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ASX RELEASE

20 June 2018



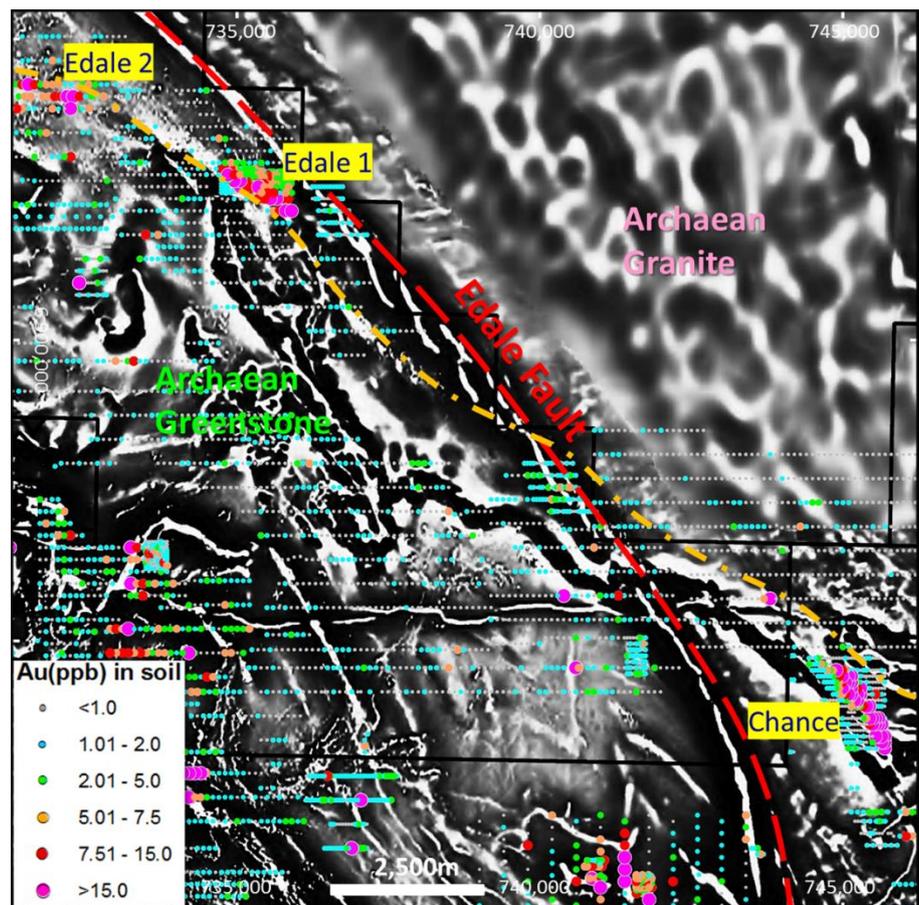
## THREE SIGNIFICANT GOLD IN SOIL ANOMALIES DEFINED ADJACENT TO THE EDALE FAULT AT SANDSTONE, WA

- Soil sampling has located three linear gold-in-soil anomalies along an interpreted “splay” off the Edale Fault
- The Edale Fault is a major deep crustal feature forming the eastern boundary of the Sandstone Greenstone belt, and a potential conduit for emplacement of Au rich fluids

Alto Metals Limited (ASX: AME) (“Alto”, “the Company”) is pleased to advise that assays from 28 samples out of a total of 340 samples collected in the vicinity of the Edale Fault have returned anomalous results +7ppb Au in three discrete linear zones, each between 1,000m -1,500m long.

Figure 1 below shows the location of Alto’s anomalous Edale Fault gold soil assays over a 1<sup>st</sup> vertical derivative (1VD) magnetic image.

**Figure 1. Alto Gold Soil Assays and Prospects Over Magnetic Image**



Commenting on these results, Alto’s MD Dermot Ryan said, “throughout the Yilgarn Craton, the bounding faults to the Archaean greenstone belts and their environs play host to major orogenic gold deposits. We are very encouraged by these coherent, linear gold in soil anomalies, which we intend to drill test as soon as our Program of Work is approved by the Department of Mines, Industry Regulation and Safety”.

The Edale anomalies lie ~10km east-north-east of the town of Sandstone, immediately adjacent to the bitumen road connecting Sandstone and Agnew. The Edale 1 anomaly is ~1.3km long, open to the south-east, and is covered by a thick laterite blanket.

Figure 2. Edale 1 and 2 Gold Soil Anomalies Over Google Image

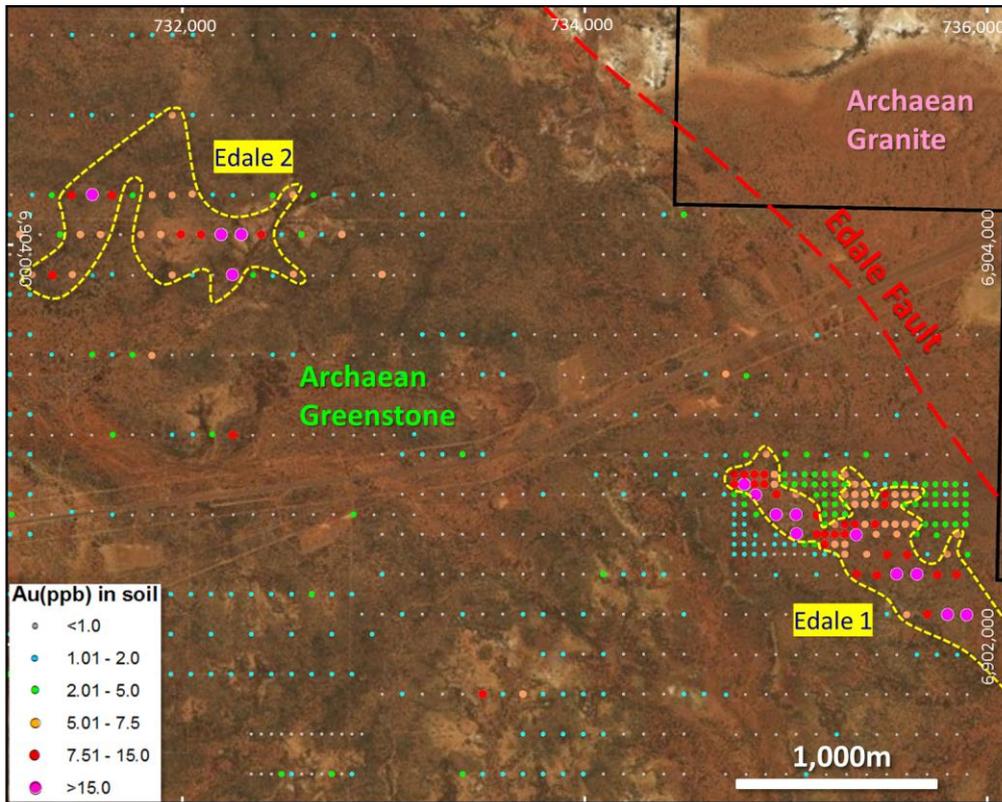


Figure 3. Edale 1 and 2 Gold Soil anomalies Over 1VD Magnetic Image

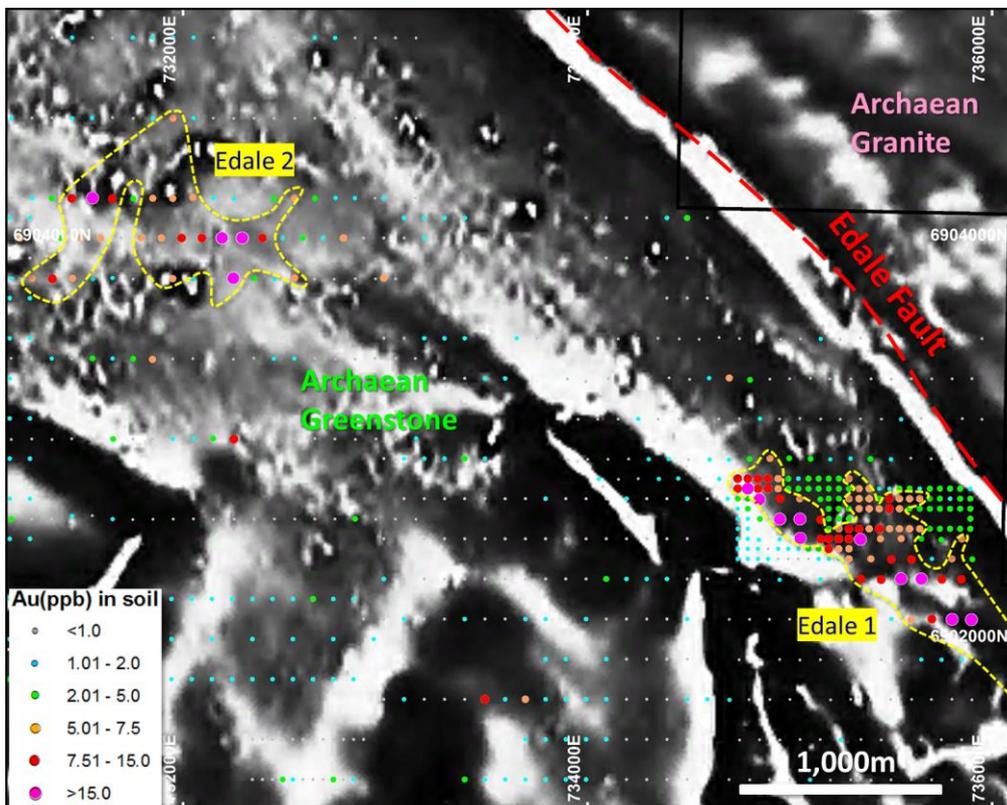


Figure 4. Chance Gold Soil Anomalies Over Google Image

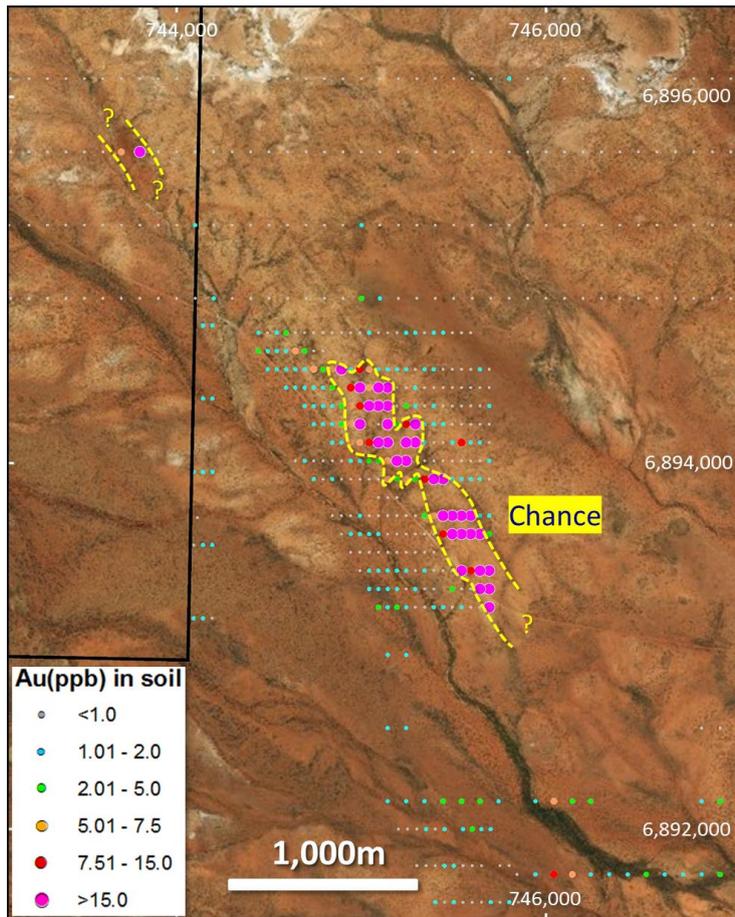
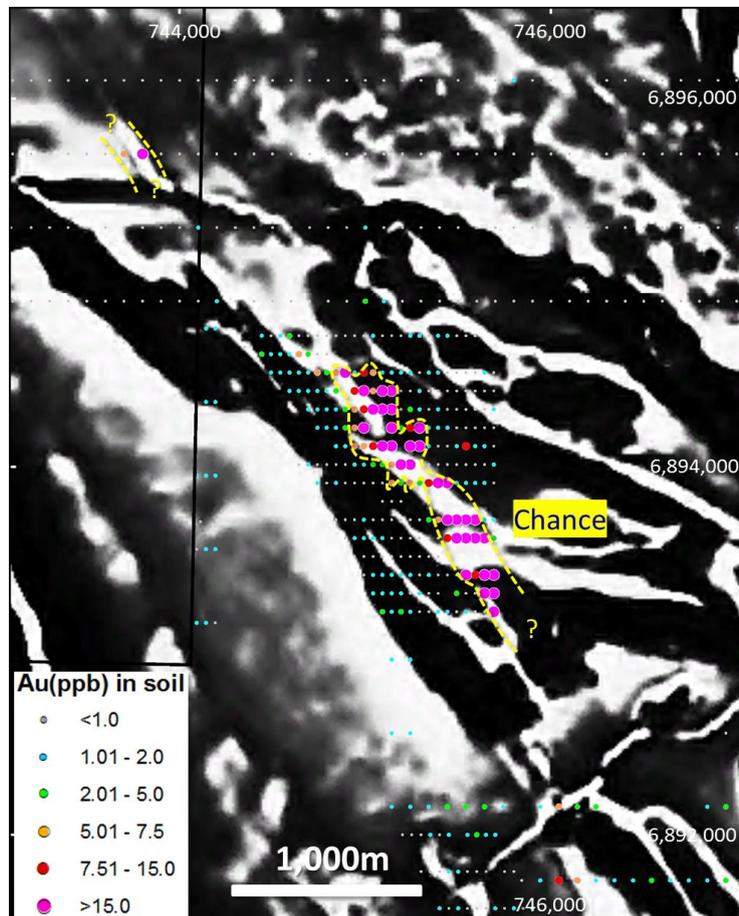


Figure 5. Chance Gold Soil Anomalies 1VD Magnetic Image



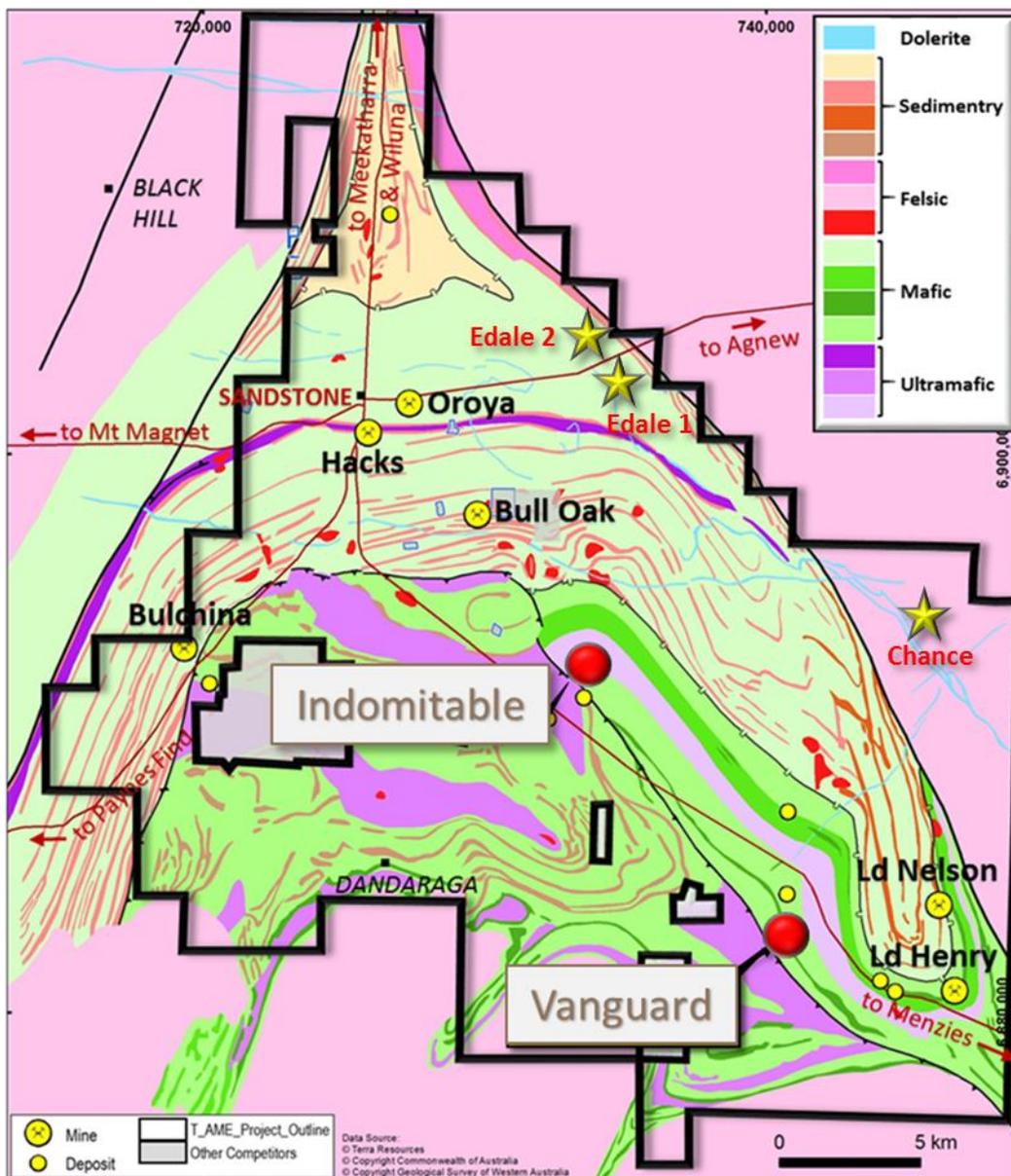
**BACKGROUND**

At the **Edale 1 and Edale 2** gold soil anomalies, Troy Resources NL undertook soil lag sampling in the general area with 115 soil samples reported (2002) but the sampling was patchy and incomplete. Several anomalous Troy soil samples led Alto to undertake systematic grid soil sampling in these two areas. 7 RAB holes were drilled by Troy into the Edale 1 anomaly (2002) with no significant gold detected (WAMEX: A66340&68574), possibly due to lack of definition of the soil anomaly at that time.

The **Chance** prospect area was also identified by Alto from Troy soil sampling results. Field inspection by Alto staff located several historical workings, and a single rock chip sample returned 2.47g/t Au (ASR1024. Easting: 745490E, Northing: 6893197N, MGA94 Zone 50), however no drilling was undertaken.

The Edale Fault, which represents the eastern boundary of the Sandstone Archaean Greenstone Belt, appears to be a large, transcurrent shear system, characterised by linear structural/stratigraphic patterns and elongate, sheared out ductile folds. Alto’s application of a mineral systems approach highlights the deep-cutting Edale Fault system which may represent a pathway for deep sourced gold bearing fluids. More significantly, the flexure (strike direction transition between NNW and NW) along Edale Fault system, appears to be a series of NE crosscutting brittle structures, and the ductile-brittle intersections are favourable locations for the deposition of the gold bearing minerals (eg. quartz and pyrites etc). Extensive gold in soil anomalies coincident with ductile-brittle structural locations represent ideal locations for gold deposition.

**Figure 6. Alto’s Sandstone Landholdings over Geology, Showing location of Edale and Chance Prospects**



**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.*

## JORC Code, 2012 Edition – Table 1 report

### 20 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 on 200m x 100m and 2900m x 400m GDA94 based grids.</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 along the Edale Fault was completed on E57/1029, 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 Troy Resources in the area is described in this ASX releases dated 20 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 1987.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• Interpreted regional geology 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 lengths	<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 data-bbox="443 241 1406 304">• The raw geochemical data has been presented in graphical form, which shows actual anomalous values in areas where gold is below detection limit (ie &lt;1ppb Au)</li></ul>
Other substantive exploration data	<ul style="list-style-type: none"><li data-bbox="443 371 1254 403">• No other material information available for prospect areas at this stage.</li></ul>
Further work	<ul style="list-style-type: none"><li data-bbox="443 497 1273 528">• Aircore drilling will be undertaken when Programs of Work are approved.</li></ul>

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>