

**CORPORATE**

ASX Code: AME

ACN 159 819 173

**Board of Directors**

Dr Jingbin Wang  
Non-Executive Chairman

Dermot Ryan  
Managing Director

Stephen Stone  
Terry Wheeler  
Non-Executive Directors

**Company Secretary**

Sam Middlemas  
Company Secretary/CFO

**Capital Structure**

Issued Shares: 151.8M  
Issued Options: Nil  
Performance Shares: 25M  
Performance Rights: 10.75M

**Website:**

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## Drilling at Indomitable Prospect - Sandstone Returns High-Grade Oxide Gold Intercepts

- Results from 18 holes of a maiden 32 hole mixed reverse circulation/aircore (RC/AC) maiden drilling campaign at 100% owned Sandstone Gold Project now received.
- Initial drilling at Indomitable and Tiger Moth prospects confirms potential for shallow oxide gold resources along the 4km Musketeer - Indomitable Shear Zone (MSZ).
- This oxide gold mineralisation points to potential for major primary (fresh rock) gold mineralised system(s) along the MSZ.

### Highlights from Indomitable Prospect

AHMRC002\* 16m @ 3.43 g/t Au from 152m  
incl. 8m @ 5.69 g/t Au from 156m

AHMAC009 3m @ 3.73 g/t Au from 120m  
incl. 1m @ 6.11 g/t Au from 121m

AHMAC010 44m @ 2.12 g/t Au from 60m  
Incl. 7m @ 3.80 g/t Au from 65m  
and 10m @ 3.59 g/t Au from 94m

AHMAC015 7m @ 3.97 g/t Au from 44m  
incl. 1m @ 13.28 g/t Au from 48m  
and 11m @ 2.26 g/t Au from 100m

### Highlights from Tiger Moth Prospect

AHMRC003\* 12m @ 1.57 g/t Au from 44m  
and 24m @ 1.71 g/t Au from 76m  
incl. 4m @ 3.88 g/t Au from 88m

AHMAC004 10m @ 1.60 g/t Au from 101m  
incl. 1m @ 5.33 g/t Au from 103

AHMAC008 4m @ 2.82 g/t Au from 18m  
incl. 1m @ 5.27 g/t Au from 18m

*\*Remaining results, including 1m re-splits of composited samples, to be reported end-Feb17.*

***“These interim drilling results confirm that Alto has identified a new high-grade, steep east-dipping vein system at Indomitable and a second, high-grade west-dipping vein system, both of which are open at depth. We believe the 200m deep zone of oxidation at the prospect is the result of acid leaching of structurally controlled gold-sulphide-quartz veins which lie below the oxide zone and remain to be drill tested. Follow-up drilling is planned”,*** said Alto’s Managing Director, Dermot Ryan.

Alto Metals Limited (ASX: AME, "Alto" or "the Company") is pleased to report analytical results from 14 slimline reverse circulation/aircore (RC/AC) holes and 4 RC holes drilled at Indomitable and Tiger Moth prospects at the Company's 100% owned Sandstone Gold Project in Western Australia. Results from the remaining 9 RC/AC holes are awaited.

### **Drilling at Lady Hamilton: The Musketeer - Indomitable Shear Zone**

On 20<sup>th</sup> December 2016, Alto completed a maiden 25 hole (2,523m) slimline reverse circulation/aircore (RC/AC) and 4 hole (548m) RC drilling program at the Lady Hamilton area of the Sandstone Gold Project. The drilling was undertaken to provide preliminary information about the geology, alteration, depth of regolith and distribution of gold mineralisation along the Musketeer - Indomitable Shear Zone.

**The 4km long Musketeer - Indomitable Shear zone was chosen by Alto for its maiden drilling program because the quantity of oxide gold mineralisation associated with the MSZ and its aerial extent strongly suggests the possibility for one or more large gold resources being present.**

The prospects tested by Alto included **Indomitable (South)**, **Tiger Moth** and **Piper** which are broadly aligned along the major north-north-east striking shear corridor.

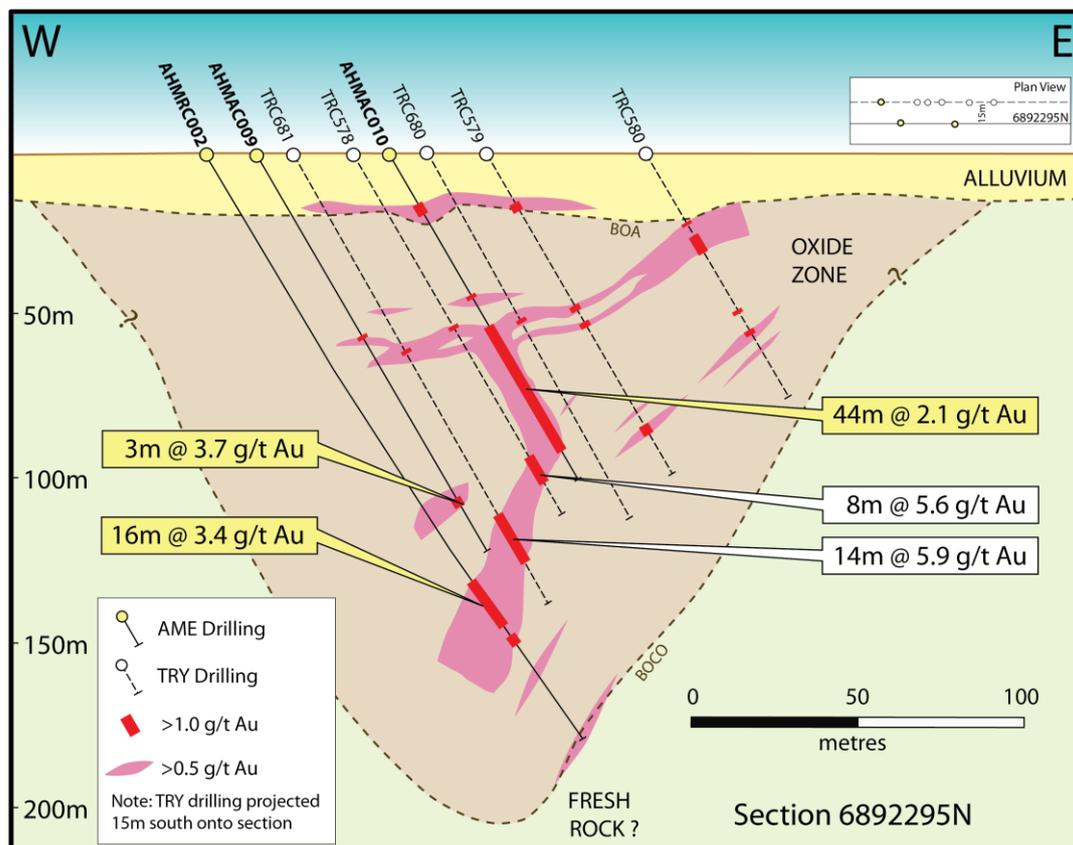
The **Indomitable South prospect** is located within an area of alluvium covering deeply weathered mafic and ultramafic rocks. Alto completed 15 RC/AC holes for 1,618m and two RC holes for 302m over the Indomitable area.

### **Indomitable South Drilling Results**

Alto's 2016 drilling program at Indomitable South has identified a steep east-dipping mineralised structure (in hole AHMAC010) which was hitherto unknown and appears to be open down dip. It has also further defined the main steep west-dipping lode (AHMRC002), which requires drill testing in the primary zone.

The most important results have come from 3 holes drilled by Alto on Indomitable cross section 6892295mN, which had not previously been drilled. Figure 1 below shows Alto's drill holes on section, and previous Troy drill holes projected south onto this section.

**Figure 1. Indomitable South Cross Section 6892295mN**



The two deepest drill holes at Indomitable to date (Alto's AHMRC002: 210m End of hole (EoH) and Troy's diamond drill hole (TRCD 728: 191m EoH) were drilled entirely within oxidised material, and did not reach fresh rock. **Alto considers that this extremely deep zone of oxidation is related to acid leaching of a network of gold-sulphide-quartz veins along the Musketeer - Indomitable Shear zone.**

This improved understanding of the structural controls on gold mineralisation in the oxide zone will lead to more effective drill testing of the primary gold mineralised structures in fresh rock.

The **Tiger Moth prospect** occurs within the same large area of alluvium as Indomitable and also occurs in a deep tongue of oxidation. Magnetic data suggests considerable structural complexity where north-west and north-south trends merge. It has been partially tested by Troy with broad spaced drilling (generally 40m x 40m spacing) but this has not tested the area definitively.

Troy published a (JORC 2004 compliant) Inferred Mineral Resource for Tiger Moth and Tiger Moth South of 561,000 tonnes at 1.73 g/t Au for 31,200 ounces. (Refer Snowden Report June 2007, page 139). Although no details of the modelling are available, Snowden ranked Tiger Moth as a "Priority 1" target for a pit optimisation.

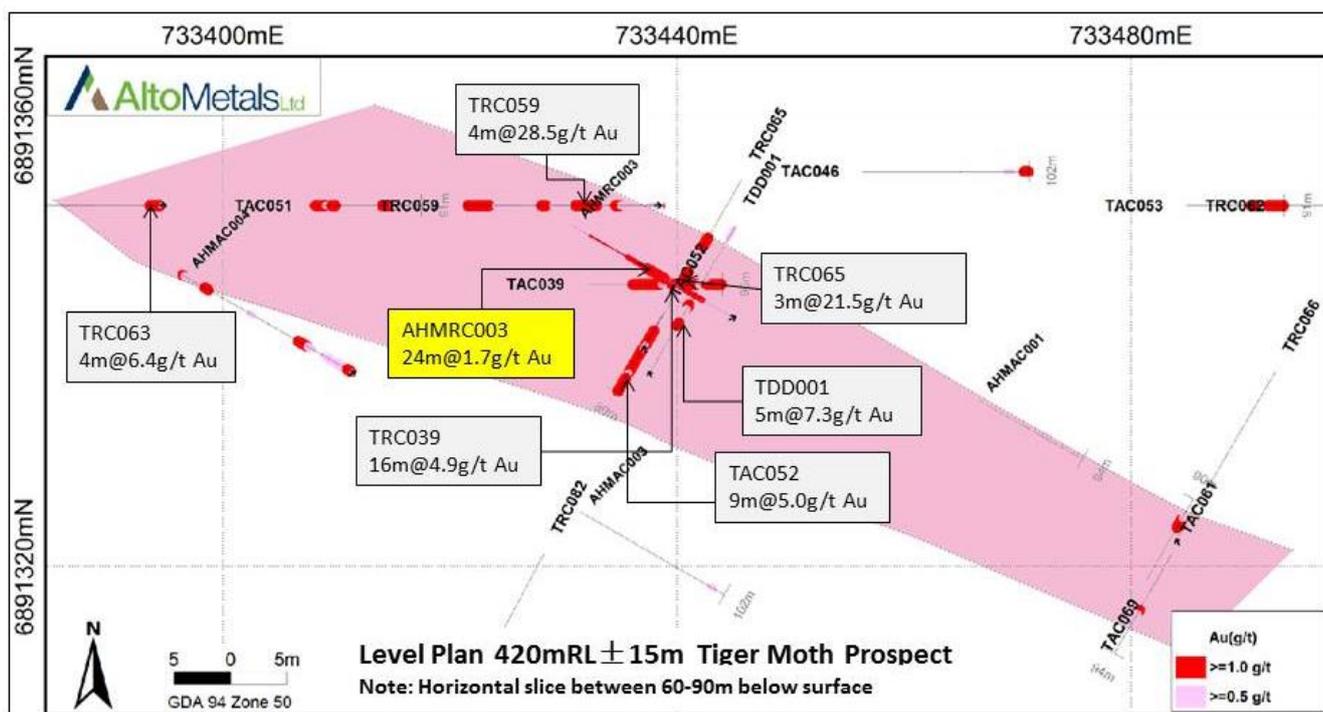
### Tiger Moth Drilling Results

Alto completed 8 AC holes for 743m and 2 RC holes for 246m at Tiger Moth. The Troy and Alto drilling combined suggests the high-grade mineralised structure(s) are striking approximately west-north-west to east-south-east, over a minimum strike length of 100m, and the mineralised structure is open along strike and down dip (Refer Figure 2 Level plan).

Alto RC hole AHMRC003 intersected an interpreted flat-lying supergene zone assaying **12m at 1.57g/t Au** from 44m, and a deeper steep structurally controlled vein system assaying **24m at 1.71g/t Au** from 76m including **4m @ 3.88 g/t Au** from 88m. The hole intersected the steep vein system obliquely, so the true width of the vein system is less than 24m. (Note: 4m RC composite samples assayed, and 1m re-split samples awaiting fire assay)

Alto AC hole AHMAC004 intersected a separate vein system and returned **10m @ 1.60g/t Au** from 101m, including **1m @ 5.33g/t Au** from 103m and **1m @ 3.52g/t Au** from 109m. Further drilling is warranted.

**Figure 2. Tiger Moth Prospect – Level Plan of Gold Mineralised Vein System Between 60 to 90 Metres below Surface**



Assay results received to date are summarised in Tables 1 and 2 overleaf. The drill collar information for the 25 AC/RC holes and 4 RC holes at Indomitable South and Tiger Moth is tabulated in Appendix 1 and 2.

**Figure 3. Troy Plan showing Prospects and Drilling along the Musketeer- Indomitable Shear Zone**

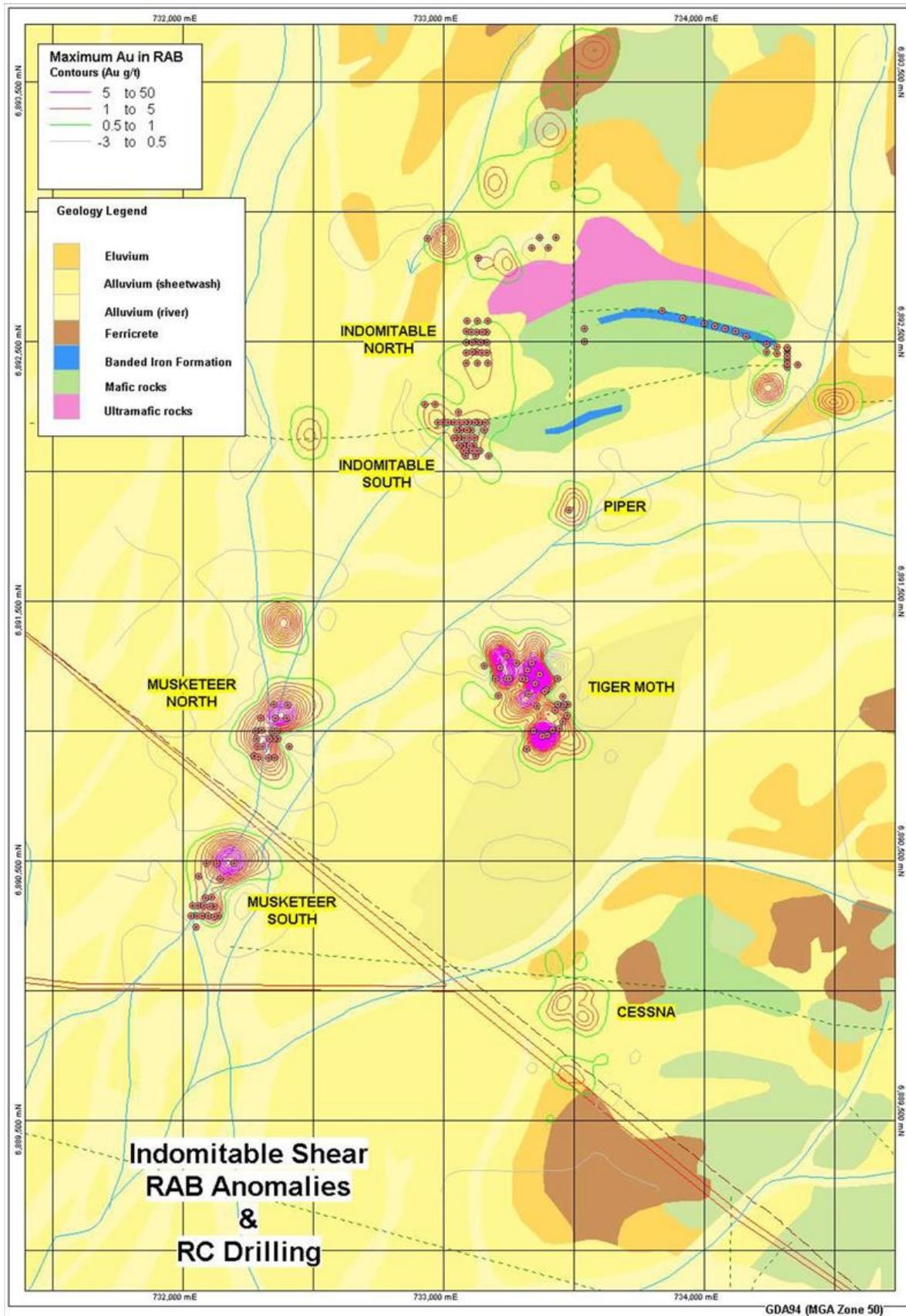


Table 1. Alto 2016 RC/AC Assay Results (using a 0.5g/t Au cut off)

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
<b>AHMAC001</b>	61	64	3	1.13	<b>Tiger Moth</b>
and	66	67	1	0.60	
and	69	70	1	0.59	
and	82	83	1	0.50	
and	85	87	2	0.76	
and	92	93	1	0.62	
<b>AHMAC002</b>	46	48	2	0.56	<b>Tiger Moth</b>
<b>AHMAC003</b>	46	47	1	0.53	<b>Tiger Moth</b>
and	48	49	1	0.51	
and	99	100	1	0.55	
<b>AHMAC004</b>	38	39	1	0.82	<b>Tiger Moth</b>
and	41	42	1	0.84	
and	43	47	4	1.31	
and	51	52	1	0.66	
and	61	62	1	1.63	
and	69	70	1	0.87	
and	71	78	1	0.97	
and	86	87	1	0.54	
and	96	99	3	1.04	
and	<b>101</b>	<b>111</b>	<b>10</b>	<b>1.60</b>	E.O.H
including	<b>103</b>	<b>104</b>	<b>1</b>	<b>5.33</b>	
and	<b>109</b>	<b>110</b>	<b>1</b>	<b>3.52</b>	
<b>AHMAC005</b>	44	45	1	0.63	<b>Tiger Moth</b>
and	51	53	2	0.56	
and	55	56	1	0.70	
and	57	59	2	1.80	
and	62	63	1	0.72	
and	65	67	2	1.18	
and	76	78	2	1.34	
and	80	81	1	0.56	
and	94	95	1	0.54	
<b>AHMAC008</b>	10	12	2	0.58	<b>Tiger Moth</b>
and	13	14	1	1.54	
and	15	16	1	0.80	
and	<b>18</b>	<b>22</b>	<b>4</b>	<b>2.82</b>	
including	<b>18</b>	<b>19</b>	<b>1</b>	<b>5.27</b>	
<b>AHMAC009</b>	63	66	3	1.15	<b>Indomitable</b>
and	71	73	2	0.90	
and	117	119	2	0.61	
and	<b>120</b>	<b>123</b>	<b>3</b>	<b>3.73</b>	
including	<b>121</b>	<b>122</b>	<b>1</b>	<b>6.11</b>	
and	135	136	1	0.63	
and	137	138	1	0.57	E.O.H

Table 1 Cont'd: Alto's 2016 RC/AC Assay Results, 1m Samples (using a 0.5g/t Au cut off)

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
<b>AHMAC010</b>	16	23	7	1.18	<b>Indomitable</b>
and	49	52	3	1.1	
and	55	56	1	1.31	
and	<b>60</b>	<b>79</b>	<b>19</b>	<b>1.21</b>	
including	<b>65</b>	<b>57</b>	<b>2</b>	<b>6.29</b>	
and	<b>70</b>	<b>73</b>	<b>3</b>	<b>4.48</b>	
and	81	85	4	1.04	
and	87	91	4	1.28	
and	94	<b>104</b>	<b>10</b>	<b>3.06</b>	
including	94	<b>96</b>	<b>2</b>	<b>7.38*</b>	
and	98	<b>102</b>	<b>4</b>	<b>4.39</b>	
<b>AHMAC011</b>	17	22	5	1.04	<b>Indomitable</b>
<b>AHMAC012</b>	18	24	6	1.15	
and	31	32	1	1.42	
and	40	41	1	1.46	
and	92	93	1	2.17	
and	100	101	1	0.98	
<b>AHMAC013</b>	21	24	3	1.16	<b>Indomitable</b>
and	27	28	1	1.17	
and	37	38	1	1.76	
and	49	50	1	0.63	
and	55	59	4	1.26	
and	74	75	1	0.78	
and	78	79	1	2.48	
<b>AHMAC015</b>	31	32	1	0.60	<b>Indomitable</b>
and	<b>44</b>	<b>51</b>	<b>7</b>	<b>3.97</b>	
including	<b>44</b>	<b>50</b>	<b>2</b>	<b>5.81</b>	
and	<b>48</b>	<b>49</b>	<b>1</b>	<b>13.28</b>	
and	<b>44</b>	<b>51</b>	<b>7</b>	<b>3.97</b>	
including	<b>45</b>	<b>47</b>	<b>2</b>	<b>5.81</b>	
and	<b>48</b>	<b>49</b>	<b>1</b>	<b>13.28</b>	
and	57	58	1	1.61	
and	60	61	1	1.68	
and	63	66	3	2.05	
and	67	68	1	0.68	
and	69	70	1	1.89	
and	96	97	1	0.84	
and	<b>100</b>	<b>111</b>	<b>11</b>	<b>2.26</b>	
including	<b>105</b>	<b>106</b>	<b>1</b>	<b>10.18</b>	

Note: Initial analysis on 1m AC/RC samples done by 25gm Aqua Regia digest/ICP MS finish.

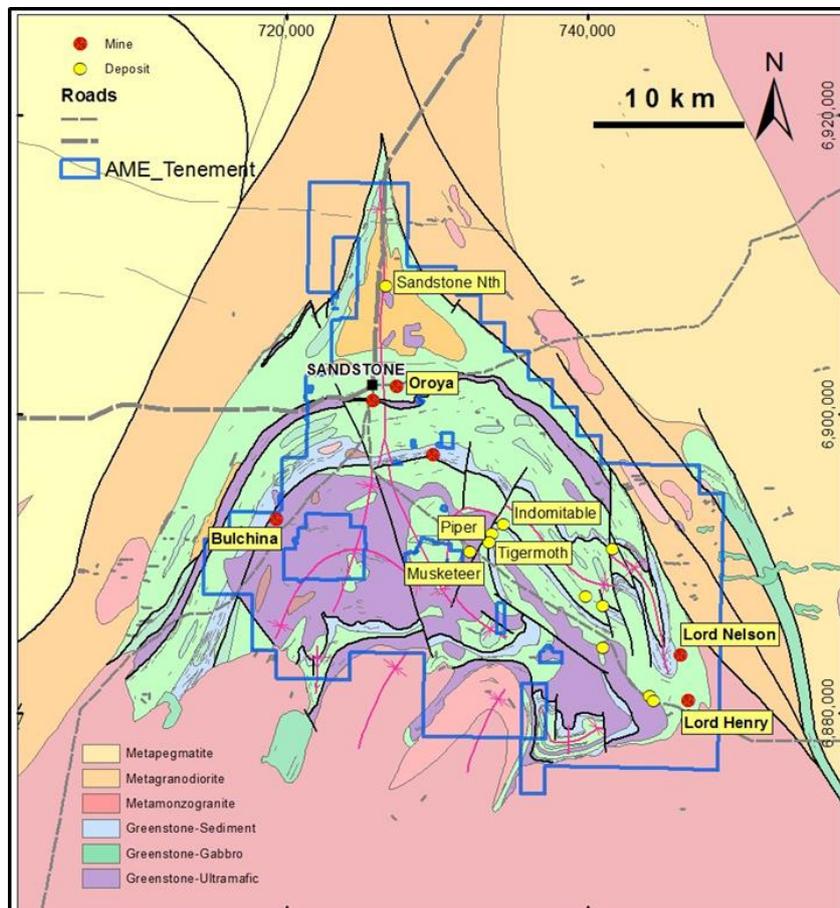
\*Samples reporting greater than 4.0g/t Au repeat analysed by 50gm fire assay technique.

Table 2. Alto's 2016 RC/Assay Results, 4m Composites (using a 0.5g/t Au cut off)

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
AHMRC001	16	20	4	0.94	Indomitable
and	56	60	4	0.55	Abn'd @ 99m.
AHMRC002	124	132	8	1.04	Indomitable
and	140	144	4	0.68	
and	<b>152</b>	<b>168</b>	<b>16</b>	<b>3.43</b>	
incl.	<b>156</b>	<b>164</b>	<b>8</b>	<b>5.69</b>	
and	184	188	4	0.07	
and	208	210	2	0.28	
AHMRC003	44	56	12	1.58	Tiger Moth
and	64	68	4	0.75	
and	<b>76</b>	<b>100</b>	<b>24</b>	<b>1.71</b>	
incl.	<b>88</b>	<b>92</b>	<b>4</b>	<b>3.88</b>	
AHMRC004	16	20	4	0.57	Tiger Moth
and	60	64	4	0.91	
and	68	72	4	0.86	

Note: Initial analysis on 4m RC composite samples by 25gm Aqua Regia digest/ICP MS finish.  
 \*Samples reporting greater than 4.0g/t Au repeat analysed by 50gm fire assay technique.

Figure 4. Geology and Tenement Plan showing Location of Indomitable, Tiger Moth and Piper Prospects



## ***Extracts from Troy Resources NL Technical Reports 2009 & 2011***

### **Overview of Musketeer - Indomitable Shear Zone**

The prospects along the Musketeer - Indomitable Shear were originally discovered by Troy RAB drilling and were followed-up by AC drilling. Variable amounts of RC drilling were carried out at Indomitable, Tiger Moth and Musketeer and a Troy outlined a resource at Tiger Moth. Suspension of exploration drilling on the Sandstone project during the 2009 means that definition of mineralisation, particularly at Indomitable and Musketeer remains uncompleted.

**Furthermore, the extensive amount of mineralisation associated with these prospects and their aerial extent suggest one or more large sources within the primary zone.**

Only one deep diamond drill hole (TRCD728) has been attempted in the Indomitable area and it failed to reach fresh rock at a depth of 191.9 metres depth. The hole contained only a few weakly mineralised intervals with the last 2.9 metres averaging 0.31 g/t Au.

### **Exploration History**

In 2001-2002, 38 RAB holes (2,610 m) and 3 AC holes (261 m) were drilled to test the southeast trending Musketeer - Indomitable structural corridor. Encouraging results were intersected in two zones: 10 m at 1.09 g/t Au & 10 m at 1.83 g/t Au within an altered quartz veined zone- possibly a mafic/ultramafic contact and 15 m @ 0.9 g/t Au, with the start of another anomalous zone up to 120 m in width being identified. One fence line comprising of three angled holes completed 50 m to the north, returned significant anomalism 10 m at 1.17 g/t Au. The gold zone was north-south trending, and open both to the north and south.

In 2007-2008, 32 RC holes were completed at Indomitable for a total of 3,346 metres. Gold mineralisation was encountered in residual laterite overall intervals up to 5 metres in width and low grade intersections 2 to 5 metres wide were common in the highly weathered upper saprolite. Deeper mineralisation was most commonly encountered within strongly iron altered gossanous zones associated with secondary chalcedonic silica and fuchsite. This initial RC drilling program of 12 holes for 1,181 metres resolved the prospect into 2 sub-prospects namely **Indomitable South and Indomitable North**.

### **Indomitable South (Troy 2011)**

Drilling at Indomitable South encountered broad zones of low grade gold mineralisation with erratic high grade sections rendering modelling difficult. High grade zones occur in strongly iron altered gossanous zones with associated secondary chalcedonic silica and fuchsite. It appears that the mineralisation is striking WNW and dipping NNE. All the drill holes were drilled on an azimuth of 090 degrees and intersections are therefore possibly at a very oblique angle to the interpreted strike of the mineralisation. The strike orientation of the mineralisation approximates the strike of a magnetically low zone in which it occurs.

Drill holes in Indomitable South often terminated at depths of over 120 metres still within highly oxidised gossanous saprolite. A further RC program of 2,003 metres in 16 holes was completed in an attempt to resolve the geometry of the mineralisation. Drilling intersected the moderate to broad widths of mineralised vuggy quartz veining and gossanous saprock seen in previous drilling.

Drilling on the northernmost traverse intersected much shallower fresh basalt compared to the rest of the prospect and only encountered mineralisation in the westernmost hole suggesting a sinistral offset of mineralisation to the north. This phase of drilling has shown that mineralisation occurs along a northwest striking trend and remains open along strike to the northwest.

Figure 5. Indomitable Geology and Drilling (Troy 2007-2009)

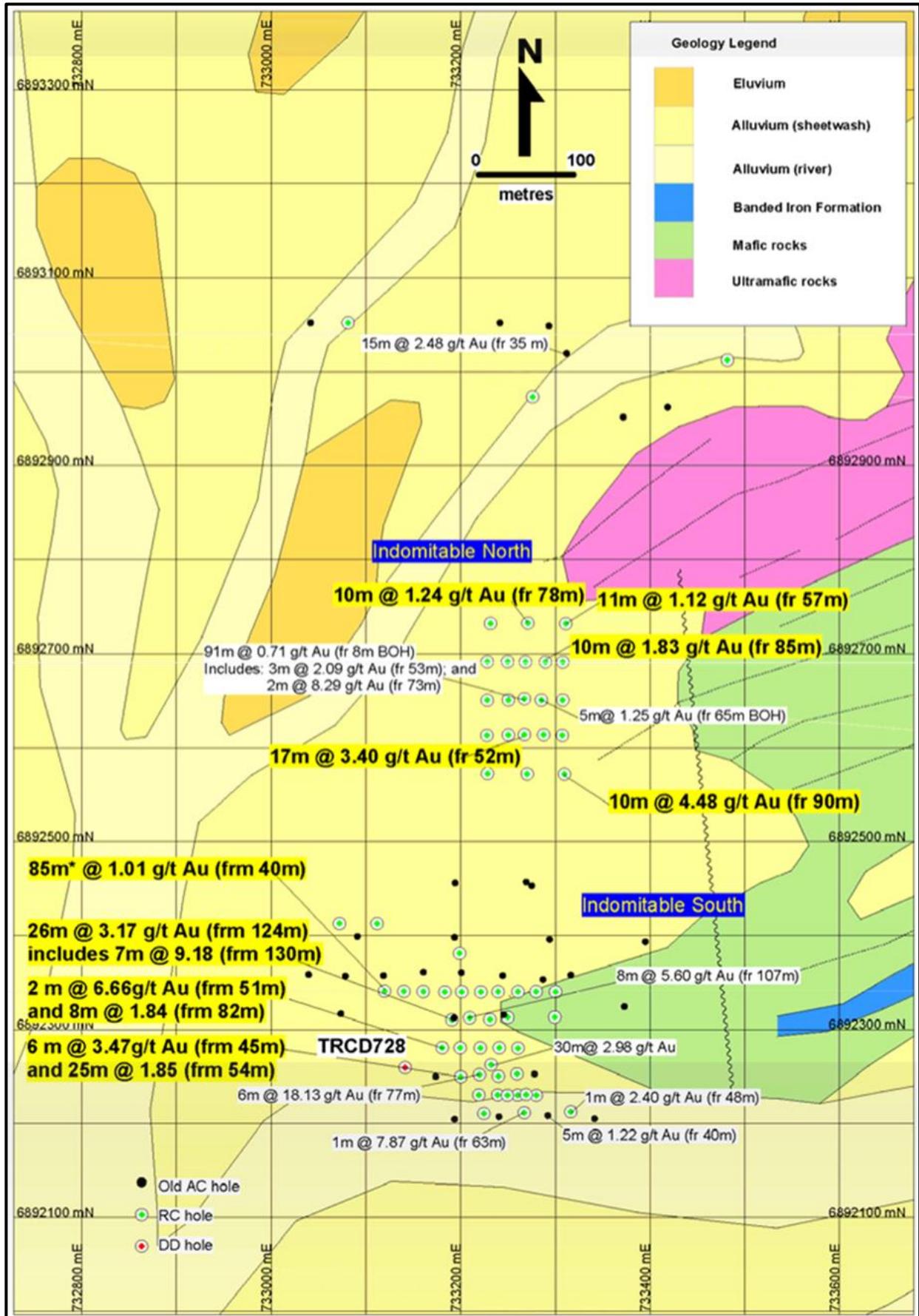


Table 3. Troy Resources NL - Indomitable South RC Drilling Results

Hole No.	MGA East	MGA North	Azimuth	Inclination	Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
TRC574	733267	6892211	90	-60	113	63	64	1	7.63
and						82	83	1	2.46
TRC575	733316	6892212	90	-60	125	4	49	1	2.24
TRC576	733220	6892252	90	-60	93	47	50	3	1.19
and						77	83	6	18.1
TRC577	733259	6892253	90	-60	89	18	21	3	1.26
and						44	45	1	4.01
and						57	59	2	4.51
TRC578	733209	6892312	90	-60	126	60	62	2	1.08
and						107	115	8	5.6
TRC579	733250	6892313	90	-60	112	15	20	5	0.99
and						53	55	2	1.56
and						59	61	2	4.35
TRC580	733299	6892313	90	-60	85	23	37	14	1.72
including						31	35	4	3.87
and						62	64	2	2.63
TRC581	733112	6892413	90	-60	65	44	46	2	2
TRC669	733280	6892230	90	-60	65	43	45	2	2.72
TRC671	733239	6892230	90	-60	114	64	91	27	0.73
TRC672	733219	6892230	90	-60	118	40	42	2	1.54
and						72	75	3	2.57
TRC673	733240	6892250	90	-60	87	40	48	8	1.22
TRC674	733200	6892250	90	-60	127	45	51	6	3.47
and						54	79	25	1.85
TRC675	733261	6892280	90	-60	72	59	62	3	1.08
TRC676	733241	6892280	90	-60	78	15	20	5	1.11
and						51	56	5	1.03
TRC677	733221	6892280	90	-60	108	16	23	7	1.08
and						55	63	8	1.11
and						76	78	2	1.71
and						91	95	4	1.71
TRC678	733199	6892280	90	-60	119	16	24	8	1.1
and						114	119	5	1.05
TRC679	733181	6892281	90	-60	132	51	53	2	6.66
and						82	90	8	1.84
TRC680	733231	6892311	90	-60	126	55	65	10	1.08
TRC681	733191	6892310	90	-60	156	124	150	26	3.17
including						130	137	7	9.18
TRC682	733300	6892340	90	-60	96	55	57	2	1.31
TRC683	733280	6892340	90	-60	96	31	33	2	1.98
TRC729	733120	6892341	90	-60	125	40	55	15	1.61
including						47	50	3	6.1
and						57	73	16	1.03
and						78	83	5	2.86
including						79	80	2	6.2
TRC731	733160	6892340	90	-60	130	12	19	7	1.03

Refer JORC Table 1 for details of Troy Resources NL sampling and analytical methods.

**Indomitable North**

Indomitable North, located 300 metres north of Indomitable South, contains broad, low grade zones of gold mineralisation within strong silica, fuchsite and sericite altered ultramafic rock with disseminated arsenopyrite and pyrite. An intersection of 27 metres @ 1.22 g/t Au from 72 metres was encountered in **TRC583** at the redox front where highly weathered ferruginous saprolite sharply trends into fresh rock. TRC583 contained anomalous gold mineralisation over almost the entire length of the 99 metre deep hole within limonitic vuggy quartz in the oxide and silica-fuchsite-pyrite veining in fresh rock. Mineralisation also occurs within wider bucky to vuggy limonite altered quartz veins and throughout the surrounding porous silica, fuchsite altered wallrock such as in TRC584 which intersected 12 metres @ 1.38 g/t Au from 47 metres.

14 RC holes (1,670 metres) were drilled on a 20 metre by 40 metre grid to test for a north-south strike trend to mineralisation intersected in TRC583. Wide zones of gossanous saprock, intense silica-fuchsite altered saprock and silica-fuchsite-arsenopyrite altered fresh basalt were intersected over the 160 metre strike length tested. However, gold intersections were generally of low grade (1 to 3 g/t Au) and over widths ranging from 2 to 11 metres.

**Table 4. Troy Resources NL – Indomitable North RC Drilling Results**

Hole No.	MGA East	MGA North	Azimuth	Inclination	Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
TRC583	733267	6892652	90	-60	99	9	11	2	1.45
including						45	58	13	0.98
and						72	99	27	1.22
and						73	75	2	8.29
TRC584	733276	6892973	90	-60	95	47	59	12	1.38
including						56	58	2	5.56
and						64	66	2	1.08
TRC585	733081	6893052	90	-60	89	43	49	6	1.2
TRC690	733307	6892613	90	-60	88	6	13	7	1.18
TRC691	733267	6892614	90	-60	106	8	14	6	1.1
and						34	43	9	2.3
and						52	69	17	3.4
TRC693	733308	6892651	90	-60	66	7	13	6	1.35
TRC697	733228	6892691	90	-60	124	45	47	2	1
TRC701	733290	6892691	90	-60	118	8	10	2	1.2
and						89	92	3	5.16
TRC702	733271	6892732	90	-60	112	8	14	6	1.44
and									
TRC703	733311	6892732	90	-60	112	57	68	11	1.12
TRC704	733232	6892732	90	-60	124	51	56	5	1.29
and						65	68	3	1.06
TRC705	733249	6892691	90	-60	130	9	11	2	1.00
TRC733	733270	6892572	90	-60	130	8	10	2	1.14
and						42	46	4	1.38
TRC734	733309	6892572	90	-60	124	93	97	4	2.68
TRC735	733250	6892651	90	-60	106	39	41	2	1.68
and						68	70	2	1.39
TRC736	733285	6892651	90	-60	124	7	12	5	1.05
and						60	62	2	1.18
and						74	77	3	1.00
TRC737	733250	6892613	90	-60	124	68	70	2	1.24
TRC738	733288	6892613	90	-60	124	7	10	3	2.77

## ABOUT ALTO METALS LIMITED

Alto Metals Limited is an Australian public company listed on the Australian Securities Exchange with 151,883,037 ordinary fully paid shares on issue. The Company completed the acquisition of the 723km<sup>2</sup> Sandstone Gold Project on 23<sup>rd</sup> June 2016.

The Sandstone Greenstone Belt has produced over 1.3 million ounces of gold from numerous underground and open pit mining operations since the discovery of gold at the end of the 19<sup>th</sup> Century, the lack of outcrop and the presence of deep weathering and alluvial cover has hampered exploration and discovery. Between 1994 and 2010, some 612,000 ounces was produced by Herald Resources Ltd and Troy Resources Ltd, largely from shallow oxide ore to feed the Nungarra Mill, and since 2010 when the mill was closed, there has been no exploration.

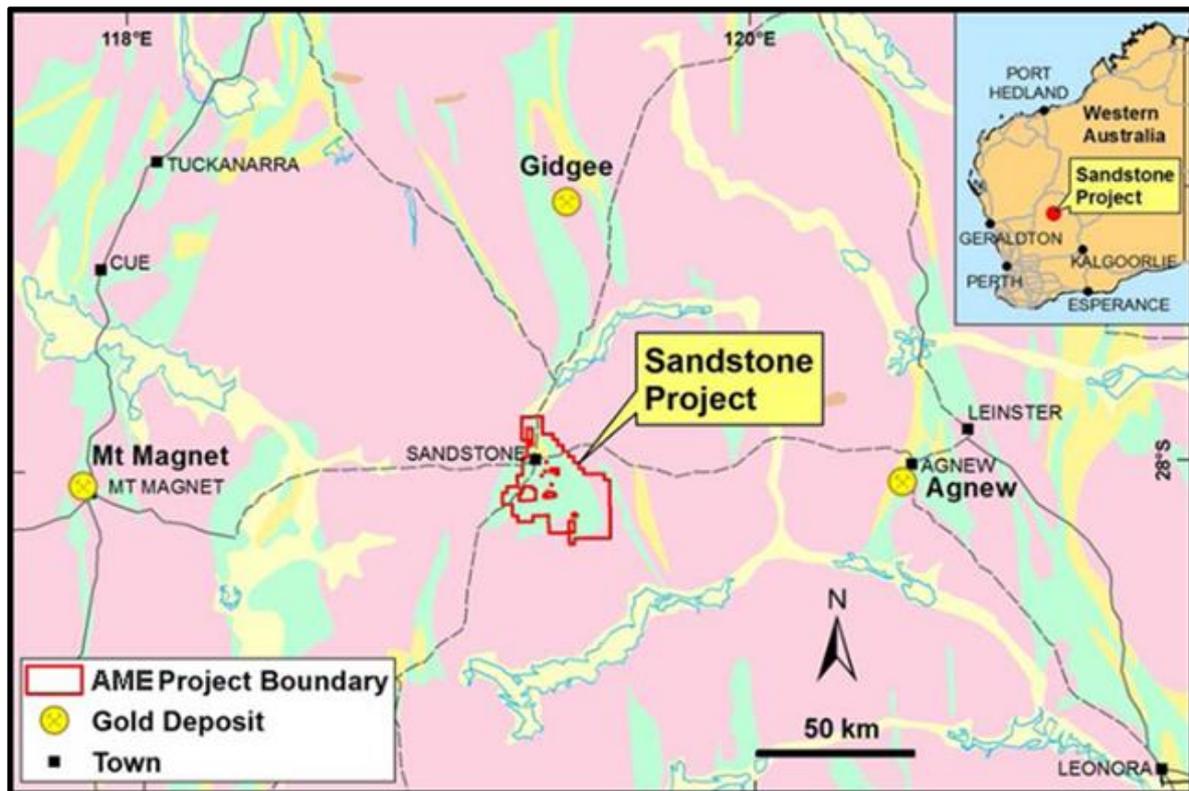


Figure 6. Regional Geology showing Greenstone Belts and Location of Sandstone Project

Alto has two immediate objectives at Sandstone:

1. the delineation of relatively shallow (free dig) oxide gold mineralisation that can be economically mined and trucked to one of several operating gold treatment facilities in the region, and
2. the delineation of further high-grade shear hosted primary (sulphide) gold mineralisation at depth in the immediate vicinity of mined oxide deposits such as Lord Nelson, Lord Henry and Bulchina through a combination of IP surveys and RC and diamond core drilling. This includes the re-modeling and re-estimation of remnant Indicated & Inferred Mineral Resources (JORC 2004 compliant) previously estimated by Snowden on behalf of Troy Resources NL (Troy).

A longer-term objective is the discovery of new, large high-grade oxide and primary gold deposits, which will be assisted through a better understanding of the lithological and structural controls on gold mineralisation within the Sandstone Greenstone Belt.

To achieve both the immediate and longer term objectives, Alto has commenced various exploration initiatives including:

- the capture and compilation of historic drilling and assay data from WA Department of Mines and Petroleum Mines Open File reports,
- a review of the geology and drill hole data for all known prospects in the region,
- the purchase and processing of existing high-resolution airborne magnetic data,
- the flying of a new detailed airborne magnetic survey,
- the commissioning of a JORC 2012 compliant Mineral Resource estimate for the Lord Nelson and Lord Henry deposits,
- the completion of a 3-Dimensional Induced Polarisation (3DIP) survey over the Lady Hamilton oxide gold area,
- the establishment of an External Research Advisory Committee chaired by Emeritus Professor David Groves, a leader in Archaean geology and orogenic gold mineralisation, to guide research in the hunt for the million ounce deposit, and
- the completion of a 3,827m combined aircore/RC drilling program in November-December 2016 to test extensions of known oxide gold mineralised systems and several IP targets.

More extensive geophysical and drilling programs will be implemented in 2017, following the receipt of all assays from the 2016 maiden AC/RC drilling program, and the progressive compilation and review of Alto's Sandstone database.



**Dermot Ryan**  
**Managing Director**

**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 a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation 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. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

*All historic exploration results and mineral resources referred to in this Report were previously reported by Troy Resources NL pursuant to JORC Code 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.*

## Appendix 1: Details of Alto RC/AC and RC Drill Collars Referred to in this Report

Hole	East	North	RL (m)	Dip (Deg)	Azimuth (Deg)	Depth (m)	Prospect	Comments
AHMAC001	733435	6891353	498	-60	120	94	Tiger Moth	
AHMAC002	733366	6891394	498	-60	120	99	Tiger Moth	
AHMAC003	733400	6891343	498	-60	120	102	Tiger Moth	
AHMAC004	733365	6891364	498	-60	120	111	Tiger Moth	
AHMAC005	733330	6891383	498	-60	120	99	Tiger Moth	
AHMAC006	733720	6891130	498	-60	120	97	Tiger Moth	
AHMAC007	733680	6891130	498	-60	120	67	Tiger Moth	
AHMAC008	733640	6891130	498	-60	120	74	Tiger Moth	
AHMAC009	733180	6892295	498	-60	90	138	Indomitable	
AHMAC010	733220	6892295	498	-60	90	113	Indomitable	
AHMAC011*	733280	6892280	498	-60	90	24	Indomitable	Abandoned @ 24m
AHMAC012	733300	6892260	498	-60	90	105	Indomitable	
AHMAC013	733260	6892260	498	-60	90	123	Indomitable	
AHMAC015	733180	6892260	498	-60	90	126	Indomitable	
AHMRC001*	733173	6892315	498	-60	90	92	Indomitable	Abandoned @ 92m
AHMRC002	733165	6892310	498	-60	90	210	Indomitable	
AHMRC003	733400	6891368	495	-60	120	114	Tiger Moth	
AHMRC004	733532	6891124	495	-60	90	132	Tiger Moth	

All holes on Grid: MGA94\_50,

All holes are located within E57/1031

## References

Troy Resources NL ASX release 10 Dec 2007: Snowdens Technical Report for Troy, June 2007.

<http://www.asx.com.au/asxpdf/20071210/pdf/316d8jf2r66kr9.pdf>

Troy Resources NL ASX release 30 Oct 2007: Quarterly Report for 3 Months Ending 30<sup>th</sup> September 2007. Pages 9, 12.

<http://www.asx.com.au/asxpdf/20071030/pdf/315h66ll35jp9d.pdf>

Troy Resources NL ASX release 1 Feb 2008: Quarterly Report for 3 Months Ending 31<sup>st</sup> December 2007. Pages 2, 8.

<http://www.asx.com.au/asxpdf/20080201/pdf/3177q70vm2n3hh.pdf>

Troy Resources NL ASX release 16 April 2008: Drilling at Indomitable Prospect, Sandstone, intersects Broad Zones of Oxide Gold Mineralisation within Weathered Bedrock. Pages 1-3.

<http://www.asx.com.au/asxpdf/20080416/pdf/318lqm2nfc5jbh.pdf>

Troy Resources NL ASX release 30 April 2008: Quarterly Report for 3 Months Ending 31<sup>st</sup> March 2008. Pages 10, 14, 27-28.

<http://www.asx.com.au/asxpdf/20080430/pdf/318vvb729b0tvs.pdf>

Troy Resources NL Canadian Prospectus 30 Jan 2008

[http://www.troyres.com.au/images/files/technical/Final\\_Prospectus\\_-\\_30\\_January\\_2008.pdf](http://www.troyres.com.au/images/files/technical/Final_Prospectus_-_30_January_2008.pdf)

**JORC Code, 2012 Edition – Table 1 report**  
**14 February 2017 – Sandstone Project**

**JORC (2012) Section 1 Sampling Techniques and Data**

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

Criteria	Commentary
Sampling techniques	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>RC samples were passed directly from the in-line cyclone through a rig mounted multi-tier riffle splitter. Samples were collected in 1 m intervals into bulk plastic bags and 1 m calico splits (which were retained for later use).</li> <li>From the bulk sample, a 4 m composite sample was collected using a split PVC scoop and then submitted to the laboratory for analysis. The 1 m calico splits were submitted to the laboratory if the composite sample returned assay values equal to or greater than 0.2 g/t Au.</li> <li>AC samples were passed through a cross-over sub and whole, and whole samples were collected into poly-weave bags at 1 m intervals. Following field drying, the 1m samples were submitted to the laboratory directly for further drying and analysis.</li> </ul> <p><b>Drilling carried out by Troy Resources NL (Troy) 2002-2009.</b></p> <ul style="list-style-type: none"> <li>RC samples were passed directly from the in-line cyclone through a rig mounted multi-tier riffle splitter. Samples were collected in 1m intervals into bulk plastic bags and 1m 3Kg calico bags (which were retained for later use).</li> </ul>
Drilling techniques	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>RC drilling used a Hydco 35 rig with depth capacity of 350m, and a 5.5inch diameter bit and on-board cyclone and riffle splitter.</li> <li>RC/AC drilling with Drill Boss 200 rig with depth capacity of 150m, with a blade bit producing a sample of 85mm diameter and a down hole hammer bit producing a sample of 96mm diameter.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>AC samples were weighed at the laboratory following drying. Recoveries are still being assessed.</li> <li>Alto has no quantitative information on RC sample recovery.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Both RC and AC drill chips were sieved from each 1 m samples and geologically logged.</li> <li>Due to the heavily oxidised nature of the drilled areas, down to 200 metres depth, a large portion of the samples consisted of clay.</li> <li>Washed drill chips from each 1 m sample were stored in chip trays and photographed.</li> <li>Geological logging of most drillhole intervals was done with sufficient detail to meet the requirements of resource estimation</li> </ul>
Subsampling techniques and sample preparation	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>MinAnalytical Laboratory Services Australia Pty Ltd located in Canningvale, Western Australia, were responsible for sample preparation and assaying for drillhole samples and associated check assays. MinAnalytical is certified to NATA in accordance with ISO 17025:2005 ISO requirements for all related inspection, verification, testing and certification activities.</li> <li>3kg 4m composite RC samples were dried and then ground in an LM5 ring mill for 85% passing 75 Microns.</li> <li>6-12kg 1m AC samples were dried, then crushed and homogenised to produce a 3 kg sample for the LM5 ring mill.</li> <li>AC and RC samples were analysed using an Aqua Regia digest with an ICP/MS finish for gold and a limited suite of base metal elements. Ag, As, Bi, Cu, Ni, Pb, Sb, Te, W, Zn.</li> <li>Samples reporting greater than 4ppm Au were re-analysed using 50 gm fire assay with AAS finish.</li> </ul>

Criteria	Commentary cont'd
Subsampling techniques and sample preparation (cont'd)	<p><b>Drilling carried out by Troy Resources NL (Troy) 2002-2009.</b></p> <ul style="list-style-type: none"> <li>SGS Australia Pty Ltd (SGS) located in Perth, Western Australia, were responsible for sample preparation and assaying for drillhole samples and associated check assays. SGS at the time, were certified to the ISO 9001 requirements for all related inspection, verification, testing and certification activities.</li> <li>RC and AC samples were assayed using 50 g fire assay with AAS finish, and sample sizes were noted as being 2Kg.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>For all exploration work a minimum of one standard QC sample was submitted with each batch of samples.</li> <li>Standards were purchased from Gannet Holdings Pty Ltd (Gannet) in Perth, WA. The actual standard used was dependent on the expected assay results and type of sample being taken (i.e. oxide, transitional or fresh rock). The grade of the standard used was also routinely varied.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>Alto has not conducted any independent verification of the assay data.</li> <li>Values below the analytical detection limit were replaced with half the detection limit value.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>The grid is based on GDA94 zone 50.</li> <li>Alto used handheld Garmin GPS to locate and record drill collar positions, accurate to +/-5 metres. Alto's drill hole collar positions will accurately located in GDA_94 space by a licensed surveyor in 2017.</li> <li>There is no documentation on the collar survey methodology or downhole surveys for Troy AC and RC holes. Although most Troy drill sites have been rehabilitated, the drill collars are still marked in the field by a strip of PVC protruding from the surface, and they can be accurately located in GDA_94 space by a licensed surveyor in 2017.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Troy's AC and RC drill holes were spaced between 20 m and 200m apart.</li> <li>The Troy drill orientation for Indomitable was typically -60° towards 90° which was designed to intersect mineralisation perpendicular to the interpreted ore zones, but some sections on Tiger Moth were drilled -60° towards 180°</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>As there is no outcrop in the drilled area, geological structures have been interpreted from drilling.</li> <li>The Troy drill orientation for Indomitable was typically -60° to 090° which was designed to intersect mineralisation perpendicular to the interpreted ore zones, but some sections on Tiger Moth were drilled -60° towards 180°.</li> </ul>
Sample security	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>Both 4m composite and 1m original RC drill samples comprised approximately 3 kg of material within a labelled and tied calico bag.</li> <li>1m AC samples comprised approximately 6-12 kg of material within a labelled and tied polyweave bag.</li> <li>After wet samples were field dried, individual sample bags were placed in a larger plastic polyweave bulka bag that was labelled with the laboratory address and sender details and tied with cable ties.</li> </ul>
Audits and reviews	<ul style="list-style-type: none"> <li>Alto has reviewed and compiled the technical data for Indomitable and Tiger Moth internally. No audit has been completed to date.</li> <li>The Mineral Resource Estimate published by Troy for Tiger Moth in 2010 was estimated by Snowden, who presumably had access to the Troy database for Tiger Moth.</li> </ul>

**JORC (2012) Table 1, Section 2 Reporting of Exploration Results**

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

Criteria	Commentary
Mineral tenement and land tenure	<ul style="list-style-type: none"> <li>Alto's 2016 drilling program was completed on Exploration Licence 57/2031, granted on 20 September 2016 to Sandstone Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Alto Metals Limited.</li> <li>The total project area covers approximately 724 km<sup>2</sup> with five exploration licences all granted on 20 September 2016 and three prospecting licences granted on 11 June 2016.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Previous work carried out by Troy described in the accompanying ASX report and Table 1 above..</li> <li>No known historical mining or prospecting due to 20 -30 m of alluvial cover.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Interpreted geology of Indomitable, Tiger Moth, and Musketeer prospects described by Troy in main body of this ASX report.</li> </ul>
Drillhole information	<ul style="list-style-type: none"> <li>Drill hole collar information reported in Appendix 1 and assay results +0.5 g/t Au for Alto and +1g/t Au for Troy reported in Tables 1 to 4 in body of main ASX report attached.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>Gold assay results +0.5 g/t Au for Alto and +1g/t Au for Troy reported in Tables 1 to 4 in body of main ASX report.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>Not definitive due to lack of systematic drilling, deep oxidation and no outcrop or core.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Refer to figures in main body of report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>All available drill hole Au assay results published, using +0.5 g/t Au for Alto and +1g/t Au for Troy</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>Further AC and RC drilling planned for Indomitable, Tiger Moth, and Musketeer in 2017</li> </ul>
Database integrity	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>Alto has a Datashed database maintained by a database Administrator. Raw Laboratory SIF files are entered into the database by the DBA, and geology and other attributes are merged by the DBA.</li> </ul> <p><b>Drilling carried out by Troy Resources NL (Troy) 2002-2009.</b></p> <ul style="list-style-type: none"> <li>Alto has compiled Troy drilling data from WA Dept Mines Open File records and Troy ASX releases, which together are quite comprehensive for the Indomitable, Tiger Moth, and Musketeer prospects.</li> </ul>
Site visits	<ul style="list-style-type: none"> <li>Alto's Chief Geologist and Exploration Manager were present on site during the Nov/ Dec 2016 drilling program and monitored the drilling process, and samples generated for quality.</li> </ul>
Geological interpretation	<ul style="list-style-type: none"> <li>Due to lack of outcrop, alluvial cover and deep oxidation to 200 metres depth, the geology is not well known.</li> <li>Alto has proposed a geological interpretation for Indomitable South and Tiger Moth, but alternative interpretations of the mineralisation are possible with further drilling.</li> </ul>
Dimensions	<ul style="list-style-type: none"> <li>The Indomitable South and Tiger Moth gold mineralisation is open along strike at present, and open to depth of 150-200 metres.</li> <li>There is secondary gold mineralisation at 20 - 30 metres below surface which has not been fully defined.</li> </ul>

Criteria	Commentary cont'd
Estimation and modelling techniques	<ul style="list-style-type: none"> <li>No new grade or tonnage estimates are available at the present time as exploration is ongoing.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li>Wet samples were dried prior to weighing and analysis.</li> </ul>
Cut-off parameters	<p><b>Drilling carried out by Alto Metals Ltd (2016)</b></p> <ul style="list-style-type: none"> <li>The mineralisation has been reported above a 0.5 g/t Au cut-off grade due to the shallow oxide nature of the mineralisation.</li> </ul> <p><b>Drilling carried out by Troy Resources NL (Troy) 2002-2009.</b></p> <ul style="list-style-type: none"> <li>Troy reported gold mineralisation at these prospects using a 1.0 g/t Au cut-off grade.</li> </ul>
Mining factors and assumptions	<ul style="list-style-type: none"> <li>No mining assumptions at this early stage.</li> </ul>
Metallurgical factors and assumptions	<ul style="list-style-type: none"> <li>These deposits have not been mined previously so metallurgical data is available, but Alto assumes the oxide gold mineralisation will have high recoveries.</li> </ul>
Environmental factors and assumptions	<ul style="list-style-type: none"> <li>It is assumed that no environmental factors exist that could prohibit any potential mining.</li> <li>The Sandstone area has a strong history of mining, and there is strong local support for mining in the area.</li> </ul>
Bulk density	<ul style="list-style-type: none"> <li>No bulk density measurements undertaken at this early stage of exploration.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>Troy published a (JORC 2004 compliant) Inferred Mineral Resource for Tiger Moth and Tiger Moth South of 561,000 tonnes at 1.73 g/t Au for 31,200 ounces. (refer Snowden Report June 2007, page 139)</li> <li>Alto does not have any details regarding the methodology or modelling undertaken for the (JORC 2004 compliant) Tiger Moth Mineral Resource estimate.</li> </ul>
Audits and reviews	<ul style="list-style-type: none"> <li>The Snowden Mineral Resource estimate published by Troy in 2010 for Tiger Moth was peer reviewed as part of Snowden's standard internal peer review process.</li> <li>Alto is not aware of any external reviews of the Tiger Moth Mineral Resource estimate.</li> </ul>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <li>Alto does not have any details regarding the methodology or modelling undertaken for the (JORC 2004 compliant) Tiger Moth Mineral Resource estimate.</li> </ul>