24 August 2016 **ASX Media Release**

SANDSTONE EXPLORATION UPDATE

- **Induced Polarisation (IP) surveys to better define drill targets associated with known unmined gold mineralisation to commence in early September**
- **Lord Nelson mineral resource [JORC 2012 compliant] being estimated by Snowdens**
- **Tenements expected to be granted on or about 18 September 2016**
- **Planned Programs of Work (PoW) for follow up drill testing of prospects with known high grade gold mineralisation to be lodged after grant of tenements**
- **RC drilling to commence mid-October following approval of PoW's by DMP**

SANDSTONE 2016 INDUCED POLARISATION SURVEY

The Company has now planned IP surveys over areas of gold mineralisation identified in historical wide spaced drilling, to better define and extend targets for drill testing in the oxidised and primary (fresh – sulphide) zones.

This work is based on a review of historical IP data collected by Troy Resources NL (2004/2005) and Western Areas NL (2011) which shows gold mineralisation to be associated with chargeability and resisitivity (*"high"*) anomalism. The data showed that IP can used to detect both oxide and primary mineralisation. The known gold mineralisation at Lord Nelson and Lord Henry is associated with zones of high resistivity and chargeability values.

The proposed IP surveys are is shown in Figure 1 overleaf. A total of 27 lines (61 km) 100m dipole-dipole are planned.

Priority areas are Lord Henry and Lady Hamilton. The Lord Henry area includes surveying at the Lord Henry deposits and the Horatio, Maninga Marley and Havilah prospects. The Lady Hamilton area includes Indomitable (north and south), Tigermoth, Piper and Musketeer (north and south).

IP is also planned over gold mineralisation at the Vanguard, Ladybird and Sandstone North prospects.

In 2011 IP data was collected by Western Areas to identify anomalous chargeable sources which may be associated with accumulations of matrix to disseminated nickel sulphide mineralisation. This data was not used to target gold mineralisation.

Alto has reviewed this data and has completed 2D inversion modelling, and has identified a number of new target areas and extensions to known mineralisation, that are considered prospective for both oxide and primary gold mineralisation. This work is on-going.

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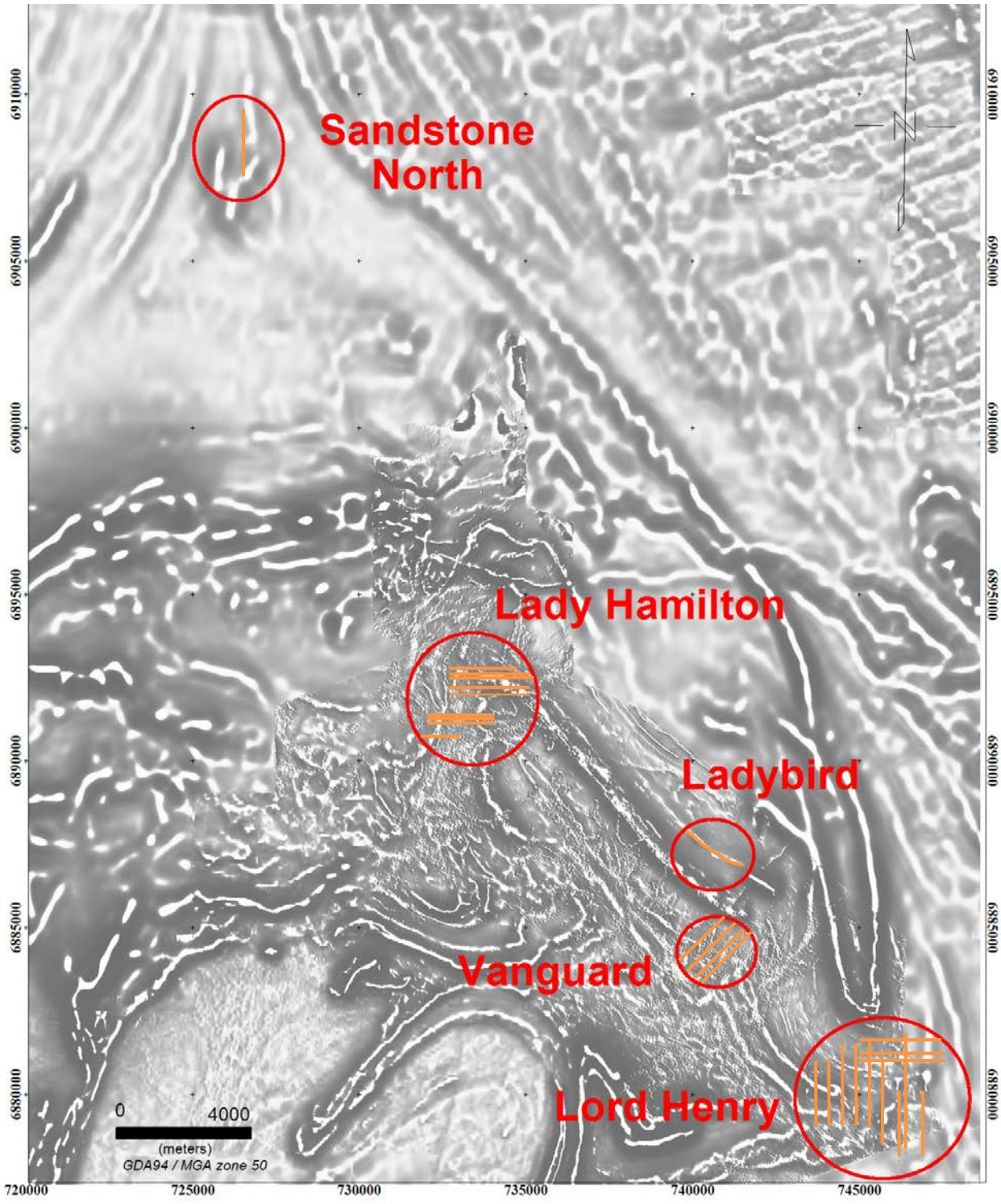

Figure 1. Proposed Sandstone 2016 IP surveys

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Figure 2 below shows depth slice of the 2D model chargeability (350m RL) which highlights primary mineralisation targets in the basement north and south of Lord Nelson, and north of Lord Henry, plus other targets. The red colours represent areas of high chargeability and the blue areas represent areas of low chargeability.

Target areas are shown in black ovals. These targets also have associated higher resistivity.

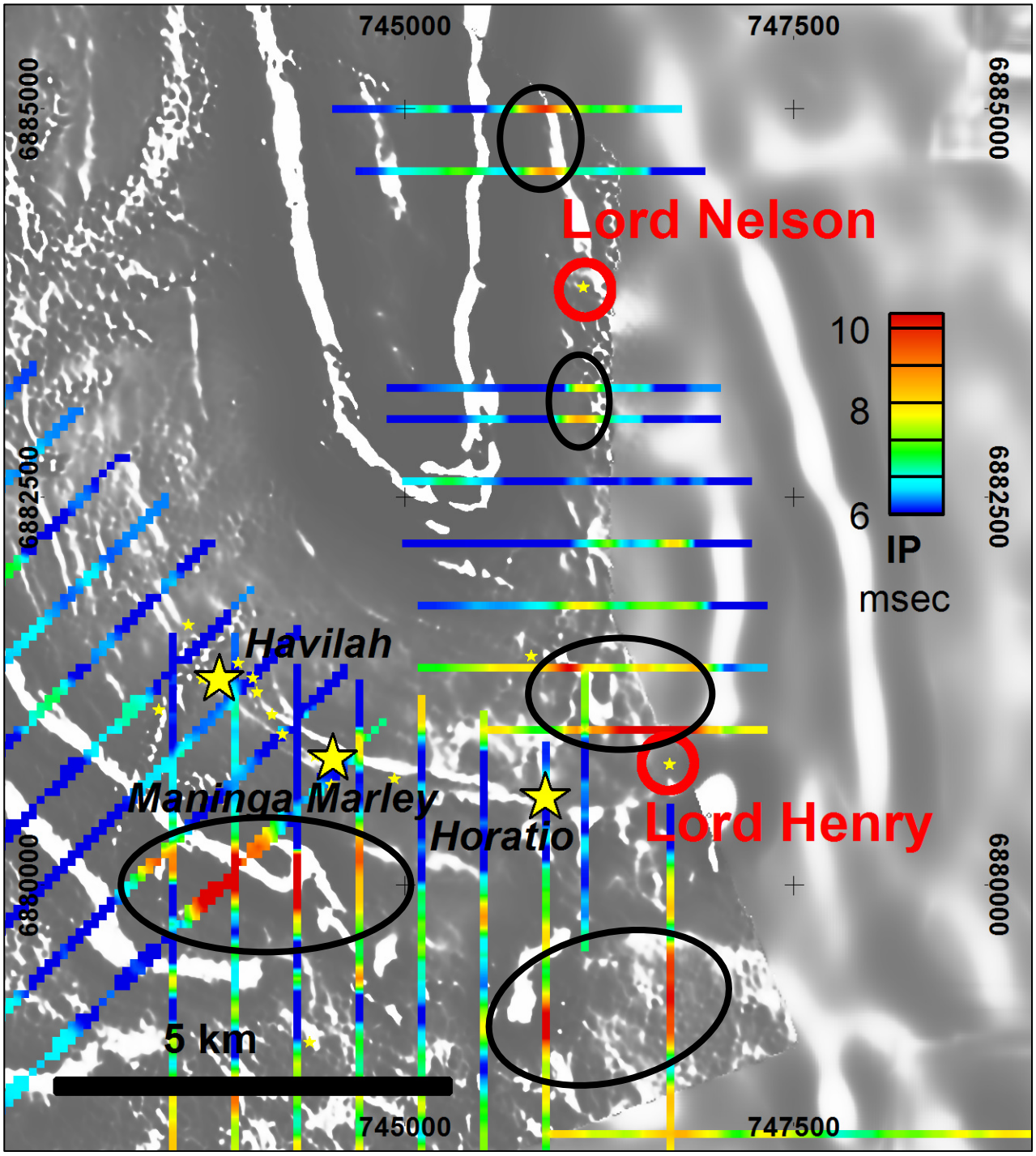

Figure 2. 2011 Western Areas NL - IP Chargeabilty Images - Lord Nelson and Lord Henry Areas

An example of an untested basement chargeability anomaly is shown in Figure 3 (red high chargeability and blue low chargeability).

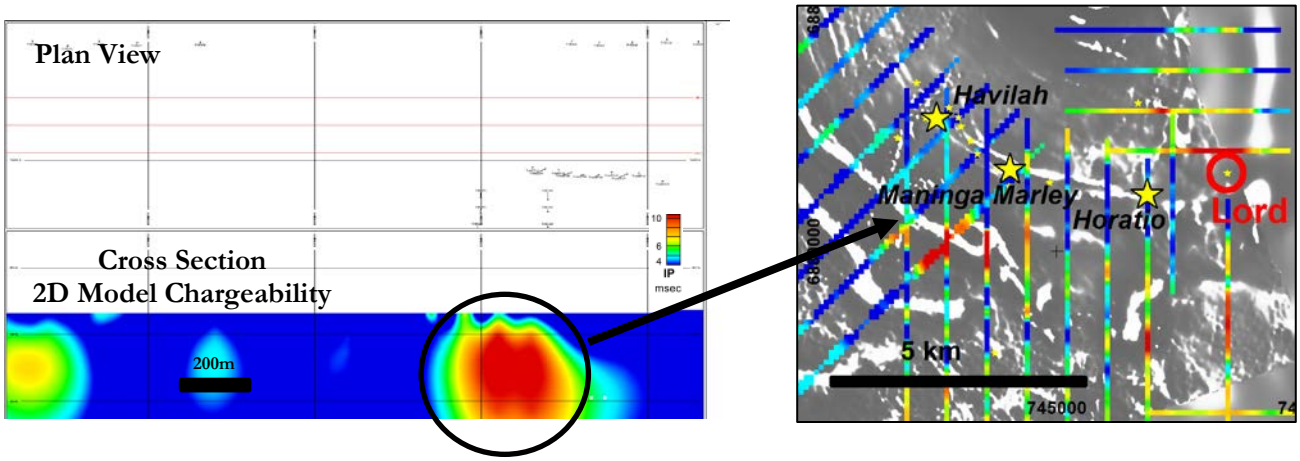

Figure 3. Untested basement Chargeability Target.

Dermot Ryan
Executive Director

Competent Person statement

All geophysical exploration data referred to in this Report were previously reported by Troy Resources NL pursuant to JORC 2004. 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.

The information in this report that relates to interpretation of Geophysical Exploration Results is based on information compiled by Mr William Robertson, who is an employee of Value Adding Resources Pty Ltd and a Director and security holder of the Company. Mr Robertson is a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and 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 Robertson consents to the inclusion in the report of matters based on information in the form and context in which it appears.

References:

Troy Resources NL E57/422 Sandstone Annual Report for The Period 4th July 2003 to 5th July 2004 WAMEX A069776

Troy Resources NL Sandstone Combined Annual Report: C28/2005_2011A for the Period 1 January 2011 to 31 December 2011 WAMEX A093563