

31 October 2017

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
Chief Financial Officer
 Sam Middlemas

Capital Structure at 30 Sept 2017

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

Capital Structure at 31 Oct 2017

 Issued Shares: 163.5M
 Issued Options: Nil
 Performance Shares: 25M
 Performance Rights: 10.75M

Website:
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 For further information,
 please contact:

 Dermot Ryan
 Managing Director

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Highlights - Sandstone Gold Project

- Vanguard high-grade Au intercepts from July 2017 maiden RC drilling program

SRC013	:	6m	@	5.3g/t Au	from	52m
Incl.		2m	@	9.2g/t Au	from	52m
SRC014	:	12m	@	3g/t Au	from	87m
Incl.		5m	@	4.8g/t Au	from	103m
SRC016	:	2m	@	5.5g/t Au	from	64m
and		18m	@	4.3g/t Au	from	122m
Incl.		12m	@	5.6g/t Au	from	126m
SRC017	:	11m	@	2.2g/t Au	from	69m
SRC019	:	8m	@	3.6g/t Au	from	39m
Incl.		2m	@	7.2g/t Au	from	44m
and		7m	@	5.9g/t Au	from	52m
Incl.		3m	@	11.6g/t Au	from	53m

- Gold mineralisation at Vanguard within quartz-sulphide shear zones and disseminated sulphide zones in altered differentiated dolerite, open along strike and down dip
- 4,500m RC drilling program commenced in October to define initial Mineral Resource at Vanguard, and to follow up the historic high-grade gold intersections at Maninga Marley. Assay results are expected to commence being received during the first two weeks of November 2017
- Mining Leases pegged over Lord Nelson and Lord Henry deposits

Corporate

- ~\$0.77M cash @ 30 Sept 2017
- Post 30 Sept 2017, Private Placement of 21.3 million shares @ \$0.075 per share raised \$1.6M, with \$0.73M of this conditional upon shareholder approval
- Shareholder Purchase Plan (SPP) announced 18 October 2017, at same price as Placement, closing 14 November 2017

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SUMMARY OF ACTIVITIES

Alto Metals Limited (ASX: AME) (“Alto”, “the Company”) is pleased to provide a summary of activities for the Quarter ending 30 September 2017 at its 100% owned 800km² Sandstone Gold Project, 150km east of Mount Magnet in Western Australia.

During the Quarter, Alto re-appraised the broader Sandstone Greenstone Belt, and re-prioritised its exploration strategy to focus on what it has designated as the **“Alpha Mafic Volcanic Domain”**. This zone encompasses the 20km long mafic volcanic sequence from Indomitable in the north to Maninga Marley in the south (Figure 1).

The primary activity for the Quarter was reverse circulation (RC) drilling, with a total of 26 drill holes completed for 3,148m at the Vanguard and Vanguard North Prospects (refer Table 1). The Company’s maiden RC drilling program at Vanguard encountered significant gold grades in altered dolerite peppered with disseminates sulphides.

Post the end of the September Quarter, Alto commenced a 4,500m RC drilling program at Vanguard and Maninga Marley. As at 29 October 2017, Alto has completed 12 holes (2,429 metres) at Vanguard. Assay results are expected to commence being received during the first two weeks of November.

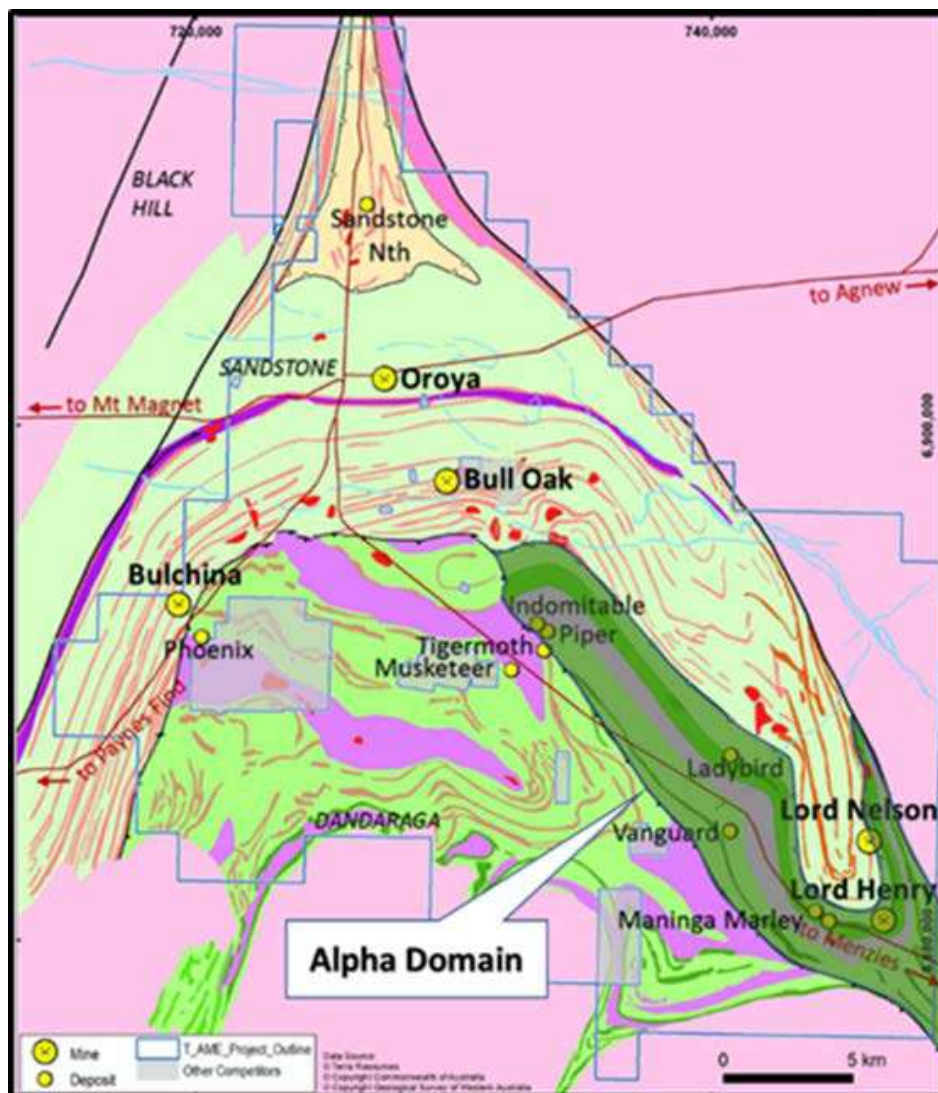


Figure 1. Alto’s Landholdings and Prospects over Interpreted Geology

Table 1. Reverse Circulation Drill Holes and Prospects Drilled July-September 2017

Prospect	Hole ID's	No. Holes	Total metres
Vanguard	SRC012 to SRC022, SRC028	12	1,638
Vanguard North	SRC003 to SRC011, SRC023 to SRC027	14	1,510
Total		26 Holes	3,148

Table 2. Reverse Circulation Drill Holes and Prospects Drilled October 2017

Prospect	Hole ID's	No. Holes	Total metres
Vanguard	SRC029 to SRC040	12	2,429

VANGUARD PROSPECT

The Vanguard Prospect occurs within Alto's "Alpha Mafic Volcanic Domain" which consists of 20 strike km of mafic volcanics, including differentiated dolerite, basalt and ultramafic units (Figure 1). Vanguard also lies on a major NE-SW striking late stage brittle structure, which coincides with a broad fold axis.

In 1999, Herald Resources undertook RAB and RC drilling around the old Vanguard workings, and estimated a mineral resource of 330,000t at 1.57g/t Au for 16,657oz.

Troy Resources undertook shallow RAB, AC and RC drilling at Vanguard between 1999-2003 and in 2007, drilling on east-west and north-south grids. Snowden reported a JORC 2004* compliant resource for Vanguard in an NI43-101 report for Troy as follows:

Indicated Mineral Resource: 105Kt at 1.50 g/t Au for 5.06Koz

Inferred Mineral Resource: 225Kt at 1.60 g/t Au for 11.57Koz

Cautionary Note: The above resource estimate is a historical resource estimate, and while the resource estimate was undertaken by competent professionals, a qualified person has not done sufficient work to classify the historical estimate as a JORC 2012 mineral resource, and the historical estimate should not be relied upon.

In April 2017, Alto completed 13 air core drill holes (979m) at Vanguard.

The AC holes produced several high grade 4m composite assays, and 1m re-split samples which defined a high-grade shear hosted quartz vein system.

In July 2017, Alto completed a maiden reverse circulation drilling program at Vanguard.

12 RC holes for 1,638 metres, were drilled to follow up encouraging results from Alto's April air core drilling. (refer Figure 2)

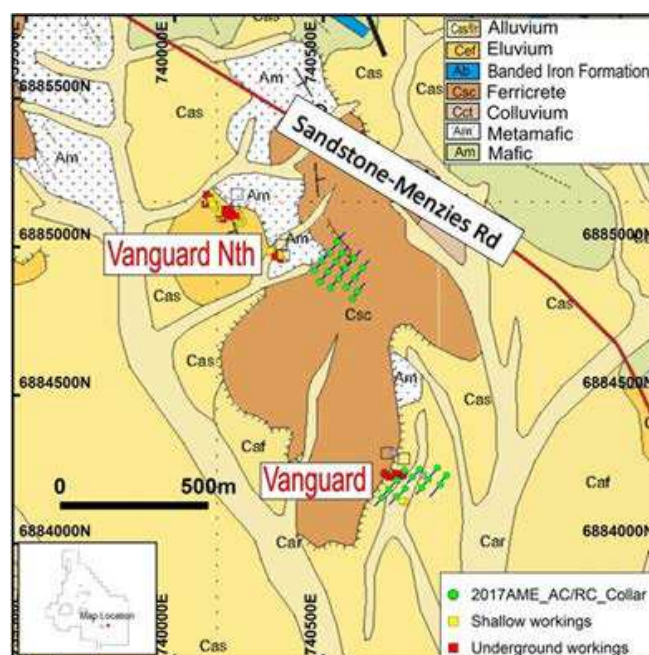


Figure 2. Vanguard and Vanguard North Prospects, Alto 2017 RC & AC drill hole Locations

As reported to the ASX on 7 and 23 August, significant gold grades were encountered at Vanguard in an altered dolerite unit peppered with disseminated sulphides (summarised in Table 3 and on sections in Figures 3 and 4 overleaf). Dolerite is considered a favourable host for large gold deposits in WA, with examples being the Barton Dolerite at Northern Star Resources Ltd's Jundee deposit and Gold Fields Ltd's Argo-Junction deposits at St Ives.

Table 3. Vanguard Prospect RC Drill Holes, 1m RC Samples, 50gm Fire Assays (Aug 2017)

Hole ID	Local East	Local North	Hole Depth	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SRC013	30084	9290	132	52	58	6	5.3
incl.				53	55	2	9.2
SRC014	30119	9291	150	87	99	12	3
and				103	108	5	4.8
SRC016	30113	9248	156	54	56	2	5.5
and				122	140	18	4.3
incl.				126	138	12	5.6
SRC017	30051	9329	138	69	80	11	2.2
SRC019	29956	9089	90	39	47	8	3.6
incl.				44	46	2	7.2
and				52	59	7	5.9
incl.				53	56	3	11.6

RC holes SRC013 – SRC019 drilled on azimuth 220^o and dip -60^o.

The mineralisation at Vanguard remains open to the southwest and northeast, and at depth. In mid-October 2017, the Company commenced a 17 hole (3,500m) RC drilling program to test Vanguard for grade, strike extensions and depth continuity. Alto also plans to deliver a maiden JORC 2012 mineral resource for the Vanguard Prospect by the end of 2017.



Plate 1. RC drilling (Hole SRC 036) at Vanguard, October 2017

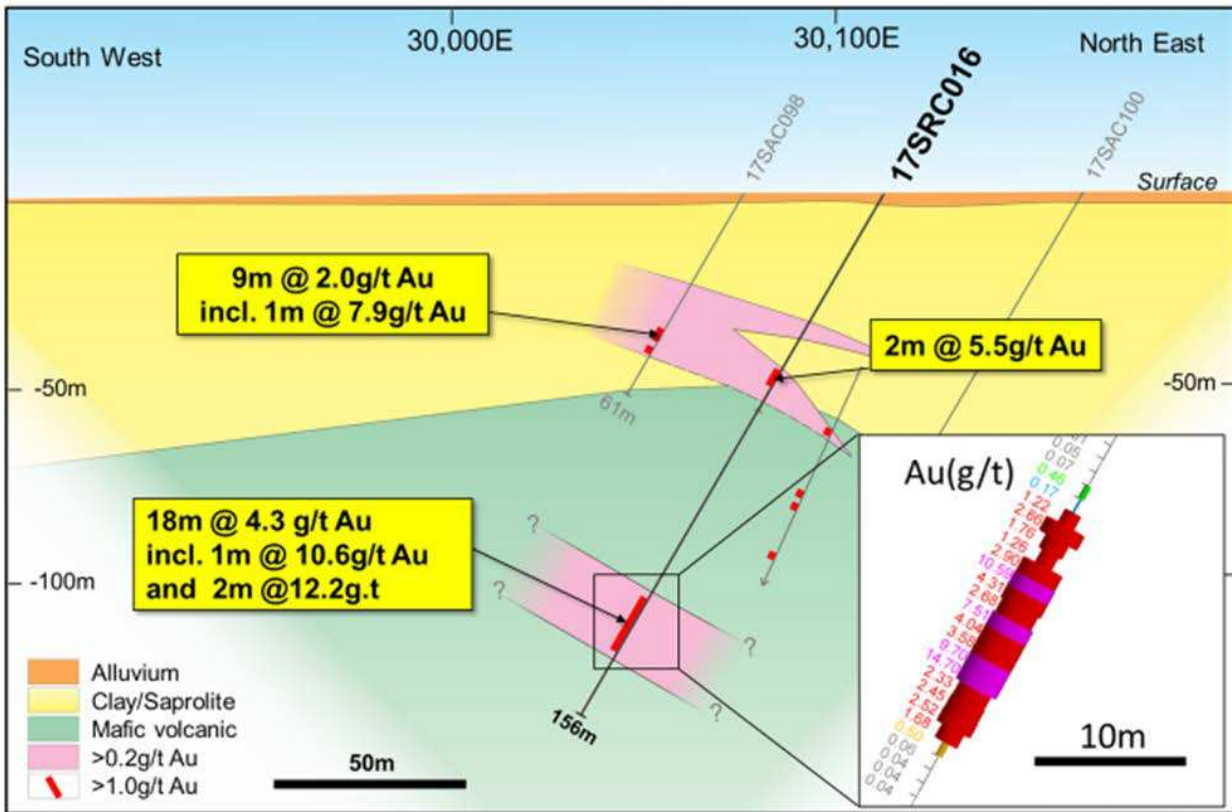


Figure 3. Vanguard Section 9,250mN, Alto's July 2017 RC holes (black) & April 2017 AC holes (grey)

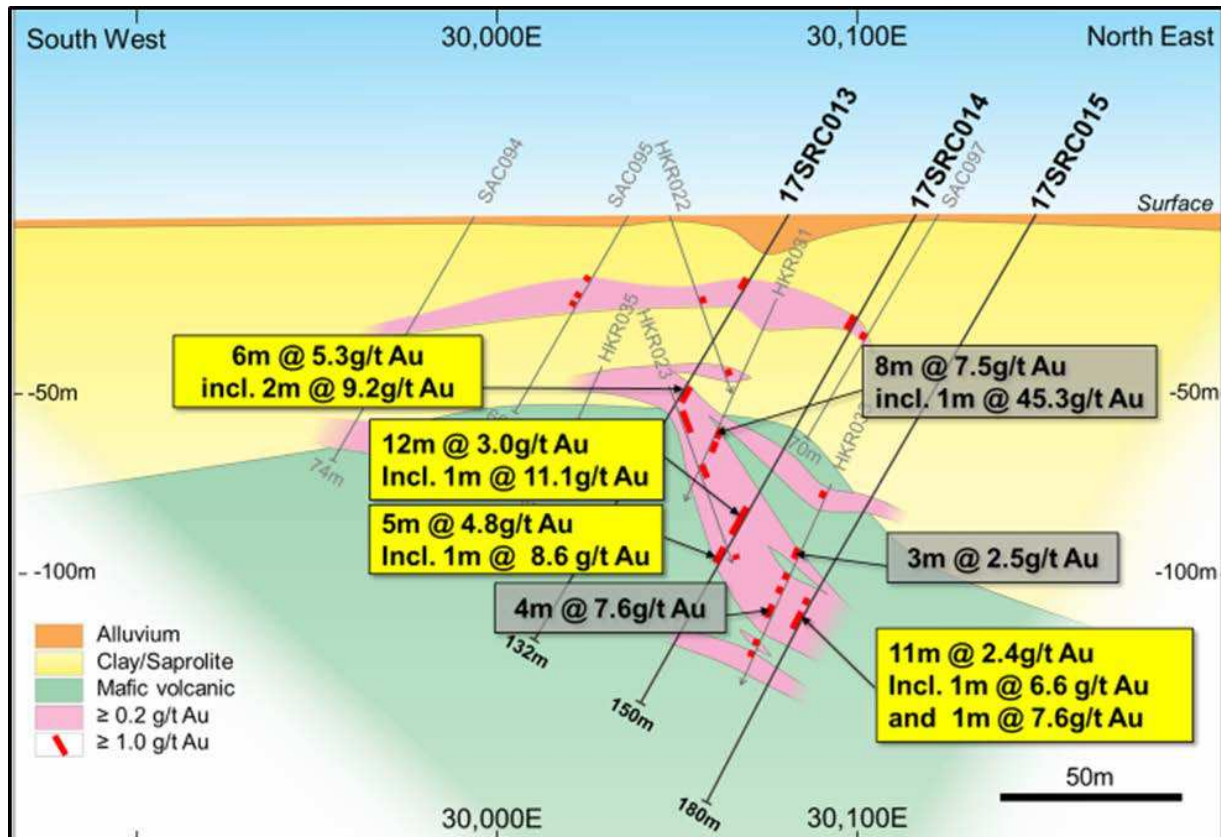


Figure 4. Vanguard Section 9,290mN, Alto's July 2017 RC holes (black), & AC holes & Troy holes (grey)

VANGUARD NORTH PROSPECT

In April 2017, Alto completed 17 air core drill holes (1,255m) at Vanguard North. The AC holes produced several high grade 4m composite and 1m assays and demonstrated continuity of ~200m of strike of shallow SW dipping gold mineralisation, which remains open to the NW and SE, and at depth.

In July 2017, Alto drilled 14 RC holes (1,510m) at Vanguard North to follow up the significant air core drilling gold results. Significant 1 metre AC and RC assay results are shown below in Table 4.

**Table 4. Vanguard North, Significant Gold Results
1m AC and RC Sample Results from SAC Holes & SRC Holes, 50gm Fire Assays (Aug 2017)**

Hole ID	Local East	Local North	RL (m)	Hole Depth	From (m)	To (m)	Interval (m)	Grade (g/t Au)
SAC103	30528	10000	497.2	84	19	20	1	2.7
SAC105	30448	9999	495.4	72	55	56	1	4.1
and					64	68	4	6.7
incl.					66	67	1	24.7
SAC107	30513	9963	496.9	71	30	31	1	2.1
SAC108	30476	9961	496.1	63	45	48	3	4.3
incl.					45	46	1	8.6
SAC109	30431	9961	495.1	73	65	67	2	9.3
incl.					66	67	1	16.0
SAC112	30479	9920	496.2	65	34	35	1	4.8
SAC113	30437	9917	495.4	72	63	64	1	2.2
SAC115	30516	9879	497.0	67	28	31	3	9.6
incl.					28	29	1	23.7
SAC116	30476	9877	496.2	71	47	50	3	2.1
SAC117	30435	9878	495.3	72	50	51	1	2.5
and					65	69	4	5.4
incl.					65	66	1	19.4
SAC118	30448	9841	495.6	76	56	57	1	2.2
SAC119	30416	9836	495.0	82	74	78	4	9.5
incl.					74	75	1	36.3
SRC003	30375	9838	494.1	150	84	86	2	2.9
and					96	97	1	2.1
SRC007	30492	9760	496.4	100	48	49	1	2.3
SRC008	30450	9761	495.5	110	46	47	1	2.5
and					60	62	2	6.7
incl.					60	61	1	10.8
SRC010	30471	9800	496	100	47	48	1	2.9
SRC023	30507	10038	496.6	78	29	30	1	7.9
SRC024	30464	10041	495.6	90	49	50	1	2.3
SRC025	30426	10041	494.8	90	69	71	2	5.7
incl.					69	70	1	10.9
SRC026	30409	9997	494.6	126	76	77	1	2.1
SRC027	30363	9923	493.8	132	89	90	1	19.0

All holes were drilled on azimuth 040⁰ and dip -60⁰

MANINGA MARLEY PROSPECT

The Maninga Marley Prospect is located approximately 6 km southeast of Vanguard within Alto's "Alpha Mafic Volcanic Domain". The first recorded production from the Maninga Marley area was in 1904 and a total of 47,106oz were produced from the Havilah and Maninga Marley mines up until 1929. The bulk of the production was recovered during the period 1907 - 1911. The production figures for each mine are tabulated below.

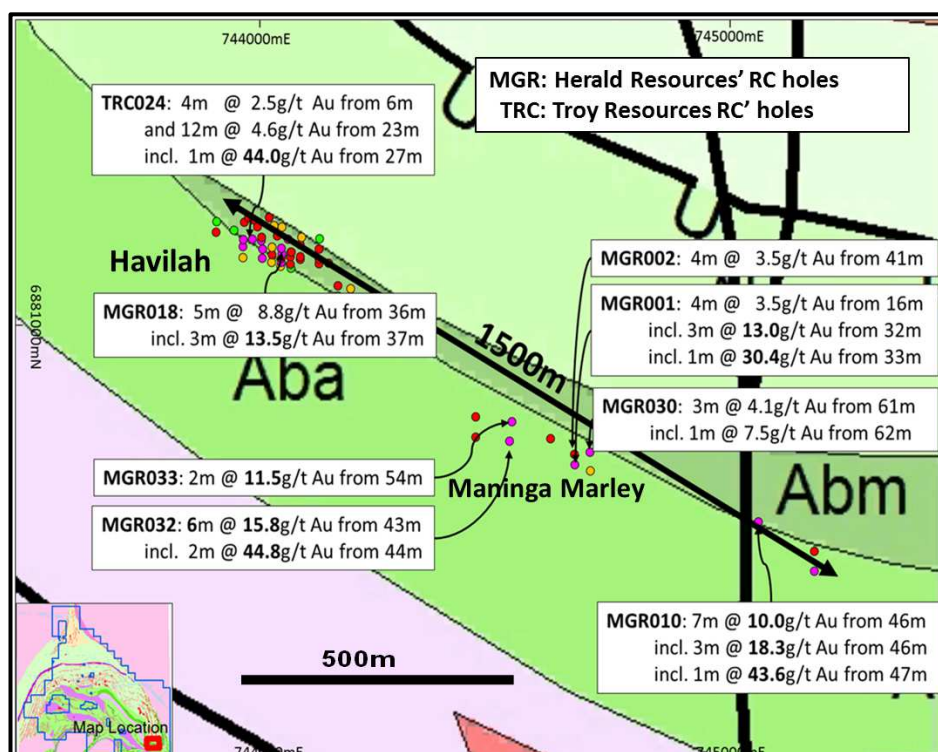
Table 5. Havilah and Maninga Marley Historical Production

Mine	Tonnes	Grade g/t Au	Ounces
Havilah	48,497	37.9g/t	33,871
Maninga Marley	10,889	21.8g/t	13,235

In 1997, Herald Resources Ltd drilled 35 shallow RC holes (total 2,347m, average depth 67m) at Maninga Marley, in search of oxide gold ore to feed its CIP/CIL plant. Although numerous high-grade gold intersections were made, there was only a thin veneer of soft oxide material and Herald did no further work. Troy Resources NL undertook several RC drilling campaigns in the same area (2002-2003 & 2009) and planned a small open pit at Havilah based on a reported (JORC 2004) Inferred Mineral Resource of **80,000t at 3.1g/t Au for 8,000oz.**

Cautionary Note: A Competent Person has not completed sufficient work to accurately classify the Troy (JORC 2004) estimate as a Mineral Resource under the JORC 2012 Code. The locations of Herald and Troy Resources RC collars and significant intersections are shown in Figure 5 below.

Alto has planned an initial 8 RC holes for 1,000m as a preliminary test of Maninga Marley. This program will follow on from the current RC drilling at Vanguard.

**Figure 5. Maninga Marley Geology, Herald and Troy RC Drill Hole Locations and Significant Assays**

MINING LEASES PEGGED AT LORDS PROJECT

In July, Alto announced that it had pegged Mining Leases over its wholly owned Lord Nelson and Lord Henry gold deposits, 36km southeast of the township of Sandstone, as it explores the possibility of restarting mining operations. Whilst there are no immediate plans to mine these deposits, the MLA's were lodged as a precautionary action, given the long lead time required for grant of mining leases.

The **Lords Project**, as it has been named, consists of two main deposits, Lord Nelson and Lord Henry, with a combined Inferred and Indicated Mineral Resource (JORC 2012) of 137,000oz.

<u>Deposit</u>	<u>Category</u>	<u>Cut Off</u>		<u>Grade</u>	
		<u>Grade (g/t Au)</u>	<u>Kt</u>	<u>(g/t Au)</u>	<u>Oz. Au</u>
Lord Nelson	Inferred	0.8	980	2.2	68,000
Lord Henry	Indicated	0.8	1,200	1.6	65,000
Lord Henry	Inferred	0.8	100	1.3	4,000

Refer AME ASX releases of 28 April and 16 May 2017 for details of resource estimates by Snowden Mining Industry Consultants. **Cautionary statement:** *It is likely that only a percentage of the above Mineral Resource will prove to be economically mineable as Alto does not own a plant and trucking ore to a distant plant will require a higher cut-off grade than the 0.8g/t Au cutoff in the Mineral Resource.*

The Lord Nelson MLA 57/640 covers ~286 hectares, while the Lord Henry MLA57/639 covers ~185 hectares. Subsequently, replacement Mining Lease applications at Lord Nelson and Lord Henry (MLA 57/643 and MLA 57/644) were lodged due to a Federal Court decision affecting most mining lease applications in Western Australia.

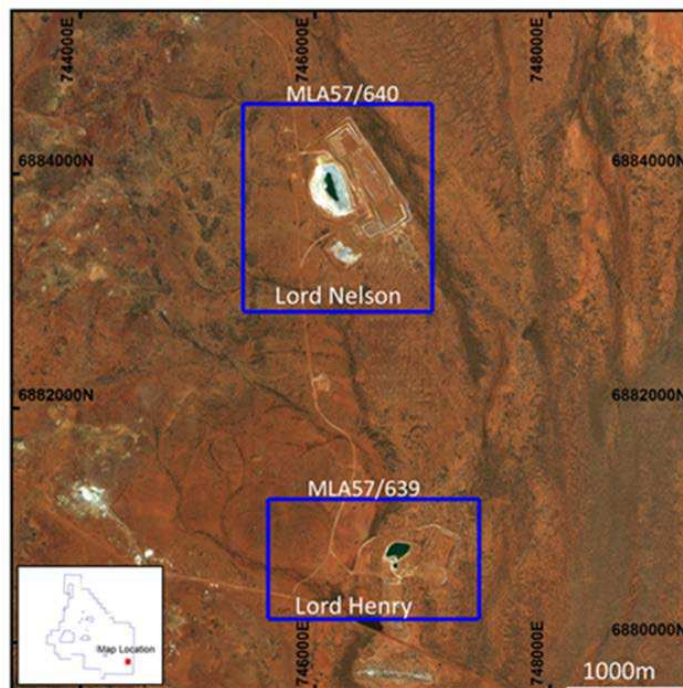


Figure 6. Lords Project - Mining Lease Applications

ADDITIONAL MINING TENEMENT APPLICATIONS

A number of additional mining tenements were applied for during the September Quarter including two Exploration Licences (E57/1070 & 1072) and Prospecting Licences (P57/1515 & 1517).

CAPITAL STRUCTURE

Post 30 September 2017, the Company announced on 24 October that it had completed a private Placement of 11,616,667 fully paid ordinary shares ("Shares") at \$0.075 per share to sophisticated and professional investors under section 708A(5)(e) of the Corporations Act 2001 ("the Act"), thereby raising \$0.87 million, pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

A further \$0.73 million was subscribed by related parties (Alto directors) bringing the total capital raising to \$1.6 million. These additional funds will be held in escrow pending shareholder approval at the Company's Annual General Meeting (AGM) to be held on 29 November 2017. Subject to shareholder approval, an additional 9,733,333 fully paid ordinary shares will be issued, bringing the total shares issued under the Placement to 21,350,000.

	<u>@ 30 Sept 2017</u>	<u>@ 30 Oct 2017</u>
Total Fully Paid Ordinary Shares on issue:	151,883,037	163,499,486
Unlisted Performance Shares on Issue: (vendors)	25,000,000	25,000,000
Unlisted Performance Rights on Issue: (management)	10,750,000	10,750,000

CASH POSITION

The Company's cash position at 30 September 2017 was **\$0.77 million**.

INVESTMENTS IN ASX LISTED COMPANIES

In August-September 2017, Alto sold on market 25,573,183 shares in ASX-listed Antipa Minerals Ltd shares for gross proceeds of \$631,445. Alto has maintained an interest of 2,500,000 shares in ASX-listed Enterprise Metals, currently worth approximately \$50,000. This investment is reviewed on a regular basis.

ABOUT ALTO AND THE SANDSTONE GOLD PROJECT

Alto has two main objectives at its 100% owned 800km² Sandstone Gold Project in Western Australia:

- In the short term, the delineation of relatively shallow gold deposits (new deposits such as Vanguard North, Vanguard and Indomitable and existing deposits such Lord Nelson and Lord Henry) that can be economically mined and trucked to one of several operating or planned gold treatment facilities in the region.
- In the medium to longer term, the discovery of major "West Australian class" (5 million ounce) high-grade oxide and/or primary gold deposits, which could become the basis for major new mining operations with their own processing facility.

Alto's External Research Advisory Committee (ERAC) led by Professor David Groves, together with the Alto exploration team, have identified a number of litho-structural target areas which have the potential to host million-ounce gold deposits.

These target areas are being progressively assessed and ranked, using both the large legacy database which Alto has assembled from WA Mines Department Open File system, and by field observations.

These project areas are shown Figure 7 below. The initial field assessment of these project areas, which includes mapping and geochemical sampling, has commenced.

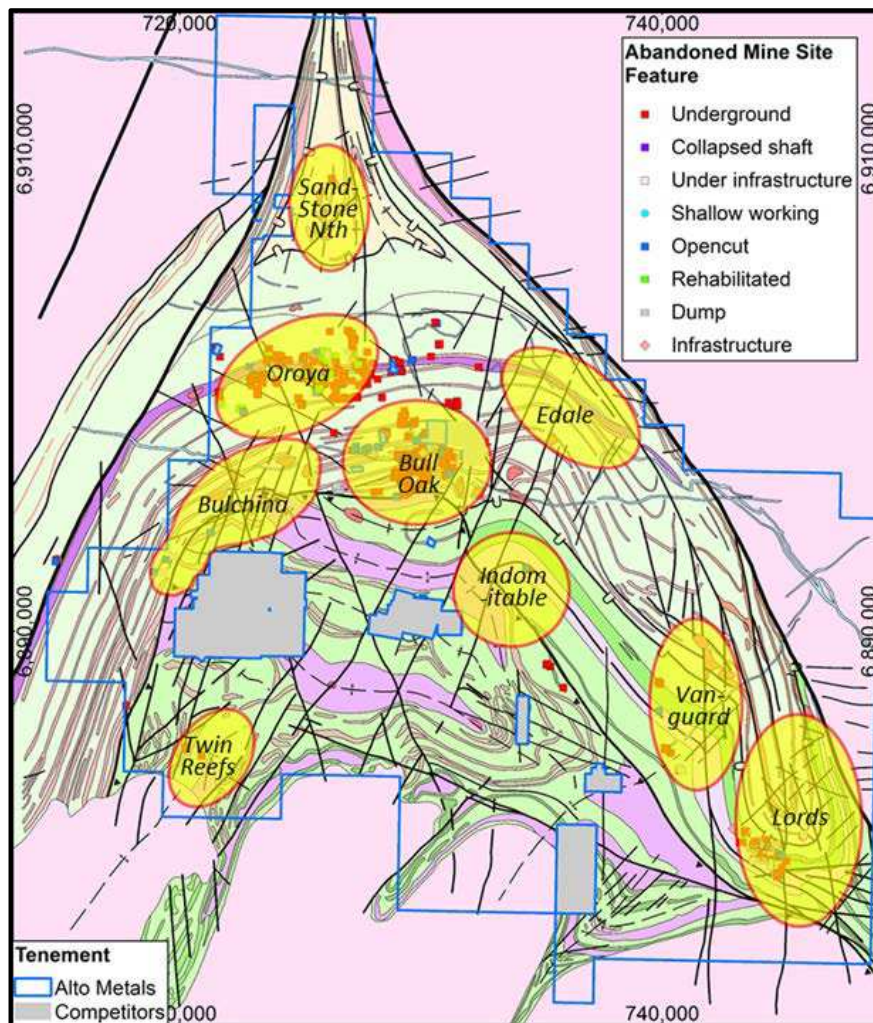


Figure 7. Exploration Target Areas for Discovery of Major Deposits

OTHER PROJECTS

The Company holds 3 granted tenements for uranium in Western Australia. The current strategy is to hold these tenements in the short term, but the Company will review its commitment to uranium exploration at regular intervals going forward. (Refer Appendix 4)

Further information:

Dermot Ryan
Managing Director
+61 8 9381 2808

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 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.

The information in this report that relates to assay results from Alto's 2017 aircore and RC drilling programs at Sandstone has previously been reported to the ASX, pursuant to JORC 2012. Alto Metals Limited believes the information has not materially changed since it was last reported. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to the Lord Nelson and Lord Henry Mineral Resource estimates undertaken by Snowden Mining Industry Consultants was previously reported by Alto Metals Limited on 28 April 2017 and 16 May 2017 respectively, pursuant to JORC 2012. Alto Metals Limited believes the information has not materially changed since it was last reported.

Historic exploration results and mineral resources referred to in this Report were previously reported by Troy Resources NL pursuant to JORC Code 2004, or alternatively Herald Resources Ltd. 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. RC Holes Completed in July 2017

Hole No.	Easting	Northing	RL (m)	Inclination (Degrees)	Azimuth (Degrees)	Depth (m)	Prospect
SRC003	740572	6884793	486	-60	40	150	Vanguard Nth
SRC004	740645	6884881	487	-60	40	120	Vanguard Nth
SRC005	740555	6884830	486	-60	40	132	Vanguard Nth
SRC006	740732	6884864	484	-60	40	84	Vanguard Nth
SRC007	740708	6884833	484	-60	40	100	Vanguard Nth
SRC008	740680	6884802	485	-60	40	110	Vanguard Nth
SRC009	740688	6884876	486	-60	40	84	Vanguard Nth
SRC010	740662	6884845	486	-60	40	100	Vanguard Nth
SRC011	740637	6884811	486	-60	40	114	Vanguard Nth
SRC012	740670	6884090	478	-60	40	120	Vanguard
SRC013	740807	6884218	475	-60	220	132	Vanguard
SRC014	740828	6884247	475	-60	220	150	Vanguard
SRC015	740850	6884272	475	-60	220	180	Vanguard
SRC016	740857	6884213	475	-60	220	156	Vanguard
SRC017	740753	6884218	476	-70	220	138	Vanguard
SRC018	740850	6883963	475	-60	220	96	Vanguard
SRC019	740876	6883991	474	-60	220	90	Vanguard
SRC020	740609	6884110	477	-60	40	132	Vanguard
SRC021	740717	6884236	477	-60	220	132	Vanguard
SRC022	740738	6884263	477	-60	220	132	Vanguard
SRC023	740504	6885024	487	-60	40	78	Vanguard Nth
SRC024	740473	6884992	486	-60	40	90	Vanguard Nth
SRC025	740449	6884962	484	-60	40	90	Vanguard Nth
SRC026	740470	6884923	483	-60	40	126	Vanguard Nth
SRC027	740500	6884838	486	-60	40	132	Vanguard Nth
SRC028	740901	6884240	482	-60	220	180	Vanguard

APPENDIX 2. RC Holes Completed to 29 October 2017

Hole No.	Easting	Northing	RL (m)	Inclination (Degrees)	Azimuth (Degree)	Depth (m)	Prospect
SRC029	740820	6884100	486	-60	0	201	Vanguard
SRC030	740820	6884160	486	-60	0	207	Vanguard
SRC031	740802	6884196	487	-60	180	207	Vanguard
SRC032	740800	6884277	488	-60	180	246	Vanguard
SRC033	740840	6884045	485	-60	180	153	Vanguard
SRC034	740840	6884180	488	-60	180	165	Vanguard
SRC035	740838	6884336	490	-60	180	231	Vanguard
SRC036	740760	6884180	487	-60	180	213	Vanguard
SRC037	740757	6884280	488	-60	180	171	Vanguard
SRC038	740720	6884175	487	-60	180	200	Vanguard
SRC039	740718	6884258	488	-60	180	200	Vanguard
SRC040	740720	6884340	489	-60	180	235	Vanguard
SRC041	740640	6884180	486	-60	180	200	Vanguard

Note: All holes drilled in Zone MGAA 94_50, and E57/1033

Tenement Information as Required by Listing Rule 5.3.3

Appendix 3: Sandstone Tenement Schedule at 30 September 2017

Tenement	Project	Interest Held	Holder	Lease Status
E57/1029	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1030	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1031	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1033	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1044	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
E57/1054	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
E57/1070	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
E57/1072	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
P57/1377	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
P57/1378	Sandstone	100%	Sandstone Exploration Pty Ltd	Granted
P57/1415	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
P57/1417	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
M57/639	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
M57/640	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
M57/643	Sandstone	100%	Sandstone Exploration Pty Ltd	Application
M57/644	Sandstone	100%	Sandstone Exploration Pty Ltd	Application

Note: Sandstone Exploration Pty Ltd is a wholly owned subsidiary of Alto Metals Limited

Appendix 4: Other Tenement Schedule at 30 September 2017

Tenement	Project	Interest Held	Holder	Lease Status
E59/2180	Yalgoo	100%	Alto Metals Limited	Granted
E09/2204	Gascoyne	100%	Alto Metals Limited	Granted
E29/980	Marmion	100%	Alto Metals Limited	Granted