Alto Metals Ltd

Annual Report 2022

Alto Metals Limited
ABN 62 159 819 173

CORPORATE DIRECTORY

Directors

Mr Richard Monti (Non-Executive Chairman)

Mr Matthew Bowles (Managing Director and CEO)

Dr Jingbin Wang (Non-Executive Director)

Mr Terry Wheeler (Non-Executive Director)

Company Secretary

Mr Graeme Smith

Principal registered office

Suite 9,

12-14 Thelma Street,

WEST PERTH, WA 6005

Telephone 08 9381 2808

Website: www.altometals.com.au

Email: admin@altometals.com.au

Auditor

Pitcher Partners BA&A Pty Ltd

Level 11, 12-14 The Esplanade

Perth WA 6000

Telephone 08 9322 2022

Share Registry

Automic Registry Services

Level 5, 126 Philip Street

Sydney NSW 2000

Australian Securities Exchange

ASX code: AME

"Alto's ongoing major drilling program in 2022 has continued to deliver excellent results at the Sandstone Gold Project, including an almost doubling of our open-pit, high-grade mineral resources, which demonstrates the huge scope to grow our gold inventory beyond what is currently defined. "

CONTENTS

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

Welcome to the 2022 Annual Report for Alto Metals Limited, a year which has seen significant milestones for our Company.

2022 was a significant year for your Company with milestones achieved in our exploration program, that have laid the groundwork for what we fully expect to be significant changes in Alto's development in the future.

Following on from the exploration success of last year's record of 60,000 metres of drilling, we have committed to a similar size drilling program at the Sandstone Project this year.

A key milestone of 2022 was the 92% increase in our Mineral Resource base to over 635,000 ounces of gold, a figure we are currently aiming to substantially increase again in the new calendar year.

Our exploration team has, to their credit, dealt with the challenges many Australians have had to contend with due to Covid-19 and the interruptions it has caused to their ongoing work.

We are grateful for their hard work and dedication under the stewardship of our Managing Director Matthew Bowles and I thank all of them for their valuable contribution.

As always, we appreciate the support all our stakeholders have given us this past 12 months as we continue to advance the Sandstone Gold Project.

We will continue to focus on our strategy of further resource growth and new discoveries, to build the foundations to support a stand-alone gold operation. And I hope this is a journey you continue to share with us

Yours sincerely,

Richard Monti
Non-Executive Chairman

Dated this 30th day of September 2022

EXPLORATION HIGHLIGHTS OF 2022

Updated Mineral Resource to 12.4Mt @ 1.6 g/t gold for 635,000oz gold

- Updated JORC 2012 Mineral Resource Estimate of **12.4Mt @ 1.6 g/t gold for 635,000oz** for the Sandstone Gold Project, incorporating updates for Lord Nelson, Lord Henry, Havilah Camp and Vanguard Camp.
- Resource update represents an **increase of 92%** in contained gold at an average **discovery cost of less than A$14/oz**.
- Updated Mineral Resources **constrained within A$2,500/oz optimised pit-shells** at a 0.5 g/t gold cut-off and **over 90% of total ounces within 160m from surface.**
- **Shallow, high-grade resources remain open along strike and at depth at all deposits** highlights the strong potential to continue to grow the resource inventory with further drilling.
- **Excellent gold recoveries of ~96% in fresh rock** returned from preliminary gold recovery testwork (avg. of 93% across all rock types) demonstrates gold will be recoverable through a simple cyanide extraction process.
- **Rapid growth at Vanguard Camp with a tripling of the resource to 2.3Mt @ 2.0 g/t gold for 150,000oz** and mineralisation remaining open along a +2km long NW/SE trending corridor.
- **Substantial resource growth at Lord Nelson, increasing by 138% to 5.3Mt @ 1.6 g/t gold for 267,000oz** and mineralisation remains open.
- **Mineral Resource Estimate <u>excludes</u> an update for Indomitable Camp.** Recent high-grade gold results outside the current resource and assays from planned drilling to be included in an update in the second half of the year.
- **Located on granted mining licences** and supported by excellent surrounding infrastructure.

Exploration Results – Lord Nelson

- The first phase of extensional RC drilling for CY2022, below the Lord Nelson pit returned significant results including:
  - **67m @ 2.3 g/t gold** from 172m, incl. **6m @ 5.4 g/t gold** from 179m (SRC 576)
  - **27m @ 2.1 g/t gold** from 221m, incl. **10m @ 3.0 g/t gold** from 222m (SRC606)
  - **19m @ 1.5 g/t gold** from 185m, inc. **1m @ 17.8 g/t gold** from 198m (SRC 582)
  - **12m @ 1.4 g/t gold** from 50m, incl. **1m @ 10.2 g/t gold** from 59m; and

    11m @ 1.0 g/t gold from 84m (SRC 580)
  - **11m @ 1.3 g/t gold** from 156m, and **6m @ 3.0 g/t gold** from 215m (SRC 579)

Exploration Results – Juno

- RC drilling to test up-dip and down-dip extensions of the Juno Lode within the granodiorite damage zone and along the contact of the ultramafic footwall, have returned several significant gold intersections, including.
  - **9m @ 3.8 g/t gold** from 157m, incl. **5m @ 5.0 g/t gold** from 160m (SRC 590)
  - **7m @ 4.4 g/t gold** from 163m (SRC586)
  - **12m @ 2.1 g/t gold** from 160m, incl. **1m @ 12.4 g/t gold** from 169m (SRC593)
  - **17m @ 1.6 g/t gold** from 159m, incl. **3m @ 6.3 g/t gold** from 171m (SRC589)
  - **10m @ 1.3 g/t gold** from 140m, incl. **5m @ 2.1 g/t gold** from 144m (SRC585)

Exploration Results – Indomitable

- Results from ongoing drilling at Indomitable Camp have confirmed **multiple near surface high-grade gold** intercepts and successfully extended the overall mineralisation both along strike and at depth. Significant results include:
  - **29m @ 4.4 g/t gold** from 29m, incl. **1m @ 87.4 g/t gold** from 45m (SRC613)
  - **15m @ 3.8 g/t gold** from 44m, incl. **2m @ 18.0 g/t gold** from 49m; and

    5m @ 4.1 g/t gold from 65m incl. **1m @ 12.3 g/t gold** from 66m (SRC626)
  - **7m @ 1.1 g/t gold** from 83m and **1m @ 24.6 g/t gold** from 143m (SRC620)
  - **12m @ 1.6 g/t gold** from 69m (SRC614)
  - **4m @ 4.3 g/t gold** from 113m and **10m @ 1.3 g/t gold** from 173m (SRC619)
  - **21m @ 2.0 g/t gold** from 46m, incl. **1m @ 14.9 g/t gold** from 61m and incl. **1m @ 6.3 g/t gold** from 66m, and

    11m @ 2.5 g/t gold from 92m, incl. **2m @ 7.0 g/t gold** from 93m (SRC 574)
  - **15m @ 2.2 g/t gold** from 44m, incl. **2m @ 13.2 g/t gold** from 45m; and

    25m @ 1.2 g/t gold from 65m, incl. **1m @ 11.5 g/t gold** from 71m (SRC 571).
  - **16m @ 1.1 g/t gold** from 76m, incl. **2m @ 5.3 g/t gold** from 83m (SRC 557) – ended in mineralisation.
  - **21m @ 1.1 g/t gold** from 136m, incl. **6m @ 1.8 g/t gold** from 136m and incl.

    11m @ 1.0 g/t gold from 146m (SRC 566)

- Extensional drilling at Indomitable and Indomitable North, includes:
  - **13m @ 4.6 g/t gold** from 24m, incl. **1m @ 31.8 g/t gold** from 27m (SRC628)
  - **15m @ 4.2 g/t gold** from 30m incl. **1m @ 38.0 g/t gold** from 35m (SRC629)
  - **6m @ 2.1 g/t gold** from 41m (SRC643)
  - **6m @ 2.4 g/t gold** from 69m incl. **1m @ 7.4g/t gold** from 70m (SRC644)
  - **44m @ 2.0 g/t gold** from 58m incl. **14m @ 3.2 g/t gold** from 84m (SRC663)

Sandstone Gold Project (100%)

Alto Metals Limited ("Alto" or the "Company") and the entities it controls (together "the Group") is a Western Australian based company focused on the exploration and development of its 100% owned Sandstone Gold Project, located the East Murchison Mineral Field of Western Australia. The Sandstone Gold Project ("Project") covers the vast majority of the Archaean Sandstone Greenstone Belt (Figure 2).

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 to date defined JORC (2012) Mineral Resources of 635,000 ounces gold and numerous drill ready targets using a systematic approach.

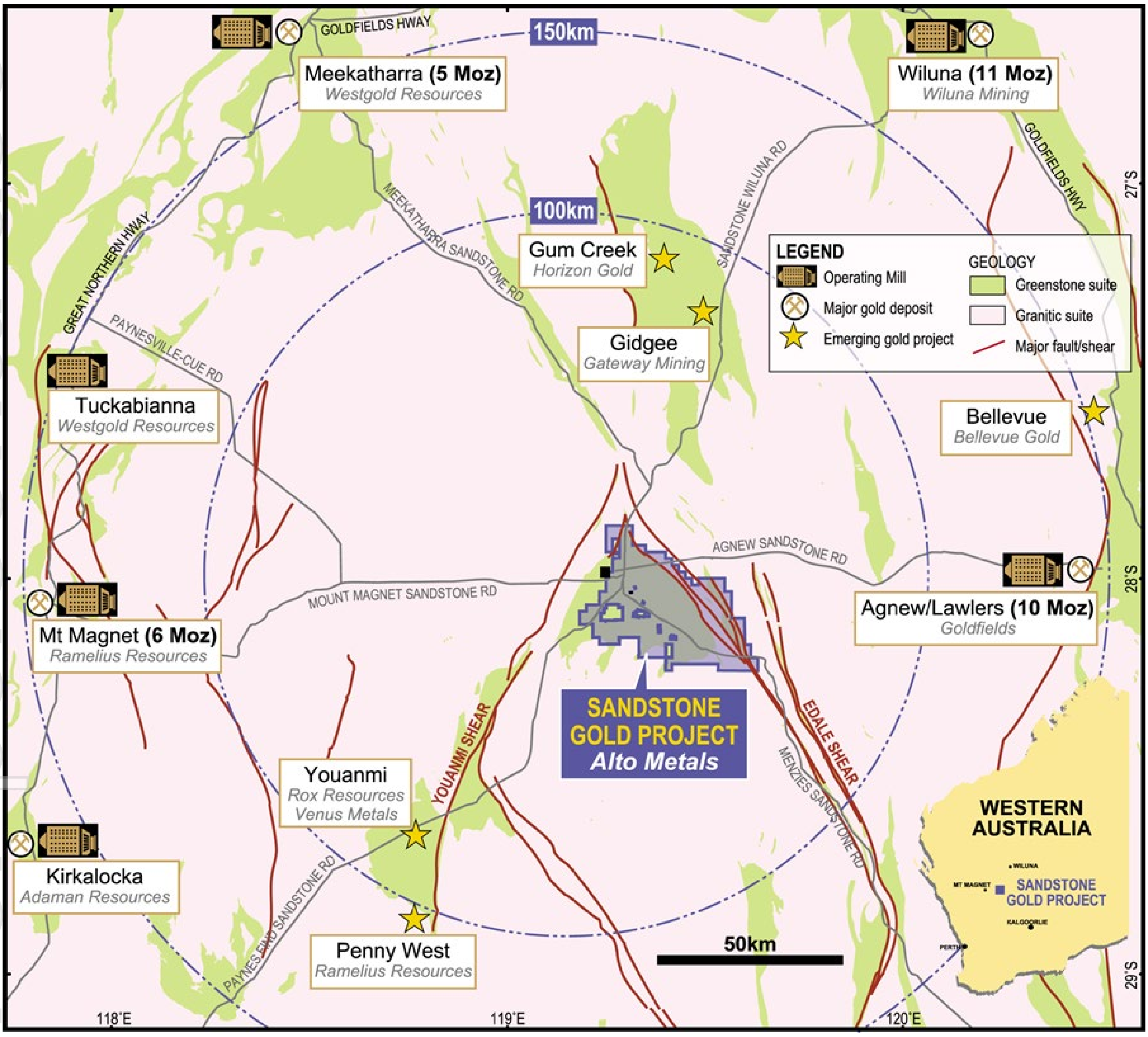

Figure 1: Location of Sandstone Gold Project within the East Murchison Gold Field, WA

Summary of Exploration Activity

During the year, the Company completed ~60,000 metres of drilling at the Lords Corridor, Vanguard camp, Havilah, Maninga Marley and Indomitable camp, all located within the Company's Alpha Domain. and continued to receive a significant number of assays from infill, extensional and step-out drilling at the Lords Corridor, Vanguard and Indomitable.

Exploration Strategy

Multiple regional targets across the entire Sandstone Gold Project: A systematic approach

Alto's immediate exploration strategy remains focused on discoveries and resource growth within the Alpha Domain which hosts the Lords corridor, Vanguard, Indomitable and Havilah. Based on the success of the systematic approach to exploration to date, Alto is continuing to review the multiple other greenfield and advanced brownfield targets that sit within the Sandstone Gold Project, as part of the Company's longer term strategy to advance the overall project pipeline to support a stand-alone operation.

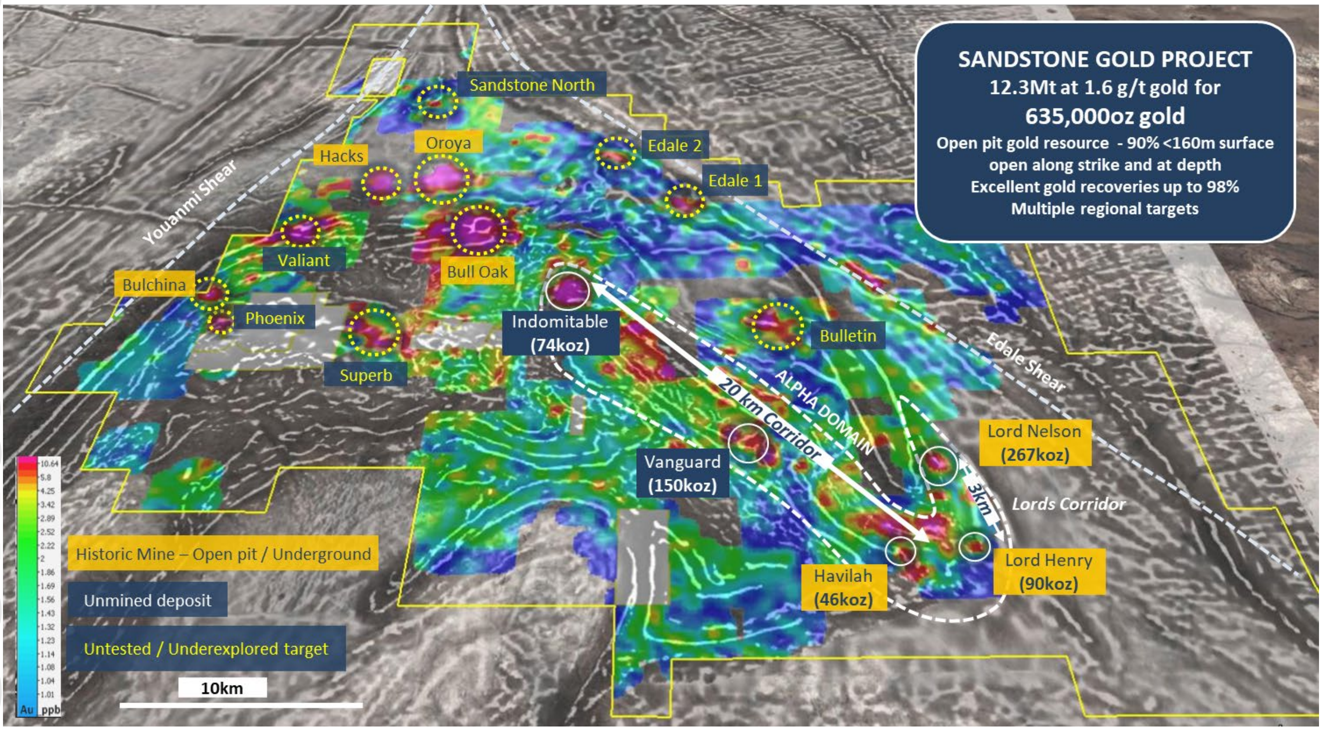

Figure 2: Regional prospect map showing gold-in-soils over 1VD Magnetics highlighting the +20km long gold corridor within the Alpha Domain and multiple brown and greenfield regional prospects within the Sandstone Gold Project.

Sandstone Gold Project Mineral Resources as at 30 June 2022

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.

The Lords Corridor

The Lord Nelson and Lord Henry deposits are hosted predominantly within a +3km long, granodiorite intrusion with sheared remnant ultramafic layers.

Troy Resources NL (Troy) previously mined the Lord Nelson deposit and produced 220,000 ounces of gold at 4.6 g/t. Troy also previously mined the Lord Henry deposit and produced 48,000 ounces of gold at 3.6 g/t.

Lord Nelson deposit, hosted with the +3km Lords Granodiorite, is currently defined as an Indicated and Inferred Resource of **5.3Mt at 1.6 g/t gold for 267,000oz** reported at a 0.5 g/t gold cut-off, constrained within an A$2,500 pit shell, that extends over 1.2km strike, up to 400m wide and to 230m below surface.

The nature and style of mineralisation observed at the Lords granodiorite is the gold mineralisation sits within the granodiorite 'damage zone' with higher-grade gold occurring along the margin of the ultramafic contact.

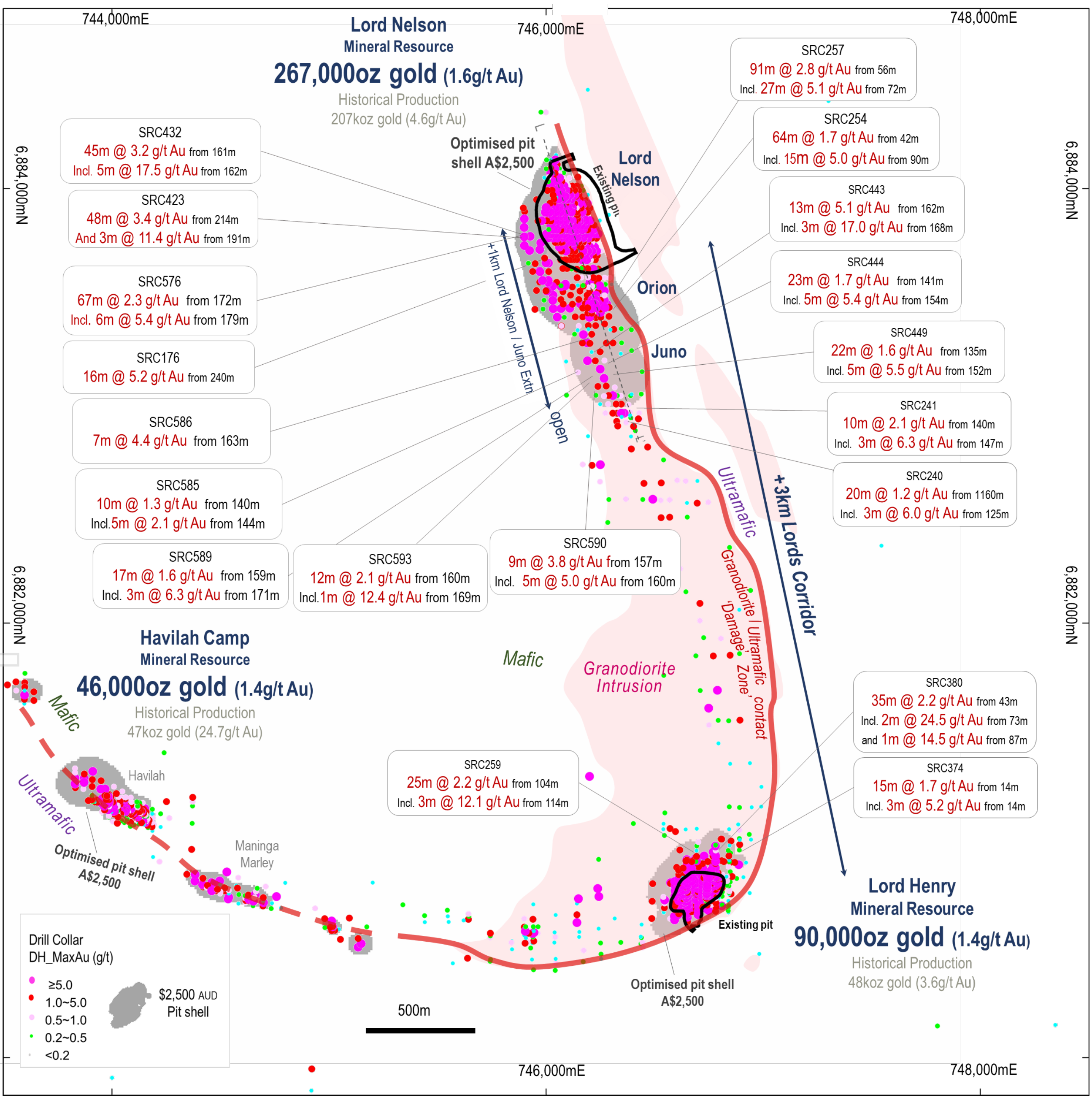

Figure 3: Plan view of the +3km Lords Corridor showing Lord Nelson, Orion and Juno lodes

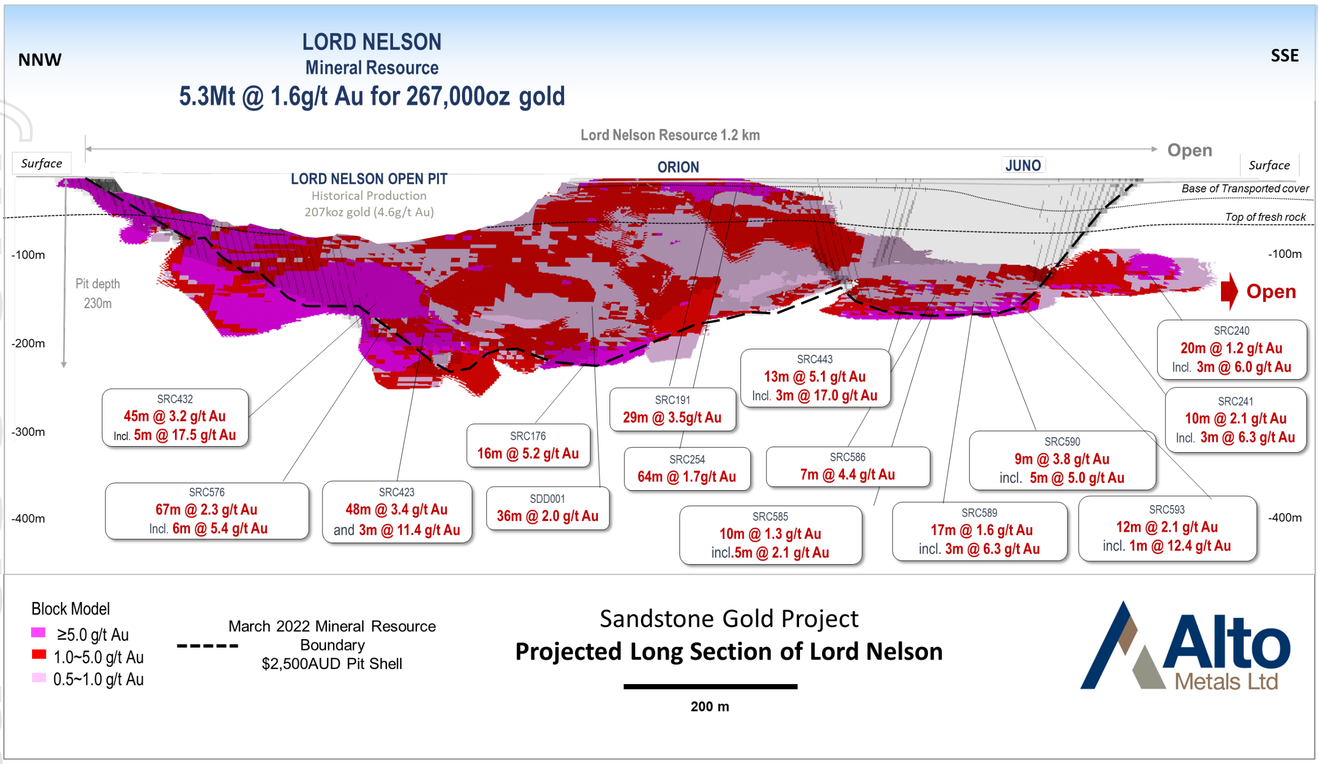

Figure 4: Long section of Lord Nelson

RC drilling was completed during the year to test down-dip extensions of the Lord Nelson hanging wall and footwall lodes beneath the historic pit and **the results have successfully extended the mineralisation**, including a **stand-out intercept of 67m @ 2.3 g/t gold from 172m (SRC 576).**

Significant assay results received following the March 2022 resource update, include:

- **67m @ 2.3 g/t gold** from 172m, incl. **6m @ 5.4 g/t gold** from 179m (SRC 576)
- **19m @ 1.5 g/t gold** from 185m, inc. **1m @ 17.8 g/t gold** from 198m (SRC 582)
- **12m @ 1.4 g/t gold** from 50m, incl. **1m @ 10.2 g/t gold** from 59m; and
  11m @ 1.0 g/t gold from 84m (SRC 580)
- **11m @ 1.3 g/t gold** from 156m, and **6m @ 3.0 g/t gold** from 215m (SRC 579)
- **9m @ 1.2 g/t gold** from 146m, incl **2m @ 2.6 g/t gold** from 150m (SRC581)
- **2m @ 5.1 g/t gold** from 139m (SRC 584)

Final assays from the first phase of drilling at the Lords this calendar year include:

- **27m @ 2.1 g/t gold** from 221m, incl. **10m @ 3.0 g/t gold** from 222m (SRC606)
- **11m @ 1.0 g/t gold** from 178m (SRC607)

Lords Corridor – Juno

Juno is the second new lode discovered within the Lords Corridor, from step-out drilling testing the strike and plunge extensions of the Lord Nelson footwall and hanging wall lodes, following the discovery of the high-grade Orion Lode.

Juno is considered a previously undiscovered extension of the mineralised zone below the Lord Nelson pit, outside the current resource, which now extends for over 1 kilometre strike and remains open.

Assay results received during the year from RC drilling at Juno, testing up-dip and down-dip extensions within the granodiorite damage zone and along the contact of the ultramafic footwall, have returned several significant gold intersections, including:

- **9m @ 3.8 g/t gold** from 157m, incl. **5m @ 5.0 g/t gold** from 160m (SRC 590)
- **7m @ 4.4 g/t gold** from 163m (SRC586)
- **12m @ 2.1 g/t gold** from 160m, incl. **1m @ 12.4 g/t gold** from 169m (SRC593)
- **17m @ 1.6 g/t gold** from 159m, incl. **3m @ 6.3 g/t gold** from 171m (SRC589)
- **10m @ 1.3 g/t gold** from 140m, incl. **5m @ 2.1 g/t gold** from 144m (SRC585)

These latest results have successfully extended mineralisation at Juno down dip and along strike; highlighting the overall continuity of the high-grade mineralisation of the initial intersections previously reported, including:

- **13m @ 5.1 g/t gold** from 162m, incl. **3m @ 17.0 g/t gold** from 168m (SRC443)
- **23m @ 1.7 g/t gold** from 141m, incl. **5m @ 5.4 g/t gold** from 154m (SRC444)
- **22m @ 1.6 g/t gold** from 135m, incl. **5m @ 5.5 g/t gold** from 152m (SRC449)
- **10m @ 2.1 g/t gold** from 140m incl. **3m @ 6.3 g/t gold** from 147m (SRC241)
- **20m @ 1.2 g/t gold** from 116m incl. **3m @ 6.0 g/t gold** from 125m (SRC240)

The discovery of Juno highlights the potential for additional repeat gold lodes along the Lords Corridor.

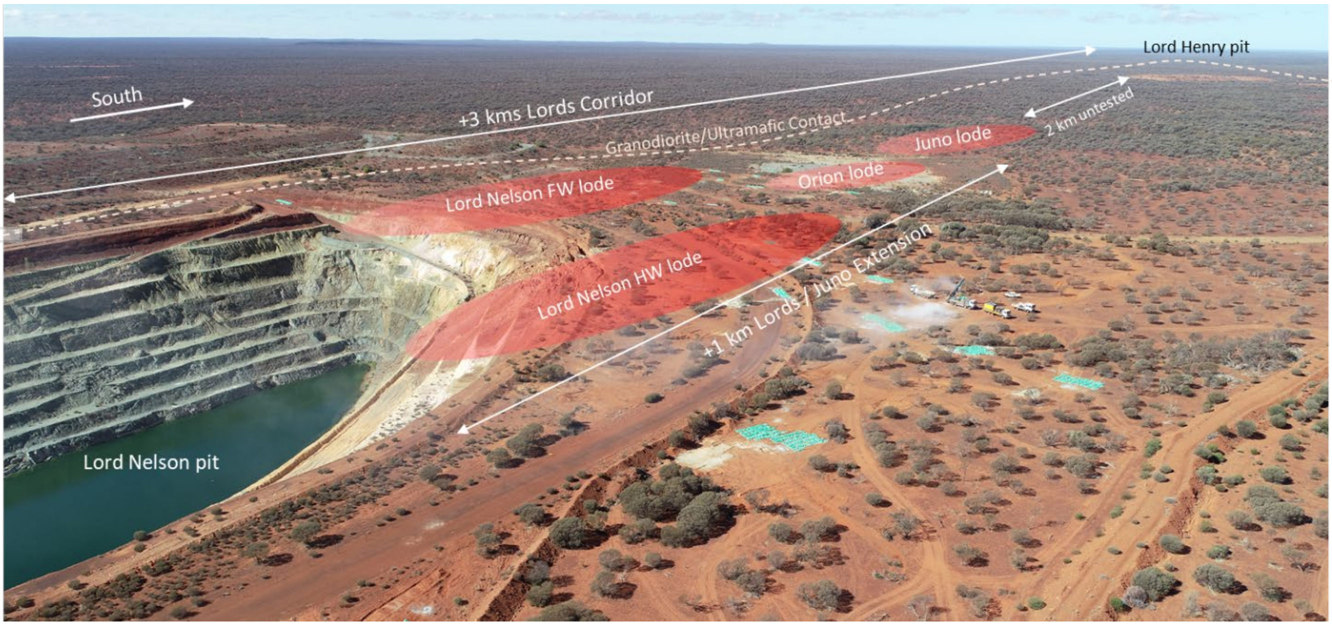

Figure 5: Aerial view illustrative schematic of the Lords Corridor looking south-east.

Vanguard – shallow, high-grade

The updated Indicated and Inferred mineral resource estimate for Vanguard and Vanguard North (together Vanguard Camp) **has tripled in size** to **2.3Mt at 2.0 g/t gold for 150,000oz,** reported at a 0.5 g/t gold cut-off, constrained within an A$2,500 pit shell, and represents 24% of the total Mineral Resources.

Approximately 20,000m of RC and diamond drilling was completed at Vanguard Camp in 2021 and the successful north-west/south-east extensional drilling has significantly contributed to the growth in the Mineral Resources.

Mineralisation at Vanguard Camp remains open and the rapid rate of growth demonstrates the potential to continue increasing both the grade and scale of the Mineral Resources with further drilling.

Importantly, Vanguard Camp includes the high-grade Vanguard North deposit of **383kt @ 3.8 g/t gold for 47,000oz** where recent drilling returned significant high-grade gold mineralisation which remains open down dip and along strike.

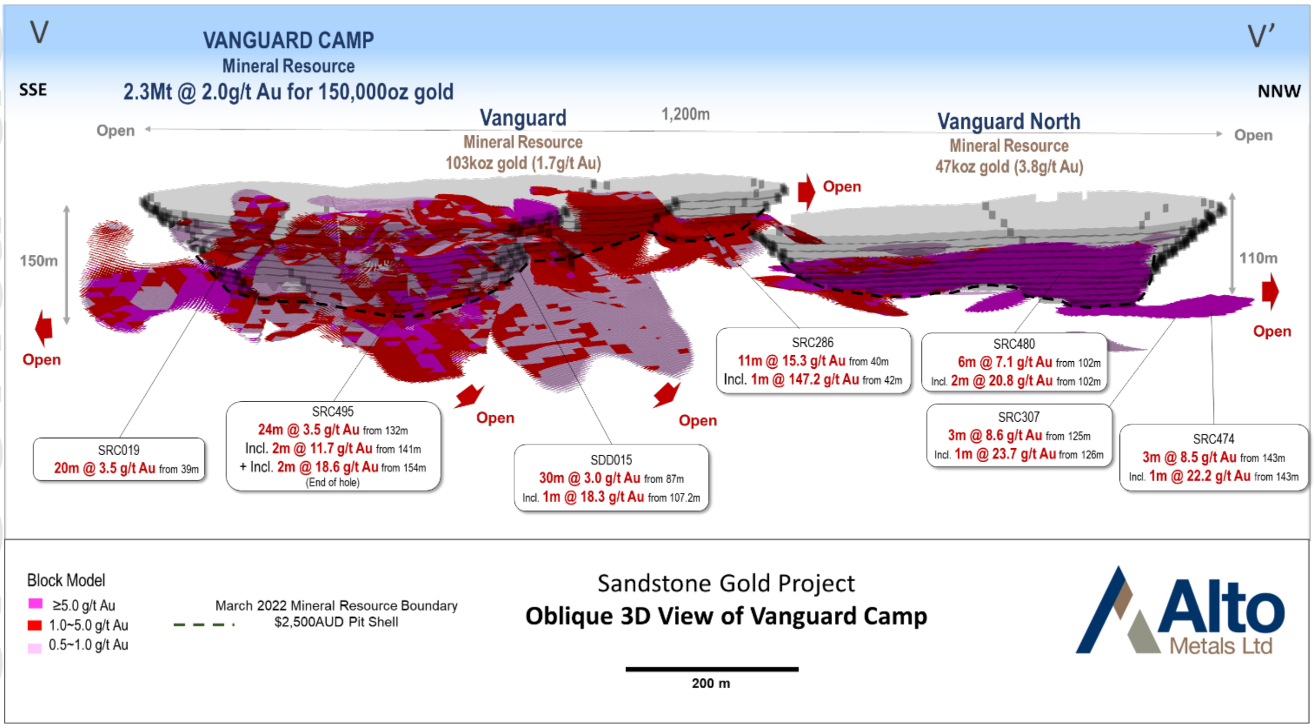

Figure 6: **Oblique 3D view of Vanguard Camp resource block models (0.5 g/t cut-off) constrained within a A$2,500/oz optimised pit shell.**

Vanguard is located only 5kms west of the Lords Corridor and hosted **within a 20 kilometre NW/SE trending corridor**, of differentiated dolerite, which also hosts the Indomitable and Havilah deposits.

Vanguard and Vanguard North parallel trends are together defined over a strike length of 2kms and form part of a major regional prospect to drive future resource growth within the Alpha Domain target area.

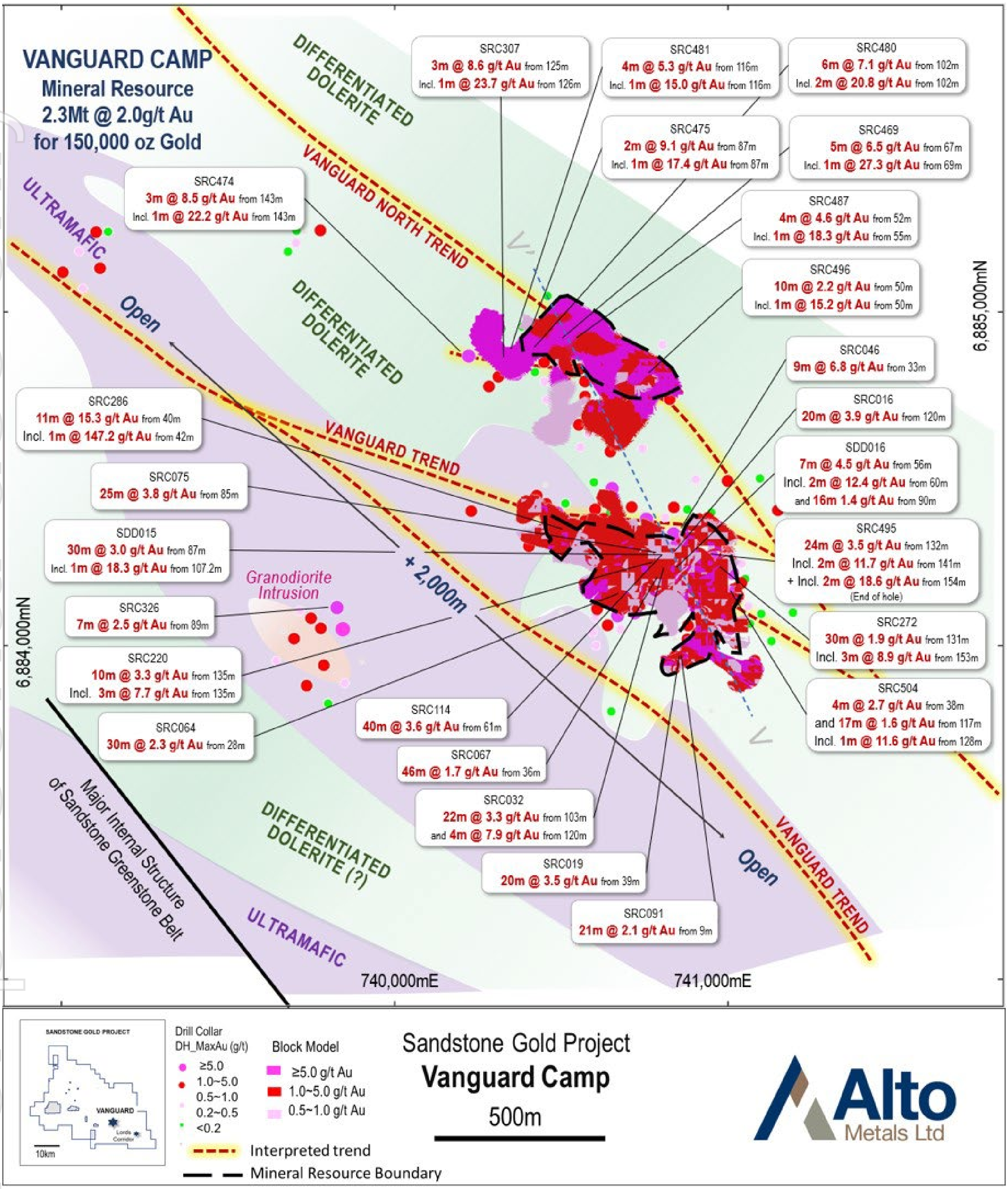

Figure 7: **Vanguard Camp plan view block model of Resources (0.5 g/t cut-off) constrained within a A$2,500/oz optimised pit shell.**

During the year a number of assay results from of RC drilling at Vanguard and Vanguard North confirmed the presence of high-grade gold mineralisation up to **147 g/t**. Selected results from Vanguard resplits reported during the year include:

- **11m @ 15.3 g/t gold** from 40m, incl. **1m @ 147.2 g/t gold** from 42m; (SRC286) – Vanguard
- **30m @ 1.9 g/t gold** from 131m, incl. **3m @ 8.9 g/t gold** from 153m; (SRC272) – Vanguard
- **8m @ 2.0 g/t gold** from 144m, incl. **1m @ 5.1 g/t gold** from 145m; (SRC270) – Vanguard
- **7m @ 2.5 g/t gold** from 89m, incl. **1m @ 14.7 g/t gold** from 95m; (SRC326) – Vanguard
- **12m @ 1.2 g/t gold** from 204m, incl. **5m @ 2.2 g/t gold** from 208m; (SRC325) – Vanguard
- **3m @ 8.6 g/t gold** from 125m, incl. **1m @ 23.7 g/t gold** from 126m; (SRC307) – Vanguard North
- **4m @ 3.0 g/t gold** from 46m, incl. **1m @ 8.2 g/t gold** from 47m; (SRC290) – Vanguard North

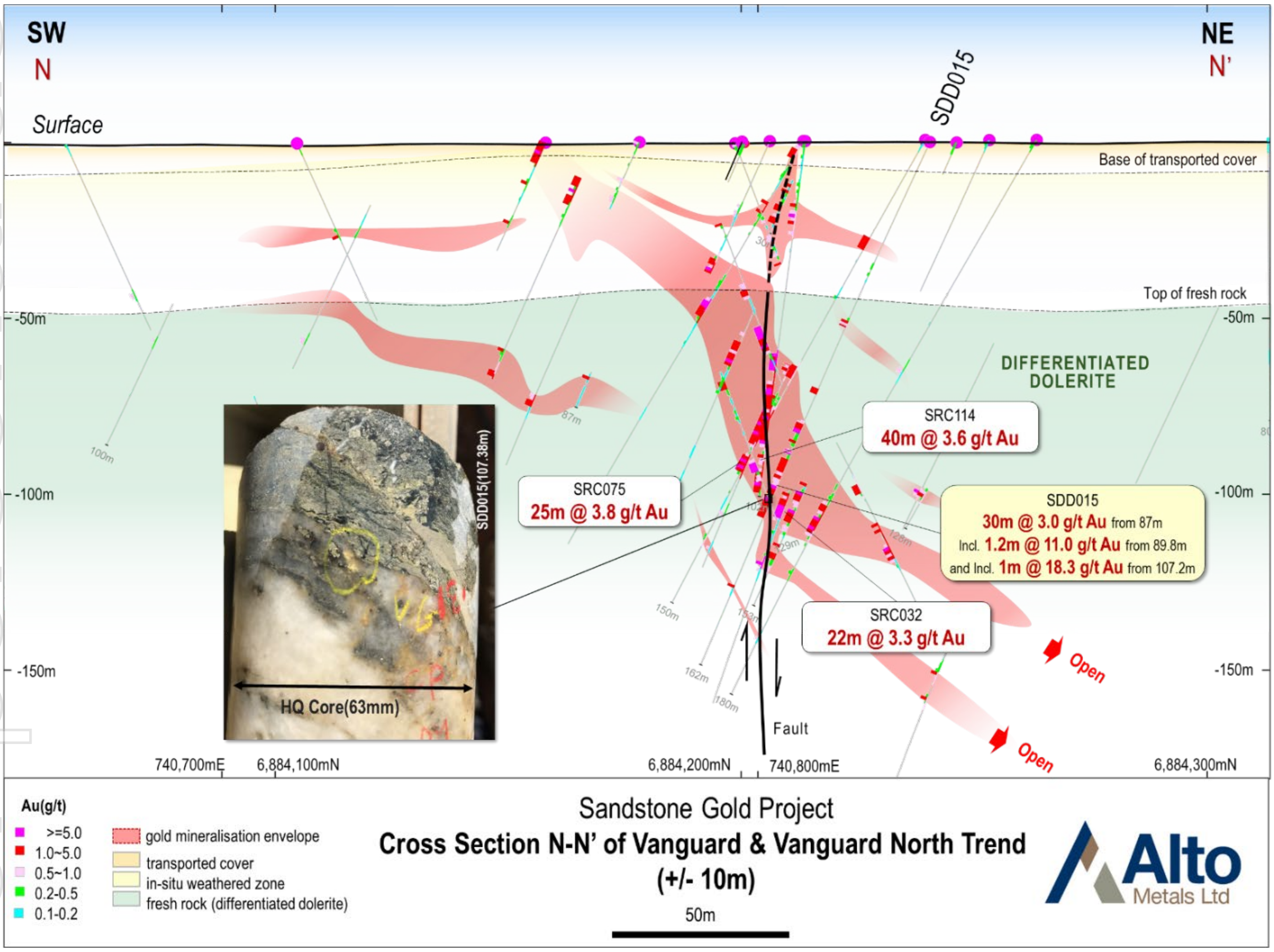

Figure 8: Vanguard Cross Section.

Indomitable Camp – shallow oxide gold footprint

The Indomitable deposit forms 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. Mineralisation is hosted within a package of mafic-ultramafic rocks, cross-cut by interpreted major structures.

As part of the major drilling program at Sandstone, four diamond holes were completed for a total of 900.2 metres at the Indomitable Camp, located within the main NW/SE trend, 10km NW of Vanguard. These four holes were part of the Company's maiden diamond drilling program to evaluate the nature of gold mineralisation and understand the orientation of the structural controls to assist with future drill targeting.

In addition, RC drilling at the Indomitable Camp is focused to grow the current resource, testing strike extensions of existing mineralisation along the main Indomitable trend and linking structures and the western side of the interpreted fold closure which hosts Indomitable and Indomitable North deposits.

Drilling results received during the year have confirmed **multiple near surface high-grade gold** intercepts and successfully extended the overall mineralisation both along strike and at depth, with significant results including:

- **29m @ 4.4 g/t gold** from 29m, incl. **1m @ 87.4 g/t gold** from 45m (SRC 613)
- **15m @ 3.8 g/t gold** from 44m, incl. **2m @ 18.0 g/t gold** from 49m; and

  5m @ 4.1 g/t gold from 65m incl. **1m 12.3 g/t gold** from 66m (SRC 626)
- **7m @ 1.1 g/t gold** from 83m and **1m @ 24.6 g/t gold** from 143m (SRC620)
- **18m @ 1.1 g/t gold** from 32m incl. **1m @ 5.4 g/t gold** from 37m and **5m @ 1.4 g/t gold** from 101m (SRC623)
- **12m @ 1.6 g/t gold** from 69m (SRC 614)
- **11m @ 1.1 g/t gold** from 69m (SRC 616)
- **4m @ 4.3 g/t gold** from 113m and **10m @ 1.3 g/t gold** from 173m (SRC619)
- **11m @ 1.1 g/t gold** from 168m incl. **1m @ 6.1 g/t gold** from 178m (SRC622)

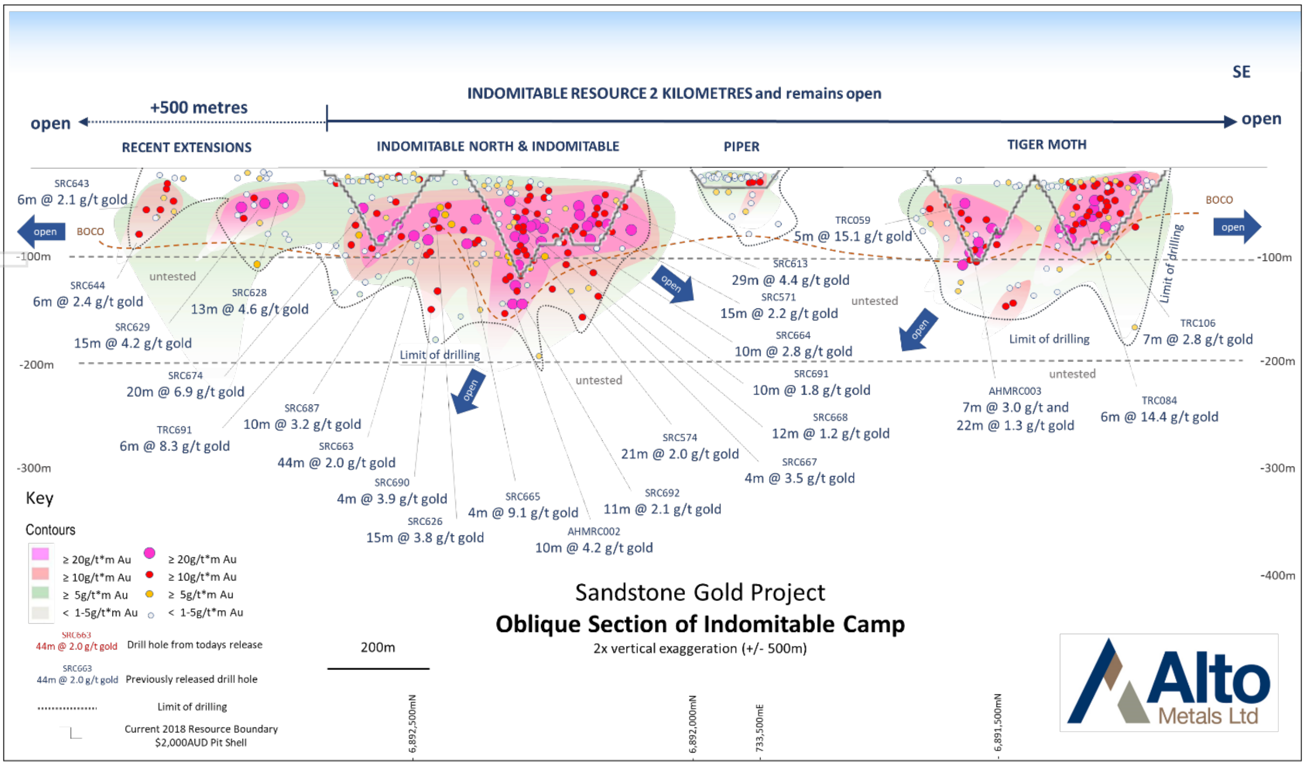

Figure 9: Oblique section of Indomitable Camp showing g/t*m drill results

Further results were announced from step -out drilling north of the Indomitable North deposit which have extended mineralisation up to 500m north of the current resource and remains open. Latest results include:

- **13m @ 4.6 g/t gold** from 24m, incl. **1m @ 31.8 g/t gold** from 27m (SRC628)
- **15m @ 4.2 g/t gold** from 30m incl. **1m @ 38.0 g/t gold** from 35m (SRC629)
- **6m @ 2.1 g/t gold** from 41m (SRC643)
- **6m @ 2.4 g/t gold** from 69m incl. **1m @ 7.4g/t gold** from 70m (SRC644)
- **10m @ 1.0 g/t gold** from 2m (SRC645)
- **11m @ 1.1 g/t gold** from 39m (SRC646)
- **44m @ 2.0 g/t gold** from 58m incl. **14m @ 3.2 g/t gold** from 84m (SRC663)
- **7m @ 2.1 g/t gold** from 9m (SRC655)
- **3m @ 1.7 g/t gold** from 8m and **9m @ 1.9 g/t gold** from 92m incl. **1m @ 5.3 g/t gold** from 97m (SRC659)
- **9m @ 1.0 g/t gold** from 66m (SRC662)

Mineralisation at Indomitable North remains **open in all directions.**

Indomitable was not updated in the March 2022 mineral resource update and is anticipated to be included in the next update planned for early in 2023.

dectectORE™ in-field trials

Alto is trialling deployment of Portable PPB's detectORE™ technology, patented by the CSIRO, across a number of our high priority targets, starting with Indomitable.

detectORE™ has the potential to revolutionise gold exploration by allowing for the detection of low-level gold concentration in the field using conventional pXRF, with results available in as little as eight hours. This technology is expected to assist in rapidly defining and refining exploration targets, enabling real-time follow up of live drill programs which will aid resource identification and making new discoveries

Figure 10: In-field R&D trials of dectectORETM at Indomitable

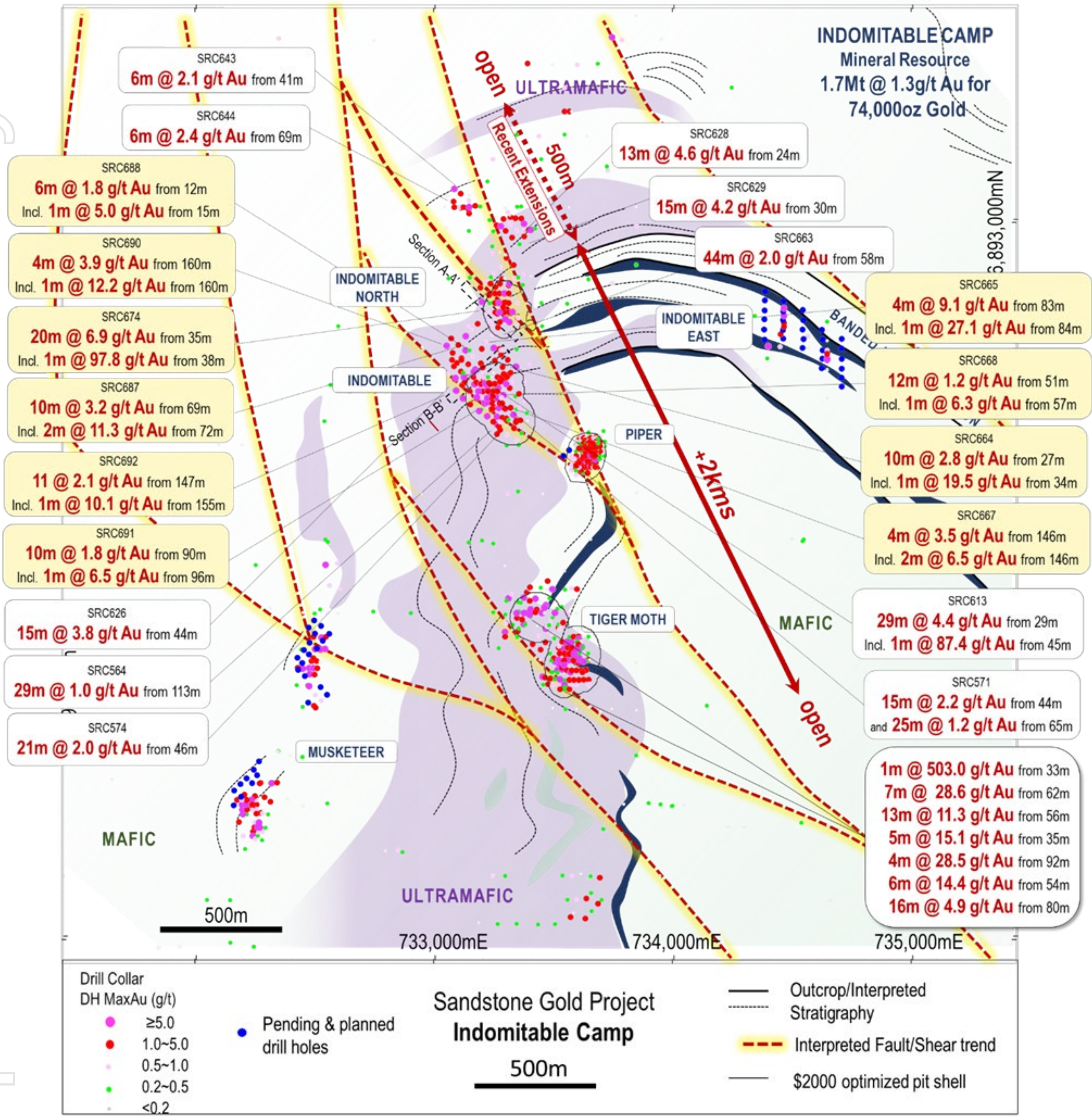

Figure 11: Plan View of Indomitable Camp showing recent results – simplified geological interpretation.

REVIEW OF OPERATIONS

Forward-Looking Statements

This report 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 and security holder 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 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 effects the information in the said announcements.

DIRECTORS' REPORT

Your Directors submit their report together with the annual financial statements of Alto Metals Limited ("Alto" or the "Company") and the entities it controlled (together "the Group") for the year ended 30 June 2022 and the auditor's review report thereon.

Directors

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

Mr Richard Monti

Mr Matthew Bowles

Dr Jingbin Wang

Mr Terry Wheeler

Directors were in office for the entire year unless otherwise stated.

Information on Directors

Richard Monti (Non-Executive Chairman)

Mr Monti is a geologist with a successful career of over 30 years in the international mineral resource industry, resulting in broad industry knowledge and strong strategic planning capabilities. He has first-hand working knowledge of all aspects of the industry. He has been a Director on 15 ASX and TSX listed companies, covering exploration and mining activities. Directorships include four as Chairman and sitting on numerous sub-committees. Mr Monti has held roles at several international and Australian companies including Anaconda Nickel, Azimuth Resources Limited, The North Group and The Normandy Group. He was a founding Director of Azimuth Resources and the architect of the Company's eventual take over for A$190m in 2013. Mr Monti was Principal of Ventnor Capital from 2005 to 2010, a corporate advisory business supplying advice across the commercial and corporate spectrum to junior and mid-size companies.

Directorships held in other listed entities: Boab Metals Ltd, Zinc of Ireland NL, Caravel Minerals Ltd and Black Dragon Gold Corp (retired 11 August 2021).

There have been no other listed entity directorships in the last 3 years.

Matthew Bowles (Managing Director and Chief Executive Officer)

Mr Bowles is a senior corporate finance executive with extensive corporate advisory, private equity and capital markets experience within the resources sector. He has a depth of experience in domestic and cross border financing, joint venture and M&A transactions in Africa, the Americas and Australia.

Mr Bowles was previously the Chief Development Officer for a West African focused gold company. He commenced his career with Rio Tinto where he worked for nine years in various corporate and commercial roles, before moving to London to work in resources banking and finance. Since his return to Australia he has held senior roles with global advisory firms focused on the resources sector.

Directorships held in other listed entities: WIA Gold Limited (formerly known as Tanga Resources Limited) (resigned 8 September 2020).

Dr Jingbin Wang (Non-Executive Director)

Dr. Wang is a senior geologist with extensive international minerals experience, and has been Chairman of Sinotech Minerals Exploration Co. Ltd since March 2004. He has a BSc in Mineral Prospecting & Exploration from Central South University of Technology in Changsha, China, and a MSc and PhD in Magmatic Petrology & Metallogeny and Geotectonics & Metallogeny from the same university.

He has been President of the prestigious Beijing Institute of Geology for Mineral Resources in China since 2002 and is an accomplished mining team leader with an excellent track record of discovering major deposits around the world. Dr. Wang has also held the title of Vice-President of the China Nonferrous Metals Industry Association since 2008 and was Executive Director of China Nonferrous Metals Resource Geological Survey from 2003-2015. Dr. Wang is a leader in the non-ferrous metals industry in China with over 30 years' experience in mineral resources exploration and mining.

Directorships held in other listed entities: There have been no listed entity directorships in the last 3 years.

Terry Wheeler (Non-Executive Director)

Mr Wheeler established Genalysis Laboratory Services in 1975 and grew the company into one of the largest and most successful analytical companies in the southern hemisphere with over 300 technical staff. In 2007, Genalysis Laboratory Services was purchased by Intertek Group plc.

Mr Wheeler is a Fellow of the Royal Australian Chemical Institute, a Member of the Australasian Institute of Mining and Metallurgy Inc., a Member of the Association of Exploration Geochemists, and an Associate Member of the International Association of Geoanalysts.

Directorships held in other listed entities: There have been no listed entity directorships in the last 3 years.

Company Secretary

Graeme Smith Mr Smith is a corporate governance and finance professional with over 30 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practicing Accountants, the Chartered Governance Institute and the Governance Institute of Australia. He is the principal of Wembley Corporate which provides Company Secretarial, CFO, and Corporate Governance services to public and private companies.

Principal Activities

The Group is a gold explorer holding a significant land position in the Archaean Sandstone Goldfield approximately 600km north of Perth in the East Murchison Mineral Field of Western Australia.

The Sandstone Gold Project is an advanced exploration project which comprises both brown-field and green-field exploration portfolio. The current mineral resource base of the SGP consists of 12.4Mt at 1.6 g/t Au for 635,000oz of gold (Indicated and Inferred, JORC 2012). Refer to Mineral Resource Table.

Alto's immediate focus is to rapidly expand the current mineral resources with further exploration and step out and infill drilling. The priority targets are shallow gold deposits (new deposits such as Vanguard, Indomitable Camps, Havilah and Ladybird etc.), extension and primary zone discoveries in the vicinity of previously partial-mined deposits (such as Lord Nelson, Lord Henry and Bulchina etc.) that could be profitably mined through establishment of standalone oxide and primary gold mining operations at Sandstone.

Refer to the Operations Report starting on page 4 for details of the Group's exploration activities during the year

Operating Results

The consolidated loss of the Group after providing for income tax amounted to $2,296,096 (2021: $1,810,766).

Financial Position

The net assets of the Group at 30 June 2022 are $25,394,529 (2021: $20,389,312). The cash and cash equivalent of the Group at 30 June 2022 are $3,256,340 (2021: $5,108,054). The net current assets of the Group at 30 June 2021 are $1,645,993 (2021: $3,617,001)

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board. The Board believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

COVID-19

The COVID-19 outbreak has continued to affect everybody in 2022. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people (like social distancing and working from home).

At this stage, the impact on our business and results is limited. We will continue to follow the various national institutes policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Significant Changes in State of Affairs

Other than the capital raising of $7 million during the year, there have been no significant changes in the affairs of the Group during the year.

Significant Events After the Reporting Date

No other matters or circumstances have arisen since the end of the financial year which 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.

Likely Developments and Expected Results

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Group.

Environmental Regulation and Performance

The Group is subject to significant environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

Dividends Paid or Recommended

No dividend has been paid or recommended.

Meetings of Directors

During the financial period, the following meetings of Directors were held. Attendances by each Director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
R Monti	9	9
M Bowles	9	9
J Wang	9	8
T Wheeler	9	8

Indemnifying Officers or Auditor

During or since the end of the financial period, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $13,376 (2021: $11,040).
- No indemnity has been given to the Group's auditors.

Options

At the date of this report, the following options were on issue over ordinary shares of the Company.

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
29 November 2019	7,500,000	$0.07	29 November 2023
Total options on issue	**7,500,000**		

Performance Rights

At the date of this report, the following performance rights were on issue over ordinary shares of the Company.

Date performance rights granted	Number of unissued shares under rights[1]	Expiry date of rights
25 November 2020	6,000,000	30 November 2023
29 October 2021	500,000	30 November 2023
Total performance rights on issue	**6,500,000**	

[1] Performance Rights on issue at 30 June 2022 were 13,000,000. On 8 July 2022, 6,500,000 performance rights were converted to fully paid ordinary shares

LTI Rights

At the date of this report, there are 6.25 million fully paid ordinary shares issued under the LTI rights plan which was approved by shareholders at the 2019 AGM. These rights expire on 29 November 2022 unless exercised.

Non-audit Services

The following non-audit services were provided by the Group's auditor, Pitcher Partners BA&A Pty Ltd, or associated entities. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners BA&A Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2022	2021
	$	$
Tax compliance services	1,700	6,069

Corporate

During the year, 77.8 million shares were issued through placements and raised $7 million.

On 11 August 2020, the Company entered into a Loan Facility Agreement with major shareholder, Harvest Lane Asset Management Pty Ltd for up to $1 million. The loan was not utilised and has now expired.

Substantial Shareholders

At year end, the following substantial shareholders were noted:

Holder	Number of Shares	%
Windsong Valley Pty Ltd & Marymount Pty Ltd	98.4 million	18.42%
Westgold Resources Limited	78.1 million	14.60%
GS Group Australia Pty Ltd (GSGA)	56.8 million	10.62%

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of each element of the remuneration of each of the key management personnel (“KMP”) of the Group (defined as “Directors”, both Non-Executive and Executive).

A. Remuneration Policy

The remuneration policy of Alto Metals Limited has been designed to align Directors objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group’s financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors to run and manage the Group, as well as create goal congruence between Directors and shareholders.

The Board’s policy for determining the nature and amount of remuneration for Directors of the Company is as follows:

The remuneration policy, setting the terms and conditions for the Managing Director (“MD”), was developed and approved by the Board. The MD receives a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews the MD’s package periodically by reference to the Group’s performance, the MD’s performance, and comparable information from industry sectors and other listed companies in similar industries.

The MD is also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors is valued at the cost to the Company and expensed. Options given to Directors are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration periodically based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. To align Directors’ interests with shareholder interests, the Non-Executive Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders’ investment objectives and KMP’s performance. The Group believes this policy will be effective in increasing shareholder wealth.

From time to time, the Board may issue, at its discretion, cash bonuses, performance rights or incentive options to KMP which are intended to reward the KMP or align the interests of the KMP with those of Shareholders.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial period ended 30 June 2022.

Voting and comments made at the Company’s 2021 Annual General Meeting (“AGM”)

The Company received approximately 99.7% of “yes” votes based on the number of proxy votes received on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. Details of Remuneration for Period Ended 30 June 2022

The following table outlines benefits and payment details, in respect to the financial year, as well as the components of remuneration for each member of the KMP of the Group.

Table of Benefits and Payments for the Period Ended 30 June 2022

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments		
	Salary, fees and leave	Cash bonuses[1]	Superannuation	Options and Performance Rights	Total	Remuneration performance based
	$	$	$	$	$	%
2022						
R Monti	48,000	-	4,800	118,078	170,878	69%
M Bowles	301,401	36,000	27,503	165,310	530,214	31%
T Wheeler	36,530	-	3,653	47,231	87,414	54%
J Wang	40,000	-	-	47,231	87,231	54%
	425,931	**36,000**	**35,956**	**377,850**	**875,737**	**43%**
2021						
R Monti	50,000	-	6,080	66,444	122,524	54%
M Bowles	272,350	-	12,350	93,022	377,722	25%
T Wheeler	35,662	-	4,338	26,578	66,578	40%
J Wang	40,000	-	-	26,578	66,578	40%
	398,012	**-**	**22,768**	**212,622**	**633,402**	**34%**

Equity instrument disclosures relating to KMP

Ordinary Shares

The number of ordinary shares held by each KMP of the Group during the financial period is as follows:

	Balance at the start of the period	Changes during the period[2]	Balance at the end of the period
2022			
Ordinary Shares			
R Monti	666,667	2,222,222	2,888,889
T Wheeler	83,522,062	14,427,584	97,949,646
J Wang	-	444,444	444,444
M Bowles	6,250,000	-	6,250,000
Total	**90,438,729**	**17,094,250**	**107,532,979**

(1) The cash bonus was linked to Mr Bowles at the discretion of the Board as a result of the Group's performance for the year.
(2) Placement pursuant to shareholder approval

Options

The number of options on issue over ordinary shares of the Company held by each KMP of the Group during the financial period is as follows:

	Balance at the start of the period	Other changes during the period	Balance at the end of the period	Vested and exercisable
2022				
Unlisted Options				
R Monti	-	-	-	-
M Bowles	7,500,000	-	7,500,000	7,500,000
T Wheeler	-	-	-	-
J Wang	-	-	-	-
Total	**7,500,000**	**-**	**7,500,000**	**7,500,000**

Performance Rights

The number of performance rights in Alto Metals Limited held by each KMP of the Company during the financial period is as follows:

	Balance at the start of the period	Other changes during the period	Balance at the end of the period	Vested and exercisable
2022				
Performance Rights				
R Monti	2,500,000	-	2,500,000	1,250,000
M Bowles	3,500,000	-	3,500,000	1,750,000
T Wheeler	1,000,000	-	1,000,000	500,000
J Wang	1,000,000	-	1,000,000	500,000
Total	**8,000,000**	**-**	**8,000,000**	**4,000,000**

Service Agreements

The Group has a formal employment contract with Matthew Bowles, MD & CEO. The employment contract for Mr Bowles has no fixed term and does not prescribe how remuneration levels are to be modified from year to year. A summary of the main provisions of these contracts for the year ended 30 June 2022 are set out below:

NAME	TERMS
Matthew Bowles (Managing Director and CEO)	Base salary of $302,895 (exclusive of superannuation contributions), reviewed annually. 6 months' notice by Mr. Bowles. 12 months by Company, including upon change of control. Termination payments to reflect appropriate notice, except in cases of termination for cause. Mr. Bowles shall be eligible to participate in any Short Term or Long Term Incentive Schemes that the Company may offer.

C. Share-based compensation

Incentive Option Scheme

Options, where appropriate, may be granted under the Alto Metals Limited Employee Share Option Plan ("ESOP"). Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to a five year period. Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the ESOP. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the ESOP. The options vest as specified when the options are issued.

Long term incentive rights (LTI)

LTI rights to directors and employees are delivered under an Employee Share Plan (the "Plan") that was adopted by the Group pursuant to approval by shareholders at the Annual General Meeting held of 29 November 2019.

A material feature of the Plan is that the issue of ordinary shares to directors and employees can be by way of provision of a limited-recourse, interest free loan, to be used for the purpose of subscribing for the shares. The offer of a limited-recourse, interest free loan is based on a share price not less than the volume weighted average price at which shares are traded on the ASX over the 10 trading days up to and including the date of the issue of shares offered under the Plan, or such other price as the Board of Directors determines. The term of each loan will be 3 years from the date of issue of the shares, subject to the earlier repayment in accordance with the terms of the Plan.

After subscription, the shares are issued as ordinary shares, and the directors and employees enjoy the same rights and benefits as other shareholders, apart from any vesting conditions that are attached and the fact the shares cannot be sold until the loan is settled. Shares may be issued subject to vesting conditions relating to achievement of milestones (such as period of employment) or escrow restrictions which must be satisfied before the shares can be sold, transferred, or encumbered.

The nature of the Plan is to provide an incentive to cause the share price to rise over the term of a director's and employee's service, as well as retaining the director's and employee's service, and hence there are no specific performance conditions attaching to these shares. The shares are considered to be "in substance options" or "long-term incentive rights" ("LTI rights") under generally accepted accounting principles, and accordingly are accounted for similar to options. The fair value of the LTI rights is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the LTI rights are granted and factors such as the share price at grant date, volatility of the share price and risk free rate. Accounting standards require the value of the LTI rights to be brought to account over the expected term of vesting the benefits to the holder.

D. Other Transactions with Directors and Key Management Personnel

During the year, a related party of M Bowles, a Director, provided media, marketing consulting & admin services to the Group. All fees paid for such services were at market rates and on a normal arm's length basis. Total fees paid during the year were $14,636 (2021: $7,300). As at 30 June 2022 $Nil (2021: $Nil) was payable to the related party.

Other than noted elsewhere in this report, no significant related party transactions have arisen during the year ended 30 June 2022.

Group's Performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2022	**2021**	**2020**	**2019**	**2018**
Net loss after tax ($)*	**(2,296,096)**	(1,810,766)	(1,393,043)	(1,147,517)	(624,026)
Basic loss per share (cents)*	**(0.47)**	(0.46)	(0.48)	(0.55)	(0.36)
Share Price at year end (cents)	**7.0**	9.3	6.8	3.3	6.4

*Historical results have not been assessed and adjusted for the impact of new accounting standards.

----- End of Audited Remuneration Report -----

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2022 has been received and can be found on the following page.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors on 30 September 2022.

Rounding amounts

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

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Richard Monti
Non-Executive Chairman

Dated this 30th day of September 2022

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ALTO METALS LIMITED

In relation to the independent audit for the year ended 30 June 2022, 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 year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN
Executive Director
Perth, 30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June

	Note	2022 $	2021 $
Other income	2	150,746	60,030
Consulting expense		(102,109)	(225,785)
Depreciation		(51,240)	(17,495)
Employee benefits expense	3	(868,221)	(535,709)
Investor relations		(169,176)	(161,975)
Office rental and occupation expenses		(108,956)	(68,679)
Share registry and listing fees		(87,956)	(121,639)
Share based payments	4	(631,186)	(268,932)
Other expenses	5	(427,998)	(470,582)
Loss before income tax		**(2,296,096)**	**(1,810,766)**
Income tax (expense) / benefit	6	-	-
Loss for the year		**(2,296,096)**	**(1,810,766)**
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	11	(20,000)	15,000
Other comprehensive (loss) / income for the period		**(20,000)**	**15,000**
Total comprehensive loss attributable to members of the parent entity		**(2,316,096)**	**(1,795,766)**
Basic & Diluted loss per share (cents per share)	8	(0.47)	(0.46)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June

	Note	2022 $	2021 $
Current Assets			
Cash and cash equivalents	9	3,256,340	5,108,054
Trade and other receivables	10	267,105	298,683
Prepayments		19,502	10,071
Total Current Assets		**3,542,947**	**5,416,808**
Non-Current Assets			
Equity instruments at fair value	11	20,000	40,000
Property, plant and equipment	12	213,817	170,715
Right of Use Assets	13	131,370	-
Exploration and evaluation	14	23,481,586	16,561,596
Total Non-Current Assets		**23,846,773**	**16,772,311**
TOTAL ASSETS		**27,389,720**	**22,189,119**
Current Liabilities			
Trade and other payables	15	1,710,479	1,691,632
Lease liability	13	35,910	-
Employee Provisions		150,565	108,175
Total Current Liabilities		**1,896,954**	**1,799,807**
Non-Current Liabilities			
Lease liability	13	98,237	-
Total Non- Current Liabilities		**98,237**	**-**
TOTAL LIABILITIES		**1,995,191**	**1,799,807**
NET ASSETS		**25,394,529**	**20,389,312**
Equity			
Issued capital	16	42,563,659	35,645,566
Reserves	17	1,156,523	773,303
Accumulated losses		(18,325,653)	(16,029,557)
TOTAL EQUITY		**25,394,529**	**20,389,312**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June

	Issued Capital	Share Based Payments Reserve	Equity Instruments at FVOCI Reserve	Accumulated Losses	Total
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2020	**24,583,726**	**516,871**	**(27,500)**	**(14,218,791)**	**10,854,306**
Loss attributable to members of the entity for the period					
Loss for the period	-	-	-	(1,810,766)	(1,810,766)
Other comprehensive income, net of tax	-	-	15,000	-	15,000
Total comprehensive loss for the period	**-**	**-**	**15,000**	**(1,810,766)**	**(1,795,766)**
Transaction with owners, directly in equity					
Shares issued during the period	11,422,840	-	-	-	11,422,840
Options issued to Director	-	318,932	-	-	318,932
LTI rights issued to Director	-	-	-	-	-
Shares issued to creditors	-	(50,000)	-	-	(50,000)
Share issue transaction costs	(361,000)	-	-	-	(361,000)
Balance at 30 June 2021	**35,645,566**	**785,803**	**(12,500)**	**(16,029,557)**	**20,389,312**
Loss attributable to members of the entity for the period					
Loss for the period	-	-	-	(2,296,096)	(2,296,096)
Other comprehensive income, net of tax	-	-	(20,000)	-	(20,000)
Total comprehensive loss for the period	**-**	**-**	**(20,000)**	**(2,296,096)**	**(2,316,096)**
Transaction with owners, directly in equity					
Shares issued during the period	7,000,000	-	-	-	7,000,000
Performance Rights issued	-	631,186	-	-	631,186
Transfer from Share Based Payments Reserve to Issued Capital for options exercised	227,966	(227,966)	-	-	-
Share issue transaction costs	(309,873)	-	-	-	(309,873)
Balance at 30 June 2022	**42,563,659**	**1,189,023**	**(32,500)**	**(18,325,653)**	**25,394,529**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,591	5,149
Interest paid		(3,703)	-
Payments to suppliers and employees		(1,674,640)	(1,523,163)
Other receipts		147,155	54,881
Net cash used in operating activities	18a	**(1,527,597)**	**(1,463,133)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(70,157)	(92,239)
Payments for exploration and evaluation expenditure		(6,922,679)	(4,259,029)
Net cash used in investing activities		**(6,992,836)**	**(4,351,268)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares during the period		7,000,000	11,422,840
Costs associated with shares issued during the period		(309,873)	(361,000)
Net payment of lease liabilities		(21,408)	-
Proceeds from related party loan		-	200,000
Repayment of related party loan		-	(466,219)
Net cash provided by financing activities		**6,668,719**	**10,795,621**
Net (decrease)/increase in cash and cash equivalents held		(1,851,714)	4,981,220
Cash and cash equivalents at beginning of the period		5,108,054	126,834
Cash and cash equivalents at 30 June	**9**	**3,256,340**	**5,108,054**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Alto Metals Limited ("the Company") and controlled entities ("the Group"). Alto Metals Limited is a listed public company, incorporated and domiciled in Australia. The financial information is presented in Australian dollars.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. Alto Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of investments.

The financial statements were authorised for issue by the Directors on 30 September 2022.

Rounding amounts

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

Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Group recorded an operating loss of $2,296,096 (2021: $1,810,766), net current assets of $1,645,993 (2021: $3,617,001), net cash outflows used in operating activities of $1,527,597 (2021: $1,463,133), net cash outflows used in investing activities of $6,992,836 (2021: $4,351,268) and had cash and cash equivalents of $3,256,340 (2021: $5,108,054) for the year ended 30 June 2022.

The Board considers that the Group is a going concern. In arriving at this position the Directors have had regard to the fact that based on the matters noted below the Group has, or in the Directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report. Specifically, the Directors' conclusion is supported by the following:

- Obtaining additional funding as and when required to meet forecasted liabilities;
- The ability to reduce exploration and evaluation expenditures accordingly should the need arise through the ongoing monitoring of cash reserves; and
- Receiving the continued support of its shareholders and creditors.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to raise further debt or capital within the next 12 months with the initiatives detailed above then there exists a significant uncertainty that the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Alto Metals Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(B) INCOME TAX

The income tax expense for the period comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(C) PROPERTY, PLANT & EQUIPMENT

Property, Plant, and Equipment

Each class of property, plant, and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the historical cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	25%
Computers equipment	25-33%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(D) INTANGIBLE ASSETS

Recognition of intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following useful lives are applied:

Software: 4 years

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

(E) EXPLORATION & EVALUATION EXPENDITURE

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The Company may receive research and development ("R&D") rebates from the Australian Taxation Office. Where an R&D rebate can be directly attributable to an area of interest the R&D rebate is applied against the area of interest. For any amounts that cannot be directly attributable to an existing area of interest the amount will be recognised as grant income in profit or loss.

(F) LEASES

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Leases of 12-months or greater

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. Interest expense on lease liabilities is recognised in profit or loss (presented as a component of office rental and occupation expense.)

(iii) Leases - Estimating the incremental borrowing rate

When the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(G) FINANCIAL INSTRUMENTS

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 Revenue from Contracts with Customers, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following category upon initial recognition:

- equity instruments at fair value through other comprehensive income (FVOCI)
- amortised cost

Classification is determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Equity instruments at fair value through other comprehensive income ("FVOCI")

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss ("FVPL"). Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Group has not designated any financial liabilities at FVPL.

(H) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(l) EMPLOYEE BENEFITS

Short term employee benefits

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

Other long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

Retirement benefit obligations

The Group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

Equity-settled compensation

The Company operates an Incentive Option Scheme share-based compensation plan (“the Plan”). The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in profit of loss. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The issue of shares pursuant to the Plan may be undertaken by way of provision of a limited-recourse, interest-free loan to be used for the purposes of subscribing for the shares. The shares issued are fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company’s existing shares, other than being subject to any Loan being extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes.

Performance Rights

The Company measures the value of its performance rights using the listed price of the Company’s shares at the date of granting of the rights, as the rights convert to ordinary shares at a ratio of 1:1. The Company then determines the probability that performance conditions attaching to the rights will be met and the rights will convert. Where the probability is greater than 50%, the full value is assigned to the rights. Where the probability is less than 50%, no value is assigned to the rights. The value of the rights are then amortised into expense evenly over the service period to the date of expiry, resulting in a share based payment expense in profit or loss and accumulating in the Share based payment reserve in equity on the Consolidated Statement of Financial Position.

(J) PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(K) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

(L) OTHER INCOME

Interest income is measured in accordance with the effective interest method.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All other income is stated net of the amount of goods and services tax.

(M) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(N) GOODS AND SERVICES TAX ("GST")

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of financing activities, which are disclosed as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(O) EQUITY AND RESERVES

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Retained earnings include all current and prior period retained profits.
- Shared based payment reserves – comprises expenses recorded for share based payments.
- Equity instruments at FVOCI reserve – comprises gains and losses relating to these types of financial instruments.

(P) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the Company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(Q) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information that can significantly affect the amounts recognised in the financial statements. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of the specific assets and liabilities affected by the assumptions.

Key Estimates — Impairment of Assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recorded for the year ended 30 June 2022.

The key assumptions about the future, and other major sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Key Estimates – Share-based payments (Refer to note 4)

The Group measures the cost of equity settled share-based payments at fair value at the grant date using the Black Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Key Judgments – Benefit from Deferred Tax Losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

(R) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There is no material impact on any new or amended Accounting Standards and Interpretations adopted by the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following relevant standards and interpretations have been issued by the AASB but are not yet effective for the year ending 30 June 2022:

AASB 2021-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2021 and Other Amendments

AASB 2021-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:
(a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
(b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
(c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
(d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
(e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
(f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2021-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The Group is in the process of assessing the likely impact of this accounting standard on the financial statements of the Group.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2014-10 amends AASB 10: Consolidated Financial Statements and AASB 128: Investments in Associates and Joint Ventures to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:
(a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and
(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The Group is in the process of assessing the likely impact of this accounting standard on the financial statements of the Group.

AASB 2021-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2021-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2021-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2021-6 defers the mandatory effective date of amendments that were originally made in AASB 2021-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Company in the financial year commencing 1 July 2023.

The Group is in the process of assessing the likely impact of this accounting standard on the financial statements of the Group.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-1 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:
(a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
(b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
(c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
(d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
(e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The Group is in the process of assessing the likely impact of this accounting standard on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: OTHER INCOME

	2022 $	2021 $
Interest received	**3,591**	5,149
Government grants	**73,016**	54,881
Gold Sales[1]	**74,139**	-
	150,746	60,030

[1] *Gold sales related to the refining of gold nuggets received pursuant to third party prospector tribute agreements and are not considered ongoing or material.*

NOTE 3: EMPLOYEE BENEFITS EXPENSE

	2022 $	2021 $
Salary, Wages & Director Fees	**2,047,694**	1,324,574
Superannuation	**143,939**	87,169
Provision for leave	**31,666**	43,898
Taxes	**45,441**	17,051
Salary & superannuation transferred to Capitalised Exploration	**(1,400,519)**	(936,983)
	868,221	535,709

NOTE 4: SHARE-BASED PAYMENTS

Share based payments recognised during the year are:

	2022 $	2021 $
Accrual cancelled for services received	-	(50,000)
Performance Rights issued(i)(ii)	**631,186**	318,932
	631,186	268,932

(i) On 25 November 2020, Shareholders approved the issue of 8,000,000 Performance Rights to Messrs Bowles, Monti, Wheeler and Wang, Directors of the Group. These were issued on 1 December 2020 along with an additional 4,000,000 Performance Rights under the Company's Employee Share Plan.

(ii) On 29 October 2021 an additional 1,000,000 Performance Rights were issued to employees under the Company's Employee Share Plan.

(iii) 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. An expense of $631,186 was recognised for the year ended 30 June 2022 (2021: $318,932).

The Performance Rights are subject to the following vesting conditions:

(a) The Performance Rights will vest, subject to the satisfaction of the following performance milestones being met before the Expiry Date and the relevant holder being an employee, office-bearer or consultant of the Company at the time of the milestone being satisfied, or as otherwise determined by the Board.

(b) Performance Rights will vest upon the Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource within the Sandstone Gold Project, as follows:

JORC 2012 compliant Mineral Resource located within the Sandstone Gold Project	% of Class Performance Rights Eligible for Vesting	Performance Rights Vested @ 30 June 2022
at least 500,000 ounces of Gold	50%	Yes
at least 1,000,000 ounces of Gold	100%	No

(c) A Performance Right for which Vesting Condition has not been satisfied expires on the date which is three (3) years from issue of that Performance Right.

Change of control

In the event that the Sandstone Gold Project is sold or a Change of Control Event (as defined in the Plan rules) occurs or the Board determines that either such an event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

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	1,000,000
Date of grant	25-Nov-20	29-Oct-21
Share price at grant date	$0.10	$0.10
Volatility factor[1]	77.54%	68.51%
Risk free rate	0.11%	0.16%
Expected life of instrument (years)	3 years	2 years
Valuation per instrument	$0.10	$0.10
Exercise price per instrument	-	-
Vesting conditions	As above	As above
Number of instruments exercisable as at 30 June 2022	6,000,000	500,000

[1] Expected volatility is based on historic volatility of the Company's shares over recent trading periods, aligned to the expected life of the options.

NOTE 5: OTHER EXPENSES

Included in the loss for the period are the following items of expenses:

	2022	2021
	$	**$**
Accounting and audit fees	**39,275**	47,830
Computers and software expense	**83,179**	72,110
Exploration and Evaluation Expenses	**19,535**	-
Insurance	**33,002**	28,839
Legal fees	**39,567**	122,295
Travel and accommodation	**22,237**	14,498
Other	**191,203**	185,010
	427,998	470,582

NOTE 6: INCOME TAX

	2022 $	2021 $
(a) Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 30% (2021: 30%)	(574,024)	(543,230)
Add / (Less) tax effect of:		
Entertainment	5,992	2,864
Share based payments	157,797	80,680
Cash flow boost payment	-	(15,000)
Deferred tax asset not brought to account	410,235	474,686
Income tax benefit attributable to operating loss	-	**-**
(b) Deferred tax assets		
Tax Losses	7,657,482	6,570,363
Provisions and Accrual	47,483	64,201
Capital Raising and business-related costs	162,857	143,586
Plant and Equipment under lease	694	-
Investments revalued through equity	20,000	18,000
	7,888,516	6,796,150
Set-off deferred tax liabilities	(7,888,516)	(6,796,150)
Net deferred tax assets	-	-
(c) Deferred tax liabilities		
Exploration expenditure	(5,870,397)	(4,968,479)
Prepayments	(4,875)	(3,021)
	(5,875,272)	(4,971,500)
Set-off deferred tax assets	5,875,272	4,971,500
Net deferred tax liabilities	-	-
(d) Deferred income tax (revenue)/expense included in income tax expense comprise:		
Increase in deferred tax assets	(2,257,901)	(2,140,693)
Increase in deferred tax liabilities	1,765,198	1,562,207
Non-recognition of deferred tax position	188,595	578,487
Revaluation of deferred tax position due to change in tax rate	304,108	-
Net deferred income tax	-	-
(e) Deferred income tax related to items charged or credited directly to equity		
Increase in deferred tax assets	82,468	108,301
Decrease in deferred tax liabilities	-	(4,500)
Non-recognition of deferred tax position	(79,468)	(103,801)
Revaluation of deferred tax position due to change in tax rate	(3,000)	-
Net deferred income tax	-	-
(f) Deferred tax assets not brought to account		
Unused tax losses for which no deferred tax asset has been recognised	7,657,482	6,570,363

Temporary differences for which no deferred tax asset has been recognised	(5,644,237)	(4,745,714)

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 7: AUDITORS' REMUNERATION

	2022 $	2021 $
Remuneration of the auditor of the Group for:		
- Auditing or reviewing the financial report by Pitcher Partners BA&A Pty Ltd	**32,865**	28,358
Remuneration of the auditor, or associated entities, of the Group for non-audit services:		
- Tax compliance services	**1,700**	6,069

NOTE 8: LOSS PER SHARE

	2022 $	2021 $
(a) Reconciliation of earnings to loss		
Earnings used in the calculation of basic EPS	**(2,296,096)**	(1,810,766)
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	**490,030,087**	390,260,110
Basic & diluted loss per share (cents per share)	**(0.47)**	(0.46)
Antidilutive options on issue not used in dilutive EPS calculation	**7,500,000**	7,500,000
Antidilutive performance rights on issue not used in dilutive EPS calculation	**13,000,000**	12,000,000

NOTE 9: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	**3,256,340**	5,108,054
Reconciliation of cash		
Cash at the end of the financial period as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:		
Cash and cash equivalents	**3,256,340**	5,108,054

NOTE 10: TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
CURRENT		
GST receivable	**224,272**	264,662
Trade and other receivables	**42,833**	34,021
	267,105	298,683

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due.

Included in trade and other receivables is a security bond of $42,833 (2021: $32,823) which is subject to an indemnity guarantee for a rental agreement.

NOTE 11: FINANCIAL INSTRUMENTS

Note 1(G) provides a description of each category of financial instrument and related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Amortised Cost	FVOCI
	$	$
30 June 2022		
Financial assets		
Cash and cash equivalents[i]	**3,256,340**	**-**
Trade and other receivables[i]	**267,105**	**-**
Equity instruments[ii]	**-**	**20,000**
Total financial assets	**3,523,445**	**20,000**
Financial liabilities		
Trade and other payables[i]	**(1,710,479)**	**-**
Lease liabilities[iii]	**(134,147)**	**-**
Total financial liabilities	**(1,844,626)**	**-**
30 June 2021		
Financial assets		
Cash and cash equivalents[i]	5,108,054	-
Trade and other receivables[i]	298,683	-
Equity instruments[ii]	-	40,000
Total financial assets	5,406,737	40,000
Financial liabilities		
Trade and other payables[i]	(1,691,632)	-
Total financial liabilities	(1,691,632)	-

(i) The carrying amount of the following financial assets and liabilities is considered reasonable approximation of fair value:
- cash and cash equivalents
- trade and other receivables
- trade and other payables
- loan and borrowings

(ii) Equity instruments at fair value through other comprehensive income

	2022	2021
	$	$
Balance at the beginning of the reporting period	**40,000**	25,000
Add revaluation increments/(decrements)	**(20,000)**	15,000
	20,000	40,000

Equity instruments are shares held in an ASX listed entity, Enterprise Metals Ltd, and were revalued in the current period based on the share sale price at reporting date. Fair value has been determined by reference to quoted market prices.

(iii) Lease liabilities – refer to note 13 for details

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
NON-CURRENT		
Plant and equipment – cost	**182,506**	163,895
Accumulated depreciation	**(151,745)**	(141,831)
	30,761	22,064
Motor vehicles – cost	**92,933**	92,933
Accumulated depreciation	**(49,470)**	(32,330)
	43,463	60,603
Land and Building – cost	**139,593**	88,048
Accumulated depreciation	**-**	-
	139,593	88,048
Total property, plant and equipment	**213,817**	**170,715**

a) Reconciliation of Carrying Amounts

	2022	2021
Plant and Equipment		
Opening balance	**22,064**	1,690
- Additions	**18,611**	24,307
- Depreciation expense	**(9,914)**	(3,933)
Carrying amount at the end of the period	**30,761**	22,064
Motor Vehicles		
Opening balance	**60,603**	6,233
- Additions	**-**	67,933
- Depreciation expense	**(17,140)**	(13,563)
Carrying amount at the end of the period	**43,463**	60,603
Land and Buildings		
Opening balance	**88,048**	88,048
- Additions	**51,545**	-
Carrying amount at the end of the period	**139,593**	88,048
Totals		
Opening balance	**170,715**	95,971
- Additions	**70,156**	92,240
- Depreciation expense	**(27,054)**	(17,496)
Carrying amount at the end of period	**213,817**	170,715

NOTE 13: LEASES

Right-to-use assets recognised and movements during the year	2022 $	2021 $
Opening net carrying amount	**-**	-
Additions	**155,555**	-
Depreciation expense	**(24,185)**	-
Net carrying amount	**131,370**	-

Lease liabilities and movements during the year	2022 $	2021 $
Opening net carrying amount	-	-
Additions	155,555	-
Interest expense	3,703	-
Payments	(25,111)	-
Closing net carrying amount	134,147	-
Current	35,910	-
Non-current	98,237	-
	134,147	-

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:

	2022 $	2021 $
Short term leases	59,400	68,679
	59,400	68,679

Total cash outflow for leases for the year ended 30 June 2022 was $84,511 (2021:$68,679)

NOTE 14: EXPLORATION AND EVALUATION

	2022 $	2021 $
Exploration and evaluation – at cost	23,481,586	16,561,596
Exploration and evaluation - movement		
Opening balance	16,561,596	11,354,999
Exploration and evaluation expenditure	6,919,990	5,206,597
Impairment of exploration and evaluation	-	-
Closing balance	23,481,586	16,561,596

The Directors' assessment of the carrying amount for the Group's exploration and evaluation assets was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Group's and independent geological reports. 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 and evaluation assets for an amount at least equal to the carrying value. There may exist on the Group's exploration and evaluation assets, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Group's exploration and evaluation assets or areas within the tenements may be subject to exploration and mining restrictions.

As at 30 June 2022, 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: TRADE AND OTHER PAYABLES

	2022 $	2021 $
CURRENT – UNSECURED LIABILITIES		
Trade and other payables	**1,536,104**	1,552,795
Accrued expenses	**174,375**	138,837
	1,710,479	1,691,632

All amounts in trade and other payables are short term and the carrying values are considered a reasonable approximation of fair value. Refer to Note 22 related party transactions for payable balances with related parties.

NOTE 16: ISSUED CAPITAL

(a) Issued capital

	2022 $	2021 $
528,037,512 (2021: 450,259,736) Fully paid ordinary shares	**42,563,659**	35,645,566
	42,563,659	35,645,566

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends.

(b) Ordinary shares

	2022 No.	2022 $	2021 No.	2021 $
The following movements in ordinary share capital occurred during the reporting period:				
Balance at beginning of the period	**450,259,736**	**35,645,566**	**293,373,781**	22,408,726
Shares issued during the period				
19 Nov 2021	**60,683,526**	**5,461,517**		
17 Dec 2021	**17,094,250**	**1,538,483**		
Write Back options exercised	**-**	**227,966**		
Prior year				
Options exercised at $0.07 per share			70,613,544	4,942,949
Shares issued 2 Oct 2020			73,007,311	5,475,548
Shares issued 9 Oct 2020			1,391,250	104,344
Shares issued 16 Dec 2020			11,333,334	850,000
Shares issued 15 Feb 2022			540,515	50,000
Lapse of 25,000,000 Performance Shares			1	2,175,000
Costs associated with equity raisings	**-**	**(309,873)**	-	(361,001)
Balance at end of the period	**528,037,512**	**42,563,659**	450,259,736	35,645,566

(c) Performance rights

	2022 No.	2021 No.
Balance at beginning of the period	**12,000,000**	-
Performance rights issued during the period[(i)]	**1,000,000**	12,000,000
Balance at end of the period	**13,000,000**	12,000,000

(d) LTI rights

	2022 No.	2021 No.
The following movements in LTI rights occurred during the reporting period:		
Balance at beginning of the period	**6,250,000**	6,250,000
LTI rights issued during the period	-	-
Balance at end of the period	**6,250,000**	6,250,000

(e) Unlisted Options

	2022 $	2021 $
The following movements in unlisted options occurred during the reporting period:		
Balance at beginning of the period	348,867	348,867
Transfer exercised Options to issued Capital	(227,966)	-
Balance at end of the period	120,901	348,867

	No.	No.
Balance at beginning of the period	7,500,000	78,842,567
Options exercised during the period	-	(70,613,544)
Options lapsed during the period	-	(729,023)
Balance at end of the period	7,500,000	7,500,000

(f) Performance shares

	2022 $	2021 $
The following movements in performance shares occurred during the reporting period:		
Balance at beginning of the period	-	2,175,000
Performance shares lapsed during the period	-	(2,175,000)
Balance at end of the period	-	-

	No.	No.
Balance at beginning of the period	-	25,000,000
Performance shares converted during the period	-	(25,000,000)
Balance at end of the period	-	-

(i) Refer to Note 4 (ii) for details.

(g) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Group has no debt as at 30 June 2022 therefore has no externally imposed capital restrictions.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings or alternative funding arrangements as required. The Group's working capital position, being current assets less current liabilities as at 30 June 2022 is a surplus of $1,645,993 (2021: $3,617,001).

NOTE 17: RESERVES

	2022 $	2021 $
Equity instruments at FVOCI Reserve	**(32,500)**	(12,500)
Share based payments reserve	**1,189,023**	785,803
	1,156,523	773,303

Movements in reserves

	2022 $	2021 $
Equity instruments at FVOCI Reserve		
Balance at beginning of the period	**(12,500)**	(27,500)
Add revaluation increments during the period	**(20,000)**	15,000
Balance at end of the period	**(32,500)**	(12,500)

This reserve is used to record the fair value movements of the Group's equity instruments in accordance its accounting policy.

	2022 $	2021 $
Share-based payments reserve		
Balance at beginning of the period	**785,803**	516,871
Issue of performance rights during the period[(i)]	**631,186**	318,932
Write Back value of exercised options	**(227,966)**	-
Issue of shares to creditors for services received	**-**	(50,000)
Balance at end of the period	**1,189,023**	785,803

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.

(i) Refer to Note 4 for details.

NOTE 18: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with loss after Income Tax

	2022 $	2021 $
Loss after income tax	**(2,296,096)**	(1,810,766)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities:		
Depreciation	**51,240**	17,495
Share based payments	**631,186**	268,932
Interest expense	**-**	16,219
Changes in assets and liabilities:		
Decrease in receivables	**-**	24,191
Increase in prepayments	**(9,431)**	(756)
Decrease in other assets	**42,390**	50,405
Increase / (Decrease) in payables	**53,114**	(28,853)
Cash flow used in operations	**(1,527,597)**	(1,463,133)

(b) Change in liabilities from financing activities

	Opening balance 1-Jul-21	Additions during the year	Interest expense	Payments	Closing balance 30-Jun-22
Lease liabilities (Refer Note 13)	-	155,555	3,703	(25,111)	**134,147**
	-	155,555	3,703	(25,111)	**134,147**

(c) Credit Standby Facilities

On 11 August 2020, the Company entered into a Loan Facility Agreement with shareholder, Harvest Lane Asset Management Pty Ltd for up to $1 million. The loan was not utilised and has subsequently expired.

NOTE 19: CONTROLLED ENTITIES

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned % 2022	2021
Sandstone Exploration Pty Ltd	Australia	Ordinary	**100%**	100%

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year, which 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 subsequent financial periods.

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

KMP Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2022. The totals of remuneration paid to KMP during the year are as follows:

	2022 $	2021 $
Short-term employee benefits	**461,931**	398,012
Post-employment benefits	**35,956**	22,768
Share based payments	**377,850**	212,622
	875,737	633,402

Other Related Party Transactions

During the year, a related party of M Bowles, a Director, provided media, marketing consulting & admin services to the Group. All fees paid for such services were at market rates and on a normal arm's length basis. Total fees paid during the year were $14,636 (2021: $7,300). As at 30 June 2022 $Nil (2021: $Nil) was payable to the related party.

NOTE 22: COMMITMENTS

Expenditure commitments

The Group has entered into certain obligations to perform minimum work on mineral tenements held. The Group is required to meet tenement minimum expenditure requirement which are set out below. These may be varied or deferred on application and are expenditures expected to be met in the normal course of business.

	2022 $	2021 $
- not later than 12 months	**743,570**	710,970
- between 12 months and 5 years	**3,276,730**	3,256,080
	4,020,300	3,967,050

NOTE 23: FINANCIAL INSTRUMENT RISK

The Group's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable and short-term fixed rate loans. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the Group.

Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date of recognised financial assets is the carrying amount of those assets, net of any allowance for credit losses, as disclosed in the Consolidated Statement of Financial Position and Notes to the Consolidated Financial Statements.

There are no material amounts of collateral held as security at 30 June 2022. Trade and other receivables are expected to be settled within 30 days and there is no history of credit losses.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2022 $	2021 $
Cash and cash equivalents			
- AA Rated	9	**3,256,340**	5,108,054

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. The Board constantly monitors the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings or alternative funding arrangements as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group include trade and other payables, and lease liabilities, as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. All lease liabilities are interest bearing and due within 3 years of the reporting date.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflects management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Within 1 Year		1 to 5 Years		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Financial liabilities due for payment						
Trade and other payables	**1,690,479**	1,605,576	**-**	-	**1,690,479**	1,605,576
Lease liabilities	**40,797**	-	**99,868**	-	**140,665**	-
Total expected outflows	**1,731,276**	**1,605,576**	**99,868**	**-**	**1,831,144**	**1,605,576**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. Interest rate risk is managed by closely monitoring the interest rates at various financial institutions and using fixed rate debt.

At the reporting date the Group's only exposure to interest rate risk is related to the balance of its cash and cash equivalents. The following table represents the Group's exposure to interest rate risk:

	2022	2021
Variable rate instruments		
Cash and cash equivalents	**3,256,340**	5,108,054

A change of 1% (2021: 1%) in variable interest rates would not have a significant effect on the Group.

(d) Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the Consolidated Statement of Financial Position as equity instruments at fair value through other comprehensive income.

Listed investments have been valued at the quoted market bid price at the end of reporting period, adjusted for transaction costs expected to be incurred. At 30 June 2022, the effect on total comprehensive loss and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

		Listed equity price -10%		Listed equity price +10%	
	Carrying Amount	Total comprehensive loss	Equity	Total comprehensive loss	Equity
	$	$	$	$	$
30 June 2022	**20,000**	**(2,000)**	**(2,000)**	**2,000**	**2,000**
30 June 2021	40,000	(4,000)	(4,000)	4,000	4,000

(e) Net Fair Values

Cash and cash equivalents, trade and other receivables and trade and other payables are short-term in nature whose carrying value is equivalent to fair value.

Fair value measurement hierarchy

AASB 13 Fair value measurement: requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;

(b) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or

(c) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

The table below classifies financial instruments recognised in the Consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 13 Fair value measurement.

	Level 1	Level 2	Level 3	Total
Year ended 30 June 2022	**$**	**$**	**$**	**$**
Financial Assets				
Equity instruments at FVOCI	20,000	-	-	20,000
Year ended 30 June 2021				
Financial Assets				
Equity instruments at FVOCI	40,000	-	-	40,000

NOTE 24: PARENT ENTITY DISCLOSURES

(a) Financial Position of Alto Metals Limited

	2022 $	2021 $
CURRENT ASSETS		
Cash and cash equivalents	**3,256,338**	5,108,052
Trade and other receivables	**267,105**	298,683
Prepayments	**19,502**	10,071
TOTAL CURRENT ASSETS	**3,542,945**	**5,416,806**
NON-CURRENT ASSETS		
Equity instruments at fair value	**20,000**	40,000
Right of Use Assets	**131,370**	
Property, plant and equipment	**213,817**	170,715
Other assets	**23,501,123**	16,561,598
TOTAL NON-CURRENT ASSETS	**23,866,310**	**16,772,313**
TOTAL ASSETS	**27,409,255**	**22,189,119**
CURRENT LIABILITIES		
Trade and other payables	**1,710,479**	1,691,632
Lease liability	**35,910**	-
Provisions	**150,565**	108,175
TOTAL CURRENT LIABILITIES	**1,896,954**	**1,799,807**
NON-CURRENT LIABILITIES		
Lease liability	**98,237**	**-**
TOTAL NON - CURRENT LIABILITIES	**98,237**	**-**
TOTAL LIABILITIES	**1,995,191**	**1,799,807**
NET ASSETS	**25,414,064**	**20,389,312**
EQUITY		
Issued capital	**42,563,659**	35,645,566
Reserves	**1,156,523**	773,303
Accumulated losses	**(18,306,118)**	(16,029,557)
TOTAL EQUITY	**25,414,064**	**20,389,312**
(b) Financial Performance of Alto Metals Limited		
Loss for the year	**(2,276,561)**	(1,810,766)
Other comprehensive (loss) / income	**(20,000)**	15,000
Total comprehensive loss	**(2,296,561)**	(1,795,766)

The parent entity has no commitments as at year end (2021: Nil)

NOTE 25: CONTINGENT LIABILITIES

As at 30 June 2022 the Group has bank guarantees to the value of $42,833 (2021: $32,822) to secure rental bonds.

NOTE 26: OPERATING SEGMENTS

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 Western Australia.

DIRECTORS' DECLARATION

The Directors declare that:

1. The financial statements for the financial year ended 30 June 2022, and notes set out on pages 32 to 61 are in accordance with the *Corporations Act 2001*, including:

    a. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 30 June 2022 and of their performance for the financial year ended on that date;

2. In their opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

3. A statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Richard Monti
Non-Executive Chairman

Dated this 30th day of September 2022

PITCHER PARTNERS

ALTO METALS LIMITED
ABN 62 159 819 173

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alto Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial report which indicates that the Group incurred a net loss of $2,296,096 during the year ended 30 June 2022 (2021: $1,810,766), and as of that date, the Group had net current assets of $1,645,993 (2021: $3,617,001). The Group incurred net cash outflows used in operating activities of $1,527,597 (2021: $1,463,133), net cash outflows used in investing activities of $6,992,836 (2021: $4,351,268) and had cash and cash equivalents of $3,256,340 (2021: $5,108,054) for the year ended 30 June 2022.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ALTO METALS LIMITED
ABN 62 159 819 173

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of exploration and evaluation expenditure Refer to Note 14 to the financial report.	
As at 30 June 2022, the Group held capitalised exploration and evaluation expenditure of $23,481,586. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to: • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. Due to the significance to the Group's financial report and the level of judgment involved in assessing whether there are impairment indicators present, we consider this to be a key audit matter.	Our procedures included, amongst others: Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators. Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure. Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group. Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined. Assessing the adequacy of the disclosures included within the financial report.
Share-based Payments *Refer to Note 1(i) & 4*	
Share-based payments represent $631,186 of the Group's expenditure. Share-based payments must be recorded at fair value of the service provided, or in the absence of	Our procedures included, amongst others: Obtaining an understanding of and evaluating the design and implementation of the

such, at the fair value of the underlying equity instrument granted. Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions. In calculating the fair value there are a number of judgements management must make, including but not limited to: • Estimating the likelihood that the equity instruments will vest; • Estimating expected future share price volatility; • Expected dividend yield; and • Risk-free rate of interest. Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Group's calculation of the share-based payments expense to be a key audit matter.	processes and controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation. Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate, which includes below but not limited to: • Estimating the likelihood that the equity instruments will vest; • Estimating expected future share price volatility; • Expected dividend yield; and • Risk-free rate of interest. Assessing the Group's accounting policy as set out within Note 1(i) for compliance with the requirements of AASB 2 *Share-based Payment*. Assessing the adequacy of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ALTO METALS LIMITED
ABN 62 159 819 173

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

ALTO METALS LIMITED
ABN 62 159 819 173

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 29 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Alto Metals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2022

ADDITIONAL ASX INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in the report is as follows. The information is current as at 29 September 2022.

(a) Twenty largest holders of quoted equity securities

Position	Holder Name	Holding	% IC
1	Windsong Valley Pty Ltd	98,449,646	18.42%
2	Westgold Resources Limited & Associates	78,050,879	14.60%
3	GS Group Australia Pty Ltd	56,754,212	10.62%
4	National Nominees Limited	22,223,626	4.16%
5	Sinotech (Hong Kong) Corporation Limited	17,291,250	3.23%
6	Olgen Pty Ltd	15,899,998	2.97%
7	BNP Paribas Noms Pty Ltd	12,064,543	2.26%
8	Silverlight Holdings Pty Ltd	11,182,781	2.09%
9	Atlantic Capital Pty Ltd	8,000,000	1.50%
10	Crownluxe Investment Ltd	7,500,000	1.40%
11	Delphi Unternehmensberatung Aktiengesellschaft	6,872,222	1.29%
12	Citicorp Nominees Pty Limited	6,190,040	1.16%
13	Ms Xiaoxia Liu	5,115,881	0.96%
14	Peter Erman Pty Limited	5,000,000	0.94%
15	Mrs Lucy Fei	4,500,000	0.84%
16	Greatcity Corporation Pty Ltd	4,138,889	0.77%
17	Sailors Of Samui Pty Ltd	3,840,000	0.72%
18	Cord Investments Pty Ltd	3,300,000	0.62%
19	Longreach Capital Pty Ltd	3,191,666	0.60%
20	Mr Dermot Michael Ryan & Mrs Vivienne Eleanor Ryan	3,059,029	0.57%
	Total	**372,624,662**	**69.61%**
	Total issued capital - selected security class(es)	**534,537,512**	**100.00%**

ADDITIONAL ASX INFORMATION

(b) Substantial Shareholders

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Holder Name	Holding Balance	% IC
Windsong Valley Pty Ltd & Marymount Pty Ltd	98.4 million	18.42%
Westgold Resources Limited & Associates	78.1 million	14.60%
GS Group Australia Pty Ltd (GSGA)	56.8 million	10.62%

(c) Distribution of equity securities

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	327	145,156	0.03%
above 1,000 up to and including 5,000	446	1,203,774	0.23%
above 5,000 up to and including 10,000	285	2,312,631	0.43%
above 10,000 up to and including 100,000	596	24,517,852	4.59%
above 100,000	346	506,358,099	94.73%
Totals	**2,000**	**534,537,512**	**100.00%**

The number of fully paid ordinary shareholdings held in less than marketable parcels is 922 (based on a share price of $0.06).

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unquoted securities

The names of the security holders holding more than 20% or more of any unlisted class of security, other than those securities issued or acquired under an employee incentive scheme, are listed below:

	UNLISTED OPTIONS $0.07 EXP 29/11/2023
Atlantic Capital Pty Ltd	7,500,000
Total Holders	1

(f) Corporate governance statement

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the Appendix 4G released to ASX and posted on the Company website. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 4th Edition" established by the ASX Corporate Governance Council. Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance. The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

ADDITIONAL ASX INFORMATION

TENEMENT REPORT
As at 30 June 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
E57/1153	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1228	Sandstone, WA	-	Sandstone Exploration Pty Ltd	Application
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
P57/1377	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted
E57/1108	Sandstone, WA	100%	Sandstone Exploration Pty Ltd	Granted