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ASX RELEASE

17 July 2018



HANCOCKS GOLD-IN-SOIL ANOMALY EXPANDS TO OVER 8KM²

- **Assay results of 478 soil samples have defined a coherent and anomalous +15 ppb gold-in-soil anomaly at Hancocks.**
- **Follow up drone surveying and mapping is required to define specific drill targets.**

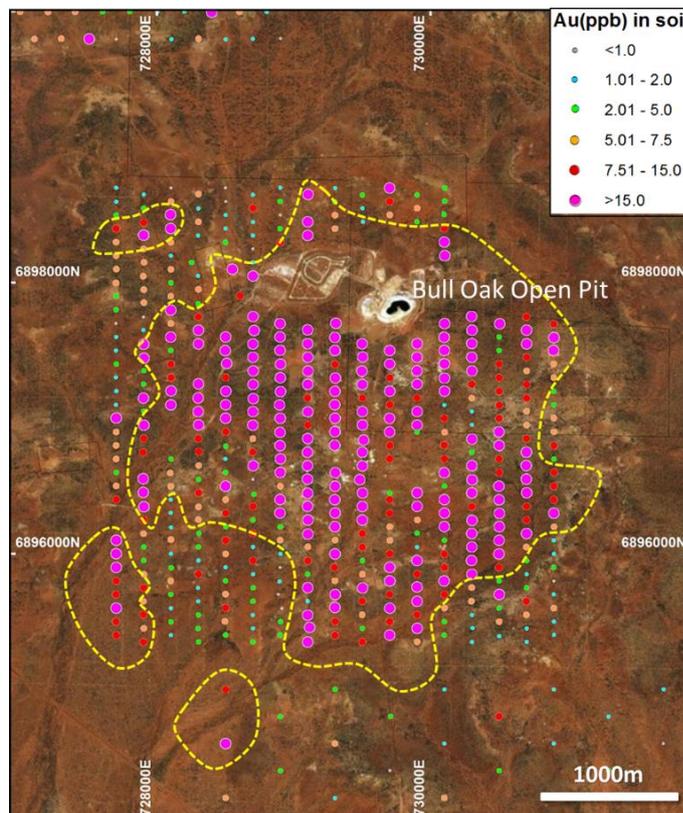
Alto Metals Limited (ASX: AME) (“Alto”, “the Company”) is pleased to advise that assay results for an additional 271 soil samples from Hancocks Prospect have now been received.

Together with the assay results of the 197 samples reported on 13 June 2018, the assays from the total 478 samples collected in April 2018 have defined a highly anomalous and coherent +15 parts per billion (ppb) gold-in-soil anomaly over +8km². 93 of these samples (19% of total collected) assayed greater than 30ppb. Refer assay and sample ranges below.

Au Range	<=30ppb	31-50ppb	51-100ppb	101-300ppb	>300ppb
No. Samples	386	39	30	18	5

The local regolith is relatively shallow, and mullock heaps* around historic miner’s workings display favourable host rocks including quartz veined altered differentiated dolerite, ultramafics, banded iron formation (Bif) and sediments. *Areas contaminated by mullock were excluded from sampling.

Figure 1. Hancocks Prospect, Showing Alto’s Gold-in-Soil Assay Results



BACKGROUND

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 from the first of three batches of soil samples collected at Hancocks, south of the Bull Oak open pits were reported on 13 June 2018. The results from the remaining two batches have now been received and integrated with the first batch to show the totality of the Hancocks 8km² gold-in-soil anomaly.

The regolith in this area is shallow, and there are numerous shafts and pits present (developed in the period 1894-1920) where the dumps surrounding the shafts contain fresh differentiated dolerite, banded iron formation (Bif), sediments and quartz.

The Bull Oak area, to the north of the Hancocks, appears to have been well explored by Western Mining Corporation Ltd, Elmina NL and Herald Resources Ltd between 1984 and 1998, where the base of oxidation was at a depth of approximately 50m. Previous exploration and mining at Bull Oak is discussed in Alto’s ASX release dated 13 June 2018.

GEOLOGICAL SETTING

In the general **Hancocks area**, an east-west striking sequence of basalt, dolerite, sediments and thin beds of Bif, chert and ultramafics occurs. These units strike east-west and dip steeply north and south. The most common style of mineralization is vein quartz within dolerite, basalt, Bif and granite, but there are also minor gold workings within the sediments, and also gold in laterite and alluvium.

Cautionary note: *The presence of numerous small 100 year old workings in the area and their associated mullocks heaps could possibly account for some of the elevated soil values. However, Alto’s soil samplers were instructed to avoid taking soil samples if there was any risk of soil being contaminated by workings in the area.*

Figure 2. Hancocks Prospect, Interpreted Geology with Alto’s Gold-in-Soil Assays

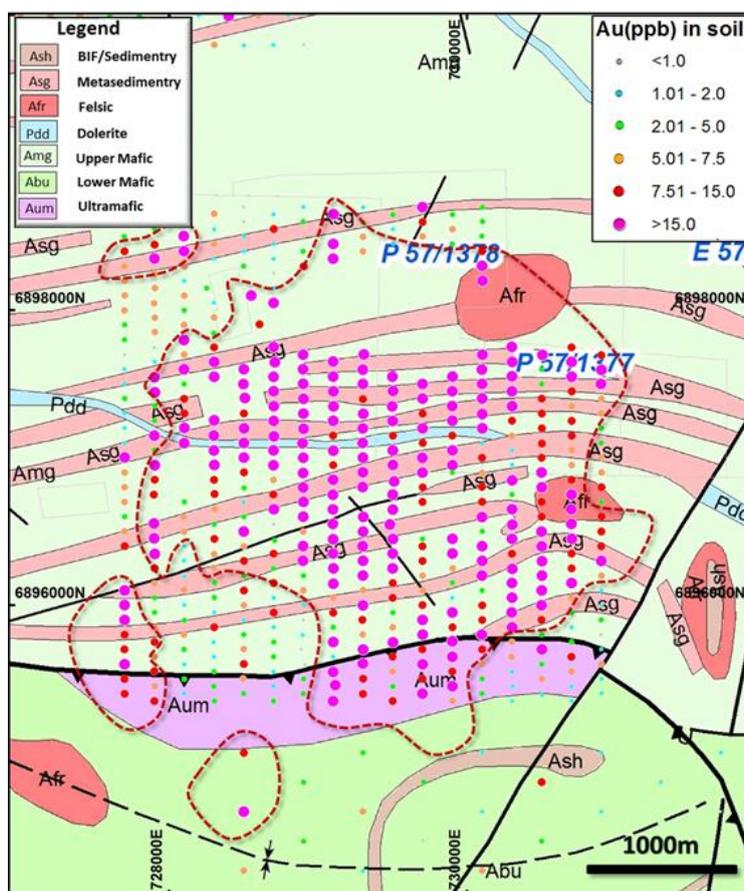


Figure 3. Hancocks Prospect, 1st VD magnetic Image with Alto's Gold-in-Soil Assays

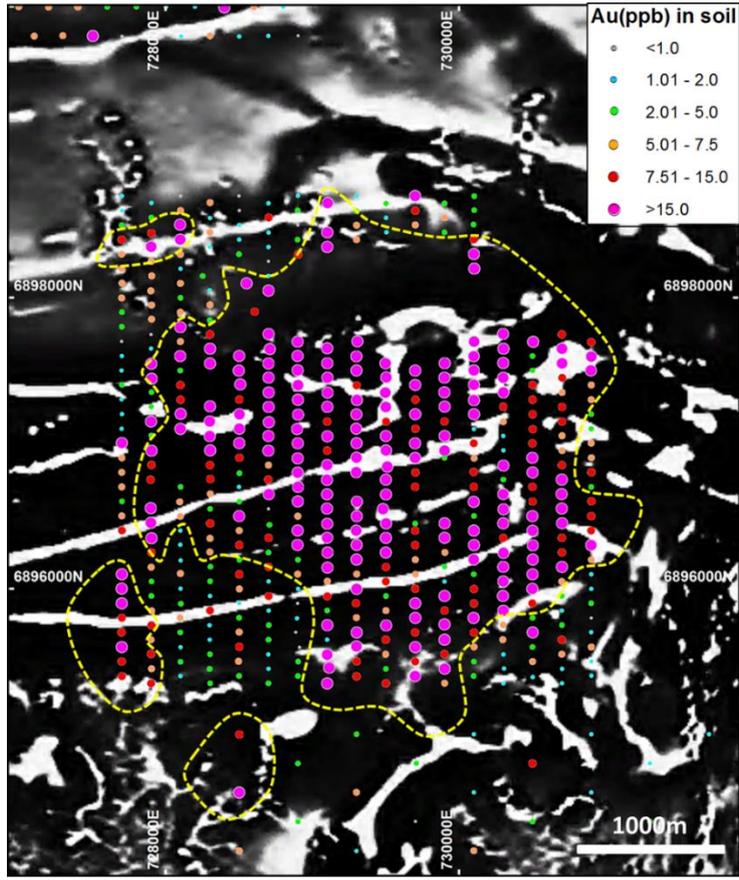
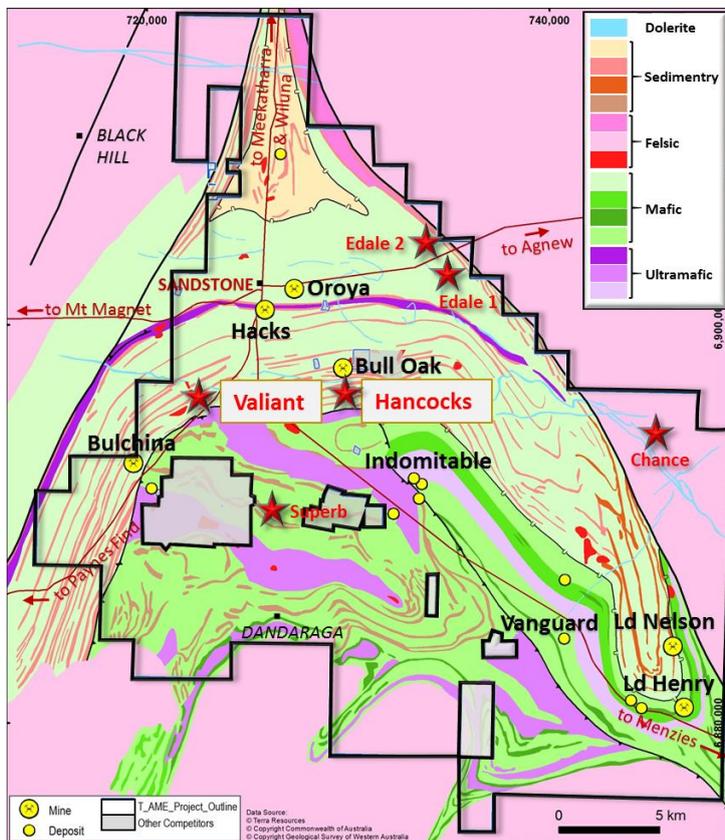


Figure 4. Alto's Sandstone Landholdings over Interpreted Geology, with Location of Hancocks and Previously Reported Soil Anomalies (in Red)



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 (Eg. Hancocks area) 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 assay results from soil samples collected at Hancocks are shown graphically in Figures 1 - 3 in this report.

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 ~800km² 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 treatment in a third party's facilities 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.

JORC Code, 2012 Edition – Table 1 report

17 July 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"> • Soil sampling carried out by Alto Metals Ltd in April & May 2018. • Soil samples were collected over the historic Hancocks area south of Bull Oak open pits on a 200m x 100m GDA94 based grid. • Areas potentially contaminated by mullock heaps were excluded from Alto's sampling. • 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.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • No drilling being reported in this program.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • No drilling being reported in this program.
<i>Logging</i>	<ul style="list-style-type: none"> • No drilling being reported in this program.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • 1kg soil samples were sent to MinAnalytical Laboratory Services Australia Pty Ltd located in Canning Vale, Western Australia. • MinAnalytical were responsible for sample preparation and assaying for soil samples and associated check assays. • MinAnalytical is certified to NATA in accordance with ISO17025:2005 requirements for all related inspection, verification, testing and certification activities. • The 1kg samples were dried and then ground in an LM5 ring mill for 85% passing 75 microns. • QA/QC procedures for sub-sampling follow MinAnalytical procedures. • Sample sizes are considered appropriate for the grain size of the material being sampled.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Soil samples were analysed using an AR10MS technique, 10gm Aqua Regia digest with a Mass Spectrometry finish to 1ppb Au. (low level gold detection) • No geophysical tools or handheld XRF instruments were used to determine the Au results. • 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. • Laboratory and field QA/QC results are reviewed by Alto personnel.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Alto has not conducted any independent verification of the assay data. • Data is entered and validated in Micromine. Alto also has a Datashed database maintained by a Database Administrator. • Values below the analytical detection limit were replaced with half the detection limit value.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The soil sampling grid is based on GDA94. • Alto used handheld GPS to locate and record soil sample positions, accurate to +/-5 metres horizontal. • DGPS data is also used for topographic control.

Criteria	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Soil samples were typically spaced on a 200m by 100m spacing. The data spacing and distribution is considered sufficient to establish areas of soil anomalism.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Stratigraphy is east-west and soil sampling lines were run north-south on 200m line spacing, with 100m sample spacing along lines.
<i>Sample security</i>	<ul style="list-style-type: none"> Soil samples comprised approximately 1 kg of material within a labelled and tied calico bag. 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. Sampling data was recorded on field sheets and entered into a database then sent to the head office. Laboratory submission sheets are also completed and sent to the laboratory prior to sample receipt.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Alto has reviewed available technical data for the Bull Oak area. No audit has been completed to date.

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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 The total Sandstone Project area covers approximately 800 km² 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Previous work carried out by WMC, Elmina and Herald Resources is described in this ASX releases dated 13 June 2018. These companies undertook shallow RC drilling and RAB drilling predominantly around the Bull Oak prospect which was subsequently mined by Herald Resources in 1997.
<i>Geology</i>	<ul style="list-style-type: none"> Interpreted regional geology of Hancocks Mining Centre and Bull Oak is described in this report.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> No drilling undertaken by Alto Metals Ltd.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Not relevant to soil sampling program.
<i>Relationship between mineralization widths and intercept</i>	<ul style="list-style-type: none"> Not relevant to soil sampling program.
<i>Diagrams</i>	<ul style="list-style-type: none"> Refer to figures in main body of report.

<i>Balanced reporting</i>	<ul style="list-style-type: none">• The raw geochemical data has been presented in the context of the history of the Hancocks Mining Centre.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">• No other material information available for prospect area at this stage.
<i>Further work</i>	<ul style="list-style-type: none">• Drone surveying to provide a base for geological mapping and interpretation and drill targeting.• Aircore and RC drilling to test targets.