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Non-Executive Director

Dr Jingbin Wang

Company Secretary & CFO

Mr Patrick Holywell

**ASX RELEASE**

**11 February 2019**



**Exploration Update, High Grade Au at Sandstone North**

**HIGHLIGHTS**

- **Reverse Circulation (RC) drilling in progress at Havilah deposit to obtain samples for metallurgical test work to support JORC (2012) resource estimate (in progress).**
- **High grade gold mineralisation confirmed from previous explorers' RC drilling at Sandstone North.**
- **Sandstone North high grade drill intercepts\* include:**

MSGC979	:	8m	@	4.9 g/t Au	from	82m
and	:	3m	@	32.1g/t Au	from	94m
MSGC547	:	9m	@	8.0 g/t Au	from	29m
inc.	:	2m	@	24.2g/t Au	from	34m
MSGC1005	:	11m	@	6.2 g/t Au	from	34m
inc.	:	2m	@	29.5g/t Au	from	38m
MSGC1351	:	15m	@	2.9 g/t Au	from	102m
inc.	:	5m	@	5.3g/t Au	from	104m
MSGC494	:	3m	@	11.1 g/t Au	from	13m
inc.	:	1m	@	29.5g/t Au	from	13m
MSGC745	:	8m	@	3.5 g/t Au	from	27m
inc.	:	2m	@	6.4g/t Au	from	29m

*\*Cautionary note: due to the steep nature of mineralisation, downhole widths are not true widths.*

- **RC drilling planned for Sandstone North Q1, 2019.**
- **Resource estimation at Havilah & Ladybird on track for completion by end February.**

Compilation and review of previous explorer's data has confirmed that high-grade gold mineralisation exists at the Sandstone North Prospect.

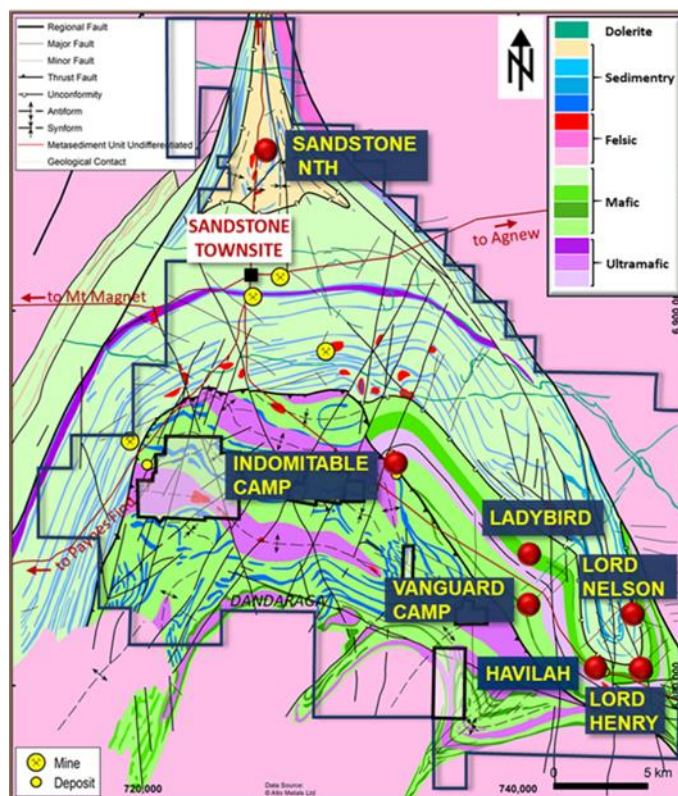
Reverse circulation (RC) drilling is planned for Q1, 2019, to test for along strike and down-dip/down plunge extensions to the mineralised zone.

Commenting on these results, Alto's Executive Director Dermot Ryan said: *"Sandstone North is somewhat different from other known gold deposits at Sandstone, in that the gold mineralisation is hosted in a sulphidic quartz vein system within sheared pyritic sediments, adjacent to an ultramafic unit. The high grade nature of the mineralisation and the under explored/under drilled nature of the deposit makes it an attractive exploration target for 2019."*

## INTRODUCTION

The **Sandstone North Prospect** is located approximately 6km north of the town of Sandstone and lies approximately 1km east of the Sandstone - Wiluna road. The prospect includes the historic Oroya Extended workings where small pits and shafts extend north-south over a strike length of approximately 300m. Historical production is recorded at “223 fine ounces of gold from 282 tonnes of ore at an average grade of 24.6 g/t Au”.

**Figure 1. Location of Sandstone North Prospect over Regional Geology**



## Modern Exploration History

Western Mining Corporation (WMC) commenced exploration for gold in the Sandstone North area in 1980, and work included geochemical lag sampling, geological mapping, surveying and reverse circulation (RC) drilling in the general area. Between 1983 and 1989, WMC drilled total of 34 RC drill holes for 3,250m. Most of the drilling was focused in the area of the historic Oroya Extended workings where small pits and shafts extend north-south over a strike length of approximately 300m. (Historical production: 223 fine ounces of gold from 282 tonnes of ore at an average grade of 24.6 g/t Au)

Elmina NL (Elmina) acquired the project from WMC in 1994 and completed two polygonal sectional resource estimates, one using a 0.5 g/t Au lower cut-off, and one using a 1.0 g/t Au lower cut-off with a 27 g/t Au top cut. In 1996, Herald Resources NL formed a joint venture with Elmina and also reported a preliminary resource estimate. Neither of these estimates qualify for JORC (2012) classification. (Refer WAMEX Report [a57913](#)).

Troy Resources NL formed a joint venture with Herald in 1999 and as manager for all exploration 2003, Troy carried out the following drilling in 2003:

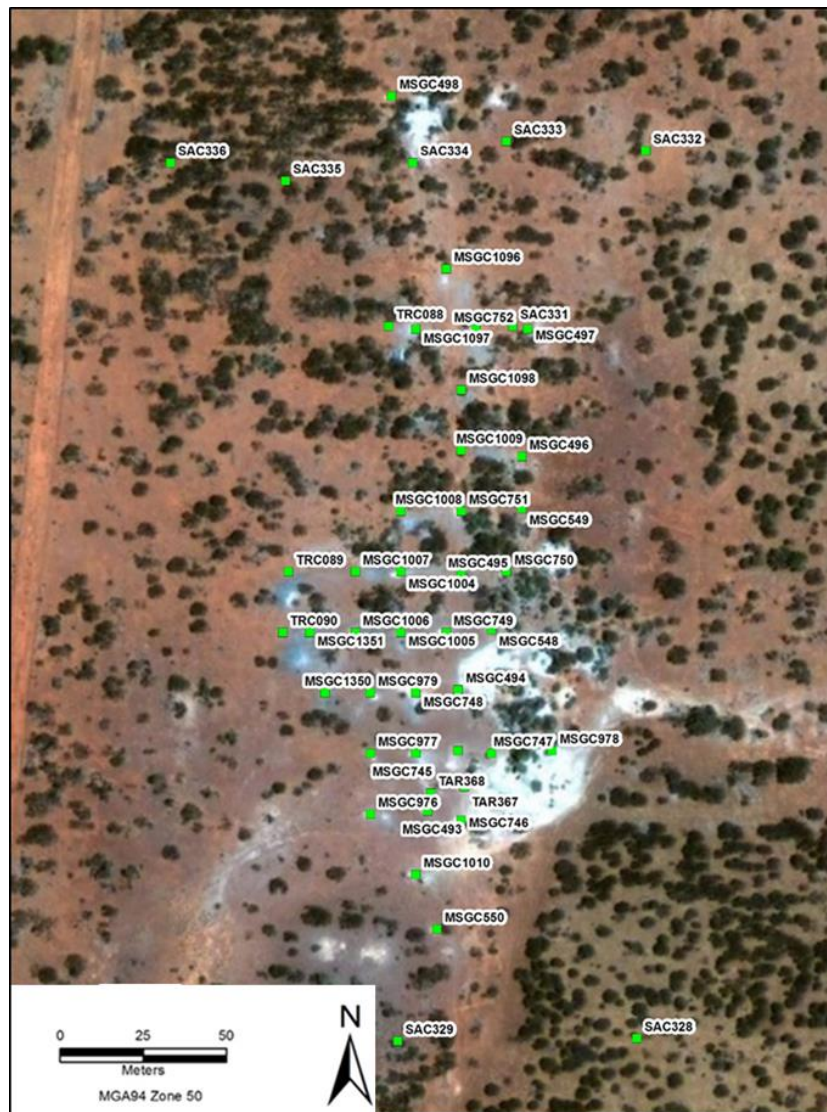
- Rotary Air Blast (RAB) drilling (TAR367-368; 2 holes for 129m)
- RC drilling (TRC088-090; 3 holes for 386m).

In 2006 Troy lodged an application for a mining lease (M57/621) over Sandstone North, and in 2007 reported a resource estimation which does not qualify for JORC (2012) classification.

In 2018, Alto carried out aircore (AC) drilling to test for extensions to mineralisation along strike at the northern end (SAC 331-336) and southern end (SAC328-329) of the known mineralisation. A total of eight AC drill holes were completed for 783m. This shallow aircore program has demonstrated that the mineralisation is open to the north and south of the main zone which has been more intensely drilled with RC. (Refer Figure 2 below and Appendix 2 for Alto AC drill results +0.5g/t Au)

Alto has captured and digitised the existing Sandstone North drilling data and produced a 3D model of the geology and mineralisation to assist with further drill targeting and ultimate resource estimation. (see Figure 2 for max Au reported to drill collar, and Figures 3 & 4 for selected cross sections).

**Figure 2. Google Image of Sandstone North Showing Named Drill Hole Collars**



### Local Geology

The geology in the general area is comprised predominantly of shale units striking north and dipping steeply to the west. Drilling at depth has shown the shales to be black, graphitic and locally pyritic. Ultramafic rocks occur within the shales as units up to 50m wide and as a major unit in the eastern part of the prospect.

Mineralisation at Sandstone North is confined to the shales close to the contact with the main ultramafic unit and occurs within iron-stained quartz veins, which strike to the north and dip approximately 75 degrees to the west and plunge to the NNW at approximately 60 degrees.

The depth of weathering is interpreted from drilling data to be approximately 30m in the north of the deposit and up to 60m in the south. The water table is reported as approximately 25m below surface.



Figure 3. Google Image of Sandstone North Showing Drill Hole Collars and Max Au

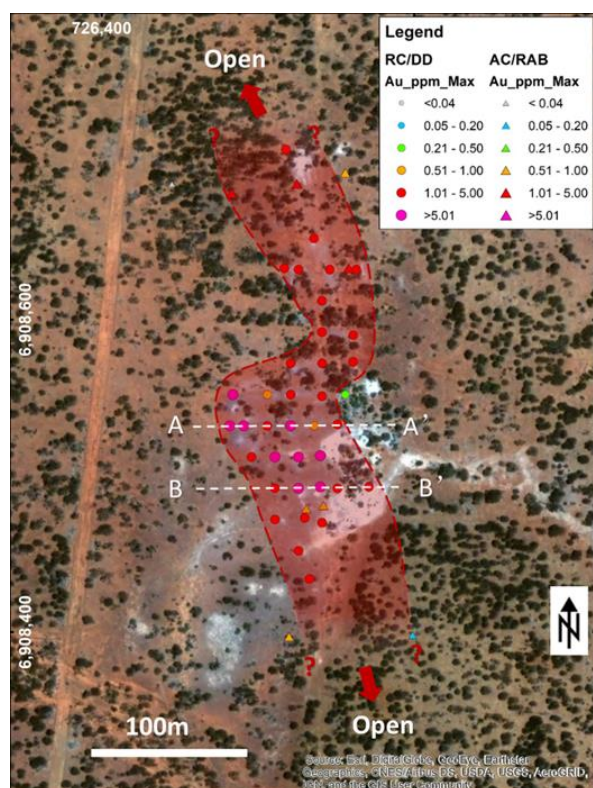


Figure 4. Sandstone North Prospect Cross Section A - A'

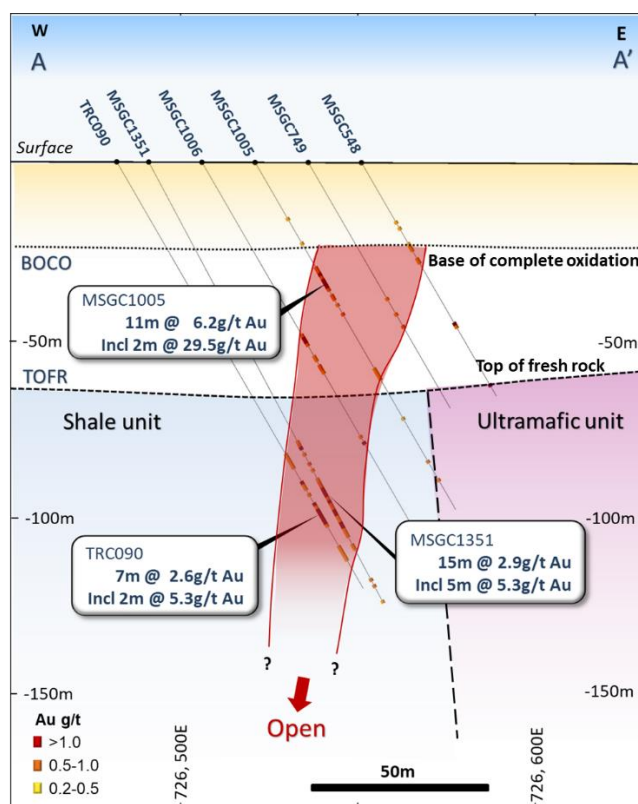
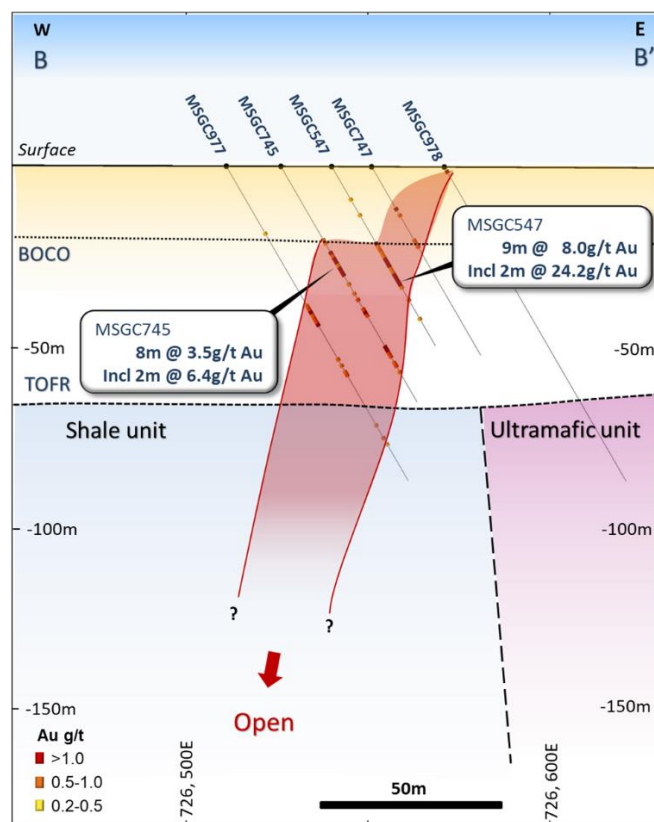


Figure 5. Sandstone North Prospect – Cross Section B - B'



## ABOUT ALTO AND THE SANDSTONE GOLD PROJECT

Alto holds ~800km<sup>2</sup> of the prospective Archaean Sandstone Goldfield, 600km north of Perth in the East Murchison Mineral Field of Western Australia. Since acquiring the Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration and drilling campaigns which commenced in late-2016.

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

The approximately \$2.38 million (before costs) which is aimed to be raised from the 2019 Entitlement Offer (refer details below) is to be used for substantial reverse circulation and aircore drilling programs on the Companies advanced prospects and deposits in the first half of 2019, and to increase our current Mineral Resource inventory.

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

Deposit	Classification	Cut-off Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Contained Gold (oz)
Lord Henry <sup>1</sup>	Indicated	0.8	1,200	1.6	65,000
<b>TOTAL INDICATED</b>			<b>1,200</b>	<b>1.6</b>	<b>65,000</b>
Lord Henry <sup>1</sup>	Inferred	0.8	110	1.3	4,000
Lord Nelson <sup>2</sup>	Inferred	0.8	980	2.2	68,000
Indomitable Camp <sup>3</sup>	Inferred	0.5	1,730	1.3	74,000
Vanguard Camp <sup>3</sup>	Inferred	0.5	850	1.8	50,000
<b>TOTAL INFERRED</b>			<b>3,670</b>	<b>1.7</b>	<b>196,000</b>
<b>TOTAL INDICATED &amp; INFERRED<sup>4</sup></b>			<b>4,870</b>	<b>1.7</b>	<b>261,000</b>

**Footnote 1:** AME ASX Release 16 May 2017. "Maiden Lord Henry JORC 2012 Mineral Resource of 69,000oz."

**Footnote 2:** AME ASX Release 28 April 2017. "Lord Nelson Mineral Resource Increased to 68,000oz."

**Footnote 3:** AME ASX Release 25 September 2018. "Maiden Gold Resource at Indomitable and Vanguard Camps"

**Footnote 4:** For reporting purposes, Table 1 totals have been rounded. Rounding may result in some slight discrepancies in totals reported

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

## 2019 ENTITLEMENT OFFER TO ELIGIBLE SHAREHOLDERS

On 25 January 2019, the Company announced to the ASX a non-renounceable pro-rata entitlement offer with accompanying Prospectus to eligible shareholders of fully paid ordinary shares ("Shares") in the Company at an issue price of \$0.036 per Share, on the basis of 1 new Share ("New Share") for every 3 Shares held as at 4pm (WST) on 31 January 2019 ("Record Date"), together with 1 free-attaching unquoted option ("Option") for every 2 New Shares subscribed for and issued.

The issue price of \$0.036 represented a discount of 10% to the last closing price and an 18.4% discount to the 15 trading day VWAP as at 23 January 2019.

The Options will have an exercise price of \$0.07 and an expiry date of 18 months from the date of issue.

The Closing Date of the Entitlement Offer is (5pm WST) 14 February 2019. On the basis that no further Shares are issued, or performance shares or performance rights exercised prior to the Record Date, the Company will issue up to 66,018,534 New Shares and 33,009,267 Options under the Entitlement Offer to raise approximately \$2.38 million (before costs).

The funds raised will be used to carry out exploration at the Company's Sandstone Gold Project in Western Australia, including RC and AC drilling programs, as well as for general working capital and the costs of the Entitlement Offer.

Any New Shares and Options not taken up pursuant to the Entitlement Offer by the closing date ("Shortfall Securities") will be offered to Eligible Shareholders on the same terms and conditions as the Securities offered under the Entitlement Offer ("Shortfall Offer"). Shortfall Securities will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

If any Shortfall Securities are remaining after the applications for shortfall have been satisfied, the Directors reserve the discretion, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to place any such remaining Shortfall Securities within three months after the close of the Entitlement Offer to investors who are not Eligible Shareholders who apply for Shortfall Securities.

**Further information:**

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**Competent Person Statement**

*The information in this Report that relates to 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 (CP Geology) 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.*

*Historic exploration results referred to in this Report were previously reported by qualified geologists employed by ASX listed companies Western Mining Corporation Ltd, Elmina NL, Herald Resources Ltd and Troy Resources NL. 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.*

**Forward Looking Statements:**

*Certain statements in this document are or maybe "forward-looking statements" and represent Alto's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements don't necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alto, and which may cause Alto's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Alto does not make any representation or warranty as to the accuracy of such statements or assumptions.*

**APPENDIX 1. Significant RC Historical Drilling Intercepts at the Sandstone North Prospect +1.0g/t Au**

Hole ID	East GDA94	North GDA94	mRL AHD	Depth (m)	Dip (deg)	Azimuth (deg)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
MSGC1004	726521	6908552	541	98	-60	90	61.0	62.0	1.0	1.66
and							75.0	76.0	1.0	1.18
<b>MSGC1005</b>	726521	6908532	540	113	-60	90	<b>34.0</b>	<b>45.0</b>	<b>11.0</b>	<b>6.16</b>
<b>and</b>							<b>38.0</b>	<b>40.0</b>	<b>2.0</b>	<b>29.51</b>
MSGC1006	726506	6908532	540	128	-60	90	56.0	60.0	4.0	1.34
and							91.0	92.0	1.0	2.00
MSGC1008	726521	6908572	541	122	-60	90	71.0	72.0	1.0	1.07
MSGC1009	726541	6908592	541	98	-60	90	30.0	31.0	1.0	1.46
and							54.0	55.0	1.0	3.29
MSGC1010	726526	6908452	540	122	-60	90	27.0	28.0	1.0	1.58
and							41.0	48.0	7.0	1.24
and							56.0	58.0	2.0	1.90
MSGC1096	726536	6908652	542	80	-60	90	13.0	14.0	1.0	1.24
and							42.0	45.0	3.0	1.70
and							48.0	49.0	1.0	1.65
and							66.0	68.0	2.0	1.22
MSGC1097	726526	6908632	542	80	-60	88	59.0	67.0	8.0	1.02
and							77.0	79.0	2.0	2.34
MSGC1098	726541	6908612	541	80	-61	90	12.0	14.0	2.0	1.00
MSGC1350	726496	6908512	540	141	-60	90	72.0	76.0	4.0	1.06
and							85.0	87.0	2.0	1.07
and							96.0	99.0	3.0	1.59
MSGC1351	726491	6908532	540	141	-62	90	90.0	92.0	2.0	1.05
and							102.0	117.0	15.0	2.93
<b>Incl</b>							<b>104.0</b>	<b>109.0</b>	<b>5.0</b>	<b>5.34</b>
MSGC493	726530	6908473	540	66	-57.5	90	25.0	28.0	3.0	1.05
and							37.0	38.0	1.0	1.38
and							42.0	45.0	3.0	1.06
and							58.0	60.0	2.0	1.38
MSGC494	726540	6908513	540	60	-57.5	90	<b>13.0</b>	<b>16.0</b>	<b>3.0</b>	<b>11.12</b>
<b>Incl</b>							<b>13.0</b>	<b>14.0</b>	<b>1.0</b>	<b>29.50</b>
and							23.0	24.0	1.0	1.59
and							39.0	40.0	1.0	1.26
MSGC495	726541	6908551	540	60	-58	90	25.0	26.0	1.0	2.58
and							31.0	38.0	7.0	2.66
MSGC496	726561	6908590	541	60	-56	90	20.0	21.0	1.0	1.00
and							30.0	32.0	2.0	1.47
MSGC497	726563	6908632	541	60	-57	90	12.0	16.0	4.0	1.68
and							18.0	20.0	2.0	2.43
and							23.0	24.0	1.0	2.24
MSGC498	726518	6908709	543	60	-58	90	19.0	20.0	1.0	1.14
<b>MSGC547</b>	726540	6908493	540	57	-60	90	<b>24.0</b>	<b>25.0</b>	<b>1.0</b>	<b>6.90</b>
<b>and</b>							<b>29.0</b>	<b>38.0</b>	<b>9.0</b>	<b>8.00</b>
<b>Incl</b>							<b>34.0</b>	<b>36.0</b>	<b>2.0</b>	<b>24.20</b>

Hole ID	East GDA94	North GDA94	mRL AHD	Depth (m)	Dip (deg)	Azimuth (deg)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
MSGC548	726551	6908533	540	76	-60	90	52.0	53.0	1.0	1.44
and							72.0	73.0	1.0	1.06
MSGC549	726561	6908573	541	50	-60	90	12.0	16.0	4.0	1.34
MSGC550	726533	6908434	539	56	-60	90	28.0	29.0	1.0	1.22
and							38.0	41.0	3.0	1.01
MSGC745	726526	6908492	540	75	-60	90	27.0	35.0	8.0	3.54
Incl							<b>29.0</b>	<b>31.0</b>	<b>2.0</b>	<b>6.35</b>
and							46.0	48.0	2.0	1.02
and							57.0	61.0	4.0	1.21
MSGC746	726541	6908470	540	50	-60	90	29.0	30.0	1.0	1.32
MSGC747	726551	6908492	540	60	-60	90	13.0	14.0	1.0	2.20
MSGC748	726526	6908512	540	96	-60	90	29.0	34.0	5.0	1.11
and							37.0	39.0	2.0	1.05
<b>and</b>							<b>66.0</b>	<b>67.0</b>	<b>1.0</b>	<b>9.10</b>
MSGC751	726541	6908572	541	60	-60	90	53.0	56.0	3.0	1.97
MSGC752	726546	6908632	541	60	-60	90	8.0	9.0	1.0	1.64
and							30.0	34.0	4.0	1.05
and							42.0	46.0	4.0	1.02
and							52.0	57.0	5.0	1.12
MSGC976	726511	6908472	540	106	-60	90	65.0	66.0	1.0	1.02
and							78.0	80.0	2.0	1.76
MSGC977	726511	6908492	540	100	-60	90	45.0	47.0	2.0	1.46
MSGC978	726571	6908493	540	100	-60	90	1.0	2.0	1.0	1.20
MSGC979	726511	6908512	540	97	-60	90	47.0	48.0	1.0	1.02
and							50.0	56.0	6.0	2.10
and							74.0	77.0	3.0	1.36
and							82.0	90.0	8.0	4.91
<b>and</b>							<b>94.0</b>	<b>97.0</b>	<b>3.0</b>	<b>32.13</b>
TRC088	726517	6908633	542	110	-60	90	58.0	61.0	3.0	1.12
and							68.0	69.0	1.0	1.03
and							77.0	78.0	1.0	1.40
<b>TRC089</b>	726484	6908552	541	137	-60	90	<b>98.0</b>	<b>99.0</b>	<b>1.0</b>	<b>12.40</b>
TRC090	726482	6908532	540	139	-60	90	104.0	105.0	1.0	1.39
and							111.0	118.0	7.0	2.62
Incl							<b>115.0</b>	<b>117.0</b>	<b>2.0</b>	<b>5.30</b>

## APPENDIX 2. Significant Alto AC Drilling Intercepts at the Sandstone North Prospect +0.5g/t Au

Hole ID	East GDA94	North GDA94	mRL AHD	Depth (m)	Dip (deg)	Azimuth (deg)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC329	726520	6908397	500	57	-60	90	32	36	4	0.88
SAC331	726558	6908633	500	77	-60	90	20	36	16	0.92
SAC333	726556	6908694	500	114	-60	90	40	44	4	0.51
SAC334	726525	6908687	500	121	-60	90	88	92	4	1.40
SAC335	726483	6908681	500	139	-60	90	60	68	8	0.98
and							136	139	3	0.97



## JORC 2012 TABLE 1 REPORT - Sandstone North SANDSTONE PROJECT WA

### SECTION 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary																																														
Sampling techniques	<p><b>Drilling carried out by Western Mining Corporation (1983-1989)</b></p> <ul style="list-style-type: none"><li>Reverse Circulation (RC) drilling was used to collect samples over 1m intervals.</li><li>Western Mining Corporation (WMC) drill assays were assayed at a WMC laboratory using their own aqua regia style of analysis.</li></ul> <p><b>Drilling carried out by Troy Resources NL (2003)</b></p> <ul style="list-style-type: none"><li>Rotary Air Blast (RAB) drilling was carried out by Kennedy Drilling and was used to obtain samples, which were collected in 1m intervals and laid on the ground.</li><li>RC drilling was carried out by Peak Drilling and was used to collect samples, which were passed from a cyclone through a rig-mounted multi-tier riffle splitter and collected in 1m intervals in plastic bags and 1m calico splits which were retained for later use.</li><li>From the bulk samples (RAB or RC), a 5m composite sample was collected using a split PVC scoop and then submitted to the laboratory for analysis. Any composite sample that assayed &gt;0.2 g/t Au was revisited and the 1m samples re-submitted for gold assay.</li><li>Troy Resources NL (Troy) RAB samples were assayed at SGS Laboratory in Perth by 50gm aqua regia digest followed by diisobutyl ketone (DIBK) extraction Flame Atomic Absorption Spectrometry (AAS). The technique had a lower detection limit of 0.01ppm Au.</li><li>Troy RC drill samples were assayed at SGS Laboratory in Perth by 50gm fire assay with AAS finish.</li><li>Drill assays from RAB drill samples are not being used in the Alto Metals Resource Estimation.</li></ul> <p><b>Drilling carried out by Alto Metals Limited (2018)</b></p> <ul style="list-style-type: none"><li>Alto Metals Limited (Alto) AC drilling was carried out by Bostech Drilling Pty Ltd with a Drill Boss 200 rig with depth capacity of 150m, with a blade bit producing a sample of 85mm diameter and a down hole hammer bit producing a sample of 96mm diameter.</li><li>AC drilling was used to obtain samples, which were passed through a cross-over sub, and whole samples were collected at 1m intervals and placed on the ground in rows of ten. Wet AC samples were collected into poly-weave bags at 1m intervals.</li><li>From the bulk sample, a 4m composite sample was collected using a split PVC scoop and then submitted to MinAnalytical Laboratory in Perth for analysis of gold by fire assay.</li></ul>																																														
	Drilling techniques	<ul style="list-style-type: none"><li>Drilling techniques have included RAB, AC and RC as per the table below.</li></ul> <table><tr><th rowspan="2"></th><th rowspan="2">Year</th><th colspan="2">RAB</th><th colspan="2">AC</th><th colspan="2">RC</th></tr><tr><th>Holes</th><th>(m)</th><th>Holes</th><th>(m)</th><th>Holes</th><th>(m)</th></tr><tr><td>WMC</td><td>1983-89</td><td></td><td></td><td></td><td></td><td>34</td><td>2,864</td></tr><tr><td>Troy</td><td>2003</td><td>2</td><td>129</td><td></td><td></td><td>3</td><td>386</td></tr><tr><td>Alto</td><td>2018</td><td></td><td></td><td>8</td><td>783</td><td></td><td></td></tr><tr><td>Total</td><td></td><td>2</td><td>129</td><td>3</td><td>783</td><td>34</td><td>3,250</td></tr></table>		Year	RAB		AC		RC		Holes	(m)	Holes	(m)	Holes	(m)	WMC	1983-89					34	2,864	Troy	2003	2	129			3	386	Alto	2018			8	783			Total		2	129	3	783	34
	Year	RAB			AC		RC																																								
		Holes	(m)	Holes	(m)	Holes	(m)																																								
WMC	1983-89					34	2,864																																								
Troy	2003	2	129			3	386																																								
Alto	2018			8	783																																										
Total		2	129	3	783	34	3,250																																								

Criteria	Commentary
Drill sample recovery	<ul style="list-style-type: none"> <li>WMC noted on the logging sheets where samples were wet and if there were any issues with sample collection or quality. Comments on recovery were also noted on the logging sheets where relevant. There is no other information on sample recovery.</li> <li>Alto has no quantitative information on Troy RAB and RC sample recovery. There were no reported sample recovery issues.</li> <li>Alto drill sample recovery was estimated as a percentage and recorded on field sheets prior to entry into the database.</li> <li>Alto reviewed the geological logging sheets and assay data to determine if a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. The review concluded that there were no issues.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>WMC drill logging was reported to the Mines Department on log sheets with laboratory assay data typically for each metre.</li> <li>The logging was commentary based with no specific geological codes used for events such as top of fresh rock, base of oxidation etc. However, the logging and descriptions are of sufficient quality that the lithologies drilled can be correlated with later logging carried out by Troy, who used detailed logging codes.</li> <li>Troy used detailed geological logging codes and logged all drill holes however no detailed information is available on the logging methods used.</li> <li>Alto AC drill chips were sieved from each 1m sample and geologically logged.</li> <li>Washed drill chips from each 1m sample were stored in chip trays and photographed.</li> <li>Detailed logging codes were used, and it is considered that the drill holes were logged with a sufficient level of detail to support a mineral resource estimate.</li> </ul>
Subsampling techniques and sample preparation	<p><b>Drilling carried out by WMC (1983-1989)</b></p> <ul style="list-style-type: none"> <li>From the bulk 1m RC samples, a sample was collected then submitted to the laboratory for analysis.</li> <li>WMC drill assays were assayed at a WMC laboratory using their own aqua regia style of analysis.</li> <li>No composite sampling was undertaken.</li> </ul> <p><b>Drilling carried out by Troy (2003)</b></p> <ul style="list-style-type: none"> <li>RAB drilling was used to obtain samples, which were collected in 1m intervals and laid on the ground.</li> <li>RC samples were passed from a cyclone through a rig-mounted multi-tier riffle splitter and collected in 1m intervals in plastic bags and 1m calico splits which were retained for later use.</li> <li>From the bulk samples (RAB and RC), a 5m composite sample was collected using a split PVC scoop and then submitted to the laboratory for analysis.</li> <li>The composite samples were then sent to the laboratory for analysis. Any composite sample that assayed &gt;0.2 g/t Au was revisited and the 1m samples re-submitted for gold assay.</li> <li>Troy RAB samples were assayed at SGS Laboratory in Perth by 50gm aqua regia digest followed by DIBK extraction Flame Atomic Absorption Spectrometry. The technique had a lower detection limit of 0.01ppm Au.</li> <li>Troy RC drill samples were assayed at SGS Laboratory in Perth by 50gm fire assay with AAS finish.</li> <li>Drill assays from RAB drill samples are not being used in the Alto Metals Resource Estimation.</li> </ul> <p><b>Drilling carried out by Alto (2018)</b></p> <ul style="list-style-type: none"> <li>From the bulk sample, a 3kg 4m composite sample was collected using a split PVC scoop and then submitted to MinAnalytical Laboratory in Perth for analysis of gold by fire assay.</li> </ul>

Criteria	Commentary
	<ul style="list-style-type: none"> <li>AC samples were dried and then ground in an LM5 ring mill for 85% passing 75 Microns and analysed using 50 gm fire assay with AAS finish.</li> <li>MinAnalytical Laboratory Services Australia Pty Ltd located in Canning Vale, Western Australia, were responsible for sample preparation and assaying for drill hole samples and associated check assays. MinAnalytical is certified to NATA in accordance with ISO 17025:2005 ISO requirements for all related inspection, verification, testing and certification activities.</li> </ul>
Quality of assay data and laboratory tests	<p><b>Assaying and Laboratory Procedures</b></p> <ul style="list-style-type: none"> <li>The Fire Assay method is considered to be a total extraction technique.</li> <li>The Aqua Regia technique is considered to be a partial extraction technique where gold encapsulated in refractory sulphides or some silicate minerals may not be fully dissolved, resulting in partial reporting of gold content.</li> <li>There is no information available to Alto to indicate that the gold at the Sandstone North deposit is refractory gold.</li> </ul> <p><b>Drilling carried out by WMC (1983-1989)</b></p> <ul style="list-style-type: none"> <li>There is no available documented information on the protocols used by WMC.</li> <li>There are no reported QAQC data for the WMC drill holes.</li> <li>WMC RC drill hole MSGC979 reported a strongly mineralised interval from 82m to 97m. WMC collected check samples from reject piles in the field two months after the hole was drilled. The original assay data returned 15m at 9.5 g/t Au. The resample assay data returned 15m at 9.1 g/t Au (within 5%).</li> <li>Where Troy and Alto drill holes were identified within close proximity to WMC drill holes the drilling assay data showed an acceptable correlation.</li> <li>There were no anomalous assays reported by WMC that could not be explained.</li> </ul> <p><b>Drilling carried out by Troy (2003)</b></p> <ul style="list-style-type: none"> <li>Troy reported that for RAB drilling, field duplicates and standards were used at 1:50 however no blank samples were routinely used.</li> <li>For Troy RC drilling, an average of 1 field duplicate, 1 blank and 1 standard was submitted for every 50 samples.</li> <li>Troy engaged Maxwell to undertake periodic audit of the exploration QAQC data.</li> <li>Troy reported no field QAQC data for the Sandstone North drill holes.</li> <li>Troy reported QAQC methodology and data from other prospect areas in the Sandstone area at the time Troy was exploring at Sandstone North. These data were reviewed in the absence of field QAQC data specific to the Sandstone North deposit.</li> <li>Laboratory Repeat assays were reported for Troy drill assays.</li> </ul> <p><b>Drilling carried out by Alto (2018)</b></p> <ul style="list-style-type: none"> <li>For Alto AC 4m composite sampling; field duplicates and field blank samples were inserted at a ratio of 1:20. Field standards were not used.</li> <li>Laboratory Certified Reference Materials and/or in-house controls, blanks, splits and replicates are analysed with each batch of samples by the Laboratory. These quality control results are reported along with the sample values in the final report. Selected samples are also re-analysed to confirm anomalous results.</li> <li>Laboratory and field QAQC results are reviewed by Alto personnel.</li> </ul>

Criteria	Commentary																																								
Verification of sampling and assaying	<ul style="list-style-type: none"><li>Drilling carried out by WMC and Troy was compiled by Alto from WA Dept Mines Open File records (WAMEX).</li><li>Data was transferred from WAMEX digital files to Alto’s database. The original WAMEX files were generally in excel or text format and were readily imported into Alto’s database. For some of the earlier reports (ie WMC) the data was manually entered into Excel.</li><li>All collar, survey and assay data was checked by printing all original data records and checking against a printed database used for Alto’s resource estimate.</li><li>The data was also checked using various methods in Datashed, ArcGIS and Micromine. Google Earth satellite imagery was also used to check collar positions where historical evidence was visible in satellite imagery.</li><li>Adjustment to assay data has been made where values below the analytical detection limit have been replaced with half the lower detection limit value.</li><li>Troy engaged Maxwell to undertake independent periodic audit of their exploration QAQC data on a monthly basis.</li></ul> <p><b>Twinned Holes</b></p> <ul style="list-style-type: none"><li>Drill holes were identified that occur proximal to each other and were drilled by different companies. Drill hole details are included in the table below.</li></ul> <table><tr><th>Twin</th><th>Company</th><th>Hole ID</th><th>Easting GDA94</th><th>Northing GDA94</th><th>Dip (deg)</th><th>Azimuth (deg)</th><th>Depth (m)</th></tr><tr><td>Twin 1</td><td>Troy</td><td>TRC090</td><td>726482</td><td>6908532</td><td>-60</td><td>090</td><td>139</td></tr><tr><td>Twin 1</td><td>WMC</td><td>MSGC1351</td><td>726491</td><td>6908532</td><td>-62</td><td>090</td><td>141</td></tr><tr><td>Twin 2</td><td>Alto</td><td>SAC331</td><td>726558</td><td>6908633</td><td>-60</td><td>090</td><td>77</td></tr><tr><td>Twin 2</td><td>WMC</td><td>MSGC497</td><td>726563</td><td>6908632</td><td>-57</td><td>090</td><td>60</td></tr></table> <ul style="list-style-type: none"><li>The mineralised intervals and in particular the high-grade intersections showed an acceptable correlation.</li></ul>	Twin	Company	Hole ID	Easting GDA94	Northing GDA94	Dip (deg)	Azimuth (deg)	Depth (m)	Twin 1	Troy	TRC090	726482	6908532	-60	090	139	Twin 1	WMC	MSGC1351	726491	6908532	-62	090	141	Twin 2	Alto	SAC331	726558	6908633	-60	090	77	Twin 2	WMC	MSGC497	726563	6908632	-57	090	60
Twin	Company	Hole ID	Easting GDA94	Northing GDA94	Dip (deg)	Azimuth (deg)	Depth (m)																																		
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Twin 2	Alto	SAC331	726558	6908633	-60	090	77																																		
Twin 2	WMC	MSGC497	726563	6908632	-57	090	60																																		
Location of data points	<ul style="list-style-type: none"><li>The grid used for the project area is GDA94, Map Grid of Australia 94, Zone 50.</li><li>Western Mining reported all RC drill collars in local grid format and AMG (AGD84). The coordinates (Easting and Northing) were located within the AMG coordinated grid established by independent contract surveyors.</li><li>The collar locations for all Troy Resources RAB and RC drill hole collars were reported as being determined by DGPS.</li><li>Alto used handheld Garmin GPS to locate and record drill collar positions, accurate to +/- 5 metres.</li><li>In November 2018, Alto staff visited the Sandstone North deposit to undertake a site inspection and check the easting and northing of historical drill collar locations using a hand-held GPS unit to verify that there had been no issues with local grid conversions or AMG to GDA transformations of the historical collar data.</li><li>The collar heights as used in the Alto database for the Resource Estimate were determined by Alto by intersecting the collar location with Shuttle Radar Tomography Mission (SRTM) 30m data.</li><li>There were no issues with respect to collar survey locations for Sandstone North drill holes.</li><li>A compass and clinometer was used to set up the dip and azimuth of the drill mast for Troy RAB and RC drill holes and Alto AC drill holes.</li><li>The dip and azimuth were reported by WMC for all drill holes however the method used to determine the dip and azimuth was not documented.</li><li>Alto staff checked the dip and azimuth of additional drill collars in the field where possible.</li></ul>																																								



Criteria	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> <li>The drill hole orientation is typically -60 degrees dip to 090 degrees.</li> <li>RC drill holes are generally on 20m spaced sections along a strike length of approximately 230m and are spaced at 10-20m intervals on section.</li> <li>Maximum drill depth is 141m (MSGC1350 and MSGC1351) with an average drill depth of 92m.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Geological structures have been interpreted from drilling and surface geological mapping.</li> <li>The prospect area comprises predominantly shales which have a northerly strike and a sub-vertical dip. Ultramafic rocks occur within the shales as units up to 50m wide and as a major unit in the eastern part of the prospect.</li> <li>Mineralisation at the Sandstone North deposit is confined to the shales close to the contact with an ultramafic unit and occurs within iron-stained quartz veins, which strike to the north and dip approximately 75 degrees to the west. The mineralisation has a plunge of approximately 60 degrees to the NNW.</li> <li>Drill orientation was typically -60 degrees dip to 090 degrees which was designed to intersect mineralisation perpendicular to the strike.</li> <li>Sample bias is not considered to be an issue due to the well-defined geological structures and appropriate orientation of drilling.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>No sample security details are available for WMC samples.</li> <li>Troy reported that their drill samples were collected in a labelled and tied calico bag. Up to six calico bags are then placed in a larger polyweave bag that is labelled with the laboratory address and sender details and tied with wire. The polyweave bags were picked up by a courier firm who counted the number of polyweave bags before taking them to the Mt Magnet depot. The samples were picked up by the courier's road train and transported to Perth. Upon receipt of the samples the laboratory checked the sample IDs and total number of samples and notified Troy of any differences from the sample submission form.</li> <li>Alto 4m composite AC drill samples comprised approximately 3 kg of material within a labelled and tied calico bag.</li> <li>Individual sample bags were placed in a larger plastic poly-weave bag then into a bulka bag that was tied and dispatched to the laboratory via McMahon Burnett freight.</li> <li>Sampling data was recorded on field sheets and entered into a database then sent to the head office.</li> <li>Laboratory submission sheets are also completed and sent to the laboratory prior to sample receipt.</li> </ul>
Audits and reviews	<ul style="list-style-type: none"> <li>Alto has reviewed and compiled the technical data for Sandstone North internally. No independent audit had been previously carried out.</li> <li>Troy engaged Maxwell to undertake periodic independent audit of Troy's exploration QAQC data.</li> <li>Non JORC compliant resource estimates have previously been reported for mineralisation at Sandstone North by; <ul style="list-style-type: none"> <li>➤ WMC (Year unknown) – reported in WAMEX a42407</li> <li>➤ Elmina (1994) – reported in WAMEX a42407</li> <li>➤ Herald (1999) – reported in WAMEX a57913</li> <li>➤ Troy (2007) – reported in 2007 Troy Resources NL Information Memorandum</li> </ul> </li> </ul>

**SECTION 2 - Reporting of Exploration Results**

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Mineral tenement and land tenure	<ul style="list-style-type: none"> <li>Sandstone North is located on Exploration Licence 57/1029, granted on 20 September 2016 to Sandstone Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Alto Metals Limited (AME).</li> <li>E57/1029 is currently in good standing with the Department of Mines, Industry Regulation and Safety.</li> <li>E57/1029 is part of Alto's Sandstone Gold Project. The total project area covers approximately 800 km<sup>2</sup> with five exploration licences all granted on 20 September 2016 and two prospecting licences granted on 11 June 2016.</li> <li>The following royalties apply: <ul style="list-style-type: none"> <li>➤ 2% of the Gross Revenue is payable to a third party</li> <li>➤ 2.5% payable to the State Government</li> </ul> </li> <li>There are no registered heritage sites proximal to the Sandstone North deposit.</li> <li>There are no current known impediments to obtaining a licence to operate in the area.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Historically gold was first discovered in the Sandstone area in the 1890's.</li> <li>In 1909, numerous gold mining leases were pegged within the Sandstone North area.</li> <li>Official recorded production from GML573B (Oroya Extended), which covers the area of the Sandstone North deposit, is 223.05 fine ounces of gold from 282 tonnes of ore at an average grade of 24.6 g/t Au. Small pits and shafts extend north-south over a strike length of approximately 300m. The deepest shaft reportedly extends to 23m below surface.</li> <li>WMC carried out geochemical lag sampling, geological mapping, airborne and ground magnetic surveying, and RC drilling between 1983 and 1989 in the general area with most of the drilling focused on the area of the old workings.</li> <li>Elmina NL and Herald Resources Limited held the project between 1993 and 1999 but did not carry out any drilling. Elmina carried out polygonal mineral resource estimation.</li> <li>Troy completed RAB and RC drilling in 2003.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Geological structures have been interpreted from drilling and surface geological mapping.</li> <li>The prospect area comprises predominantly shales which have a northerly strike and a sub-vertical dip. Drilling at depth has shown the shales to be black, graphitic and locally pyritic. Ultramafic rocks occur within the shales as units up to 50m wide and as a major unit in the eastern part of the prospect.</li> <li>Mineralisation at the Sandstone North deposit is confined to the shales close to the contact with the main ultramafic unit and occurs within iron-stained quartz veins, which strike to the north and dip approximately 75 degrees to the west.</li> <li>Depth of weathering is interpreted from drilling data to be approximately 30m in the north of the deposit and up to 60m in the south. The water table is reported as approximately 25m below surface.</li> <li>In general, the Sandstone North deposit has a northerly strike, dips approximately 75 degrees to the west and plunges to the NNW at approximately 60 degrees.</li> </ul>

Criteria	Commentary																																																
Drill hole information	<ul style="list-style-type: none"><li>A summary of all drilling at the Sandstone North deposit is included in the table below.</li><li>A summary of all significant intercepts is included in the main body of the ASX Report dated 11 February 2019.</li><li>All drill holes were generally orientated at -60 degrees dip to 090 degrees.</li></ul>																																																
Drill hole information	<table><tr><th></th><th>Year</th><th colspan="2">RAB</th><th colspan="2">AC</th><th colspan="2">RC</th></tr><tr><th></th><th></th><th>Holes</th><th>(m)</th><th>Holes</th><th>(m)</th><th>Holes</th><th>(m)</th></tr><tr><td>WMC</td><td>1983-89</td><td></td><td></td><td></td><td></td><td>31</td><td>2,864</td></tr><tr><td>Troy</td><td>2003</td><td>2</td><td>129</td><td></td><td></td><td>3</td><td>386</td></tr><tr><td>Alto</td><td>2018</td><td></td><td></td><td>8</td><td>783</td><td></td><td></td></tr><tr><td>Total</td><td></td><td>2</td><td>129</td><td>3</td><td>783</td><td>34</td><td>3,250</td></tr></table>		Year	RAB		AC		RC				Holes	(m)	Holes	(m)	Holes	(m)	WMC	1983-89					31	2,864	Troy	2003	2	129			3	386	Alto	2018			8	783			Total		2	129	3	783	34	3,250
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Data aggregation methods	<ul style="list-style-type: none"><li>Where Alto has reported WMC or Troy grades, a 1.0 g/t Au cut-off grade has been applied.</li><li>No metal equivalents have been used or reported.</li><li>The reported grades are uncut.</li></ul>																																																
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"><li>Mineralisation at the Sandstone North deposit occurs within west-dipping (~70 degrees), north-striking quartz veins that plunge approximately 60 degrees to the NNW.</li><li>Drill orientation was typically -60 degrees dip to 090 degrees which was designed to intersect mineralisation perpendicular to the strike.</li><li>The mineralisation is dipping and drill intercepts are reported as down hole widths not true widths.</li></ul>																																																
Diagrams	<ul style="list-style-type: none"><li>Diagrams including drill hole location plan and representative sections are included in the main body of the ASX Report dated 11 February 2019.</li></ul>																																																
Balanced reporting	<ul style="list-style-type: none"><li>All significant drill assay results (+1.0 g/t Au) have been included in Appendix 1 of the ASX Report dated 11 February 2019.</li></ul>																																																
Other substantive exploration data	<ul style="list-style-type: none"><li>There is no other material information available for the Sandstone North area at this stage.</li></ul>																																																
Further work	<ul style="list-style-type: none"><li>The compilation of Sandstone North drilling and assay data has shown that the deposit is open along strike and down dip/down plunge, and contains some very high grades.</li><li>However, Alto has concluded that further exploration and resource definition drilling should be carried before attempting to undertake a mineral resource estimate.</li><li>Further drilling will also provide samples for bulk density measurements and samples for metallurgical testwork. Geotechnical work for pit slope analysis may also be undertaken.</li></ul>																																																