



EXPLORATION UPDATE DRILLING UNDERWAY AT THE LORDS' CORRIDOR SANDSTONE GOLD PROJECT

**FIRST PHASE OF A PLANNED 30,000 METRE DRILL PROGRAM IS UNDERWAY
TARGETING REPEAT LODS ALONG THE +3 KM LORDS' CORRIDOR**

Sandstone Gold Project

Located in a world class gold province in WA

Current resource is 6.2Mt @ 1.7g/t gold for 331,000oz

Multiple targets

Multi million oz potential

Significant landholding of over 800km² within a major gold district

Proforma Capital Structure

Issued Shares: 381m

Share Price: \$0.12

Market Cap: \$46m

Directors

Non- Executive Chairman
Richard Monti

Managing Director
Matthew Bowles

Non-Executive Director
Terry Wheeler

Non-Executive Director
Dr Jingbin Wang

Company Secretary & CFO

Graeme Smith

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Highlights

- A planned 5,000m RC drilling program is currently underway at the Sandstone Gold Project, focusing on the Lords' corridor.
- Drilling is **targeting potential repeat high-grade gold lodes** identified along the Lords' corridor and **new extensions to oxide and deeper primary mineralisation** at the recently discovered Orion Lode.
- This first phase of drilling forms **part of a much larger 30,000m RC drill program** planned for Lord Nelson, the Lords' corridor and priority regional targets.
- This is the first drilling program carried out on these targets since 2010 and is the largest single drill program the Company has ever undertaken.
- Alto's strategy for the Sandstone Gold Project is to **focus on exploration to make further new discoveries** by testing the strike and depth potential of previously mined and unmined oxide deposits.
- Recent results indicate the presence of a large scale mineralised gold system, within the regional Edale Shear Zone.
- Alto's Sandstone Gold Project covers +800km² and comprises the majority of the highly prospective and under-explored Sandstone Greenstone Belt.

Alto Metals Limited (ASX: AME) (**Alto** or **Company**) is pleased to advise that its first phase of 5,000m of RC drilling is underway at its Sandstone Gold Project in Western Australia. The primary focus of this program is to test multiple repeat gold targets identified along the 3km Lords' Corridor and extensions to oxide and primary mineralisation of the recently discovered Orion Lode, located 200m south of the Lord Nelson open pit (Figure 2).

Alto's Managing Director, Matthew Bowles said:

We are very excited to have commenced drilling the first of a number of targets to test for potential repeat lodes along the Lords' Corridor, that extends for over 3 kilometres.

Our exploration success to date has already confirmed high-grade gold mineralisation beneath the Lord Nelson open pit and has discovered the Orion Lode to the south. Both remain open along strike and down plunge and have given indications of the presence of a much larger mineralised gold system.

With a strong cash balance and a 30,000 metre drill program underway, Alto is in an excellent position to start to see just how big this system could be.

ASX: AME



#altometals

Drilling to test extensions of shallow high-grade gold at the Orion Lode and potential repeat lodes along the Lords' Corridor

RC drill results from the Orion Lode to date show the **presence of high-grade gold mineralisation within a much broader mineralised envelope**. The consistency of these results in the oxide, transitional and primary zone suggests that the oxide and transitional zones at the Orion Lode are hypogene (not supergene) in nature, highlighting the significant potential immediately below the weathering profile (30-70m below surface). The Orion Lode strikes NNW-SSE and dips moderately to the west (see Figures 2 to 3), with the majority of the mineralisation defined to date in the oxide and transitional zone. The geology and mineralisation observed at the **Orion Lode are identical to the mined oxide portion of the Lord Nelson deposit**.

The geological model further predicts the significant potential for multiple Lord Nelson style repeat lodes, coincident with splays (Trafalgar splay) and cross-cut structures existing along the +3km Lords' Corridor (Figure 3).

The current drilling program intends to test a number of potential repeat targets located ~400m and ~800m south of the Orion Lode, with drilling on a wide-spaced 80m by 80m basis to an average of 200m vertical depth (Figure 2).



Figure 1. Drilling underway at the first of a number of targets along the Lords' Corridor.

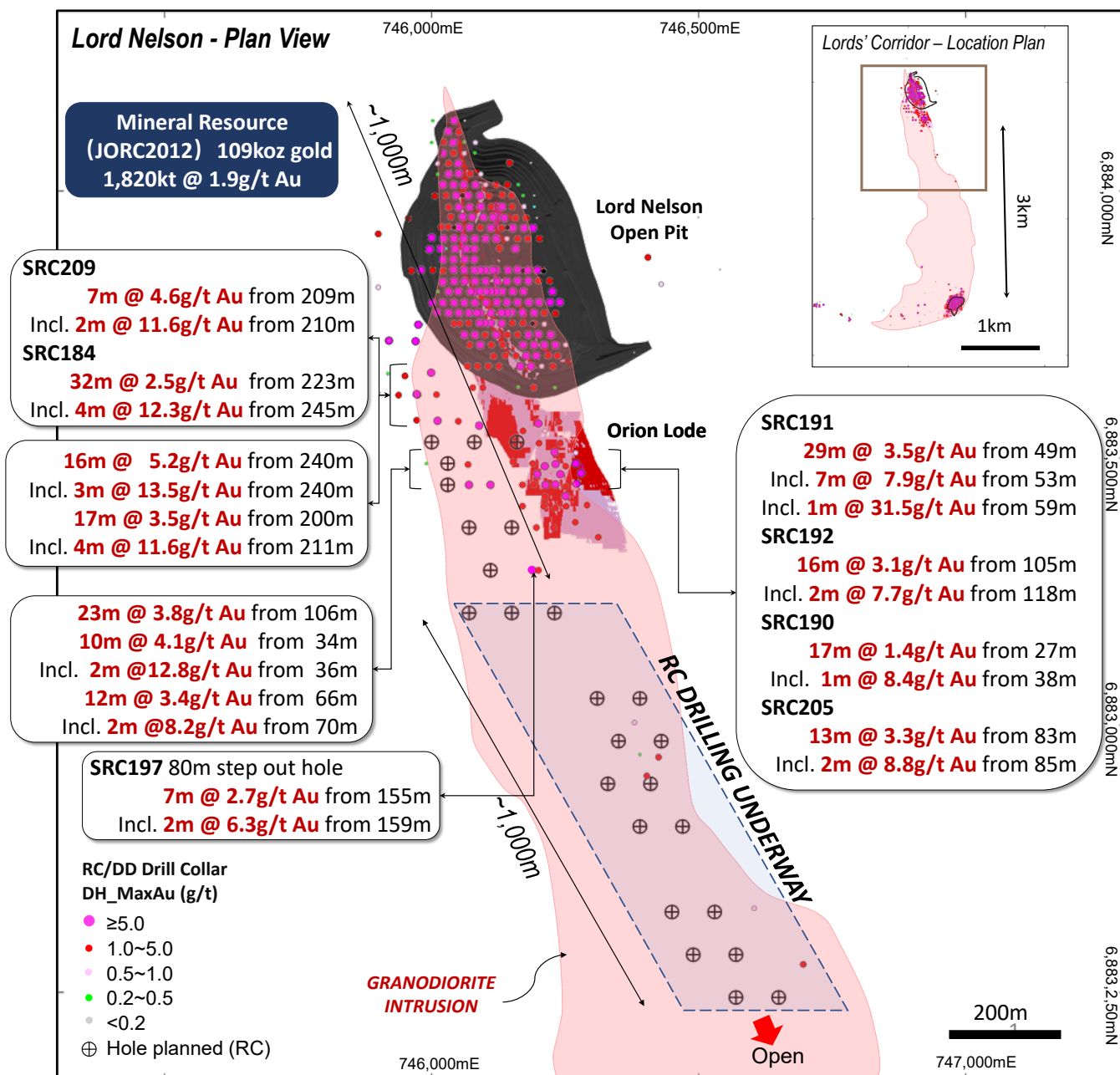


Figure 2. Lord Nelson plan view showing significant assay results.

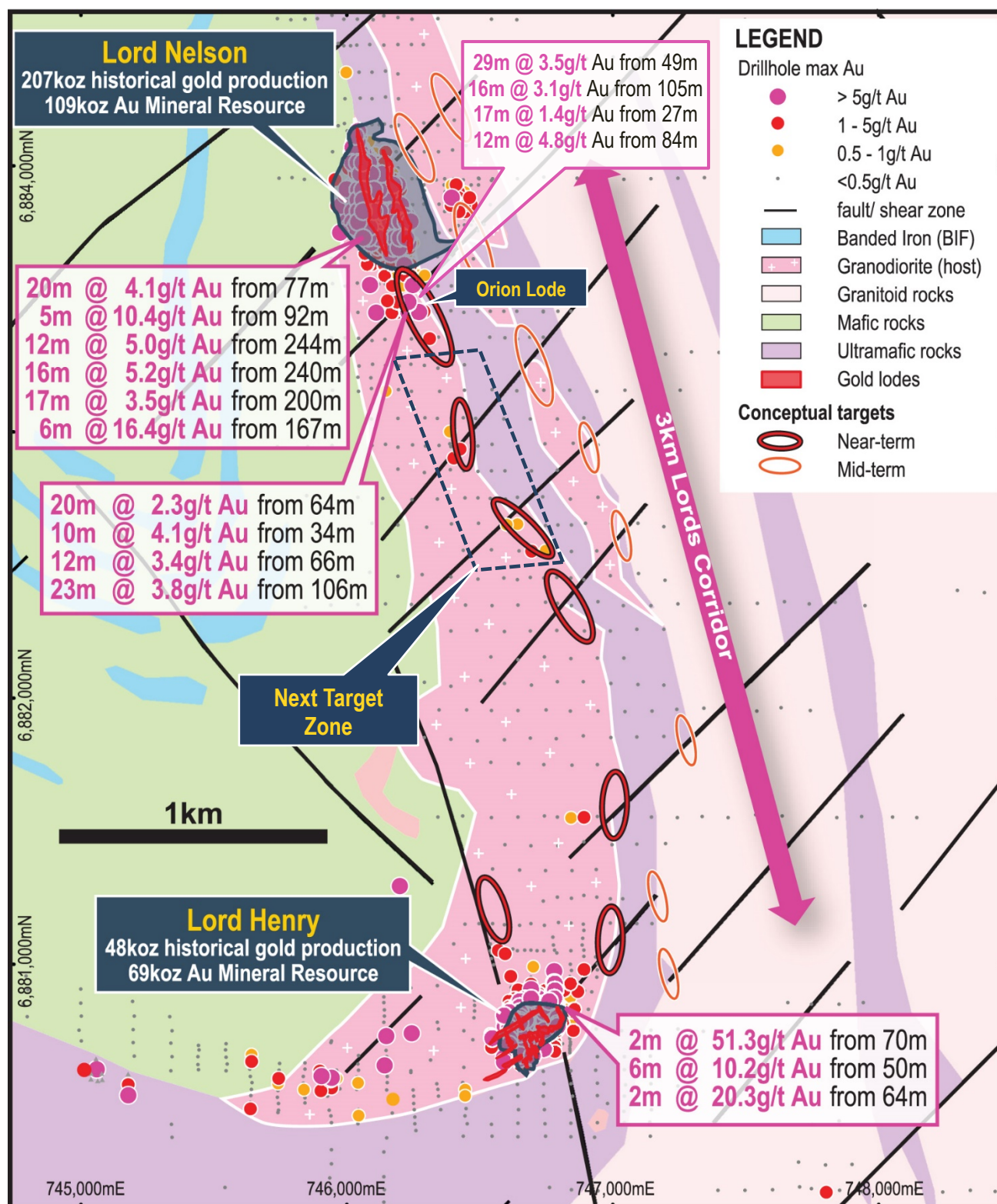


Figure 3. Lords Deposits and +3km Lords' Corridor - 1:5,000 geological interpretation (labelled drill results are from unmined zones).

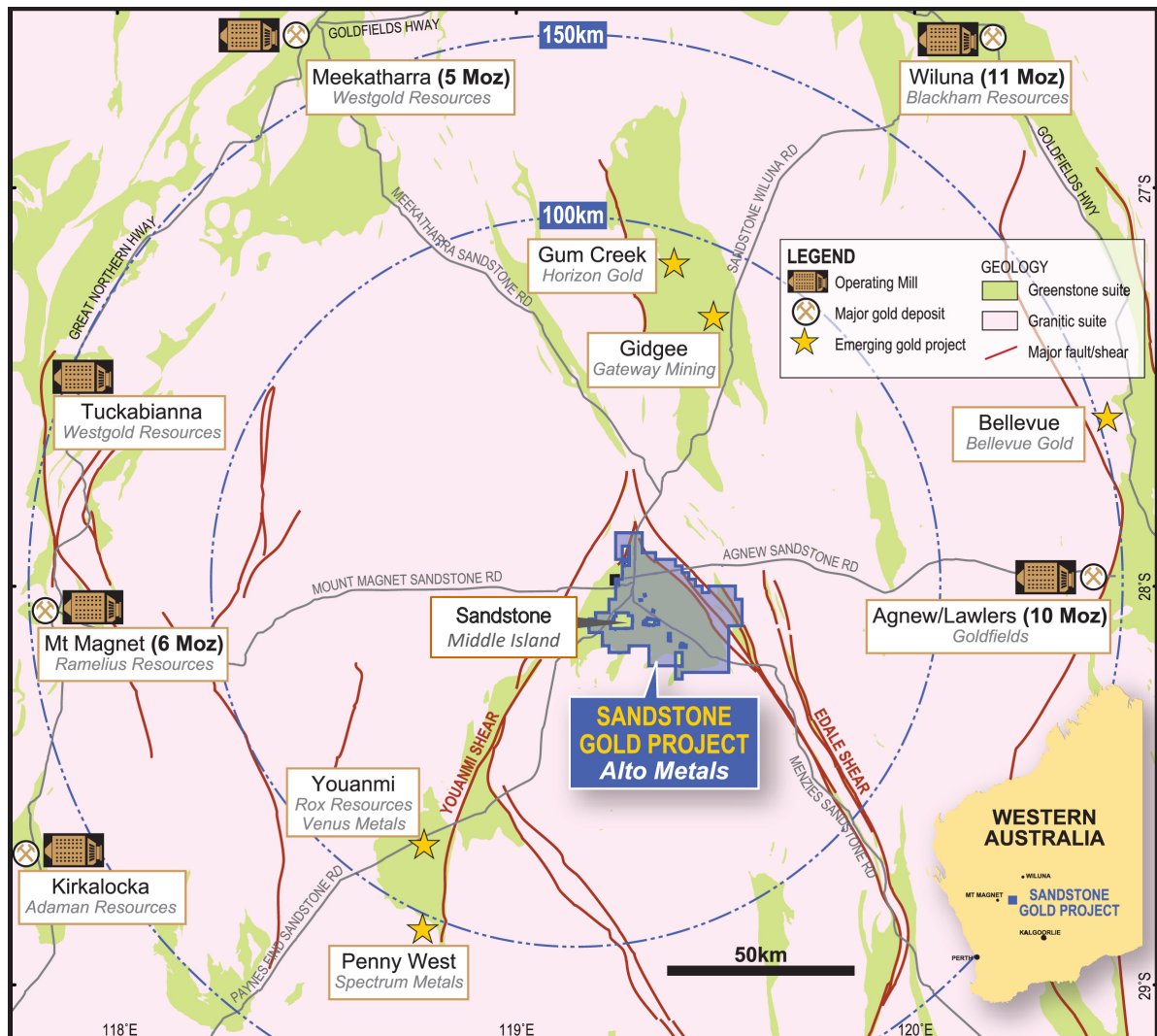


Figure 4. Location of Sandstone Gold Project within the East Murchison Gold Field, WA

Major drilling program to test repeat lode targets along the Lord's Corridor

Alto is pleased to have commenced an extensive 30,000m drilling campaign at the Sandstone Gold Project. Following completion of the first phase of 5,000m as outlined above, the remaining 25,000m of RC drilling currently planned for the remainder of 2020 and early 2021, will include:

- Exploration drilling to test the additional near-term targets along the +3km Lords' corridor;
- Depth extensions of primary high-grade gold mineralisation beneath the Lord Nelson pit and Orion Lode;
- Exploration drilling at regional targets including Vanguard, Indomitable and Chance; and
- Multiple other targets within the 800km² Sandstone Gold Project.

Given the scale of the drill program underway, shareholders can expect regular newsflow over the coming months. Furthermore, given the strong market support for gold exploration and emerging new discoveries, the Company is intending to secure a second drilling rig early next year to accelerate exploration activity.

Corporate update

Alto notes the announcement made by Middle Island Resources Limited (ASX:MDI) on 30 October 2020 in relation to its acquisition of ~10% of the current issued capital of Alto. The Company understands the majority of the shares were acquired from Adaman Minerals Pty Ltd (**Adaman**), and that the share sale agreement between Adaman and Habrok (Alto) Pty Ltd (**Habrok**), lodged with the initial substantial shareholder notice on 25 May 2020, was never completed. Habrok previously made an unsuccessful off-market takeover offer for the Company, which lapsed on 30 September 2020.

Alto also notes the substantial shareholder notice lodged by GS Group Australia Pty Ltd on 30 October 2020, which now holds 10.22% of the current issued capital of Alto, through acquiring shares on-market.

The Board considers these investments a strong endorsement of the focused exploration strategy of the Alto Board and the significant exploration potential of the 800km² Sandstone Gold Project.

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
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Competent Persons Statement

The information in this Report that relates to current and historical Exploration Results is based on information compiled by Dr Changshun Jia, who is an employee of Alto Metals Ltd. 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.

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.

Exploration Results

The references in this announcement to Exploration Results for the Sandstone Gold Project were reported in accordance with Listing Rule 5.7 in the announcements titled:

Excellent gold recoveries, 2 October 2020

Orion Gold Lode Continues High-Grade Gold Drilling Results, 29 September 2020

Further shallow results from New Orion Gold Lode and Exploration Update, 31 August 2020

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

Alto hits more high grade gold at Lord Nelson, 29 July 2020

Thick zone of shallow gold mineralisation at Lord Nelson, 27 July 2020

High grade results continue from drilling at Lord Nelson open pit, 22 April 2020

Further high grade gold results from Lord Nelson and exploration update, 2 April 2020

Wide zone of high grade, primary gold mineralisation confirmed beneath Lord Nelson pit, 16 March 2020

Down plunge extensions confirmed at Lord Nelson, 22 July 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 announcements noted above.

Table 1: Mineral Resource Estimate for Sandstone Gold Project

Deposit	Category	Cut-off (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Henry ^(b)	Indicated	0.8	1,200	1.6	65,000
TOTAL INDICATED			1,200	1.6	65,000
Lord Henry ^(b)	Inferred	0.8	110	1.3	4,000
Lord Nelson ^(a)	Inferred	0.8	1,820	1.9	109,000
Indomitable & Vanguard Camp ^(c)	Inferred	0.3-0.5	2,580	1.5	124,000
Havilah & Ladybird ^(d)	Inferred	0.5	510	1.8	29,000
TOTAL INFERRED			5,020	1.7	266,000
TOTAL INDICATED AND INFERRED			6,220	1.7	331,000

Small discrepancies may occur due to rounding

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: announcement titled "Alto increases Lord Nelson Resource by 60% to 109,000 ounces at 1.9g/t Gold" dated 27 May 2020,

(b): Lord Henry: announcement titled: "Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz." dated 16 May 2017,

(c): Indomitable & Vanguard Camp: announcement titled: "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" dated 25 September 2018; and

(d): Havilah & Ladybird: announcement titled: "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" dated 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.