Alto Metals Limited

ABN: 62 159 819 173

ASX: AME

Suite 9, 12-14 Thelma St
West Perth
WA 6872
Phone: 61 8 9381 2808
Email:
admin@altometals.com.au
Website:
altometals.com.au

Directors:

Non- Executive Chairman
Mr Terry Streeter

Managing Director
Mr Dermot Ryan

Non-Executive Director
Dr Jingbin Wang

Non-Executive Director
Mr Stephen Stone

Non-Executive Director
Mr Terry Wheeler

Company Secretary & CFO
Mr Patrick Holywell

ASX RELEASE

27 June 2018

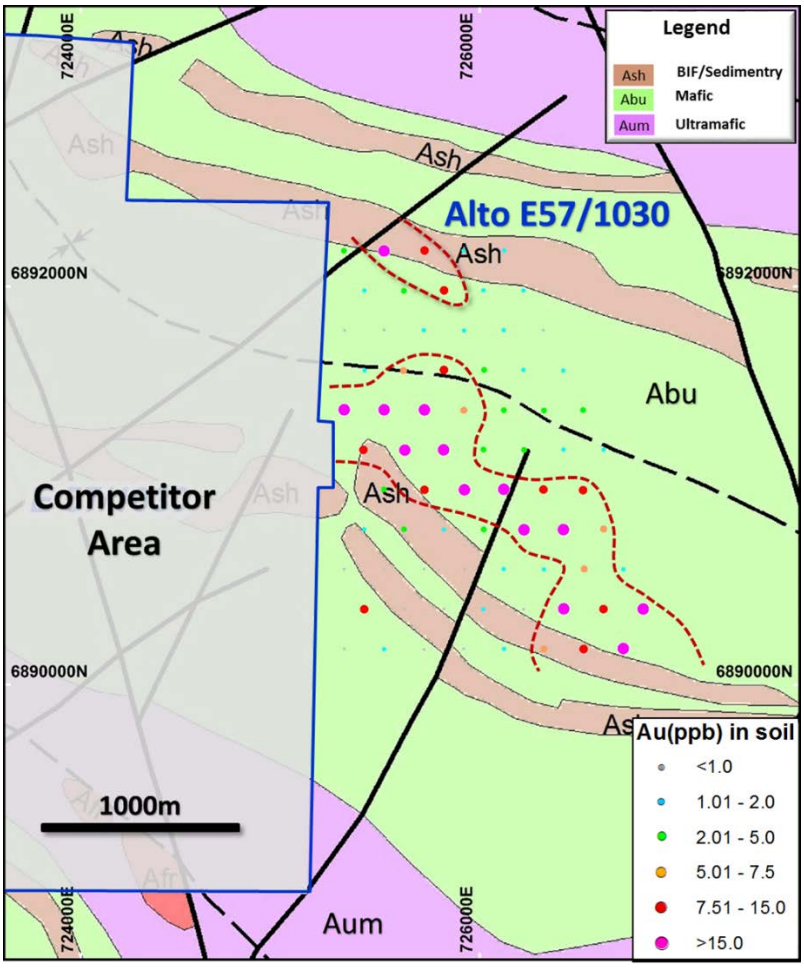
"SUPERB" GOLD ANOMALY DEFINED AT SANDSTONE, WA

- **Soil sampling has located a strong linear gold-in-soil anomaly ~12km south of Sandstone township**
- **The anomaly is open to the south east**
- **The bedrock geology is obscured by iron rich duricrust ("laterite") which may or may not be transported**
- **Drill testing is required to determine the source of the gold anomaly**

Alto Metals Limited (ASX: AME) ("Alto", "the Company") is pleased to advise that assays from 24 samples out of a total of 74 samples collected in the vicinity of a geophysical target approximately 12km south of Sandstone have defined a 1,500m long, south-east striking gold in soil anomaly of +7ppb Au. The maximum value was 228ppb Au, and 13 samples returned over 15ppb Au.

Figure 1 below shows the location of Alto's **"Superb"** gold anomaly in soil assays over an interpretation of bedrock geology.

Figure 1. Superb Gold In Soil Anomaly over Interpreted Geology

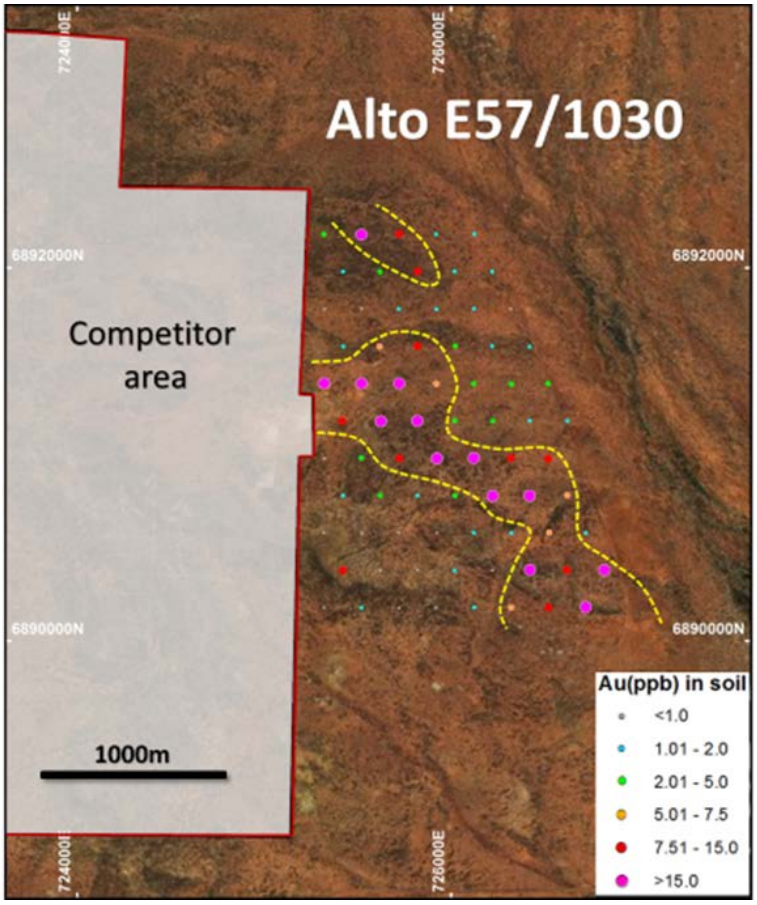


The **Superb Anomaly** lies ~12 km south of the town of Sandstone (refer Figure 3 overleaf). The area was initially identified by Terra Resources consultant Barry Bourne in 2017 as litho-structural target No. TR021, when he processed and interpreted the detailed aeromagnetic data flown and/or compiled by Alto over the entire Sandstone project area. Bourne described the target as: "*a break in sediment/ mafic stratigraphy with proximal mineralisation.*" (Bourne, 2017)

In April 2018 XM Logistics Pty Ltd collected 74 soil samples over TR021 and its environs. The assayed gold in soil anomaly lies in an area of iron rich duricrust (or "laterite"). It is not known at this stage whether the gold in the soil is representative of a primary gold source at depth, or is alluvial in nature (ie. transported). Further soil sampling is required to determine the extent of the gold in soil anomaly which is open to the south east.

A Program of Work (PoW) for Aircore drilling has been lodged with the Department of Mines, Industry and Safety but approval is yet to be granted.

Figure 2. Superb Gold In Soil Anomaly over Google Image



ALTO'S SOIL SAMPLING METHODOLOGY

In early 2018, XM Logistics Pty Ltd collected ~3,000 soil samples over 17 target areas in the Sandstone Project area. The samples were collected on a 400m x 200m GDA94 based grid, with some collected on a 200m x 100m grid. Individual samples were collected using a pick and shovel (*"C-horizon soils"*) from between 0.2m to 0.5m depth.

The samples were screened in field to recover approximately 1 kilogram each of the +0.9mm -1.6mm fraction. The samples were then prepared and analysed in MinAnalytical's dedicated low level preparation and gold analysis system by Method AR10MS (10gm Aqua Regia digest Mass Spectrometry).

The pulps from these samples have been retained for a future multi-element scan using the Company's portable pXRF analyser.

ABOUT ALTO AND THE SANDSTONE GOLD PROJECT

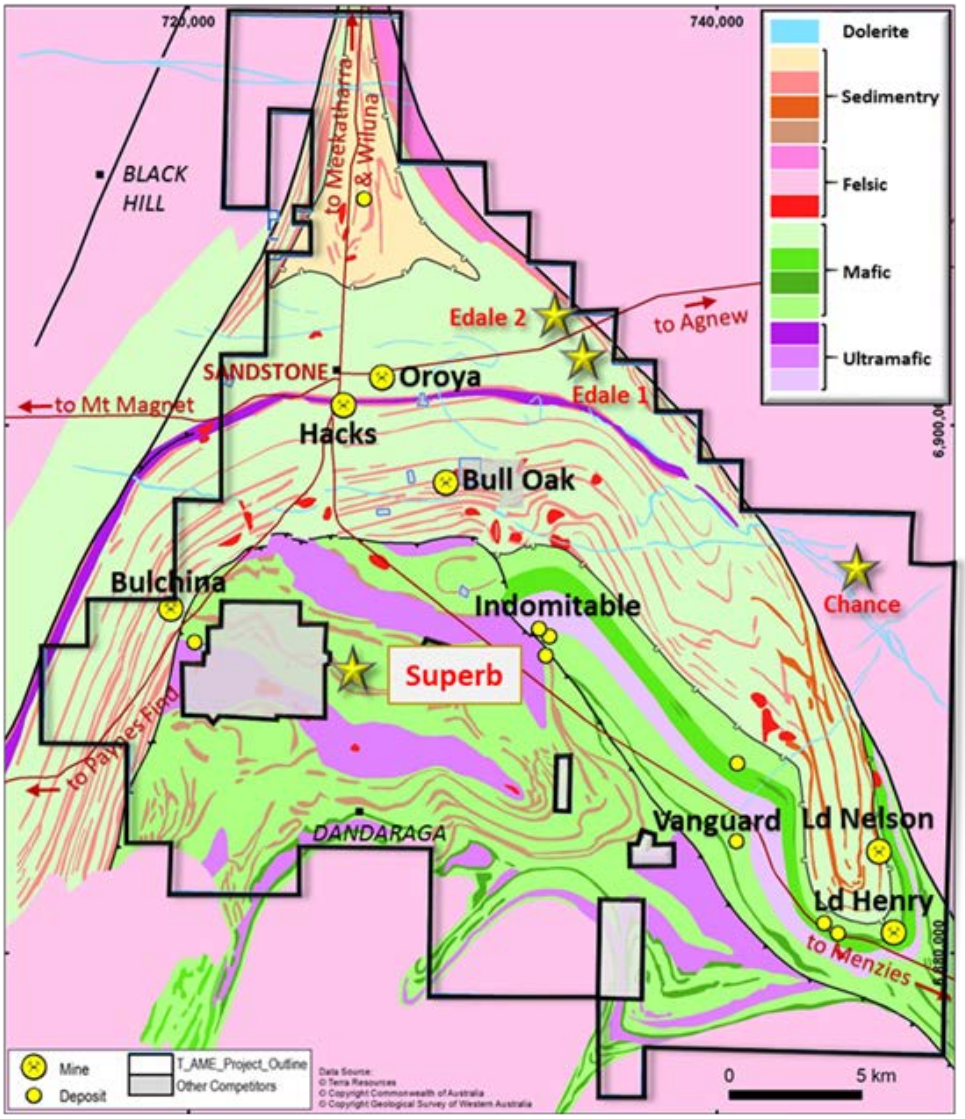
Alto holds ~800km^2 of the prospective Archaean Sandstone Goldfield, 600km north of Perth in the East Murchison Mineral Field of Western Australia.

Since acquiring the Project in June 2016, Alto has compiled and reviewed a large legacy database ahead of a series of focused exploration and drilling campaigns which commenced in late-2016.

Alto's goal is the delineation of a +1 million ounce JORC 2012 Mineral Resource that could become the basis for a re-establishment of standalone oxide and primary gold mining and milling operations at the Project.

However, it is possible that in the short term, some of the existing deposits may be amenable to toll treatment elsewhere.

Figure 3. Alto's Sandstone Landholdings over Interpreted Geology, Showing Location of 3 Mile East Gold in Soil Anomaly



Further information:

Dermot Ryan
Managing Director
+61 8 9381 2808 admin@altometals.com.au www.altometals.com.au

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 has sufficient experience of relevance to the styles of mineralization 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.

Historic exploration results and mineral resources referred to in this Report were previously reported by WMC, Elmina NL, Herald Resources Ltd to the Department of Mines and Energy (WA) and to the ASX. 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.

REFERENCES

Bourne, B. 2017 Sandstone Project, Geological Interpretation and Targeting for Alto Metals Limited , Sandstone Greenstone Belt, Western Australia, Unpublished Technical Report No. 16_063 Terra Resources Pty Ltd, May 2017

JORC Code, 2012 Edition – Table 1 report

27 June 2018 – Sandstone Project

Section 1 Sampling Techniques and Data

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

Criteria	Commentary
Sampling techniques	• Soil sampling carried out by Alto Metals Ltd in April & May 2018. • Soil samples were collected on 200m x 100m and 2900m x 400m GDA94 based grids. • Individual samples were collected using a pick and shovel from between 0.2m to 0.5m depth (*"C-horizon soils"*). • The samples were screened in field to recover approximately 1 kilogram each of the +0.9mm -1.6mm fraction.
Drilling techniques	• No drilling being reported in this program.
Drill sample recovery	• No drilling being reported in this program.
Logging	• No drilling being reported in this program.
Sub-sampling techniques and sample preparation	• 1kg soil samples were sent to MinAnalytical Laboratory Services Australia Pty Ltd located in Canning Vale, Western Australia. • MinAnalytical were responsible for sample preparation and assaying for soil samples and associated check assays. • MinAnalytical is certified to NATA in accordance with ISO17025:2005 requirements for all related inspection, verification, testing and certification activities. • The 1kg samples were dried and then ground in an LM5 ring mill for 85% passing 75 microns. • QA/QC procedures for sub-sampling follow MinAnalytical procedures. • Sample sizes are considered appropriate for the grain size of the material being sampled.
Quality of assay data and laboratory tests	• Soil samples were analysed using an AR10MS technique, 10gm Aqua Regia digest with a Mass Spectrometry finish to 1ppb Au. (low level gold detection) • No geophysical tools or handheld XRF instruments were used to determine the Au results. • Laboratory Certified Reference Materials and/or in-house controls, blanks, splits and replicates are analysed with each batch of samples. These quality control results are reported along with the sample values in the final report. Selected samples are also re-analysed to confirm anomalous results. • Laboratory and field QA/QC results are reviewed by Alto personnel.
Verification of sampling and assaying	• Alto has not conducted any independent verification of the assay data. • Data is entered and validated in Micromine. Alto also has a Datashed database maintained by a Database Administrator. • Values below the analytical detection limit were replaced with half the detection limit value.
Location of data points	• The soil sampling grid is based on GDA94. • Alto used handheld GPS to locate and record soil sample positions, accurate to +/-5 metres horizontal. • DGPS data is also used for topographic control.
Data spacing and distribution	• Soil samples were typically spaced on a 200m by 100m spacing. • The data spacing and distribution is considered sufficient to establish areas of soil anomalism.

Criteria	Commentary
Data spacing and distribution	• Soil samples were typically spaced on a 200m by 100m spacing. • The data spacing and distribution is considered sufficient to establish areas of soil anomalism.
Orientation of data in relation to geological structure	• Stratigraphy is not clear in magnetics. Soil sampling lines were run east-west on 200m line spacing.
Sample security	• Soil samples comprised approximately 1 kg of material within a labelled and tied calico bag. • Individual sample bags were placed in a larger plastic polyweave bag then into a bulka bag that was dispatched to the laboratory via McMahon Burnett freight. • Sampling data was recorded on field sheets and entered into a database then sent to the head office. • Laboratory submission sheets are also completed and sent to the laboratory prior to sample receival.
Audits or reviews	• No audit has been completed to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• Alto's soil sampling program at 3 Mile East Prospect was completed on E57/1030, which was granted to Sandstone Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Alto Metals Limited on 20 September 2016 • The total Sandstone Project area covers approximately 800 km2 with five exploration licences granted on 20 September 2016 and two prospecting licences granted on 11 June 2016, and two exploration licence applications and two prospecting licence applications.
Exploration done by other parties	• No known previous exploration work carried out in the area.
Geology	• Interpreted regional geology is described in this report.
Drill hole Information	• No drilling undertaken by Alto Metals Ltd.
Data aggregation methods	• Not relevant to soil sampling program.
Relationship between mineralization widths and intercept lengths	• Not relevant to soil sampling program.
Diagrams	• Refer to figures in main body of report.

Criteria	Commentary
Balanced reporting	• The raw geochemical data has been presented in graphical form, which shows actual anomalous values in areas where gold is below detection limit (ie <1ppb Au)
Other substantive exploration data	• No other material information available for prospect areas at this stage.
Further work	• Aircore drilling will be undertaken when Programs of Work are approved.
Moisture	• All soil samples were dry.
Cut-off parameters	• Not relevant to soil sampling.
Mining factors or assumptions	• No mining assumptions at this early stage.
Metallurgical factors or assumptions	• Not relevant to soil sampling.
Environmental factors or assumptions	• Not relevant to soil sampling.
Bulk density	• Not relevant to soil sampling.
Classification	• Not relevant to soil sampling.
Audits or reviews	• Not relevant at this stage as more results are expected.