

Alto prepares for 2020 exploration reset

by Dominic Piper

Alto Metals Ltd will start the year with a fresh exploration mindset after nine months of corporate wrangling frustrated progress in 2019.

The company spent most of last year repelling a hostile takeover bid by neighbour Middle Island Resources Ltd. Middle Island eventually walked away from its bid on December 5 after failing to entice more than 2% of Alto shareholders with its offer of a merger to create a single dominant player in the Sandstone district of Western Australia.

With the takeover offer lapsed, Alto can finally get back to the business of exploration on its 800sq km landholding on the Sandstone greenstone belt.

“Our shareholders have repeatedly said exploration is where the value is for Alto and I think that was proven in their response to the Middle Island offer,” Alto director Matthew Bowles told **GMJ**. “We have a dominant position on a major greenstone belt which historically produced a lot of gold. We just need to have a fresh approach and a clear run on exploration.”

Bowles admitted Middle Island’s corporate play had been frustrating for Alto. Although it engaged with its rival, no compromise could be found and with the offer on the table for much of 2019, it was almost impossible for Alto to tap the market for further funding.

“Fortunately, we have money in the bank [\$1.14 million] to kick-start exploration,” Bowles said.

The limited work Alto did undertake during 2019 involved step out drilling at the Tiger Moth and Vanguard prospects where depth and strike extensions were confirmed by hits including 11m @ 3.7 g/t gold from 52m and 5m @ 4.9 g/t from 37m.

Exploration also targeted extensions to the south of the Lord Nelson open pit, returning a best intercept of 12m @ 3.4 g/t gold from 66m. Bowles is eager to follow up on that hit in 2020.

“When you have such a large position it is important to have a clear focus and that’s what we are trying to do now,” he said. “We have identified the Lords deposits and the Lords corridor as the best for that.”

In November, Alto announced the 2020 exploration focus would be the corridor between the Lord Nelson and Lord Henry open pits which produced 207,000oz and 48,000oz gold respectively for Troy Resources Ltd a decade ago.

“Troy was the only company active in that area before and they were chasing only the oxides,” Bowles said. “There are ounces at the bottom of the pit which are all transitional and sulphide.

“The mineralisation at Lord Nelson and Lord Henry is associated

with granodiorite-mafic contact. We started focusing on the cross-cutting structures on that contact. Troy got a few sniffs from RAB drilling but never followed up, creating interesting targets for us.”

Alto is planning a RC programme to test the 3km corridor between the deposits and chase depth extensions. At Lord Nelson, the current 68,000oz gold resource is backed up by historical intercepts of 6m @ 16.4 g/t from 167m and 5m @ 13 g/t from 99m. At Lord Henry, deeper hits of 2m @ 51.3 g/t from 70m and 6m @ 10.2 g/t from 50m have never been pursued.

“There is a bit more cover in the area which is perhaps why it has not really been drilled,” Bowles said.



The Lord Nelson pit at Alto's Sandstone project

Alto is aiming to rectify that in 2020 and Bowles is determined to devote the company’s efforts to exploration.

“We are going to go hard at exploration through the year and with the current environment we see a lot of upside from a market perspective for that,” he said. “Shareholders believe in the inherent exploration value which is yet to be unlocked at Sandstone and now we have a mandate to execute our strategy.”

While an agreement with Middle Island couldn’t be reached, Bowles said the company would be willing to reopen discussions down the track.

“Maybe there will be a time to talk again but not now, it is way too premature,” he said.

“Our focus for 2020 is on resource growth and while we will look at development options and opportunities for the project, the company and our shareholders.”