

# ASX Announcement

26 October 2020



## Annual General Meeting – Notice & Proxy Form

Dear Shareholder

The Annual General Meeting (**Meeting**) of shareholders of Alta Zinc Limited (ABN 63 078 510 988) (**Company**) will be held at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia on Friday, 27 November 2020 at 2:00pm (AWST).

The Board has made the decision that it will hold a physical Meeting with appropriate social distancing measures in place to comply with the Federal Government and State Government's current restrictions on gatherings.

In accordance with the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice is available on the Company's website at [www.altazinc.com](http://www.altazinc.com).

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the proxy form in the manner set out in the Notice. Your proxy form must be received by 2:00pm (AWST) on Wednesday, 25 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting.

Circumstances relating to COVID-19 are constantly evolving and accordingly, we may make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website at [www.altazinc.com](http://www.altazinc.com).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, please contact the Company's share registry, Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

Yours sincerely

**Stephen Hills**

Finance Director / Company Secretary

Alta Zinc Limited

[info@altazinc.com](mailto:info@altazinc.com)

Alta Zinc Limited | ASX Code AZI | ABN 63 078 510 988

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# ALTA ZINC LIMITED



ABN 63 078 510 988

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

27 November 2020

**Time of Meeting**

2:00pm (AWST)

**Place of Meeting**

Quest South Perth Foreshore, 22 Harper Terrace, South Perth 6151, Western Australia

**A Proxy Form is enclosed or has otherwise been provided to you**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the Proxy Form in accordance with the specified directions.

# Alta Zinc Limited

## ABN 63 078 510 988

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Alta Zinc Limited ABN 63 078 510 988 will be held at Quest South Perth Foreshore, 22 Harper Terrace, South Perth 6151, Western Australia on 27 November 2020 at 2:00pm (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### AGENDA

#### Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2020, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

#### 1 Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 30 June 2020 as set out in the 2020 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

(a) the appointment specifies the way the proxy is to vote on Resolution 1; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

#### 2 Resolution 2 – Re-election of Marcello Cardaci as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Marcello Cardaci, who retires in accordance with clause 78 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **3 Resolution 3 - Re-election of Stephen Hills as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Stephen Hills, who retires in accordance with clause 78 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **4 Resolution 4 – Grant of Incentive Options to Stephen Hills or his nominee**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue:*

- (a) 7,000,000 Incentive Options vesting 1 March 2021, with each Incentive Option having an exercise price of \$0.012 and an expiry date of 16 September 2024;*
- (b) 7,000,000 Incentive Options vesting 1 September 2021, with each Incentive Option having an exercise price of \$0.016 and an expiry date of 16 September 2024; and*
- (c) 7,000,000 Incentive Options vesting 1 June 2022, with each Incentive Option having an exercise price of \$0.020 and an expiry date of 16 September 2024,*

*to Stephen Hills or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast in favour of the Resolution by:
  - (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution on the Proxy Form; or
  - (ii) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, pursuant to section 224 of the Corporations Act, the Company will also disregard any votes cast on Resolution 4 (in any capacity) by or on behalf a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate\* of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 4 and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate\* of such a related party.

\* Note: In relation to the immediately preceding paragraph, the word "associate" has the meaning given to that term in the Corporations Act.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 4, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on Resolution 4.**

## 5 Resolution 5 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**OTHER BUSINESS**

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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'S. Hills', with a large circular flourish on the left side.

**Stephen Hills**  
Finance Director and Company Secretary

Dated: 15 October 2020

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 4 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is

connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention, in which case an ASX announcement will be made. These rules are explained in this Notice.
- To be effective, proxies must be received by 2:00pm (AWST time) on Wednesday, 25 November 2020. Proxies received after this time will be invalid.
- Proxies forms can be delivered:
  - in person to the Company's registered office Suite 3.5, Level 3, 9 Bowman Street, South Perth, Western Australia 6151;
  - by post to Automic, GPO Box 5193, Sydney, NSW 2001;
  - by email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au);
  - by fax to +61 2 8583 3040; or
  - by recording the proxy appointment and voting instructions via the internet at <https://investor.automic.com.au/#/loginsah>. Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**)

- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2:00pm (AWST time) on Wednesday, 25 November 2020. If facsimile transmission is used, the Power of Attorney must be certified.

**Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST time) on Wednesday, 25 November 2020.

# ALTA ZINC LTD

## ABN 63 078 510 988

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2020 Annual Report be adopted. The Remuneration Report is set out in the Company's 2020 Annual Report and is also available on the Company's website ([www.altazinc.com](http://www.altazinc.com)).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 29 November 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements, and sets out the details of any equity-based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **RESOLUTION 2 – RE-ELECTION OF MARCELLO CARDACI AS A DIRECTOR**

Pursuant to Clause 78 of the Company's Constitution, Mr Cardaci, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Cardaci is a consultant to Gilbert & Tobin's Corporate Advisory Group. Mr Cardaci has advised on a range of corporate and commercial matters including public and private equity fund raisings and public and private mergers, acquisitions and divestment. Mr Cardaci also regularly advises on issues relating to the Corporations Act and the Australian Securities Exchange Listing Rules. He has cross-border experience, having advised on numerous overseas transactions including capital raisings, takeovers, schemes of arrangements and the structuring of acquisitions and joint ventures in numerous countries. Mr Cardaci has also lectured in the securities law course conducted by the Securities Institute of Australia and is a past committee member of the State Branch of the Australian Mining and Petroleum Law Association.

During the past three years, Mr Cardaci has also been serving as a director of the following listed companies:

- Manhattan Corporation Limited – appointed December 2006; and
- Cyprium Metals Ltd (formerly called Arc Exploration Ltd) – appointed 31 May 2018 resigned 10 July 2019.

Mr Cardaci was appointed as a non-executive Director on 7 October 2014, and was re-elected by Shareholders on 23 November 2017. Mr Cardaci is the Chairman of the Remuneration Committee, Nomination Committee and Audit & Risk Committee when the full board meets in its capacity as these committees.

The Directors (excluding Mr Cardaci) do not consider Mr Cardaci to be an independent Director.

The Directors (with Mr Cardaci abstaining) unanimously support the re-election of Mr Cardaci and recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – RE-ELECTION OF STEPHEN HILLS AS A DIRECTOR**

Pursuant to Clause 78 of the Company's Constitution, Mr Hills, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Hills has extensive experience in senior finance roles with public companies listed on the ASX and TSX, including sixteen years in mining companies with gold, nickel and copper producing assets. Before joining Alta Zinc, he was the Finance Director of Democratic Republic of Congo based Tiger Resources Limited from 2010, where he was involved with the financing, commissioning and operations of the Kipoi Copper Project. Before this, he was Chief Financial Officer and Company Secretary of Mirabela Nickel Limited from 2006, where he was involved in the company's listing on the TSX and subsequent capital

raisings and the initial syndicated project financing completed in 2009 for the Santa Rita nickel mine in Brazil. From 2003, he was the Chief Financial Officer of Botswana-based gold producer Gallery Gold Limited, and since the early 1990's was Chief Financial Officer of Scientific Services Limited which provided laboratory services to the resources sector.

During the past three years, Mr Hills has not served as a director of any other listed companies.

Mr Hills was appointed as Finance Director on 26 June 2017 and was re-elected at the 2018 Annual General Meeting held on 25 November 2018.

The Directors (excluding Mr Hills) do not consider Mr Hills to be an independent Director given Mr Hills' current and former executive positions with the Company.

The Directors (with Mr Hills abstaining) unanimously support the re-election of Mr Hills and recommend that Shareholders vote in favour of Resolution 3.

#### **RESOLUTION 4 – GRANT OF INCENTIVE OPTIONS TO STEPHEN HILLS OR HIS NOMINEE**

As part of the 2020 annual remuneration review process, the Board has resolved to grant a total of 21,000,000 Incentive Options under the 2018 Employee Incentive Plan (**Plan**) to Mr Hills, Finance Director, or his nominee. Mr Hills is an Eligible Participant under the Plan.

As Mr Hills is a Director of the Company, the grant of these Incentive Options is subject to obtaining Shareholders' approval.

The Company proposes to grant for no cash consideration:

- (a) 7,000,000 Incentive Options vesting 1 March 2021, with each Incentive Option having an exercise price of \$0.012 and an expiry date of 16 September 2024;
- (b) 7,000,000 Incentive Options vesting 1 September 2021, with each Incentive Option having an exercise price of \$0.016 and an expiry date of 16 September 2024; and
- (c) 7,000,000 Incentive Options vesting 1 June 2022, with each Incentive Option having an exercise price of \$0.020 and an expiry date of 16 September 2024,

to Mr Hills or his nominee.

The Incentive Options will vest and be exercisable from the dates noted above, provided Mr Hills has continued to be an employee of the Company at all times during the period commencing the date of grant of the Incentive Options and ending on the relevant vesting date noted above.

#### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Hills is a related party of the Company.

Resolution 4 relates to the proposed grant of Incentive Options to Mr Hills or his nominee, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

#### **Information Requirements – Chapter 2E of the Corporations Act**

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

***The related parties to whom the proposed Resolution would permit the financial benefit to be given and the nature of the financial benefit***

Subject to Shareholder approval, the Incentive Options will be issued as set out in the table below.

The proposed financial benefit to be given is the grant of Incentive Options for no cash consideration to Mr Hills or his nominee.

The table below also sets out the amounts that will need to be paid to the Company by Mr Hills or his nominee if the Incentive Options are exercised.

<b>Director</b>	<b>Number of Incentive Options</b>	<b>Amount to be paid (A\$)</b>
Stephen Hills (or nominee)	7,000,000 (each with an exercise price of \$0.012)	\$84,000
	7,000,000 (each with an exercise price of \$0.016)	\$112,000
	7,000,000 (each with an exercise price of \$0.02)	\$140,000
<b>Total</b>	<b>21,000,000</b>	<b>\$336,000</b>

***The details of the financial benefit including reasons for giving the type and quantity of the benefit***

The proposed grant of Incentive Options to Mr Hills or his nominee will be subject to the terms of the Company's Employee Incentive Plan (**Plan**).

The grant of Incentive Options encourages Mr Hills to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Hills) that the incentives intended for Mr Hills represented by the grant of the Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Incentive Options to be granted to Mr Hills or his nominee has been determined based upon a consideration of:

- (a) the current price of Shares;
- (b) the existing remuneration package of Mr Hills and the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Incentive Options to be granted and will ensure the Mr Hills's overall remuneration is in line with market practice; and
- (c) the provision of incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed.

### **Mr Hills' current holdings**

Set out below are details of Mr Hills' relevant interest in Equity Securities of the Company as at the date of this Notice:

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Stephen Hills	Nil	2,000,000 unlisted vested Options (each Option having an exercise price of \$0.10 and an expiry date of 28 February 2022) 2,000,000 unlisted vested Options (each Option having an exercise price of \$0.15 and an expiry date of 28 February 2022) 2,000,000 unlisted vested Options (each Option having an exercise price of \$0.20 and an expiry date of 28 February 2022) 3,000,000 unlisted vested Options (each Option having an exercise price of \$0.05 and an expiry date of 30 June 2022)

### **Dilution effect of grant of Incentive Options on existing Shareholders' interests**

If passed, Resolution 4 will give the Directors power to grant a total of 21,000,000 Incentive Options.

The Company currently has 3,610,699,176 listed Shares, 463,512,394 listed Options and the following unlisted Options on issue:

<b>Vested/Vesting Date</b>	<b>Number</b>	<b>Exercise Price<sup>1</sup></b>	<b>Expiry Date</b>
Vested	4,000,000	\$0.12	18 November 2020
Vested	4,000,000	\$0.18	18 November 2020
Vested	250,000	\$0.24	18 November 2020
Vested	2,000,000	\$0.10	28 February 2022
Vested	2,000,000	\$0.15	28 February 2022
Vested	2,000,000	\$0.200	28 February 2022
Vested	11,750,000	\$0.050	30 June 2022
Vested	15,000,000	\$0.008	18 September 2024
18-Sep-24	15,000,000	\$0.012	18 September 2024
Vested	15,000,000	\$0.008	16 September 2024
Vested	15,000,000	\$0.012	16 September 2024
16-Mar-21	15,000,000	\$0.016	16 September 2024
Vested	46,390,289	\$0.010	28 February 2022

<sup>1</sup> Exercise Price has not been adjusted for any rights issues.

If all Incentive Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 0.497%. The market price of the Company's Shares during the period of the Incentive Options will normally determine whether or not Mr Hills or his nominee exercises the Incentive Options. At the time any Incentive Options are exercised and Shares are issued pursuant to the exercise of the Incentive Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Incentive Options.

#### **Mr Hills' total remuneration package**

Mr Hills' fees per annum (including superannuation) and the total financial benefit to be received by him in this current period, as a result of the grant of the Incentive Options the subject of Resolution 4, is as follows:

<b>Director</b>	<b>Fees p.a. (A\$)</b>	<b>Value of Incentive Options (A\$)</b>	<b>Total Financial Benefit (A\$)</b>
Stephen Hills	\$265,000	\$11,579	\$276,579

The indicative option valuation of A\$11,579 is a theoretical valuation of the Incentive Options using the Black-Scholes Model.

#### **Valuation of Incentive Options**

The Company's internal management has valued the Incentive Options to be granted to Mr Hills or his nominee using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

<b>Variable</b>	<b>Input</b>		
Valuation Date	15 October 2020		
Share price (based on the ASX closing price on 8 October 2020)	\$0.005		
Volatility	50.775%		
Estimated risk free interest rate (based on Australian Govt. 5 year bond yield)	0.30%		
Exercise price	\$0.012	\$0.016	\$0.02
Time (years to expiry)	3.92	3.92	3.92

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to Mr Hills or his nominee is A\$0.00055 per Incentive Option.

### **Company's historical Share price**

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 15 October 2020:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.01 / 21 January 2020	\$0.002 / 23 March 2020	\$0.005 / 15 October 2020

### **Other Information**

Under the Australian Equivalent of the International Financial Reporting Standards (**IFRS**), the Company is required to expense the value of the Incentive Options. These Incentive Options will commence being expensed in the financial year ended 30 June 2020 and continue to be expensed over the period of vesting.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs, taxation consequences for the Company or benefits foregone by the Company in granting the Incentive Options pursuant to Resolution 4.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 4.

### **Information Requirements - Listing Rules 10.14 and 10.15**

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Incentive Options under the Plan to Mr Hills or his nominee.

If this Resolution is passed, the Company will grant Incentive Options to Mr Hills or his nominee as noted above.

If this Resolution is not passed, the Company will not grant Incentive Options to Mr Hills or his nominee and will need to consider other ways to remunerate Mr Hills.

The following information is provided to Shareholders in relation to Resolution 4 for the purposes of Listing Rule 10.15:

- (a) the Incentive Options will be granted to Mr Hills, or his nominee, as noted above;
- (b) Mr Hills is a Director of the Company, and therefore falls within Listing Rule 10.14.1;
- (c) the issue of Incentive Options the subject of this Resolution is intended to remunerate or incentivise Mr Hills, whose current total remuneration package is set out above;
- (d) the maximum number of Incentive Options to be granted is 21,000,000;
- (e) the Incentive Options will be granted for no cash consideration;
- (f) no funds will be raised by the grant of the Incentive Options;
- (g) all Directors, or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolution 4, at this time, the Company is only seeking to grant Incentive Options to Mr Hills or his nominee. The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Mr Geraint Harris, Mr Alexander Burns and Mr Stephen Hills;

- (h) Mr Hills has previously been issued 12,000,000 Options under the Plan for no acquisition price. The following persons referred to in Listing Rule 10.14 have received securities under the Plan since its last approval under Listing Rule 7.2 Exception 9(b). All of the Options noted in the table below were issued for nil cash consideration

Person	Number of Options	Exercise Price	Expiry Date
Geraint Harris	15,000,000	\$0.008	16 September 2024
	15,000,000	\$0.012	16 September 2024
	15,000,000	\$0.016	16 September 2024

- (i) no loan is provided in connection with the acquisition or conversion of the Incentive Options;
- (j) the terms and conditions of the Incentive Options are set out in Annexure A to this Explanatory Memorandum;
- (k) the Incentive Options were selected for the purposes of providing a long term incentive in accordance with the Company's Remuneration Policy and in keeping with the Company's objectives in establishing the Employee Incentive Plan, that is, to provide cost effective and efficient incentives in an alternative form to cash bonuses or increased remuneration;
- (l) as noted above, the Company's internal management have valued the Incentive Options using the Black – Scholes Model. Based on the assumptions set out above, it is considered that the estimated average value of the Incentive Options to be granted to Mr Hills or his nominee is \$0.00055 per Incentive Option. Therefore, the total value of the Incentive Options to be issued to Mr Hills or his nominee pursuant to this Resolution is \$11,579;
- (m) a summary of the material terms of the Plan is set out in Annexure B to this Explanatory Memorandum;
- (n) the Incentive Options will be issued on a date being no later than 3 years after the date Shareholder approval is obtained for Resolution 4;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (p) details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

If approval is given for the grant of the Incentive Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### ***Voting***

Note that a voting exclusion applies to Resolution 4 in the terms set out in the Notice.

The Directors (with Mr Hills abstaining) unanimously support the grant of Incentive Options to Mr Hills and recommend that Shareholders vote in favour of Resolution 4.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

### Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables an eligible entity to seek approval from its shareholders, by way of a special resolution passed at its annual general meeting, to increase this 15% limited by an extra 10% to 25% (**Additional 10% Placement Capacity**).

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$18.053 million as at 15 October 2020 and is an eligible entity for the purposes of Listing Rule 7.1A.

Resolution 5 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards progressing the Company's exploration projects and working capital.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the Additional 10% Placement Capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

### Listing Rule 7.1A

Based on the number of Shares on issue at the date of this Notice, the Company will have 3,610,699,176 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 5, 361,069,917 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

#### **$(A \times D) - E$**

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months before the date of issue or agreement under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (b) plus the number of fully paid Shares issued in the 12 months before the date of issue or agreement on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- (i) the convertible securities were issued or agreed to be issued before the commencement of the 12 months before the date of issue or agreement; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
- (c) plus the number of fully paid Shares issued in the 12 months before the date of issue or agreement within Listing Rule 7.2 exception 16 where:
- (i) the agreement was entered into before the commencement of the 12 months before the date of issue or agreement; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- (d) plus the number of partly paid Shares that become fully paid in the 12 months before the date of issue or agreement; and
- (e) less the number of fully paid Shares cancelled in the 12 months before the date of issue or agreement.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0025 Issue price at half the current market price	\$0.005 Issue price at current market price	\$0.010 Issue price at double the current market price
<b>Current Variable 'A'</b> 3,610,699,176 Shares	<b>Shares issued</b>	361,069,917	361,069,917	361,069,917
	<b>Funds raised</b>	\$902,674	\$1,805,349	\$3,610,699
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 5,416,048,764 Shares	<b>Shares issued</b>	541,604,876	541,604,876	541,604,876
	<b>Funds raised</b>	\$1,354,012	\$2,708,024	\$5,416,048
	<b>Dilution</b>	10%	10%	10%
	<b>Shares issued</b>	722,139,835	722,139,835	722,139,835

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0025 Issue price at half the current market price	\$0.005 Issue price at current market price	\$0.010 Issue price at double the current market price
100% increase in current variable 'A' 7,221,398,352 Shares	Funds raised	\$1,805,349	\$3,610,699	\$7,221,398
	Dilution	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

### Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities to be issued will be in an existing quoted class of Equity Securities and will be issued for cash consideration at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
  - (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities.
- (c) The table above on page 12 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
  - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 15 October 2020, being \$0.005 (current market price), where the issue price is halved, and where it is doubled; and
  - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting;
  - (ii) the time and date of the Company's next Annual General Meeting; and
  - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (e) The Company intends to use the funds from the issue the Equity Securities to progress the Company's exploration projects and working capital. The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.
- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlement offer;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2019. In the 12 months preceding the date of the Meeting, the Company has issued 220,214,872 Equity Securities under Listing Rule 7.1A which represents 10.14% of the total number of Equity Securities on issue at the commencement of that 12 month period. The number of Equity Securities issued under Listing Rule 7.1A exceeds 10% of the amount of the total number of Equity Securities on issue at the commencement of that 12 month period because the Company undertook various issues of Equity Securities which increased Variable "A" as set out above. Set out in Annexure C is information in relation to each issue of Equity Securities under Listing Rule 7.1A in the 12 months preceding the date of the Meeting.

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out on page 11.

**Additional Placement Period** has the meaning set out on page 14.

**Annual Report** means the annual report of the Company for the year ended 30 June 2020.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2020.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual appointed under clause 51 of the Constitution.

**Company** means Alta Zinc Limited ABN 63 078 510 988.

**Constitution** means the Company's constitution, as amended from time to time.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Incentive Option** means an option to acquire a Share on and subject to the terms of the Plan, which is the subject of Resolution 4.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the Annual General Meeting convened by the Notice.

**Notice** means this Notice of Annual General Meeting.

**Notice of Meeting** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Plan** has the meaning set out on page 3.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2020.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 1.

**Spill Resolution** has the meaning set out on page 1.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means the volume weighted average price.

## ANNEXURE A – Terms of Incentive Options

1. Each Incentive Option entitles the holder to subscribe for one Share upon exercise of each Incentive Option.
2. The Exercise Price, Vesting Date and Expiry Date of each Incentive Option is referred to in the table below:

Number	Exercise Price	Vesting Date	Expiry Date
7,000,000	\$0.012	1 March 2021	16 September 2024
7,000,000	\$0.016	1 September 2021	16 September 2024
7,000,000	\$0.020	1 June 2022	16 September 2024

3. The Incentive Options will be subject to the terms and conditions of the 2018 Employee Incentive Plan, a summary of which is set out in Annexure B.
4. Shares Issued on exercise of the Incentive Options rank equally with the Shares of the Company.
5. Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Incentive Options.
6. Timing of Issue of Shares

After an Incentive Option is validly exercised, the Company must, within 10 business days following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Incentive Options:

- (a) issue the Shares;
  - (b) if required, give ASX a notice that complies with section 708(5)(e) of the *Corporations Act*, or, if the Company is unable to issue such a notice, lodge with ASIC, a prospectus prepared in accordance with the *Corporations Act* and do all things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of Shares does not require disclosure to investors; and
  - (c) do all such acts matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 business days after issuing the Share.
7. No application for quotation of the Incentive Options will be made by the Company.
  8. The Incentive Options are not transferable otherwise than with the prior written consent of the Board.
  9. An application for Shares on exercise of the Incentive Options must be lodged with the Company with the appropriate remittance in Australian currency.

## ANNEXURE B – Summary of the Employee Incentive Plan

The key features of the Plan are summarised below:

<i>Eligible participants:</i>	<p>The following will be eligible to be granted Incentives under the Plan:</p> <ul style="list-style-type: none"> <li>• full and part time employees of any Alta Zinc group company (wherever they reside), including any director of any Alta Zinc group company who holds salaried employment or office in a group company;</li> <li>• any contractor (whether an individual or a company) who is eligible in accordance with the terms of the Plan; and</li> <li>• any other person has been declared by the Board to be an eligible participant for the purposes of the Plan.</li> </ul> <p>Further regulatory requirements for executive Directors or employees residing outside Australia may apply.</p> <p>Eligible participants may renounce any offer of Incentives under the Plan to specified nominees if such renunciation is approved by the Board.</p>
<i>Entitlement for Performance Rights:</i>	Subject to the terms of the Plan, vesting and the satisfaction of any performance conditions, each Performance Right entitles the holder to receive one Share.
<i>Exercise price for Performance Rights:</i>	There is no consideration payable upon the grant or exercise of a Performance Right.
<i>Entitlement for Options:</i>	Subject to the terms of the Plan, vesting and the satisfaction of any performance conditions, each Option entitles the holder to acquire (whether by purchase or subscription) and be allotted one Share on the exercise of the Option.
<i>Exercise price for Options:</i>	There is no consideration payable upon the grant of an Option. The exercise price of an Option will be determined by the Board in its absolute discretion.
<i>Vesting conditions:</i>	The Board, at the time of the grant of an Incentive under the Plan, will determine what (if any) vesting conditions need to be satisfied before the Incentives may be exercised.
<i>Vesting on change of control:</i>	<p>The Board has absolute discretion to determine that all or a portion of Incentives that remain subject to a vesting condition immediately vest and are received or become exercisable by the participant in the event that:</p> <ul style="list-style-type: none"> <li>• a takeover bid is made for the Company;</li> <li>• another corporate transaction is pursued (such as a scheme of arrangement, selective capital reduction etc) which results in the bidder acquiring voting power to more than 50% of the Company; or</li> <li>• the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board of the Company.</li> </ul> <p>Incentives will lapse on their expiry date.</p>
<i>Vesting in other circumstances:</i>	The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of the Company's main undertaking or on a winding up of the Company.
<i>Expiry date:</i>	The Board will set out in an invitation to participate in the Plan the date and times when any Incentives lapse.
<i>Impact of cessation of employment:</i>	Treatment of Incentives on cessation of employment:

	Cause	Incentives which have not vested	Incentives which have vested
	Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
	Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse	Right to exercise is immediately suspended for 14 days. During this period, the Board may lift the suspension and allow the Incentives to be exercised for a period ending no later than the date the Incentive lapses.  If the Board does not lift the suspension, the Incentives will immediately lapse at the end of the suspension period
	Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	May be exercised until the Incentive lapses
	Redundancy, constructive dismissal, other termination by Company not dealt with above	Immediately lapse unless Board determines otherwise	May be exercised until the Incentive lapses
<i>Exercise into acquirer shares:</i>	Subject to the Listing Rules, the Plan provides flexibility for the Company to agree with any successful acquirer of the Company to an arrangement whereby Incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Shares. Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the holder may exercise or vest Incentives to acquire Shares, but with appropriate adjustments to the number and kind of Shares subject to the Incentives, as well as to any exercise price.		
<i>Transferability:</i>	Incentives are only transferable upon a takeover bid where the Incentives are transferred to the bidder, upon a scheme of arrangement where the Incentives are transferred to the acquirer, by force of law upon death of the Incentive holder or upon bankruptcy of the Incentive holder, or otherwise with the consent of the Board.		
<i>Right to participate in dividends:</i>	Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.		
<i>Adjustment for rights issues:</i>	The exercise price of Incentives (if applicable) will be adjusted in the manner provided by the Listing Rules in the event of the Company conducting a rights issue prior to the exercise and lapse of the relevant Incentive.		
<i>Other rights to participate in bonus issues, reorganisations and new issues etc:</i>	If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Incentives if they were exercised (in the case of Options) or are vested and are received (in		

	<p>the case of Performance Rights) immediately prior to the record date for the bonus issue.</p> <p>In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.</p> <p>Subject to the terms of the Plan and as otherwise set out above, during the currency of the Incentives and prior to their exercise (in the case of Options) or vesting and receipt (in the case of Performance Rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the Incentives.</p>
<i>Listing:</i>	The Incentives will not be listed.
<i>Board discretion:</i>	<p>The Board has power to determine the appropriate procedures for administration of the Plan in accordance with its terms.</p> <p>Notwithstanding the Board's current policy, under the terms of the Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Plan, without the requirement for further Shareholder approval.</p>

## ANNEXURE C

### Equity Securities issued by the Company under Listing Rule 7.1A during the 12 months preceding the Annual General Meeting

Date	Type of Equity Securities	Number issued	Summary of Terms	Allotees	Issue Price and discount to market price on date of issue (if any)	Consideration
1 July 2020	Shares	220,214,872	Fully paid ordinary shares	Institutional & Sophisticated investors	\$0.004 (no discount to market price)	Approximately \$880,859 total cash consideration received. This amount has not yet been spent and is intended to fund underground diamond drilling, corporate costs and general working capital requirements



Alta Zinc Limited | ABN 63 078 510 988

# Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Wednesday 25 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolutions 1 and 4, in which case an ASX announcement will be made.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Alta Zinc  
Suite 3.5, Level 3, 9 Bowman Street, South Perth,  
Western Australia 6151

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

