

20,000m Drilling Program Commenced at Sandstone Gold Project (WA)

- **“Stage 1” 130 hole (~20,000m) AC/RC drilling campaign commenced**
- **Drilling to test oxide gold accumulations for strike & depth continuity**
- **Targets include NNE trending shear zones at Musketeer-Indomitable, Bulchina & Wirraminna**

Alto Metals Limited (ASX: AME) (“Alto” or “the Company”) is pleased to announce the commencement of a 130 hole (~20,000 metre) drilling program at its 100% owned 723km² Sandstone Gold Project, 150km east of Mount Magnet, Western Australia. Following encouraging results from a small aircore/reverse circulation (AC/RC) drilling program completed in late December 2016, the Company has now commenced its “Stage 1” 20,000m combined AC/RC drilling program, which will run from April-July 2017.

The initial focus of the Stage 1 program is the Indomitable prospect, where significant oxide gold mineralisation has already been discovered. Drilling will then move on to the Musketeer and Piper prospects. The Company has also prioritised oxide gold targets along the Bulchina and Wirraminna Shear Zones for testing (refer Figure 1 below for prospect locations).

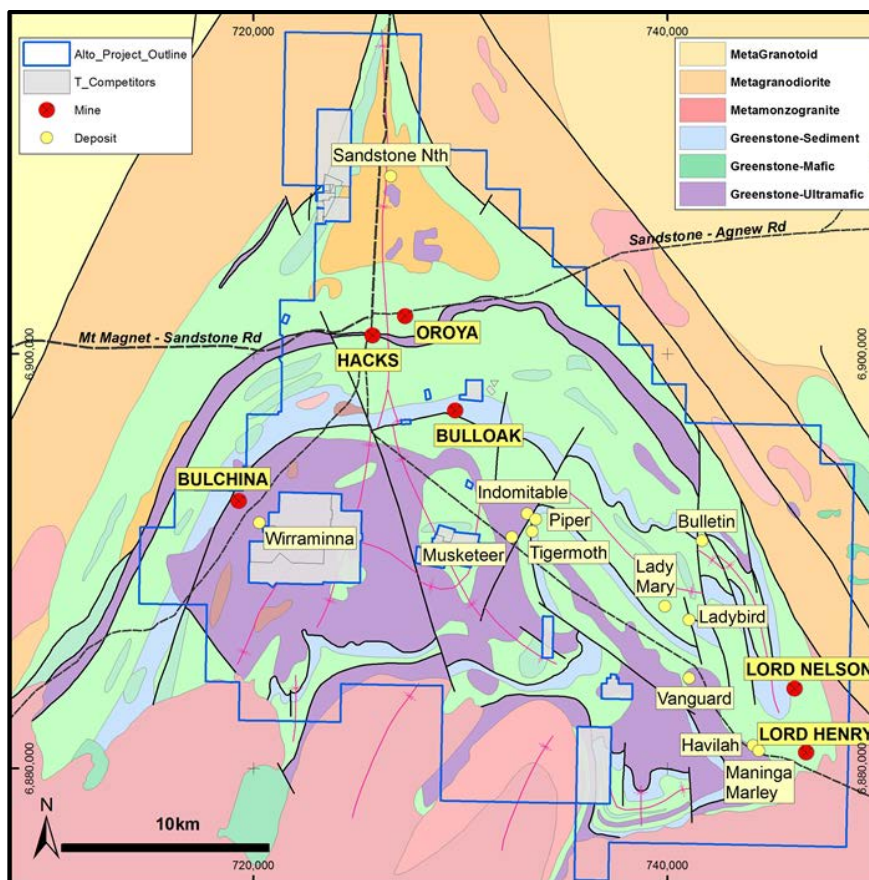


Figure 1. Alto’s Landholdings and Prospects over Interpreted Geology

THE MUSKETEER-INDOMITABLE SHEAR ZONE

The Musketeeer-Indomitable Shear Zone was selected by Alto as a priority target area because this prominent +4km-long zone transects favourable iron-rich host rocks (banded iron formations and ultramafics), contains significant oxide gold RAB and AC drill intercepts and is currently under-drilled. The depth of weathering strongly suggests the possibility that one or more large gold resources is present. The prospects to be tested by Alto include Indomitable, Musketeeer and Piper, which are broadly aligned along this major north-north-east striking shear corridor (refer Figures 2 and 3).

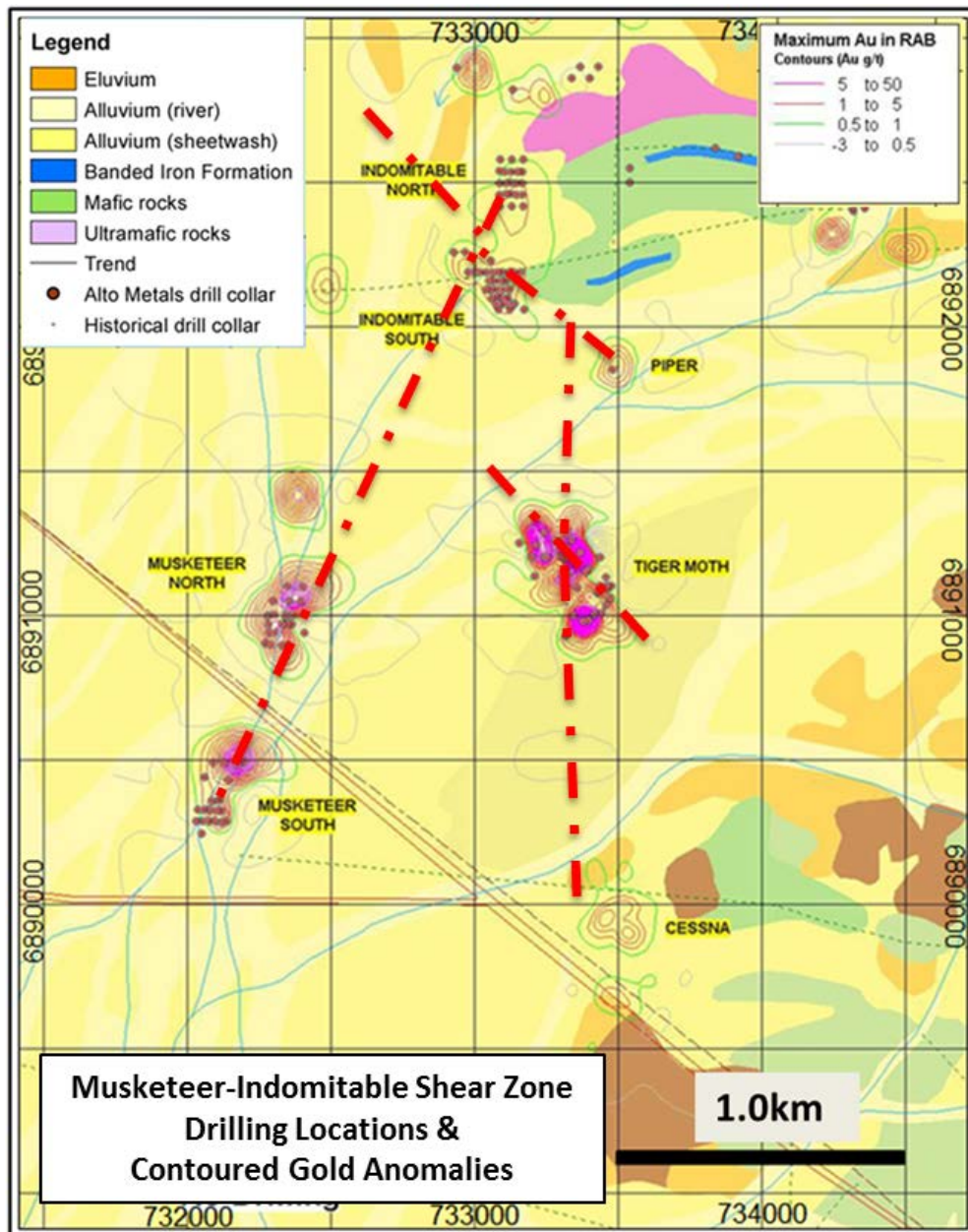


Figure 2. Surface Geology Plan of Musketeeer-Indomitable Shear Zone with Prospects

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

The prospects along the Musketeeer - Indomitable Shear Zone were originally identified by RAB drilling and were followed-up with AC/RC drilling undertaken by Troy Resources NL. The definition of gold mineralisation at Indomitable and Musketeeer is incomplete due to the suspension of exploration drilling by Troy in 2009 (refer AME ASX release 15 February 2017).

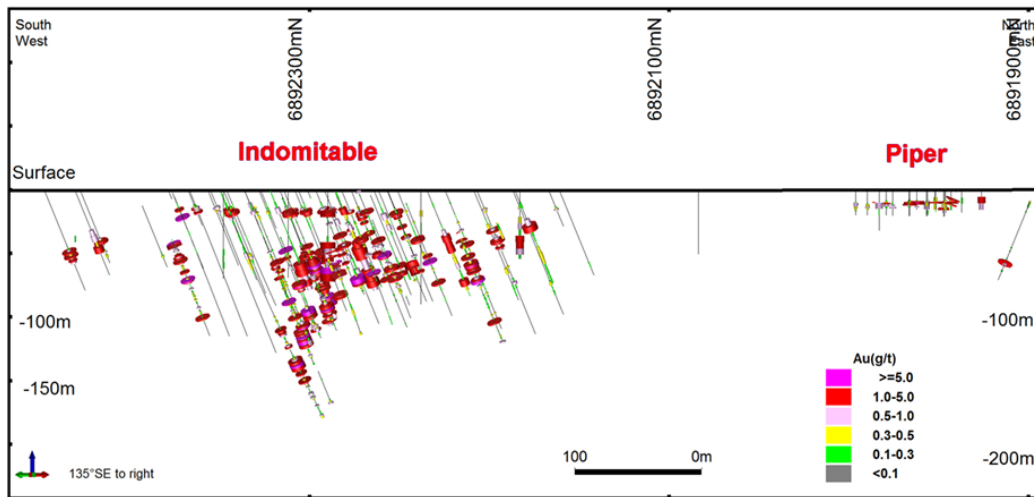


Figure 3. Long Section- Indomitabile to Piper Prospect

THE BULCHINA SHEAR ZONE

Troy Resources NL purchased the Bulchina project from Cambrian Resources in 1998 and commenced mining in 1999 after purchasing the Sandstone Mill from Herald Resources. This mill had limited ability to process harder, primary ore. The Bulchina open pit produced 1,979,000 t at 3.62 g/t Au (230,000oz) up to April 2004, with low-grade stockpiles and mineralised waste producing an extra 20,500 oz (504,000 t at 1.26 g/t Au) from mid-2004 to 2005.

There is very little published information on Bulchina, as the entire pit was in oxide material, and Troy considered that the deposit was mined out. Alto believes that the Bulchina gold mineralised system is inadequately drill tested, and that there is potential for further oxide and primary (fresh sulphide) gold mineralisation to be found to the east of the open pit below the Eastern Laterite, to the south of the pit, and at depth. (refer Figures 4 & 5)

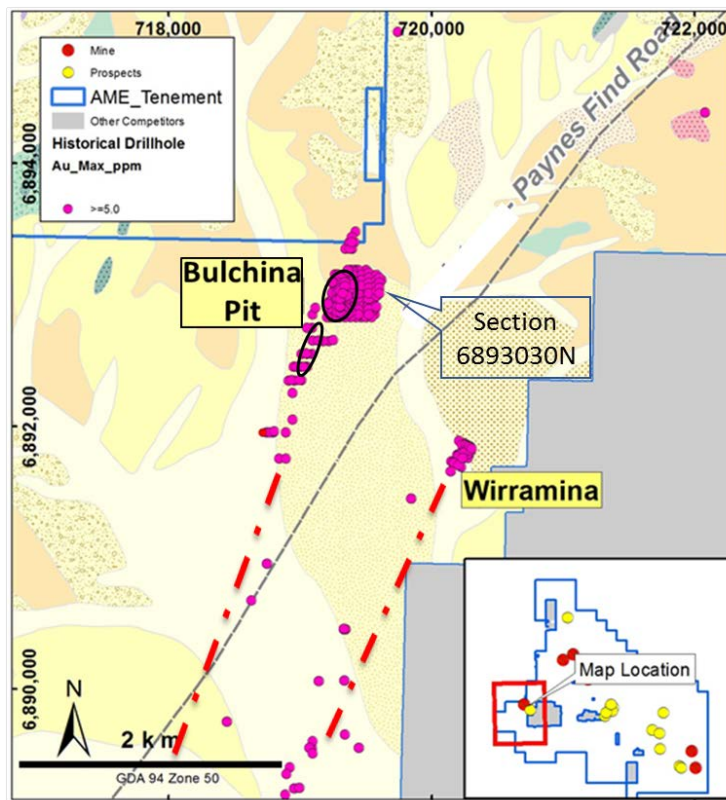


Figure 4. Bulchina -Wirraminna Shear Zones, Showing Drill Collars with at least 1m >5g/t Au

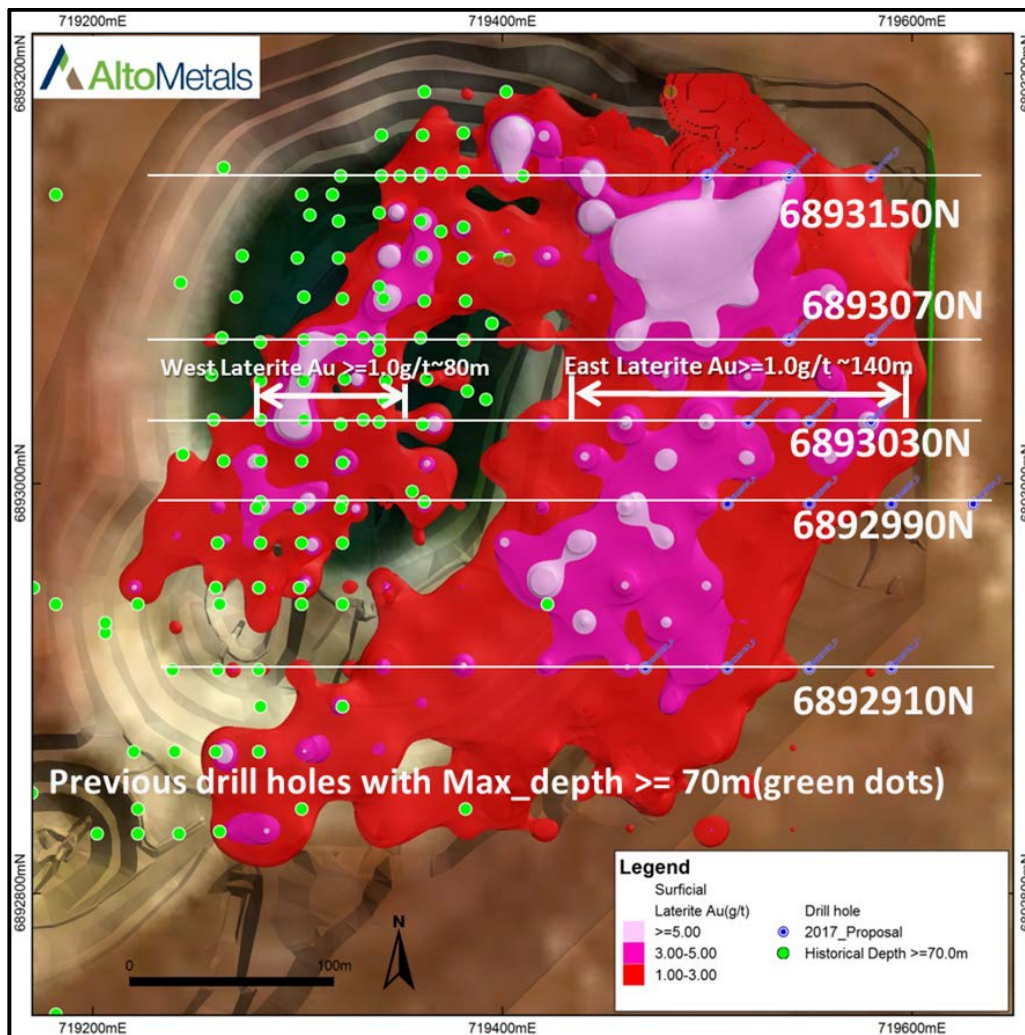


Figure 5. Bulchina Open Pit & Troy Resources Surficial Laterite Drill Results Contoured
Note: Part of East Laterite resource remains unmined

THE WIRRAMINNA SHEAR ZONE

The Wirraminna prospect is situated about 1.2 kilometres west-northwest of the Sandstone Mill. Troy estimated a small (*JORC 2004) Inferred Mineral Resource at Wirraminna of 160,000 tonnes at 2.07 g/t Au (10,648 oz) in three zones of mineralisation, striking 350° and dipping steeply at 75°- 80° east, along a total strike length of 600m.

Gold mineralisation is hosted in a quartz-ironstone shear zone. The Wirraminna line of underground workings was mined intermittently from 1903 until 1995. Historic production during 1903 reported 330 oz of gold from 1,035t of ore at a grade of 9.9 g/t Au. Subsequent mining returned a reported average grade of 13.2 g/t Au. In 1994-95, a local prospector mined 400t of ore by underground methods, but no grade was recorded.

To the south of the Wirraminna workings, wide-spaced drilling by Troy returned intermittent grades of 1-5 g/t Au in shallow oxide holes. Alto considers that the Wirraminna Shear Zone is inadequately explored and plans to drill test the shear zone to the south where it is covered by alluvium and colluvium.

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 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 Troy Resources NL (Troy) exploration results and mineral resources referred to in this Report were previously reported by Troy Resources NL pursuant to JORC Code 2004, and are based on information compiled in the 2011 Troy Resources Limited Annual Report (TRY:ASX release 21 October 2011) and the Snowden Mining Industry Consultants, June 2007, National Instrument 43-101 Technical Report-Sandstone (TRY: ASX release 10 December 2007) which also details drilling and sampling methods, quality control and analytical methods. The Company is not aware of any new information or data that materially affects the information provided in the 2011 Troy Resources Annual Report and the Snowden Mining Industry Consultants 2007 Report, and considers that all of the previous assumptions and technical parameters underpinning the estimates and drill results in the previous announcements have not materially changed.*

The reported resource estimates are consistent with the 2004 JORC Code guidelines and are not reported in accordance with the JORC 2012 Code and a Competent Person has not completed sufficient work to accurately classify the 2004 estimates as Mineral Resources under the JORC 2012 Code. Indeed it is uncertain if, following further exploration, the 2004 estimates will be able to be reported as Mineral Resources in accordance with the JORC 2012 Code. The Company is in the process of upgrading the historical published Mineral Resources to JORC 2012 as a matter of priority. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources.