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ASX RELEASE

13 June 2018



**ALTO HAS DEFINED A ~1.3km<sup>2</sup> GOLD IN SOIL ANOMALY IN WHICH ~30% OF SAMPLES ASSAYED TO DATE ARE >30PPB GOLD**

- Soil sampling has located a 1.3km<sup>2</sup> gold-in-soil anomaly immediately south of the Bull Oak open pits within the historical Hancocks Mining Centre
- 62 of the 197 samples analysed to date (~31%) reported greater than 30 ppb gold
- Assays are awaited for the remaining 282 soil samples collected adjacent to the first batch of 197 samples

Alto Metals Limited (ASX: AME) (“Alto”, “the Company”) is pleased to advise that assays for 197 samples collected in April 2018 south of the Bull Oak pits 6km south east of the township of Sandstone have been received, with the following assay distribution:

| Au assay | <=30ppb | 31-50ppb | 51-100ppb | 101-300ppb | >300ppb |
|----------|---------|----------|-----------|------------|---------|
| Samples  | 135     | 22       | 20        | 17         | 3       |

Assays from these samples have defined a coherent 30 parts per billion (ppb) gold-in-soil anomaly over 1.3km<sup>2</sup> which requires follow up. Gold analyses for the remaining 282 soil samples collected in the area, which flank the anomalous gold-in-soil anomaly, are expected within two weeks.

In early April 2018 Alto commenced a soil sampling program over 17 target areas (~3,000 samples total) in the Sandstone Project area to “fill in the gaps”. Alto had earlier compiled and assessed a patchwork of soil sampling results from previous explorers.

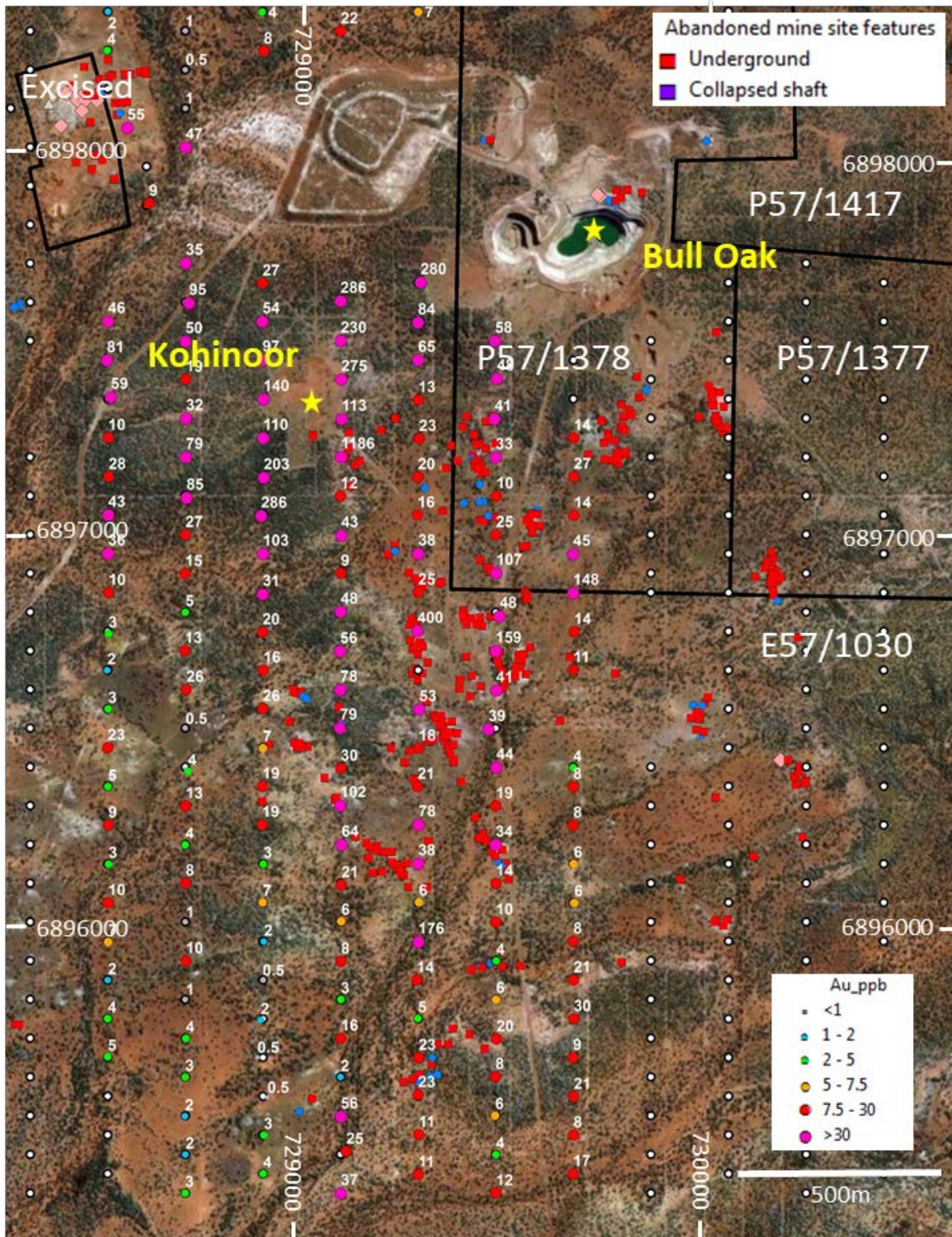
Results have now been received from the first of three batches of soil samples collected south of the Bull Oak open pits, where fresh rock is just below the surface and is exposed in numerous pits and shafts.

Figure 1 overleaf shows the location of Alto’s soil assays received to date, the location of samples awaiting assay, historical workings and the Bull Oak Open Pits.

Although the Hancocks Mining Centre appears to have been well explored by Western Mining Corporation Ltd, Elmina NL and Herald Resources Ltd between 1984 and 1998, the great majority of holes drilled were resource focussed in the vicinity of Bull Oak, and most of the drill holes were less than 50m deep, drilled into oxide material.

Following receipt of the outstanding 282 soil sample results, Alto plans to undertake follow up field work and mapping, with the objective of defining drill targets.

Figure 1. Hancocks Mining Centre, Showing Alto Soil Assays, Historical Workings & Bull Oak Open Pits



Note: ○ With no number indicates assay results are awaited

**BACKGROUND**

Between 1904 and 1943, the Hancocks Mining Centre is reported to have produced a total of 39,936 oz of gold at an average grade of 38 g/t. There were many small, high grade producers, the more notable including the Black Range Kohinoor (7,520 oz), the Bull Oak/Faugh-a-Ballagh (6,270 oz), the Comrades (3,440 oz) and the Lady Seddon Group (2,680 oz). Other smaller producers included the Kohinoor North, Comedy King, Hillend, Hillview, Worker, Breakaway and Lady Ellen.

**Western Mining Corporation (WMC)**

Between 1984 and 1993, Western Mining Corporation conducted exploration including mapping, soil sampling and RC drilling programs around the Hancocks area as part a joint venture with Monarch Petroleum NL.

Numerous drilling campaigns were undertaken by WMC with a total of 12,355m being drilled in 252 RC holes (av. 49m deep), the majority of which were in the Bull Oak, Faugh-A-Ballagh, Great Kohinoor area. Other areas tested by RC drilling included old workings at Lady Ellen Reef, Lady Seddon and Lady Seddon South, Breakaway, Black Range Kohinoor, Worker, Comedy King and Hillview. 57 air core holes were also drilled at Great Kohinoor to test for shallow, laterite mineralization.

**Elmina NL (Elmina)**

In 1994 Elmina carried out 9,691m of RC drilling to increase both the lateritic and Bull Oak ore reserves. Of this, 506m (9 holes) were drilled at Great Kohinoor, 540m (45 holes) at Bull Oak West and 7,901m (116 holes) at Bull Oak. 600m (17 holes, av. 35m) were also drilled at Lady Seddon to test the extent of mineralization found by WMC in holes MSGC 662, MSGC 664, MSGC 866 and MSGC 1062. 7 RC holes were also drilled at Hillside to test the extent of surface laterite mineralization discovered in a previous 930m (128 holes, av. 7m deep) RAB geochemical programme.

**Herald Resources Ltd (Herald)**

Between 1994 and 1998, **Herald Resources Ltd**, as manager of the Edale JV tenements (formerly held by Elmina N.L., and then by International Annax Ventures Inc), managed and funded exploration covering the Hancocks Mining Centre. During this time, Herald undertook aeromagnetic surveys, soil sampling, geological mapping, RAB drilling and RC drilling.

Herald calculated a total indicated "*ore resource*" of 561,200t @ 1.90g/t Au (~34,400oz) for the area. Mining of the Bull Oak open pits was completed in mid-1997. The oxide ore was processed through a local 0.5Mtpa oxide CIP/CIL plant.

**GEOLOGICAL SETTING**

In the general **Hancocks area**, an east-west striking sequence of basalt, dolerite, sediments and thin beds of banded iron formation (BIF), chert and ultramafics occurs. These units strike east-west and dip steeply north and south. The most common style of mineralization is quartz veins within basalt or granite, but there are also minor deposits within the sediments, and also in laterite and alluvium.

Three small elongate granitic bodies have intruded the mafics and sediments on a north-south line, and the northern-most granite hosts the Bull Oak - Faugh-A-Ballagh auriferous quartz vein system. This is known as the Bull Oak granite.

At **Bull Oak**, a porphyritic granite stock extends about 400m on a north-east trend, and is some 100m wide. It intrudes mafic volcanics and a BIF. The granite is intersected by a subparallel system of narrow variably auriferous quartz reefs and stockworks with pyritic alteration haloes, which dip north-east and easterly (10° & 70°).

Historical gold production was from three veins (the north-south trending Kohinoor North reef and the north-west trending Faugh-A-Ballagh and Bull Oak reefs) dipping 20 - 40 degrees east and north-east. The granite host is extremely weathered and kaolinized to a depth of approximately 60m below surface.

**ALTO'S SOIL SAMPLING METHODOLOGY**

In April-May 2018 XM logistics Pty Ltd collected ~3,000 soil samples over 17 target areas in the Sandstone Project area. The samples were collected on a 400m x 200m GDA94 based grid, with some collected on a 200m x 100m grid. Individual samples were collected using a pick and shovel from between 0.2m to 0.5m depth ("*C-horizon soils*").

The samples were screened in field to recover approximately 1 kilogram each of the +0.9mm -1.6mm fraction. The samples were then prepared and analysed in MinAnalytical's dedicated low level preparation and gold analysis system by Method AR10MS (10gm Aqua Regia digest Mass Spectrometry).

The pulps from these samples have been retained for a future multi-element scan using the Company's portable pXRF analyser.

### **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 at the Project.

However, it is possible that in the short term, some of the existing deposits may be amenable to toll treatment elsewhere.

#### **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 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.*

*Historic exploration results and mineral resources referred to in this Report were previously reported by WMC, Elmina NL, Herald Resources Ltd to the Department of Mines and Energy (WA) and to the ASX. 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.*

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## JORC Code, 2012 Edition – Table 1 report

## 13 June 2018 – Sandstone Project

## Section 1 Sampling Techniques and Data

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

| Criteria  | Commentary   |
|---|--|
| <i>Sampling techniques</i>                            | <ul style="list-style-type: none"> <li>• Soil sampling carried out by Alto Metals Ltd in April &amp; May 2018.</li> <li>• Soil samples were collected south of Bull Oak open pits on a 200m x 100m GDA94 based grid.</li> <li>• Individual samples were collected using a pick and shovel from between 0.2m to 0.5m depth (“C-horizon soils”).</li> <li>• The samples were screened in field to recover approximately 1 kilogram each of the +0.9mm -1.6mm fraction.</li> </ul>  |
| <i>Drilling techniques</i>                            | <ul style="list-style-type: none"> <li>• No drilling being reported in this program.</li> </ul>  |
| <i>Drill sample recovery</i>                          | <ul style="list-style-type: none"> <li>• No drilling being reported in this program.</li> </ul>  |
| <i>Logging</i>  | <ul style="list-style-type: none"> <li>• No drilling being reported in this program.</li> </ul>  |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <li>• 1kg soil samples were sent to MinAnalytical Laboratory Services Australia Pty Ltd located in Canning Vale, Western Australia.</li> <li>• MinAnalytical were responsible for sample preparation and assaying for soil samples and associated check assays.</li> <li>• MinAnalytical is certified to NATA in accordance with ISO17025:2005 requirements for all related inspection, verification, testing and certification activities.</li> <li>• The 1kg samples were dried and then ground in an LM5 ring mill for 85% passing 75 microns.</li> <li>• QA/QC procedures for sub-sampling follow MinAnalytical procedures.</li> <li>• Sample sizes are considered appropriate for the grain size of the material being sampled.</li> </ul> |
| <i>Quality of assay data and laboratory tests</i>     | <ul style="list-style-type: none"> <li>• Soil samples were analysed using an AR10MS technique, 10gm Aqua Regia digest with a Mass Spectrometry finish to 1ppb Au. (low level gold detection)</li> <li>• No geophysical tools or handheld XRF instruments were used to determine the Au results.</li> <li>• Laboratory Certified Reference Materials and/or in-house controls, blanks, splits and replicates are analysed with each batch of samples. 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 QA/QC results are reviewed by Alto personnel.</li> </ul>   |
| <i>Verification of sampling and assaying</i>          | <ul style="list-style-type: none"> <li>• Alto has not conducted any independent verification of the assay data.</li> <li>• Data is entered and validated in Micromine. Alto also has a Datashed database maintained by a Database Administrator.</li> <li>• Values below the analytical detection limit were replaced with half the detection limit value.</li> </ul>  |
| <i>Location of data points</i>                        | <ul style="list-style-type: none"> <li>• The soil sampling grid is based on GDA94.</li> <li>• Alto used handheld GPS to locate and record soil sample positions, accurate to +/-5 metres horizontal.</li> <li>• DGPS data is also used for topographic control.</li> </ul>   |

| Criteria   | Commentary   |
|--|--|
| <i>Data spacing and distribution</i>                           | <ul style="list-style-type: none"> <li>• Soil samples were typically spaced on a 200m by 100m spacing.</li> <li>• The data spacing and distribution is considered sufficient to establish areas of soil anomalism.</li> </ul>  |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> <li>• Stratigraphy is east-west and soil sampling lines were run north-south on 200m line spacing.</li> </ul>   |
| <i>Sample security</i>   | <ul style="list-style-type: none"> <li>• Soil samples comprised approximately 1 kg of material within a labelled and tied calico bag.</li> <li>• Individual sample bags were placed in a larger plastic polyweave bag then into a bulka bag that was 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> |
| <i>Audits or reviews</i>                                       | <ul style="list-style-type: none"> <li>• Alto has reviewed available technical data for the Bull Oak area.</li> <li>• No audit has been completed to date.</li> </ul>  |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria   | Commentary   |
|--|--|
| Mineral tenement and land tenure status                  | <ul style="list-style-type: none"> <li>• Alto's soil sampling program at Hancock's Mining Centre was completed on E57/1030, which was granted to Sandstone Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Alto Metals Limited on 20 September 2016</li> <li>• The total Sandstone Project area covers approximately 800 km<sup>2</sup> with five exploration licences granted on 20 September 2016 and two prospecting licences granted on 11 June 2016, and two exploration licence applications and two prospecting licence applications.</li> </ul> |
| Exploration done by other parties                        | <ul style="list-style-type: none"> <li>• Previous work carried out by WMC, Elmina and Herald Resources is described in this ASX releases dated 14 June 2018.</li> <li>• These companies undertook shallow RC drilling and RAB drilling predominantly around the Bull Oak prospect which was subsequently mined by Herald Resources in 1997.</li> </ul>   |
| Geology  | <ul style="list-style-type: none"> <li>• Interpreted regional geology of Hancock's Mining Centre and Bull Oak is described in this report.</li> </ul>  |
| Drill hole Information                                   | <ul style="list-style-type: none"> <li>• No drilling undertaken by Alto Metals Ltd.</li> </ul>   |
| Data aggregation methods                                 | <ul style="list-style-type: none"> <li>• Not relevant to soil sampling program.</li> </ul>   |
| Relationship between mineralization widths and intercept | <ul style="list-style-type: none"> <li>• Not relevant to soil sampling program.</li> </ul>   |
| Diagrams   | <ul style="list-style-type: none"> <li>• Refer to figures in main body of report.</li> </ul>   |

| Criteria                                       | Commentary  |
|--|---|
| Balanced reporting                             | <ul style="list-style-type: none"> <li>The raw geochemical data has been presented in the context of the history of the Hancocks Mining Centre.</li> </ul>  |
| Other substantive exploration data             | <ul style="list-style-type: none"> <li>No other material information available for prospect areas at this stage.</li> </ul>   |
| Further work                                   | <ul style="list-style-type: none"> <li>Additional soil sample results are awaited.</li> <li>Aircore and RC drilling will be considered once all samples results are received.</li> </ul>  |
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li>Alto's soil sampling program at Hancocks Mining Centre was completed on E57/1030, which was granted to Sandstone Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Alto Metals Limited on 20 September 2016</li> <li>The total Sandstone Project area covers approximately 800 km<sup>2</sup> with five exploration licences granted on 20 September 2016 and two prospecting licences granted on 11 June 2016, and two exploration licence applications and two prospecting licence applications.</li> </ul> |
| <i>Exploration done by other parties</i>       | <ul style="list-style-type: none"> <li>Previous work carried out by WMC, Elmina and Herald Resources is described in this ASX releases dated 14 June 2018.</li> <li>These companies undertook shallow RC drilling and RAB drilling predominantly around the Bull Oak prospect which was subsequently mined by Herald Resources in 1997.</li> </ul>  |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li>Interpreted regional geology of Hancocks Mining Centre and Bull Oak is described in this report.</li> </ul>  |
| <i>Drill hole Information</i>                  | <ul style="list-style-type: none"> <li>No drilling undertaken by Alto Metals Ltd.</li> </ul>  |
| <i>Data aggregation methods</i>                | <ul style="list-style-type: none"> <li>Not relevant to soil sampling program.</li> </ul>  |
| <i>Relationship between mineralization</i>     | <ul style="list-style-type: none"> <li>Not relevant to soil sampling program.</li> </ul>  |
| <i>Diagrams</i>                                | <ul style="list-style-type: none"> <li>Refer to figures in main body of report.</li> </ul>  |
| <i>Balanced reporting</i>                      | <ul style="list-style-type: none"> <li>The raw geochemical data has been presented in the context of the history of the Hancocks Mining Centre.</li> </ul>  |
| <i>Other substantive exploration</i>           | <p>No other material information available for prospect areas at this stage.</p>  |



| Criteria                                    | Commentary  |
|---|---|
| <i>Further work</i>                         | <ul style="list-style-type: none"><li>• Additional soil sample results are awaited.</li><li>• Aircore and RC drilling will be considered once all samples results are received.</li></ul> |
| <i>Moisture</i>                             | <ul style="list-style-type: none"><li>• All soil samples were dry.</li></ul>  |
| <i>Cut-off parameters</i>                   | <ul style="list-style-type: none"><li>• Not relevant to soil sampling.</li></ul>  |
| <i>Mining factors or assumptions</i>        | <ul style="list-style-type: none"><li>• No mining assumptions at this early stage.</li></ul>  |
| <i>Metallurgical factors or assumptions</i> | <ul style="list-style-type: none"><li>• Not relevant to soil sampling.</li></ul>  |
| <i>Environmental factors or assumptions</i> | <ul style="list-style-type: none"><li>• Not relevant to soil sampling.</li></ul>  |
| <i>Bulk density</i>                         | <ul style="list-style-type: none"><li>• Not relevant to soil sampling.</li></ul>  |
| <i>Classification</i>                       | <ul style="list-style-type: none"><li>• Not relevant to soil sampling.</li></ul>  |
| <i>Audits or reviews</i>                    | <ul style="list-style-type: none"><li>• Not relevant at this stage as more results are expected.</li></ul>  |