

# **Alto Metals Limited**

**(Formerly Enterprise Uranium Limited)**

**ABN 62 159 819 173**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**  
**31 DECEMBER 2016**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2016 and any public announcements made by Alto Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

<b>Contents</b>	<b>Page</b>
<b>CORPORATE DIRECTORY</b>	<b>3</b>
<b>DIRECTORS' REPORT</b>	<b>4</b>
<b>AUDITOR'S INDEPENDENCE DECLARATION</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>7</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>8</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>9</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>10</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>11</b>
<b>DIRECTORS' DECLARATION</b>	<b>15</b>
<b>INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS</b>	<b>16</b>

## ALTO METALS LIMITED

31 DECEMBER 2016

### CORPORATE DIRECTORY

#### Directors

Mr Jingbin Wang	Non-Executive Chairman
Mr Dermot Ryan	Managing Director
Mr Stephen Stone	Non-Executive Director
Mr Terry Wheeler	Non-Executive Director

#### Company Secretary

Mr Sam Middlemas

#### Principal registered office

Suite 2  
91 Hay Street  
SUBIACO WA 6008  
Telephone 08 9381 2808  
Facsimile 08 9381 5545  
Website: [www.altometals.com.au](http://www.altometals.com.au)  
Email: [info@altometals.com.au](mailto:info@altometals.com.au)

#### Auditor

Grant Thornton Audit Pty Ltd  
Level 1  
10 Kings Park Road  
West Perth WA 6005  
Telephone 08 9480 2000  
Facsimile 08 9322 7787  
Website: [www.grantthornton.com.au](http://www.grantthornton.com.au)  
Email: [admin@grantthornton.com.au](mailto:admin@grantthornton.com.au)

#### Share Registry

Computershare Registry Services  
Level 2, 45 St Georges Terrace  
Perth WA 6000

#### Australian Securities Exchange

ASX Code – AME

## ALTO METALS LIMITED

31 DECEMBER 2016

### DIRECTORS' REPORT

Your Directors are pleased to present their report on the consolidated entity consisting of Alto Metals Limited ("Alto" or the "Company") and the entity it controlled (together "the Group") at the end of, or during, the half-year ended 31 December 2016.

#### DIRECTORS

The names of the Directors who held office during or since the end of the period are:

Jingbin Wang (appointed 12 October 2016)

Dermot Ryan

Stephen Stone

Terry Wheeler (appointed 2 December 2016)

Anna Mao (resigned 12 October 2016)

William Robertson (resigned 2 December 2016)

#### REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the period is set out below:

	2016		2015	
	Other Income \$	Loss for the half-year \$	Other Income \$	Loss for the half-year \$
Consolidated entity other income and profit/(loss)	19,782	(832,641)	261,644	(1,063,509)

#### REVIEW OF OPERATIONS

The consolidated entity ("Alto" or "the Company", ASX: AME) recorded an operating loss after income tax for the half year ended 31 December 2016 of \$832,641 compared to the 31 December 2015 operating loss after income tax of \$1,063,509. The result for the half year ended 31 December 2016 included exploration write-offs totalling \$418,247 (31 December 2015: \$997,716) primarily related to the consolidated entities exploration on the uranium exploration projects.

The Company changed its direction in 2016 following the purchase of the Sandstone Gold Project, and all exploration activities have focussed on progressing Sandstone in order to generate new gold resources. A drill programme was completed during December 2016, and the initial results received from the programme are promising. All exploration was capitalised to the Sandstone Project.

The Company has written down all its interests in uranium projects during the half year and it is planning to sell, joint venture or withdraw from all non gold tenements to concentrate on its Sandstone Gold Project. It also decided not to exercise its option on the Cue VMS project and has withdrawn from those tenements.

The Company continued to hold its shares in Antipa Minerals Ltd (ASX: AZYO) and Enterprise Metals Ltd (ASX: ENT). During the half year, both entities had significant reductions in their values reversing the previously years increase in value. The board believes the underlying assets in the investments are not fully reflected in the share prices and potential upside from the exploration properties held, and while they remain in the balance sheet as Available-for-Sale assets, they continue to be held as Non Current Assets as the board assesses their prospects into the future further.

The Company's cash position at the end of the half-year was \$2,387,507 (30 June 2016: \$1,122,691) which is sufficient to progress the drill programmes currently planned and underway at Sandstone Gold Project.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of Directors.



**Dermot Ryan**

Managing Director

Perth, 13 March 2017

Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**Auditor's Independence Declaration  
To The Directors of Alto Metals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Alto Metals Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M A Petricevic  
Partner - Audit & Assurance

Perth, 13 March 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR  
THE HALF YEAR ENDED 31 DECEMBER 2016**

	Note	31 December 2016 \$	31 December 2015 \$
<b>REVENUE</b>			
Revenue from ordinary activities		-	-
		-	-
<b>OTHER INCOME</b>			
Gain on sale of available-for-sale financial asset		-	251,786
Other income		19,782	9,858
		19,782	261,644
Accounting and audit fees		(15,537)	(11,040)
Share registry and listing fees		(34,010)	(20,981)
Employee benefits expense		(120,201)	(20,000)
Corporate consulting expense		(66,507)	(103,857)
Computers and software		(13,452)	(5,535)
Depreciation		(16,469)	(19,079)
Insurance		(7,584)	(7,515)
Investor relations		(31,656)	(8,823)
Legal fees		(8,920)	(3,635)
Office rental and occupation expenses		(16,433)	(10,843)
Share based payments		(38,877)	-
Travel and accommodation		(21,312)	(2,178)
Impairment of exploration and evaluation expenses	4	(418,247)	(997,716)
Impairment of other assets	3	-	(50,000)
Other expenses		(43,218)	(63,951)
<b>(Loss) before income tax expense</b>		<b>(832,641)</b>	<b>(1,063,509)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(832,641)</b>	<b>(1,063,509)</b>
<b>Other comprehensive income, net of tax</b>			
<b>Items that may be reclassified to profit or loss</b>			
Items reclassified to profit or loss		-	(302,751)
Revaluation of financial asset		(848,915)	(20,000)
<b>Total comprehensive (loss) / income for the period</b>		<b>(848,915)</b>	<b>(322,751)</b>
<b>Total comprehensive (loss) attributable to members of Alto Metals Limited</b>		<b>(1,681,556)</b>	<b>(1,386,260)</b>
Basic and diluted (loss) per share (cents per share)		(0.78)	(1.38)

The accompanying notes form part of these financial statements.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Note	31 December 2016 \$	30 June 2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,387,507	1,122,691
Trade and other receivables		191,561	56,918
<b>TOTAL CURRENT ASSETS</b>		<b>2,579,068</b>	<b>1,179,609</b>
<b>NON-CURRENT ASSETS</b>			
Available for sale financial assets	3	567,037	1,415,952
Plant and equipment		10,078	22,034
Intangible assets		3,470	8,269
Exploration and evaluation	4	5,379,939	4,816,377
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,960,524</b>	<b>6,262,632</b>
<b>TOTAL ASSETS</b>		<b>8,539,592</b>	<b>7,442,241</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		392,241	324,473
<b>TOTAL CURRENT LIABILITIES</b>		<b>392,241</b>	<b>324,473</b>
<b>TOTAL LIABILITIES</b>		<b>392,241</b>	<b>324,473</b>
<b>NET ASSETS</b>		<b>8,147,351</b>	<b>7,117,768</b>
<b>EQUITY</b>			
Issued capital	5	18,680,470	16,008,208
Reserves		(128,715)	681,323
Accumulated losses		(10,404,404)	(9,571,763)
<b>TOTAL EQUITY</b>		<b>8,147,351</b>	<b>7,117,768</b>

The accompanying notes form part of these financial statements.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AT 1 JULY 2015</b>	<b>11,044,157</b>	<b>292,751</b>	<b>(7,649,968)</b>	<b>3,686,940</b>
Loss attributable to members of the entity for the period			(1,063,509)	(1,063,509)
Other comprehensive (loss), net of tax		(322,751)	-	(322,751)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(322,751)</b>	<b>(1,063,509)</b>	<b>(1,386,260)</b>
<b>TRANSACTIONS WITH OWNERS, DIRECTLY IN EQUITY</b>				
Shares issued as share based payment	12,000		-	12,000
<b>BALANCE AT 31 DECEMBER 2015</b>	<b>11,056,157</b>	<b>(30,000)</b>	<b>(8,713,477)</b>	<b>2,312,680</b>

	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AT 1 JULY 2016</b>	<b>16,008,208</b>	<b>681,323</b>	<b>(9,571,763)</b>	<b>7,117,768</b>
(Loss) attributable to members of the entity for the period			(832,641)	(832,641)
Other comprehensive (loss), net of tax		(848,915)		(848,915)
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>		<b>(848,915)</b>	<b>(832,641)</b>	<b>(1,681,556)</b>
<b>TRANSACTIONS WITH OWNERS, DIRECTLY IN EQUITY</b>				
Shares issued during the period	2,698,000		-	2,698,000
Transaction costs for shares issued	(25,738)		-	(25,738)
Performance rights issued as share based payment	-	38,877	-	38,877
<b>BALANCE AT 31 DECEMBER 2016</b>	<b>18,680,470</b>	<b>(128,715)</b>	<b>(10,404,404)</b>	<b>8,147,351</b>

The accompanying notes form part of these financial statements.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	<b>31 December 2016 \$</b>	<b>31 December 2015 \$</b>
<b>Cash flows from operating activities</b>		
Interest received	19,782	10,956
Payments to suppliers and employees	(494,690)	(250,354)
<b>Net cash used in operating activities</b>	<b>(474,908)</b>	<b>(239,398)</b>
<b>Cash flows from investing activities</b>		
Payments for other assets	-	(98,980)
Payments for exploration and evaluation	(932,538)	(180,586)
Receipts from investments	-	425,315
<b>Net cash provided by investing activities</b>	<b>(932,538)</b>	<b>145,749</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,698,000	-
Share issue costs	(25,738)	-
<b>Net cash provided by financing activities</b>	<b>2,672,262</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>1,264,816</b>	<b>(93,649)</b>
Cash and cash equivalents at the beginning of the period	1,122,691	965,197
<b>Cash and cash equivalents at the end of the period</b>	<b>2,387,507</b>	<b>871,548</b>

The accompanying notes form part of these financial statements

## ALTO METALS LIMITED

31 DECEMBER 2016

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

##### Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Alto Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Alto Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies have been consistently applied to the 30 June 2016 Annual Report.

##### Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

##### New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim financial reports are consistent with those followed in the preparation of the Group's annual financial statement for the year end 30 June 2016. A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

##### Impact of standards issued but not yet applied by the Group

There are no standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group has not early adopted any of the standards, interpretations or amendments that have been issued but are not yet effective.

##### Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

#### NOTE 2: SEGMENT INFORMATION

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in Australia.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>NOTE 3: AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	<b>31 December 2016 \$</b>	<b>30 June 2016 \$</b>
Current	-	-
Non-Current	567,037	1,415,952
	<b>567,037</b>	<b>1,415,952</b>
<i>Movement for the period:</i>		
Opening balance	1,415,952	502,814
Additions	-	383,598
Disposals	-	(425,314)
Revaluation of available for sale asset	(848,915)	997,354
Impairment of available for sale asset	-	(42,500)
	<b>567,037</b>	<b>1,415,952</b>

Available-for-sale financial assets are shares held in ASX listed entities.

During the reporting period a loss of \$848,915 (31 December 2015: gain of \$251,786) was recognised on the Available-For-Sale financial assets.

<b>NOTE 4: EXPLORATION AND EVALUATION</b>	<b>31 December 2016 \$</b>	<b>30 June 2016 \$</b>
Exploration and evaluation phases – at cost	5,379,939	4,816,377
<b>(a) Exploration and evaluation</b>		
Opening balance	4,816,377	2,074,419
Exploration expenditure	1,052,135	481,981
Purchase of Sandstone Exploration Properties	-	4,202,633
Transfer to Sundry debtors (rent refunds)	(70,326)	-
Impairment expense	(418,247)	(1,942,656)
<b>Closing balance</b>	<b>5,379,939</b>	<b>4,816,377</b>

The Directors' assessment of the carrying amount for the Group's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Group's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Group's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

During the current period impairment of \$418,247 (31 December 2015: \$997,716) was recognised due to the surrender and write down of tenements.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5: EQUITY SECURITIES ISSUED**

		31 December 2016 \$		30 June 2016 \$
Ordinary shares				
151,882,819 (30 June 2016: 115,695,812) ordinary fully paid shares		18,680,467		16,008,208
	<b>31 December 2016 Shares</b>	<b>31 December 2016 \$</b>	<b>30 June 2016 Shares</b>	<b>30 June 2016 \$</b>
<b>Balance at beginning of period</b>	<b>115,695,812</b>	<b>16,008,208</b>	<b>76,811,197</b>	<b>11,044,157</b>
<b>Issues of ordinary shares during the period</b>				
28,779,603 shares at \$0.059 on 25 July 2016 Share Purchase Plan	28,779,603	1,697,997	-	-
7,407,404 shares at \$0.135 on 27 October 2016 Share Placement to Sophisticated Investors	7,407,404	1,000,000	-	-
545,455 shares at \$0.022 on 9 December 2015	-	-	545,455	12,000
19,339,160 shares at \$0.059 on 2 June 2015	-	-	19,339,160	1,410,010
19,000,000 shares at \$0.087 on 24 June 2016 to purchase Sandstone Project	-	-	19,000,000	1,653,000
25,000,000 performance shares at \$0.087 on 24 June 2016	-	-	-	2,175,000
Share issue costs	-	(25,738)	-	(16,959)
	<b>151,882,819</b>	<b>18,680,467</b>	<b>115,695,812</b>	<b>16,008,208</b>

**NOTE 6: CONTINGENCIES**

The Group has a \$9,300 (30 June 2016: \$29,300) bank guarantee to act as a 3 month bond on the office of the Group.

**NOTE 7: SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 31 December 2016, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

**NOTE 8: FAIR VALUE MEASUREMENT OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS**

**Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's available for sale financial assets are measured using Level 1 inputs and are recognised at fair value based on listed market prices for the shares held at 31 December 2016. There has been no change to this methodology (apart from changes in quote prices at balance dates) from 30 June 2016.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 9 SIGNIFICANT RELATED PARTY TRANSACTIONS**

	<b>31 December 2016 \$</b>	<b>31 December 2015 \$</b>
Performance rights issued to Directors (i)	24,411	-

(i)  
During the reporting period, the Group issued performance rights to Directors with vesting conditions that require meeting both performance and service conditions. The performance rights were approved at the Company AGM in November 2016. Management and the Board have assessed the probability of the Group meeting the milestones and hence the performance rights vesting. These probabilities have been included in the determination of the amount recognised during the period as being issued to Directors above. The probabilities associated with each milestone will be assessed at each reporting date during the vesting period.

**ALTO METALS LIMITED**

**31 DECEMBER 2016**

**DIRECTORS' DECLARATION**

In the Directors' opinion:

1. the financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the period ended on that date; and
2. there are reasonable grounds to believe that Alto Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**Dermot Ryan**

Managing Director

Perth, 13 March 2017

Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Review Report To the Members of Alto Metals Limited**

We have reviewed the accompanying half-year financial report of Alto Metals Limited (“the Company”), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of Alto Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001: including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Alto Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alto Metals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M A Petricevic  
Partner - Audit & Assurance

Perth, 13 March 2017