ALT RESOURCES
EXPLORING FOR BASE AND PRECIOUS METALS IN NSW

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ASX Announcement
ASX: ARS

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Major New Intrusion-Related Gold Targets Identified at Paupong Project, NSW

Identification of exciting new targets in a new area marks a significant step forward in the Company's exploration targeting

Key Points:

- **Major new buried intrusion-related gold exploration targets identified in a new zone (Windy Hill), adjacent to a previously explored area at Paupong.**
- **The targets have been identified by a combination of aerial magnetic and induced polarisation (IP) surveys, geological mapping and soil geochemistry.**
- **3D modelling of geophysical data supports an interpretation of near-surface intrusions with surrounding zones of quartz vein-hosted mineralisation.**
- **Soil geochemistry reveals strong zonation for copper, lead, zinc and arsenic across these targets.**
- **Alt is seeking an amendment to its existing drilling permits to enable testing of the Windy Hill targets (following the current diamond drilling program).**
- **Application lodged for second round of drilling funding under the NSW Government New Frontiers Cooperative Drilling Program.**

NSW-focused base and precious metals explorer Alt Resources Ltd (ASX: ARS; "Alt or the Company") is pleased to advise that it has taken an important step forward in the ongoing exploration of its flagship Paupong Project near Jindabyne in southern NSW. Alt has successfully defined a number of significant new intrusion-related gold targets in a newly identified area.

The targets have been outlined after reviewing and interpreting the results of recent extensive airborne and ground geophysical and geochemical surveys undertaken at the Paupong Project (Figure 1). These surveys were undertaken to advance the Company's exploration targeting at Paupong, and the results have been extremely encouraging, as the new targets were not evident in regional government data. Combined with the results of aggressive IP and soil survey programs, the Company has now defined a strong pipeline of substantial exploration targets which it plans to test as a priority following the current diamond drilling program.

Alt has submitted an amendment to its existing drilling permits to enable prompt testing of these targets and has also lodged an application for a second round of drilling funding under the NSW Government's New Frontiers Cooperative Drilling Program. The Windy Hill targets form the basis of this application. The recipients of the New Frontiers drill funding grant initiative will be announced by the NSW Government in July 2016.

Alt CEO James Anderson said the results of the recent geophysical surveys combined with ground-based exploration activities amounted to a significant breakthrough for the Company's exploration of the Paupong Project.

"We are now clearly seeing the benefits of undertaking large-scale survey work. The results of the past four months work are highly encouraging with cohesive results achieved over a large exploration area. The results indicate a potential near-surface intrusive source for the mineralisation, which could be a game-changer for ongoing exploration of this project."

3D Modelling

3D modelling of both aerial magnetic and dipole-dipole IP surveys has been completed, showing exceptional correlation with surface geological mapping and soil anomalism. The modelled magnetic data reveals a cluster of interpreted late stage, shallow buried intrusions beneath the new Windy Hill prospect.

The magnetic anomalies are associated with strong chargeability and resistivity highs in modelled dipole-dipole IP data. The IP anomalies form an open doughnut shape enveloping the magnetic highs and are interpreted as zones of quartz stockwork veining with sulphide mineralisation enveloping shallow buried intrusions (stocks).

The surface expression of the magnetic and IP targets is mapped as zones of quartz-sulphide veining, quartz stockwork and sheeted quartz veins, with significant areas of quartz or rock-flour supported brecciation. Portable XRF analysis of soil samples reveals copper, lead, zinc and arsenic anomalism associated with the combined geological and geophysical targets. The soil geochemistry is strongly zoned for these elements, with outer rims of elevated lead and copper, and an arsenic-rich core.

These lines of evidence lead the Company to believe that **the combined geophysical, geological and geochemical anomalies represent a series of new Intrusion-Related Gold targets at Windy Hill**.

Aerial Magnetic Data

The Company recently completed a 5,000 line kilometre high resolution aeromagnetic and radiometric survey across the Paupong Project area (Figure 1). Processing of the new data by ArcTan Services revealed the presence of a number of features which were not visible in the regional magnetic data previously available, and has enabled accelerated interpretation and targeting for exploration activities.

Interpretation of the newly acquired detailed aeromagnetic survey data indicates the presence of a number of late stage stocks intruding to shallow depths. The interpreted stocks occur as a cluster, and appear to postdate and penetrate a larger intrusive body located at a depth of about 400m below surface (Figure 2). The anomalies have been labelled M1 to M5 for ease of identification.

The magnetic anomalies occur beneath zones of known quartz-sulphide and quartz stockwork veining, and associated breccia zones mapped at surface (the Telegraph Hill prospect). This extends the Telegraph Hill zone by about 2km to the east where the expanded prospect is now renamed Windy Hill (Figure 3). The Company considers the younger stocks as a possible source of intrusion-related gold mineralisation at Paupong.

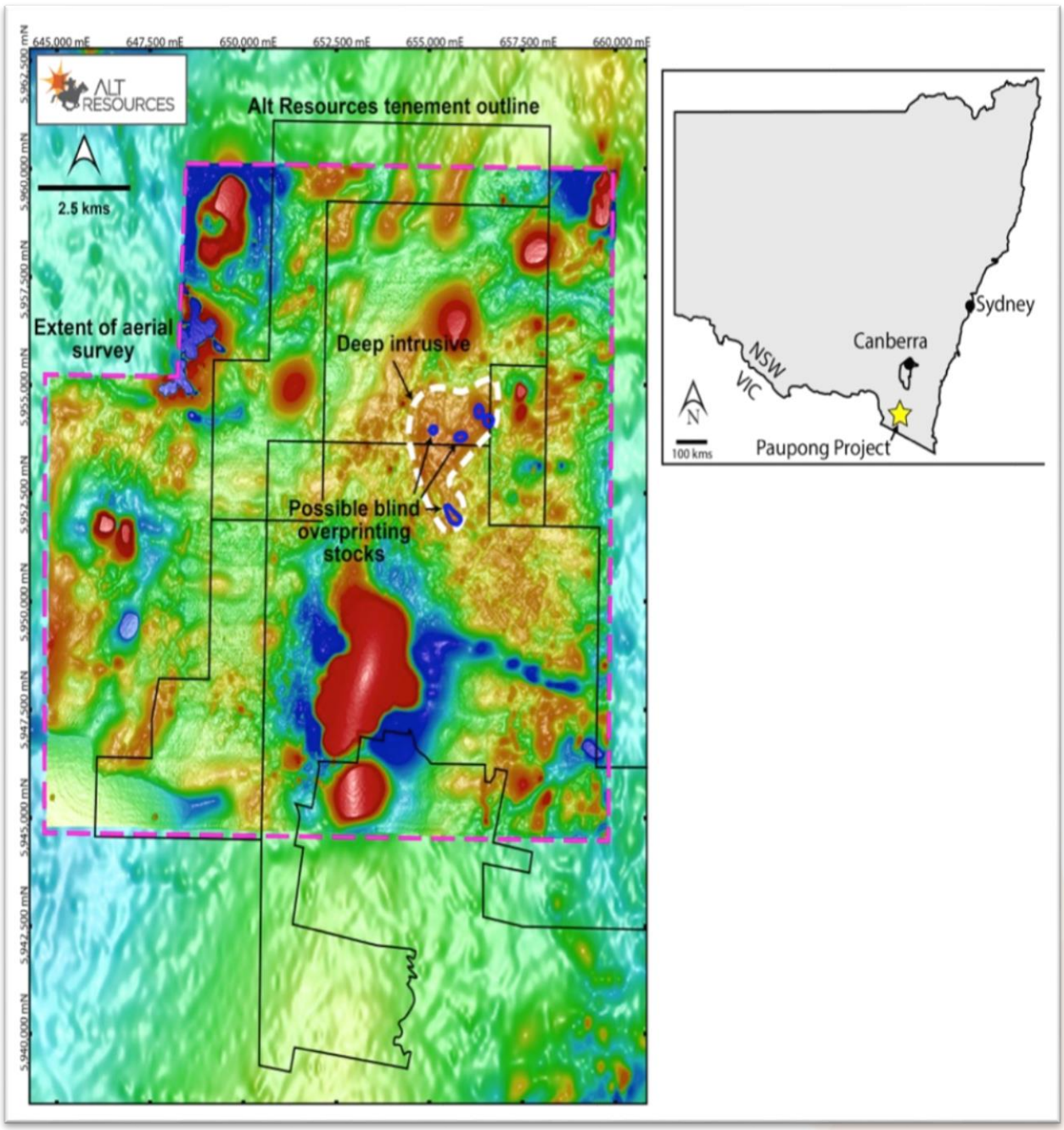

Figure 1. Aeromagnetic survey area over the Paupong Project, showing RTP magnetic response for the survey area (outlined with dashed pink line). The background image is the regional magnetic dataset (SE Lachlan Survey) RTP. Alt Resources' interpretation in the Windy Hill area shows a deep magnetic intrusion (estimated to be ~400m below surface) with later stocks rising closer to the surface (blue outlines).

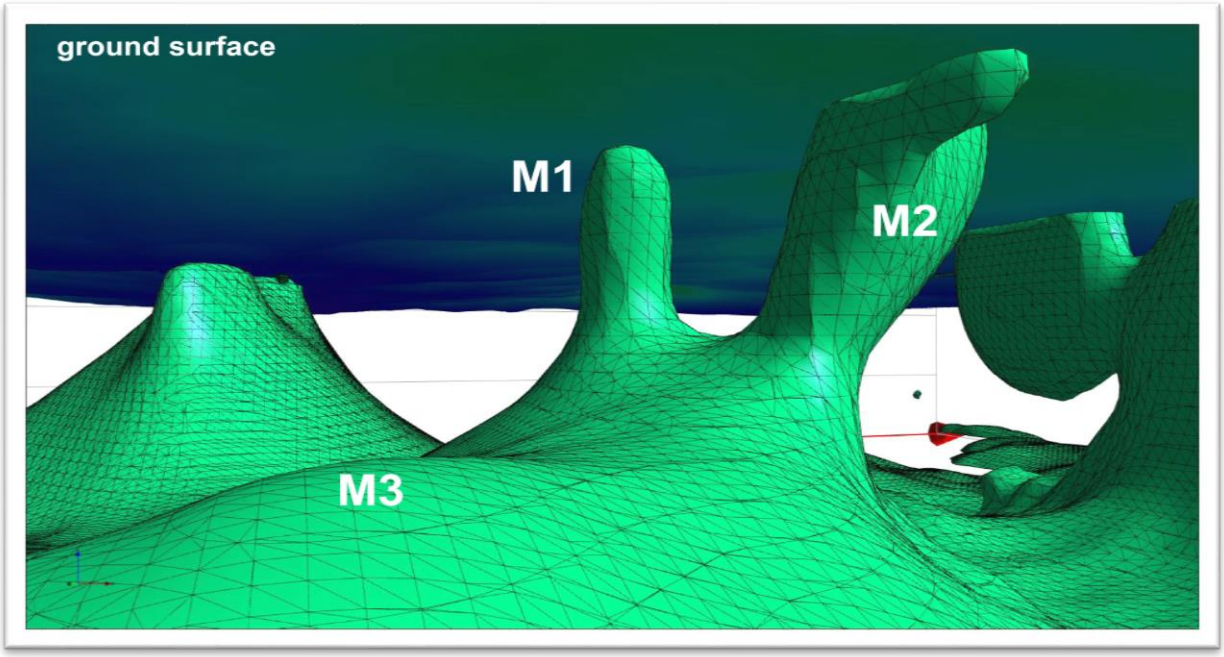

Figure 2. 3D view of the Windy Hill magnetic model. Surfaces are at 135 SI units. Key magnetic anomalies are labelled M1, M2 and M3. The view is to the North-North-East, looking up at the surface from below ground. No scale is given due to the variable distances produced from a 3D image projected onto a flat surface. The anomalies M1 and M2 are approximately 300m apart. Refer to Figure 3 for a scaled map in plan view.

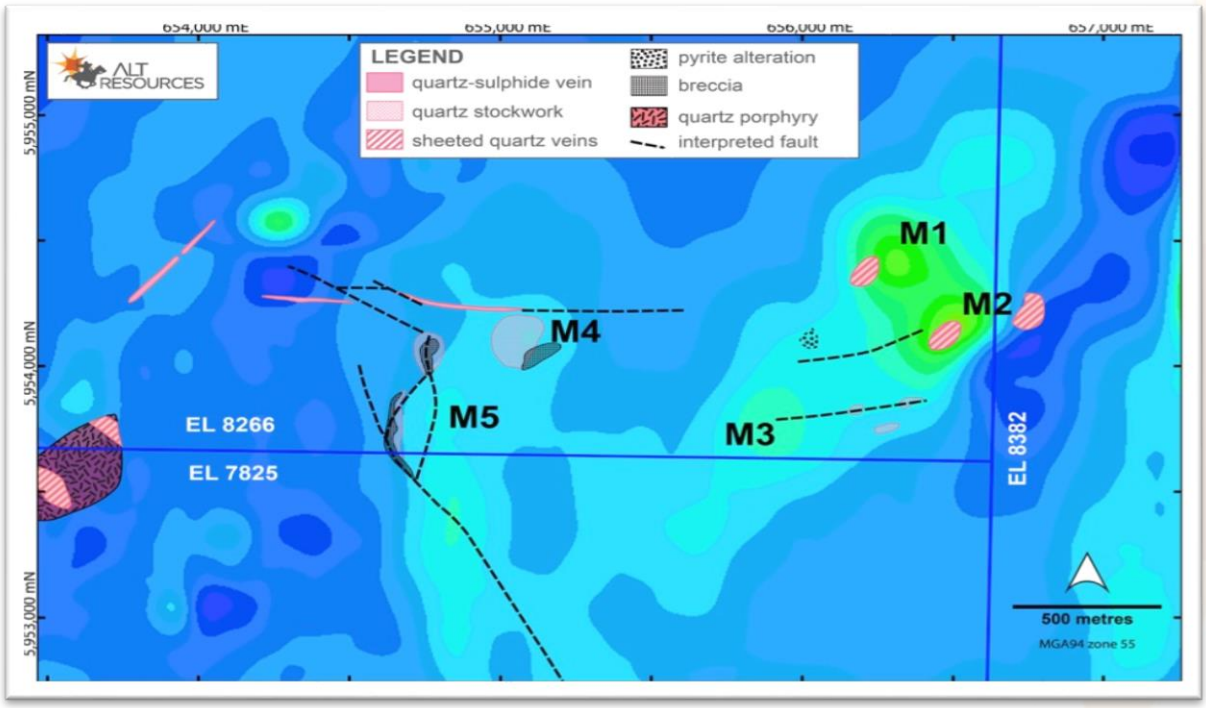

Figure 3. Horizontal slice through the magnetic model at Windy Hill, at 600m RL (between 200-300m below surface), overlain by mapped geology. The key magnetic anomalies are labelled M1-M5. The relationship between magnetic anomalism and known mineralisation features at surface is evident.

Dipole-Dipole IP

The magnetic anomalies have been followed up with an aggressive program of Dipole-Dipole Induced Polarization (IP) geophysics. A 20 line kilometre survey was conducted over the Windy Hill area, and merged with the smaller pre-existing Telegraph Hill IP survey. The data were inverted and modelled in 3D by Arctan Services (Figure 4).

The IP model shows very strong anomalies (~35 mv/V) associated with the M1, M2 and M3 intrusions, with the strongest responses forming a partial doughnut around M1 and M2. With the combination of chargeability and resistivity and these zones are interpreted by the Company as zones of quartz stockwork or sheeted quartz veins forming an envelope around and above the interpreted buried intrusions.

Figure 5 shows the relationship between the magnetic and IP responses in 3D, while Figure 6 shows a conceptual model of the system, through magnetic anomalies M1 and M2, explaining the combination of magnetic and IP responses in the subsurface.

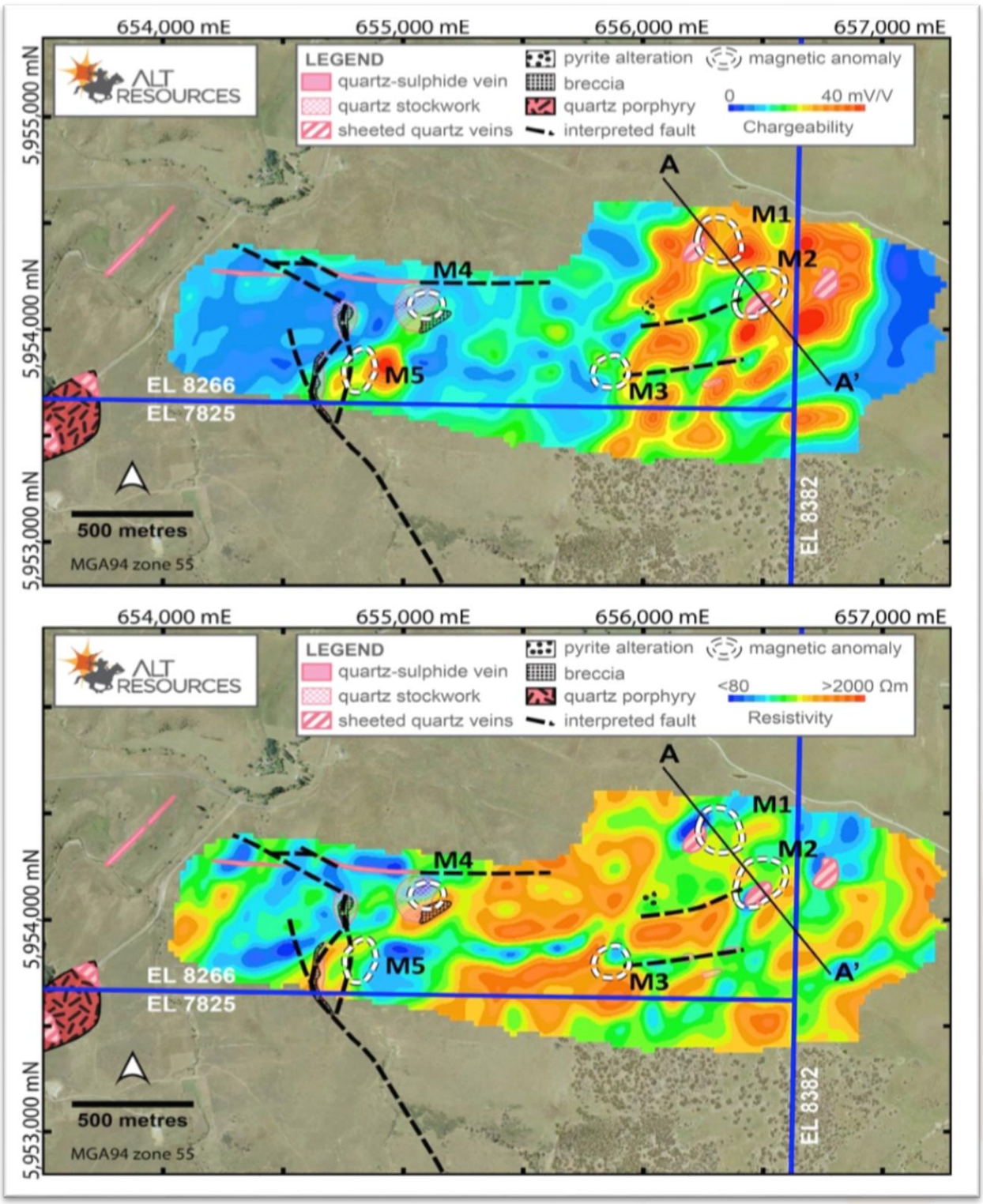

Figure 4. Dipole Dipole IP (above) and resistivity model (below) slices for Windy Hill at 800m RL (50-100m below surface), with mapped geology and location of the magnetic anomalies outlined in dashed white lines with M1-M5 labels. Note the strong correlation between M1 and M2 magnetic anomalies, and the very high chargeability doughnut surrounding the magnetic anomalies. The background image is aerial photography of the Windy Hill area. The line labelled A-A' shows the location of a cross-section in Figure 6.

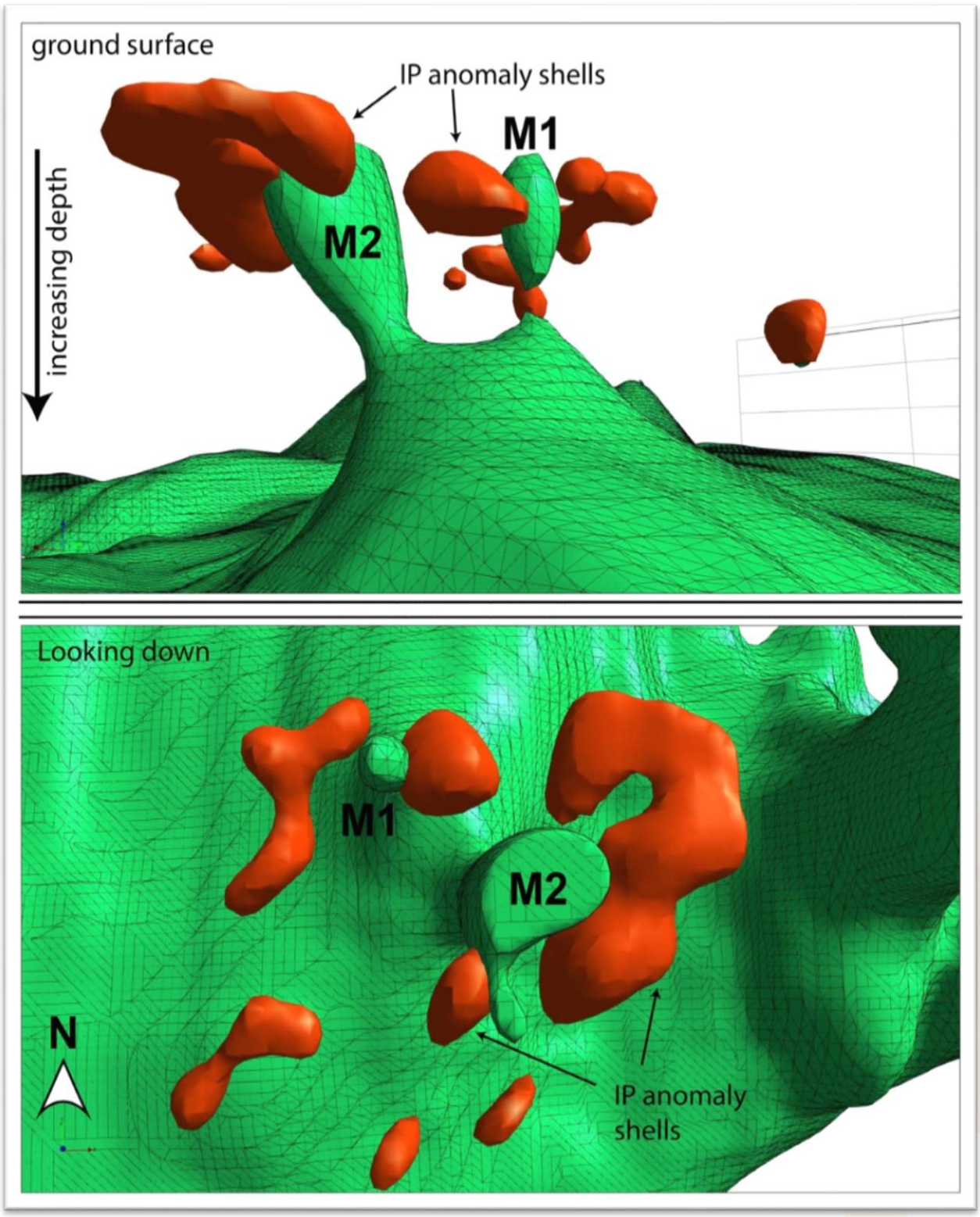

Figure 5. 3D image of the magnetic model (green shell at 143 Si units) and IP model (red shells at 37 mv/V). The view in the top image is to the south-west, looking obliquely upwards towards the ground surface. The bottom image is looking directly down. These images clearly demonstrate the close relationship between the M1 and M2 magnetic anomalies and enveloping IP anomalism.

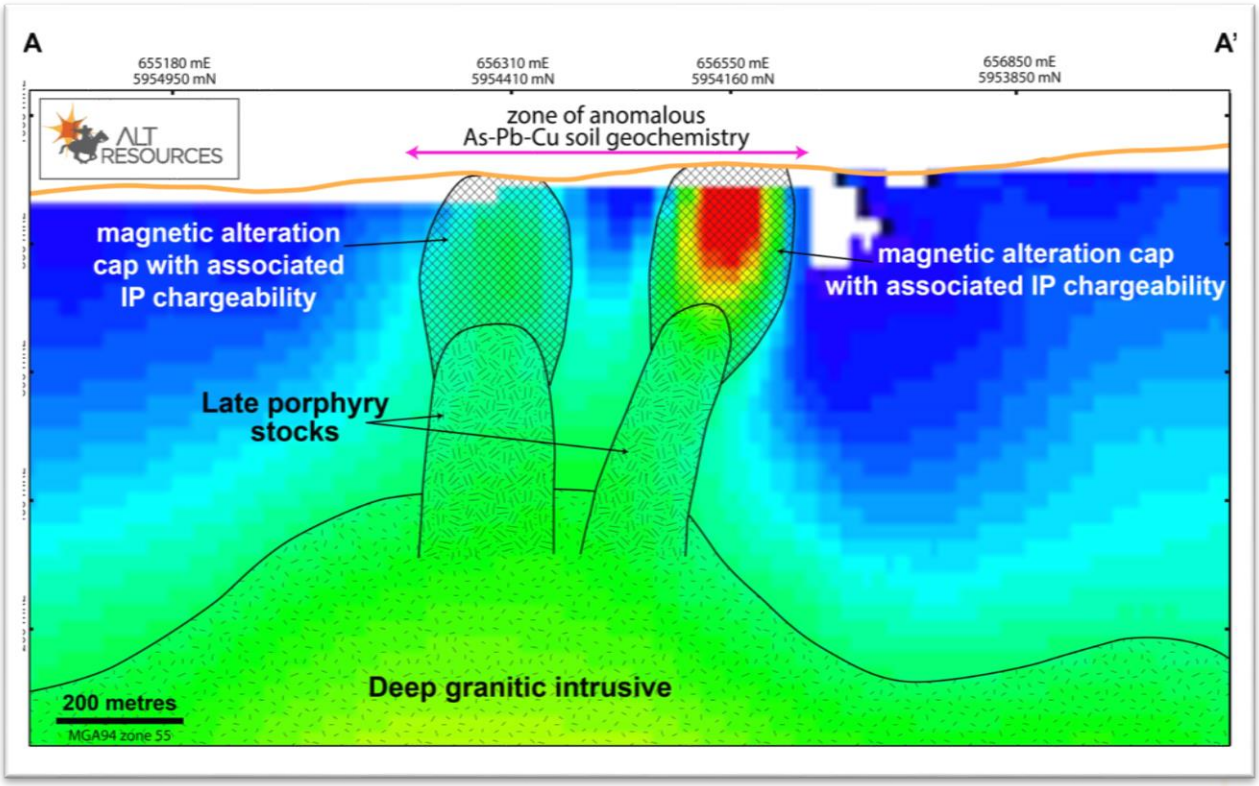

Figure 6. Cross-section of a conceptual model for the Windy Hill area. This demonstrates the relationship between a deeper intrusive body, later porphyry intrusive stocks rising to shallow levels, as well as the observed magnetic and IP responses. The base image is a vertical slice through the magnetic model, along line A-A' shown on Figure 4.

Geology and Surface Geochemistry

Geological mapping and soil sampling were also undertaken at Windy Hill. A quartz breccia and quartz vein stockwork system were identified previously at Telegraph Hill (west of Windy Hill and now merged into one prospect). New mapping at Windy Hill itself revealed sheeted quartz veining within a variably pyrite- and sericite-altered sandstone host over an area of 0.62 km^2 (Figure 7). Rock chip assays have returned results up to 0.25 ppm Au, 5.3 ppm Ag, 0.7% As, 0.2 % Cu and 0.13% Pb. The sandstone is similar to the host of quartz-sulphide mineralisation at Tom's Vein further south.

1,300 soil samples were collected during March and April 2016, over an area of ~3.2 km^2. Samples were collected using a hand auger, to between 30cm and 1m depth, on a 100m x 25m grid. The samples were analysed using a NITON portable XRF. Samples which returned anomalous As, Cu, Pb and Zn were sent to ALS Laboratories for gold and other trace element analyses which are beyond the capability of the portable XRF. Arsenic (As) is an important pathfinder element, often associated with gold.

Zoned Cu, Pb, Zn and As anomalies were identified over the Windy Hill magnetic and IP anomalies (Figure 8). The relationship between geochemistry and geophysics is especially profound for magnetic anomalies M1 and M2. In this area, surface geochemical anomalism has a diameter of ~850m, and displays a distinct pattern of zonation. An As-rich core is present, with a Pb-rich western margin, and Cu+Zn-rich eastern margin.

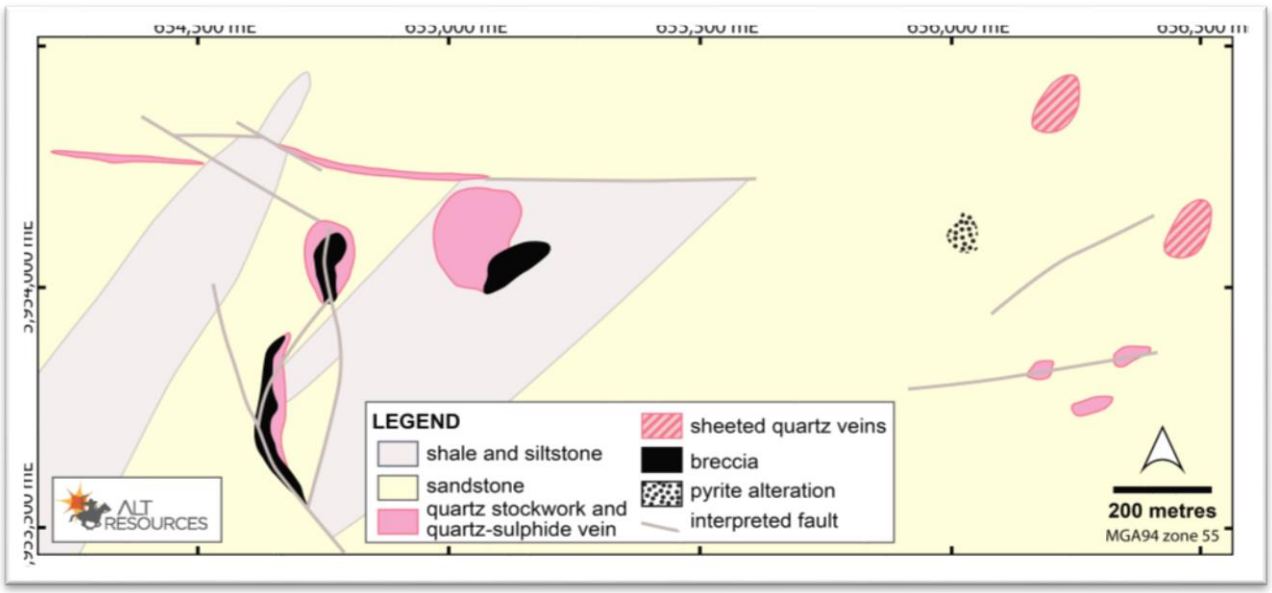

Figure 7. Mapped geology at Windy Hill. Telegraph Hill forms the western half of this mapped area, and is now merged with the eastern zone and renamed Windy Hill.

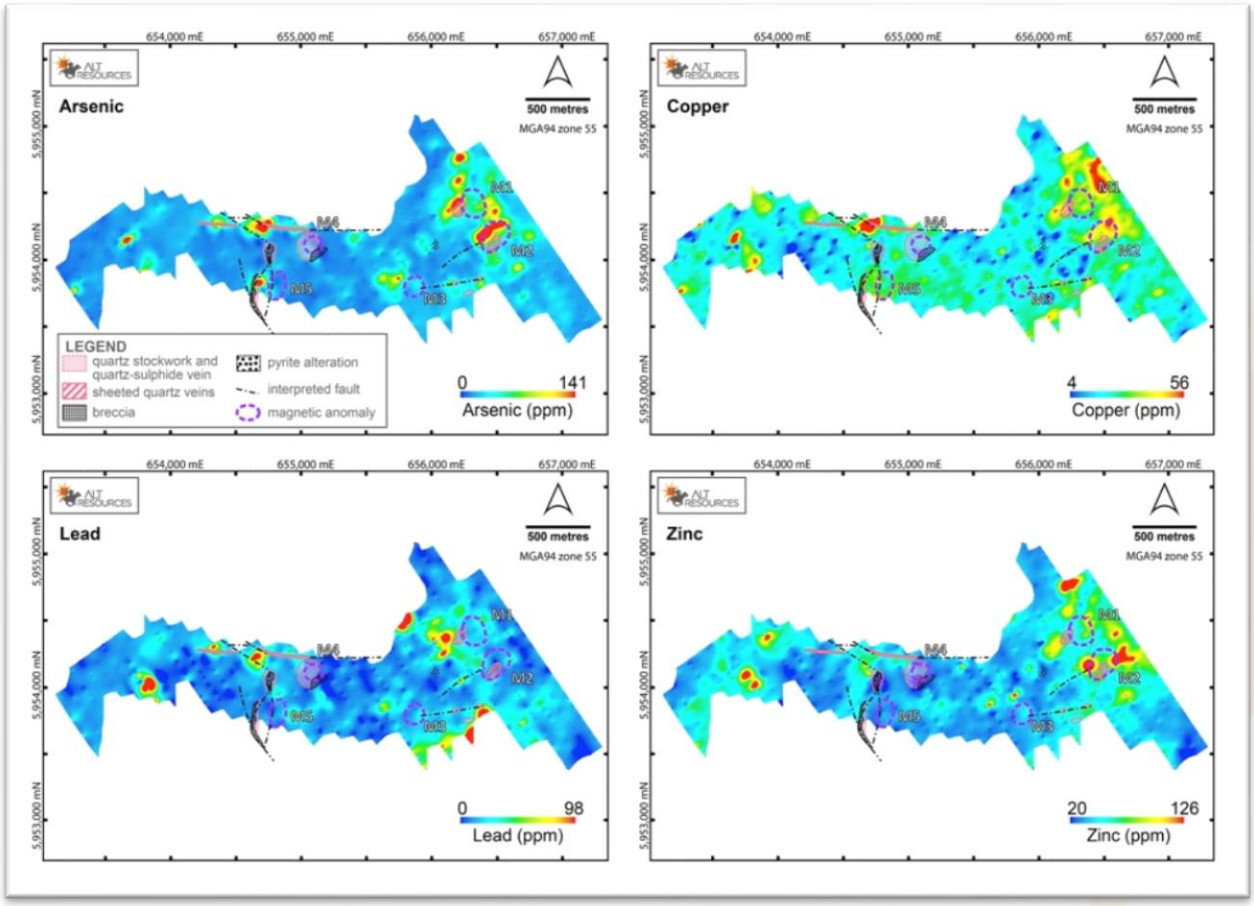

Figure 8. Gridded soil geochemistry at Windy Hill, showing the relationship between element distribution and mapped geology, as well as the location of the numbered magnetic anomalies (M1-M5).

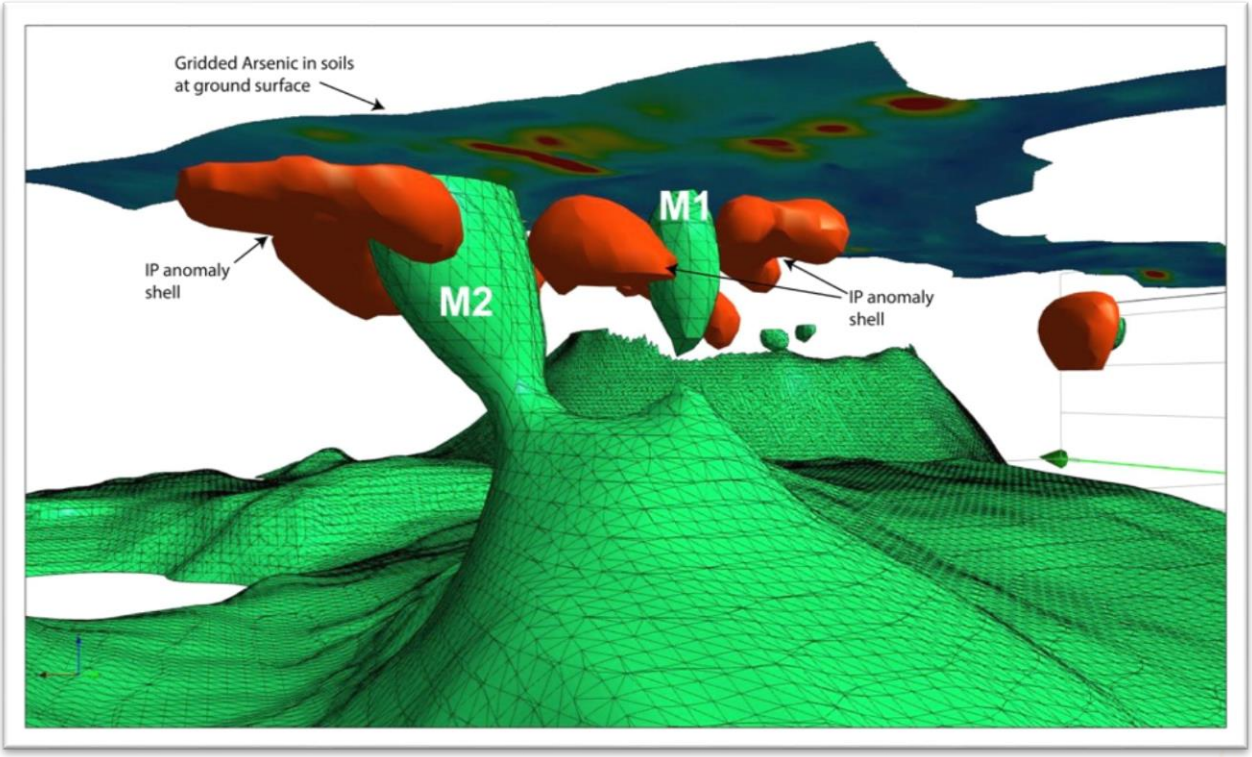

Figure 9. 3D image of the magnetic model (green shell at 143 Si units), IP model (red shell at 37 mv/V) and gridded arsenic anomalism in soils at surface. The view is to the south-west, looking obliquely upwards towards the ground surface. This image clearly demonstrates the close relationship between the M1 and M2 magnetic anomalies, and IP anomalism, as well as anomalous arsenic in soils at surface.

Figure 9 shows the complete data set (geophysical and geochemical) in 3D, focusing on the M1 and M2 anomalies. The relationship between geophysical features, both magnetic and IP, and surface geochemistry is clearly illustrated. In this case, the gridded arsenic surface is shown.

An IRGS Target Model for Windy Hill

The new, combined exploration results at Paupong clearly demonstrate that gold and associated mineralisation form part of an Intrusion-Related Gold System (IRGS). Based on current information, the locus of this system appears to be the magnetic anomalies present beneath Windy Hill.

An IRGS is a mineralised magmatic-hydrothermal system, with gold as the dominant commodity, in which there is a demonstrable genetic link to an intrusive body (see Morrison and Beams, 2015). IRG systems in Eastern Australia tend to show unusually abundant polymetallic mineral associations (Blevin, 2006, 2009), consistent with observations from the Paupong Project. Other examples include Dargues Reef, Mount Adrah in southern NSW, and Kidston, Mt Leyshon and Ravenswood in Queensland.

Surface vein sampling and drilling by Alt and JV partner GFM Exploration have shown a very strong association between gold and arsenic, copper, bismuth, tellurium and lead. The project area contains at least 15 different outcropping intrusive bodies, identified by geological mapping. Review of the new aeromagnetic data also revealed significant additional intrusions present at shallow depths, but not outcropping. The relationship between these intrusive complexes is poorly understood. They represent a

range of fractionated compositions, from near unaltered gabbro to potential mineralising bodies of pervasively altered quartz porphyry.

Table 1. Description of key features of a typical Intrusion-Related Gold System, and comparison with the Paupong Project, including Windy Hill.

IRGS Feature	Description	Occurrence at Paupong
Metallogenic Province	IRGS occur in metallogenic provinces, for example many deposits in the Tatina Gold Province Alaska and Yukon such as Fort Knox.	Paupong falls in the Siluro-Devonian Granite regional metallogenic province of Blevin (1996). Also Dargues Reef and Mt Adrah.
Tectonic Setting	Host strata are deep water reducing sediments favourable for mineralisation	Adaminaby Group sediments, including turbidites, and reducing black shales of the Bendoc Group
Metal Zonation	Temperature-dependent semi-concentric metal zonation up to a few kilometres from the intrusion margin. Proximal to the intrusion is Au+Bi+Te. Proximal W may also be present with As or Sb. Distal metals are Ag+Pb+Zn.	Au is associated with variable As, Bi, Te, Cu, Pb, trace W and Sn. Windy Hill soil geochemistry shows zonation with As-rich core and Cu/Pb-rich margins over a distance of ~850m.
Diversity of Deposits	Mineralisation may be intrusion and/or country-rock hosted, replacements, disseminations, stockworks and veins. Gold mineralisation may also form a range of grades; e.g. 0.8 – 1.5 g/t Au with large tonnage (e.g. Fort Knox, Alaska)	From surface mapping and drilling, Paupong mineralisation occurs as vein-hosted or stockwork-hosted, and is present in both the country rock and observed in some altered quartz porphyry outcrops.
Sheeted Veins	Very distinctive in reduced IRG deposits, forming sheeted arrays of parallel, low-sulphide, single-stage quartz veins over tens to hundreds of metres. Often located in the intrusion's cupola.	Sheeted veins over an area of 0.62 km^2 have been mapped at Windy Hill, and occur above an interpreted buried intrusion.
Hydrothermal Fluid Generation	Plutons or intrusions associated with IRG deposits show features consistent with significant hydrothermal fluid generation, such as aplite and pegmatite dykes, abundant quartz veins, alteration of the intrusion and surrounding country rock, hydrothermal breccias.	Altered intrusive porphyry with miarolitic cavities and abundant patchy vein quartz; a tourmaline and greisen-bearing granite, mineralised breccias showing multiple veining events and containing igneous fragments.
Redox State	Oxidised intrusive bodies are typical, with no magnetite and therefore low magnetic susceptibility.	The Paupong intrusive suite shows varying oxidation states, evidenced by the variations in magnetic intensity in the aeromagnetic survey.
Timing	Mineralisation and causative pluton are coeval (within 2 million years).	Limited dating of intrusive rocks at Paupong. No dating as yet of sulphide or mineralisation phases. Regionally, the age of intrusive rocks at Paupong (387 – 414 Ma) compares with the gold-mineralised Braidwood Granodiorite that hosts Dargues Reef (410-411 Ma).

Most features of mineralisation in the Paupong Project area strongly support an IRGS conceptual model, and provide vectors that indicate a buried but shallow intrusive source. Table 1 gives a summary of the key characteristics of typical IRG deposits, and compares the known features of mineralisation at the Paupong Project.

Figure 10 (below) shows a conceptual model of an IRGS, with examples of the physical settings, geochemical characteristics and actual examples of North Queensland IRG deposits. Based on current information, Alt considers that the Windy Hill exploration targets described here correspond closely with the Mesozonal Porphyry level shown in Figure 10. Comparable Mesozonal deposits are Queensland examples Mt Leyshon and Ravenswood, both containing in excess of 3 Moz Au.

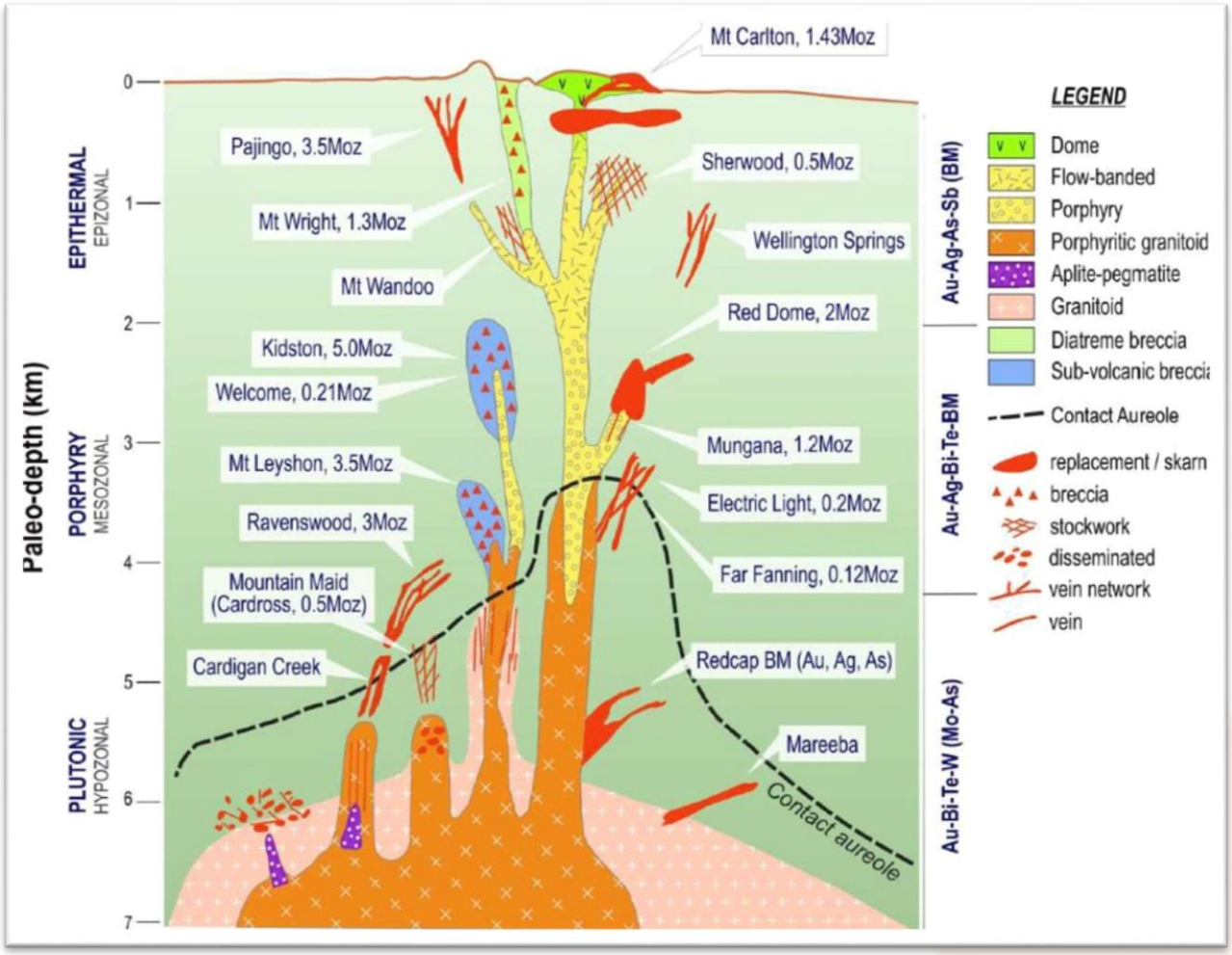

Figure 10. Conceptual model of an IRGS, with examples of the physical settings and geochemical character of various North Queensland IRG example deposits. From Morrison and Beams (2015).

The Company intends to vigorously pursue the Windy Hill targets. An amended drilling permission has been requested of the NSW Government to allow drilling in the Windy Hill area. Furthermore, Alt have submitted an application for the second generation of exploration funding under the NSW Government New Frontiers Cooperative Drilling Program.

References

Blevin P.L., 2006. Granite-associated mineralisation in New South Wales: Data, models and opportunities for the future. Mines and Wines 2006 Mineral exploration in New South Wales – SMEDG & DPI Geological Survey.

Blevin P. L., 2009. Granites and mineral deposits in NSW. SMEDG presentation April 2009.

Blevin P.L., Chappell B.W., and Allen C.M., 1996. Intrusive metallogenic provinces in eastern Australia based on granite source and composition. Transactions of the Royal Society of Edinburgh: Earth Sciences 87:281-290.

Morrison G., and Beams S., 2015. Intrusion-Related Gold Systems of the Charters Towers Province, North Queensland. AIG Bulletin 62: 193-208

Competent Persons Statement

The information in this report that relates to mineral exploration and exploration potential and is based on work compiled under the supervision of Dr Russell Fountain who is a Director of Alt and a Principal of Exsolutions Pty Ltd which has a consultancy contract with Alt. Dr Fountain is a Fellow of the Australian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the
'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Fountain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• This announcement covers an update to the program of greenfields exploration carried out by Alt Resources Ltd on its Paupong Joint Venture in Southern NSW. • Detail of rock chip and soil sampling procedures is outlined in the appropriate sections below. • Soil sampling was undertaken with a hand auger, with samples collected from 50-100cm depth. Sampling is on a 100m line spacing and 25m sample spacing. Soil samples were sieved to #80 mesh and stored in paper sample envelopes. Samples were analysed at the Alt Resources office using a Thermo Scientific NITON XRF analyser. Analyses were performed in "Soil" mode for a duration of 90 seconds. • Additional results reported in this report are from Aerial Magnetic and radiometric geophysical surveys conducted over the Paupong Project in NSW and a ground Dipole Dipole IP survey conducted at the Windy Hill Prospect. • The Aerial Magnetic survey was conducted by Thomson Aviation for Alt Resources Pty Ltd. The oversight of the survey and auditing of data was performed by Thomson Aviation. • The aerial magnetic and radiometric survey was flown with a 50m line spacing on East-West lines with 500m spaced North-South tie lines, at a nominal flying height of 60m. Around 30% of this survey was flown outside of the nominal flying height due to terrain deviations. This did not preclude reasonable modelling to be undertaken over the Windy Hill and Kidman Prospects. • The total lines kilometres flown were 4,703km. • Aerial Magnetic survey specifications: **Aircraft type:** Fixed-wing single engine Fletcher FU24 with fixed stinger attachment **Airborne Magnetic Sensor:** Cesium vapour magnetometer Sampling rate: 20 Hz (0.05 sec) Resolution: 0.001 nT Vectors: XYZ Components **Gamma Ray Spectrometer:** RSI model RS-500 spectrometer Packs: 2 x 16.8 litre detector packs (33.6 litres total volume)

Criteria	JORC Code explanation	Commentary
		Sampling rate: 2 Hz (0.5 sec) in 256 channels **Altimeters:** KRA405B radar altimeter Resolution: 0.3m resolution Range: 0-760m Sampling rate: 20 Hz (0.05 sec) **Data Acquisition System:** GeOZ-DAS Digital Data Acquisition System • The survey was flown from 8th January 2016 to the 2nd February 2016. • The magnetic survey equipment was fully calibrated and daily tests were carried out to ensure data quality. • The Induced Polarisation (IP) survey was conducted using a Dipole-Dipole array with a 50m receiver dipole size and 50m transmitter dipole size. The transmitter dipole was moved at 50m intervals, achieving a 50m station spacing. • Lines were oriented north-south for the Kidman survey, and on an angle of 100 degrees (from grid north) for the Telegraph Hill survey. In each case, the lines were spaced 100m apart. • The transmitter used is a GDD TxII 5000W 2 second time-based transmitter. The receiver used is a GDD Rx8-32 IP receiver. The survey was collected with a frequency of 0.125Hz.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not Applicable.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not Applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not Applicable
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Rock chip samples are sent to ALS Laboratories in Brisbane for sample preparation and assay. • Samples were pulverized then assayed for Au by fire assay using ALS code Au-AA25, 30gm charge, and other elements by ICP, ALS code MEICP61. Cu and Au values >10,000 ppm were re-assayed using ALS code OG-62. Te is analysed via ALS code ME-ICP62. • XRF analyses of soil samples were performed using a portable Thermo Scientific NITON XRF analyser at the Alt Resources office in Jindabyne. • Analyses were performed in “Soil” mode for a duration of 90 seconds • The Induced Polarisation (IP) survey method is commonly used to determine the location of disseminated sulphides. An external current is applied and charge separation can occur on sulphide grain boundaries. When the transmitter is turned off the charges decay away. The degree to which this current forms and the nature of its decay once the primary current is switched off, can be measured. Rock masses

Criteria	JORC Code explanation	Commentary
		containing disseminated sulphide minerals, including pyrite, chalcopyrite, arsenopyrite and galena, become more readily charged than barren ground. The geophysical method used by Alt Resources is entirely appropriate to the style of mineralisation being sought. • Aerial Magnetic survey specifications are as follows: **Aircraft type:** Fixed-wing single engine Fletcher FU24 with fixed stinger attachment **Airborne Magnetic Sensor:** Cesium vapour magnetometer Sampling rate: 20 Hz (0.05 sec) Resolution: 0.001 nT Vectors: XYZ Components **Gamma Ray Spectrometer:** RSI model RS-500 spectrometer Packs: 2 x 16.8 litre detector packs (33.6 litres total volume) Sampling rate: 2 Hz (0.5 sec) in 256 channels **Altimeters:** KRA405B radar altimeter Resolution: 0.3m resolution Range: 0-760m Sampling rate: 20 Hz (0.05 sec) **Data Acquisition System:** GeOZ-DAS Digital Data Acquisition System
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No third party assay checks have been undertaken (or are appropriate) at this stage of the exploration program. • Baseline geochemical surveys were carried out over know vein mineralisation at both the Kidman paddock and Telegraph Hill vein systems. Test locations were sampled ~ 30cm and 1m depth by auger, dried and sieved to -80# and analysed for gold, base metals and trace elements by ALS Laboratories. Results from 1m depth produced anomalies between 1 and 2.5 times greater than those taken at 30cm depth. • The test surveys were successful in locating all known mineralisation through As, Pb and Cu assays at the 90th percentile level of anomalism and with varying responses for Au, Bi, Te and Zn. • As, Cu, Pb and Zn levels in soil are all within the valid working range for hand held XRF analyses; see table below. The Company's portable XRF has been calibrated against returned pulps from the orientation

Criteria	JORC Code explanation	Commentary
		survey, and produced and produced high quality results for these elements.

Field	Min	Max	Mean	Median	Range	Percentile 90	Percentile 95	Percentile 98
Au_ppm	0.0005	0.0510	0.0031	0.0010	0.0505	0.0050	0.0110	0.0308
Ag_ppm	0.05	0.20	0.06	0.05	0.15	0.10	0.10	0.10
As_ppm	1	591	40	14	590	79	136	388
Bi_ppm	0.1	37.6	1.0	0.3	37.5	1.1	2.4	7.9
Cu_ppm	5	85	18	13	81	33	49	74
Pb_ppm	3	797	23	13	794	32	46	73
Te_ppm	0.01	0.48	0.03	0.02	0.48	0.04	0.05	0.10
Zn_ppm	9	125	25	23	116	37	49	70

- No twinned holes have been undertaken
- All geophysical data was reviewed by Steve Collins at ArcTan Services following survey completion and initial data QC by Thomson Aviation (for magnetic and radiometric data), and following survey completion and initial data QC by the Alt Resources geophysicist for the IP data.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• For the IP survey, transmitter and receiver electrode positions are located by hand held GPS to an accuracy of around 3m. • Elevation for transmitter and receiver electrode positions for the IP surveys are sourced from a digital terrain map (DTM) has been derived from the high resolution aeromagnetic and radiometric survey flown over the Paupong Project by Alt Resources in January 2016. The DTM is accurate to 5% or 1.5m, whichever is greater. • Similarly, rock chip sample locations are surveyed by hand held GPS to an accuracy of around 3m. • Coordinates are MGA Zone 55 (GDA94) • Spatial information recorded during the aerial magnetic survey was collected using a Novatel OEMV-1 VBS GPS receiver on board the aircraft. Coordinates are in MGA Zone 55 (GDA94).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Soil sampling is performed on 100m line spacing, with 25m sample spacing along the lines. • Line spacing for the aeromagnetic survey was 50m and readings were collected every 0.05 seconds for magnetics, every 0.5 seconds for radiometrics and every 0.05 seconds for elevation. Tie lines were spaced 500m. • The IP survey is configured with a 50m receiver dipole size and 50m transmitter dipole size. The transmitter dipole was moved at 50m intervals, achieving a 50m station spacing. The survey lines for the Kidman survey are oriented north-south. The

Criteria	JORC Code explanation	Commentary
		survey lines for the Telegraph Hill survey are oriented at 100° (from grid north). The survey lines in both cases are spaced 100m apart.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The primary line direction for the aerial magnetic survey is east-west. This was designed to be perpendicular to the regional north-south geological trend. • The primary line direction for the IP survey is oriented perpendicular to the key geological, structural and interpreted mineralisation trends in the area. • No bias is believed to be introduced by this sampling method. • Surface sampling of rock outcrops is biased towards harder, topographically prominent rock types, such as quartz veins and sandstone.
Sample security	• *The measures taken to ensure sample security.*	• After collection rock chip and soil samples are stored in sample bags, and stored in the company's locked premises in Jindabyne, prior to shipping by commercial courier to ALS Brisbane laboratory in sealed cartons for sample preparation • All aerial geophysical data was reviewed and stored by Thomson Aviation. Data was reviewed daily for quality and accuracy. • All data was reviewed and stored by the Alt Resources geophysicist in the Company's secure Jindabyne office. Data was reviewed daily for quality and accuracy. • Geophysical data was provided to Alt Resources and Arctan Services via a secure server portal and hard copies were provided to Alt Resources on CD which are stored in the registered office in Jindabyne.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external reviews of the rock chip or soil sampling techniques and geochemical data have been undertaken • Aerial Magnetic and Radiometric data was quality assured by Thomson Aviation and then reviewed by Steve Collins of ArcTan Services. • A deviation from the nominal flying height covering roughly 30% of the total survey area was identified by Steve Collins. • The IP data was quality assured by the Alt Resources geophysicist and then reviewed by Steve Collins of ArcTan Services. • No major issues with data quality have arisen during the program.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The information in this release relates to EL7825, EL8266 and EL8382, which are 30% held by GFM Exploration Pty Ltd and 70% by Alt Resources Ltd. • Entry agreements are in place with all landowners covering land subject to exploration described in this report. • There are no existing impediments to EL7825, EL8266 or EL8382.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• ***The gold mineralised quartz vein system covered in this release is effectively a new discovery with no previous detailed exploration***. The area was previously covered by reconnaissance stream geochemical surveys by Epoch Minerals (1972) and BHP minerals (1973-4) • The BHP survey specifically targeted porphyry copper deposits. Neither company assayed the drainage samples for gold, but both company surveys recorded base metal anomalies draining the current prospect area. The anomalies reported by both Companies were not followed up by either however workers from Epoch Minerals recommended follow up work to be undertaken in the Beloka creek area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The current exploration target at Paupong comprises a newly discovered set of large multiphase gold-bearing quartz-sulphide quartz veins and vein breccias occurring within a north trending sequence of low grade metamorphosed shale, siltstone and sandstone sediments of Ordovician age. Petrographic study indicates the veins are of relatively low temperature epithermal vein character, and they clearly post-date the main structural deformations within the host sediments. • Numerous gold bearing veins have so far been sampled over an area of more than 8km north-south by 4 km east-west. • Gold grades are accompanied by high levels of Arsenic and also by strongly anomalous Te, Bi, Mo, and locally Pb, Zn and Cu. These mineral assemblages are compatible (but not diagnostically) with a magmatic source for the mineralisation, and these zones appear to be spatially associated with intrusive rocks inferred to underlie the area from magnetic surveys.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	hole collar ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not Applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not Applicable
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The processed magnetic data is represented in this release as a horizontal plan (Figures 1 and 2) • The horizontal plan in Figure 1 illustrates the processed Reduced to Pole (RTP) aerial data (high resolution) overlain on the regional RTP government supplied data (low resolution). This data displays the magnetic susceptibility of the ground where anomalies are located over their source material (RTP). • The horizontal plan in Figure 2 represents a slice through the 3D magnetic model generated by ArcTan Services at 600m RL. The image displays magnetic susceptibility as assigned by the model program. • Figure 6 represents a vertical cross-section through the 3D magnetic model generated by ArcTan Services. The image displays magnetic susceptibility as assigned by the model program. • The processed IP data is represented in this release as horizontal sections (Figure 4) • The horizontal sections illustrate the modelled chargeability of the rock volume which they enclose. Resistivity data is routinely collected when conducting an IP survey of this type, but is not represented in this release. • The images depicting the 3D model of the magnetic susceptibility and IP chargeability are cut at 143 Si units and 37 mv/V respectively (Figures 2, 5 and 9). This cutting is performed to illustrate the morphology of the anomalous zones and their spatial relationship with each other.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No significant exploration data have been omitted.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As outlined in this announcement, the results presented here will be used as a drill targeting tool for future drilling programs. • Additional soil sampling is planned to extend the current sampling grid to the south of the Windy Hill area. • Additional geological mapping is also planned between the Telegraph Hill and Windy Hill areas, and to the south of Windy Hill. • Diamond drilling of the Telegraph Hill and Kidman areas is ongoing.