



30 SEPTEMBER 2019 QUARTERLY REPORT

HIGHLIGHTS

Sandstone Gold Project

Sandstone Gold Project

Located in a world class gold field in WA

Current resource is 5.4Mt
290,000oz @ 1.7 g/t gold

Multiple targets

Significant landholding of
over 800km² within a major
gold district

Capital Structure

Issued Shares: 287m

Share Price: \$0.036

Market Cap: \$10.3m

Directors

Non- Executive Chairman

Terry Wheeler

Non-Executive Director

Matthew Bowles

Non-Executive Director

Dr Jingbin Wang

Company Secretary & CFO

Graeme Smith

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ASX: AME



#altometals

- Recent step out drilling at Tiger Moth and Vanguard **prospects confirmed depth and strike extensions** of the known gold mineralisation, **multiple +20 gram-metre results** include:

11m @ 3.7 g/t gold from 52m incl

2m @ 16.4 g/t gold from 52m (Tiger Moth)

2m @ 9.9 g/t gold from 178m (Vanguard)

4m @ 4.2 g/t gold from 100m (Vanguard)

2m @ 10.8 g/t gold from 135m (Vanguard)

7m @ 2.5 g/t gold from surface; and

5m @ 4.9 g/t gold from 37m incl

1m @ 21.5 g/t gold from 40m (Vanguard)

- Step out drilling confirmed the extension of mineralisation at Lord Nelson, along the Southern Extension Corridor, results include:

12m @ 3.4 g/t gold from 66m incl.

5m @ 6.1 g/t gold from 70m

7m @ 2.2 g/t gold from 183m

- Mineralisation at Lord Nelson along the eastern footwall gold lode **plunges shallowly southwards** along the Southern Extension Corridor **for at least several hundred metres, and remains open**
- Detailed geological and geophysical modelling continues over the Lord Nelson and Lord Henry gold deposits and the **prospective 3km strike length corridor between the two deposits**
- Ongoing review work to assist with follow up drill targeting to **test extensions of known high grade gold mineralisation at depth** along the Lord Nelson Southern Extension Corridor and to identify new target areas that could potentially lead to a new discovery

- **Corporate**

- At the end of the quarter Alto's cash position was \$1.1 million
- Subsequent to the quarter Middle Island issued a **seventh** supplementary bidders statement, extending the Offer to the Shortfall Placement shares which have been restricted from trading and listed under the separate ASX code AMENA for five months since they were issued on 13 May 2019.
- The Offer has not been extended to the Placement Shares representing 5.8% of the total issued shares, which shall remain restricted.
- Offer continues to have **NO TRACTION** with **ONLY 1.57% acceptances** as at 23 September 2019
- Alto Board continues to advise shareholders to continue to **TAKE NO ACTION and continue to ignore all correspondence from MDI**

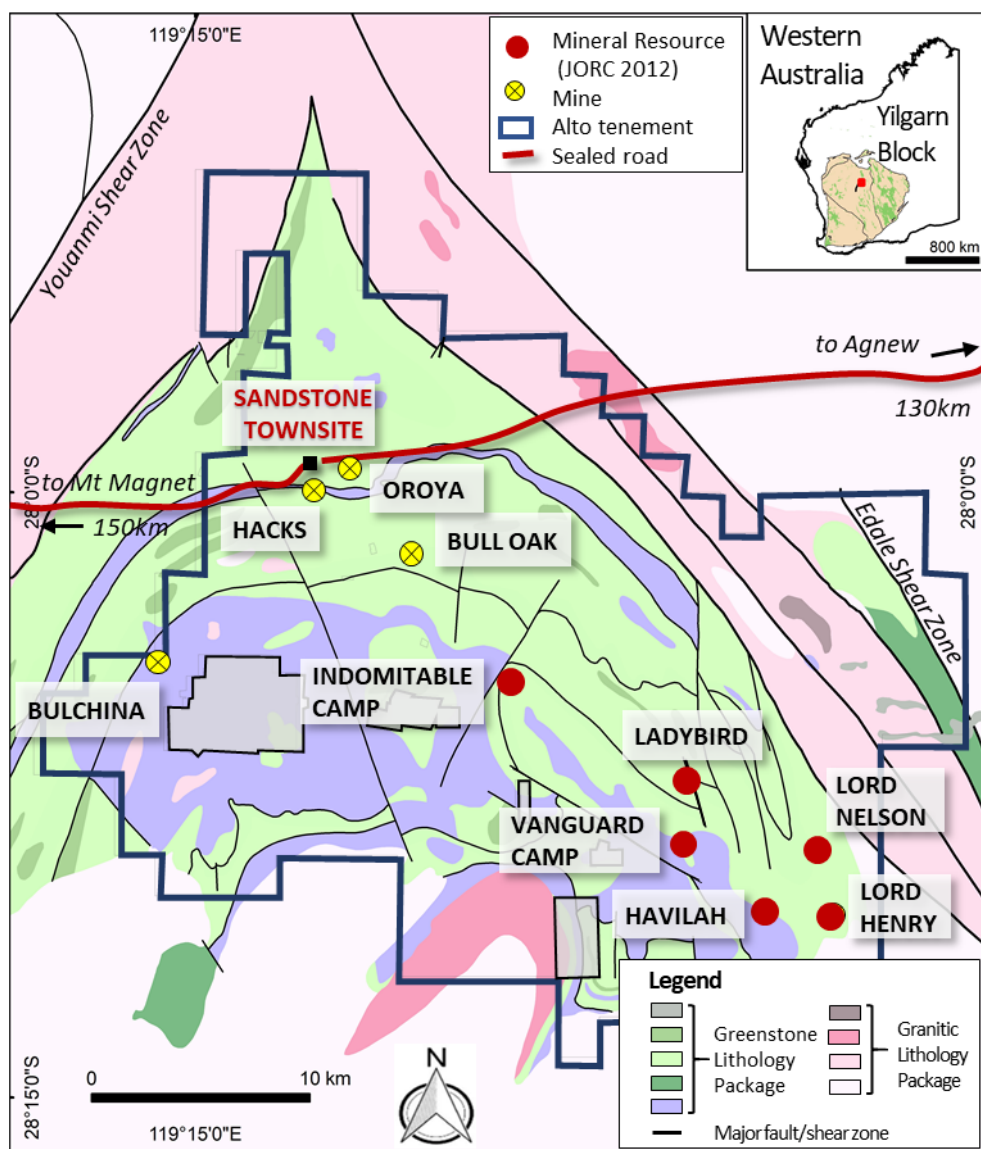
2019 Current RC Drilling Program

Between May and June 2019 Alto completed approximately 6,300m of reverse circulation (RC) drilling at its Sandstone Gold Project. Final assay results from this program were received during the quarter with the latest results from Indomitable and Vanguard Camps reported to the ASX on 12 September 2019.

The program to date has confirmed **extensions of known mineralisation, both along strike and at depth**, at Vanguard Camp, Indomitable Camp, Havilah and surrounding targets and shown that Alto's existing JORC 2012 Mineral Resources could be expanded with further infill and/or extension drilling.

Step out drilling at Lord Nelson confirmed extensions of the known deposit, along the Southern Extension Corridor. The drilling at Lord Nelson also demonstrated that the granodiorite host rock in the open pit broadens to the south and there is potential to discover additional gold mineralisation and build on the current resource.

Figure 1. Priority Targets at Sandstone Gold Project



Tiger Moth, Indomitable Camp

The Indomitable Camp hosts **multiple gold deposits within a 1km wide mineralized structural corridor** some 2km long which remains open to the north west and south east, and multiple recognized parallel structures highlight further potential of gold mineralisation outside the corridor.

The 2019 Tiger Moth RC drill program **confirmed the depth and strike extension of the known gold mineralisation outside of Alto's existing JORC 2012 Inferred Mineral Resource.**

The drilling has shown that there is potential to expand the current resource with further infill and/or extension RC drilling.

Figure 2 below shows the latest drill results from extension hole SRC 157 at Tiger Moth.

Figure 2. Tiger Moth Section F-F' 130° SE (+/-20m)

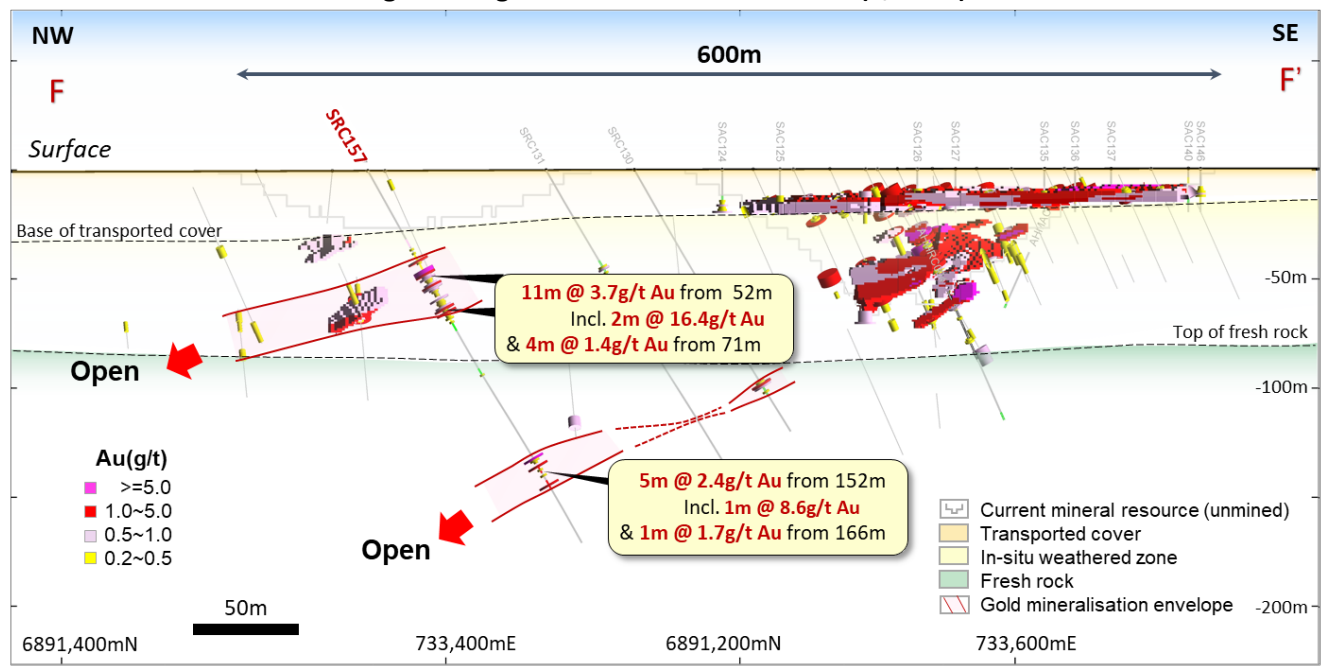
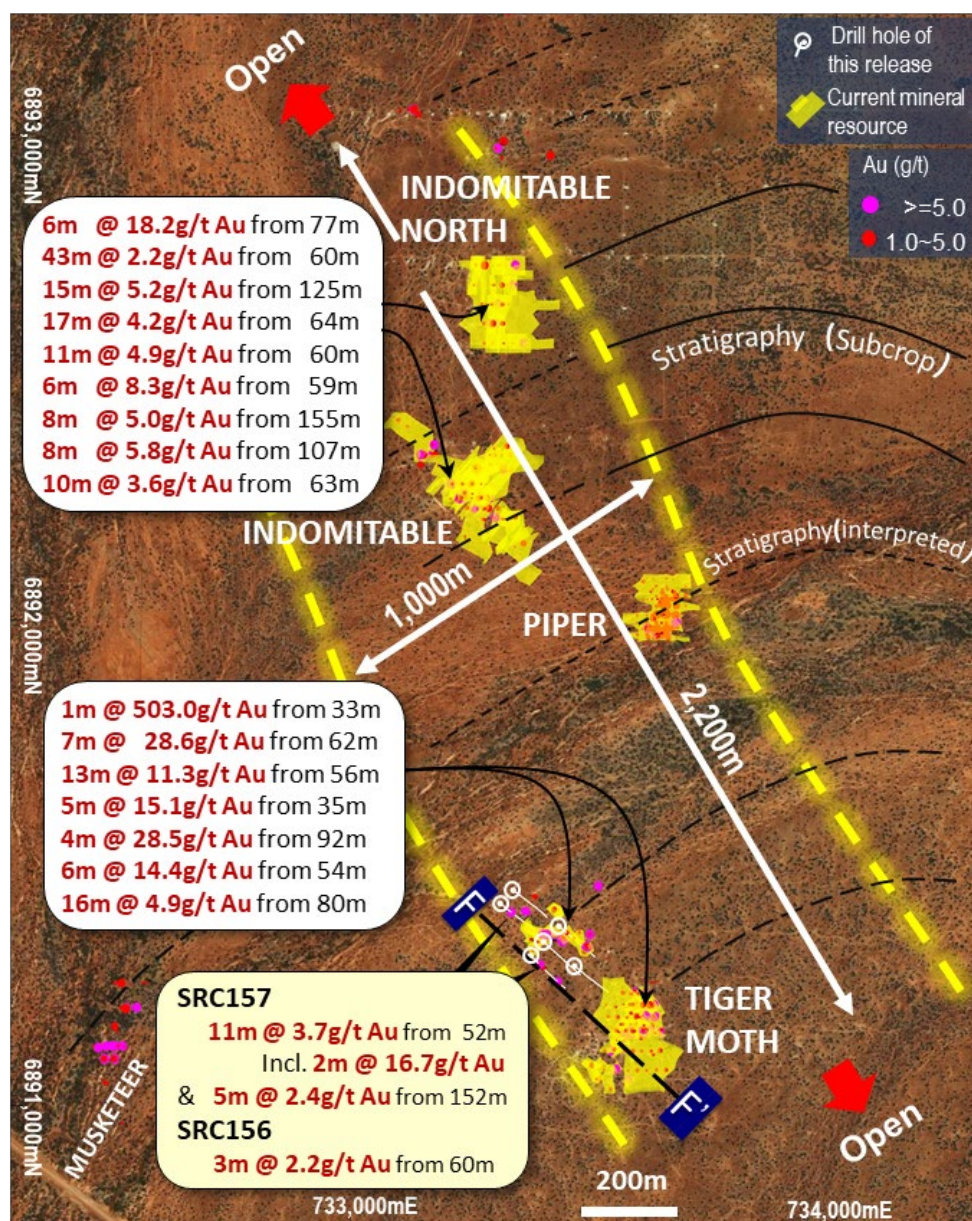


Figure 3. Tiger Moth Assay Results – Plan view of existing resources and significant gold Intersections



Previously released drill results from Indomitable Camp include:

TRC576	6m @ 18.2g/t gold from 77m (ASX 15/02/2017) - Indomitable
AHMAC010	43m @ 2.2g/t gold from 60m (ASX 15/02/2017) - Indomitable
TRC681	15m @ 5.2g/t gold from 125m (ASX 15/02/2017) - Indomitable
AHMAC019	17m @ 4.2g/t gold from 64m (ASX 02/03/2017) - Indomitable
SAC083	10m @ 3.6g/t gold from 63m (ASX 20/06/2017) - Indomitable
TRC105	1m @ 503.0g/t gold from 33m (WAMEX 68574) - Tiger Moth
TAC154	7m @ 28.6g/t gold from 62m (WAMEX 68574) - Tiger Moth
TAC061	13m @ 11.3g/t gold from 56m (WAMEX 66340) - Tiger Moth
TRC059	5m @ 15.1g/t gold from 35m and 4m @ 28.5g/t gold from 92m (WAMEX 68574) - Tiger Moth
TRC084	6m @ 14.4g/t gold from 54m (WAMEX 66340) - Tiger Moth
TAC039	16m @ 4.9g/t gold from 80m (WAMEX 66340) - Tiger Moth

Vanguard Camp

The Vanguard Camp hosts the Vanguard and Vanguard North deposits within a 600m wide mineralized corridor some 1,200m long which remains open to the north west and south east.

The 2019 RC drill program confirmed extensions of known mineralisation along strike and at depth at Vanguard, outside of Alto's existing JORC 2012 Inferred Mineral Resource.

The drilling has shown that there is potential to expand the current resource with further infill and/or extension drilling.

Figure 4 below shows the latest drill results from hole SRC 143.

Figure 4. 2019 Vanguard Section A-A' 040° NE (+/-20m)

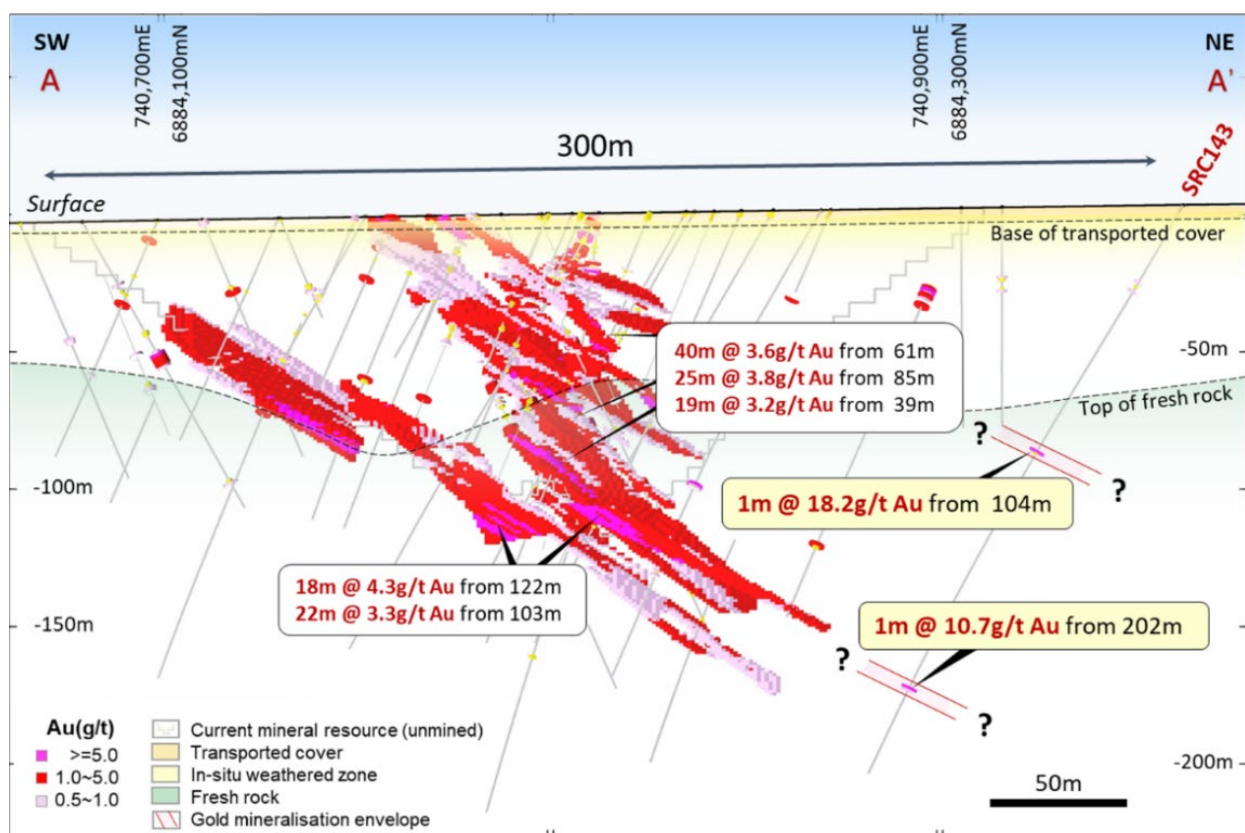
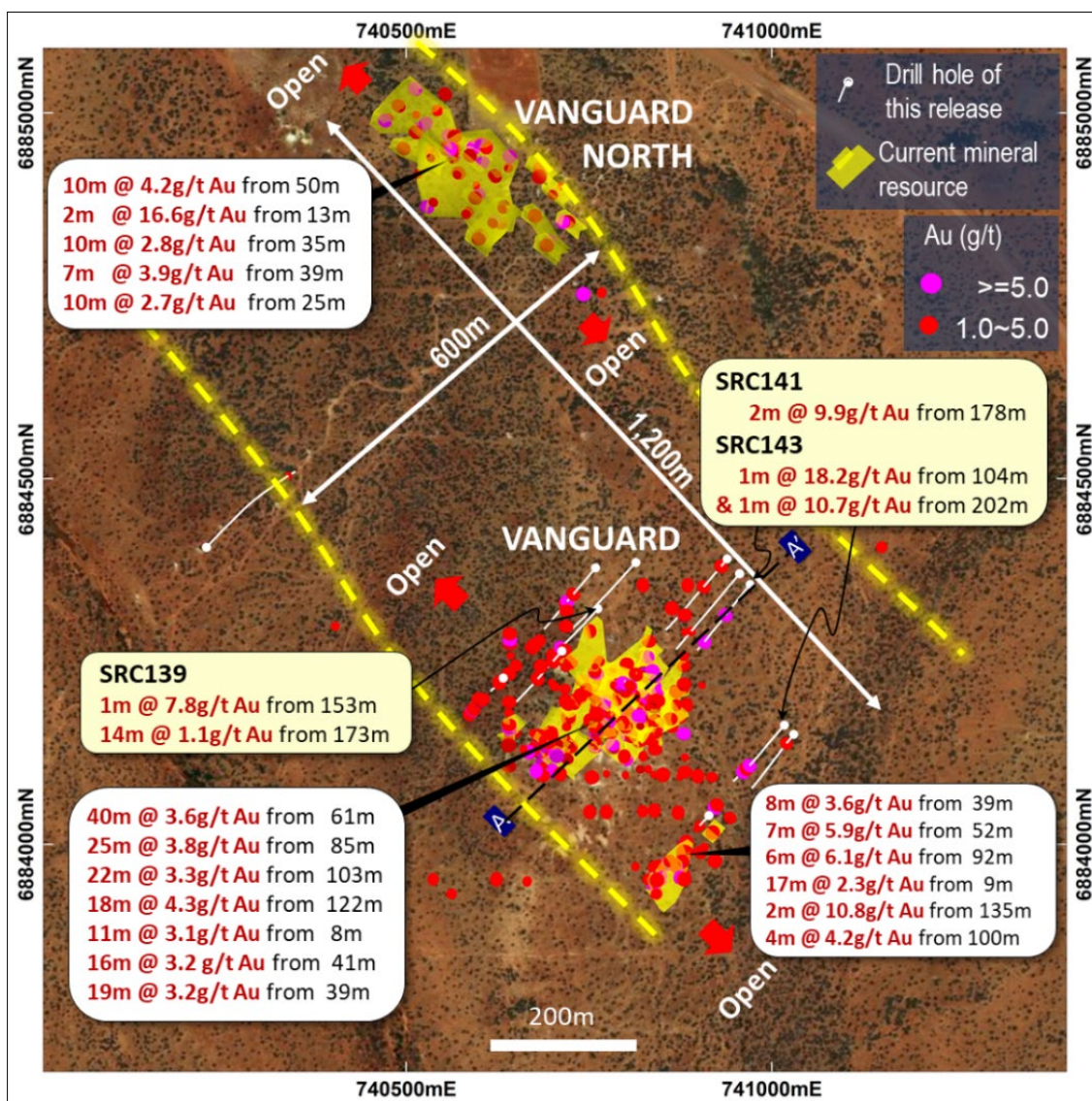


Figure 5. Vanguard Camp -showing Locations of existing resources and significant gold Intersections from 2019 drill holes and previously reported drill holes



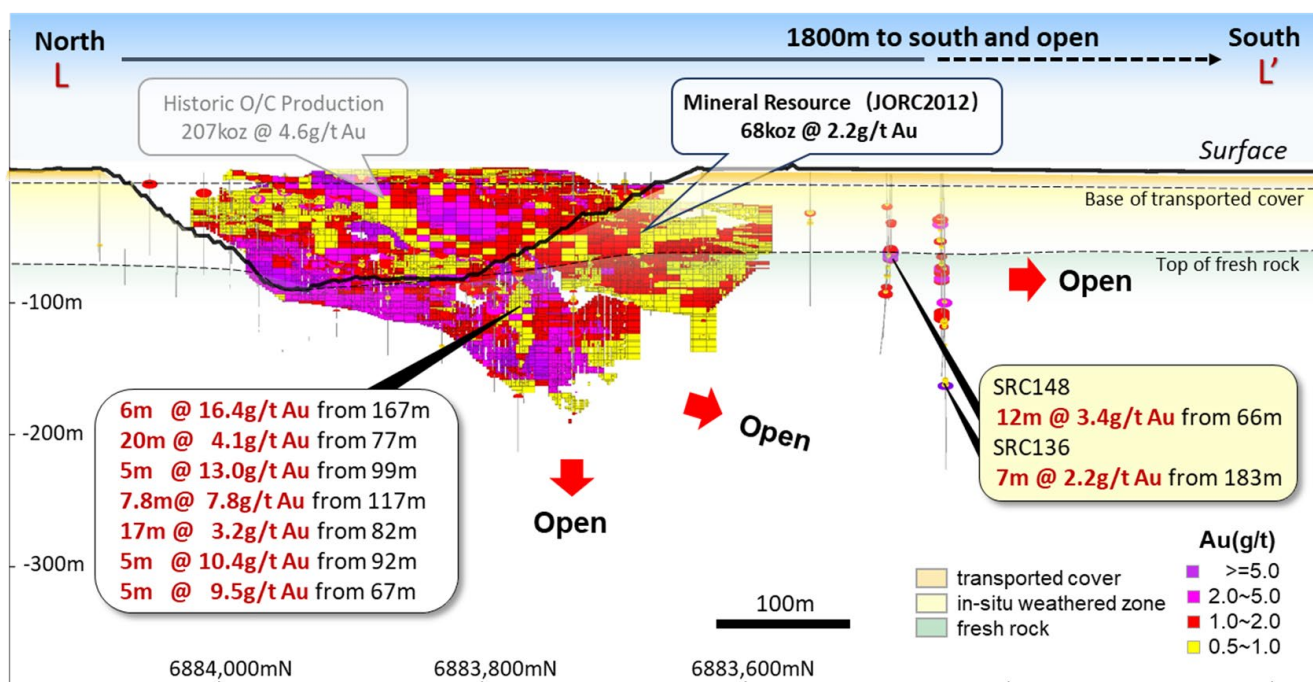
Previously released drill results from Vanguard and Vanguard North include:

SRC114	40m @ 3.6g/t gold from 61m (ASX 05/12/2018) - Vanguard
TAR122	16m @ 6.6g/t gold from 39m (ASX 20/07/2017) - Vanguard
SRC075	25m @ 3.8g/t gold from 85m (ASX 20/03/2018) - Vanguard
SRC032	22m @ 3.3g/t gold from 103m (ASX 09/11/2017) - Vanguard
SRC016	18m @ 4.3g/t gold from 122m (ASX 23/08/2017) - Vanguard
SRC064	11m @ 3.1g/t gold from 8m and 16m @ 3.2 g/t from 41m (ASX 15/12/2017) - Vanguard
SRC067	19m @ 3.2g/t gold from 39m (ASX 15/12/2017) - Vanguard
SRC019	8m @ 3.6g/t gold from 39m and 7m @ 5.9g/t from 52m (ASX 07/08/2017) - Vanguard
SRC098	6m @ 6.1g/t gold from 92m (ASX 31/05/2018) - Vanguard
SRC091	17m @ 2.3g/t gold from 9m (ASX 31/05/2018) – Vanguard
TAR150	10m @ 4.2g/t gold from 50m (ASX 20/07/2017) – Vanguard North
LWR067	2m @ 16.6g/t gold from 13m (ASX 20/07/2017) – Vanguard North
TAR251	10m @ 2.7g/t gold from 25m (ASX 20/07/2017) – Vanguard North

Lord Nelson Southern Extension

Alto's May-June 2019 RC drilling results, including **12m @ 3.4 g/t gold from 66m** and **7m @ 2.2 g/t gold from 183m**, confirmed the extension of known gold mineralisation outside of the existing JORC 2012 Mineral Resource. The drilling demonstrated that the current Lord Nelson mineral resource could potentially be expanded with further infill and/or extension drilling.

Figure 6. Lord Nelson Deposit, Longitudinal Projection, showing Mined Block Model, Unmined Resource Block Model, and Location of 2019 RC Drill Sections Testing Lord Nelson Southern Extensions



The latest drill results from Lord Nelson Southern Extension, include:

SRC136 **7m @ 2.2 g/t gold** from 183m (incl. 1m 11.2g/t gold from 189m)
 SRC148 **3m @ 1.2 g/t gold** from 43m and **12m @ 3.4 g/t gold** from 66m (incl. **5m @ 6.1 g/t gold** from 70m)

Previous drill results (Troy Resources NL), shown in Figure 6 above, are within the current Mineral Resource and less than 80m below the Open Pit:

TRC383	17m @ 3.2 g/t gold from 82m	A72098 ¹
TRC461	5m @ 10.4 g/t gold from 92m	A72098
TRC374	5m @ 13.0 g/t gold from 99m	A72098
TRCD291	7.8m @ 7.8 g/t gold from 117m	A69776
TRC339	6m @ 16.4 g/t gold from 167m	A69776

Note 1: Source is WA Dep't of Mines, Industry Regulation and Safety, WAMEX Reporting System

Previous drill results (Troy Resources NL) not in the current Mineral Resource include:

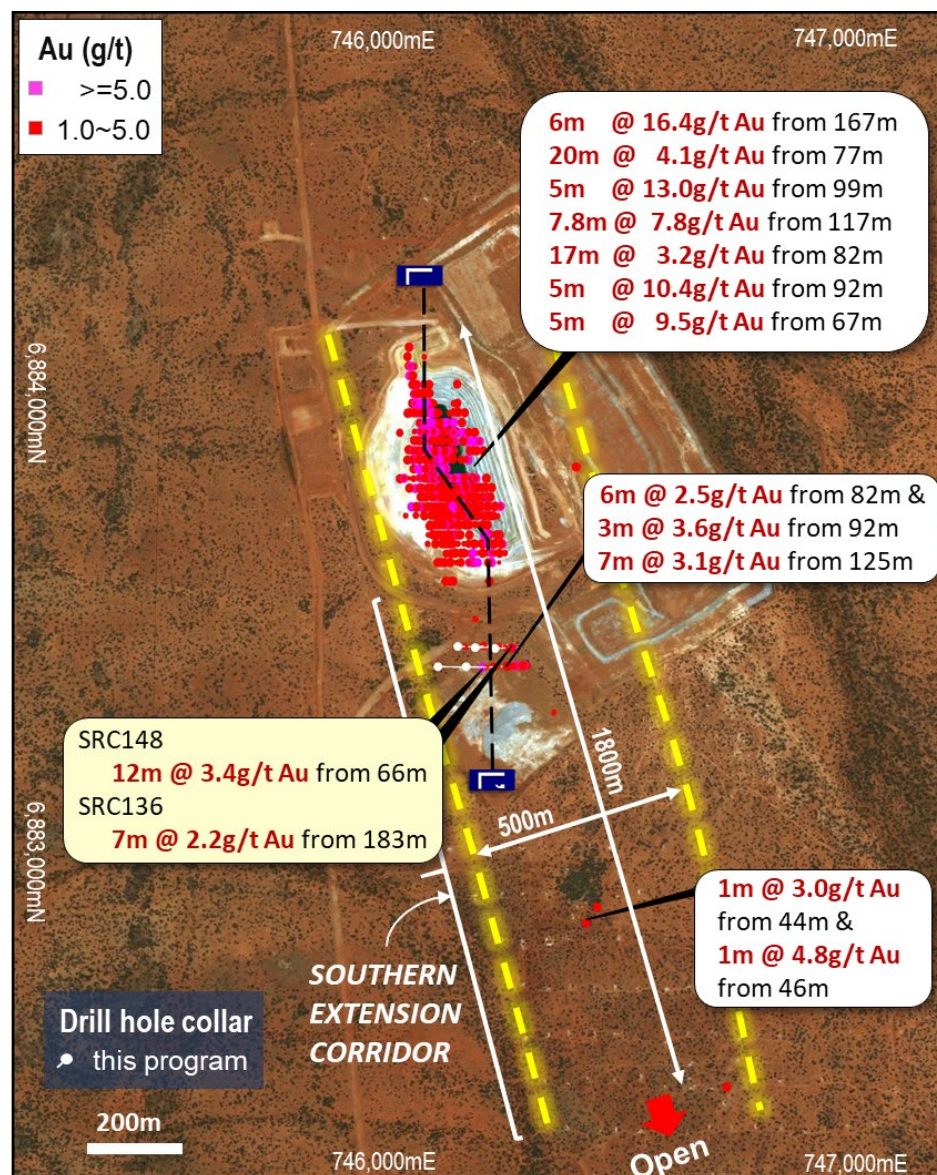
TRC283	6m @ 2.5 g/t gold from 82m and	A69776
	3m @ 3.6 g/t gold from 92m	
TRC328	5m @ 10.4 g/t gold from 92m	A69776

Follow up drill targeting along Lord Nelson Southern Extension Corridor

During the quarter Alto continued with a detailed geological review and geophysical modelling over the Lord Nelson and Lord Henry deposits and the prospective 3km corridor between the two deposits.

The study is being undertaken to assist with targeting prior to a follow up drilling program, expected to commence in the next quarter to test extensions of known high grade gold mineralisation at depth along the Lord Nelson Southern Extension Corridor and to test any new target areas that could potentially lead to a new discovery.

Figure 7. Plan View of Lord Nelson Deposit with Down Hole Au Intersections Below the Pit Projected to Surface, and 2019 RC Intersections (Yellow Box) at Lord Nelson Southern Extension



Corporate

Cash & Finances

At the end of the quarter Alto's cash position was \$1.1m.

Unsolicited takeover offer from Middle Island

On 8 October 2019, Middle Island Resources Ltd ("MDI") issued a **SEVENTH** Supplementary Bidder's Statement, which amongst other things, extends MDI's unsolicited, off-market, all-scrip takeover offer of 6 MDI ordinary fully paid shares for every 1 Alto Metals Ltd (AME) share (**Offer**) to 29 November 2019 and extends the offer to the shares issued as part of AME's shortfall placement, which were issued on 13 May 2019.

MDI has not extended the Offer to the Placement Shares, representing 5.8% of the total issued shares in Alto, these shares shall remain in the restricted AMENA ASX code.

Notwithstanding MDI's numerous communications with AME shareholders since the Offer was announced on 1 March 2019 (more than 7 months ago), the level of acceptances by AME's shareholders remains negligible, evidenced by MDI's disclosures regarding its Relevant interest in AME's shares, which totaled 1.57% at 23 September 2019.

This indicates that the Offer has gained minimal traction and Alto's Board considers it is reasonable to infer that the market has formed the view that Middle Island is continuing to allocate time and resources to the Offer in circumstances where Alto's shareholders have made their view very clear.

Your Directors remain disappointed with the time and resources being unnecessarily applied to the Offer, which could be better allocated to exploration of the Sandstone Gold Project for the benefit of shareholders

The Alto Board continue to recommend that shareholders TAKE NO ACTION in relation to the offer and continue to IGNORE ALL CORRESPONDENCE RECEIVED FROM MIDDLE ISLAND.

For further information regarding the Sandstone Gold Project please visit the ASX platform (ASX: AME) or the Company's website at www.altometals.com.au

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Mineral Resources – Sandstone Gold Project

Table 1 below shows the current Total Indicated & Inferred Mineral Resources (JORC 2012) for the Sandstone Gold Project at 30th September 2019.

Table 1: Sandstone Gold Project – Summary of Total Mineral Resources (JORC 2012)

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry ¹	Indicated	0.8	1,200	1.6	65,000
TOTAL INDICATED			1,200	1.6	65,000
Lord Henry ¹	Inferred	0.8	110	1.3	4,000
Lord Nelson ²	Inferred	0.8	980	2.2	68,000
Indomitable & Vanguard Camp ³	Inferred	0.3-0.5	2,580	1.5	124,000
Havilah & Ladybird ⁴	Inferred	0.5	510	1.8	29,000
TOTAL INFERRED			4,180	1.7	225,000
TOTAL INDICATED AND INFERRED			5,380	1.7	290,000

Note 1. AME ASX Release 16 May 2017. “Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz.”

Note 2. AME ASX Release 28 April 2017. “Lord Nelson Mineral Resource Increased to 68,000oz.”

Note 3. AME ASX Release 25 Sept 2018. “Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA”

Note 4. AME ASX release 11 June 2019. “Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project”

All material assumptions and technical parameters underpinning the 2017, 2018 and 2019 JORC (2012) Mineral Resource estimates in the above ASX announcements continue to apply and have not materially changed since last reported.

The locations of the Alto Metals JORC 2012 Mineral Resources referred to in Table 1 are shown in Figure 1.

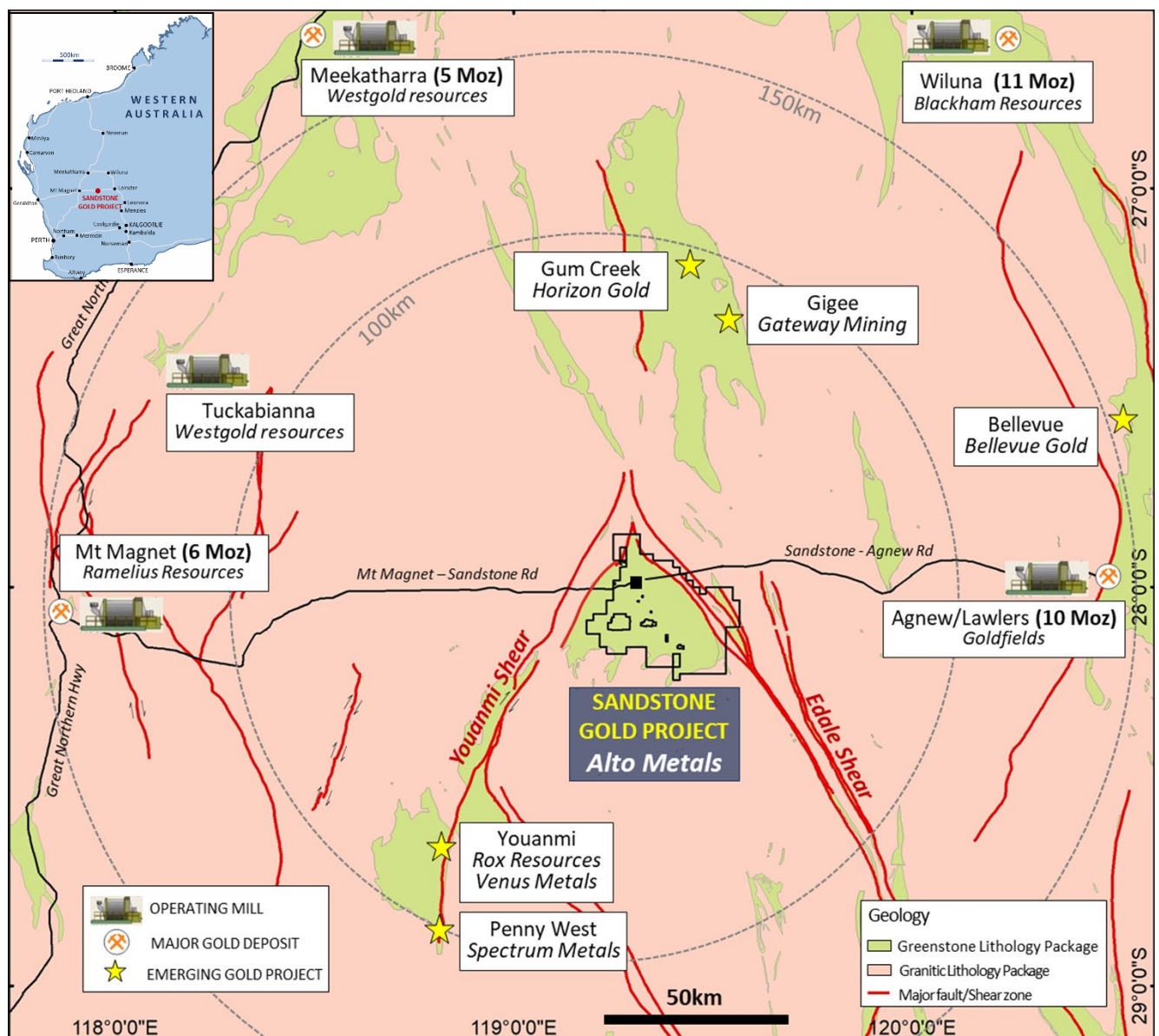
About Alto Metals and the Sandstone Gold Project

Alto Metals Limited is a Western Australian based company and is focused on gold exploration in Australia. The company holds ~800 km² of the prospective Sandstone Greenstone Belt, ~600km north of Perth in the East Murchison Mineral Field of Western Australia (Figure 8).

Since acquiring the Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration drilling campaigns which commenced in November 2016, and which have defined JORC (2012) Mineral Resources of 290,000 ounces gold and numerous drill ready targets using a systematic Mineral System approach.

Alto's goal is the delineation of a +1 million ounces JORC 2012 Mineral Resources that could become the basis for a re-establishment of standalone oxide and primary gold mining and milling operations at the Project.

Figure 8. Location of Sandstone Gold Project within the East Murchison Gold Field, WA



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 anticipate, aim, expect, intend, plan or similar words, 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.

Competent Persons Statement

The information in this Report that relates to current and historical Exploration Results is based on information compiled by Dr Changshun Jia, who is an employee of Alto Metals Limited. Dr Jia is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Jia consents to the inclusion in the report of the matters based on the information in the context in which it appears.

Previously Reported Results

There is information in this report relating to exploration results which were previously announced on 12 September 2019. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

APPENDIX - 1: Tenement Information as Required by Listing Rule 5.3.3

Alto Metals Ltd and Its 100% Owned Subsidiaries, on a Consolidated Basis at 30th September 2019

Tenement	Location	Interest Held	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
M57/646	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
M57/647	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application
M57/650	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application
M57/651	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application
M57/652	Sandstone, WA	100%	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
P57/1415	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application
P57/1417	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Application

Note: Sandstone Exploration Pty Ltd is a wholly owned subsidiary of Alto Metals Limited

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALTO METALS LIMITED

ABN

62 159 819 173

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(460)	(460)
(b) development		
(c) production		
(d) staff costs	(180)	(180)
(e) administration and corporate costs	(171)	(171)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	23	23
1.9 Net cash from / (used in) operating activities	(784)	(784)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	600	600
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	600	600

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,327	1,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(784)	(784)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	600	600
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,143	1,143

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	49	169
5.2 Call deposits	1,094	1,158
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,143	1,327

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

106

Director / Consulting Fees accrued from 2019 year paid in Sept quarter

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

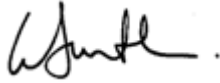
8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	300
9.2	Development	
9.3	Production	
9.4	Staff costs	100
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	500

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Sept 2019 Quarterly Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Sept 2019 Quarterly Report		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: ...31 October 2019.....

Print name:Graeme Smith.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.