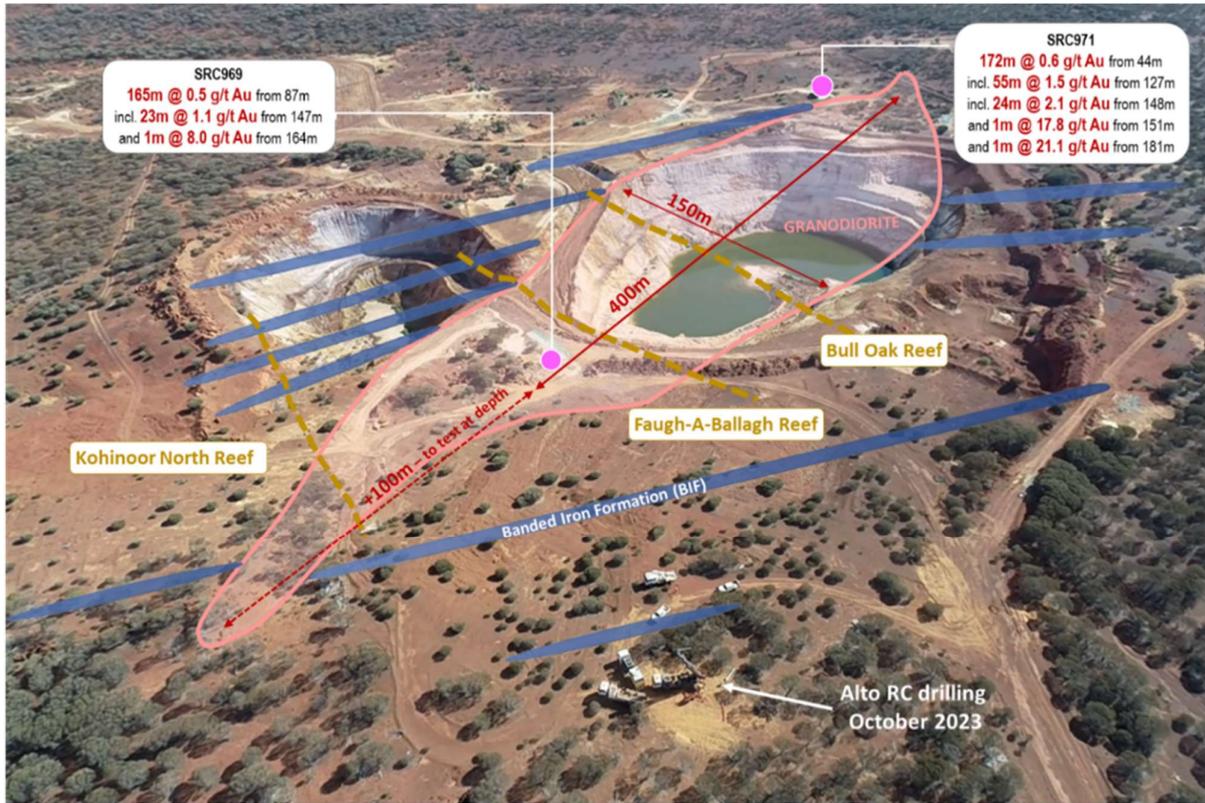


Figure 10: Oblique drone image over the open-pit Bull Oak Mine, mined by Herald Resource Ltd.



Figure 11. RC drilling at Bull Oak, Sandstone Gold Project.

Indomitable

Drilling continues to deliver high-grade gold

Shallow oxide gold mineralisation at Indomitable is currently defined over 3.5kms and remains open. The Company considers the extent of oxide mineralisation to be an indication of a potentially much larger gold system at depth. Recent drilling has **highlighted the significance of interpreted structural controls of both steeply-dipping structures and shallow, westerly dipping thrust faults – with higher grade mineralisation typically observed where these shallow, multiple stacked thrust faults intersect the steeply-dipping structures.** (see Figures 12 and 13).

During the quarter the final assay results were received the remainder a 5,000m RC drilling program designed to follow up on interpreted high-grade structures and test strike extensions at Indomitable. These drilling results successfully intersected **high-grade gold mineralisation in both near surface oxide and in fresh rock** at depth (~250m below surface).

Significant results included:

Oxide

- **15m @ 3.1 g/t gold** from 32m; incl. **8m @ 5.0 g/t gold** from 32m; incl. **1m @ 22.2 g/t gold** from 33m
- **15m @ 2.1 g/t gold** from 72m; incl. **5m @ 5.4 g/t gold** from 79m; and **1m @ 18.9 g/t gold** from 83m
- **16m @ 1.2 g/t gold** from 44m; incl. **1m @ 9.8 g/t gold** from 46m
- **14m @ 2.6 g/t gold** from 61m; incl. **2m @ 10.6 g/t gold** from 61m; incl. **1m @ 18.8 g/t gold** from 62m
- **11m @ 3.4 g/t gold** from 57m; incl. **2m @ 12.6 g/t gold** from 60m; and **1m @ 19.8 g/t gold** from 60m
- **14m @ 1.1 g/t gold** from 60m; incl. **1m @ 5.6 g/t gold** from 64m
- **12m @ 1.0 g/t gold** from 34m; incl. **3m @ 2.4 g/t gold** from 41m

Fresh

- **11m @ 1.0 g/t gold** from 159m; incl. **2m @ 2.7 g/t gold** from 159m
- **6m @ 2.2 g/t gold** from 193m; incl. **1m @ 6.4 g/t gold** from 193m
- **1m @ 11.3 g/t gold** from 237m; and
4m @ 2.1 g/t gold from 283m within a broad 'halo' of 34m @ 0.6 g/t gold from 275m
- **3m @ 4.9 g/t gold** from 93m; incl. **1m @ 12.9 g/t gold** from 93m
- **2m @ 4.2 g/t gold** from 118m; incl. **1m @ 7.6 g/t gold** from 119m

Holes SRC944 and SRC959 drilled in the northwest of the optimized pit shells as well as SRC942 and SRC943 drilled within the main optimized pit shells, intersected shallow high grade oxide gold mineralisation (including **15m @ 3.1 g/t gold** from 32m and **16m @ 1.2 g/t gold** from 44m) and multiple stacked, shallow dipping zones of gold mineralisation within fresh rock at depth.

Results continue to highlight higher grade mineralisation is typically observed where these shallow, westerly dipping interpreted thrust faults intersect the steeply-dipping structures, as shown in SRC663 (**44m @ 2.0 g/t gold** from 59m)

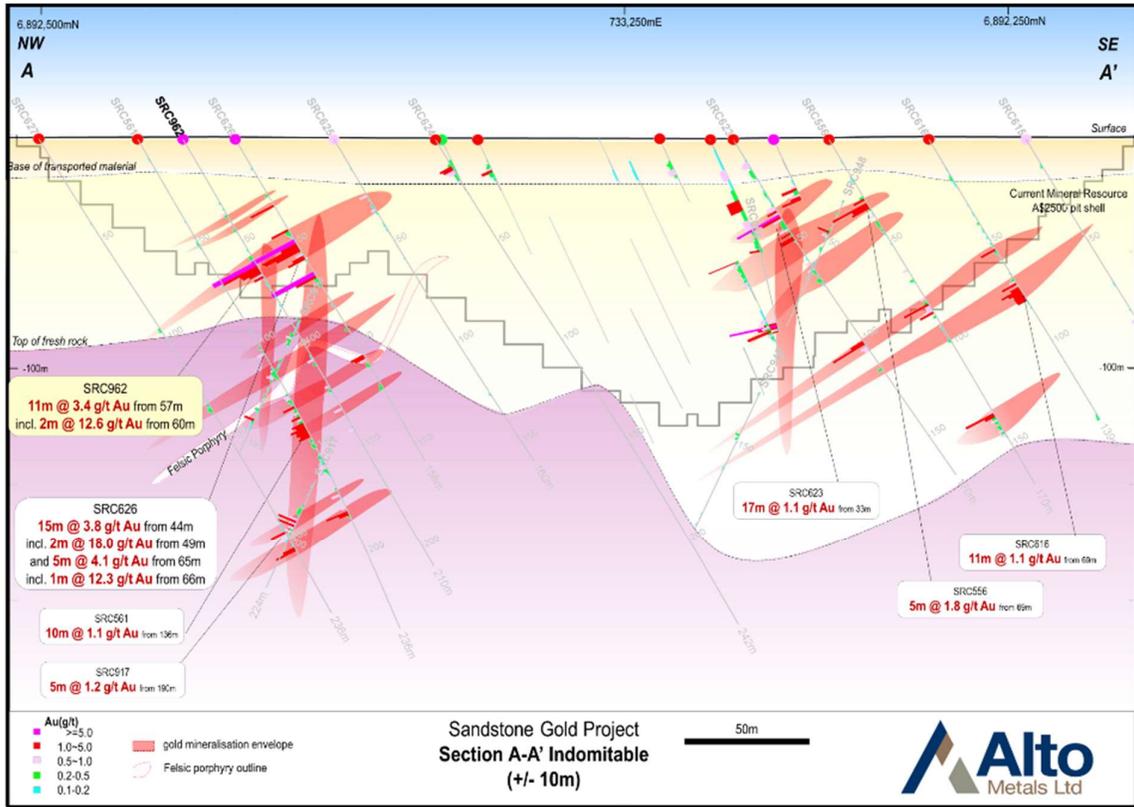


Figure 12: Indomitabile section A-A'.

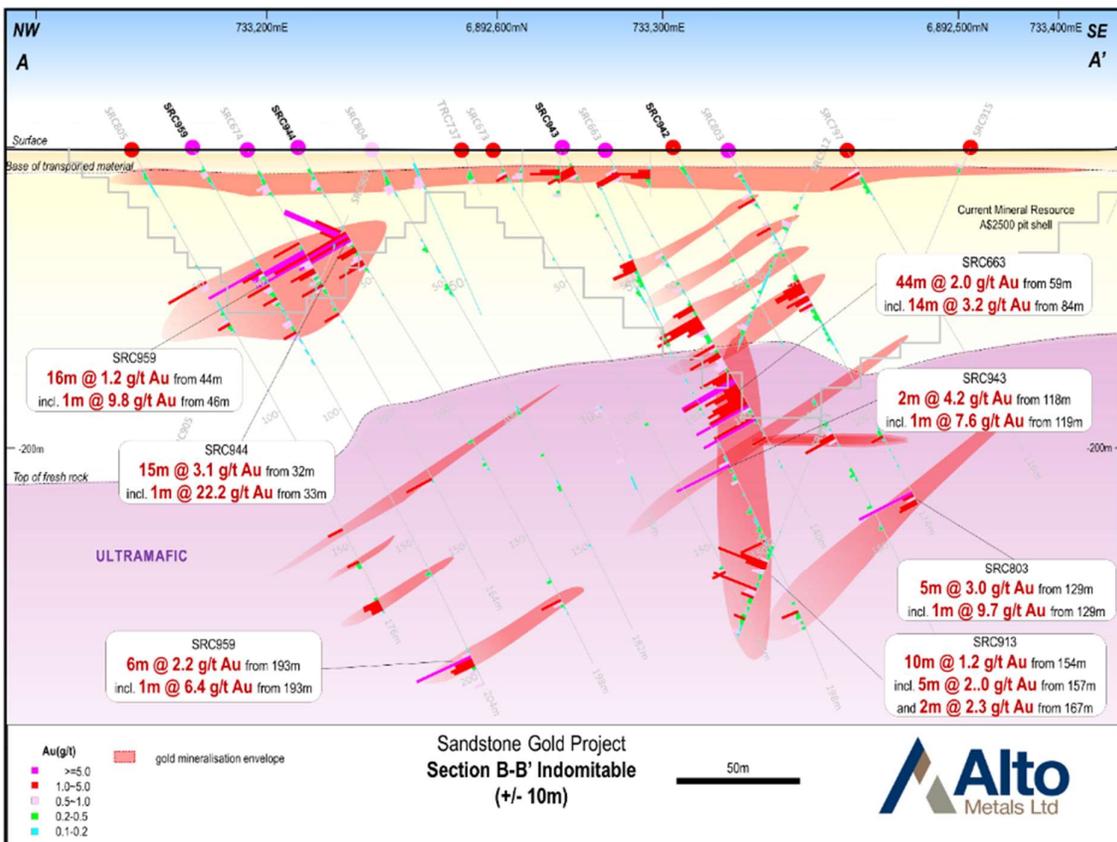


Figure 13: Indomitabile section B-B'.

Tables 1 & 2: Optimised and Pit Constrained 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: Total Mineral Resource Estimate for Sandstone Gold Project (by deposit)

| Mineral Resource Estimate for the Sandstone Project - March 2023 | | | | | | | | | | |
|--|------------|-------------|-------------|-------------------|-------------|-------------|-------------------|-------------|-------------|-------------------|
| Prospect | Cut-Off | Indicated | | | Inferred | | | TOTAL | | |
| | | Tonnes (Mt) | Grade (g/t) | Gold Ounces (koz) | Tonnes (Mt) | Grade (g/t) | Gold Ounces (koz) | Tonnes (Mt) | Grade (g/t) | Gold Ounces (koz) |
| Lord Nelson | 0.5 | 1.5 | 2.1 | 100 | 3.5 | 1.4 | 163 | 5.0 | 1.6 | 263 |
| Lord Henry | 0.5 | 1.6 | 1.5 | 77 | 0.3 | 1.2 | 13 | 1.9 | 1.4 | 90 |
| Havilah | 0.5 | | | | 0.9 | 1.4 | 38 | 0.9 | 1.4 | 38 |
| Maninga Marley | 0.5 | | | | 0.1 | 2.6 | 8 | 0.1 | 2.6 | 8 |
| Havilah Camp | 0.5 | | | | 1 | 1.5 | 46 | 1.0 | 1.5 | 46 |
| Vanguard | 0.5 | 0.4 | 2 | 26 | 1.5 | 1.6 | 77 | 1.9 | 1.7 | 103 |
| Vanguard North | 0.5 | | | | 0.4 | 3.8 | 47 | 0.4 | 3.8 | 47 |
| Vanguard Camp | 0.5 | 0.4 | 2 | 26 | 1.9 | 1.6 | 124 | 2.3 | 2.0 | 150 |
| Musketeer | 0.5 | | | | 0.8 | 1.5 | 40 | 0.8 | 1.5 | 40 |
| Indomitable | 0.5 | 0.8 | 0.9 | 23 | 2.2 | 1.2 | 81 | 3.0 | 1.1 | 104 |
| Indomitable East | 0.5 | | | | 1 | 1.1 | 34 | 1.0 | 1.1 | 34 |
| Tiger Moth | 0.5 | | | | 0.5 | 1.7 | 28 | 0.5 | 1.7 | 28 |
| Piper | 0.5 | | | | 0.1 | 1 | 4 | 0.1 | 1.0 | 4 |
| Indomitable Camp | 0.5 | 0.8 | 0.9 | 23 | 4.6 | 1.1 | 187 | 5.4 | 1.2 | 210 |
| Bull Oak | 0.5 | | | | 1.9 | 1.1 | 65 | 1.9 | 1.1 | 65 |
| Ladybird | 0.5 | | | | 0.1 | 1.9 | 8 | 0.1 | 1.9 | 8 |
| Total | 0.5 | 4.3 | 1.6 | 226 | 13.3 | 1.4 | 606 | 17.6 | 1.5 | 832 |

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 Lord Henry, Vanguard Camp, Havilah Camp, Piper, Tiger Moth and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

Table 3: 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 in this announcement to Mineral Resource estimates for the Sandstone Gold Project were reported in accordance with Listing Rule 5.8 in the following announcements:

- (a) Lord Nelson, 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; and
- (d) Ladybird: release "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 4 – Tenement Information

Alto Metals Ltd and Its 100% Owned Subsidiaries, on a Consolidated Basis at 31 December 2023

| 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 |
| E57/1108 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| E57/1153 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| E57/1228 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| E57/1232 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| E57/1233 | Sandstone, WA | - | Sandstone Exploration Pty Ltd | Application |
| 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 |
| M57/658 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| M57/662 | Sandstone, WA | - | Sandstone Exploration Pty Ltd | Application |
| M57/663 | Sandstone, WA | - | Sandstone Exploration Pty Ltd | Application |
| P57/1377 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| P57/1378 | Sandstone, WA | 100% | Sandstone Exploration Pty Ltd | Granted |
| P57/1529 | Sandstone, WA | - | Sandstone Exploration Pty Ltd | Application |

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.

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.

Directors' Report

Corporate

Share Placement

During the half-year, Alto undertook the following share placements:

- A share placement totalling 101.4 million shares raising \$5.3 million;
- Director Placement of 1.9 million shares raising \$100,000.

Refer to Note 7 for further details

Subsequent Events

No matters or circumstances have arisen since the end of the half-year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Rounding of Amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this condensed interim financial report and in the financial statements and notes attached thereto.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is presented in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the *Corporations Act 2001* and is signed for and on behalf of the Directors by:



Matthew Bowles

Managing Director & CEO

Perth, 15 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ALTO METALS LIMITED AND ITS CONTROLLED ENTITIES**

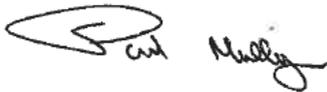
In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Alto Metals Limited and the entities it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 15 March 2024

ALTO METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE HALF-YEAR ENDED

| | Note | 31 December 2023 \$ | 31 December 2022 \$ |
|--|------|---------------------------|---------------------------|
| Other income | | 36,053 | 13,760 |
| Accounting and audit fees | | (11,527) | (35,025) |
| Consulting expense | | (54,523) | (61,176) |
| Depreciation | | (76,125) | (33,518) |
| Employee benefits expense | | (342,607) | (314,672) |
| Exploration & Evaluation expenses | | (29,563) | (10,266) |
| Insurance | | (47,478) | (22,829) |
| Investor relations | | (93,043) | (77,104) |
| Legal fees | | (9,791) | (36,363) |
| Office rental and occupation expenses | | (50,086) | (100,189) |
| Share based payments | 5 | (212,751) | (208,166) |
| Share registry and listing fees | | (80,632) | (94,919) |
| Travel and accommodation | | (59,264) | (14,444) |
| Other expenses | | (27,943) | (19,455) |
| Loss before income tax | | (1,059,280) | (1,014,366) |
| Income tax (expense) / benefit | | - | - |
| Loss for the year | | (1,059,280) | (1,014,366) |
| Other comprehensive income, net of tax | | | |
| Items not to be reclassified to profit or loss in subsequent periods | | | |
| Changes in the fair value of equity instruments carried at fair value through other comprehensive income | | (2,500) | 2,500 |
| Other comprehensive (loss) / income for the period | | (2,500) | 2,500 |
| Total comprehensive loss attributable to members of the parent entity | | (1,061,780) | (1,011,866) |
| Basic and diluted loss per share (cents per share) | | (0.15) | (0.19) |

The accompanying notes form part of these financial statements.

ALTO METALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT**

| | Note | 31 December 2023 | 30 June 2023 |
|---------------------------------------|------|---------------------|-------------------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | | 3,428,762 | 1,075,068 |
| Trade and other receivables | | 167,610 | 70,133 |
| Prepayments | | - | 15,430 |
| Total Current Assets | | 3,596,372 | 1,160,631 |
| Non-Current Assets | | | |
| Equity instruments at fair value | | 7,500 | 10,000 |
| Property, plant and equipment | | 172,953 | 187,071 |
| Right of Use Assets | 4 | 201,122 | 233,462 |
| Exploration and evaluation | 6 | 30,301,038 | 28,720,181 |
| Total Non-Current Assets | | 30,682,613 | 29,150,714 |
| TOTAL ASSETS | | 34,278,985 | 30,311,345 |
| Current Liabilities | | | |
| Trade and other payables | | 916,904 | 1,162,043 |
| Lease liability | 4 | 107,632 | 89,036 |
| Provisions | | 177,836 | 172,890 |
| Total Current Liabilities | | 1,202,372 | 1,423,969 |
| Non-Current Liabilities | | | |
| Lease liability | 4 | 119,762 | 151,496 |
| Total Non- Current Liabilities | | 119,762 | 151,496 |
| TOTAL LIABILITIES | | 1,322,134 | 1,575,465 |
| NET ASSETS | | 32,956,851 | 28,735,880 |
| Equity | | | |
| Issued capital | 7 | 53,688,200 | 48,105,200 |
| Reserves | 8 | 935,727 | 1,436,858 |
| Accumulated losses | | (21,667,076) | (20,806,178) |
| TOTAL EQUITY | | 32,956,851 | 28,735,880 |

The accompanying notes form part of these financial statements.

ALTO METALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED

| | Issued Capital | Share Based Payments Reserve | Equity Instruments at FVOCI Reserve | Accumulated Losses | Total |
|--|-------------------|------------------------------------|---|-----------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 42,563,659 | 1,189,023 | (32,500) | (18,325,653) | 25,394,529 |
| Loss attributable to members of the entity for the period | | | | | |
| Loss for the period | - | - | - | (1,014,366) | (1,014,366) |
| Other comprehensive income, net of tax | - | - | 2,500 | - | 2,500 |
| Total comprehensive loss for the period | - | - | 2,500 | (1,014,366) | (1,011,866) |
| Transaction with owners, directly in equity | | | | | |
| Shares issued during the half-year, net of issue costs | 4,935,541 | - | - | - | 4,935,541 |
| Performance Rights expense during the half-year | - | 208,166 | - | - | 208,166 |
| Balance at 31 December 2022 | 47,499,200 | 1,397,189 | (30,000) | (19,340,019) | 29,526,370 |
| Balance at 1 July 2023 | 48,105,200 | 1,479,358 | (42,500) | (20,806,178) | 28,735,880 |
| Loss attributable to members of the entity for the period | | | | | |
| Loss for the period | - | - | - | (1,059,280) | (1,059,280) |
| Other comprehensive loss, net of tax | - | - | (2,500) | - | (2,500) |
| Total comprehensive loss for the period | - | - | (2,500) | (1,059,280) | (1,061,780) |
| Transaction with owners, directly in equity | | | | | |
| Shares issued during the half-year, net of issue costs | 5,885,000 | (513,000) | - | - | 5,372,000 |
| Performance Rights expense during the half-year | - | 212,751 | - | - | 212,751 |
| Performance Rights lapsed during the half-year | - | (77,481) | - | 77,481 | - |
| Options expired during the half-year | - | (120,901) | - | 120,901 | - |
| Share issue transaction costs | (302,000) | - | - | - | (302,000) |
| Balance at 31 December 2023 | 53,688,200 | 980,727 | (45,000) | (21,667,076) | 32,956,851 |

The accompanying notes form part of these financial statements.

ALTO METALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

| | Note | 31 December 2023 \$ | 31 December 2022 \$ |
|--|------|---------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Interest received | | 2,805 | 13,760 |
| Interest paid | | - | - |
| Payments to suppliers and employees | | (776,180) | (714,507) |
| Other receipts | | 33,248 | - |
| Net cash used in operating activities | | (740,127) | (700,747) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | - | (1,928) |
| Payments for exploration and evaluation expenditure | | (1,462,173) | (3,043,561) |
| Net cash used in investing activities | | (1,462,173) | (3,045,489) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares during the period | | 4,952,000 | 5,088,070 |
| Costs associated with shares issued during the period | | (346,000) | (152,529) |
| Payment of lease liabilities | | (50,006) | (20,153) |
| Net cash provided by financing activities | | 4,555,994 | 4,915,388 |
| Net increase in cash and cash equivalents held | | 2,353,694 | 1,169,152 |
| Cash and cash equivalents at beginning of the period | | 1,075,068 | 3,256,340 |
| Cash and cash equivalents at the end of the half-year | | 3,428,762 | 4,425,492 |

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting entity

Alto Metals Limited (“Alto” or the “Company”) is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2023 covers the consolidated group of Alto Metals Limited and the entities it controlled (together “the Group”). The Group is a for-profit entity.

Basis of preparation

This condensed consolidated interim financial report is a consolidated general-purpose financial report which has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* (“AASB 134”) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standards IAS 34: *Interim Financial Reporting*. The condensed interim financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, this condensed consolidated interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been applied in these half-year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards and interpretations effective as of 1 July 2023.

Going Concern

The Group incurred a net loss of \$1,059,280 for the half-year ended 31 December 2023 (31 December 2022: \$1,014,366) and generated an operating cash outflow of \$740,127 (31 December 2022: \$700,747), and as at that date, had net current assets of \$2,394,000 (30 June 2023: net current liabilities of \$263,338) and net assets of \$32,956,851 (30 June 2023: \$28,735,800). Cash on hand at 31 December 2023 was \$3,428,762 (30 June 2023: \$1,075,068).

The condensed interim financial report has been prepared on a going concern basis.

Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, the amounts in the Directors’ report and in the condensed interim financial report have been rounded to the nearest dollar.

NOTE 2: CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Impact of New and Amended Accounting Standards and Interpretations

The Group has adopted all of the new and amended Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the Group and effective for the current reporting period. The Group has considered the implications of new and amended Accounting Standards and has determined that their application to the financial statements is either not relevant or not material.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. New and amended standards and interpretations that may be relevant to the Group but applicable in future reporting periods are set out below:

ALTO METALS LIMITED

NOTE 2: CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 2020-1 Amendments to Australian Accounting Standards –
Classification of Liabilities as Current or Non-Current

Effective for annual reporting periods
beginning on or after 1 January 2024

NOTE 3: SEGMENT INFORMATION

The Directors have considered the requirements of AASB 8: *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in Australia.

NOTE 4: LEASES

| | 31-Dec 2023 \$ | 30-Jun 2023 \$ |
|--|-------------------------------|-------------------------------|
| Right-to-use assets recognised and movements during the half-year | | |
| Opening net carrying amount | 233,462 | 131,370 |
| Additions | 29,668 | 158,495 |
| Depreciation expense | (62,008) | (56,403) |
| Net carrying amount | 201,122 | 233,462 |
| | | |
| Lease liabilities and movements during the half-year | \$ | \$ |
| Opening net carrying amount | 240,532 | 134,147 |
| Additions | 29,668 | 158,494 |
| Interest expense | 7,200 | 6,762 |
| Payments | (50,006) | (58,871) |
| Closing net carrying amount | 227,394 | 240,532 |
| | | |
| Current | 107,632 | 89,036 |
| Non-current | 119,762 | 151,496 |
| | 227,394 | 240,532 |

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of the lease liability is as follows:

| | 31-Dec 2023 \$ | 31 Dec 2022 \$ |
|-------------------|-------------------------------|-------------------------------|
| Short term leases | - | 31,069 |
| | - | 31,069 |

NOTE 5: SHARE-BASED PAYMENTS

| | Half-year to 31 December 2023 \$ | Half-year to 31 December 2022 \$ |
|---|---|---|
| Performance Rights expensed, issued in the previous periods | 212,751 | 208,166 |
| Balance at reporting date | 212,751 | 208,166 |

The fair value of these Performance Rights granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the Performance Rights were granted and factors such as the share price at grant date, volatility of the share price and risk free rate.

ALTO METALS LIMITED

NOTE 5: SHARE-BASED PAYMENTS (cont'd)

The Performance Rights issued in the half year to December 2022 are subject to the following vesting conditions:

Issue of 900,000 Performance Rights

The Performance Rights will vest subject to the satisfaction of the following performance milestones by 30 November 2023 (**Milestone**) and the relevant Related Party remaining an employee, office-bearer or consultant of the Company when the Milestone has been met (**Retention Condition**).

| Milestone | % of Class Performance Rights Eligible for Vesting |
|--|--|
| JORC 2012 compliant Mineral Resource of 1 million ounces of gold located within the Sandstone Gold Project | 100% |

Valuation of Share Based Payments

A summary of the key assumptions used in applying the Black Scholes model to the share based payments recognised is as follows:

| | Performance Rights issued | Performance Rights issued |
|--|---------------------------|---------------------------|
| Number of instruments | 400,000 | 500,000 |
| Date of grant | 12 Dec 2022 | 17 Oct 2022 |
| Share price at grant date | \$0.07 | \$0.07 |
| Volatility factor | 100% | 100% |
| Risk free rate | 3.07% | 3.35% |
| Expected life of instrument (years) | 1 year | 1 year |
| Valuation per instrument | \$0.07 | \$0.07 |
| Exercise price per instrument | - | - |
| Vesting conditions | As above | As above |
| Number of instruments exercisable as at 31 December 2023 | Nil | Nil |

During the half-year ended 31 December 2023, \$133,114 (31 December 2022: \$93,272) has been expensed to the consolidated statement of comprehensive income in relation to above Performance Rights that vested during the period.

Issue of 18,250,000 Performance Rights

The Performance Rights will vest subject to the satisfaction of the following performance milestones by 12 December 2026 (**Milestone**) and the relevant Related Party remaining an employee, office-bearer or consultant of the Company when the Milestone has been met (**Retention Condition**).

| Milestone | % of Class Performance Rights Eligible for Vesting |
|---|--|
| JORC 2012 compliant Mineral Resource of 1.5 million ounces, located within the Sandstone Gold Project | 50% |
| Completion of a Feasibility Study | 50% |

ALTO METALS LIMITED

NOTE 5: SHARE-BASED PAYMENTS (cont'd)

Valuation of Share Based Payments

A summary of the key assumptions used in applying the Black Scholes model to the share based payments recognised is as follows:

| | Performance Rights issued | Performance Rights issued |
|--|--------------------------------------|--------------------------------------|
| Number of instruments | 12,000,000 | 6,250,000 |
| Date of grant | 30 Nov 2022 | 12 Dec 2022 |
| Share price at grant date | \$0.07 | \$0.07 |
| Volatility factor | 100% | 100% |
| Risk free rate | 3.51% | 3.07% |
| Expected life of instrument (years) | 4 years | 4 years |
| Valuation per instrument | \$0.07 | \$0.07 |
| Exercise price per instrument | - | - |
| Vesting conditions | As above | As above |
| Number of instruments exercisable as at 31 December 2023 | Nil | Nil |

An amount of \$79,637 has been expensed during the half-year ended 31 December 2023 (31 December 2022: \$114,894s) in relation to the above Performance Rights, as they continued to be expensed over their determined vesting periods.

NOTE 6: EXPLORATION AND EVALUATION

| | 31-Dec 2023 \$ | 30-Jun 2023 \$ |
|--|-------------------------------|-------------------------------|
| Exploration and evaluation phases – at cost | 30,301,038 | 28,720,181 |
| Exploration and evaluation - movement | | |
| Opening balance | 28,720,181 | 23,481,586 |
| Exploration expenditure | 1,580,857 | 5,238,595 |
| Closing balance | 30,301,038 | 28,720,181 |

The Directors' assessment of whether any triggers of impairment for the Group's exploration and evaluation assets existed as at 31 December 2023 was after consideration of factors such as prevailing market conditions, previous expenditure for exploration work carried out on the tenements, maintaining rights to tenure and the potential for mineralisation based on the Group's and independent geological reports.

Furthermore, the ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value.

As at 31 December 2023, the Directors have concluded that there remains an expectation that the carrying amount of the Group's exploration and evaluation assets will be recovered in full on the basis of the above factors, and hence no impairment triggers exist. Consequently, no detailed impairment assessment has been performed as at 31 December 2023.

ALTO METALS LIMITED

NOTE 7: EQUITY

(a) Issued capital

| | 31-Dec 2023 Number | 31-Dec 2023 \$ | 31-Dec 2022 Number | 31-Dec 2022 \$ |
|-----------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Ordinary Shares | 721,532,172 | 53,688,200 | 612,815,479 | 47,499,200 |

(b) Ordinary shares

The following movements in ordinary share capital occurred during the reporting period:

| | 31-Dec 2023 Number | 31-Dec 2023 \$ | 31-Dec 2022 Number | 31-Dec 2022 \$ |
|--|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Balance at beginning of the period | 612,815,479 | 48,105,200 | 528,037,512 | 42,563,659 |
| <u>Shares issued during the period</u> | | | | |
| 31-Jul-23 | 101,384,616 | 5,272,000 | | |
| Conversion of Performance Rights | 5,400,000 | 513,000 | | |
| 28-Dec-23 | 1,923,077 | 100,000 | | |
| Prior year | | | | |
| Conversion of Performance Rights | | | 6,500,000 | - |
| 10-Nov-22 | | | 36,153,848 | 2,350,000 |
| 19-Dec-22 | | | 21,354,887 | 1,388,068 |
| 22-Dec-22 | | | 10,000,000 | 650,000 |
| 22-Dec-22 | | | 10,769,232 | 700,000 |
| Less costs associated with equity raisings | - | (302,000) | | (152,527) |
| Balance at end of the period | 721,523,172 | 53,688,200 | 612,815,479 | 47,499,200 |

NOTE 8: RESERVES

| | 31 December 2023 \$ | 30 June 2023 \$ |
|-------------------------------------|------------------------------------|--------------------------------|
| Equity instruments at FVOCI reserve | (45,000) | (42,500) |
| Share-based payments reserve | | |
| <i>Performance Rights (a)</i> | 862,723 | 1,240,453 |
| <i>Unlisted Options (b)</i> | - | 120,901 |
| <i>LTI Rights (c)</i> | 118,004 | 118,004 |
| Balance at end of the period | 935,727 | 1,436,858 |

(a) Performance Rights

| | 31 December 2022 | |
|--|-------------------------|------------------|
| | Number | \$ |
| Balance at beginning of the period | 13,000,000 | 950,118 |
| Performance Rights issued during the period ⁽ⁱ⁾ | 19,150,000 | 122,026 |
| Performance Rights cancelled during the period | (1,000,000) | - |
| Performance Rights vested during the period | (6,500,000) | - |
| Performance Rights expensed during the period | - | 86,140 |
| Balance at end of the period | 24,650,000 | 1,158,284 |

NOTE 8: RESERVES (cont'd)

| | 31 December 2023 | |
|--|-------------------------|----------------|
| | Number | \$ |
| Balance at beginning of the period | 24,650,000 | 1,240,453 |
| Performance Rights expensed during the period ⁽ⁱ⁾ | - | 212,751 |
| Performance Rights converted during the period | (5,400,000) | (513,000) |
| Performance Rights lapsed during the period | (1,000,000) | (77,481) |
| Balance at end of the period | 18,250,000 | 862,723 |

(i) Refer Note 5 for details

(b) Unlisted options

The following movements in Unlisted options on issue occurred during the period:

| | 31 December 2022 | |
|------------------------------------|-------------------------|----------------|
| | Number | \$ |
| Balance at beginning of the period | 7,500,000 | 120,901 |
| Balance at end of the period | 7,500,000 | 120,901 |

The following movements in Unlisted options on issue occurred during the period:

| | 31 December 2023 | |
|--------------------------------------|-------------------------|-----------|
| | Number | \$ |
| Balance at beginning of the period | 7,500,000 | 120,901 |
| Options expired during the half-year | (7,500,000) | (120,901) |
| Balance at end of the period | - | - |

(c) LTI rights

The following movements in LTI Rights on issue occurred during the period:

| | 31 December 2022 | |
|------------------------------------|-------------------------|----------------|
| | Number | \$ |
| Balance at beginning of the period | 6,250,000 | 118,004 |
| Balance at end of the periods | 6,250,000 | 118,004 |

The following movements in LTI Rights on issue occurred during the period:

| | 31 December 2023 | |
|------------------------------------|-------------------------|----------------|
| | Number | \$ |
| Balance at beginning of the period | 6,250,000 | 118,004 |
| Balance at end of the period | 6,250,000 | 118,004 |

This reserve is used to record the value of equity benefits provided to Directors, employees and third parties of the Group in accordance with its accounting policy. Refer to Note 5 for details of share-based payments made during the half-year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

There are no material changes to the commitment and contingencies disclosed in the most recent annual financial report.

NOTE 10: FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's equity instruments at fair value through other comprehensive income of \$7,500 (30 June 2023: \$10,000) are measured using Level 1 inputs and are recognised at fair value based on listed market prices as at the reporting date. There has been no change to this methodology from 30 June 2023.

NOTE 11: SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group did not enter into any related party transactions with Directors or Key Management Personnel during the half-year (31 December 2022: Nil).

NOTE 12: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the half-year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 13: DIVIDENDS

No dividends were paid or declared during the half-year and no recommendation for payment of dividends has been made.

DIRECTORS' DECLARATION

- 1) In the opinion of the Directors of Alto Metals Limited:
 - (a) the financial statements and notes of Alto Metals Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - (b) there are reasonable grounds to believe that Alto Metals Limited will be able to pay its debts as and when they become due and payable.
- 2) This declaration is made in accordance with a resolution of the Directors.



Matthew Bowles

Managing Director & CEO

Perth, 15 March 2024

ALTO METALS LIMITED
ABN 62 159 819 173

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTO METALS LIMITED

Conclusion

We have reviewed the half-year financial report of Alto Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

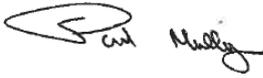
ALTO METALS LIMITED
ABN 62 159 819 173

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTO METALS LIMITED**

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD

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Paul Mulligan
Executive Director
Perth, 15 March 2024