

## 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

Sam Middlemas  
Company Secretary/CFO

## Capital Structure

Issued Shares: 151.8M  
Issued Options: Nil  
Performance Shares: 25M  
Performance Rights: 10.75M

## Website:

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## Sandstone Gold Project WA Strategy & Exploration Update

- Alto Metals' objective at Sandstone in Western Australia is the discovery of at least 1 million ounces of economically mineable gold.
- Alto's Stage 1 Exploration Objective is: *Discovery of shallow oxide gold resources that can be mined and trucked to operating gold treatment facilities in the region.*
- 20,000m of Stage 1 aircore/reverse circulation (AC/RC) drilling is about to commence.
- Alto's Stage 2 Exploration Objective is: *Discovery of high-grade shear hosted primary (sulphide) gold resources at depth in the vicinity of mined deposits such as Lord Nelson, Bulchina and Lord Henry.*
- Drilling for the Stage 2 objective is planned for Aug – Nov 2017.

Alto Metals Limited (ASX: AME) ("Alto" or "the Company") is pleased to announce that it has committed to a 20,000-metre (Stage 1) drilling program at its 100% owned Sandstone Gold Project, 150km east of Mount Magnet in Western Australia.

The Company's Sandstone tenements, covering 723km<sup>2</sup> of the Archaean Sandstone Greenstone Belt, were granted on 20 September 2016, and a brief aircore/reverse circulation (AC/RC) drilling program was completed at several prospects along the Musketeer - Indomitable Shear Zone in late December 2016. Following encouraging results from this initial program, further drilling will commence this week at the Indomitable, Musketeer and Piper prospects where significant oxide gold mineralisation has already been discovered.

The Company has identified a number of oxide gold targets along the Bulchina and Wirraminna Shear Zones, which will also be drill tested. (Refer Figures 1 & 2 for the Company's Project and Prospect locations.)

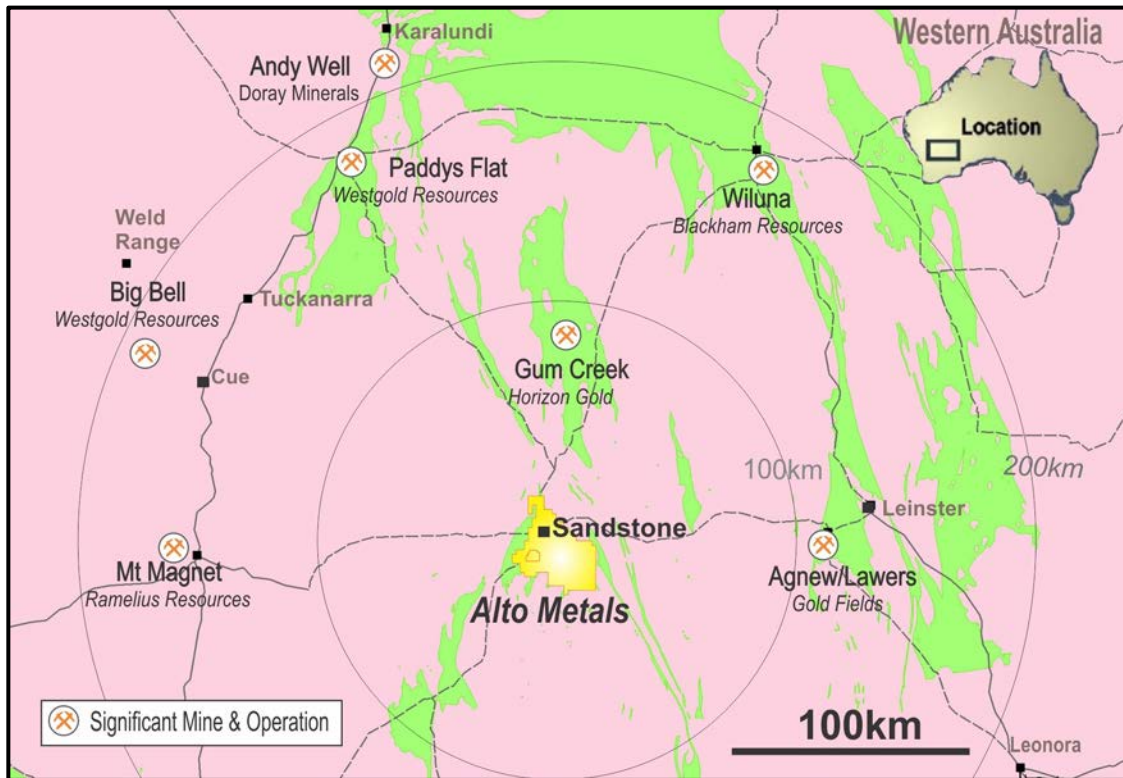


Figure 1. Alto's Sandstone Gold Project Location

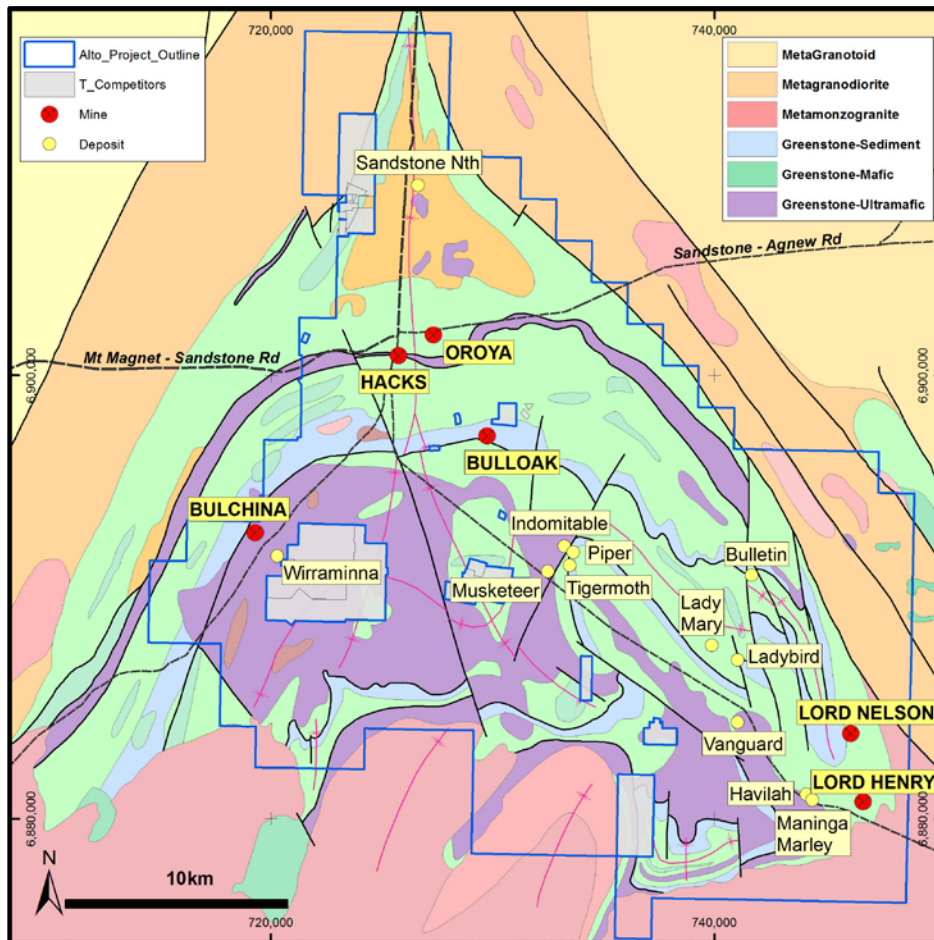


Figure 2. Alto's Sandstone Gold Project Landholdings & Prospect Locations

## **ALTO'S OBJECTIVE & EXPLORATION STRATEGY AT SANDSTONE**

Alto's objective at Sandstone is the discovery of at least 1 million ounces of economically mineable gold. The discovery of new, large high-grade oxide and primary gold deposits will be achieved through a better understanding of the lithological and structural controls on gold mineralisation within the Sandstone Greenstone Belt, good quality geophysics, geochemistry and a sustained drilling program.

Alto has a firm belief that the gold endowment at Sandstone is equal to that of other similar sized Archaean greenstone belts in Western Australia, North America and Africa. Hence there is potential to discover up to 5 million ounces of gold in primary (sulphide) deposits on the Company's tenements.

Support for this belief comes from the major multi-million ounce high-grade gold discoveries made in the Yandal, Duketon and Laverton greenstone belts in the 1990s, where previously only shallow open pits of low-grade oxide systems were discovered or mined in the 1980s.

Alto's **EXPLORATION STRATEGY** involves two main stages:

**Stage 1:** the discovery of relatively shallow oxide gold mineralisation that can be economically mined and trucked to one of several operating gold treatment facilities in the region; and

**Stage 2:** the discovery through RC and diamond core drilling of high-grade shear hosted primary (sulphide) gold mineralisation at depth in the immediate vicinity of open pit mined deposits such as Lord Nelson, Lord Henry and Bulchina.

## **TARGETING & 2017 HALF-YEAR EXPLORATION PLAN**

Alto has undertaken a review of past exploration to identify regional target areas for drill testing in 2017. Previous work has highlighted two main target types at Sandstone:

- Moderate to high grade litho-structural targets associated with structural complexity and rheologically/chemically favourable host rocks (Banded Iron Formations or mafic/ultramafic volcanics); and
- Low to moderate grade sheeted to stockwork quartz veining within felsic intrusions. There is a distinct relationship between known gold mineralisation and the location of felsic intrusions, making them a good indicator for exploration.

Most of the known mineralisation at Sandstone appears to be located along northwest or northeast trending shear zones or "corridors", and in particular where these two intersect. It is considered that these corridors represent major, long-lived, crustal-scale structural zones, which can be seen in Alto's detailed magnetic data. This targeting exercise is a work in progress, and a number of high priority areas have been identified:

- Areas of transported cover along strike from known mineralisation that have had limited follow-up drilling; and
- Areas that have been partially or shallowly drill tested and have returned significant intercepts of high-grade gold mineralisation and which are open along strike and/or at depth.

High priority target areas for immediate attention include:

- The **Musketeer-Indomitable Shear Zone**, which includes Mineral Resources (\*JORC 2004) estimated by Troy Resources of 561,000 t @ 1.73 g/t Au for 31,203 oz (*Inferred*) at Tigermoth and 91,000 t @ 1.37g/t Au for 4,017 oz (*Indicated*) at Piper.
- The **Bulchina and Wirraminna Shear Zones**.

A 20,000m aircore and RC drilling program that will test these and a number of other high priority targets is commencing this week. More extensive drilling programs will be planned and implemented later in 2017, following the receipt of all assays from the Stage 1 program and the progressive compilation and review of Alto's extensive Sandstone database.

## **ABOUT ALTO METALS LIMITED**

Alto Metals Limited is an Australian public company listed on the Australian Securities Exchange with 151,883,037 ordinary fully paid shares on issue. The Company's main focus is the 723km<sup>2</sup> Sandstone Gold Project, the acquisition of which was completed on 23 June 2016. The Sandstone Project contains the historic underground workings at Oroya, Sandstone North and Hacks, and the modern open pits at Oroya, Bull Oak, Bulchina, Lord Nelson and Lord Henry. The Project contains Total Mineral Resources of 3.9 Mt @ 1.9g/t Au for 238,000 ounces gold (\*JORC 2004).

Since the discovery of gold at the end of the 19<sup>th</sup> Century, the Sandstone Greenstone Belt has produced over 1.3 million ounces of gold from underground and open pit mining operations. Between 1994 and 2010, Herald Resources Ltd and Troy Resources NL produced some 612,000 ounces, largely from shallow oxide ore processed through the small Nunngarra Mill. The mill closed in 2010, and there was no exploration on the Project area until Alto purchased the property and commenced airborne and ground geophysical surveys and drilling in November 2016.

## **Further Information**

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## ***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 a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 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 reported resource estimates are consistent with the 2004 JORC Code guidelines and are not reported in accordance with the JORC 2012 Code and a Competent Person has not completed sufficient work to accurately classify the 2004 estimates as Mineral Resources under the JORC 2012 Code. Indeed it is uncertain if, following further exploration, the 2004 estimates will be able to be reported as Mineral Resources in accordance with the JORC 2012 Code. The Company is in the process of upgrading the historical published Mineral Resources to JORC 2012 as a matter of priority. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources.*