

31 December 2022 Quarterly Report

Ongoing shallow oxide gold results lay the foundations for an updated global Resource at the Sandstone Gold Project

December quarter highlighted by outstanding results from Indomitable resource drilling, high-grade targets identified at historic Oroya and Hacks gold mines, and respected gold industry executive Mark Connelly appointed as Chairman

Highlights of the quarter

- Continued exploration success during the quarter at the Indomitable Camp highlights the scale of the large, and growing, shallow oxide gold footprint currently defined over 2.5km.
- During the calendar year Alto completed ~50,000 of RC drilling, predominantly focused on adding quality shallow ounces to drive further resource growth.
- The current open-pit gold resource at the Sandstone Gold Project is 12.4Mt at 1.6 g/t for 635,000oz gold. These resources are shallow, with 90% less than 160m from surface and remain open.
- Work on the updated Mineral Resource Estimate is progressing well and is on track for release during the March quarter 2023.
- 2023 drilling program to focus on continued resource growth within the Alpha Domain and priority high-grade regional targets – planning well underway and drilling expected to commence in the coming weeks.
- Regional targeting review of the historic high-grade Oroya (220koz @ 16.5 g/t gold hist. prod.) and Hacks (220koz @ 24 g/t gold hist. prod.) gold mines and near mine area, has identified a number of priority targets.
- A first pass wide-spaced 2,000m step-out RC drilling program completed at Oroya to test extensions of known mineralisation – results are currently pending.
- Highly regarded mining executive Mark Connelly appointed to the Board as independent Non-Executive Chairman.
- Successful Placement and Share Purchase Plan completed during the period.
- Strong cash position of \$4.4 million at the end of the quarter and no debt.

Alto's Managing Director, Matthew Bowles said:

The December quarter was another quarter highlighted by outstanding drill results from Indomitable, including a stand-out 25m @ 7.5 g/t from 41m. These results continue to demonstrate the huge exploration upside at Sandstone and importantly, pave the way for the release of our updated mineral resource in the March quarter.

In parallel with the resource work, we have been progressing a regional review of the multiple advanced prospects at Sandstone, with the historic Oroya and Hack gold mines highlighting the quality of the prospects in our pipeline.

We are also pleased to have Mark Connelly join the Board of Alto Metals as Chairman. Mark has an outstanding reputation in the market and his appointment to the Board further strengthens the corporate and industry experience of Alto, which will be invaluable as we continue to advance our Sandstone Gold Project.

It is an exciting time for us as a Company and for our shareholders, as we continue to build on the significant progress we have made over the past twelve months, an updated mineral resource coming this quarter, a number of assays results pending and rigs about to start drilling again.

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Issued Shares: 613m
Share Price: \$0.07
Market Capitalisation: \$43m



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ASX: AME

Exploration Results - Indomitable

- Resource and extensional drilling at Indomitable Camp continued to deliver **near-surface high-grade gold** mineralisation beyond the current resource during the period, including a stand-out **25m @ 7.5 g/t gold** from 41m, incl. **6m @ 22.3 g/t gold** from 56m (SRC853)
- Additional significant gold results outside the resource at Indomitable and Indomitable North included:
 - **80m @ 1.6 g/t gold** from 21m, incl. **10m @ 5.2 g/t gold** from 43m (SRC808)
 - **18m @ 0.7 g/t gold** from 8m; and
 - **32m @ 1.1 g/t gold** from 79m, incl. **6m @ 2.1 g/t gold** from 87m (SRC812)
 - **18m @ 1.1 g/t gold** from 47m, incl. **3m @ 2.3 g/t gold** from 51m, and
 - **5m @ 3.0 g/t gold** from 129m, incl. **1m @ 9.7 g/t gold** from 129m (SRC803)
 - **12m @ 1.0 g/t gold** from 128m, incl. **2m @ 2.0 g/t gold** from 138m (SRC786)
 - **15m @ 2.8 g/t gold** from 44m, incl. **3m @ 12.4 g/t gold** from 45m (SRC826)
 - **15m @ 2.1 g/t gold** from 62m, incl. **10m @ 3.0 g/t gold** from 67m (SRC848)
 - **8m @ 2.4 g/t gold** from 10m (SRC819)
 - **9m @ 1.3 g/t gold** from 54m, incl. **5m @ 2.1 g/t gold** from 54m and
 - **7m @ 1.6 g/t gold** from 120m incl. **1m @ 5.9 g/t gold** from 122m (SRC849)
- Significant results from resource and extensional drilling at Indomitable East including:
 - **15m @ 2.2 g/t gold** from 126m, including **3m @ 6.0 g/t gold** from 135m (SRC866)
 - **13m @ 2.0 g/t gold** from 38m, including **3m @ 5.3 g/t gold** from 39m (SRC880)
 - **15m @ 1.5 g/t gold** from 54m, including **5m @ 3.0 g/t gold** from 60m (SRC864)
 - **22m @ 1.0 g/t gold** from 19m, including **2m @ 2.5 g/t gold** from 36m (SRC863)
 - **8m @ 2.0 g/t gold** from 162m, including **1m @ 7.7g/t gold** from 166m (SRC867)
 - **13m @ 1.0 g/t gold** from 38m, including **2m @ 2.7 g/t gold** from 39m (SRC883)
 - **11m @ 1.2 g/t gold** from 32m, including **1m @ 8.7 g/t gold** from 38m (SRC882)
 - **11m @ 1.0 g/t gold** from 18m, including **3m @ 2.3 g/t gold** from 24m (SRC862)
 - **1m @ 17.3 g/t gold** from 116m (SRC888)
- RC results from resource and extensional drilling at the Musketeer Prospect, within the Indomitable Camp include:
 - **9m @ 5.0 g/t gold** from 71m, incl. **1m @ 15.3 g/t gold** from 74m (SRC738)
 - **19m @ 1.5 g/t gold** from 73m, incl. **1m @ 11.8 g/t gold** from 73m (SRC739)
 - **7m @ 3.4 g/t gold** from 51m, incl. **1m @ 22.2 g/t gold** from 55m (SRC758)
 - **5m @ 5.1 g/t gold** from 80m, incl. **2m @ 10.8 g/t gold** from 80m (SRC736)
 - **6m @ 2.9 g/t gold** from 86m, incl. **1m @ 9.8 g/t gold** from 87m (SRC748)
 - **3m @ 3.3 g/t gold** from 60m, incl. **1m @ 9.4 g/t gold** from 61m (SRC747)
 - **7m @ 1.5 g/t gold** from 84m, incl. **1m @ 5.2 g/t gold** from 89m (SRC751)
 - **9m @ 1.2 g/t gold** from 159m, incl. **4m @ 2.3 g/t gold** from 161m (SRC742)
 - **11m @ 1.0 g/t gold** from 38m, incl. **3m @ 2.0 g/t gold** from 38m (SRC737)
 - **18m @ 1.0 g/t gold** from 50m, incl. **4m @ 2.2 g/t gold** from 50m (SRC728)

Mineralisation at Indomitable Camp is shallow, currently defined over a **strike of over +2.5km, remains open** and is **hosted within a +20km long gold corridor**.

Review of historic Oroya & Hacks mines

A review of the historic Oroya and Hacks mines **identifying multiple near-mine high-grade gold targets.**

Oroya Black Range Mine

- Historical results highlight **significant mineralisation remains** below the shallow-mined Oroya pit (60m depth) and along strike and down dip of the main reef, including **(+40 g/t*m)**:
 - **23m @ 6.2 g/t gold** from 87m, incl. **2m @ 55.9 g/t gold** from 89m (NT5020R) - NW Extension
 - **8m @ 17.9 g/t gold** from 69m, incl. **1m @ 137.0 g/t gold** from 73m (NT5026R) - Main Reef
 - **9m @ 14.6 g/t gold** from 42m, incl. **1m @ 120.0 g/t gold** from 42m and **8m @ 2.6 g/t gold** from 68m (MSGC1312) - Juno/Main Reef
 - **6m @ 8.3 g/t gold** from 49m, incl. **2m @ 23.2 g/t gold** from 51m (MSGC0886) - Main Reef
 - **9m @ 1.5 g/t gold** from 46m, incl. **3m @ 3.9 g/t gold** from 52m, and **3m @ 9.4 g/t gold** from 62m, incl. **2m @ 12.8 g/t gold** from 63m (TRC043) - Juno/Main Reef
 - **13m @ 3.1 g/t gold** from 22m, incl. **2m @ 11.9 g/t gold** from 28m (MSGC0933) - Juno
 - **8m @ 6.0 g/t gold** from 70m, incl. **1m @ 34.2 g/t gold** from 70m (TRC048) - Main Reef
 - **8m @ 10.1 g/t gold** from 44m, incl. **1m @ 50 g/t gold** from 47m (MSGC1136) - Oroya West
- The Company considers there is significant potential for the Sandstone reef to extend north-west beyond the north end of the pit **which has not been adequately tested**, along with extensions to the west.
- The Oroya Mine produced **220,000oz at 16.5g/t gold** from underground mining between 1904-1920 and a further **~25,000oz at 2.3g/t gold** from open pit mining from 1994-1995.

Pending assays – first pass step-out drilling at Oroya

- Assay results pending from a first pass ~2,000m RC drilling program completed towards the end of the December quarter at Oroya Mine. The program planned to test potential high-grade extensions of the Sandstone Reef, below the shallow-mined Oroya pit and along strike and down dip of the underground workings of the main reef.

Corporate

- The Company was pleased to announce the appointment of experienced and highly regarded mining executive Mark Connelly to the Board as independent, Non-Executive Chairman. Mr Connelly has extensive board and industry experience, including overseeing a number of companies transition from advanced explorer to developer and through to producer.
- During the quarter the Company successfully raised \$3.7m in Placements and completed an oversubscribed Share Purchase Plan raising an additional \$1.4m.
- Cash at the end of the December quarter totalled \$4.4 million and no debt.

Planned exploration activities for Q1 2023

- Alto's successful drilling program for CY2022 focused on both resource growth and testing priority regional targets, with an updated mineral resource on track for completion in the March quarter 2023.
- In addition to the updated mineral resource estimate on track for completion in the March quarter 2023, the Company is currently planning the next phase of exploration and follow up drilling to commence in the coming weeks. Planned activities and news flow to include:
 - First pass Oroya results;
 - Commence further extensional drilling at Oroya;
 - Follow up extensional resource drilling at Indomitable and Vanguard; and
 - Updated mineral resource estimate.

December quarter 2022 activities

Alto Metals Limited ("Alto" or "the Company") (ASX: AME) is pleased to report on another highly successful quarter as the Company continues to focus on growing the shallow gold resources at its 100% owned Sandstone Gold Project in the East Murchison of Western Australia.

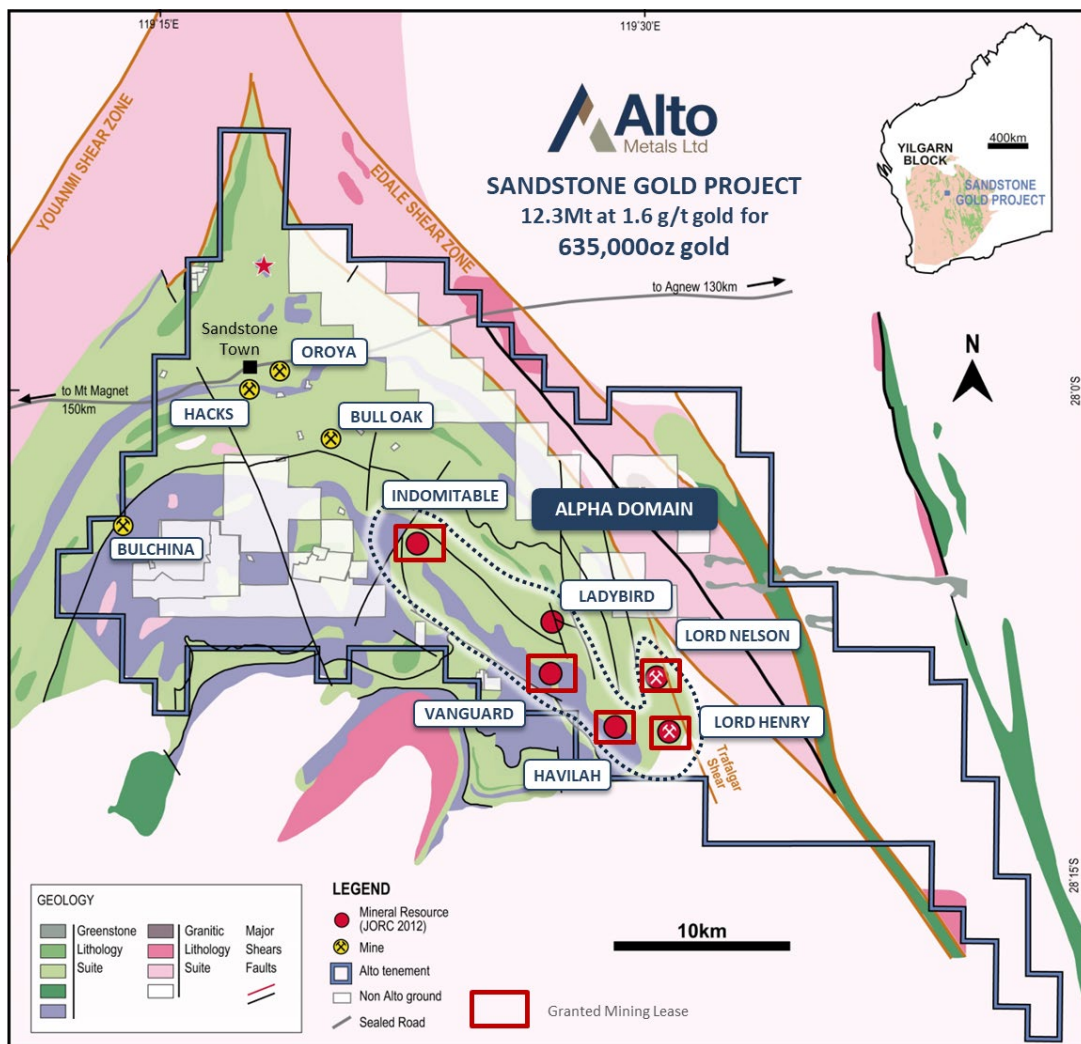


Figure 1 – Project locations at Sandstone

Alpha Domain: Indomitable Camp – large and growing, shallow oxide gold footprint

The Indomitable and Indomitable North deposits form part of the Indomitable Camp, which is currently defined over a 2km strike length and is hosted within the +20km NW/SE Indomitable/Vanguard/Havilah Trend that forms part of the priority 'Alpha Domain' target area, a +20km long gold corridor (see Figure 1). Mineralisation is hosted within a package of mafic-ultramafic rocks, cross cut by interpreted major structures.

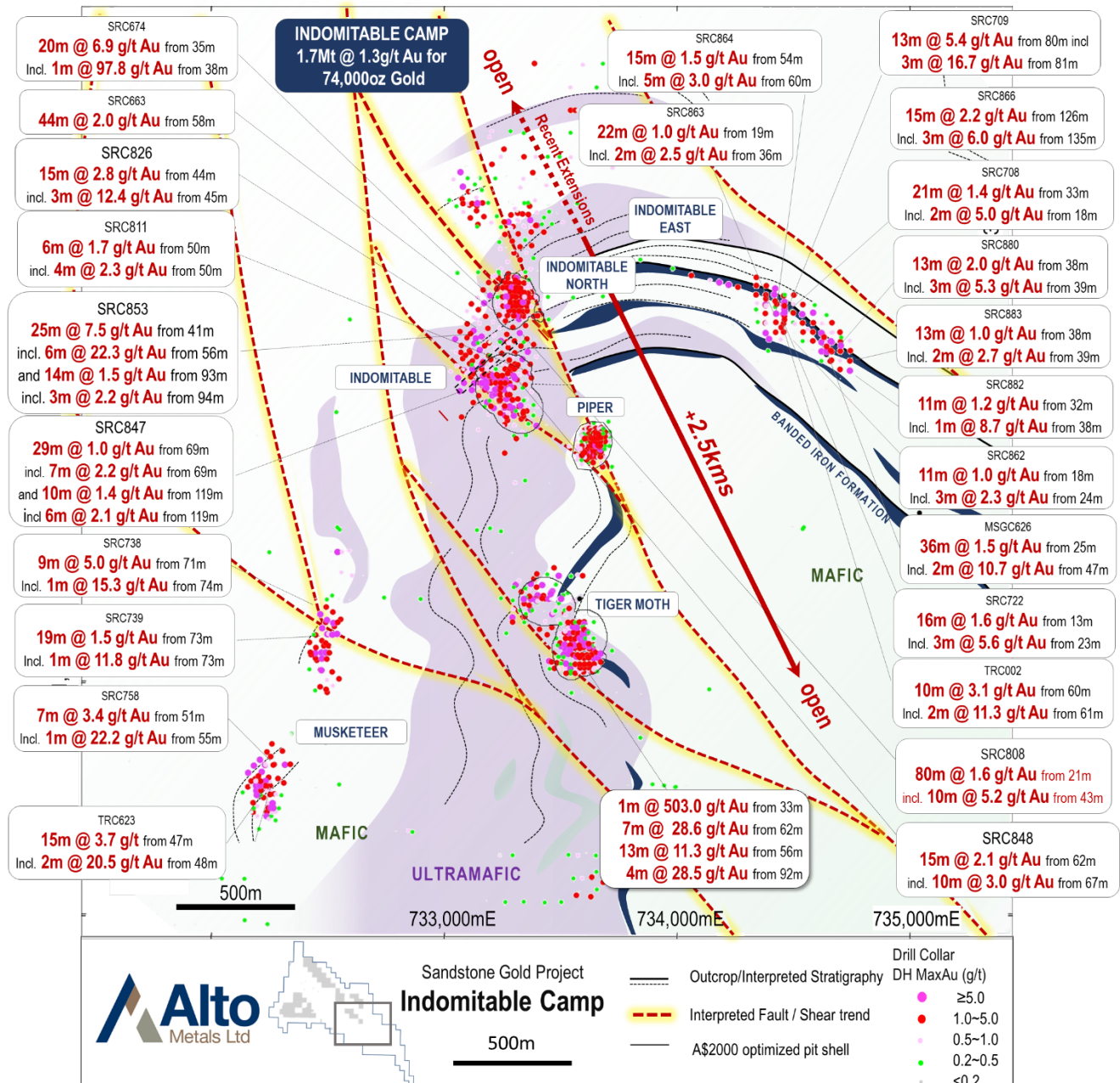


Figure 2: Plan view of Indomitable Camp showing recent RC drill results– Simplified geological interpretation.

Drilling results received during the quarter from ongoing resource and extensional drilling have continued to intersect **near-surface high-grade gold** and have successfully extended the overall mineralisation both along strike and at depth. These results include a **stand-out 25m @ 7.5 g/t gold from 41m**, north-west of Indomitable.

The focus of the RC drilling program at the Indomitable Camp is to grow the current resource, testing strike extensions of existing mineralisation along the main Indomitable trend and linking structures, the western side of the interpreted fold closure and infilling the area between the Indomitable and Indomitable North deposits.

Significant results announced during the quarter include:

North-West of Indomitable

- o **25m @ 7.5 g/t gold** from 41m, incl. **6m @ 22.3 g/t gold** from 56m and **14m @ 1.5 g/t gold** from 93m, incl. **3m @ 2.2 g/t gold** from 94m (SRC853)
- o **15m @ 2.8 g/t gold** from 44m, incl. **3m @ 12.4 g/t gold** from 45m (SRC826) - *Line 20m NE of SRC853*
- o **9m @ 1.0 g/t gold** from 34m (SRC852)

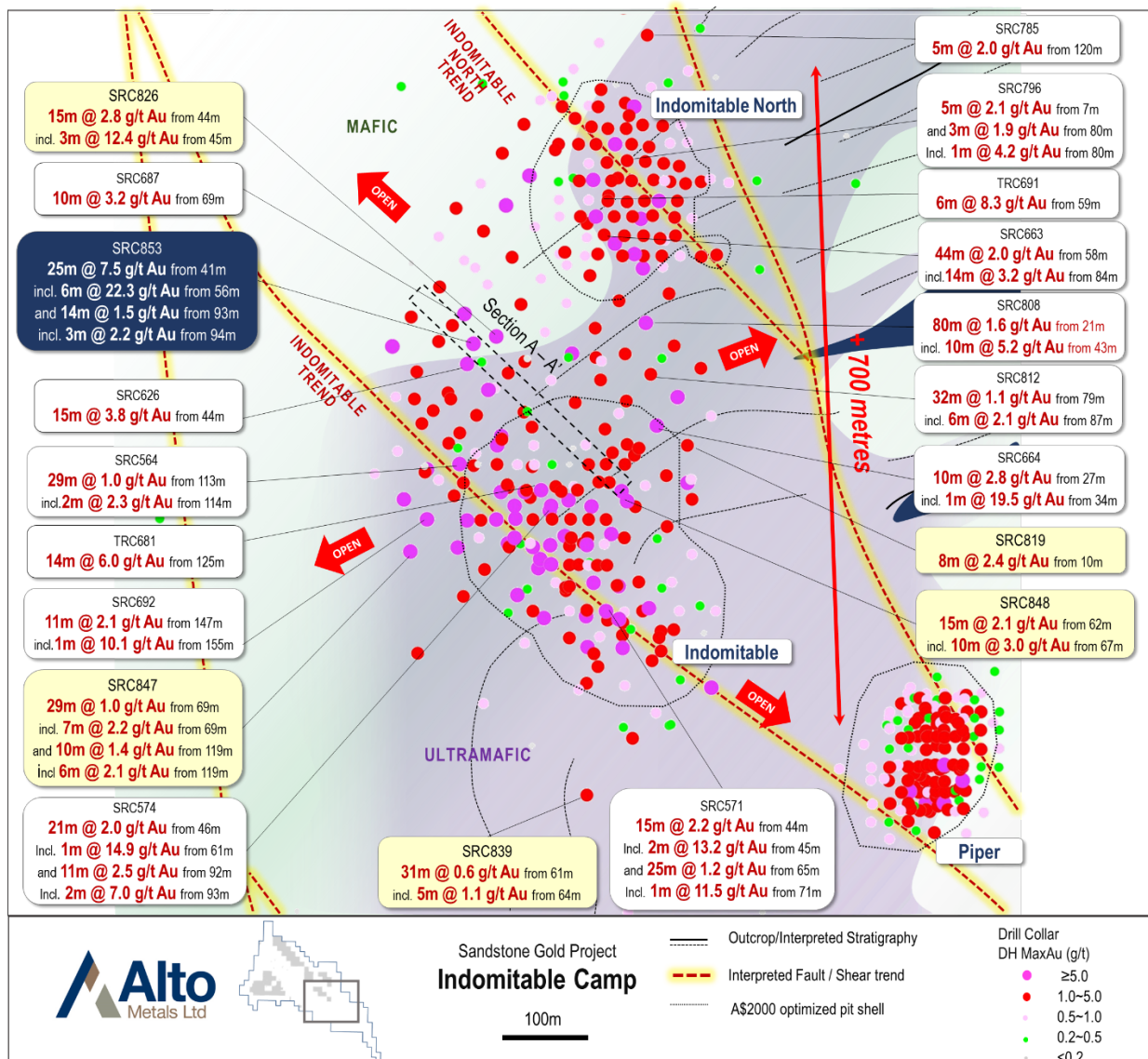


Figure 3: Plan view of Indomitable and Indomitable North deposits with the Indomitable Camp showing recent RC drill results– Simplified geological interpretation.



Figure 4: RC drilling at Indomitable

Indomitable and Indomitable North:

- **80m @ 1.6 g/t gold** from 21m, incl. **10m @ 5.2 g/t gold** from 43m (SRC808)
- **18m @ 0.7 g/t gold** from 8m; and
- **32m @ 1.1 g/t gold** from 79m, incl. **6m @ 2.1 g/t gold** from 87m (SRC812)
- **18m @ 1.1 g/t gold** from 47m, incl. **3m @ 2.3 g/t gold** from 51m, and
- **5m @ 3.0 g/t gold** from 129m, incl. **1m @ 9.7 g/t gold** from 129m (SRC803)
- **12m @ 1.0 g/t gold** from 128m, incl. **2m @ 2.0 g/t gold** from 138m (SRC786)
- **6m @ 1.7 g/t gold** from 50m, incl. **4m @ 2.3 g/t gold** from 50m (SRC811)
- **5m @ 2.1 g/t gold** from 7m and **3m @ 1.9 g/t gold** from 80m (SRC796)
- **5m @ 2.0 g/t gold** from 120m (SRC785)
- **15m @ 2.1 g/t gold** from 62m, incl. **10m @ 3.0 g/t gold** from 67m (SRC848)
- **8m @ 2.4 g/t gold** from 10m (SRC819)
- **11m @ 0.6 g/t gold** from 9m incl. **5m @ 1.1 g/t gold** from 15m (SRC824)
- **9m @ 1.3 g/t gold** from 54m, incl. **5m @ 2.1 g/t gold** from 54m and
- **7m @ 1.6 g/t gold** from 120m incl. **1m @ 5.9 g/t gold** from 122m (SRC849)
- **31m @ 0.6 g/t gold** from 61m, incl. **5m @ 1.1 g/t gold** from 64m (SRC839)
- **10m @ 1.0 g/t gold** from 60m incl. **1m @ 3.6 g/t gold** from 60m (SRC843)
- **29m @ 1.0 g/t gold** from 69m, incl. **7m @ 2.2 g/t gold** from 69m and
- **10m @ 1.4 g/t gold** from 119m incl. **6m @ 2.1 g/t gold** from 119m (SRC847)
- **4m @ 2.1 g/t gold** from 113m incl. **1m @ 7.3g/t gold** from 114m (SRC837)

Extensional holes SRC808, 803, 811 and 812 targeting the area between Indomitable and Indomitable North existing resource pit-shells have intersected further shallow, **high-grade gold mineralisation with SRC808 delivering thick 80m @ 1.6 g/t gold from 21m, including a high-grade zone of 10m @ 5.2 g/t gold from 43m**

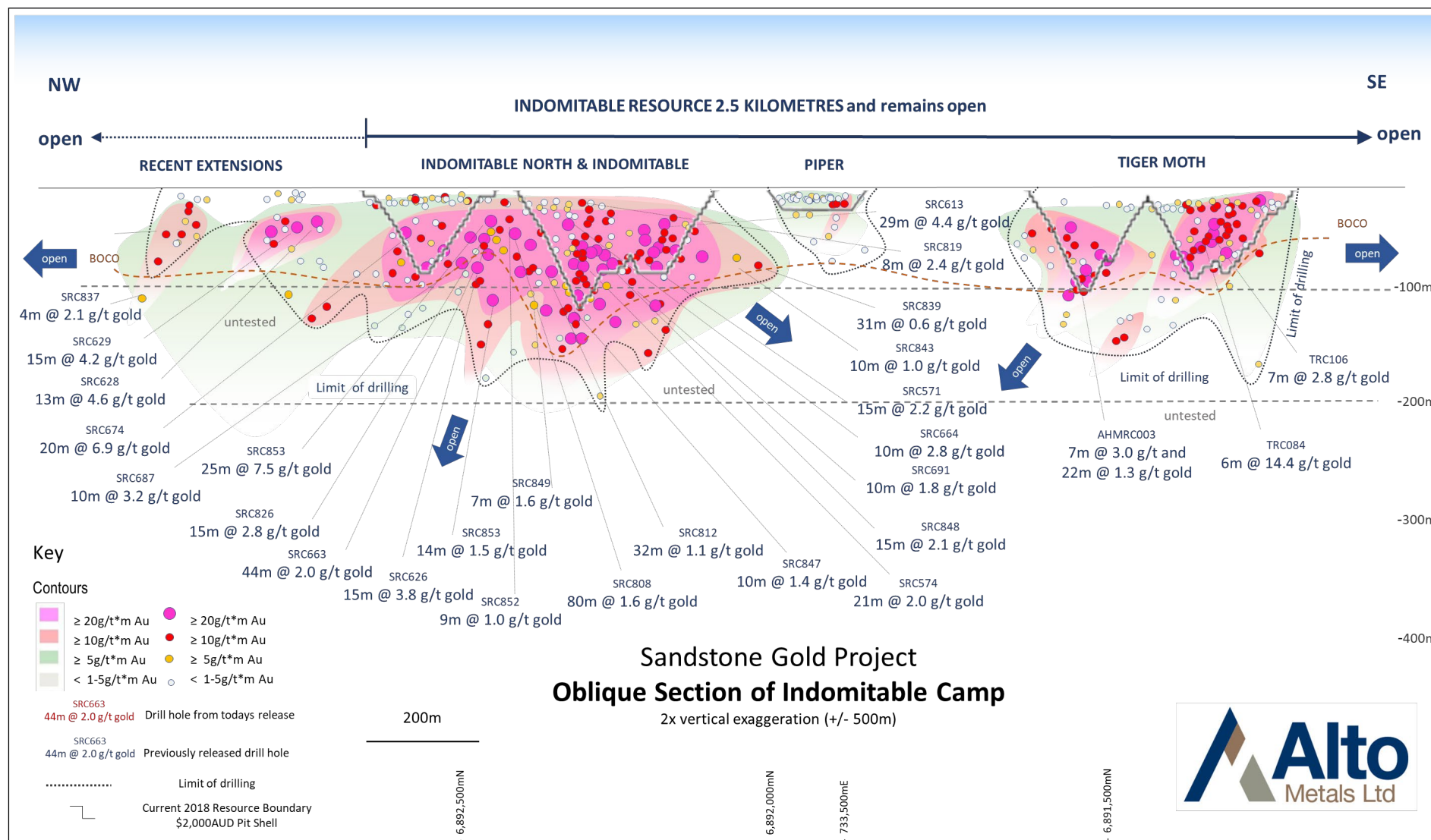


Figure 5: Oblique section of Indomitable Camp showing g/t*m drill results

Indomitable East

Drill results received during the quarter from Indomitable East were from step-out and extensional drilling designed to test the mineralised banded iron formation to the north-west and south-east identified from historical drilling. The program successfully intersected shallow gold in multiple holes, with **mineralisation defined over a total strike of over 800m and continues to remain open** along strike and at depth. Significant near surface gold results from this latest program include:

- **15m @ 2.2 g/t gold** from 126m, including **3m @ 6.0 g/t gold** from 135m (SRC866)
- **13m @ 2.0 g/t gold** from 38m, including **3m @ 5.3 g/t gold** from 39m (SRC880)
- **15m @ 1.5 g/t gold** from 54m, including **5m @ 3.0 g/t gold** from 60m (SRC864)
- **22m @ 1.0 g/t gold** from 19m, including **2m @ 2.5 g/t gold** from 36m (SRC863)
- **8m @ 2.0 g/t gold** from 162m, including **1m @ 7.7g/t gold** from 166m (SRC867)
- **13m @ 1.0 g/t gold** from 38m, including **2m @ 2.7 g/t gold** from 39m (SRC883)
- **11m @ 1.2 g/t gold** from 32m, including **1m @ 8.7 g/t gold** from 38m (SRC882)
- **11m @ 1.0 g/t gold** from 18m, including **3m @ 2.3 g/t gold** from 24m (SRC862)
- **1m @ 17.3 g/t gold** from 116m (SRC888)

SRC882 the most southerly hole drilled, returned **11m @ 1.2 g/t gold** demonstrating mineralisation remain open.

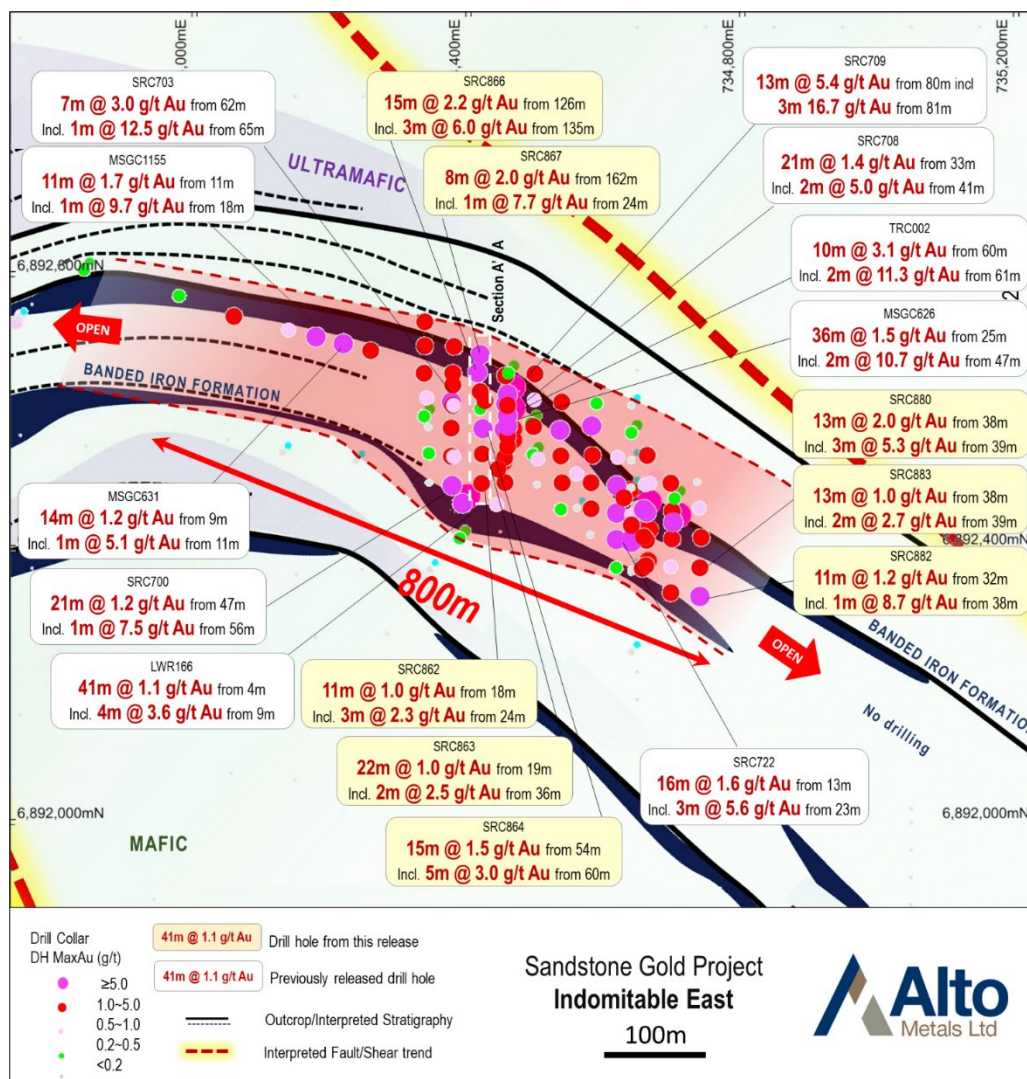


Figure 6: Plan view of Indomitable East showing recent RC drill results (shown in yellow)– Simplified geological interpretation

Musketeer

RC drilling at the Musketeer Prospect was designed to both infill and test extensions to the north-west and south-east identified from historical drilling to define to a maiden resource at Musketeer. Drilling during the quarter the intersected shallow high-grade gold mineralisation from both resource and step -out drilling, with significant results including:

- **9m @ 5.0 g/t gold** from 71m, incl. **1m @ 15.3 g/t gold** from 74m (SRC738)
- **19m @ 1.5 g/t gold** from 73m, incl. **1m @ 11.8 g/t gold** from 73m (SRC739)
- **7m @ 3.4 g/t gold** from 51m, incl. **1m @ 22.2 g/t gold** from 55m (SRC758)
- **5m @ 5.1 g/t gold** from 80m, incl. **2m @ 10.8 g/t gold** from 80m (SRC736)
- **6m @ 2.9 g/t gold** from 86m, incl. **1m @ 9.8 g/t gold** from 87m (SRC748)
- **3m @ 3.3 g/t gold** from 60m, incl. **1m @ 9.4 g/t gold** from 61m (SRC747)
- **7m @ 1.5 g/t gold** from 84m, incl. **1m @ 5.2 g/t gold** from 89m (SRC751)
- **9m @ 1.2 g/t gold** from 159m, incl. **4m @ 2.3 g/t gold** from 161m (SRC742)
- **11m @ 1.0 g/t gold** from 38m, incl. **3m @ 2.0 g/t gold** from 38m (SRC737)
- **18m @ 1.0 g/t gold** from 50m, incl. **4m @ 2.2 g/t gold** from 50m (SRC728)
- **6m @ 2.0 g/t gold** from 85m, incl. **2m @ 5.1 g/t gold** from 85m (SRC749)

Mineralisation at Musketeer is shallow, currently has an **overall strike of over 900 metres**, and remains open along strike and at depth.

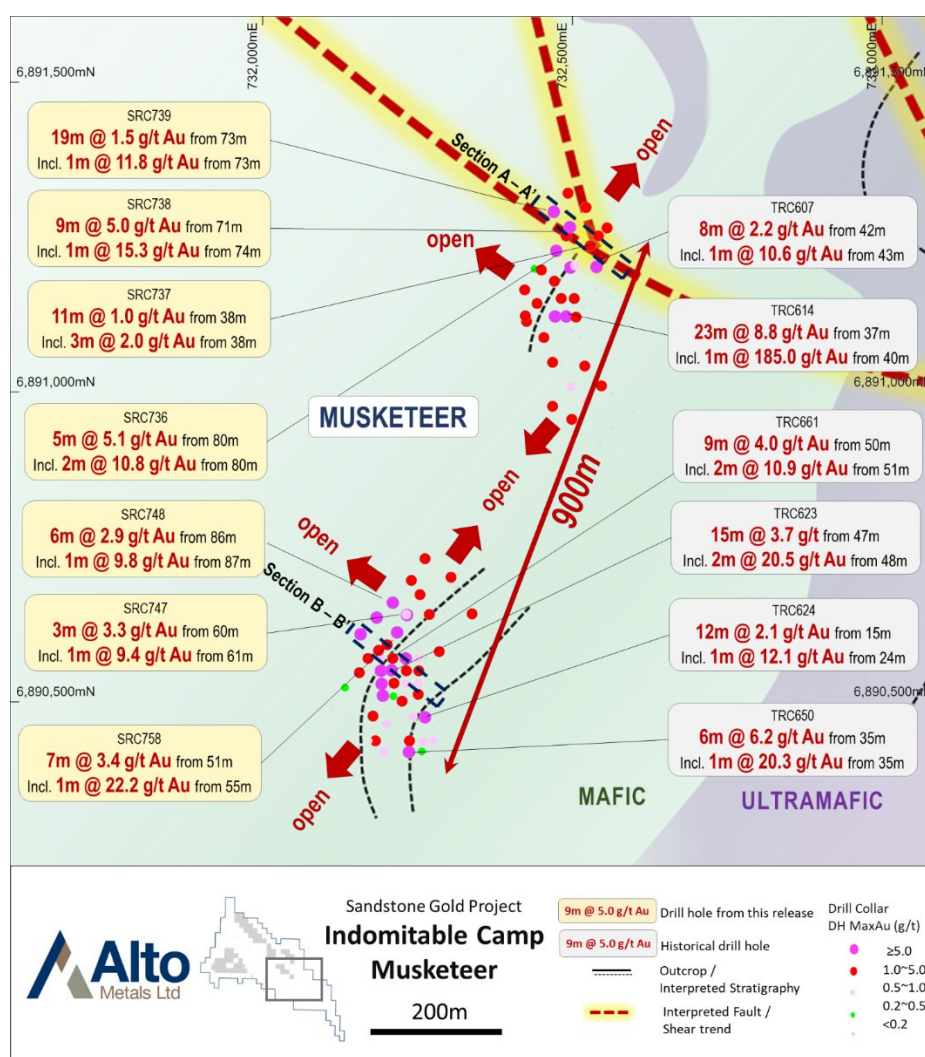


Figure 7: Plan view of Musketeer showing recent RC drill results (shown in yellow) and historical RC drill results (shown in grey) over a simplified geological interpretation.

Regional Targeting - Hacks & Oroya

As part of the Company's ongoing regional evaluation of the multiple advanced prospects within the Company's 100% owned Sandstone Gold Project, a targeting review of both the historic high-grade Hacks and Oroya gold mines and near mine area **has identified a number of priority targets**.

Work towards developing initial drill targets is ongoing through a combination of structural and geological targeting and review of the historic data sets and recently acquired digitised historic mined void models.

The Company considers there is potential for significant mineralised material to remain due to historical mining activities at Oroya and Hacks focusing only on bonanza style mineralisation within the reefs (and later open-pit mining at a gold price of US\$380/oz) leaving surrounding mineralisation unmined.

The Oroya and Hacks mines were major gold producers, together accounting for almost 40% of the total gold production from the Sandstone Greenstone Belt. Despite the historical production and numerous old workings over the areas, there has been limited modern exploration undertaken over these prospects. The lack of recent exploration and numerous historic high-grade drill results provides an exciting opportunity for Alto to re-explore these 'long forgotten mines' and fits with the Company's strategy of continuing to focus on growing its existing resource base within the Alpha Domain, while progressing regional prospects.

Priority targets identified so far from the Company's review of the Oroya, Hacks and near mine area include:

- **Potential extension of the Oroya Sandstone reef along NW strike, beyond the north end of the pit, which has not been adequately tested, along with the down-dip extensions of the shallow west dipping Main reef.**
- **Testing the high-grade tenor of remnant mineralisation at Oroya and the unmined Juno Reef which have the potential to add additional shallow resources in the near term.**
- **Historical results north of Hacks may represent the offset to the main Hacks high-grade reef on the north-western side of the cross-course.**
- **Hacks West, a +16km² target area is considered highly prospective for additional 'repeat' high-grade gold reefs, which may link to the regional Youanmi shear corridor.**

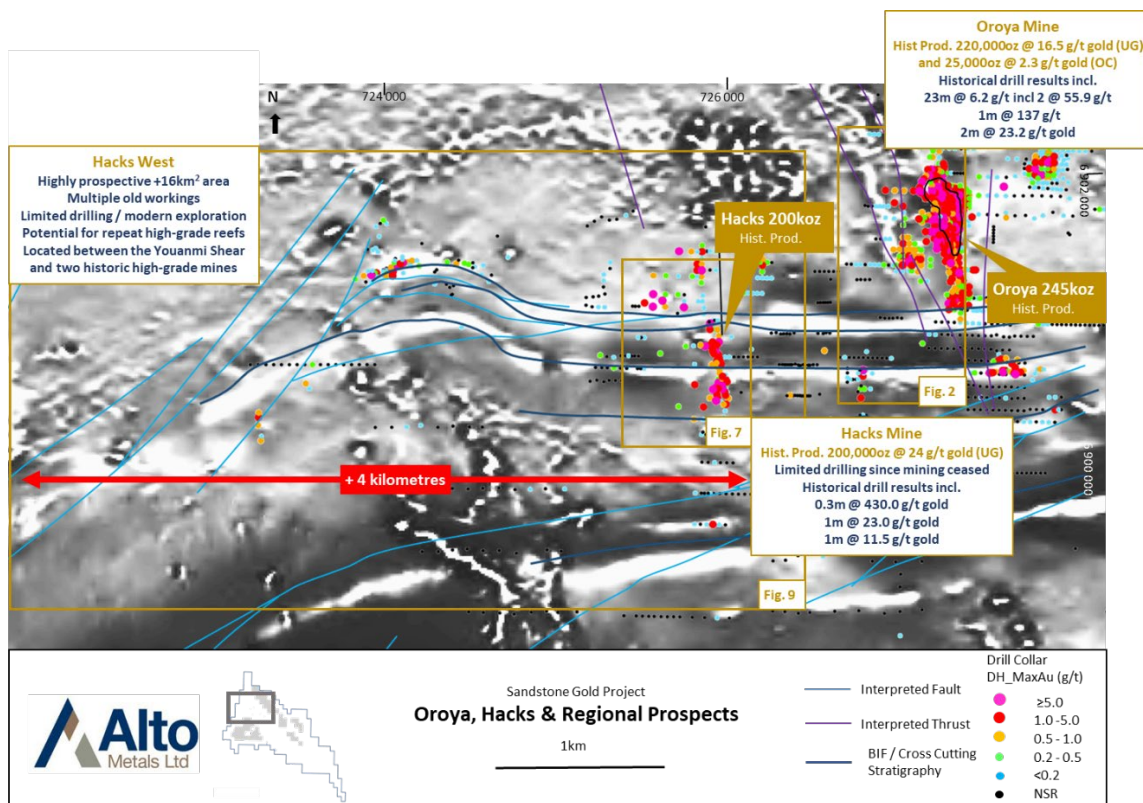


Figure 8: Location of the Oroya, Hacks and Hacks West prospects within the Sandstone Gold Project, Western Australia

Sandstone Reef, Oroya Mine – North-West strike and western extension priority targets

The historic Oroya Black Range Mine produced 410,000t at 16.5g/t gold for 220,000oz of gold from underground mining between 1904-1920. A further 25,100oz at a grade of 2.3 g/t was recovered by Herald Resources Ltd (Herald) from open pit mining to a depth of 60 metres, during 1994-1995.

The Oroya Black Range underground mine has a strike length of approximately 1 kilometre. The workings stretched down-dip for approximately 350m extended up to 140m below surface.

Between 1981 and 1993, Western Mining Corporation Limited (WMC) conducted exploration activities, including 13,664m of RC drilling (258 holes) and 3,713m of diamond drilling (13 holes) over the Oroya Black Range Mine, under a joint venture agreement with Spargos Exploration NL, primarily testing the main Sandstone Reef and the Juno Reef, a shallow splay off the main reef, in addition to shallow laterite mineralisation.

In August 1993, Herald purchased WMC's 70% interest in the joint venture and acquired the remaining 30% interest the following year. Herald drilled a total of 91 RC holes for 5,994m in the immediate Oroya vicinity and mined a shallow open pit on the Sandstone reef, optimised at the significantly lower gold price which prevailed at the time of ~US\$384/oz.

Troy Resources NL acquired the Sandstone Gold Project from Herald in 1999 and undertook some limited exploration over Oroya, targeting depth extensions (with the deepest hole drilled by Troy to a depth of 110m).

The main Sandstone Reef at the Oroya Mine has potential for high-grade extensions both along strike and at depth, with a number of priority targets identified from a review of historical drilling, digitised historic mined void models and structural interpretation of the Sandstone Reef.

Historical drilling on the western side of the Oroya open-pit, targeted both remnant mineralisation within the historic underground mine and down-dip extensions of the main Sandstone reef, the unmined Juno reef above the Sandstone reef and the easterly dipping Oroya West Reef.

Significant **(+20 g/t*m)** unmined drill intercepts from Oroya main reef, Juno Reef and Oroya West include:

- **8m @ 17.9 g/t gold** from 69m, incl. **1m @ 137.0 g/t gold** from 73m (NT5026R) – Main Reef
- **9m @ 14.6 g/t gold** from 42m, incl. **1m @ 120.0 g/t gold** from 42m and
8m @ 2.6 g/t gold from 68m (MSGC1312) – Juno/Main Reef
- **8m @ 10.1 g/t gold** from 44m, incl. **1m @ 50 g/t gold** from 47m (MSGC1136) – Oroya West
- **6m @ 8.3 g/t gold** from 49m, incl. **2m @ 23.2 g/t gold** from 51m (MSGC0886) – Main Reef
- **9m @ 1.5 g/t gold** from 46m, incl. **3m @ 3.9 g/t gold** from 52m, and
3m @ 9.4 g/t gold from 62m, incl. **2m @ 12.8 g/t gold** from 63m (TRC043) – Juno/Main Reef
- **13m @ 3.1 g/t gold** from 22m, incl. **2m @ 11.9 g/t gold** from 28m (MSGC0933) - Juno
- **8m @ 6.0 g/t gold** from 70m, incl. **1m @ 34.2 g/t gold** from 70m (TRC048) – Main Reef
- **4m @ 9.8 g/t gold** from 66m, incl. **1m @ 34.1 g/t gold** from 67m (TRC051) - Juno
- **9m @ 3.4 g/t gold** from 66m, incl. **2m @ 10.9 g/t gold** from 71m (MSGC1134) - Juno
- **9m @ 3.5 g/t gold** from 50m, incl. **4m @ 5.7 g/t gold** from 50m (MSGC1264) – Main reef
- **9m @ 3.0 g/t gold** from 40m, incl. **4m @ 5.6 g/t gold** from 41m (NT118R) – Main Reef
- **13m @ 2.4 g/t gold** from 32m, incl. **1m @ 24.0 g/t gold** from 33m (MSGC0967) – Oroya South

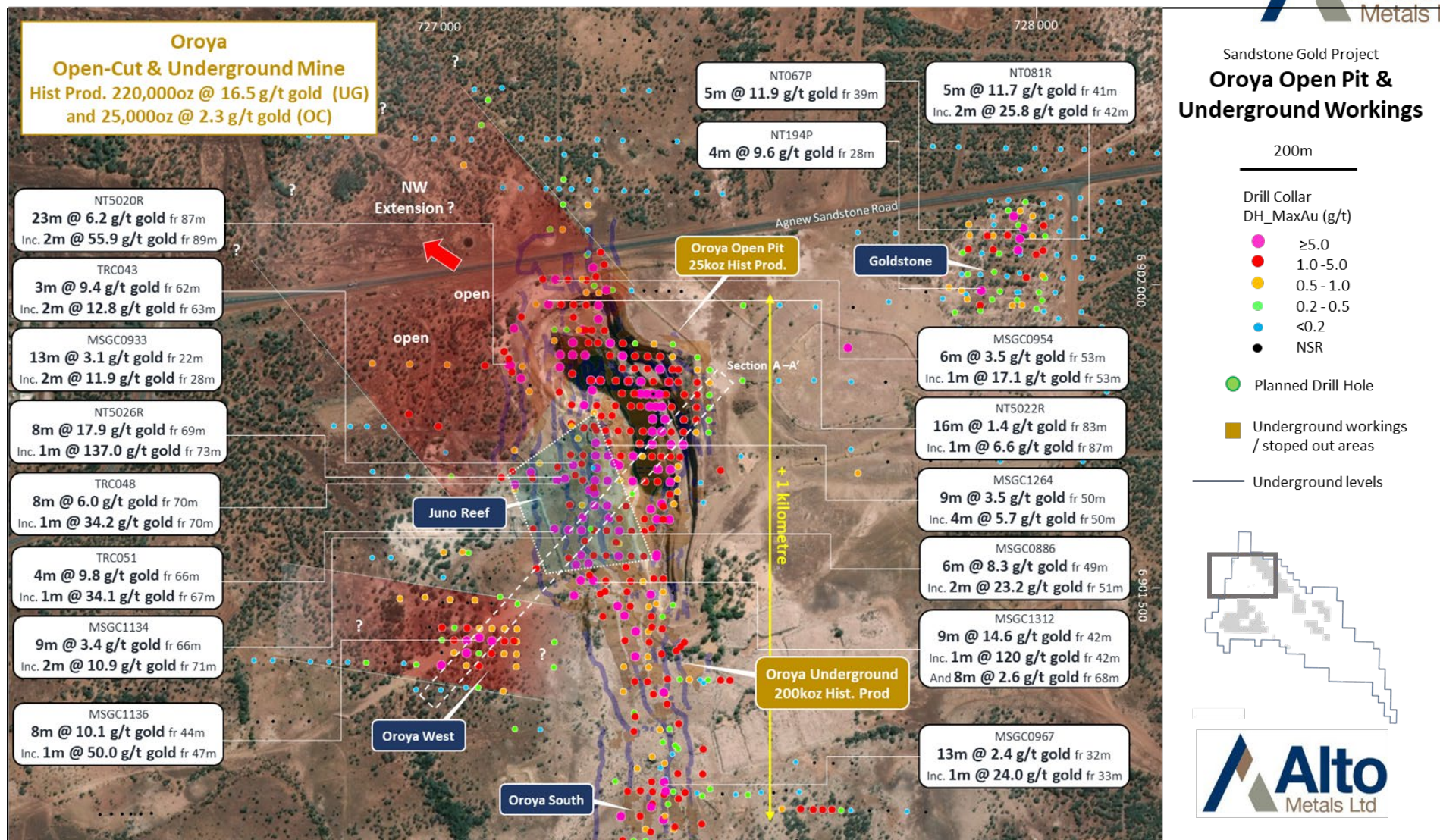


Figure 9. Plan view of Oroya open pit and underground workings, showing stopped and unmined areas and significant historical results.

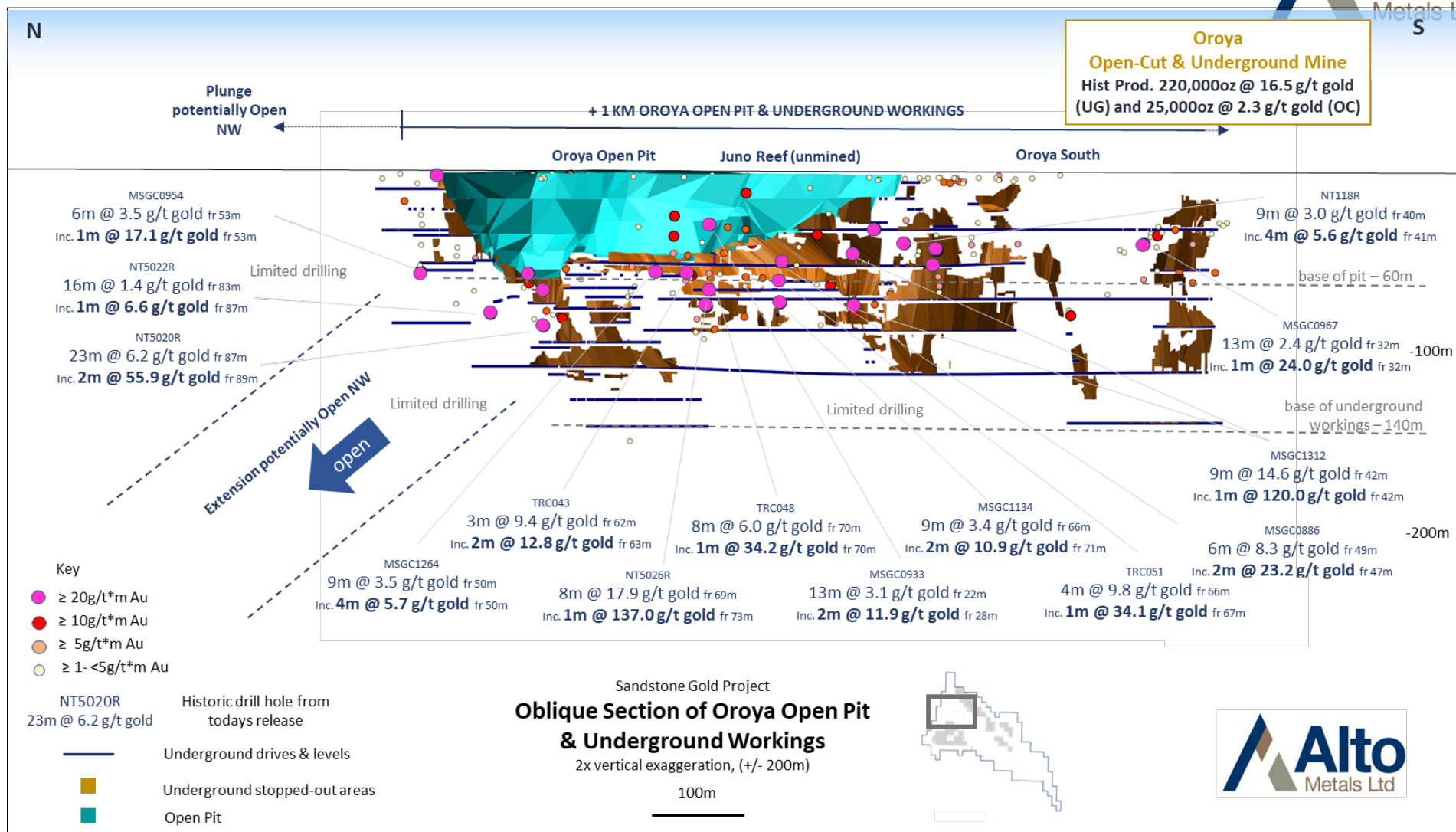


Figure 10. Oblique long section of Oroya open pit and underground workings, showing stoped and unmined areas and significant historical results.

Extension Target NW of Oroya Reef

The NW strike extension of the Sandstone Reef also appears to have been poorly tested, and there is limited down-dip drilling in the entire northern half of the target area (Refer to Figures 9 and 10). Several historical holes drilled close to the north-west edge of the Oroya pit returned notable high-grade intersections, including:

- **23m @ 6.2 g/t gold** from 87m, incl. **2m @ 55.9 g/t gold** from 89m (NT5020R) 143 gt*m – NW Extension
- **6m @ 3.5 g/t gold** from 53m, incl. **1m @ 17.1 g/t gold** from 53m (MSGC0954) 21 gt*m – NW Extension
- **16m @ 1.4 g/t gold** from 83m, incl. **1m @ 6.6 g/t gold** from 87m (NT5022R)

The Company considers there is significant potential for the Sandstone reef to continue along a NW strike beyond the north end of the pit **which has not been adequately tested**, along with the down-dip extensions to the west. Given that the historical drilling has already delivered significant intercepts and combined with the lack of modern exploration, this represents an exciting opportunity for Alto.

Key points related to the outcome of the Oroya initial review:

- It is the Company's view that there is significant potential to extend the known mineralisation along strike further to the North and North-West
- The Oroya open pit was last mined by Herald from 1994-1995, when the gold price was ~US\$384/oz, significant mineralisation remains both immediately below the shallow open pit (mined to 60m depth) and west of the pit and the unmined Juno Lode.
- The Company considers it likely that there is considerable potential to define additional shallow resources at Oroya based on the remnant high-grade mineralisation, which remains open, and based on the current gold price.



Figure 11: RC drilling underway at the historic high-grade Oroya mine, Sandstone Gold Project, WA.

Hacks Reef and Hacks North target area

The historic Hacks Reef Black Range Mine produced 260,000t at 24 g/t gold for ~200,000oz gold from underground mining, between 1907-1916.

Hacks is considered to be a single north-south striking quartz-carbonate reef, typically between 1m to 1.5m thick, which dips moderately (34° - 45°) to the west and is hosted by metabasalt, with a carbonate-rich alteration halo of up to 15m in width. The reef is offset (faulted) by an east-west cross-course which dips (85°) to the south. The reef has been mined over a strike length of approximately 500m with the vast majority of mining carried out on a 250m long section of the reef, between two E-W striking BIF units, to a maximum vertical depth of 210m.

Since underground mining ceased at the Black Range mine there has been limited modern exploration.

WMC conducted drilling at Hacks between 1981 and 1991, primarily focused near and down-dip of the old workings and limited deeper RC and Diamond drilling to the north of Hacks. The extent of exploration at the time was constrained by lease boundary. Deeper drilling targeting the down-dip extensions at the southern end of Hacks had limited success.

During 1999 to 2010, Troy Resources NL undertook some limited exploration within the historic mined area, including some deeper RC drilling down-dip to the west and north-west of the fault to test the Hacks Reef at depth, but returned low or unmineralised intersections.

While there has been limited drilling in the vicinity of the old mine and surrounding area, a cluster of significant high-grade gold intersections were drilled by WMC to the north-west of the mine, in the same geological unit that hosts the Sandstone reef, including:

- **0.3m @ 430 g/t gold** from 186.6m (MSGD0022)
- **1m @ 23 g/t gold** from 175m (MSGD0011)
- **1m @ 11.5 g/t gold** from 225.8m (MSGD0024)

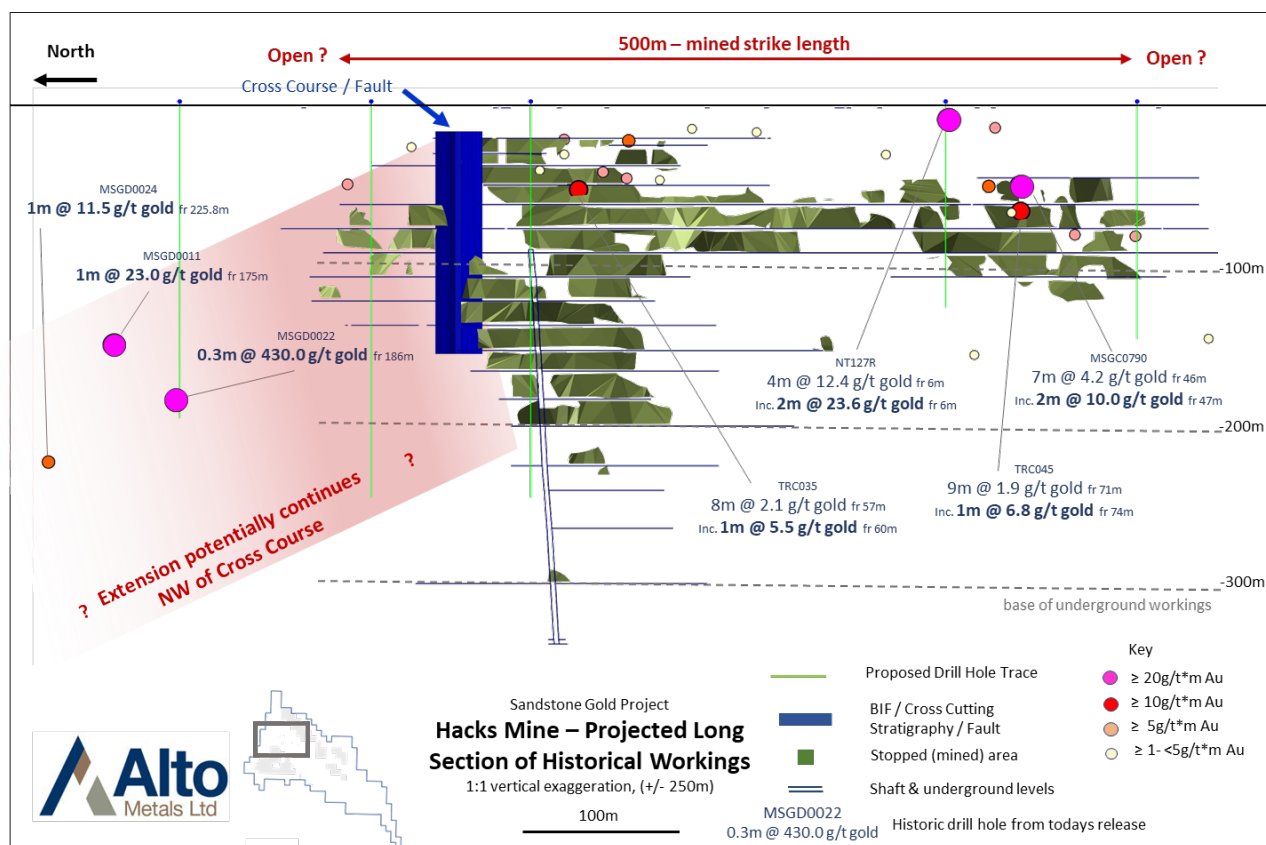


Figure 12. Projected long section of Hacks showing underground workings, stoped and unmined areas and significant historical results.

Hacks West – Targeting potential Oroya & Hacks style repeats

Hacks West is a +16km² target area immediately west of the Hacks reef. The target area hosts numerous old workings and historic shafts, which predominantly are north-south striking, yet surprisingly has had limited modern exploration in terms of surface geochemistry and drilling.

Given the limited outcrop in the area Alto has recently completed first pass surface geochemistry program, on 40 x 400m centres, to define targets for follow up infill soil sampling and RC drilling.

Neither the north-south striking Oroya or Hacks Reefs have an observable signature in the magnetic data in terms of offset of magnetic sediment/BIF horizons. However, the western half of the target area has more obvious stratigraphic disruption in terms of demagnetisation and offsets as per the interpreted structures shown in Figure 13. There is also potential for important E-W to ENE-striking structures to host gold mineralization.

The **Hacks West target area is considered prospective for additional ‘repeat’ high-grade gold reefs**, which may link to the regional Youanmi shear corridor.

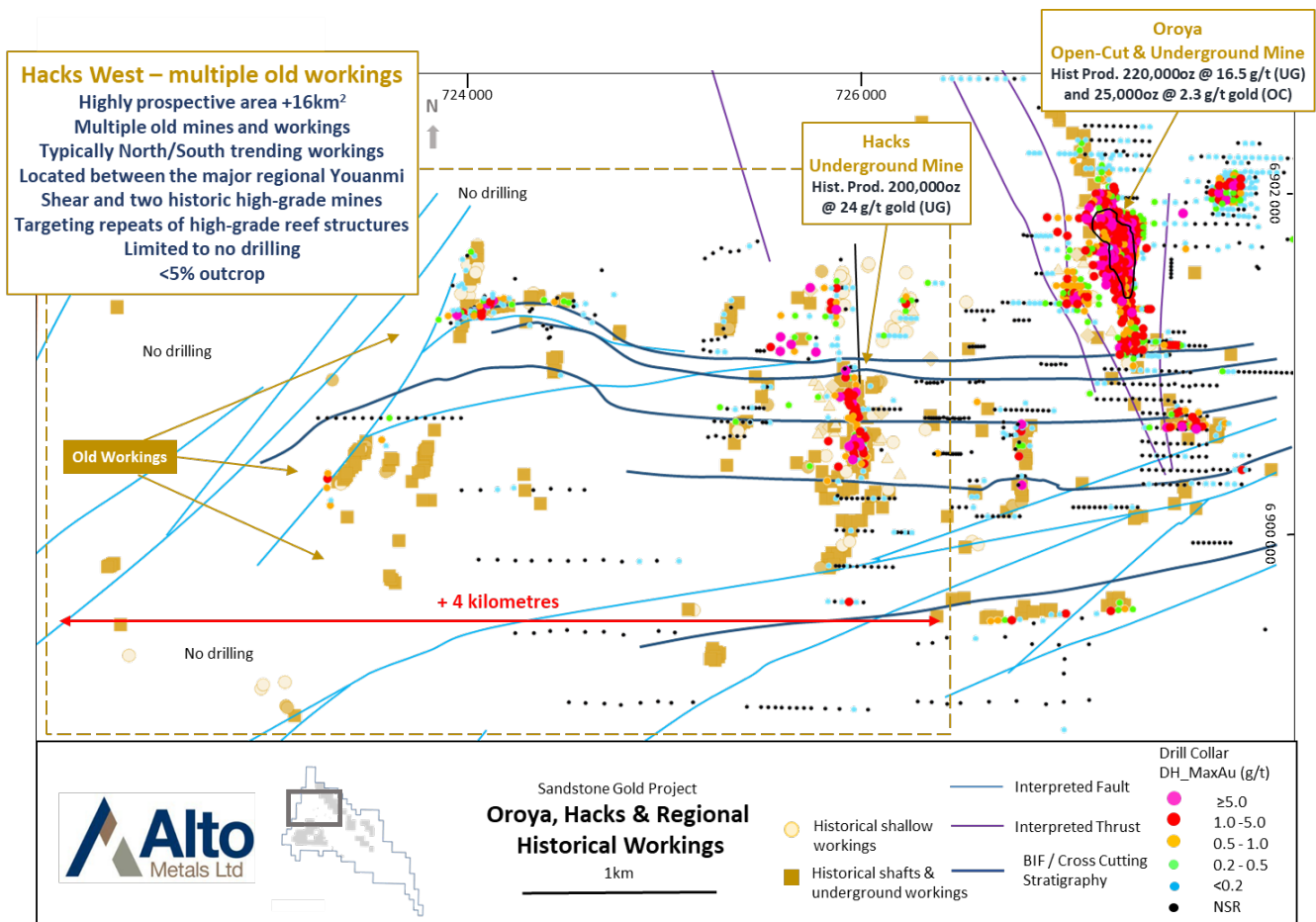


Figure 13. Oroya, Hacks and Hacks West Regional Target Area.

Key points related to the outcome of the Hacks West initial review:

- the target area is considered prospective for additional ‘repeat’ high-grade gold reefs,
- the +16km² target area has had limited modern exploration
- target area hosts numerous old workings and historic shafts, which predominantly are north-south striking
- first pass surface geochemistry program recently completed, on 40 x 400m centres, to define targets for follow up infill soil sampling and RC drilling. Results pending

Pending assays

A first pass ~2,000m RC drilling program was completed at Oroya Mine towards the end of the quarter. The program was planned to test potential high-grade extensions of the Sandstone Reef, below the shallow-mined Oroya pit (60m depth) and along strike and down dip of the underground workings of the main reef.

Assays are pending from this program and further drilling is planned to be undertaken at Oroya early in 2023.

Planned exploration activities for Q1 2023

In addition to the updated mineral resource estimate on track for completion in the March quarter 2023, the Company is currently planning the next phase of exploration and follow up drilling to commence in the coming weeks.

Planned activities and news flow to include:

- First pass Oroya results;
- Commence further extensional drilling at Oroya;
- Follow up extensional resource drilling at Indomitable and Vanguard; and
- Updated mineral resource estimate.

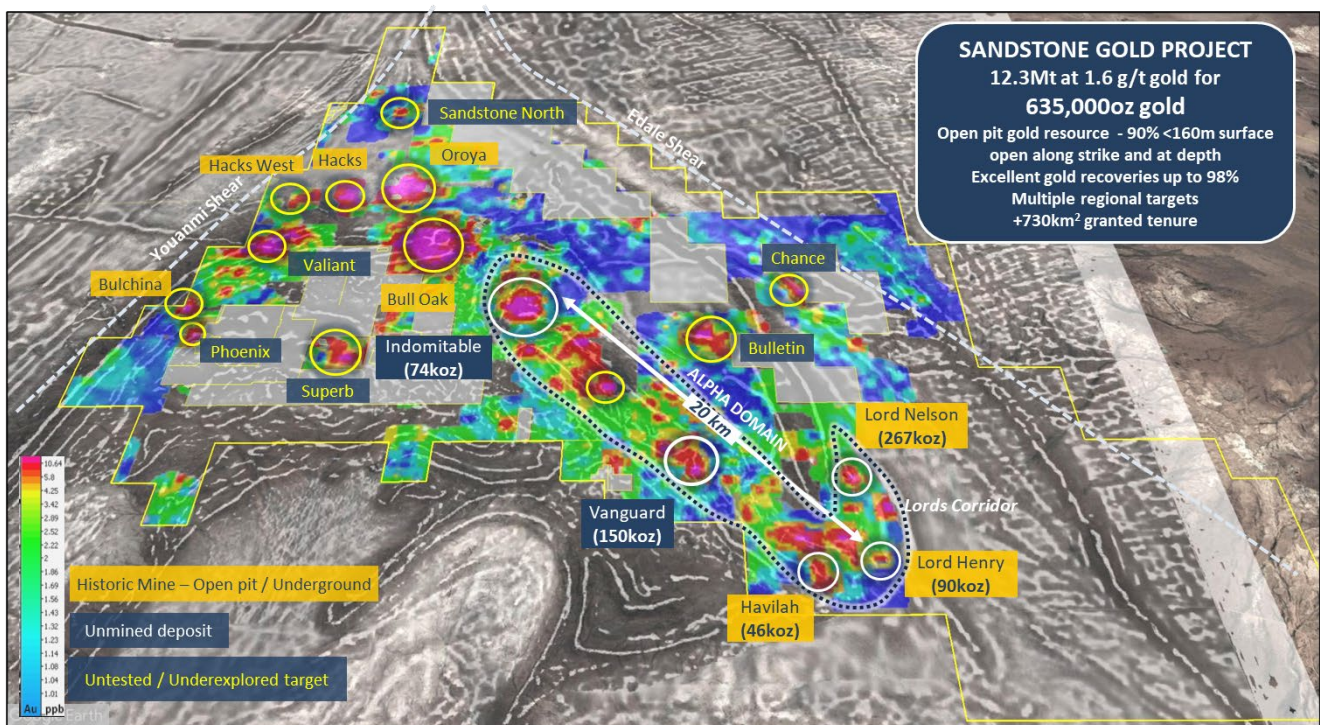


Figure 14: Regional prospect map showing gold-in-soils over 1VD Magnetics highlighting the +20km long gold corridor within the Alpha Domain and multiple brown and greenfield regional prospects within the Sandstone Gold Project.

Corporate

Appointment of Mark Connelly to the Board as Non-Executive Chairman

The Company was pleased to announce the appointment of experienced and highly regarded mining executive Mark Connelly to the Board as independent, Non-Executive Chairman. Mr Connelly has extensive board and industry experience, including overseeing a number of companies transition from advanced explorer to developer and through to producer.

Mr Connelly was previously Managing Director & CEO of Papillon Resources and was instrumental in the US\$570m takeover of Papillon by B2Gold Corporation in October 2014. Prior to Papillon, Mr Connelly was the Chief Operating Officer of Endeavour Mining Corporation, following its merger with Adamus Resources Limited where he was Managing Director & CEO. Mr Connelly was instrumental in the merger, but also in securing the project finance and development of the Nzema Gold Mine.

Mr Connelly is currently the Chairman of Western Australian gold producer Calidus Resources and Chesser Resources. He was previously the Chairman of West African Resources Ltd and a director of B2 Gold Ltd, Saracen Minerals Ltd and Ausdrill Ltd.

Mr Connelly is a Member of the Australian Institute of Company Directors (MAICD), a Member of the Australian Institute of Management (AIM) and a Member of the Society of Mining, Metallurgy and Exploration (SME).

Cash position

Alto's closing cash position is \$4.4 million at the end of the quarter and no debt.

During the quarter the Company successfully raised \$3.7m in Share Placements and undertook a Share Purchase Plan, closing oversubscribed and raising an additional \$1.4m.

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$1.6 million. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$111,000 were made to related parties of the Company, as shown in the attached Appendix 5B. These payments related to current fees paid to directors.

Ongoing investor and marketing activities

The Company presented at the Melbourne Mining Clubs' *Cutting Edge* series in November and will be presenting at the RIU Explorers Conference in February 2023. Alto is continuing to hold investor presentations as part of its ongoing investor marketing activities to increase the Company's profile.

For further information regarding Alto and its 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 Board of Alto Metals Limited.

Matthew Bowles

Managing Director & CEO

Alto Metals Limited

+61 8 9381 2808

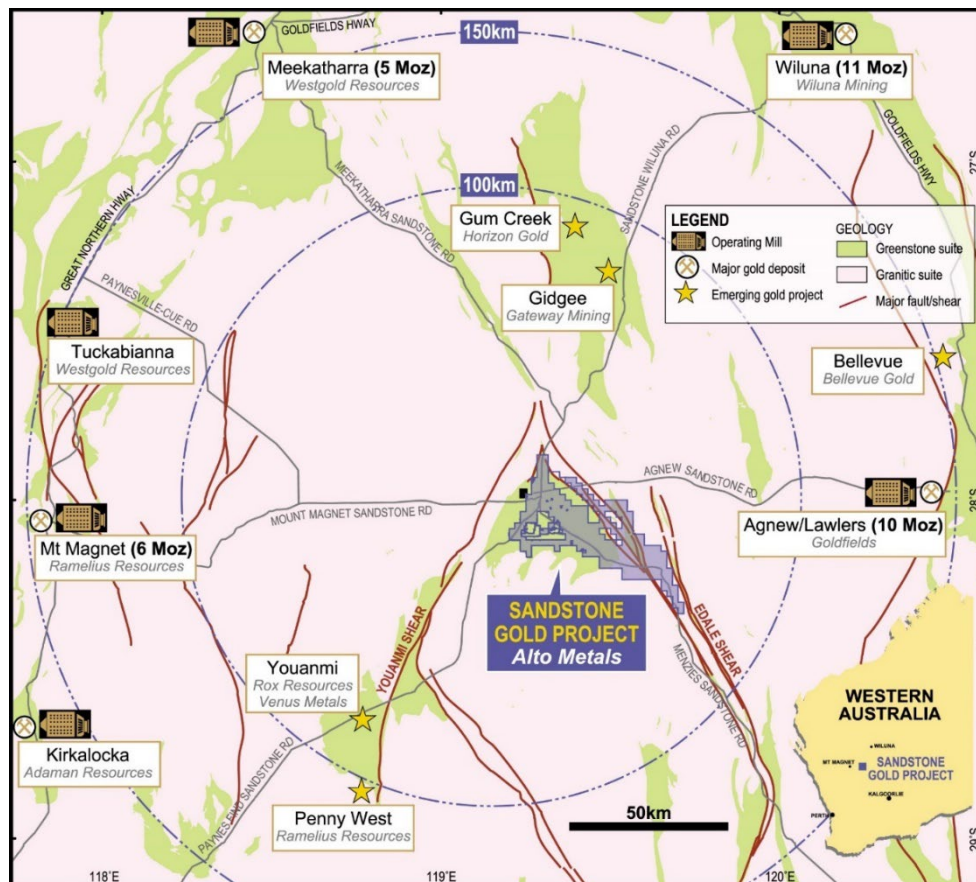


Figure 15. Location of Sandstone Gold Project within the East Murchison Gold Field, WA.

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 and shareholder of Alto Metals Ltd, and he is also entitled to participate in Alto's Employee Incentive Scheme. 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 defined 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.

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.

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

Table 1: Total Mineral Resource Estimate for Sandstone Gold Project

JORC 2012 Mineral Resource Estimate for the Sandstone Gold Project			
Classification	Tonnes (Mt)	Grade (g/t gold)	Contained gold (koz)
Total Indicated	3.0	1.7	159
Total Inferred	9.4	1.6	476
TOTAL	12.4	1.6	635

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold. Mineral Resources for Indomitable are reported at a cut-off grade of 0.3 g/t gold. Minor discrepancies may occur due to rounding of appropriate significant figures.

Table 2: Total Mineral Resource Estimate for Sandstone Gold Project (by deposit)

	Indicated			Inferred			Total		
Deposit	Tonnage (Mt)	Grade g/t	Gold (koz)	Tonnage (Mt)	Grade g/t	Gold (koz)	Tonnage (Mt)	Grade g/t	Gold (koz)
Lord Nelson	1.0	1.8	56	4.3	1.5	211	5.3	1.6	267
Lord Henry	1.6	1.5	77	0.3	1.2	13	1.9	1.4	90
Vanguard Camp	0.4	2.0	26	1.9	2.0	124	2.3	2.0	150
Havilah Camp				1.0	1.5	46	1.0	1.5	46
Indomitable Camp ^a				1.7	1.3	74	1.7	1.3	74
Ladybird ^b				0.1	1.9	8	0.1	1.9	8
TOTAL	3.0	1.7	159	9.4	1.6	476	12.4	1.6	635

Updated Mineral Resources reported at a cut-off grade of 0.5 g/t gold and are constrained within a A\$2,500/oz optimised pit shells based on mining parameters and operating costs typical for Australian open pit extraction deposits of a similar scale and geology. Mineral Resources for Indomitable (reported at a cut-off grade of 0.3 g/t gold) and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

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

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

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement noted above and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the previous market announcement continue to apply and have not materially changed.

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

Alto Metals Ltd and its 100% owned subsidiary, on a consolidated basis at 31 December 2022

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	-	Sandstone Exploration Pty Ltd	Application
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	Application
P57/1377	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1367	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTO METALS LIMITED

ABN

62 159 819 173

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(134)	(269)
	(e) administration and corporate costs	(165)	(165)
1.3	Dividends received (see note 3)		
1.4	Interest received	6	14
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(293)	(420)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	(1,623)	(3,371)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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	(1,625)	(3,373)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,088	
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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 (capital raising costs)	(126)	
3.10	Net cash from / (used in) financing activities	4,962	

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,381	3,256
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(293)	(420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,625)	(3,373)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,962	4,962

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	
4.6	Cash and cash equivalents at end of period	4,425	4,425

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	223	13
5.2	Call deposits	4,202	1,368
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)	4,425	1,381

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(293)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,623)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,916)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,425
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	4,425
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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.

Date:30 January 2023.....

Authorised by: The Board of Alto Metals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.