

25 July 2016

ASX Media Release

**STRONGLY SUPPORTED ALTO SPP RAISES \$1.7M
TO ACCELERATE GOLD EXPLORATION AT SANDSTONE**

Alto Metals Limited (ASX: AME) (“Alto” or the “Company”) is pleased to advise that the Shareholder Purchase Plan (“SPP”) announced on 16 June 2016 has closed fully subscribed. The Company received valid applications from eligible shareholders for 28,660,960 new shares raising \$1,698,000, and all shareholders will receive the full number of shares that were applied for.

As a result, 28,660,960 new fully paid ordinary shares in Alto will be issued at an issue price of 5.9 cents per share representing a discount of 18% to the volume weighted average price of Alto fully paid ordinary shares (“Shares”) calculated over the last 5 days on which sales in Shares were recorded before the SPP was announced.

The new Alto shares pursuant to the SPP will be issued today and statements will be dispatched to shareholders on 26 July with the new shares to begin trading on 26 July 2016.

Alto would like to thank all Shareholders for their strong and continued support of the Company.

The Company now has cash and liquid investments of approximately \$4 million which will allow it to initiate detailed gold exploration and a drilling programme at Sandstone. The tenements are expected to be granted in mid-September, following the conclusion of Native Title advertising, with planned drilling commencing in October 2016.

Commenting on the exploration planning process, CEO Dermot Ryan said: *“We have almost completed the assembly of a comprehensive Sandstone drill hole database, and Snowden resource consultants have been commissioned to undertake block modelling of the remnant resource at Lord Nelson with a view to estimating a JORC 2012 compliant Mineral Resource. Initial modelling by Alto staff has confirmed that the high grade west dipping shear hosted quartz veins which Troy mined in the oxide zone persist into the primary (sulphide) zone below the Lord Nelson pit.*

Similar modelling will commence shortly on Lord Henry and Bulchina pits, to identify oxide gold and primary quartz-sulphide gold targets for drill testing. The Indomitable prospect area, where Troy encountered high grade oxide gold mineralisation, has also been identified as priority target for follow up drilling.”

A handwritten signature in blue ink that reads 'Dermot Ryan'.

Dermot Ryan
Executive Director

BACKGROUND ON ALTO

Alto Metals Limited's exploration focus is on gold and uranium exploration in Western Australia. The Company's immediate objective is to discover and develop multi-million ounce gold deposits.

On 23 June 2016, the Company announced that it had completed the purchase of all of the issued capital of Sandstone Exploration Pty Ltd, the owner of the Sandstone Gold Project, located approximately 600km northeast of Perth in the East Murchison Mineral Field in Western Australia. Refer to the Company's website and ASX announcement for more details regarding the terms of the acquisition.

The Sandstone Gold Project covers approximately 75% of the Archaean Sandstone Greenstone Belt and comprises 5 Exploration Licence applications and 2 Prospecting Licence applications for a total landholding of ~723km². Since the discovery of gold at the end of the 19th Century the Sandstone Greenstone Belt has produced approximately 1.3 million ounces of gold from numerous high grade underground and open pit mining operations. Of this, some 508,000 ounces was produced between 1999 and 2010 from the open-pit mining of shallow oxide ore by Troy Resources NL (ASX:TRY).

The Company has now raised \$2.84 million from a share placement and the SPP, with the funds to be used to initiate detailed gold exploration and a proposed drilling programme at Sandstone once the tenements are granted following the closure of the Native Title advertising process.

The Company during May exercised 25.5 million options in Antipa Minerals Ltd (ASX: AZY) that it has held for over 12 months on the basis of Antipa's attractive Minyari and Calibre gold/copper projects in the Paterson Province of Western Australia. At close of trade on 21 July 2016, Alto's shareholding in Antipa was valued at approximately \$1.32 million.

The Company is currently building a comprehensive Sandstone technical database, and has commenced identifying and prioritising drill targets for both oxide and primary (sulphide associated) gold mineralisation.