

ASX/Media Release

15 March 2018

STREETER ADDS NICKEL TO ALTO'S EXPLORATION STRATEGY AT SANDSTONE, WESTERN AUSTRALIA

HIGHLIGHTS

- **4.1% nickel identified in 2010 diamond drill hole during review of previous nickel exploration data at Sandstone**
- **Research work (2005) undertaken by Geological Survey of Western Australia and University of Western Australia first identified abundant komatiites in the Sandstone greenstone belt**
- **The research work highlighted the prospectivity for komatiite hosted nickel/copper/cobalt sulphide deposits at Sandstone**

Alto Metals Limited (ASX: AME) ("Alto", "the Company") is pleased to advise that Alto will be assessing the nickel/copper/cobalt potential of the Sandstone komatiite sequence within Alto's Sandstone tenements.

Support for Ni-Cu-Co exploration at Sandstone comes from two sources. In 2010, Western Areas NL (ASX: WSA) made the first ever discovery at Sandstone of disseminated and semi-massive nickel sulphides (26.2m at 0.4% Ni from 60m depth in hole WAD002), including a 20cm interval of semi-massive sulphide which assayed **4.1% Ni from 86.3m depth**.

The Western Areas work followed mapping and sampling of exploration drill samples by the Geological Survey of Western Australia (GSWA) in 2005 (Chen, 2005) which identified widespread but poorly exposed komatiites in the Sandstone greenstone belt, which represented the most significant occurrence of komatiites in the northern part of the Southern Cross Terrane in Western Australia. (Refer Figures 1 and 2 overleaf)

Commenting on this new initiative, Alto's Managing Director Dermot Ryan said:

"We are very pleased to have secured Terry Streeter to the Alto board as he has a successful track record in finding and developing nickel sulphide deposits and, as a founder and former Chairman of Western Areas, has prior knowledge of the potential of the komatiites in the Sandstone greenstone belt to host nickel sulphides.

Alto is currently undertaking an extensive gold exploration program at Sandstone, and this Ni-Cu-Co initiative is complementary to the gold exploration being undertaken.

Alto has flown modern detailed airborne magnetic and radiometric surveys, and has utilized the extensive historical drilling and geochemical database to develop an improved understanding of the bedrock geology and structure at Sandstone, which can be used in the search for gold and base metals. In addition, Alto has the benefit of access to the latest developments in electromagnetic (EM) techniques, which have proven to be effective in the recent discovery of massive sulphide deposits".

BACKGROUND

The geochemistry undertaken by the GSWA indicated that the komatiites at Sandstone were similar to the komatiites associated with Western Areas (ASX: WSA) nickel sulphide deposits in the Forrestania greenstone belt, also within the Southern Cross Terrane.

Further enhancing the Ni sulfide potential of komatiites in the Sandstone greenstone belt was the favourable chemistry of many samples, which had +20% MgO and +1,000 ppm Ni, because this is the range commonly observed for Ni-Cu-Co mineralized komatiitic rocks in other parts of the world.

Accumulations of Fe–Ni–Cu sulfides form in channels or troughs at the base of komatiite lava flows, as is the case at Kambalda. Sulfur saturation of komatiite melts can be achieved when the lavas flow over sulphur-rich rocks, such as pyritic carbonaceous shale or banded iron-formation (Bif).

This may result in the deposition/accumulation of Fe–Ni–Cu sulfide deposits. Komatiites in the Sandstone greenstone belt contain units of Bif and other sediments, and therefore the basal contacts between the komatiites and Bifs and sediments are prime targets for komatiite-hosted Ni sulfide deposits.

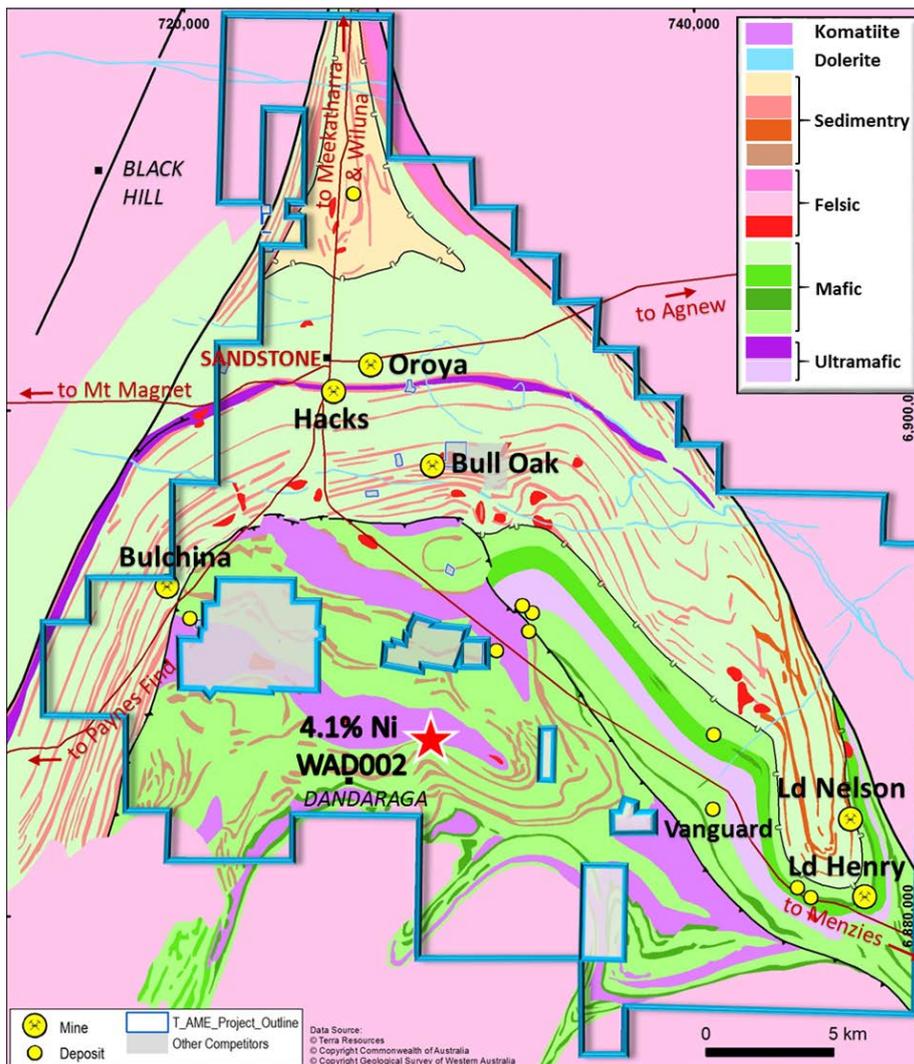


Figure 1. Geology Plan of Sandstone Greenstone Belt, with Alto’s Landholding and Prospect areas

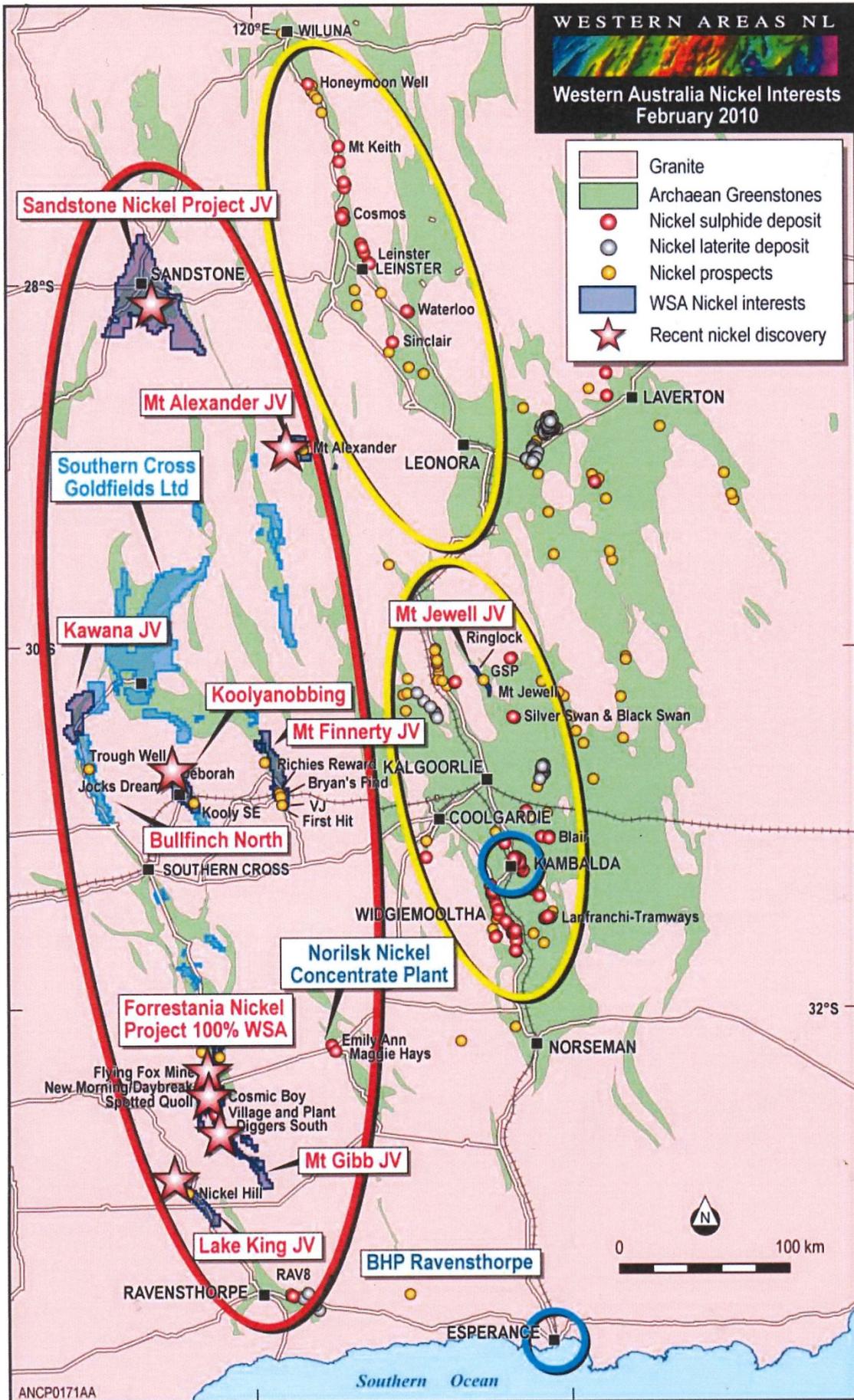


Figure 2. WSA 2010 Plan of Central Yilgarn Nickel Province showing Nickel Discoveries

Further information:

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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 Fellow of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralization 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.

Historic nickel exploration results referred to in this Report were previously reported by Western Areas NL pursuant to JORC Code 2004. Alto 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.

References

Chen S.F, Morris P.A, & Pirajno F. (2005) Occurrence of komatiites in the Sandstone greenstone belt, north-central Yilgarn Craton , Australian Journal of Earth Sciences, Volume 52, 2005 – Issue 6, pg.959-963. <http://dx.doi.org/10.1080/08120090500304240>

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Hanna, J. (2010) Western Areas NL ASX/News Release: New Nickel Sulphide Discovery at Sandstone Joint Venture. <https://www.asx.com.au/asxpdf/20100308/pdf/31p49nmxjtlnls.pdf>