

Alto Takes First Step Towards Restarting Gold Mining at Lords Project, Sandstone WA

- Mining leases pegged over Lord Nelson and Lord Henry deposits
- ML's to pave way for profit-sharing agreement with one of existing producers in the region (within 200km)
- Approach in keeping with short-term strategy to identify and/or develop shallow gold resources at Sandstone

Alto Metals Limited (ASX: AME) is pleased to announce that it has pegged Mining Leases over its wholly owned Lord Nelson and Lord Henry gold deposits, 36 km southeast of Sandstone in Western Australia, as it explores the possibility of an early restart to mining operations.

Two Mining Lease Applications have been lodged with the WA Department of Mines, Industry Regulation and Safety (DMIRS). The Lord Nelson MLA 57/640 covers ~286 hectares, while the Lord Henry MLA 57/639 covers ~185 hectares. The two MLA's are large enough to accommodate possible extensions to the existing open pits, existing and future waste dumps, and infrastructure that may be required for the resumption of mining.

Alto envisages developing the **Lords Project** under a 50:50 profit-sharing agreement with one of several gold producers in the region that have surplus milling capacity. These types of arrangements are relatively common in the WA Goldfields as they allow for the development of smaller deposits at minimal capital cost.

Managing Director Dermot Ryan said: *"Applying for these Mining Leases is a major step for Alto in moving towards a profit-sharing arrangement for the Lords Project. We believe the profit-sharing approach will allow us to monetise the existing resources at Lord Nelson and Lord Henry and any additional resources we are able to define in the area in the most cost-efficient manner."*

BACKGROUND

Alto's **Lords Project** consists of two main deposits, Lord Nelson and Lord Henry, which were previously mined by Troy Resources NL between 2005 - 2009. Troy initially mined 1.141 Mt at 4.9g/t Au for 180,000oz from Lord Nelson, and with a later cut-back, mined a further 0.313 Mt at 2.72 g/t Au for 27,440 ounces. The Lord Henry pit produced 0.413 Mt at 3.61 g/t Au for 48,000oz.

In late 2016 Alto commissioned Snowden Mining Industry Consultants (Snowden) to review and remodel the remaining mineral resources at both deposits. Snowden* subsequently estimated the following JORC (2012) compliant mineral resources, both with a 0.8 g/t Au cut-off grade:

Table 1. Lord Nelson & Lord Henry Mineral Resources

Deposit	Category	Tonnage (kt)	Grade (g/t Au)	Contained gold (oz)
Lord Nelson	Inferred	980	2.2	68,000
Lord Henry	Indicated	1,200	1.6	65,000
Lord Henry	Inferred	100	1.3	4,000

*Refer AME ASX releases of 28 April and 16 May 2017 for details of above resource estimates.

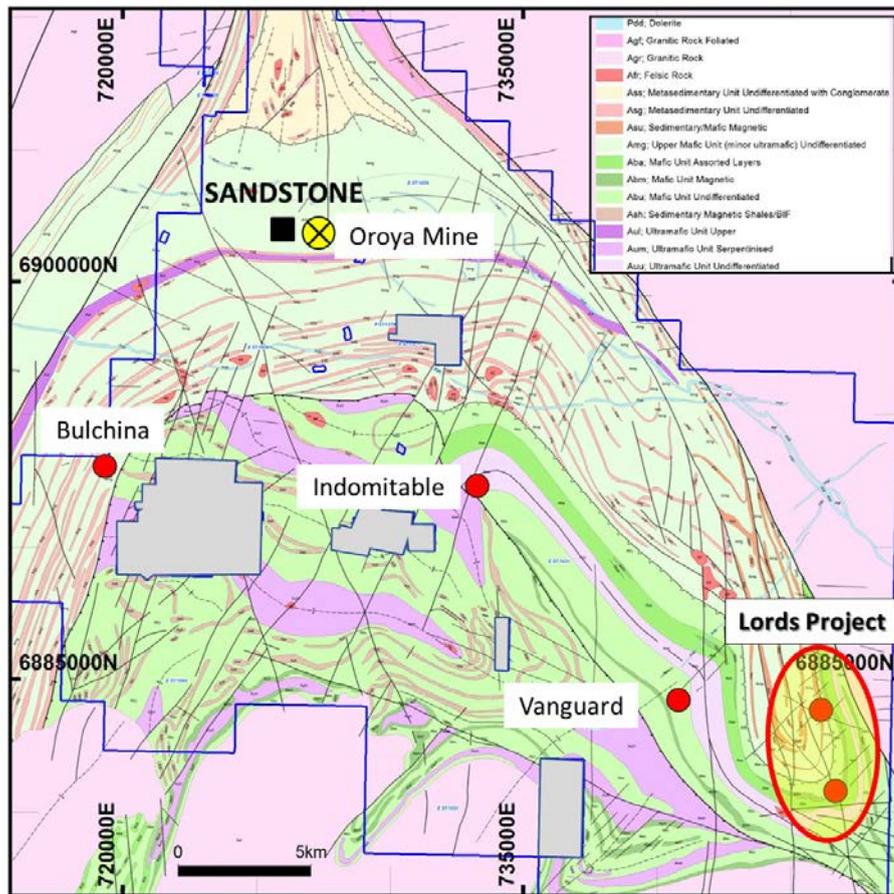


Figure 1. Geology Plan with Alto's Landholdings and Current Projects

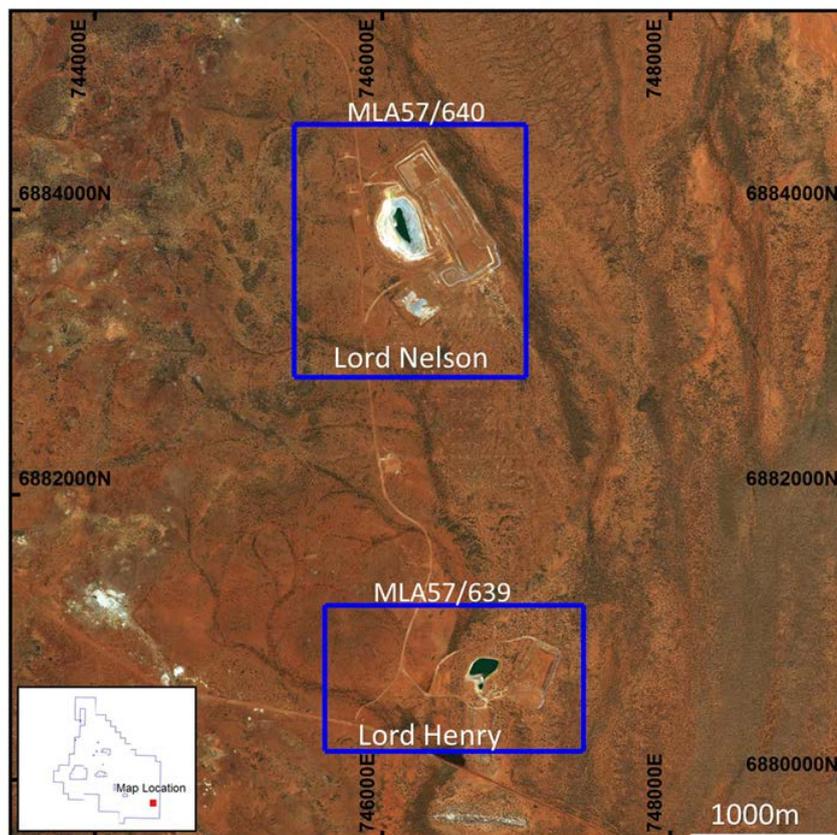


Figure 2. Lords Project - Mining Lease Applications

LORD NELSON DEPOSIT

The Lord Nelson Mineral Resource estimate by Snowden was based on holes drilled by Troy between 2004-2009, and included data from 215 reverse circulation (RC) drill holes, 16 diamond drill holes (DDH) and 18 rotary air blast (RAB) drill holes. RAB drill holes were only included in the near surface mineralised area to the east of the main deposit. The Inferred Mineral Resource was limited to 80m below the current mined pit, with all material below this remaining unclassified.

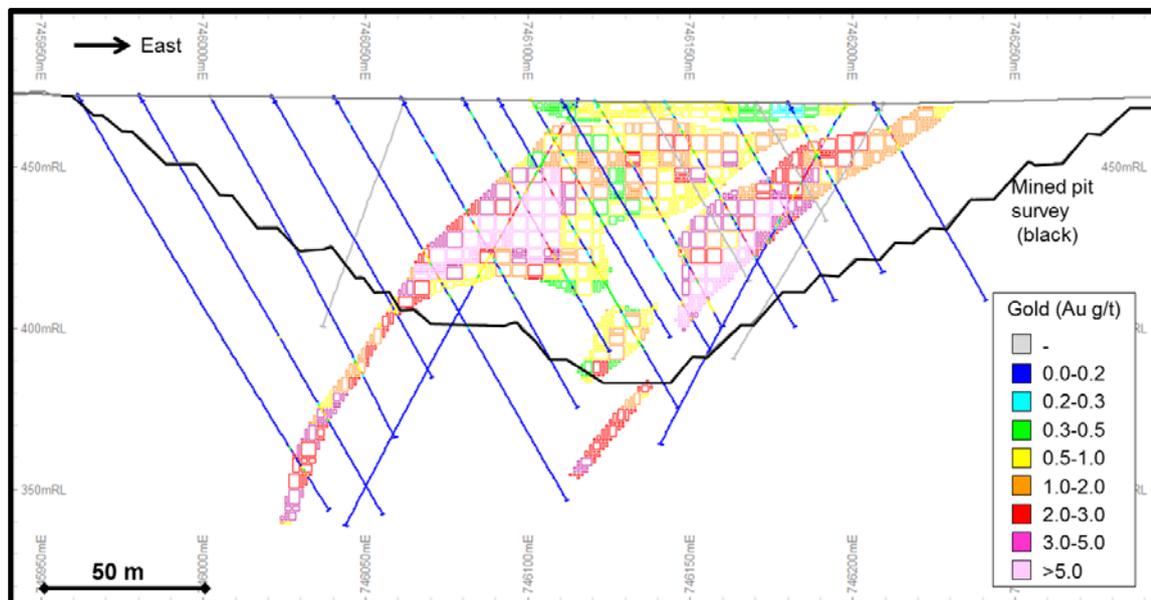


Figure 3. Lord Nelson Cross Section 6883850mN Estimated Grade & Drill Hole Composites (note, material above the pit surface (black line) has been mined out)

Snowden considered that there is potential for economic extraction in the areas classified as Inferred Resources, and there are no known impediments to mining. The Mineral Resource was reported above a 0.8 g/t Au cut-off based on historical mining and mining of similar deposits. In addition, the sparsely drilled (and unmined) **Southern Extension** of the main eastern mineralised domain was not classified and included in the Snowden estimate.



Figure 4. Lord Nelson Existing Open Pit 2017, looking East

LORD HENRY DEPOSIT

The Lord Henry Mineral Resource estimate was based on data from 226 RC drill holes and three diamond holes drilled by Troy between 2004 and 2009, and is depleted for all known historical mining. Snowden considered there is potential for economic extraction in the areas classified as Indicated and Inferred Resources, and there are no known impediments to mining. The Mineral Resource was reported above a 0.8 g/t Au cut-off based on historical mining and mining of similar deposits.

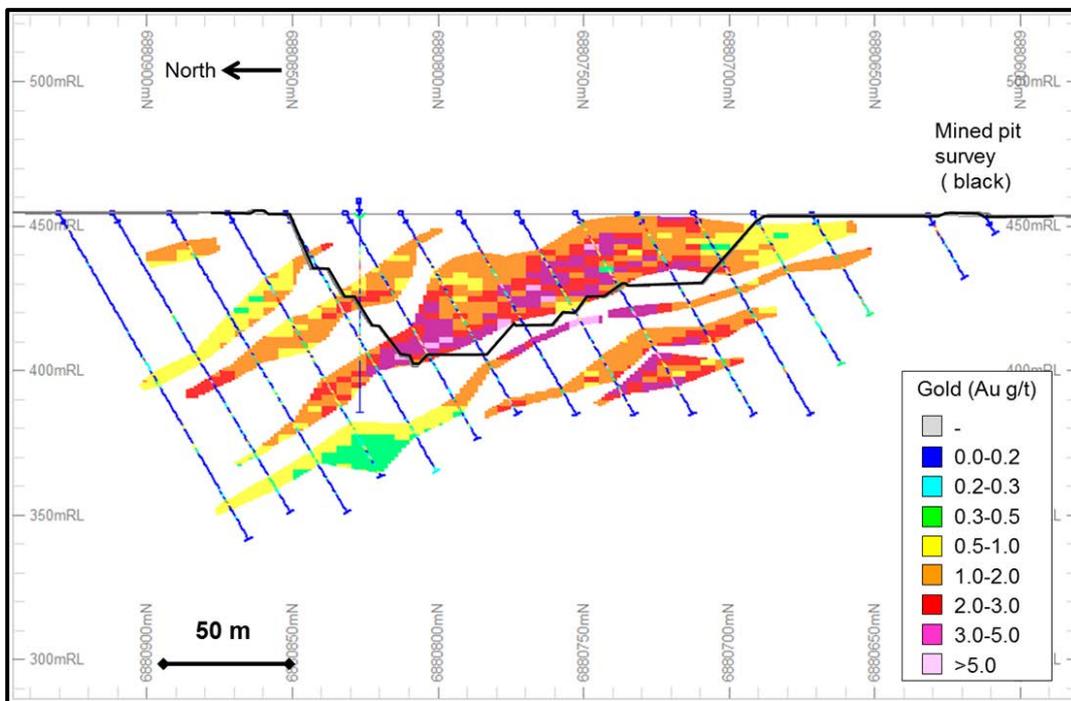


Figure 5. Lord Henry Cross Section 6883850mN Estimated Grade & Drill Hole Composites, (Note, material above the pit surface (black line) has been mined out)

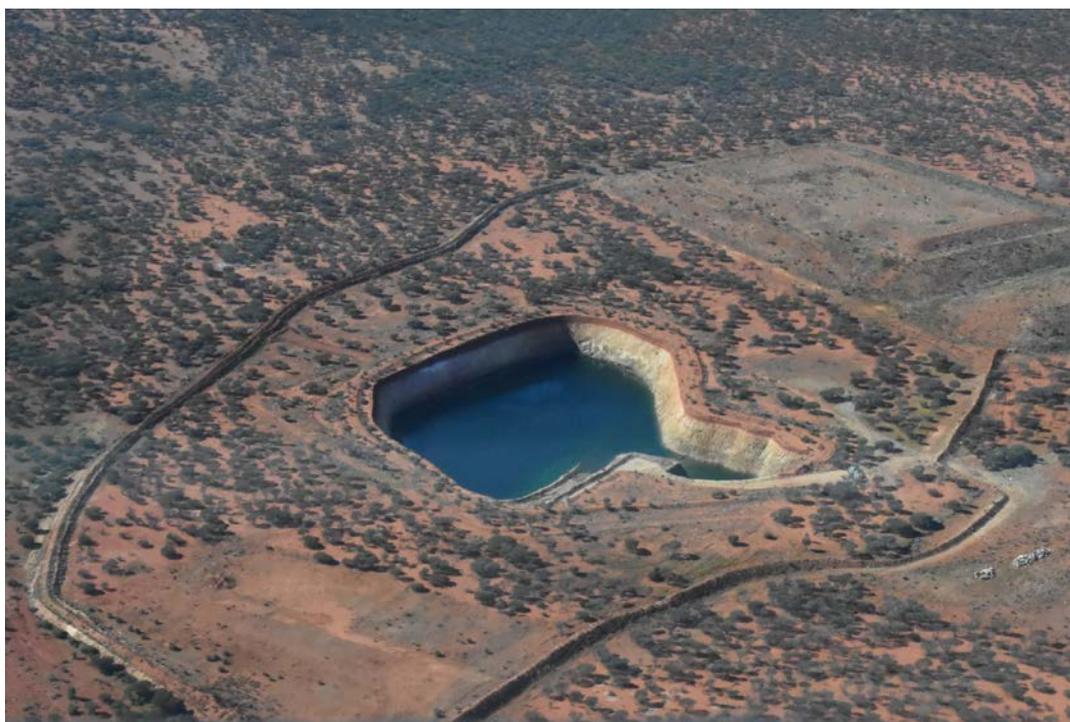


Figure 6. Lord Henry Open Pit 2017, Looking Northeast

NEXT STEPS

The pegging of the Lords Project mining leases and lodgement of the MLA's with the Department of Mines, Industry Regulation and Safety is the first step by Alto in preparing for a possible Lords Small Mining Project based on a 50/50 profit sharing mining agreement which is now common in the Western Australian Goldfields. The next steps will be:

- Negotiating a workable 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,
- Selected infill drilling and metallurgical and geotechnical test work,
- Obtaining various government approvals to mine.

The operating and proposed gold treatment plants within a 200km radius of Sandstone are shown below in Figure 7.

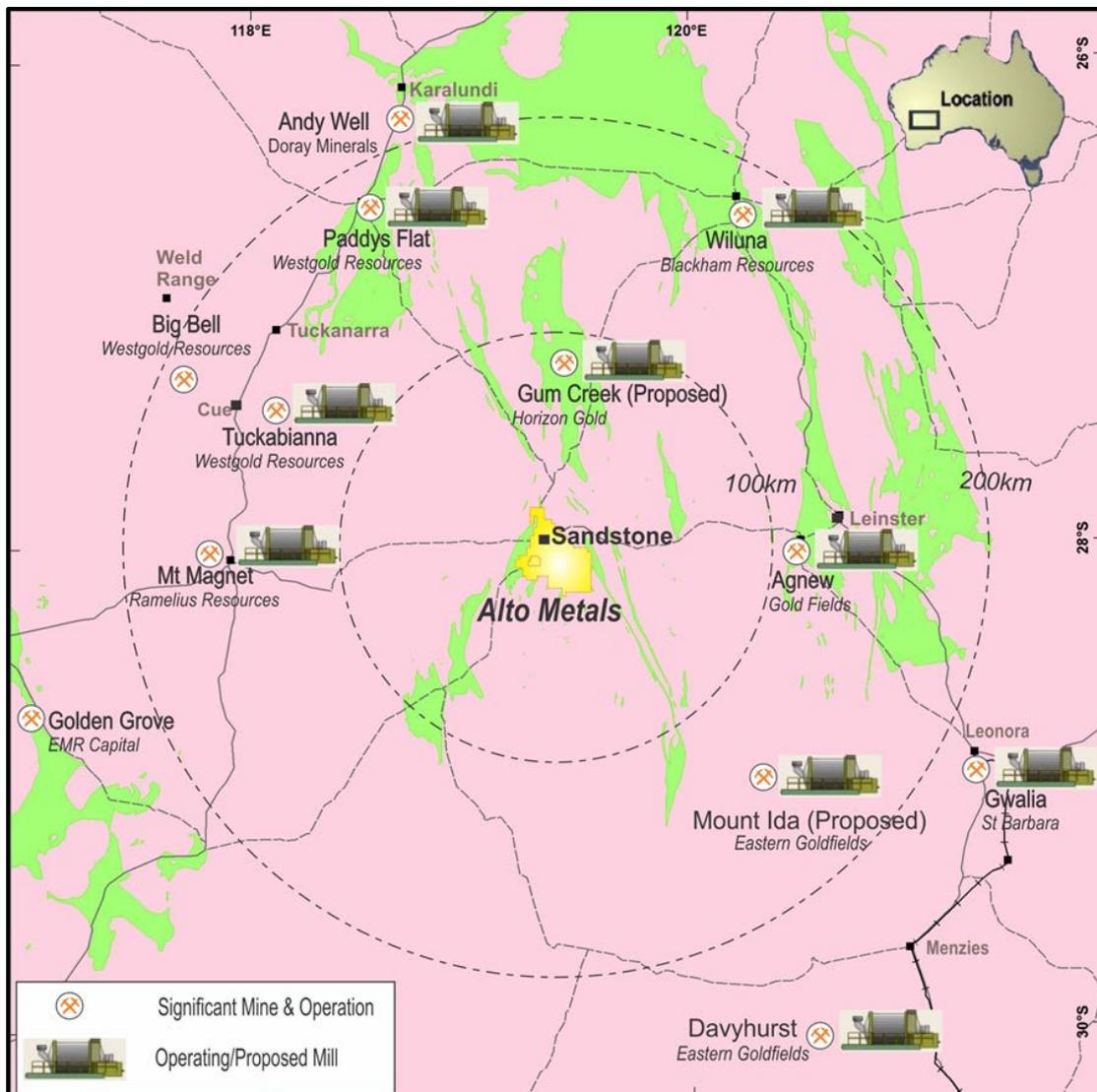


Figure 7. Location of Alto's Sandstone Gold Project, Operating & Proposed Gold Plants

ABOUT ALTO METALS LIMITED

Alto has two main objectives at its 100% owned 720km² 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 8 below. The initial field assessment of these project areas, which includes mapping and geochemical sampling, has commenced.

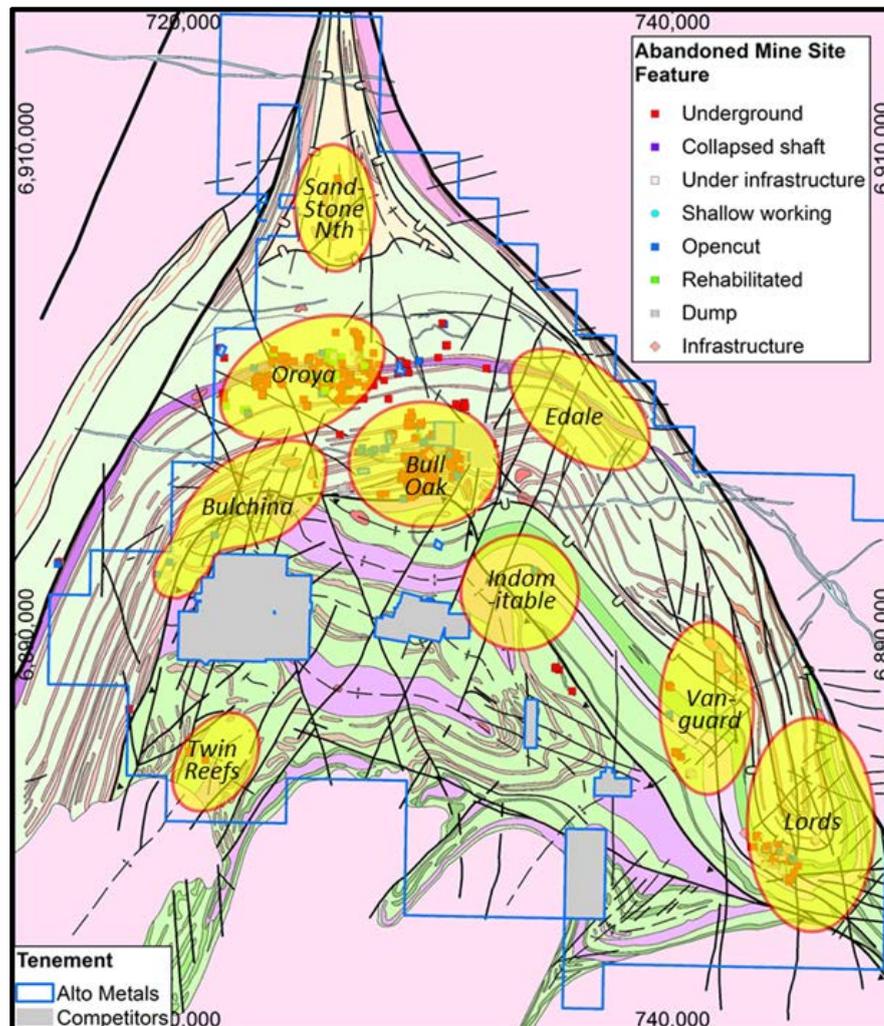


Figure 8. Exploration Target Areas for Discovery of Major Deposits

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 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.

The information in this report that relates to the applications for the Lord Nelson and Lord Henry Mining Leases was compiled by Dermot Ryan who is a Chartered Professional (Geology) and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dermot Ryan is an employee of consultancy Xserv Pty Ltd and a Director and security holder of Alto Metals Limited and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

References:

Lord Nelson: <http://www.asx.com.au/asxpdf/20170428/pdf/43htcqvrlmp2w.pdf>

Lord Henry: <http://www.asx.com.au/asxpdf/20170516/pdf/43j8w1mhq5290t.pdf>