

ARS – ASX ANNOUNCEMENT

9th May 2017**Exploration Update Paupong IRG Project:
Gold, silver, lead, zinc and bismuth mineralisation at Windy Hill****Key Points**

- **Results received for PDD017 at Windy Hill**
 - **0.9m @ 0.8 g/t Au, 6.4 g/t Ag** from 124.9m, including
 - **0.4m @ 1.16 g/t Au, 8.9 g/t Ag** from 125.4m
 - **2.2m @ 6.35 g/t Ag** from 143m
 - **1.6m @ 0.22 g/t Au, 4.2 g/t Ag and 0.16 % Cu** from 225.5m
 - **2.8m @ 65.57 g/t Ag, 1.39 % Pb and 0.43 % Zn** from 242m, including
 - **0.8m @ 184 g/t Ag, 4.09 % Pb, 1.04 % Zn and 478 g/t Bi** from 244m
- **Polymetallic results continue to support IRGS model**

Alt Resources (ASX: ARS) is pleased to announce results from preliminary spot sampling from Windy Hill drillhole PDD017, which returned polymetallic mineralisation, with **up to 184 g/t Ag, 4.09 % Pb, 1.04 % Zn and 478 g/t Bi and 1.16 g/t Au**. These results strongly support the Company's Intrusion-Related Gold model for the Windy Hill and broader Paupong area.

A 4 hole, 1,583m diamond drilling program was recently completed at Windy Hill on the 28th March 2017, having been co-funded by the NSW Government New Frontiers Cooperative Drilling Funding Initiative. PDD017 was the third hole of this program, and targeted a shallow paired magnetic and IP anomaly (Figure 1 and Figure 2). Mineralisation in PDD017 is found within structurally-controlled quartz-sulphide veins (i.e. hosted in faults or shear zones; Figure 3), with visible galena (PbS) and sphalerite (ZnS) in the lead + zinc rich zone from 242m downhole. Significant intercepts are given in Table 1.

Minimal spot sampling of drill hole PDD017 has been undertaken (31 samples for 30.8m from a total of 329.3m drilled) with core cutting ongoing. The Company is re-examining the drillcore based on these results and additional sampling of potential mineralised zones will be carried out. PDD015 and PDD016 returned no significant results as announced in the Company Quarterly Activities Report¹. Processing of PDD018 is ongoing.

Company policy during preceding drilling programs has been to complete the drilling, core cutting, geochemical and petrographic analysis of all holes. This enables the development of a complete picture of outcomes prior to releasing information to the market. The data currently available for this drilling program is incomplete, with further sampling and assaying to be undertaken over the coming weeks.

¹ See ARS Quarterly Activities Report, 28th April 2017: <http://www.altresources.com.au/wp-content/uploads/2017/04/Quarterly-Activities-Report-28Apr-2017-1.pdf>

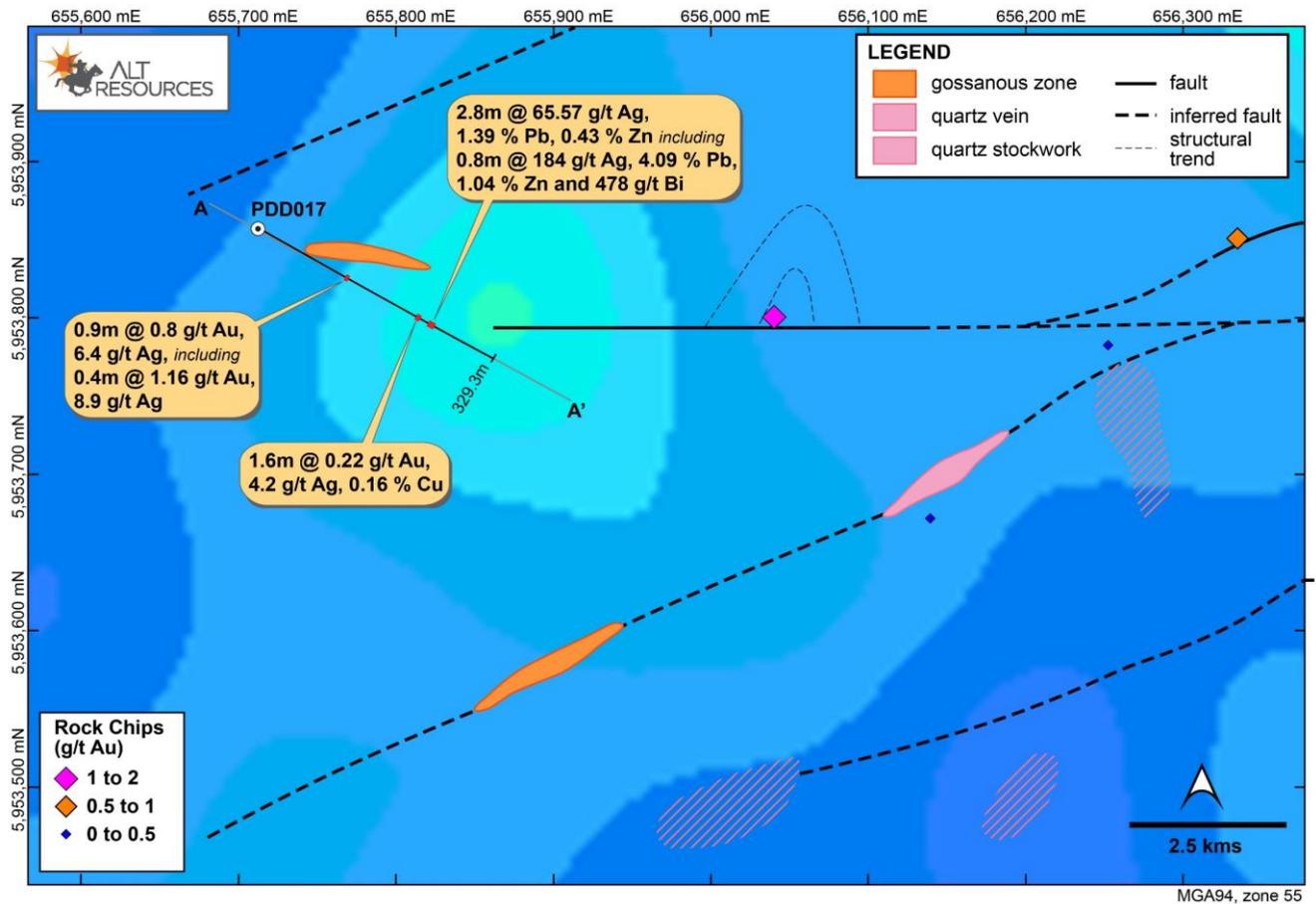


Figure 1. Location of PDD017 showing magnetic target and associated gossanous and quartz vein material mapped at surface.

Table 1. Significant intercepts from PDD017 at Windy Hill.

Hole ID	m from	m to	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Bi (g/t)
PDD017	124.9	125.8	0.9	0.8	6.4	-	-	-	-
<i>including</i>	125.4	125.8	0.4	1.16	8.9	-	-	-	-
	143.0	145.2	2.2	-	6.35	-	-	-	165.8
	225.5	227.1	1.6	0.22	4.2	0.17	-	-	55
	242.0	244.8	2.8	-	65.57	-	1.39	0.43	181.57
<i>including</i>	244.0	244.8	0.8	0.13	184.0	-	4.09	1.04	478.0

'-' denotes no significant result. Downhole widths are reported, true widths are not known.

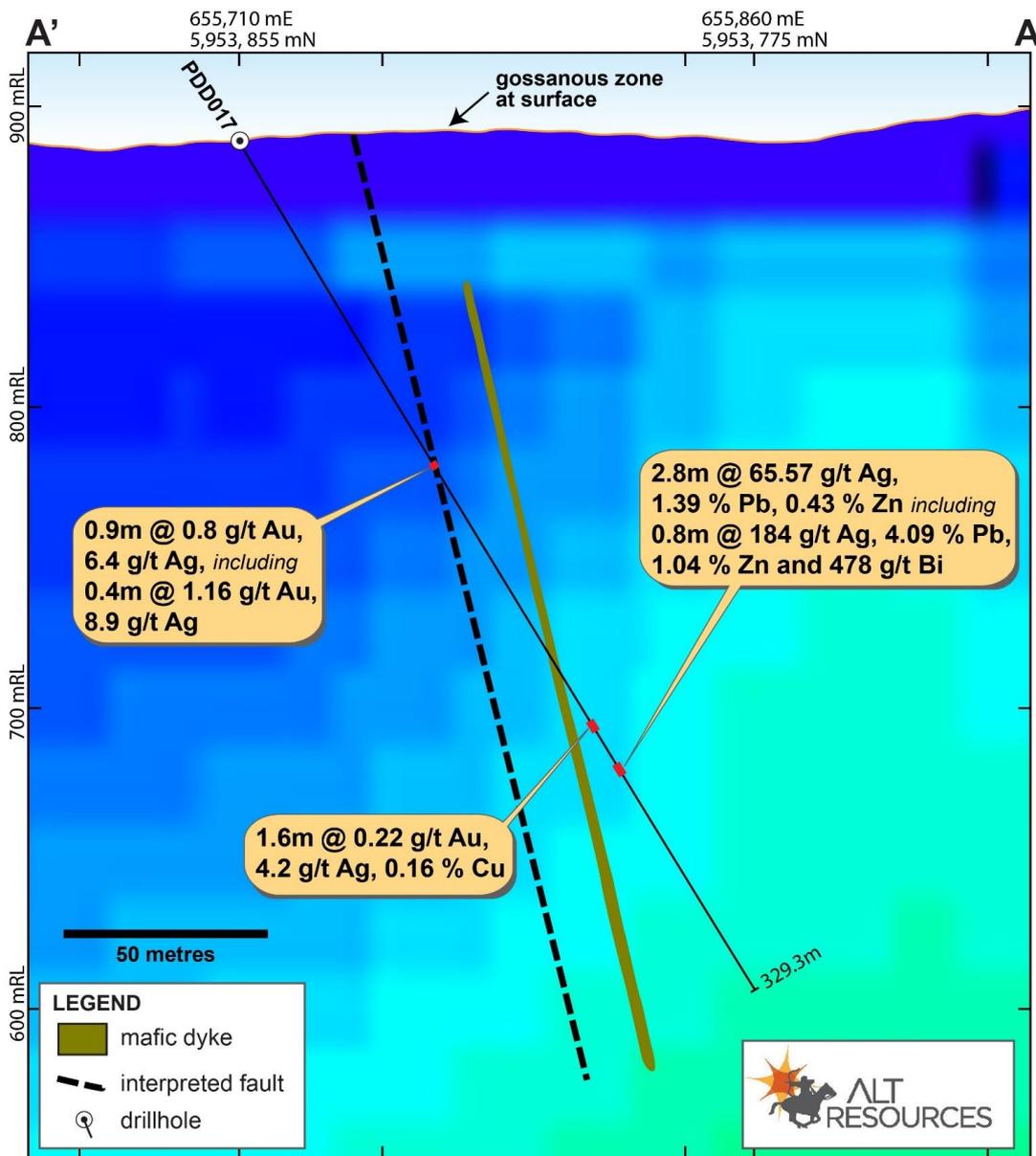


Figure 2. Cross-section of PDD017 showing magnetic target and downhole intercepts with simplified geology. The majority of the hole was drilled through turbiditic sediments.

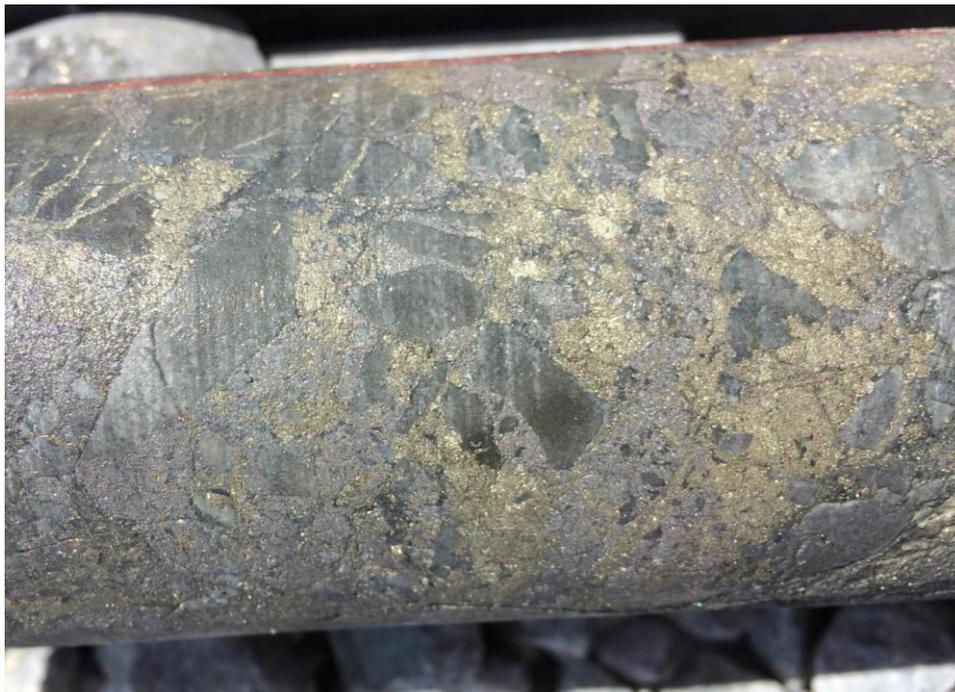


Figure 3. Photo of mineralised breccia at ~125m in PDD017 showing breccia matrix with abundant sulphide mineralisation (dominantly pyrite). The width of the core is 61.1 mm.

COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Activities is based on information compiled by Dr H. Degeling, a Competent Person and a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Dr Degeling is employed by the Company as Exploration Manager and holds securities in the Company. Dr Degeling has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 (JORC Code, 2012). Dr Degeling consents to inclusion of the information in this document in the form and context in which it appears.

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Appendix 1. Drillhole Collar for PDD017 at Windy Hill

Hole ID	Hole Type	Easting [†]	Northing [†]	GDA Zone	RL (m)	Dip	Azimuth (GDA)	Total Depth (m)
PDD017	DD	655,713	5,953,857	55	888	-60	119	329.3

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • This announcement covers an update to the program of exploration carried out by Alt Resources Ltd on its Paupong Project in southern NSW. • Diamond drilling was carried out at the Windy Hill prospect, Paupong Project, completed on the 28th March 2017. A total of 1,583m was completed, for 4 drillholes. • Detail of drilling and sampling procedures employed for drilling at the Paupong Project is outlined in the appropriate sections below.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg</i> 	<ul style="list-style-type: none"> • Diamond drilling was conducted at Windy Hill, using PQ size triple tube collars, with HQ size triple tube tails.



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).

- Core is oriented where possible, however heavily fractured core has precluded core orientation in some sections
- All DD holes were surveyed with a single shot Ranger Camera at approximately 30 m down hole intervals

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.*
- DD core recoveries were measured in the barrel, and re-checked during logging
 - To maximise sample recovery, HQ triple tube was employed during drilling. Recovery for all drillholes in this program is considered excellent.

Logging

- *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate 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.*
- All DD core has been geologically logged in detail to correspond with each sampled interval. Logging is qualitative, and all core has been or is in the process of being photographed.

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*
- Diamond drill samples were quarter sampled, using a diamond saw where possible, or chisel and trowel where excessively fractured.
 - Samples were collected at a variety of intervals depending on the degree of variability in the mineralised lithologies. The minimum sample interval is 30cm. The standard sample interval is 1m.
 - Sample intervals were also assigned so as not to cross lithological boundaries as logged by the geologist on site.



	<p>sampling.</p> <ul style="list-style-type: none">• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	
Quality of assay data and laboratory tests	<ul style="list-style-type: none">• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>• <i>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. Ba, Mo</i>• <i>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.</i>	<ul style="list-style-type: none">• Drill core and rock chip samples were sent to ALS Laboratories in Brisbane for sample preparation and assay.• Samples are being pulverized then assayed for Au by fire assay using ALS code Au-AA25, 30gm charge, and other elements by ICP, ALS code MEICP61. Cu, Au, Ag, Zn and Pb values >10,000 ppm will be re-assayed using ALS code OG-62.• QC procedures include the use of Certified Reference Materials (CRMs), blanks and duplicate samples. A CRM standard was inserted every 20 samples and a blank sample inserted every 33 samples. Acceptable levels of accuracy and precision have been established based on these QC measures for previous drillholes at Paupong.
Verification of sampling and assaying	<ul style="list-style-type: none">• <i>The verification of significant intersections by either independent or alternative company personnel.</i>• <i>The use of twinned holes.</i>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>• <i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none">• No third party assay checks have been undertaken (or are appropriate) at this stage of the exploration program.• No twinned holes have been undertaken
Location of data points	<ul style="list-style-type: none">• <i>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.</i>• <i>Specification of the grid system used.</i>• <i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none">• Drill collars were surveyed by hand held GPS to an accuracy of around 3m.• Coordinates are 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.*

- Reported drilling represents early stage testing of the Windy Hill prospect and as such is designed to determine the nature of the mineralisation
- Data is not adequate to establish a mineral resource or reserves, however may be used in the future for a resource or reserve estimate.
- No sample compositing has been applied.

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.*

- Drillcore samples were collected by consistently taking the right hand side of the core as it passes through the rock saw, to ensure unbiased sampling.
- The orientation of structures associated with the Windy Hill targets are varied, however the main geophysical targets are rounded bodies at depth below the surface, rather than planar features, therefore the influence of bias introduced by drillhole orientation and sampling is considered to be significantly reduced.

Sample security

- *The measures taken to ensure sample security.*

- After collection, drill core 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.

Audits or reviews

- *The results of any audits or reviews of sampling techniques and data.*

- No external reviews of sampling techniques and geochemical data have been undertaken for Alt Resources' drilling programs Paupong.



Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none">• <i>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.</i>• <i>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.</i>	<ul style="list-style-type: none">• The information in this release relates to EL8266, which was 30% held by GFM Exploration Pty Ltd and 70% by Alt Resources Ltd. EL8266 expired on the 28th April, and the same ground area was re-applied for by GFM Exploration (in Joint Venture with Alt Resources) as ELA 5492.• Entry agreements are in place with all landowners covering land subject to exploration described in this report.• ELA5492 is currently under application, and further exploration in the Windy Hill area will be dependent on the granting of this ELA.
Exploration done by other parties	<ul style="list-style-type: none">• <i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none">• The mineralised 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	<ul style="list-style-type: none">• <i>Deposit type, geological setting and style of</i>	<ul style="list-style-type: none">• The current exploration targets at Windy Hill comprises a



mineralisation.

newly discovered cluster of buried targets identified as magnetic anomalies within a package of Ordovician sediments. The sediments form a north trending sequence of low grade metamorphosed shale, siltstone, sandstone and turbiditic units.

- The magnetic targets at Windy Hill are associated with IP chargeability anomalies, which form doughnut-shaped haloes around the central magnetic anomaly core.
- At surface, these dual geophysical anomalies (magnetic intensity and IP) are associated with zoned geochemical anomalies based on extensive soil sampling. Geochemical anomalies in soil reveal elevated As and Cu in close proximity with the magnetic anomalism, with distal Zn and Pb anomalies.
- These features are considered by Alt Resources to support an Intrusion-Related Gold System model, with a cluster of intrusive bodies beneath the Windy Hill area.
- This model is further supported by the occurrence of large multiphase gold-bearing quartz-sulphide quartz veins and vein breccias occurring broadly across the area, some at a distance of several kilometres from the buried intrusive targets.
- Petrographic study indicates the distal quartz 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 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.*

- See Appendix 1 above for drillhole information pertaining to the new drillhole described in the body of this report.
- Significant intercepts are reported in Table 1 of this release.
- No significant information has been excluded.

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.*

- Reported drill intercepts are length weighted with varied cut-off grades.
- No cutting of high grade values has been undertaken.
- A low-grade cut-off of 1.0 g/t Au was used, with no internal waste.



Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">• <i>These relationships are particularly important in the reporting of Exploration Results.</i>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>• <i>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').</i>	<ul style="list-style-type: none">• Based on results from geological mapping (shown in Figure 1) and downhole lithological logging, it is possible that PDD017 has drilled down-dip of the mineralised structure shown in Figure 2. Without additional information to ascertain the true dip of the structure, the true width of the intercepts cannot be known.
Diagrams	<ul style="list-style-type: none">• <i>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 drill hole collar locations and appropriate sectional views.</i>	<ul style="list-style-type: none">• The location of PDD017 at the Windy Hill prospect is shown in Figure 1.• A cross-section for PDD017 is given in Figure 2 showing a simplified lithological and mineralisation interpretation based on logging and assays.
Balanced reporting	<ul style="list-style-type: none">• <i>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.</i>	<ul style="list-style-type: none">• All significant drilling results for PDD017 are reported
Other substantive exploration data	<ul style="list-style-type: none">• <i>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.</i>	<ul style="list-style-type: none">• No significant exploration data have been omitted.
Further work	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">• Sampling of the fourth hole in the Windy Hill program (PDD018) is ongoing. Samples will be sent to ALS in Brisbane once cutting is complete.• Given the spot nature of samples collected from PDD017, the remainder of the hole is currently being assessed for the potential for additional mineralised intervals.• On receipt of this final assay data, the Company intends to invest time in understanding the mineralised system at



Paupong.

- Samples from the drilling program at Windy Hill will be subject to detailed isotopic, trace element and fluid inclusion analysis in collaboration with researchers from The Australian National University. Samples will also be analysed for an extensive suite of elements through whole rock geochemical assays, and will be subject to detailed scrutiny through expert petrographic analysis.
- Reconnaissance work throughout the area will continue with further targeting to be undertaken based on a better understanding of the Windy Hill system.