

**27 JULY 2017****CORPORATE****ASX Code: AME****ACN 159 819 173****Board of Directors**  
Dr Jingbin Wang  
Non-Executive ChairmanDermot Ryan  
Managing DirectorStephen Stone  
Terry Wheeler  
Non-Executive Directors**Company Secretary**  
**Chief Financial Officer**  
Sam Middlemas**Capital Structure**  
Issued Shares: 151.8M  
Issued Options: Nil  
Performance Shares: 25M  
Performance Rights: 10.75M**Website:**  
[www.altometals.com.au](http://www.altometals.com.au)**For further information,**  
**please contact:**Dermot Ryan  
Managing DirectorTel: 61 8 9381 2808  
Fax: 61 8 9321 6084[admin@altometals.com.au](mailto:admin@altometals.com.au)

## Highlights

- Mining Leases pegged over Lord Nelson and Lord Henry resources at Sandstone WA for potential mining project
- High-grade Au intercepts at Vanguard North

SAC108	:	3m	@	8.8g/t Au	from	45m
Incl.	:	1m	@	22.2g/t Au	from	45m
SAC115	:	3m	@	8.2g/t Au	from	28m
Incl.	:	1m	@	21.6g/t Au	from	28m
SAC117	:	4m	@	5.4g/t Au	from	65m
Incl.	:	1m	@	19.4g/t Au	from	65m
SAC105	:	4m	@	5.2g/t Au	from	64m
Incl.	:	1m	@	18.4g/t Au	from	66m
SAC119	:	6m	@	3.3g/t Au	from	71m
Incl.	:	1m	@	17.7g/t Au	from	74m
- Continuity confirmed over 200m at Vanguard North, open along strike and down dip and gold mineralisation detected in multiple shallow-dipping shear zones
- Host rocks and style of mineralisation considered similar to historic Oroya Mine (440,000t @16.5g/t Au for 230,000oz)
- Follow-up reverse circulation (RC) drilling at Vanguard North and Vanguard undertaken in July to test below oxide zone for primary mineralisation and stacked lodes
- Objective to rapidly define a maiden JORC Mineral Resource at Vanguard North and Vanguard to add to existing Sandstone resource inventory and initial objective of 1.0Moz
- Total cash & liquid assets ~\$1.61million.

## SUMMARY OF ACTIVITIES

Alto Metals Limited (ASX: AME) (“Alto”, “the Company”) is pleased to provide an update on its activities for the quarterly period ending June 30 2017. During the period, the Company’s primary focus was undertaking drilling and associated exploration work on its 100% owned 723km<sup>2</sup> Sandstone Gold Project, 150km east of Mount Magnet in Western Australia.

### MINING LEASES PEGGED FOR LORDS PROJECT

Subsequent to the end of the June quarter, Alto announced that it had pegged Mining Leases over its wholly owned Lord Nelson and Lord Henry gold deposits, 36km southeast of the township of Sandstone, as it explores the possibility of restarting mining operations in the near future.

The **Lords Project**, as it has been named, consists of two main deposits, Lord Nelson and Lord Henry, with a combined Inferred and Indicated Mineral Resource (JORC 2012) of 137,000oz.

<u>Deposit</u>	<u>Category</u>	<u>Cut Off</u> <u>Grade (g/t Au)</u>	<u>Kt</u>	<u>Grade</u> <u>(g/t Au)</u>	<u>Oz. Au</u>
Lord Nelson	Inferred	0.8	980	2.2	68,000
Lord Henry	Indicated	0.8	1,200	1.6	65,000
Lord Henry	Inferred	0.8	100	1.3	4,000

Refer AME ASX releases of 28 April and 16 May 2017 for details of resource estimates by Snowden Mining Industry Consultants. **Cautionary statement:** *It is likely that only a percentage of the above Mineral Resource will prove to be economically mineable as Alto does not own a plant and trucking ore to a distant plant will require a higher cut-off grade than the 0.8g/t Au cutoff in the Mineral Resource .*

The pegging of the Mining Leases is the first step in preparing for developing Lords under a 50:50 profit sharing mining agreement, the likes of which are common in the West Australian Goldfields.

#### The next steps will be:

- Negotiating a fair Mining Agreement with native title claimants,
- Securing a suitable partner with the necessary skills and an operating treatment plant to join Alto in a “Lords Project 50/50 Profit Sharing Mining JV Agreement”,
- Completion of a scoping study,
- Infill drilling of key sections and metallurgical and geotechnical test work,
- Obtaining various government approvals to mine.

The Lord Nelson MLA 57/640 covers ~286 hectares, while the Lord Henry MLA57/639 covers ~185 hectares.

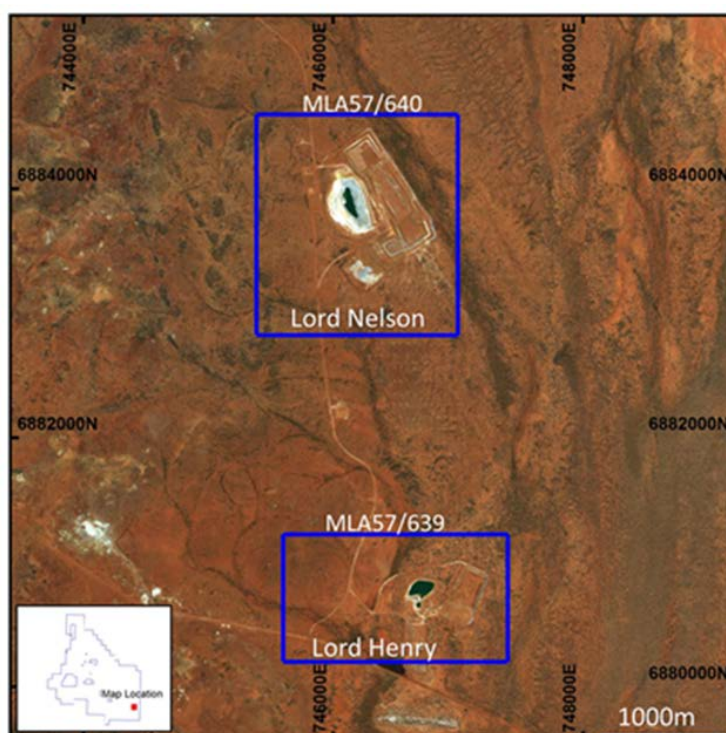


Figure 1. Lords Project - Mining Lease Applications

## 2017 DRILLING PROGRAM

In April, Alto commenced a “Stage 1” 120 hole aircore/reverse circulation (AC/RC) drilling program at Sandstone. The aircore program was designed test for shallow oxide gold mineralisation at the Indomitable, Musketeer, Piper, Bulchina East, Vanguard and Vanguard North prospects. This aircore phase was paused in late May after 95 holes (for 8,356m) had been drilled, to allow receipt and review of analytical results. ( Refer Figure 2 for prospect locations, and Table 1 below for a summary of the 2017 AC drilling program).

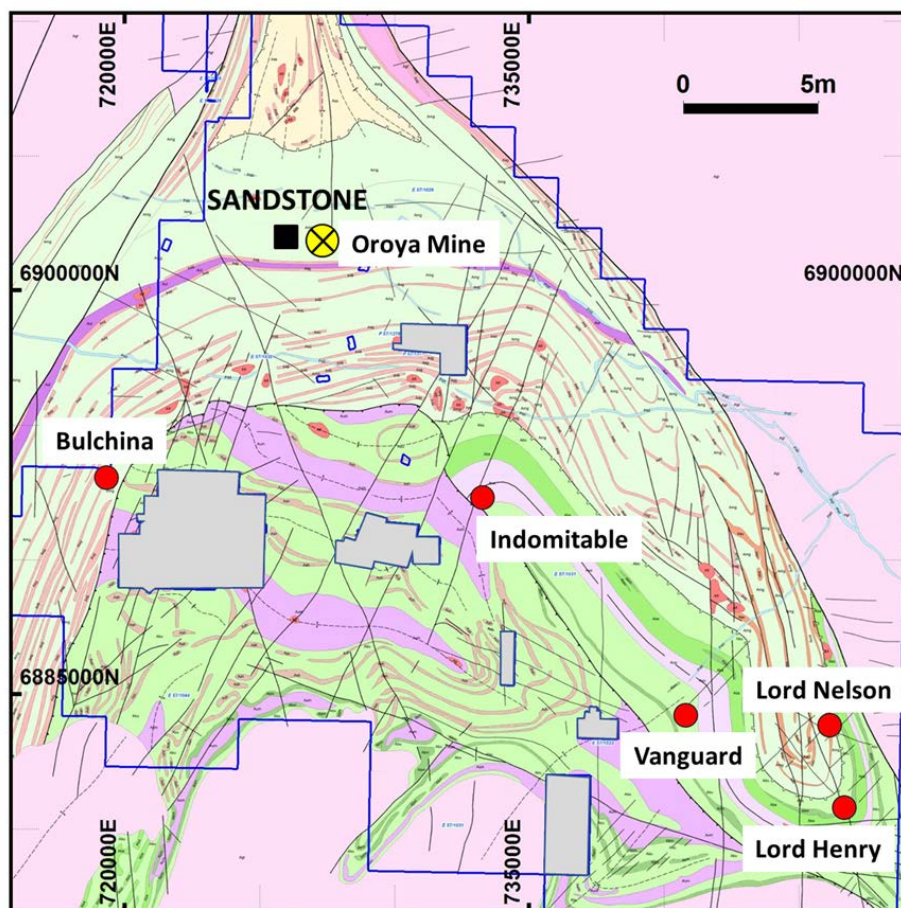


Figure 2. Prospects drilled by Alto 2016-2017 over Sandstone Geology and Alto Landholdings

Table 1. Aircore Drill Holes and Prospects Drilled April- May 2017

Prospect	Hole ID.	No. Holes	Total metres
Indomitable	SAC026 - SAC040, SAC083 - SAC089	22	2,268
Indomitable East	SAC041 - SAC049	9	647
Piper	SAC050 - SAC051	2	139
Musketeer	SAC052 - SAC054, SAC082	4	358
Bulchina South	SAC055 - SAC059	5	477
Bulchina Shear	SAC060 - SAC081, SAC120	23	2,233
Vanguard	SAC090 - SAC102	13	979
Vanguard North	SAC103 - SAC119	17	1,255
<b>Total</b>		<b>95 Holes</b>	<b>8,356</b>

Note: Alto drilled the first 25 AC holes in Nov/Dec 2016 for a total of 1,618 m.



## VANGUARD NORTH & VANGUARD PROSPECTS

The historical workings at Vanguard and Vanguard North, two of the prospects that were the focus of the aircore campaign, are within a sequence of northwest trending mafic volcanics (metabasalt and dolerite). Gold mineralisation is mainly associated with broad zones of quartz veins and sulphides. The historic workings are separated by a 1.2km long zone of laterite, which contains no historic workings. (Refer Figure 3).

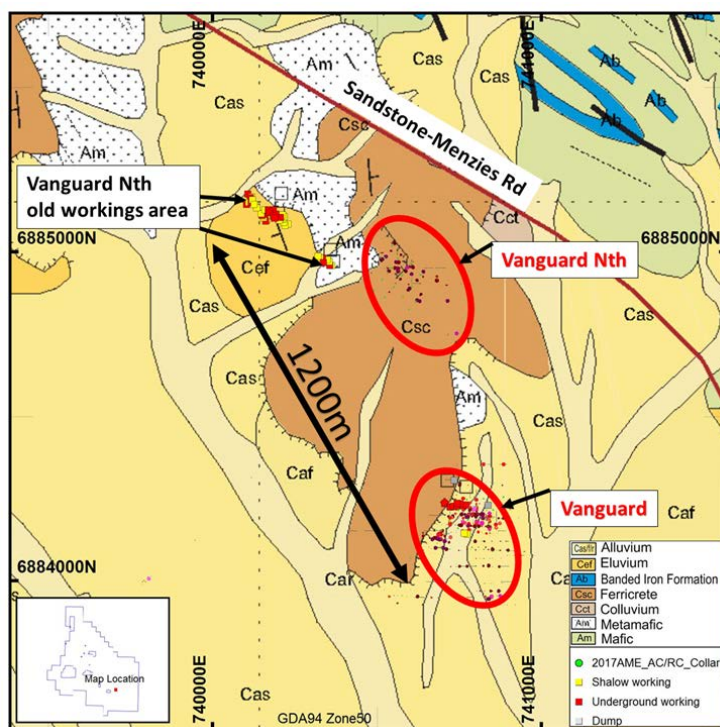


Figure 3. Vanguard & Vanguard North Prospects, Alto 2017 SAC drill holes over Geology

### Vanguard North Prospect

The AC holes drilled by Alto at Vanguard North produced several high grade 4m composite assays (refer Table 2) and demonstrated continuity of ~200m of strike of shallow SW dipping gold mineralisation, which is open to the NW and SE, and at depth. (Refer Figure 2 overleaf for AC hole locations).

Table 2. Vanguard North Significant Gold Results, 4m Composite Samples

Hole ID	East GDA94	North GDA94	Hole Depth	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC105	740495	6884952	72	64	68	4	5.80
SAC108	740543	6884951	63	44	48	4	9.14
SAC109	740515	6884916	73	64	68	4	6.84
SAC115	740632	6884929	67	28	32	4	13.21
SAC117	740578	6884864	72	64	68	4	8.07
SAC119	740598	6884825	82	72	76	4	12.13

Holes drilled on azimuth 040° and dip -60°

Refer ASX release 20 June 2017: <http://www.asx.com.au/asxpdf/20170620/pdf/43k1gzdmx5js6h.pdf>

Post the end of the June Quarter, 50gm Fire Assay results from 1 metre aircore samples further defined the strike and dip of these high grade planar quartz vein systems.

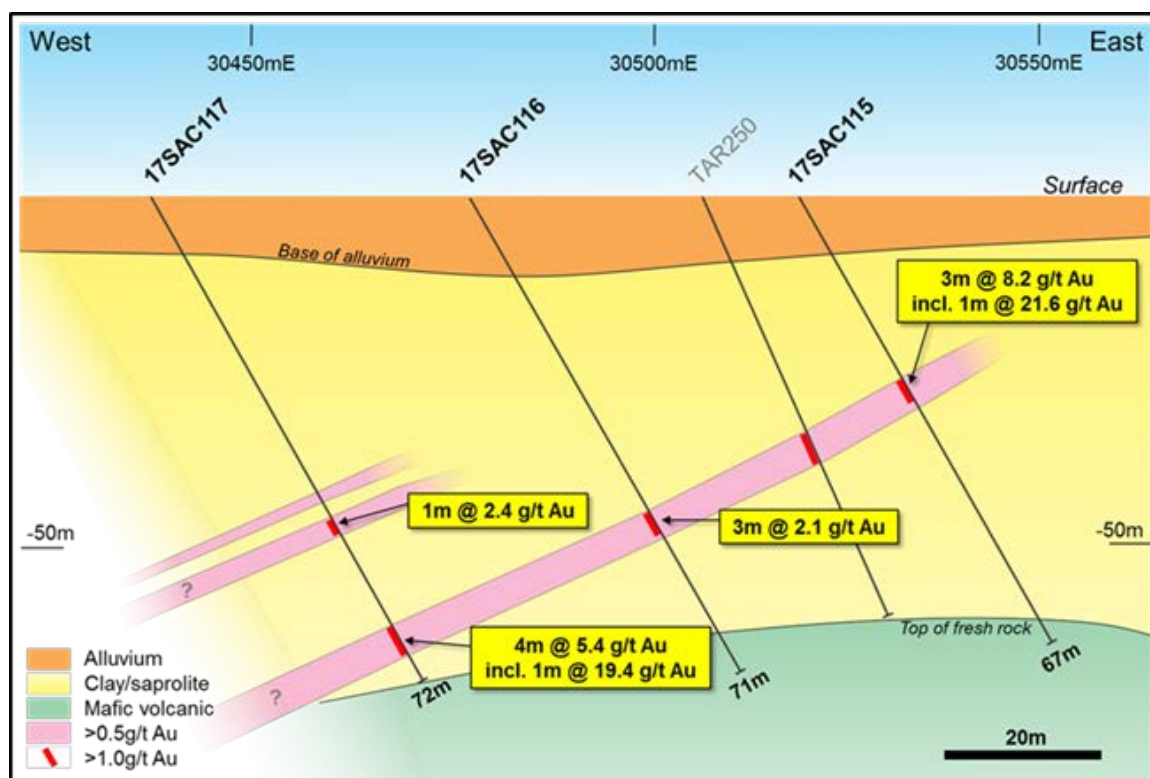
Assay results greater than 1.5g/t Au are shown in Table 3, and a typical Vanguard North Section is shown in Figure 4. For complete Vanguard North and Vanguard results, refer ASX release of 21 July 2017:

<http://www.asx.com.au/asxpdf/20170721/pdf/43ksw8ggfv1q8p.pdf>

**Table 3. Vanguard North, Significant Gold Results, 1m AC Samples +1.5g/t Au, 50gm Fire Assay**

Hole ID	East GDA94	North GDA94	Hole Depth	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC103	740547	6885018	84	19	20	1	2.72
SAC105	740495	6884952	72	55	56	1	2.40
and				64	68	4	5.21
incl.				<b>66</b>	<b>67</b>	<b>1</b>	<b>18.40</b>
SAC107	740563	6884979	71	30	31	1	2.08
SAC108	740543	6884951	63	<b>45</b>	<b>48</b>	<b>3</b>	<b>8.80</b>
incl.				<b>45</b>	<b>46</b>	<b>1</b>	<b>22.19</b>
SAC109	740515	6884916	73	<b>65</b>	<b>67</b>	<b>2</b>	<b>4.91</b>
incl.				<b>66</b>	<b>67</b>	<b>1</b>	<b>7.96</b>
SAC112	740576	6884928	65	<b>34</b>	<b>35</b>	<b>1</b>	<b>4.75</b>
SAC113	740551	6884893	72	63	64	1	2.24
SAC115	740632	6884929	67	<b>28</b>	<b>31</b>	<b>3</b>	<b>8.23</b>
incl.				<b>28</b>	<b>29</b>	<b>1</b>	<b>21.65</b>
SAC116	740606	6884895	71	47	50	3	2.11
SAC117	740578	6884864	72	50	51	1	2.45
and				<b>65</b>	<b>69</b>	<b>4</b>	<b>5.38</b>
incl.				<b>65</b>	<b>66</b>	<b>1</b>	<b>19.38</b>
SAC118	740616	6884850	76	56	57	1	2.15
SAC119	740598	6884825	82	<b>71</b>	<b>77</b>	<b>6</b>	<b>3.34</b>
and				<b>74</b>	<b>75</b>	<b>1</b>	<b>17.70</b>

*Holes SAC103 -SAC119- Vanguard North, were drilled on azimuth 040° and dip -60°.*



**Figure 4. Vanguard North Section 9,880mN, Alto's SAC holes (black), Troy hole (grey)**

## Vanguard Prospect

Herald Resources undertook RAB and RC drilling around the old Vanguard workings in 1999, and estimated a mineral resource of 330,000t at 1.57g/t Au for 16,657oz.

Troy Resources undertook shallow RAB, AC and RC drilling at Vanguard between 1999-2003 and in 2007, drilling on east-west and north-south grids. Snowden reported a JORC 2004\* compliant resource for **Vanguard** in an NI43-101 report for Troy as follows:

**Indicated Mineral Resource: 105Kt at 1.50 g/t Au for 5.06Koz**

**Inferred Mineral Resource: 225Kt at 1.60 g/t Au for 11.57Koz**

**Cautionary Note:** The above resource estimate is a historical resource estimate, and while the resource estimate was undertaken by competent professionals, a qualified person has not done sufficient work to classify the historical estimate as a JORC 2012 mineral resource, and the historical estimate should not be relied upon.

During the June quarter 2017, Alto drilled 13 AC holes at Vanguard for a total of 979 metres, with high grade gold results from 4 metre composite samples reported to the ASX on 20 June 2017. Fire assay results (Table 4) from 1 metre samples have further defined the high-grade shear hosted quartz vein system.

**Table 4. Vanguard, Significant Gold Results, 1m AC Samples +1.5g/t Au, 50gm Fire Assay**

Hole ID	East GDA94	North GDA94	Hole Depth	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC090	740697	6884154	74	27	30	3	3.85
incl.				29	30	1	9.74
SAC091	740720	6884183	93	81	82	1	1.84
SAC092	740747	6884214	79	26	27	1	2.14
and				52	58	6	2.82
incl.				54	56	2	5.70
SAC093	740773	6884247	76	33	37	4	3.56
incl.				36	37	1	12.57
and				41	42	1	1.81
SAC094	740746	6884159	74	63	70	7	1.74
incl.				69	70	1	3.80
SAC095	740776	6884186	60	27	29	2	1.67
SAC096	740800	6884224	58	9	13	4	2.42
incl.				9	10	1	8.52
and				16	26	10	2.17
incl.				17	18	1	6.07
and				57	58	1	2.94
SAC098	740831	6884188	61	30	31	1	2.63
and				40	49	9	1.98
incl.				42	44	2	3.19
and				47	48	1	7.95
SAC099	740853	6884216	64	53	61	8	2.61
incl.				56	59	3	5.19
				57	58	1	9.52
SAC101	740894	6884199	110	62	67	5	1.90
incl.				63	66	3	2.11
and				98	99	1	3.71

**Vanguard holes (SAC090 -SAC102) were drilled on azimuth 220° and dip -60°.**

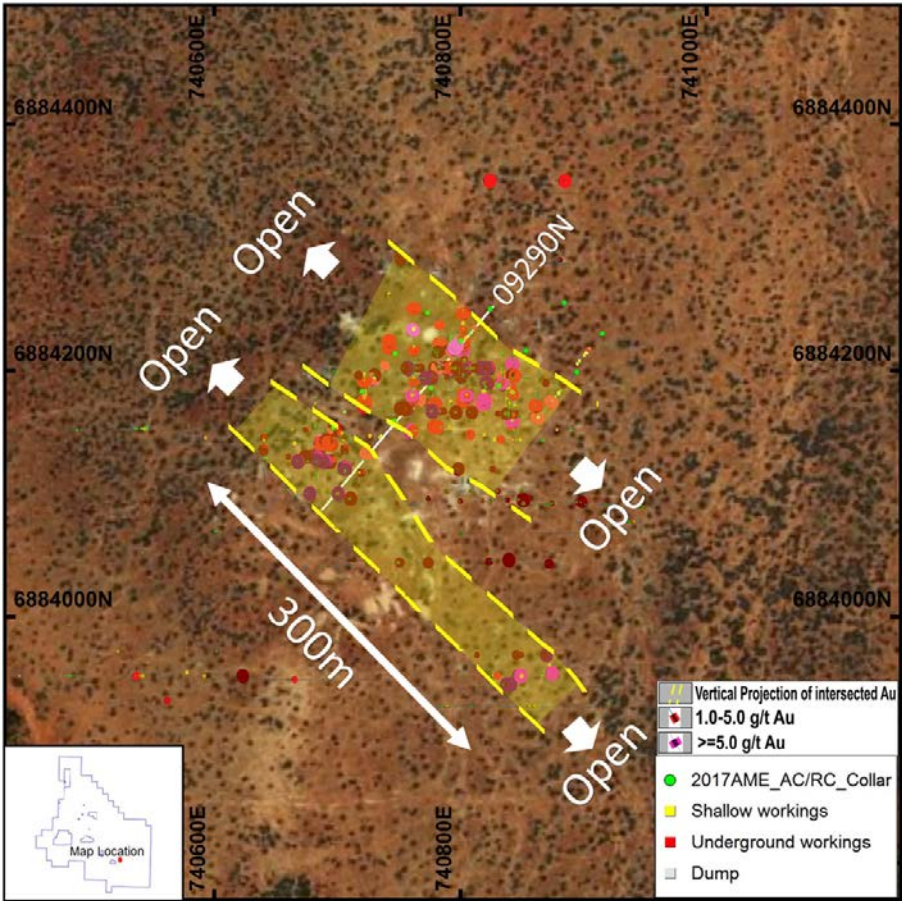


Figure 5. Vanguard, Alto 2017 SAC drill hole Locations

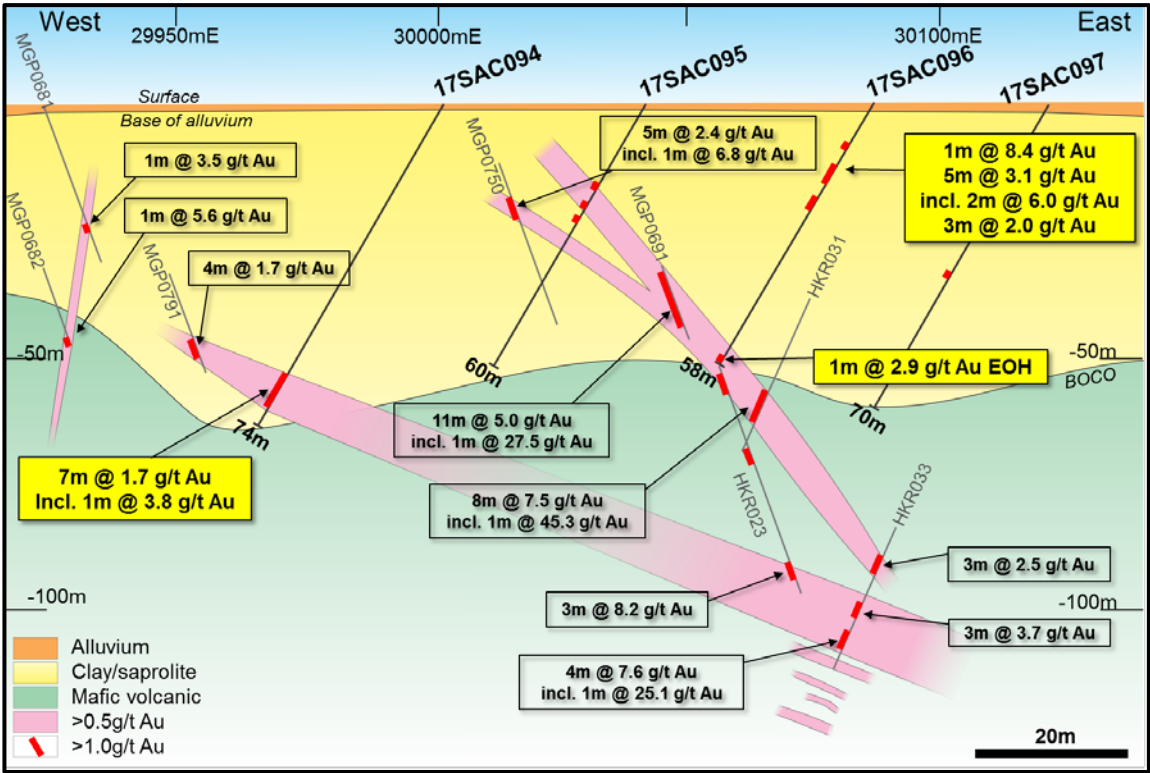


Figure 6. Vanguard Section 9,290mN, Alto’s SAC holes (black), Troy holes (grey)



**INDOMITABLE PROSPECT**

The Indomitable Shear Zone is a regional north-easterly trending structure over 5km long and readily identifiable in Alto's detailed magnetic imagery. The initial focus on Indomitable and its satellite prospects was due to the extensive oxide gold mineralisation associated with the shear zone and the possibility for one or more large resources to be discovered at depth within the primary zone.

Alto's initial AC and RC drilling at Indomitable in December 2016 confirmed Alto's model of a steep, west dipping, north striking high-grade gold-quartz system below shallow dipping zones of low grade gold mineralisation. The 2017 AC drilling program has extended the strike of the mineralised zone to in excess of 300m.

During the June quarter, Alto drilled 22 AC holes for 2,269m at Indomitable. At Indomitable East, Alto drilled 9 holes for a total of 647m. The majority of these holes failed to reach target depth due to encounters with jaspery banded iron formation. Aqua Regia ICP/MS assay results for +1.5g/t Au in 4m composite samples from Indomitable are shown below in Table 5 below.

**Table 5. Indomitable, Significant Gold Results 4m AC Samples +1.5g/t Au**

Hole ID	East GDA94	North GDA94	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC027	733259	6892181	88	52	54	2	2.47
incl.				52	53	1	4.06
and				73	74	1	3.24
SAC029	733128	6892279	144	103	104	1	6.32
and				119	129	10	1.78
incl.				120	123	3	3.66
and				128	129	1	2.38
SAC030	733294	6892171	120	45	56	11	2.07
incl.				47	49	2	6.89
and				51	52	1	2.05
and				61	70	9	3.5
and				62	63	1	2.4
and				64	67	3	7.97
incl.				64	65	1	18.36
and				81	85	4	1.29
incl.				81	82	1	4.39
SAC031	733239	6892301	124	59	60	1	8.43
and				69	70	1	4.19
and				72	73	1	2.02
and				84	85	1	2.57
SAC083	733369	6892096	97	60	76	16	2.5
Incl.				64	68	4	2.72
SAC088	733299	6892141	119	48	64	16	2.17
Incl.				56	60	4	3.22
and				60	64	4	4.05

*All SAC083-SAC089 holes drilled on dip -60°, azimuth 270°*



## BULCHINA PROSPECT

During the June quarter, Alto drilled 27 AC holes for 2,718m to test below the extensive high-grade laterite gold blanket to the east of the main pit, and south along the Bulchina shear zone. (Figure 7)

The holes drilled on Section 6892450N (Figure 8) encountered a deep saprolite zone with multiple lenses of gold mineralisation. Hole SAC072 returned 7m at 3.5g/t Au at end of hole (115m) and may represent the eastward continuation of the gold mineralised Bulchina Shear Zone (Figure 8). The holes drilled below the Eastern Laterite zone east of the main open pit encountered deeply weathered ultramafics and insignificant gold mineralisation.

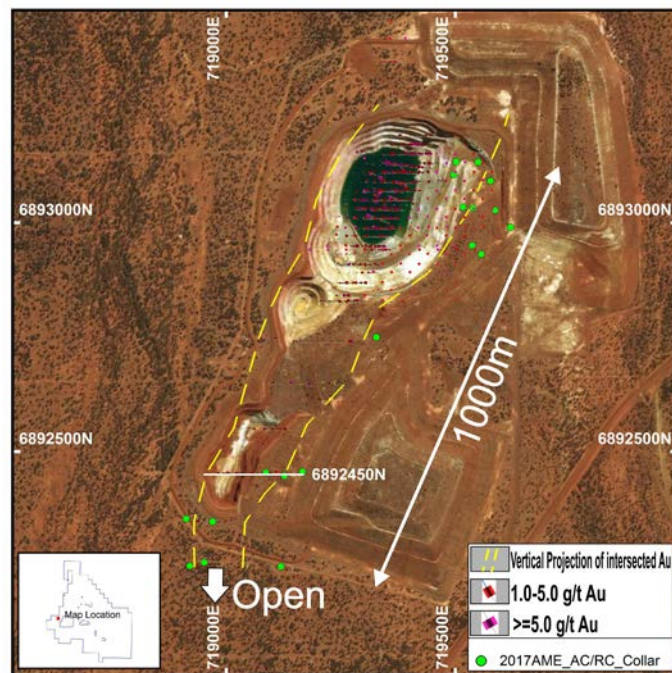


Figure 7. Bulchina, Alto 2017 AC Drill Hole Locations

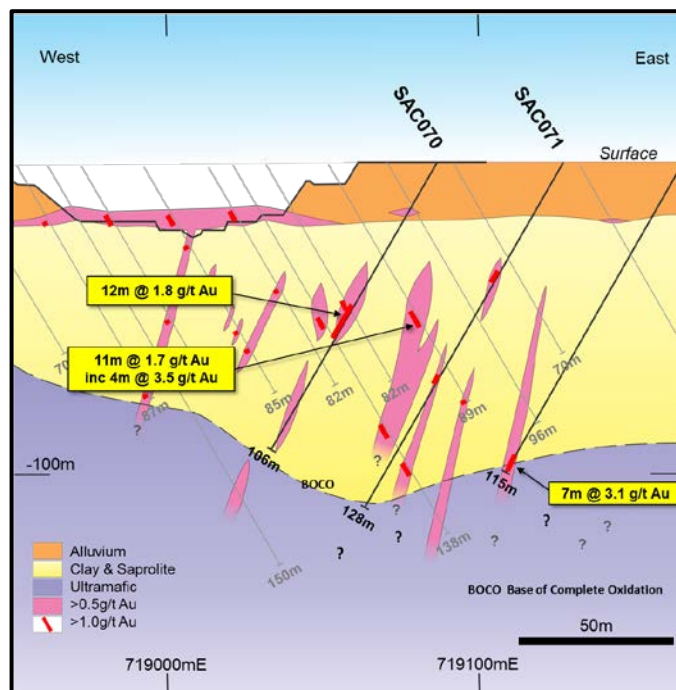


Figure 8. Bulchina Section 6892450mN, Alto 2017 holes (black), Troy holes (grey)

## ABOUT ALTO AND THE SANDSTONE GOLD PROJECT

Alto has two main objectives at its 100% owned 720km<sup>2</sup> Sandstone Gold Project in Western Australia:

- In the short term, the delineation of relatively shallow gold deposits (new deposits such as Vanguard North, Vanguard and Indomitable and existing deposits such Lord Nelson and Lord Henry) that can be economically developed as small mining projects and trucked to one of several operating or planned gold treatment facilities in the region.
- In the medium to longer term, the discovery of major “West Australian class” (+1 million ounce) high-grade oxide and/or primary gold deposits, which could become the basis for major new mining operations with their own processing facility.

Alto’s External Research Advisory Committee (ERAC) led by Professor David Groves, together with the Alto exploration team, have identified a number of litho-structural target areas which have the potential to host million ounce gold deposits. These target areas are being progressively assessed and ranked, using both the large legacy database which Alto has assembled from WA Mines Department Open File system, and by field observations. These project areas are shown Figure 9 below. The initial field assessment of these project areas, which includes mapping and geochemical sampling, has commenced.

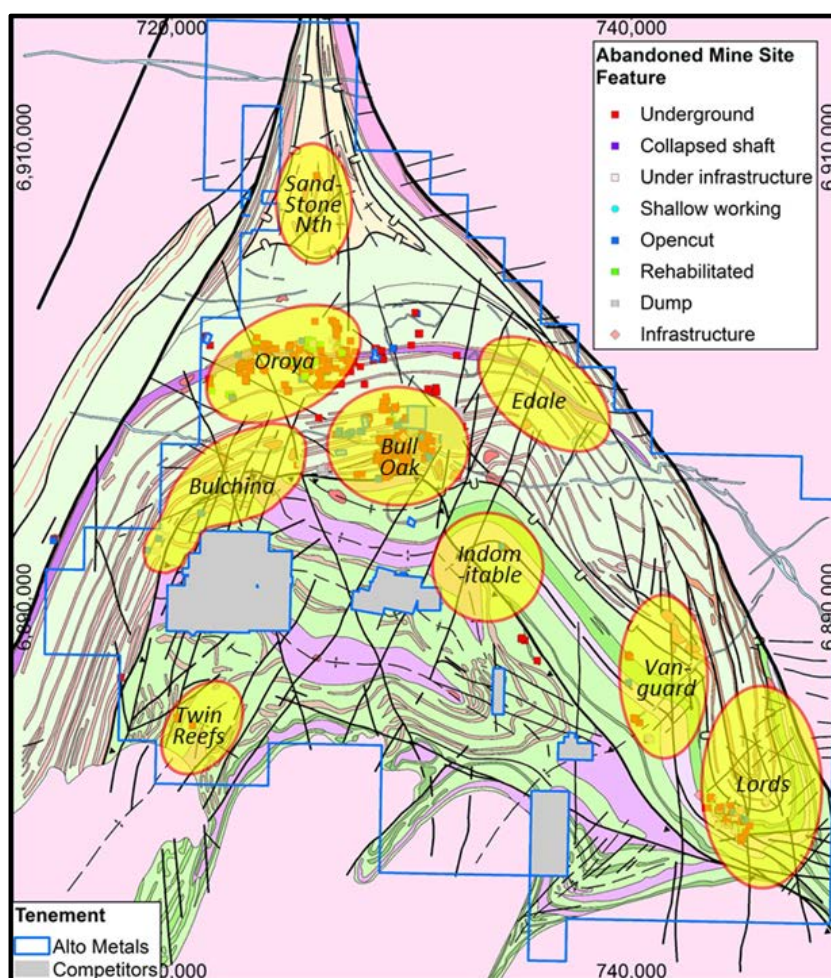


Figure 9. Exploration Target Areas for Discovery of Major Deposits

**OTHER PROJECTS**

The Company holds granted tenements and tenement applications in Western Australia over three project areas (Yalgoo, Gascoyne and Marmion) prospective for sand hosted “*in situ recovery*” style (ISR) and calcrete hosted uranium deposits. The current strategy is to maintain the uranium exploration portfolio, but the Company intends to review its commitment to uranium exploration at regular intervals going forward. (Refer Appendix 2)

**SUMMARY CAPITAL STRUCTURE AT 30 JUNE 2017**

Total Fully Paid Ordinary Shares on issue:	151,883,037
Unlisted Performance Shares on Issue: (vendors)	25,000,000
Unlisted Performance Rights on Issue: (management)	10,750,000

**INVESTMENTS IN ASX LISTED COMPANIES AT 30 JUNE 2017**

Company	Security	Symbol	No. Shares	Price	Fair Mkt Value
Antipa Minerals Ltd	Shares	AZY	25,573,183	\$0.024	\$613,000
Enterprise Metals Ltd	Shares	ENT	2,500,000	\$0.027	\$67,500
				<b>TOTAL</b>	<b>\$680,500</b>

**CASH POSITION**

The Company’s cash position at 30 June 2017 was **\$0.928 million**.

**Further information:**

Dermot Ryan  
Managing Director  
+61 8 9381 2808

Luke Forrestal  
Media & Capital Partners  
+61 411 479144

**Competent Person Statement**

*The information in this Report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee of Xserv Pty Ltd and a Director and security holder of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The information in this report that relates to assay results from Alto’s 2016 and 2017 aircore drilling program at Sandstone has previously been reported to the ASX, pursuant to JORC 2012. Alto Metals Limited believes the information has not materially changed since it was last reported. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

*The information in this report that relates to the Lord Nelson and Lord Henry Mineral Resource estimates undertaken by Snowden Mining Industry Consultants was previously reported by Alto Metals Limited on 28 April 2017 and 16 May 2017 respectively, pursuant to JORC 2012. Alto Metals Limited believes the information has not materially changed since it was last reported.*

*Historic exploration results and mineral resources referred to in this Report were previously reported by Troy Resources NL pursuant to JORC Code 2004. Alto Metals Limited understands that this information has not been updated since to comply with the JORC Code 2012, but believes the information has not materially changed since it was last reported.*

**Tenement Information as Required by Listing Rule 5.3.3****Appendix 1: Gold Projects - Tenement Schedule at 30 June 2017**

<b>Tenement</b>	<b>Project</b>	<b>Interest Held</b>	<b>Holder</b>	<b>Lease Status</b>
E57/1029	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1030	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1031	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1033	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1044	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1054	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
P57/1377	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted

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

**Appendix 2: Uranium Projects - Tenement Schedule at 30 June 2017**

<b>Tenement</b>	<b>Project</b>	<b>Interest Held</b>	<b>Holder</b>	<b>Lease Status</b>
E59/2060	Yalgoo	100%	Alto Metals Limited	Granted
E59/2180	Yalgoo	100%	Alto Metals Limited	Granted
E09/2204	Gascoyne	100%	Alto Metals Limited	Granted
E29/980	Marmion	100%	Alto Metals Limited	Granted