ALTA ZINC LTD

AND CONTROLLED ENTITIES

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at https://www.altazinc.com/corporategovernance.

CHAIRMAN'S LETTER

Our key objective this year was to materially increase the tonnes and grade for Gorno to achieve a robust mineral inventory that will underpin the project. Due to the efficient work of our team, combined with the extensive nature of the rich mineralisation in the district, we managed to increase the Resource by 240% and the contained zinc metal by over 330%, both are outstanding achievements.

With the recently updated Mineral Resource estimate (summarised separately in this report) coupled with the recently updated Exploration Target, we have now demonstrated that Gorno has the potential to become a Tier 1 base metals asset.

Furthermore, based on the extensive metallurgical testwork already completed, once it is in production Gorno's concentrates will be arguably the highest quality in Europe and possibly the world. Combined with its location and proximity to refineries, Gorno's clean concentrates will be keenly sought after to help achieve their increasingly stringent emissions targets and thereby minimise costly fines.

In parallel with the extensive technical work for the project, the team has also been working closely with the responsible authorities in Italy on the regulatory side. Based on our regular consultations and feedback for the Mining Licence application, I am pleased to report that the authorities remain fully supportive.

With our unique first mover advantage in Italy, we have been able to identify and apply for other historic mining districts to complement the main focus on Gorno. The most advanced of these is the Punta Corna Co-Ni-Cu-Ag Project in Piedmont where we have secured two exploration licences over richly mineralised veins that were mined in the past, but that remain highly prospective for electric vehicle (EV) metals.

The 2020 fieldwork program confirmed the discovery of new high-grade Co-Ni and Cu-Ag veins. We were also able to map and sample veins that had been bulk sampled and assayed in the late 1930s, confirming the mineralisation is present over an approximate area of 2km strike by 1.3km vertically and remains open. Further work is planned, including drilling subject to permission being granted.

The EU is at the forefront of the EV revolution having now surpassed China for EV sales and with an ever-increasing number of Gigafactories planned in Europe to provide batteries to local car manufacturers. They are also investing heavily in the metal intensive infrastructure required to support the legislated growth of EVs and aim to reduce dependence on strategic metals from outside the EU.

Alta took a strategic decision to research the other historic mining areas in Italy beyond Gorno (Zn-Pb-Ag) and Punta Corna (Co-Ni-Cu-Ag) that produced metals required for the EV revolution. This led us to apply for EL's over two areas that were producers of Cu, Co and Mn from high-grade deposits with untapped potential.

With our excellent team, unrivalled portfolio, growing stature of our projects and supportive regulatory and fiscal environment, the Company is well positioned to reward shareholders for their patience. I would like to take this opportunity to thank everyone for your support and acknowledge all of our Italian stakeholders.

Yours sincerely

Alexander Burns
Non-executive Chairman
29 September 2021

OPERATIONS REPORT

Alta's focus is its brownfields Gorno Zinc Project, located in the Lombardy region in northern Italy and the Punta Corna Cobalt Project in the Piedmont region. The Company has also recently applied for licences over two of the most significant historical copper mining districts in Italy. Since establishing an in-country presence in Italy in 2015, Alta has built a strong project team that understands the regulatory framework and environmental requirements, has a well-established track record of securing the necessary permits and licences to operate and has developed a rapport with national stakeholders and the community.

During the last financial year, Alta continued its exploration programs at Gorno with the work completed culminating in an updated Mineral Resource estimate (MRE)[1] and Exploration Target[2]. These outcomes represent key milestones which are pivotal to workstreams to deliver an up-scaled mine plan and plant configuration that will underpin Alta's plans for a Gorno mine restart in 2024.

At Punta Corna, Alta has drill-ready targets ready to commence when the required permitting is finalised. The Project has been significantly advanced through several campaigns of surface geological mapping and sampling and an in-depth review of historical project exploration and research. This has greatly increased confidence in the untapped mineral potential of the Project area.

Alta's pipeline of opportunities for critical base and battery metals in projects in Italy has been expanded, with applications made for exploration licences over the historic mining areas of Monte Bianco in Liguria and Corchia in Emilia Romagna. Both are brown-field sites and formerly high-grade producers of copper and associated elements, which ceased production at times of low metal prices and without the benefit of modern exploration techniques.

ITALIAN PROJECTS

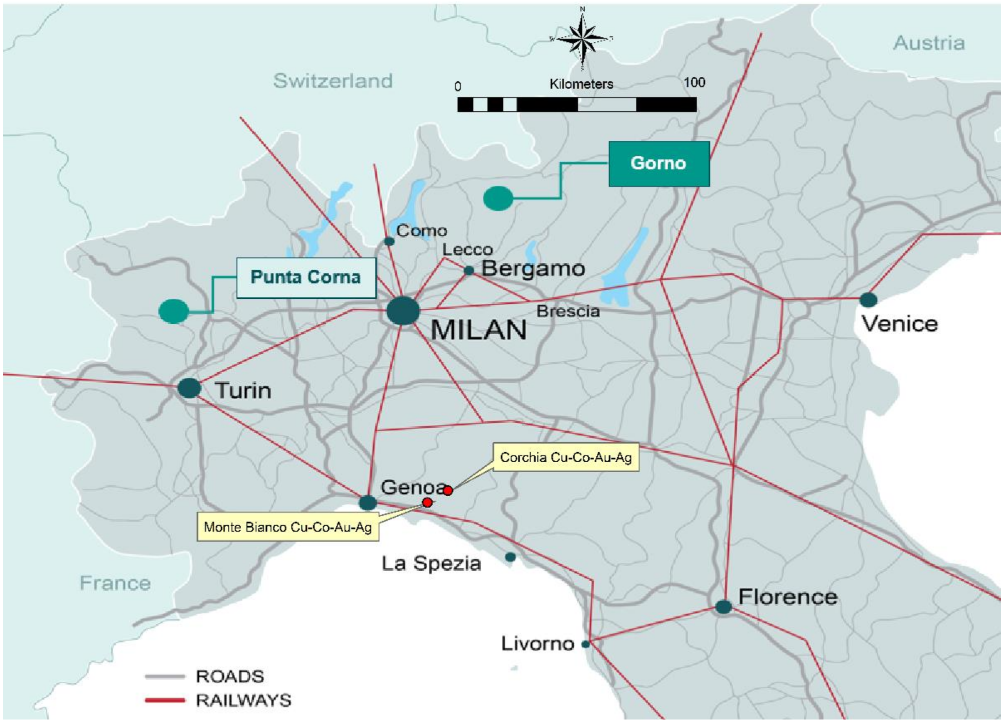

Figure 1: Location of Italian Projects

[1] ASX announcement 14 July 2021

[2] ASX announcement 17 September 2012

Gorno Zinc Project, Lombardy, Northern Italy

The Gorno Zinc Project is located in the Lombardy region of northern Italy and encompasses an extensive Mississippi Valley type (MVT) zinc-lead geological system. The Lombardy Region has a long history of mining extending back over 2,500 years to the Celtic period and the Gorno licences cover a number of partly inter-connected zinc-lead mines that were exploited up until the early 1980s.

Gorno Exploration

Using the information from archival research, historical drilling by SAMIM, geophysics studies and channel sampling, the Company commenced a major diamond drilling program in November 2019 using drill pad locations established in the existing underground tunnels of the Gorno mine.

In July 2020 drilling was resumed after a hiatus caused by COVID 19 restrictions. Initially drilling was focused on expanding the central Pian Bracca mineralised zone and thereafter on the newly discovered Pian Bracca South exploration corridor. In February 2021, rehabilitation of the old access was successfully completed and drilling commenced at Ponente to test this area given it was known to host a significant north-west extension of the Metallifero formation.

A total of 85 diamond core holes (totalling 6,231m) and 34 channel samples were completed from underground workings in 15 months, with excellent assay results obtained to feed into an updated MRE calculation.

Figure 2: Diamec-230 Drill Rig Underground at Ponente

Mineral Resource Estimate

As a direct outcome of the results obtained from the highly successful exploration campaign, Alta commissioned CSA Global to prepare an updated mineral resource estimate in accordance with the requirements of the JORC Code (2012).

Table 1: Gorno Deposit Mineral Resource Estimate reported above a cut-off grade of 1% Zn

Domain	JORC Classification	Tonnes kt	Zinc Total		Lead Total		Silver	
			%	kt	%	kt	g/t	koz
Sulphide	Indicated	4,020	6.9	280	1.8	70	32	4,170
	Inferred	2,770	6.9	190	1.7	50	33	2,970
	Total	*6,790*	*6.9*	*470*	*1.8*	*120*	*33*	*7,140*
Oxide	Indicated	780	6.1	50	1.8	14	29	730
	Inferred	220	5.8	10	1.4	3	24	170
	Total	*1,000*	*6.0*	*60*	*1.7*	*20*	*28*	*900*
Total	Indicated	4,790	6.7	320	1.8	90	32	4,900
	Inferred	3,000	6.8	210	1.7	50	33	3,140
	Total	**7,790**	**6.8**	**530**	**1.8**	**140**	**32**	**8,040**

The MRE of 7.8Mt grading 6.8% Zn, 1.8% Pb and 32g/t Ag represents an increase of tonnes by a factor of 2.4x and zinc grade by 40% compared to the previous Zorzone MRE (2017). Of significance, over 63% is classified in the Indicated Resource category. The MRE has been depleted for known workings.

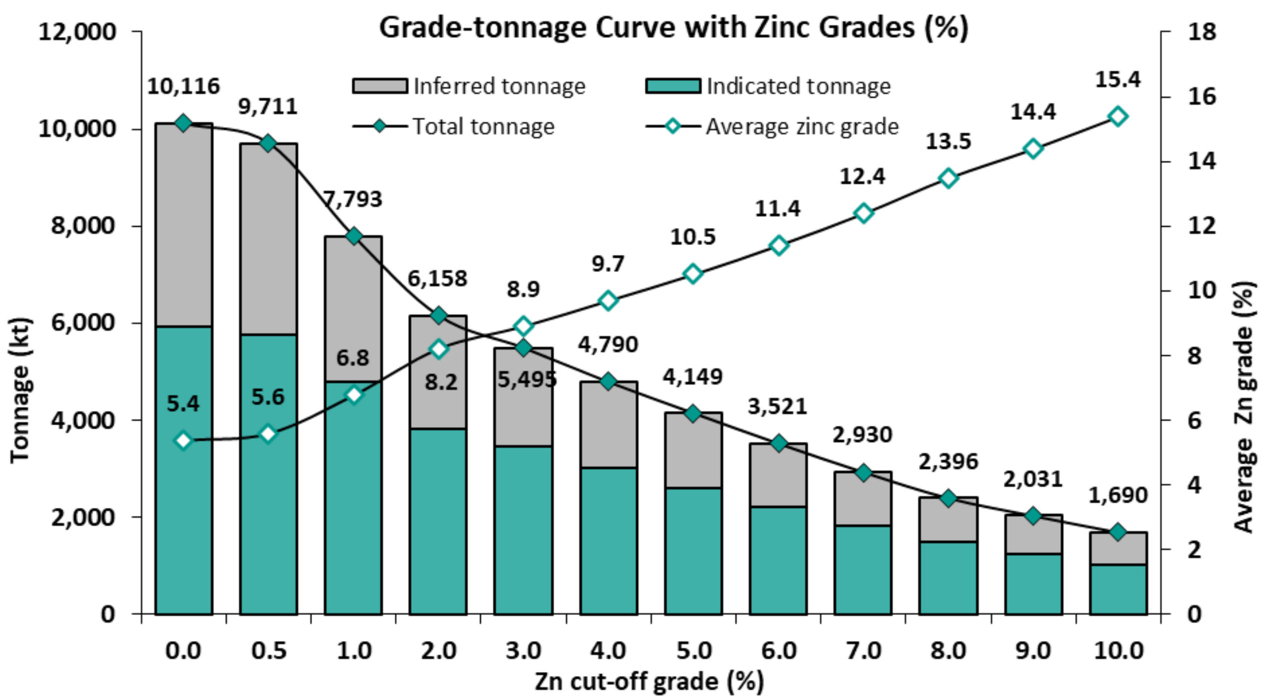

Figure 3: Grade Tonnage Curve Showing Zinc Grades

The mineralisation remains open in all directions outside of the MRE, including to the east and west of the bounding faults.

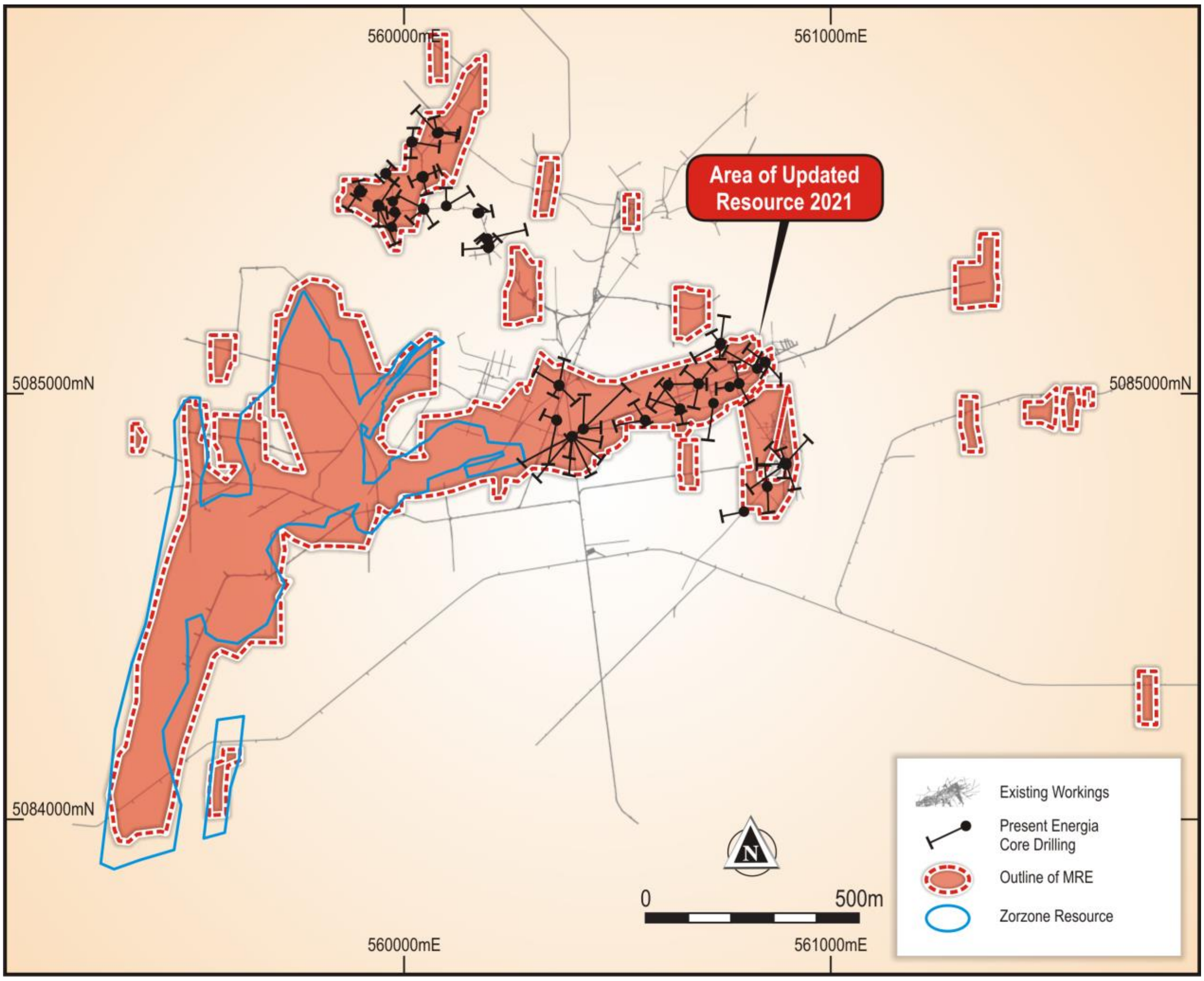

Figure 4: Plan Outline of the Updated MRE with the Company's Drilling 2019 to Present

The MRE will significantly underpin future mining and metallurgical studies, to fast-track the feasibility study and development of the Gorno Project as one of Europe's premier zinc-lead-silver deposits.

Exploration Target

Using the increased knowledge and understanding gained of the Gorno district geology, Alta has reviewed the exploration potential of the area within the boundaries of the current Gorno mining licence renewal application. This has resulted in a restated Exploration Target of between 17.4 and 22.0 million tonnes at a grade ranging between 8.5% and 10.4% zinc, 1.9% and 2.4% lead, and 19g/t and 23g/t silver. The Exploration Target is in addition to and contiguous with the recently announced Mineral Resource estimate (MRE).

The Exploration Target is all contained within the Company's granted Exploration Licence (EL) where there is substantive geological information relating to the historical and recent diamond drilling and geological mapping by the Company and prior owners. However, this exploration target excludes several other less explored but highly prospective areas which extend west, east and south and historical workings that lie outside of the EL but inside of the current Mining Licence renewal area.

Table 2: Exploration Target Estimated Tonnes & Grades by Area

Target	Tonnes (From)	Tonnes (To)	Zn % (From)	Zn % (To)	Pb % (From)	Pb % (To)	Ag g/t (From)	Ag g/t (To)
1	880,000	1,150,000	6.4	7.8	1.3	1.6	20	25
2	310,000	400,000	6.4	7.8	1.4	1.7	15	19
3	460,000	600,000	1.9	2.3	0.4	0.4	5	6
4	130,000	170,000	1.5	1.8	0.5	0.7	15	18
5	430,000	570,000	4.0	4.9	0.9	1.1	10	13
6	2,250,000	2,930,000	3.4	4.1	0.7	0.8	3	4
7	400,000	520,000	2.9	3.6	0.8	1.0	16	19
8	1,400,000	1,820,000	5.9	7.3	1.4	1.7	14	17
9	1,880,000	2,440,000	4.3	5.2	0.8	1.0	10	12
10	1,710,000	1,900,000	12.0	14.6	2.1	2.6	46	56
11	3,860,000	4,640,000	15.1	18.5	3.9	4.7	34	42
12	1,010,000	1,310,000	7.1	8.6	1.6	1.9	28	34
13	2,760,000	3,590,000	9.7	11.9	2.2	2.6	3	4
Total	**17,400,000**	**22,000,000**	**8.5**	**10.4**	**1.9**	**2.4**	**19**	**23**

Proposed Exploration and Development

Alta aims to both grow the Mineral Resource estimate and upgrade the resource category, with portions of the Exploration Target currently being drill tested that campaign is also set to expand within the next 12 months (Figure 5) The outcomes of that exploration, as well as the current MRE, will be integrated into a proposed Definitive Feasibility Study (DFS) which the Company intends to commence in early 2022.

Drilling of the other Exploration Target areas will continue in parallel with any prospective mine construction, development and production phases as the Company seeks to realise the full potential of the mineralisation within the greater Gorno district.

Advanced Metallurgical Testwork

Metallurgical testing results for the Gorno Project show that high metallurgical recoveries at 96.0% for zinc, 74.2% for lead and 59.1% for silver can be achieved.

Notably, the zinc concentrate grade is 63.3% Zn with exceptionally low iron and silica values (1.66% Si and 0.62% Fe). The lead concentrate grade is 75.8% Pb with 810g/t Ag contained and also has exceptionally low levels of contaminants.

The pre-feasibility study (PFS) level of the testwork illustrates that the Gorno metallurgy is substantially de-risked. The proposed flowsheet envisages a simple crush, grind, flotation processing route similar to that used with success historically at Gorno and typical for many MVT type deposits, with a low bond work index (of 11.65 kWh/t) and excellent metal liberation at a coarse grind size (P80 of 120 microns).

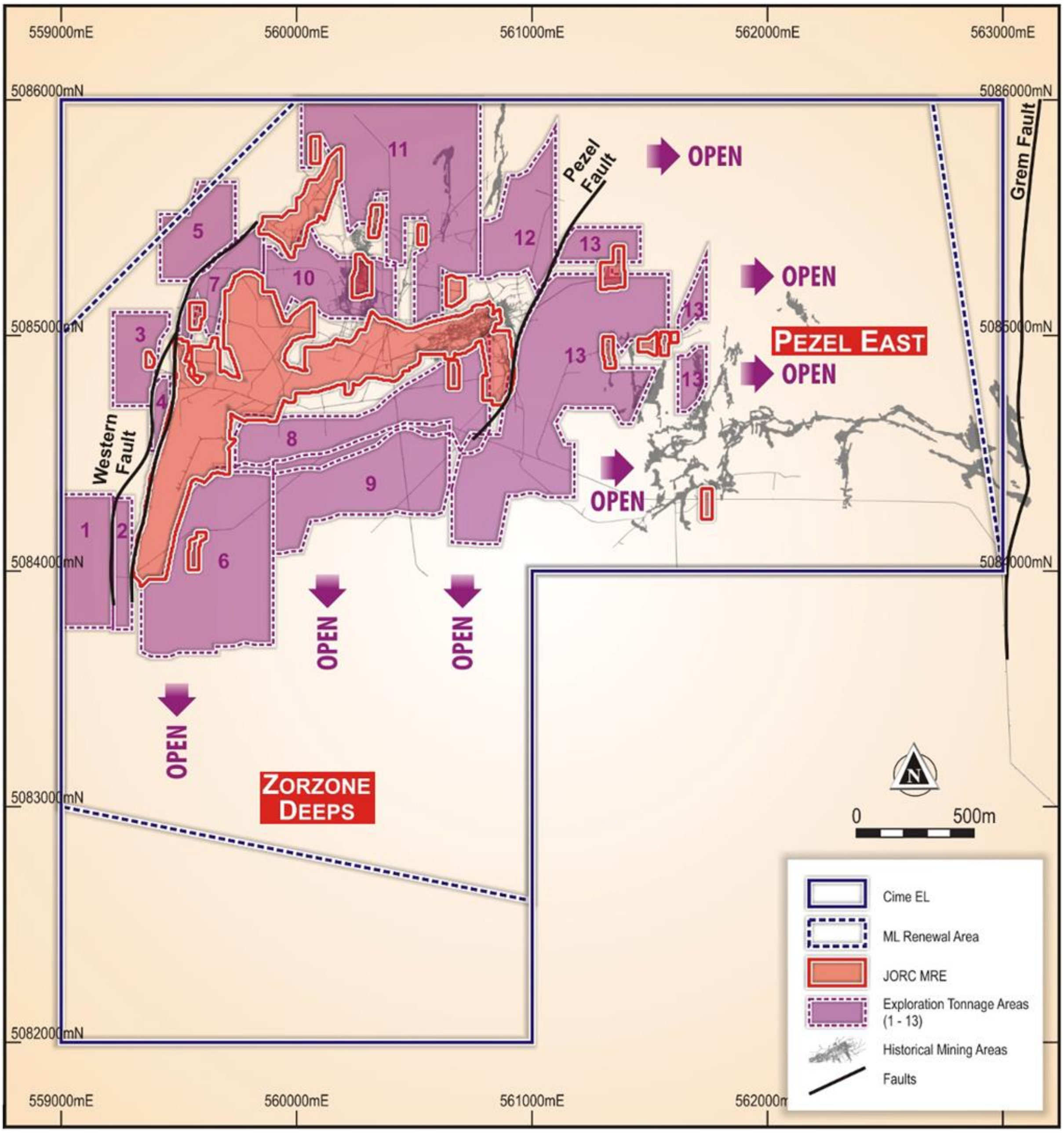

Figure 5: Exploration Licence with Exploration Target Areas

A preliminary independent concentrate marketing study confirms that these concentrates will be amongst the highest grade and cleanest concentrates available globally. As such they are likely to be highly sought after and have the potential to command superior economics, by European and worldwide smelters looking to improve the blend of their feedstock from the growing international supply of lower-quality concentrates.

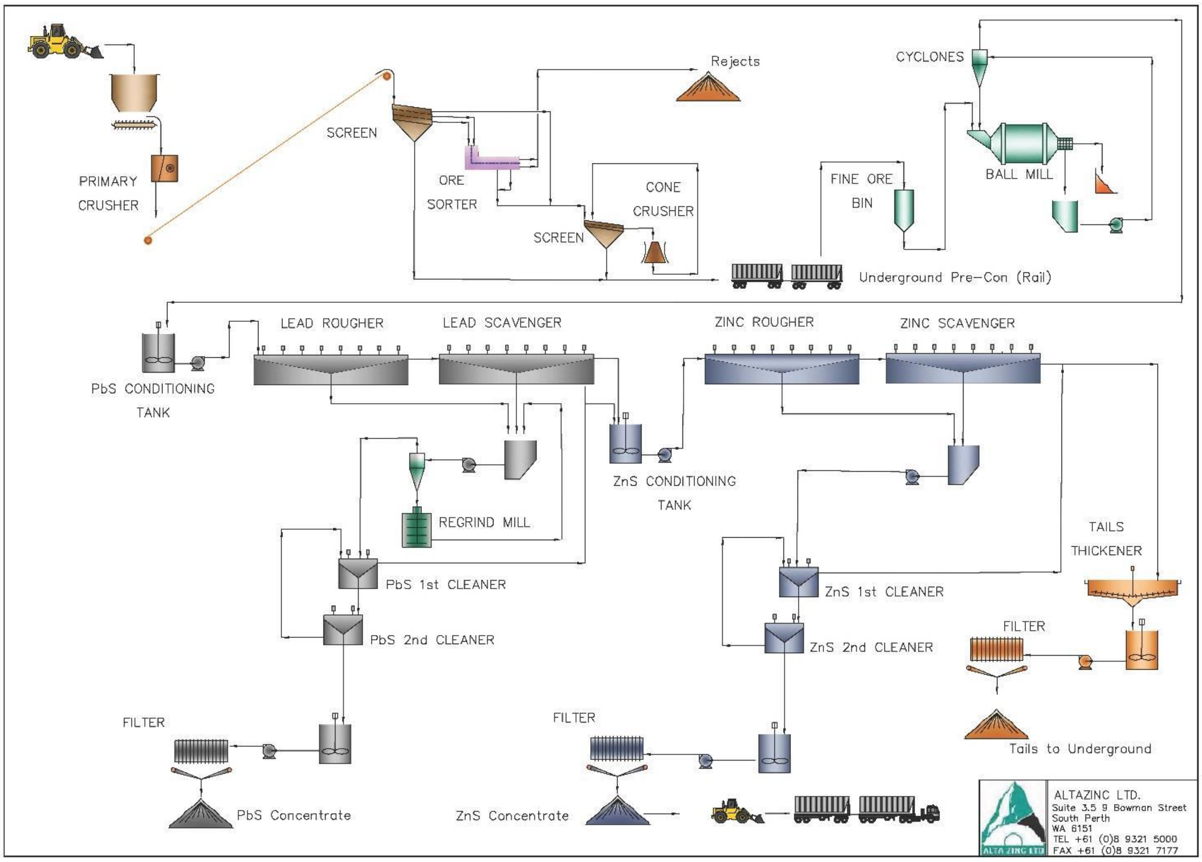

Figure 6: Proposed Gorno Mineral Processing Flowsheet

Technical Studies and Permitting Activities

During the year, independent engineering studies were completed to reconfigure the Gorno Project to maximise the Mineral Resource extraction and accommodate the enlarged mineralised footprint provided by drilling results over the last 18 months.

As well as re-designing the mining layout for improved operational and cost efficiency, the processing plant has now been enlarged to maximise the throughput whilst reducing the overall environmental project footprint and its location has been selected to occupy a brownfield site situated close to the MRE and that is zoned for industrial use with all services in place:

- The studies provide for optimised underground materials handling and backfill/underground tailings storage with no surface expression and a ventilation design utilising existing development and requiring no new surface expression.
- Underground development largely follows existing excavations, that are enlarged to accommodate modern trackless equipment. Development minimises new up-front development in virgin rock and therefore reduces geotechnical risks.
- The geotechnical and hydrogeology assessment has been conducted to PFS level and encompasses the enlarged mineralised footprint of the MRE.
- Processing continues to employ conventional crush, grind, float technology, very similar to that previously used historically, but with improved design, control and efficiency.

The results of these studies provide significant step changes that will assist in maximising the potential for robust economic viability, productivity and environmental sustainability of future mine plans and to significantly de-risk the future Definitive Feasibility Study.

The results of these new studies are being shared with the regulators and other stakeholders involved with the Mining Licence (ML) application in response to the ongoing feedback received from the regulators. The objective is to produce an operationally efficient and environmentally sustainable solution that maximises the project recovery of the Mineral Resources and facilitates future growth and expansion of the Project.

The ML renewal application lodged in December 2019 is being assessed by the various regulatory stakeholders and once approved it will also allow Alta to continue exploration for the life of the ML which is expected to be 20+ years. However, the current upgrading of the project throughput and footprint to match the new MRE will likely require an additional 3+ months of assessment by the regulators. This extension of the permitting timeline is however unlikely to be detrimental to the envisaged production timeline as it now allows for parallel development activities and a compressed construction period. This timeline will be fully assessed in the upcoming DFS.

The Exploration Licence (Cime EL) area at Gorno covers approximately 1,200 hectares centred over the Gorno mine encompassing the historical underground workings and areas of near-mine prospectivity. The Cime EL is valid until 5 July 2023 with the right to extend for three years to expiry in 2026 and authorises both the drilling and associated underground works for the Gorno exploration program.

EIT RawMaterials Booster Funding - European Union (EU)

eit RawMaterials
Connecting matters

Funded by the
European Union

During the year, the Company successfully applied for Booster funding support for an innovative remote sensing and laser project at Gorno, to enable ‘locked up’ high-grade zinc, lead and silver mineralisation to be mined without additional mine development. The Booster program is run by EIT RawMaterials under the EU’s initiative to secure sustainable access to vital raw materials, to provide targeted financial support for innovative start-up and SME projects. It is one of the first levels of the EIT RawMaterials funding strategy which to date has supported over 100 start-ups, with EUR 130+ million of external investment raised.

The Gorno innovation project was awarded funding following a thorough assessment of Gorno’s financial metrics, investment case and strategic relevance to the raw materials value chain for Europe, which features:

- **No tailings dams** - Gorno is being designed to be one of the few mines worldwide with no long-term surface tailings storage, with all tailings to be stored in the underground mine workings. The European Raw Materials Alliance (ERMA) funded program enables cutting-edge assessment of the historical voids to maximise storage capacity.
- **Efficient recovery of valuable raw materials** - a paste backfill containing the mine tailings will provide support to underground openings, thereby increasing roof stability to allow for maximum extraction of the mineralisation with minimal additional development.

- **Reduced energy consumption and carbon emissions embrace the concept of Green Mining** – Gorno's mineralisation is highly amenable to XRT sorting technology which reliably separates valuable mineral ores from waste rock before processing. This results in a reduction in the processing plant size/capital cost and reduced tailings. The XRT technology is also being tested to produce a saleable limestone by-product which can offset aggregate produced from quarries for use in the circular and low-carbon economy.
- **Clean zinc and lead concentrates vital for European smelters** - Gorno mineralisation can produce some of the cleanest and highest-grade zinc and lead concentrates available globally. These high purity products would provide a traceable, clean and environmentally sustainable metal supply to European smelters with a much-reduced transportation and environmental waste impact compared to other market sources of concentrates.

Alta became a member of the ERMA in January 2021, aligning with the EU aim of providing reliable access to key raw materials and recognising the benefit of being part of a unique network of organisations across the raw materials value chain.

The successful Booster funding application positions the Company to potentially attract further support from ERMA's network and Alta will be pursuing additional opportunities to partner with EU organisations and tap into the further substantial sources of non-dilutive funding support available.

Punta Corna Cobalt Project, Piedmont, Northern Italy

The Punta Corna Cobalt Project consists of two granted ELs, Punta Corna and Balme, which cover the historical Usseglio cobalt mining area in Piedmont, northern Italy. The Project area is located in the Italian Alps, a short distance from the northern Italian town of Usseglio and 65km from the well-developed industrial city of Turin, at an elevation of approximately 1300m to 2800m.

Punta Corna is complementary to Alta's base metals strategy in Italy and, like the Gorno Project, will benefit from the current initiative by the EU to secure clean domestic sources of base and energy metals and from the nearby industrial investment in electric vehicle (EV) and battery manufacturing facilities.

Punta Corna Exploration - High-grade cobalt, nickel, copper and silver

Hydrothermal veins have been defined over a strike length of approximately 3.5km within the Punta Corna EL.

The 2020 fieldwork program confirmed the discovery of new high-grade cobalt-nickel and copper-silver veins. Alta was also able to map and sample veins which were historically bulk sampled in the late 1930s. The assay results demonstrate that high-grade cobalt, nickel, copper and silver assays mineralisation is present at or near to surface over an approximate 2km strike length and also 1.3km vertically, with the mineralisation remaining open along strike, down-dip and also at depth.

Given these positive outcomes, in conjunction with historical bulk sampling results of all accessible veins which reported an average diluted grade of between 0.6% and 0.7% Co over an average vein width of 2m, a diamond drilling work program was included in the latest Punta Corna EL renewal application.

Once independent sources of funds have been secured the Company plans to drill-test the defined targets with an initial diamond drill program of between 2,500m and 4,000m. This program will take advantage of the topography and repeating parallel vein structures. A number of short holes are planned to intersect multiple mineralised veins to maximise potential drill-hole/vein intersections.

Both the main veins and several new, closely spaced, mineralised sub-veins (splays off the San Giovanni Vein) will be targeted. Maximum geological coverage within a compact and efficient footprint is intended by focusing on three separate drill areas, with each drill platform targeting the maximum number of sub-parallel veins with each drill-hole. See Figures 7 and 8.

Year-round drilling is envisaged by staging the drilling between the sites at elevations depending upon the seasonal conditions.

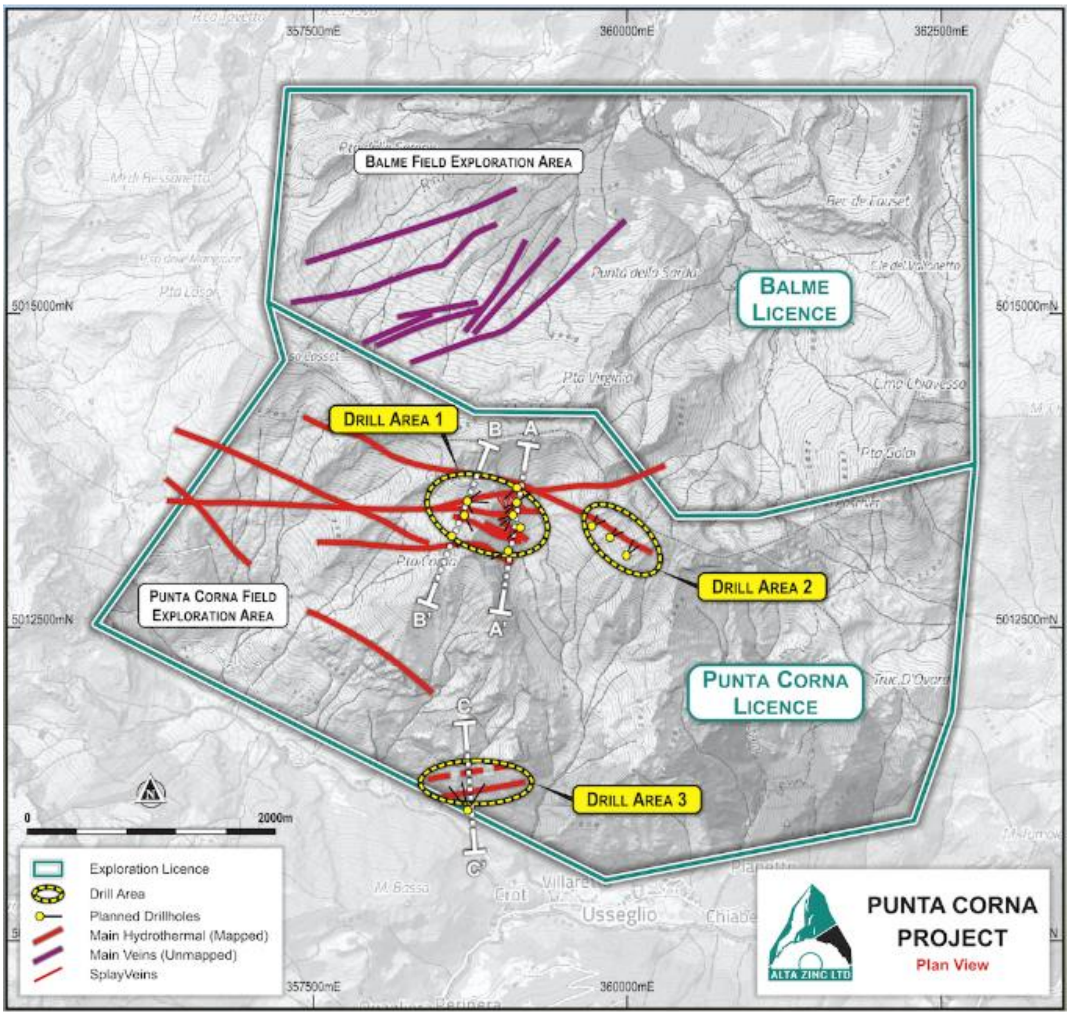

Figure 7: Plan map of Punta Corna (south) & Balme (north) Exploration Licences, the hydrothermal veins locations, exploration areas & activities planned

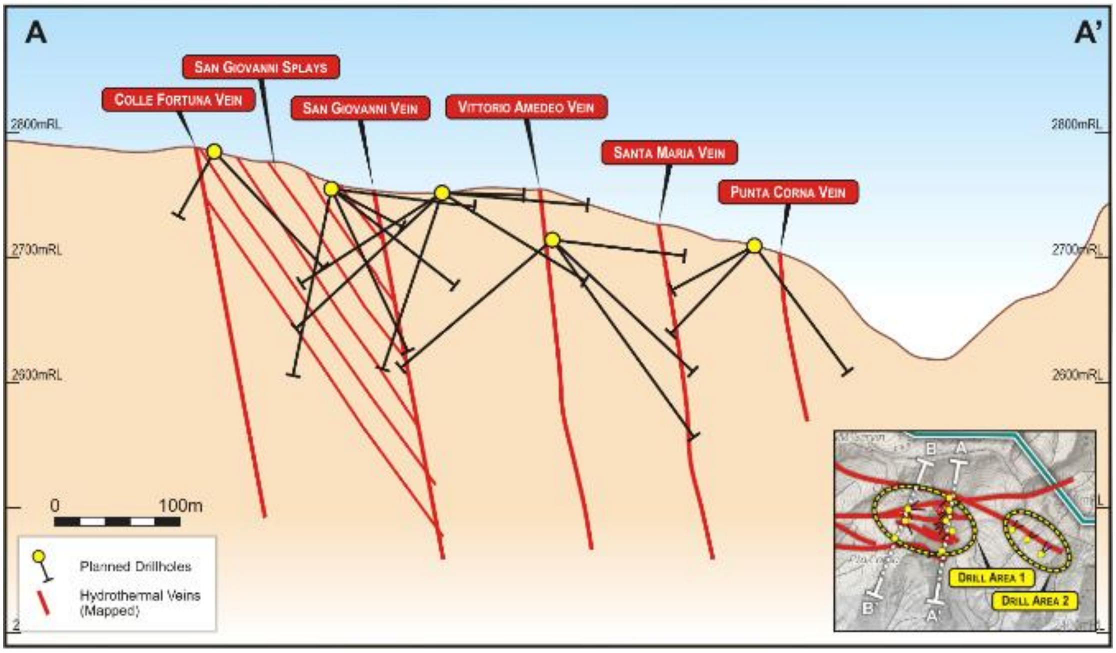

Figure 8: A-A' section (N-S, see Figure 9) through Punta Corna Drill Area 1 showing the multiple veins mapped which can be targeted by planned short-efficient diamond drilling

There is good potential for additional veins to be discovered between the known vein sets, and also within the to-date unexplored Balme EL situated adjacent to the Punta Corna EL northern boundary (see Figure 9). Considerable potential exists for discovery of new vein sets in the ground between drill areas 2 and 3 (some 1.5km dip length).

The Punta Corna Project area is the subject of a cutting-edge hyperspectral satellite remote sensing project (PRIMSA) in partnership with the University of Naples, the EU, CSIRO (Australia) and the British Geological Survey. This technique analyses the spectrum of reflected light to detect the underlying chemistry of the surface rocks. The project will be used to identify alteration zones that are invisible to the naked eye in the areas surrounding the known mineralised vein system, where more than 150 rock samples have already been collected. These alteration zones can potentially be pathfinders to undiscovered hydrothermal vein systems.

Standard satellite imagery shows that the Balme EL has similar vein lineaments to those on the Punta Corna EL. Geological field mapping and sampling recently took place on the Balme EL. If successful, the PRISMA program could be extended to provide rapid assessment of these unexplored areas.

Summer drilling will take place at the higher elevations (Drill Areas 1-2) and during the winter months drilling can be re-located to the lower elevations to focus on the Santa Barbara vein(s) in Drill Area 3.

Commencement of the planned drilling is subject to regulatory approval and adequate funding being in place.

VMS Projects (Liguria & Emilia Romagna, Northern Italy)

On 15 March 2021, Alta announced that it had applied for ELs over two of the most significant copper mining districts in Italy, hosted in copper-rich Volcanogenic Massive Sulphide (VMS) systems:

- Monte Bianco EL (8,200 ha) in the Liguria region of the Northern Apennines; and
- Corchia EL (3,500 ha) in the Emilia Romagna region.

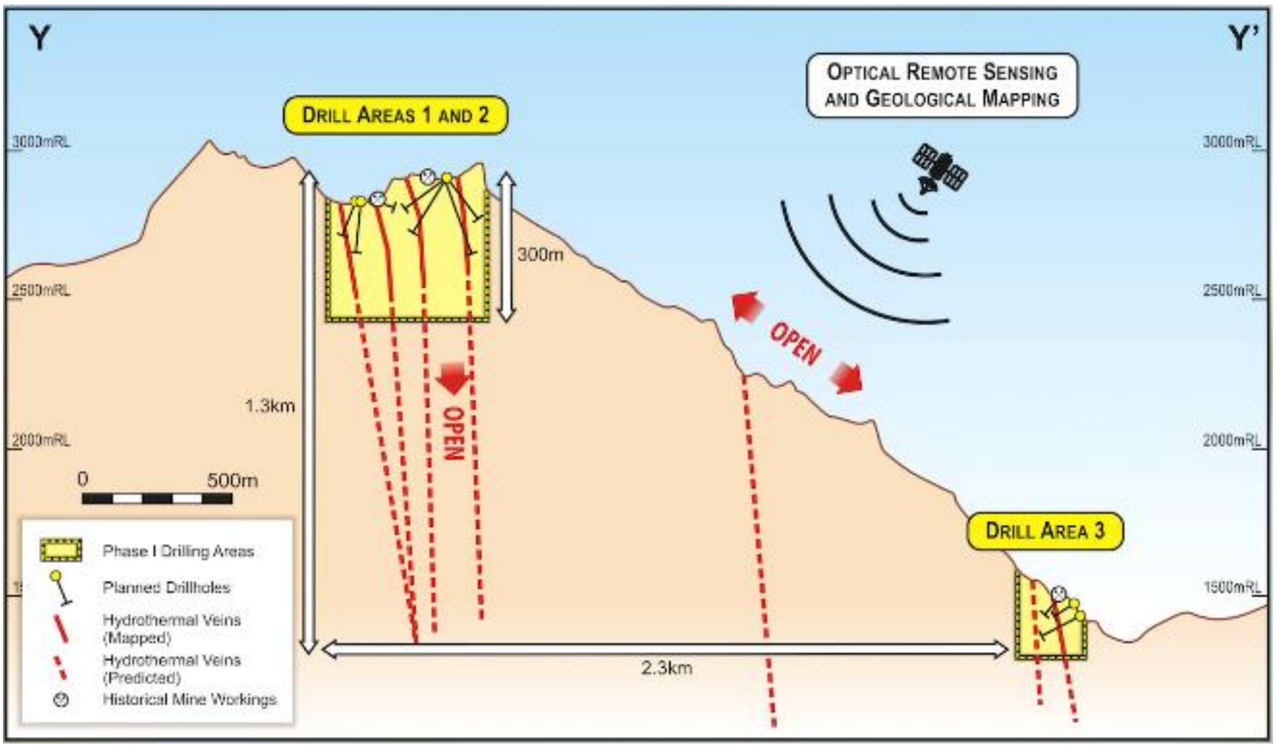

Figure 9: N-S section (looking east) through the Phase I exploration areas at ~2800m RL (Punta Corna veins) & ~1500m RL (Santa Barbara veins) showing untested ~2.3km area with potential for discovery of additional mineralised veins

Both ELs contain multiple high-grade mines that produced a significant portion of Italy's copper and manganese up to the early 1970s. The mines were typified by their unusually high copper grades. For example, the average grade mined at Libiola was ca 7% Cu and at Corchia was ca 3-5% Cu. The Gambetesa mine, which is within the Monte Bianco EL area, was Europe's largest manganese producer in the late 1960s.

Pending the granting of the ELs, Alta has reviewed the extensive historical records which will provide the basis for an initial low-cost surface sampling, geophysics and remote hyperspectral sensing exploration programme.

The large amount of information available will permit the initial exploration budget to be modest in relation to the Company's overall planned exploration expenditure.

Safety and Environment

Alta has conducted comprehensive ongoing environmental monitoring to ensure that there are no harmful safety, health or environmental consequences from our work programs, with no issues arising. Work has been safely performed on-site and underground in conformance with Italian regulations.

AUSTRALIAN PROJECTS

Paterson Project, Western Australia

Following as assessment of options in relation to exploration of E45/4543, the tenement was sold realising net proceeds of $145,524, with a 1% net smelter royalty entitlement retained from the acquirer Wishbone Gold Plc.

McArthur River Project, Northern Territory

The exploration licence Nathan River EL31045 was surrendered on 2 October 2020 and the applications for exploration licences McArthur EL25272 and Bauhinia EL31046 were withdrawn on 29 September 2020. The Company received notices from the Department of Industry, Tourism and Trade confirming withdrawal of the applications and the surrender of EL31045 with all requirements under the *Mineral Titles Act 2010* completed to their satisfaction.

Competent Person Statements

The information in this Report that relates to the Mineral Resource is based on and fairly represents information which has been compiled by Mr Dmitry Pertel who is a member of the Australian Institute of Geoscientists. Mr Pertel has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is 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". Mr Pertel is a full-time employee of CSA Global Pty Ltd and has consented to the inclusion of the matters in this annual report based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets is based on and fairly represents information which has been compiled by Mr Robert Annett who is a member of the Australian Institute of Geoscientists. Mr Annett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is 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". Mr Annett is a shareholder and option holder of, and is retained as a consultant by, Alta Zinc Limited. Mr Annett has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements of the Mineral Resource and of the Exploration Target released to the ASX. All material assumptions and technical parameters underpinning the Mineral Resource estimates and the Exploration Target in the respective releases continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original announcements of the Mineral Resource and the Exploration Target.

Forward-looking Statement

Certain statements made in this Annual Report, contain or comprise certain forward-looking statements regarding Alta Zinc Limited's exploration operations, economic performance and financial condition. Although Alta Zinc believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices, exchange rates and business and operational risk management. Alta Zinc undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Alta Zinc Limited and its controlled entities (**Alta Zinc** or **the Group**) for the year ended 30 June 2021.

Directors

The following persons were directors of Alta Zinc Limited during the whole of the financial year and up-to the date of this report:

Mr Alexander Burns – *Non-executive Chairman (appointed 26 November 2020)*

Mr Stephen Hills - *Finance Director and Company Secretary*

Mr Marcello Cardaci - *Non-executive Director*

Mr Campbell Olsen - *Non-executive Director (resigned 27 November 2020)*

Mr Geraint Harris - *Managing Director*

Information on directors

The following information is current as at the date of this report.

Mr Alexander Burns, MBA – *Non-executive Chairman*

Mr Burns was Managing Director of Sphere Minerals Limited from 1998 – 2010. During this period, the company acquired and evaluated iron ore properties in Mauritania, West Africa. Sphere was subsequently taken over by Xstrata Plc in November 2010 for $514 million. Mr Burns was also a non-executive Chairman of Shield Mining Limited (Shield), which was spun out of Sphere in 2006. Shield was a gold and base metals exploration company active in Mauritania and was taken over by Gryphon Minerals Limited in mid-2010.

Other directorships during the past three years: nil

Mr Stephen Hills, B.Com B. Compt (Hons) CA – *Finance Director and Company Secretary*

Mr Hills was appointed to the board after initially joining the Group as Chief Financial Officer. He has extensive experience in senior finance roles with ASX and TSX listed mining companies with gold, nickel and copper producing assets. Before joining Alta Zinc he was involved with the financing, commissioning and operations of the Kipoi Copper Project in the DRC as finance director, and prior to this the TSX listing of Mirabela Nickel Limited and subsequent initial syndicated project financing for the Santa Rita nickel mine in Brazil. He was CFO of Gallery Gold Limited, then operator of the Mupane Gold project in Botswana, and prior to that of a global laboratory services group before its sale to SGS Group.

Other directorships during the past three years: nil

Mr Marcello Cardaci, BJuris, LLB, B.Com – *Non-executive 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 *Corporations Act* and *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 Limited.*

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.

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 Campbell Olsen, B Eng, MBA – *Non-executive Director (resigned 27 November 2020)*

Mr Olsen is Chief Executive Officer and Director of Arete Capital Partners Pty Ltd, a resource-focussed global private equity firm. He has had a long career in private equity and operational management in the mining industry. He has deep experience in international private equity practice and process, having spent several years as an Investment Manager with Nomura Jafco and then General Manager (Australasia) with Advent International, a Boston-based multi-billion-dollar international private equity company.

His experience encompasses asset/opportunity identification, due diligence, negotiations of acquisition terms and structure, on-going operational reform and improvement through to exit strategies. He has managed exploration programs, JORC- compliant resource estimate programs, mine design and operations primarily across iron ore, silver and rare earth metals.

Other directorships during the past three years: North Stawell Minerals (from 22 September 2020).

Mr Geraint Harris, B Eng (Hos), MSc Eng (Mining) – *Managing Director*

Mr Harris is a Mining Engineer with over 24 years of mining industry experience across production operations, technical consultancy, funds management and project finance. He specialises in gold and base metals and has worked in numerous countries including Europe, North and South America, Central Asia, the former Soviet Union and China. His most recent role was as the CEO of Adriatic Metals PLC (ASX: ADT), overseeing the technical and commercial aspects of two Zn-Pb-Au-Ag-Cu exploration projects in Bosnia and Herzegovina. Mr Harris was part of the team that commenced production at Anglo American's Lisheen zinc-lead mine in Ireland, where he gained relevant operational experience in ramping up and maintaining production at one of the most significant underground zinc producers in the world. He was also an Associate Director of RMB Resources, a firm who funded many junior resource companies on the Australian, North American and European markets.

Other directorships during the past three years: nil

Directors' Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Alta Zinc were:

	Number of Ordinary Shares		No. of Options Over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
A Burns	-	28,903,923	-	1,666,667
S Hills	-	-	2,000,003	-
M Cardaci	114,157	12,179,981	-	1,111,112
C Olsen	-	114,157	-	-
G Harris	6,689,619	-	3,722,222	-

Principal Activities

The principal activity of the entities within the Group during the year was the exploration of a suite of tenements located in Italy.

Review of Operations

Operating Review, Business Strategy and Prospects

During and since the end of the financial year, the Company has:

- Secured a further six-year exploration licence over the current Gorno exploration footprint
- Completed the exploration drilling program in support of upgraded resource estimation at Gorno, comprising 85 diamond core holes (totalling 6,231m) and 34 channel samples over 15 months
- Completed an updated Mineral Resource Estimate (MRE) for Gorno, with a 240% increase in tonnes and 40% increase in overall metal grades
- Announced an Exploration Target for Gorno of between 17.4 and 22.0 million tonnes at a grade ranging between 8.5 and 10.4% zinc, 1.9 and 2.4% lead, and 19 and 23g/t silver
- Undertaken independent engineering studies to reconfigure the Gorno Project to accommodate the enlarged mineralised footprint provided by the updated MRE, with the conceptual processing plant located on a brownfield industrial site, to maximise throughput whilst reducing the overall environmental project footprint
- Discovered new high-grade veins containing cobalt, nickel, copper and silver at the Punta Corna project, and extended the tenure over the exploration licences
- Successfully applied for European Union funding and support for an innovative remote sensing and laser project at Gorno through the EIT RawMaterials Booster program
- Submitted applications for exploration licences over two of the most significant historical copper-rich mining districts in Italy at Monte Bianco -Liguria region and Corchia – Emilia Romagna region
- Disposed of the Company's Australian assets to focus resources exclusively on its assets in Italy

The Company's strategy, subject to funding, is to complete a definitive feasibility study (DFS) and finalise necessary permitting for the Gorno Project by 2024. In tandem, an initial drilling program is planned at Punta Corna once approvals are finalised.

It is expected that the Company's focus on base metals in Italy will benefit from the current initiative by the EU to secure environmentally clean domestic sources of base and energy metals.

The Group's operations, business strategies and prospects are discussed in more detail in the *Operations Report* on page 1.

Operating Results for the Year

The consolidated net loss after tax of the Group for the year was $5,377,531 (2020: $3,761,334), resulting in a basic/diluted loss per share of $0.022 per share (2020: $0.027 basic/diluted loss per share).

Exploration expenditure for the year was $5,092,023 (2020: $3,226,935). Information about exploration activities is discussed in the *Operations Report*.

Administration expenditure for the year was $458,823 (2020: $387,357).

Capital Structure

As at 30 June 2021 and at the date of this report, the Group had on issue 290,714,122 fully paid ordinary shares, 30,900,956 listed options and 14,076,040 unlisted options over ordinary shares. Movement in quoted and unquoted securities during the year are disclosed below.

Quoted securities

- On 1 July 2020 the Company issued 550,537,181 shares (Tranche 1) and on 27 August 2020 the Company issued 340,000,000 shares (Tranche 2) at $0.004 each.
- On 27 August 2020, the Company issued 18,013,267 ordinary fully paid shares to Directors in lieu of fees at $0.004 each, for a total value of $72,053.

- On 4 September 2020, the Company issued 500,000,000 shares pursuant to the Share Purchase Plan (SPP) at a price of $0.004 per Share and, 166,666,667 free attaching options on the basis of one option for every three Shares issued under the SPP (each with an exercise price of $0.01 and expiry date of 31 January 2022).
- On 31 March 2021, the Company issued 730,000,000 shares and on 19 May 2021 the Company issued 20,000,000 shares to Mr Geraint Harris, pursuant to share placement at an issue price of $0.005 per share to raise approximately $3.75 million (before costs).
- The consolidation of the Company's issued capital of converting every 15 existing shares to one new share was completed on 26 May 2021 (approved by shareholders at the 18 May 2021 General Meeting).

Unquoted securities

- On 31 August 2020, the Company issued Discovery Capital Partners Pty Ltd and Foster Stockbroking Pty Ltd, a total of 46,390,289 unlisted options for $0.0001 per option (each with an exercise price of $0.01 and expiry date of 28 February 2022).
- On 27 November 2020, the Company issued 21,000,000 options to Mr Stephen Hills and on 14 December 2020, the Company issued 51,000,000 options to employees and consultants under the *2018 Employee Incentive Plan*. The options are unlisted and have exercise prices of $0.012, $0.016 and $0.02, with an expiry date of 16 September 2024.
- Upon the consolidation of capital all listed and unlisted options on issue and their respective exercise prices were converted on a 15 to 1 basis.

Share Consolidation

On 26 May 2021, a consolidation of the listed and unlisted securities of the Company was undertaken in which every 15 existing securities was converted to one new security. After completion of the consolidation, the capital structure of the Company was as set out in the paragraph above.

Cash on Hand

Cash on hand at 30 June 2021 was $4,084,885 (2020: $2,261,264).

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group other than those detailed elsewhere in this Review of Operations.

Significant Events after the Balance Date

There were no matters or circumstances, other than those disclosed above, that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Likely Developments and Expected Result

The Group will continue to undertake mineral exploration and related permitting and technical studies to advance the status of its projects, focused primarily on the advancement and development of the Gorno Zinc Project and exploration of the Punta Corna Cobalt Project in Italy.

Environmental Regulation and Performance

The Group holds exploration tenements issued by the relevant regional authorities in which the Group operates within Italy. The conditions attaching to these tenements and/or the relevant legislation in the jurisdiction imposes obligations on the Group in relation to the environmental management of its operations. There have been no known breaches of the Group's environmental obligations to which it is subject.

Share Options

As at the date of this report, there are 44,976,996 (2020: 610,902,683 pre-consolidation) options over ordinary shares on issue (44,976,996 options at 30 June 2021).

Refer to Note 15 of the consolidated financial statements for further details of the options outstanding as at 30 June 2021.

Series No.	Number of options[1]	Exercise price[1]	Expiry date	Vesting date
26	133,334	$1.50	28-Feb-22	Vested
27	133,334	$2.25	28-Feb-22	Vested
28	133,334	$3.00	28-Feb-22	Vested
30	783,334	$0.75	30-Jun-22	Vested
31	1,000,000	$0.12	18-Sep-24	Vested
32	1,000,000	$0.18	18-Sep-24	18-Sep-24
33	1,000,000	$0.12	16-Sep-24	Vested
34	1,000,000	$0.18	16-Sep-24	Vested
35	1,000,000	$0.24	16-Sep-24	Vested
36	3,092,686	$0.15	28-Feb-22	Vested
37	1,600,006	$0.18	16-Sep-24	Vested
38	1,600,006	$0.24	16-Sep-24	Vested
39	1,600,006	$0.30	16-Sep-24	1-Jun-22
AZIO[2]	30,900,956	$0.15	31-Jan-22	Vested
Total	**44,976,996**			

[1] *The number of options and their respective exercise prices in the above table reflect the share consolidation.*
[2] *Listed options issued pursuant to the Share Purchase Plan and quoted on the ASX.*

A total of 72,000,000 (4,800,000 post-consolidation) unlisted options over ordinary shares were issued during the year ended 30 June 2021, including 21,000,000 (1,400,000 post-consolidation) unlisted options issued to a director, under the *2018 Employee Incentive Plan*. Details of options granted to directors and KMP during the year ended 30 June 2021 are disclosed in the *Remuneration Report* (refer page 22).

Option holders do not have any right, by virtue of the option, to participate in any issue of shares by the Group or any related body corporate.

No shares or interests have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification and Insurance of Directors' and Officers

The Group has entered into a Deed of Access, Insurance and Indemnity (Deed) with each Director and the Company Secretary (Officers). Under the Deed, the Group indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the Officers in connection with the Officers being an officer of the Group, the employment of the Officer with the Group or a breach by the Group of its obligations under the Deed.

Also, pursuant to the Deed, the Group must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Group.

During, or since the financial year, the Group has paid premiums in respect of a contract insuring all the directors, company secretary, executives and employees of Alta Zinc against legal costs incurred in defending proceedings for conduct other than:

(a) a wilful breach of duty; or
(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*; as permitted by section 199B of the *Corporations Act 2001*.

In accordance with a confidentiality clause under the insurance policy the amount of premium paid to insurers has not been disclosed. This is permitted under Section 300(9) of the *Corporations Act 2001*.

Auditor Independence and Non-Audit Services

The independence declaration from our auditors, Crowe Perth, for the year ended 30 June 2021 has been received and is attached to this report on page 61.

The Group's auditors, Crowe Perth, provided no non-audit services during the year ended 30 June 2021 (2020: nil).

Indemnification of auditors

No payment has been made to indemnify Crowe Perth during or since the financial year.

Directors' Meetings

During the financial year, 9 meetings of directors, including committees of directors, were held and the number of meetings attended by each director was as follows:

	Director's Meetings		Meeting of Committees					
			Audit & Risk		Remuneration		Nomination	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Alexander Burns	9	9	3	3	1	1	1	1
Geraint Harris	9	9	3	3	1	1	1	1
Stephen Hills	9	9	3	3	1	1	1	1
Marcello Cardaci	9	7	3	3	1	1	1	1
Campbell Olsen	3	-	1	-	-	-	-	-

Committee Membership

The role of the Audit and Risk, Remuneration and Nomination Committees is carried out by the full board. The directors consider that no efficiencies or benefits would be gained by establishing separate committees. Whilst the board has not established separate committees, it has adopted charters which describe the role, composition, functions and responsibilities of the full board when acting in its capacity as the Audit and Risk, Remuneration and Nomination Committees. Reference to committee meetings in the table above refers to separate meetings convened by the full board to specifically deal with the business of that committee in accordance with the charters of the Audit and Risk, Remuneration and Nomination Committees.

Proceedings on Behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Dividends

No dividends have been paid or declared during the financial year and the directors do not recommend the payment of a dividend.

Remuneration Report (audited)

This Remuneration Report for the year ended 30 June 2021 outlines the remuneration arrangements in place for directors and executives of the Parent and the Group, in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Parent and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of KMP of the Parent and Group are set out below:

Key Management Personnel

Non-executive Directors

Mr Alexander Burns	Non-executive Chairman *Appointed Executive Chairman 7 October 2014* *Appointed Chief Executive Officer 26 June 2017* *Appointed as Non-executive Chairman 26 November 2020*
Mr Marcello Cardaci	*Appointed 7 October 2014*
Mr Campbell Olsen	*Appointed 19 April 2018, resigned 27 November 2020*

Executive Directors

Mr Stephen Hills	Finance Director and Company Secretary *Appointed Chief Financial Officer 1 March 2017* *Appointed Finance Director 26 June 2017* *Appointed Company Secretary 27 February 2019*
Mr Geraint Harris	Managing Director *Appointed 16 September 2019*

Remuneration Policy

The *Remuneration Policy* of Alta Zinc has been developed by the Remuneration Committee in accordance with the *Remuneration Committee Charter*. The full Board currently performs the function of the Remuneration Committee. The *Remuneration Committee Charter* is set out on the Group's website at www.altazinc.com.

Emoluments of directors and executives are reviewed on an annual basis and are set by reference to employment market conditions, payments made by other companies of similar size and industry, and by reference to the skills and experience of the directors and executives.

Key Management Personnel (KMP) and related parties of KMP are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Engagement of Remuneration Consultants

The Remuneration Committee may at times seek external remuneration advice. No remuneration consultant was engaged during the year ended 30 June 2021 to provide remuneration recommendations in relation to KMP.

Non-executive Directors

The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not directly linked to individual performance. Given the Group is at an early stage of development and the financial restrictions placed on it, the Group may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. The grant of options is designed to conserve cash reserves, recognise efforts and to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Group.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. The maximum amount of non-executive fees payable is currently set at $250,000 per annum.

Executive Directors
Executive directors are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Executive directors pay and reward consists of a base salary, benefits and incentives. Long-term incentives may include options over unissued ordinary shares granted at the discretion of the Board and where applicable, subject to obtaining the relevant shareholder approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of service conditions.

Company Performance, Shareholder Wealth, Director and Executive Remuneration

The *Remuneration Policy* aims to align the objectives of shareholders and the Group with that of executive directors and executives through the issue of options over unissued shares. The granting of options is not subject to specific performance criteria, however, when granting options, the terms of the options are designed to provide an incentive that will contribute to increasing shareholder wealth. This is undertaken by determining an exercise price that exceeds the underlying share price at the date of grant and through vesting conditions that require a period of continuous employment. Remuneration of KMP is not dependent on company performance as the nature of the Group's operations are exploration, and therefore, not currently profit generating.

The following table shows the net profit/(loss) from continuing and discontinued operations and dividends for the last three years for the listed entity, as well as share prices at the end of the respective financial years:

	2017 $	2018 $	2019 $	2020 $	2021 $
Net profit/(loss)	401,242	(10,715,180)	(3,269,858)	(3,761,334)	(5,377,531)
Share price at year end	$0.043	$0.012	$0.003	$0.004	$0.069[1]
Dividends paid	Nil	Nil	Nil	Nil	Nil

[1] Share price in 2021 is impacted by consolidation of Company's issued capital of converting every 15 existing shares to one new share.

Non-executive Director Remuneration

Fixed Remuneration
The aggregate remuneration paid to non-executive directors will not exceed the maximum amount in aggregate of $250,000 per annum. The Constitution of Alta Zinc and the *ASX Listing Rules* specify that the non-executive director fee pool shall be determined from time to time by a general meeting of shareholders. The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders, and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the additional time commitment of directors who serve on one or more sub-committees. Non-executive directors do not currently receive additional remuneration for their membership of subsidiary boards or committees.

Non-executive directors are encouraged by the Board to hold shares in Alta Zinc.

The remuneration of non-executive directors for the period ending 30 June 2021 is detailed on page 24 of this report.

Variable Remuneration – Short-term Incentives
Non-executive directors do not receive performance-based bonuses.

Variable Remuneration – Long-term Incentives
The Group has no contractual obligation to provide long-term incentives to non-executive directors.

Executive Remuneration

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for the Group and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals of the Group; and
- ensure total remuneration is competitive by market standards.

Executive remuneration comprises of four components:

- base pay and benefits;
- short-term incentives;
- other remuneration such as statutory superannuation and social security contributions; and
- long-term incentives through equity-based compensation.

Base pay and benefits
Base pay is structured as a remuneration package that may be delivered as a combination of cash and salary sacrifice superannuation at the executives' discretion.

Base pay is reviewed annually to ensure the executives' pay is competitive with comparable positions of responsibility. This review may utilise external advisors to provide information on industry benchmarks. There is no guaranteed base pay increases included in any executive contracts.

Variable Remuneration – Short-term Incentives
At this time, any incentive paid to executives is at the absolute discretion of the Remuneration Committee and the Group has no contractual commitments to provide these incentives to executives. The Group's Policy permits the payment of short-term incentives to executives.

No short-term incentive bonuses were paid to Executives during the year ended 30 June 2021 (2020: Nil).

Variable Remuneration – Long-term Incentives
The Group has an *Employee Incentive Plan* (EIP) as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. In accordance with the provisions of the plan, as approved by shareholders at the annual general meeting held 30 November 2018, at its discretion the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group. Any options granted under the EIP carry neither rights to dividends nor voting rights and may be exercised at any time from the date of vesting to the date of their expiry.

The grant of options to KMP's is not subject to performance conditions as the nature of the Group's operations are loss making during mineral exploration. The Group has no contractual obligation to provide long-term incentives to key management personnel.

Contracts with Key Management Personnel

Geraint Harris – Managing Director

The Company has a Consultancy Agreement with Orme Minerals Services Limited, a company controlled by Mr Harris, under which the services of Mr Harris have been engaged for three years commencing 16 September 2021 (subject to either party giving six-month notice) for a consulting fee of GBP12,500 per month.

Mr Harris is entitled to a director's fee of GBP1,500 per month, and in addition the Company granted Mr Harris 45 million options to acquire ordinary shares under the EIP.

Stephen Hills – Finance Director

Mr Hills is employed under an Executive Service Agreement which commenced 1 March 2017 for an original three-year term and was subsequently extended for a two-year term commencing 1 March 2020, on the same terms.

Mr Hills receives fixed remuneration of $265,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year.

In the event that his employment is terminated by the Company, other than for gross misconduct, Mr Hills is entitled to 1 month notice and a severance payment of 3 months salary, together with 2 weeks salary for each completed year of service. Mr Hills can terminate the agreement with 3 months' notice.

Remuneration for the year ended 30 June 2021 and 30 June 2020

No director or senior executive appointed during the period received a payment before they started to hold the position, as part of the consideration for them agreeing to hold the position. The premium paid for Directors and Officers liability insurance is not included in the remuneration table below.

Remuneration for the year ended 30 June 2021 and 30 June 2020

	Salary & fees $	Non-Monetary $	Other $	Superannuation $	Long service leave $	Options $	Total $	Performance related %
Directors								
Mr M Cardaci								
2021	**54,795**	**-**	**-**	**5,205**	**-**	**-**	**60,000**	**-**
2020	54,795	-	-	5,205	-	-	60,000	-
Mr C Olsen								
2021	**22,831**	**-**	**-**	**2,169**	**-**	**-**	**25,000**	**-**
2020	54,795	-	-	5,205	-	-	60,000	-
Mr G Harris[1]								
2021	**304,110**	**-**	**-**	**-**	**-**	**8,771**	**312,881**	**2.80**
2020	249,042	-	-	-	-	36,272	285,314	12.71
Mr A Burns[2]								
2021	**114,536**	**-**	**-**	**10,881**	**(18,731)**	**-**	**106,686**	**-**
2020	159,817	-	-	15,183	5,478	-	180,478	-
Mr S Hills								
2021	**242,009**	**-**	**-**	**22,991**	**4,353**	**10,538**	**279,891**	**3.76**
2020	242,009	-	-	22,991	5,873	1,147	272,020	0.42
TOTAL								
2021	**738,281**	**-**	**-**	**41,246**	**(14,378)**	**19,309**	**784,458**	**2.46**
2020	760,458	-	-	48,584	11,351	37,419	857,812	4.36

[1] Part of Mr Harris' remuneration was paid or payable to Orme Minerals Service Limited.

[2] Until his appointment as Non-executive Chairman on 26 November 2020, Mr Burns was employed under the terms of an Executive Services Agreement and received fees of $175,000 per annum inclusive of superannuation.

Share based remuneration

During the year ended 30 June 2021, a total of 21 million options over ordinary shares was issued to KMP. The following table discloses vesting of share options granted to KMP as remuneration during the year.

	30-Jun-21			30-Jun-20		
	Series 37	Series 38	Series 39	Series 33	Series 34	Series 35
Granted to	**S Hills**	**S Hills**	**S Hills**	**G Harris**	**G Harris**	**G Harris**
No. of options	7,000,000	7,000,000	7,000,000	15,000,000	15,000,000	15,000,000
Grant date	27-Nov-20	27-Nov-20	27-Nov-20	29-Nov-19	29-Nov-19	29-Nov-19
Expiry Date	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24
Vesting Date	1-Mar-21	1-Sep-21	1-Jun-22	16-Mar-20	16-Sep-20	16-Mar-21
Exercise price (cents)	1.20	1.60	2.00	0.80	1.20	1.60
Fair value per option (cents)	0.10	0.05	0.03	0.15	0.09	0.06

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. There were no forfeitures or alterations to the term and conditions of options awarded as remuneration since their award date during the year ended 30 June 2021. No options were exercised by KMP during the financial year ended 30 June 2021.

Terms and conditions of the share based payment arrangements

The fair value of options over ordinary shares granted to KMP during the year was determined using a Black-Scholes option pricing model based on the following inputs:

	Series 37	Series 38	Series 39
No. of options	7,000,000	7,000,000	7,000,000
Grant date	27-Nov-20	27-Nov-20	27-Nov-20
Issue price (cents)	-	-	-
Expiry Date	16-Sep-24	16-Sep-24	16-Sep-24
Share price (cents)	0.7	0.7	0.7
Exercise price (cents)	1.2	1.6	2.0
Expected volatility	38.82%	38.82%	38.82%
Option life (years)	3.81	3.81	3.81
Dividend yield	-	-	-
Risk free interest rate	0.29%	0.29%	0.29%
Fair value per option (cents)	0.10	0.05	0.03
Vesting conditions	Continued service	Continued service	Continued service

Options over ordinary shares held by key management personnel

The number of options over ordinary shares held by each of the Group KMP both directly and indirectly during the financial year is as follows:

	Held at start of year	Granted as compensation	Listed Options Acquired[1]	Lapsed or expired	Capital consolidation	Held at end of year	Vested and exercisable at end of year
30 June 2021							
Directors							
Mr A Burns	-	-	25,000,000	-	(23,333,333)	1,666,667	1,666,667
Mr G Harris	45,000,000	-	8,333,333	-	(49,611,111)	3,722,222	3,722,222
Mr S Hills	9,000,000	21,000,000	-	-	(27,999,997)	2,000,003	1,066,667
Mr M Cardaci	-	-	16,666,667[2]	-	(15,555,555)	1,111,112	1,111,112
Mr C Olsen	-	-	-	-	-	-	-
Total	**54,000,000**	**21,000,000**	**50,000,000**	**-**	**(116,499,996)**	**8,500,004**	**7,566,668**

[1] Under the Share Purchase Plan (SPP) free attaching options were issued on the basis of one option for every three Shares acquired under the SPP (each with an exercise price of $0.01 and expiry date of 31 January 2022).

[2] Held by Malvasia Pty Ltd as a trustee of the Spyder Super Fund. Mr Cardaci is not a director, shareholder or involved in the management of Malvasia Pty Ltd nor is he a beneficiary of the Spyder Super Fund. A close family member is the sole director of Malvasia Pty Ltd and therefore Malvasia Pty Ltd is considered a related party of Mr Cardaci under the Corporations Act and AASB 124.

	Held at start of year	Granted as compensation	Listed Options Acquired	Lapsed or expired	Capital Consolidation	Held at end of year	Vested and exercisable at end of year
30 June 2020							
Directors							
Mr A Burns	-	-	-	-	-		
Mr G Harris	-	45,000,000	-	-	-	45,000,000	15,000,000
Mr S Hills	12,000,000	-	-	(3,000,000)	-	9,000,000	9,000,000
Mr M Cardaci	-	-	-	-	-	-	-
Mr C Olsen	-	-	-	-	-	-	-
Total	12,000,000	45,000,000		(3,000,000)	-	54,000,000	24,000,000

Shareholdings of key management personnel

Ordinary shares held in Alta Zinc Limited directly and indirectly

30 June 2021	Held at start of year	Granted as remuneration	Acquisition of shares	Other Changes[4]	Capital consolidation	Held at end of year
Directors						
Mr G Harris[1,2]	38,250,000	9,594,298	52,500,000	-	(93,654,679)	6,689,619
Mr A Burns[1,2]	353,564,515	4,994,281	75,000,000	-	(404,654,873)	28,903,923
Mr S Hills	-	-	-	-	-	-
Mr M Cardaci[1,2,3]	132,699,710	1,712,344	50,000,000	-	(172,117,916)	12,294,138
Mr C Olsen[4]	-	1,712,344	-	(1,712,344)	-	-
Total	**524,514,225**	**18,013,267**	**177,500,000**	**(1,712,344)**	**(670,427,468)**	**47,887,680**

[1] During the year, the Directors were granted shares in lieu of the outstanding director fees for the period April to June 2020.

[2] All shares were acquired on the same terms as other investors through participation in the Capital raising, the Share Purchase Plan (both approved at the General Meeting on 20 August 2020) and the Share Placement (approved at the General Meeting on 18 May 2021).

[3] Malvasia Pty Ltd as a trustee of the Spyder Super Fund, is the holder of 12,179,981 fully paid ordinary shares. Mr Cardaci is not a director, shareholder or involved in the management of Malvasia Pty Ltd nor is he a beneficiary of the Spyder Super Fund. A close family member is the sole director of Malvasia Pty Ltd and therefore Malvasia Pty Ltd is considered a related party of Mr Cardaci under the Corporations Act and AASB 124.

[4] Shares held on the date of resignation.

Other transactions and balances with key management personnel and their related parties

During the year, Gilbert & Tobin provided legal services to the Group of $92,221 (2020: $37,883). Mr Cardaci is a consultant to Gilbert & Tobin's Corporate Advisory Group. At 30 June 2021, the balance owing to Gilbert & Tobin was $134 (2020: Nil). The services were entered into on normal commercial terms and have not been included in directors' remuneration as the fees were not paid for services provided by Mr Cardaci.

There have been no other transactions involving equity instruments other than those described in the tables above.

END OF REMUNERATION REPORT

This Director's Report is signed in accordance with a resolution of the directors.

Alexander Burns
Non-executive Chairman
29 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Alta Zinc Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Perth

Crowe Perth

Sean McGurk
Partner

Signed at Perth, Western Australia dated this 29 September 2021

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	Consolidated 2021 $	Consolidated 2020 $
Other income	3(a)	**359,880**	74,000
Administrative expenditure	3(b)	**(458,823)**	(387,357)
Exploration expenditure	2(e)	**(5,092,023)**	(3,226,935)
Marketing expenditure		**(184,130)**	(232, 762)
Foreign exchange gain/(loss)		**(1,902)**	15,286
Operating loss		**(5,376,998)**	(3,757,768)
Net finance income	4	**(533)**	(3,566)
Loss from continuing operations before income tax		**(5,377,531)**	(3,761,334)
Income tax expense	5	**-**	-
Loss from continuing operations after income tax		**(5,377,531)**	(3,761,334)
Net loss for the year		**(5,377,531)**	(3,761,334)
Other comprehensive income			
Items that may be re-classified to profit or loss			
Exchange differences on translation of foreign operations		**(44,763)**	(11,493)
Comprehensive income for the year, net of tax		**(44,763)**	(11,493)
Total comprehensive loss for the year		**(5,422,294)**	(3,772,827)
Loss per share			
From continuing operations:			
Basic earnings/(loss) per share (cents)	6	**(2.21)**	(2.72)
Diluted earnings/(loss) per share (cents)	6	**(2.21)**	(2.72)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**4,084,885**	2,261,264
Receivables	8	**343,691**	355,289
Total Current Assets		**4,428,576**	2,616,553
Non-Current Assets			
Receivables	8	**274,022**	78,443
Plant & equipment	9	**124,122**	133,351
Right of use assets	12	**40,370**	100,992
Exploration and evaluation expenditure	10	**427,867**	442,499
Total Non-Current Assets		**866,381**	755,285
TOTAL ASSETS		**5,294,957**	3,371,838
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**1,193,531**	590,509
Capital raising proceeds held in trust	14(a)	**-**	2,202,149
Provisions	13	**224,288**	231,958
Lease liabilities	12	**41,301**	102,446
Total Current Liabilities		**1,459,120**	3,127,062
Non-Current Liabilities			
Provisions	13	**27,035**	37,993
Total Non-Current Liabilities		**27,035**	37,993
TOTAL LIABILITIES		**1,486,155**	3,165,055
NET ASSETS		**3,808,802**	206,783
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	14(a)	**50,782,869**	41,794,229
Reserves	14(b)	**349,805**	358,895
Accumulated losses		**(47,323,872)**	(41,946,341)
TOTAL EQUITY		**3,808,802**	206,783

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent				
	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total $
30 June 2020					
As at 1 July 2019	40,171,027	(39,001,453)	175,740	933,821	2,279,135
Change in accounting policy (note 3(a))	-	(1,763)	-	-	(1,763)
	40,171,027	(39,003,216)	175,740	933,821	2,277,372
Loss for the period	-	(3,761,334)	-	-	(3,761,334)
Other comprehensive income	-	-	(11,493)		(11,493)
Total comprehensive income/(loss) for the period	-	(3,761,334)	(11,493)	-	(3,772,827)
Transactions with owners in their capacity as owners:					
Shares issued	1,889,072	-	-	-	1,889,072
Transaction costs on shares issued	(265,870)	-	-	-	(265,870)
Reclassification upon expiry of options	-	818,209	-	(818,209)	-
Share based payments	-		-	79,036	79,036
At 30 June 2020	41,794,229	(41,946,341)	164,247	194,648	206,783
30 June 2021					
As at 1 July 2020	**41,794,229**	**(41,946,341)**	**164,247**	**194,648**	**206,783**
Loss for the period	**-**	**(5,377,531)**	**-**	**-**	**(5,377,531)**
Other comprehensive income	**-**	**-**	**(44,763)**		**(44,763)**
Total comprehensive income/(loss) for the period	**-**	**(5,377,531)**	**(44,763)**	**-**	**(5,422,294)**
Transactions with owners in their capacity as owners:					
Shares issued	**9,388,841**	**-**	**-**	**-**	**9,388,841**
Transaction costs on shares issued	**(400,201)**	**-**	**-**	**-**	**(400,201)**
Share based payments	**-**	**-**	**-**	**35,673**	**35,673**
At 30 June 2021	**50,782,869**	**(47,323,872)**	**119,484**	**230,321**	**3,808,802**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	Note	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Payment to suppliers and employees (inclusive of GST and VAT)		**(5,135,651)**	(3,600,506)
Interest received		**1,440**	1,593
Other receipts		**210,150**	74,000
Net cash flows used in operating activities		**(4,924,061)**	(3,524,913)
Cash flows from investing activities			
Net proceeds from the disposal of financial assets		**154,979**	-
Purchase of plant and equipment		**(19,567)**	(14,193)
Net cash flows provided by/(used in) investing activities		**135,412**	(14,193)
Cash flows from financing activities			
Proceeds from issue of shares		**7,114,639**	4,068,999
Transaction costs on issue of shares		**(400,201)**	(268,400)
Lease payments		**(68,698)**	(99,111)
Net cash flows from financing activities		**6,645,740**	3,701,488
Net increase/(decrease) in cash and cash equivalents		**1,857,091**	162,382
Net foreign exchange difference		**(33,470)**	4,564
Cash and cash equivalents at beginning of period		**2,261,264**	2,094,318
Cash and cash equivalents at end of period	7	**4,084,885**	2,261,264

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Alta Zinc Limited (Alta Zinc or the Group) comprises of Alta Zinc Limited and its controlled entities for the year ended 30 June 2021. The financial report was authorised for issue in accordance with a resolution of the directors on 28 September 2021.

Alta Zinc (the Parent or the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is a for profit entity for financial reporting purposes under *Australian Accounting Standards*.

The nature of the operations and principal activities of the Group are described in the *Directors' Report*.

2. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Alta Zinc Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical cost and where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax from continuing operations for the year ended 30 June 2021 of $5,377,531 (2020: $3,761,334) and recorded net cash outflows from operating activities of $4,924,061 (2020: $3,524,913). At 30 June 2021, the Group had Cash on Hand of $4,084,885 (2020: $2,261,264).

Based on the Group's cash flow forecast, the Directors acknowledge that the Group will require additional capital in the next 12 months to undertake its business activities and to continue to progress its exploration interests.

The Directors are confident that the Group will be able to raise additional funds through the issue of new equity and/or debt capital. The Directors consider this to be reasonable on the basis of the Group's recent and historical abilities to raise such capital. The Directors acknowledge that there may be a risk that equity markets may not be favourably disposed when equity raisings are required to be undertaken and that this may impact on the Group's ability to fund its planned and minimal expenditure commitments and may accordingly cast doubt over the Group's ability to continue as a going concern.

2. Summary of Significant Accounting Policies (continued)

Basis of preparation (continued)

Should the Group be unable to raise additional funds through the avenues mentioned above in order to meet its contracted and forecast expenditure there is material uncertainty that the Group will continue as a going concern and therefore whether the Group will be able to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in this financial report.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Alta Zinc Limited at the end of the reporting period. A controlled entity is any entity over which Alta Zinc has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. The control exists when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent.

The parent entity disclosures required under the *Corporations Act 2001* have been included in Note 17 to the accounts.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

  Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

  - When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. Summary of Significant Accounting Policies (continued)

(b) Income tax (continued)

- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and Italian Value Added Tax (VAT) except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

2. Summary of Significant Accounting Policies (continued)

(d) Plant and Equipment (continued)

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Field equipment	15% to 50%
Motor vehicles	12.5%
Office equipment	15% to 75%
Office furniture	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(e) Exploration Expenditure

Exploration and evaluation expenditure is expensed as incurred. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(f) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

2. Summary of Significant Accounting Policies (continued)

(f) Leases (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group presents right-of-use assets and lease liabilities as separate line items in the relevant sections of the Statement of Financial Position and additional information is shown in notes to the financial statements.

(g) Impairment of Assets
At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars ($) which is the functional and presentation currency of the Parent entity.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

2. Summary of Significant Accounting Policies (continued)

(h) Foreign Currency Transactions and Balances (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, which reasonably approximate the rates prevailing on the transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(j) Equity Settled Compensation

The Group undertakes equity-settled share-based payments. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using either the Binomial or Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2. Summary of Significant Accounting Policies (continued)

(j) Equity Settled Compensation (continued)

Upon the exercise of awards, the balance of the share based payments reserve relating to those awards is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, is credited to share capital.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Other Income

Interest income comprises interest receivable on funds invested and it is recognised in the profit or loss as it accrues, using the effective interest method.

Government grants have been included in other income and are recognised when the right to receive the income has been established.

Other revenue is recognised when it is received or when the right to receive payment is established.

(n) Trade and Other Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made using the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Bad debts are written off when identified.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being paid within 45 days of recognition of the liability.

(q) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

2. Summary of Significant Accounting Policies (continued)

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) Share based payments

The Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of unlisted options is determined by using either a Black-Scholes or Binomial model. The assumptions (volatility, dividend yield and risk free rate) used are detailed in Note 15.

(ii) Italian Value Added Tax Receivable

The Italian value added tax receivable (VAT) represents the VAT that is recoverable from the Italian Agency of Revenue. The Group expects to recover a proportion of this receivable through offsetting various Italian employee taxes and social security contributions. In addition to offsetting, the receivable is also anticipated to be recovered through a refund process. The future recoverability of the VAT receivable is dependent on the Group continuing to be entitled to this offsetting arrangement and the refund request satisfying the Italian Agency of Revenue's requirements. To the extent that the VAT receivable is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(iii) Provision for rehabilitation

Rehabilitation costs are a normal consequence of mineral exploration and mining, and the majority of this expenditure is incurred on ceasing exploration activities or the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs, and the estimated future level of inflation. The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques.

Key Judgments

Capitalisation of exploration and evaluation expenditure

Under *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Group has the option to expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected to expense exploration and evaluation expenditure until such time as activities in an area have reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. However, costs associated with the acquisition of exploration tenements are initially capitalised.

Monica Mining Licence

In accordance with the mining law and regulations of Italy, the Company submitted an application in December 2019 for the renewal and expansion of the existing mining licence at Gorno (Monica Mining Licence granted under Decree 845) which has expired on 30 January 2020. The renewal procedure is currently in process. Once approved the mining licence will provide exclusive rights to the Company to operate an underground mine and also to continue exploration within the boundaries of the licence area for the life of the mining licence, which is expected to be at least 20 years.

The Group has fulfilled all necessary obligations for the renewal under the terms of the licence and has not received any indication from the Italian licencing authority that there are any impediments to the renewal and expansion of the licence. It is the directors' belief that, on the basis of information available to them, the licence will be renewed in due course.

2. Summary of Significant Accounting Policies (continued)

(r) Critical Accounting Estimates and Judgments (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(s) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board* (AASB) that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the AASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021.

3. Profit and Loss

(a) Other income

		30-Jun-21 A$	30-Jun-20 A$
Net profit on disposal of assets	*(i)*	**199,730**	-
Covid-19 economic response programs	*(ii)*	**160,150**	74,000
		359,880	74,000

(i) During the year, the Group disposed of its rights to its West Australian exploration tenement EL45/4543 for realised net proceeds of $199,730.
(ii) Amounts received under the Australian government Covid-19 economic response programs.

(b) Administrative expenses

		30-Jun-21 A$	30-Jun-20 A$
Legal fees		**25,959**	34,439
Audit fees	*(i)*	**25,750**	23,250
Depreciation		**38,695**	40,051
Other corporate and administration		**183,298**	176,474
Employee benefits	*(ii)*	**993,658**	1,086,489
		1,267,360	1,360,703
Exploration-related administration and employee costs		**(808,537)**	(973,346)
		458,823	387,357
(i) Audit fees			
Amounts received or due and receivable by the auditor of the parent entity, Crowe Perth for:			
- audit services		**30,750**	31,000
- non-audit services		**-**	-
		30,750	31,000
(ii) Employee benefits			
Wages, salaries and directors' fees		**893,825**	939,499
Superannuation and pension contributions		**55,850**	63,808
Movement in long service leave provision		**(10,958)**	14,151
Movement in annual leave provision		**19,078**	26,557
Share-based payments		**35,519**	40,041
Other employment taxes		**344**	2,433
		993,658	1,086,489

4. Net Finance Income

	30-Jun-21 A$	30-Jun-20 A$
Finance income:		
Interest received	**1,440**	1,593
	1,440	1,593
Finance expense:		
Interest expense	**(1,973)**	(5,159)
	(533)	(3,566)

5. Income Tax Expenses

		30-Jun-21 A$	30-Jun-20 A$
a)	Current tax		
	Deferred tax	-	-
	Under/(Over) provision in prior years	-	-
	Total income tax expense from continuing operations	-	-
b)	Reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
	Accounting loss before income tax	**(5,377,530)**	(3,761,333)
	Tax refundable at the statutory income tax rate - 26% (2020: 30%)	**(1,398,158)**	(1,128,400)
	Non-deductible expenses		
	Share based payments	**9,235**	19,437
	Other non-deductible expenses	**280,163**	164,329
	Effect of different tax rates	**86,141**	130,736
	Deferred tax asset not recognised	**1,171,691**	816,744
	Timing differences not recognised	**(149,072)**	(2,846)
	Income tax expense	**-**	-
	Net deferred tax assets - not recognised		
	Tax losses Australia	**2,987,053**	3,546,493
	Tax losses Italy	**6,263,703**	5,232,312
	Other	**862,881**	1,607,219
	Deferred tax assets	**10,113,636**	10,386,024
	Deferred tax liabilities offset against Deferred tax assets	**(24,704)**	(31,610)
	Net Deferred tax assets not brought to account	**10,088,932**	10,354,414

The Group has tax losses for which no deferred tax asset is recognised in Australia of $11,488,664 (2020: $11,821,645) and Italy of $26,098,762 (2020: $21,801,302). These tax losses are available for offset against future taxable profits of the Group subject to continuing to meet the relevant statutory tests. The Italian income tax rate is currently 24% (2020: 24%), and as such the unrecognised deferred tax asset on losses has be disclosed at the applicable Italian tax rate.

6. Earnings per Share

	30-Jun-21 A$	30-Jun-20[1] A$
Loss attributable to ordinary shareholders		
Loss for the period	**(5,377,531)**	(3,761,334)
Weighted average number of ordinary shares		
Issued ordinary shares at the beginning of the year	**2,202,148,728**	1,821,634,311
Capital consolidation	**(2,055,338,813)**	(1,700,192,024)
	146,809,915	121,442,287
Effect of shares issued during the year	**96,663,774**	16,761,615
Weighted average number of ordinary shares at 30 June	**243,473,689**	138,203,902
Loss per share		
Basic and diluted loss per share (cents per share)	**(2.21)**	(2.72)

[1] *The comparatives have been restated to reflect the share consolidation*.

All of the options outstanding have exercise prices greater than the average market price of ordinary shares during the reporting period and are therefore anti-dilutive.

7. Cash and Cash Equivalents

	30-Jun-21 A$	30-Jun-20 A$
Cash on hand and at bank	**541,550**	2,111,235
Term deposits on call	**3,543,335**	150,029
	4,084,885	2,261,264

The effective interest rate on cash and cash equivalents was 0.01% (2020: 0.01%). Short-term deposits mature every 7 to 60 days.

8. Receivables

		30-Jun-21 A$	30-Jun-20 A$
Current			
Prepayments		**59,512**	53,450
Security deposits	*(i)*	**7,276**	8,957
Receivable indirect taxes	*(ii)*	**276,449**	292,331
Other receivable		**454**	551
		343,691	355,289
Non-current			
Security deposits	*(i)*	**40,713**	40,691
Receivable indirect taxes	*(ii)*	**233,309**	37,752
		274,022	78,443

(i) Current security deposits represent payments made as guarantees under operating leases that the Group has entered into. Non-current security deposits include bonds and guarantees held with financial institutions on term deposit. The funds receive interest at fixed rates and have an average maturity of 12 months.

8. Receivables (continued)

(ii) Receivable indirect taxes includes Goods and Services Tax ("GST") of $4,328 receivable in Australia and Value Added Tax ("VAT") of $505,430 recoverable from the Italian Agency of Revenue. The balance of the Italian VAT is recovered through offsetting various Italian employee taxes, social security contributions and a refund process upon the lodgement of the annual VAT return. The current receivable amount of $272,121 is estimated to be recovered through the offsetting mechanism and refund process within the next 12 months, while the non-current balance of $233,309 is estimated to be recovered by June 2023.

9. Plant and Equipment

	30-Jun-21 A$	30-Jun-20 A$
Property, plant and equipment at cost	**440,330**	427,964
Accumulated depreciation	**(316,208)**	(294,613)
Carrying value	**124,122**	133,351

Reconciliation of movement in carrying value

	Field Equipment A$	Motor Vehicles A$	Office Furniture A$	Office Equipment A$	Total A$
Balance at 30 June 2019	70,645	42,081	7,237	27,722	147,685
Additions	10,900	-	-	3,293	14,193
Depreciation	(12,030)	(5,359)	(1,396)	(8,327)	(27,112)
Disposals	-	(2,827)	-	-	(2,827)
Effect of foreign currency translation	714	460	56	182	1,412
Balance at 30 June 2020	70,229	34,355	5,897	22,870	133,351
Additions	**14,291**	**-**	**-**	**5,276**	**19,567**
Depreciation	**(12,348)**	**(4,189)**	**(1,076)**	**(7,480)**	**(25,093)**
Disposals	**-**	**-**	**-**	**-**	**-**
Effect of foreign currency translation	**(1,991)**	**(1,099)**	**(140)**	**(473)**	**(3,703)**
Balance at 30 June 2021	**70,181**	**29,067**	**4,681**	**20,193**	**124,122**

10. Exploration and Evaluation Expenditure

	30-Jun-21 A$	30-Jun-20 A$
Exploration and evaluation - carrying value	**427,867**	442,499
	427,867	442,499
Reconciliation of movement in carrying value		
Carrying value at 1 July	**442,499**	438,196
Effect of foreign currency translation	**(14,632)**	4,303
Carrying costs at the end of the year	**427,867**	442,499

The recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development or sale of the respective areas of interest.

11. Trade and Other Payables

		30-Jun-21 A$	30-Jun-20 A$
Trade creditors	*(i)*	**859,594**	339,930
Other payable	*(ii)*	**72,111**	41,211
Short-term employee leave provisions		**261,826**	209,368
		1,193,531	590, 509

(i) *Trade creditors are non-interest bearing and are normally settled within 45 days. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.*

(ii) *Other payable include payroll liabilities for the year ended 30 June 2021 paid subsequent to the year end.*

12. Leases

The Group has operating leases in Australia and Italy. Movements in the right of use asset and lease liabilities during were as follows:

	30-Jun-21 A$	30-Jun-20 A$
Right of use asset		
Carrying value at 1 July	**100,992**	166,672
Depreciation for the period	**(65,908)**	(95,522)
Additions	**12,616**	29,482
Expired leases	**(5,457)**	-
Effect of translation of foreign currency operation to group presentation currency	**(1,873)**	360
Carrying value at 30 June	**40,370**	100,992

12. Leases (continued)

	30-Jun-21 A$	30-Jun-20 A$
Lease liability		
At 1 July	**(102,446)**	(168,435)
Additional leases	**(12,616)**	(29,482)
Finished leases	**5,457**	-
Lease payments	**68,698**	99,111
Interest	**(1,968)**	(3,287)
Effect of translation of foreign currency operation to group presentation currency	**1,574**	(353)
	(41,301)	(102,446)

13. Provisions

		30-Jun-21 A$	30-Jun-20 A$
Current			
Provision for restoration	*(i)*	**224,288**	231,958
		224,288	231,958
Non-current:			
Provision for long service leave		**27,035**	37,993
		27,035	37,993

(i) A provision has been recognised for the estimated cost of restoring the environmental disturbance that has occurred on the Gorno Project up to 30 June 2021. No discount has been applied to this provision as the restoration work is anticipated to be completed within 12 months.

14. Equity

(a) Issued capital

	30-Jun-21 A$	30-Jun-20 A$
Shares on issue	**53,856,718**	44,467,877
Issuance costs	**(3,073,849)**	(2,673,648)
	50,782,869	41,794,229

Reconciliation of movement in share capital

	Date	Price A$	Number of shares	A$
30 June 2020				
Balance at 1 July 2019			1,821,634,311	40,171,027
Shares granted as compensation	30-Sep-19	0.003	8,250,000	24,750
Share placement	31-Oct-19	0.005	342,264,417	1,711,322
Options granted as compensation	31-Oct-19	-	-	3,000
Share subscription	6-Dec-19	0.005	30,000,000	150,000
Share issuance costs	-	-	-	(265,870)
Balance at 30 June 2020			2,202,148,728	41,794,229

14. Equity (continued)

Reconciliation of movement in share capital (continued)

	Date	Price A$	Number of shares	A$
30 June 2021				
Balance at 1 July 2020			**2,202,148,728**	**41,794,229**
Share placement – Tranche 1	1-Jul-20	0.004	**550,537,181**	**2,202,149**
Shares granted as compensation	25-Aug-20	0.004	**18,013,267**	**72,053**
Share placement – Tranche 2	27-Aug-20	0.004	**340,000,000**	**1,360,000**
Share Purchase Plan (SPP)[1]	4-Sep-20	0.004	**500,000,000**	**2,000,000**
Options subscription	30-Sep-20		**-**	**4,639**
Share placement	31-Mar-21	0.005	**730,000,000**	**3,650,000**
Share placement	19-May-21	0.005	**20,000,000**	**100,000**
Shares consolidation[1,2]	25-May-21	-	**(4,069,985,054)**	**-**
Share issuance costs	-	-	**-**	**(400, 201)**
Balance at 30 June 2021			**290,714,122**	**50,782,869**

[1] Under the SPP the Company also issued 166,666,667 free attaching options, on the basis of one option for every three Shares issued under the SPP, each with an exercise price of $0.01 and expiry date of 31 January 2022.
[2] On 25 May 2021 the Company consolidated the share capital by converting every 15 shares on issue into one new share.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Capital risk management
When managing capital, managements objective is to ensure the entity continues as a going concern as well as undertaking operations in a manner that provide returns to shareholders and other stakeholders. The Group aims to maintain a capital structure that ensures the lowest cost of capital available to the entity and maximises returns for shareholders through minimising dilution.

In order to maintain or adjust the capital structure, the entity may issue new shares, enter into joint ventures or sell assets. The entity does not have a defined share buy-back plan.

Capital raising proceeds held in trust
During the year ended 30 June 2020, the Company received proceeds of $2,202,149 for the placement of 550,537,181 shares, which were allotted subsequent to the end of the year. The proceeds amount was disclosed as a current liability in the statement of financial position at 30 June 2020 and was reclassified to equity during the year ended 30 June 2021.

Dividends
No dividends were declared or paid (2020: Nil).

14. Equity (continued)

(b) Reserves

		30-Jun-21 A$	30-Jun-20 A$
Share-based payment reserve	*(i)*	230,321	194,648
Foreign currency translation reserve	*(ii)*	119,484	164,247
		349,805	358,895

Reconciliation of movement in reserves

	30-Jun-21 A$	30-Jun-20 A$
(i) Share-based payments reserve		
Balance at 1 July	**194,648**	933,821
Equity settled share-based payment transactions	**35,673**	79,036
Reclassified to retained earnings for expired options	**-**	(818,209)
Balance at 30 June	**230,321**	194,648
(ii) Foreign currency translation reserve		
Balance at 1 July	**164,247**	175,740
Effect of translation of foreign currency operation to group presentation currency	**(44,763)**	(11,493)
Balance at 30 June	**119,484**	164,247
	349,805	358,895

The foreign currency translation reserve movement results from translation of the Italian subsidiaries balances from Euro, being the subsidiaries' functional currency, to the Australian Dollar, being the Group's presentation currency.

15. Share Based Payments

(a) Employee Incentive Plan

The *Employee Incentive Plan* (EIP), approved by shareholder on 30 November 2018, is established as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. At its discretion, the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group.

(b) Expenses arising from share-based payment transactions

During the year, $35,519 was recognised as share-based payment expense (2020: $40,041) in relation to employee options, while the fair value of options granted to the corporate advisors of $154 (2020: $38,995) was recognised in other corporate and administration expense.

15. Share Based Payments (continued)

Movement in options during the year

		2021		2020	
		Number of options	Average exercise price per option ($)	Number of options	Average exercise price per option ($)
Outstanding at the beginning of the year		**101,000,000**	**0.04**	48,250,000	0.09
Granted during the year	*(i)*	**118,390,289**	**0.01**	75,000,000	0.01
Forfeited/lapsed during the year		**(8,250,000)**	**0.15**	(22,250,000)	0.07
Exercised during the year		**-**	**-**	-	-
Capital consolidation		**(197,064,249)**			
Outstanding at the end of the year	*(ii)*	**14,076,040**	**0.28**	101,000,000	0.04
Exercisable at the end of the year		**10,876,019**	**0.28**	71,000,000	0.04

The weighted average remaining contractual life of options outstanding at the end of the year is 2.5 years (2020: 3.5).

Exercise prices of options outstanding at 30 June 2021, adjusted for the capital consolidation, range from 12 cents per option to $1.50 per option (2020: 8 cents per option to 24 cents per option). The weighted average fair value of the options granted during the year was 0.03 cents per option (2020: 1.1 cents per option).

(i) Options granted during the year

During the year, the Company granted 46,390,289 options to suppliers (Advisor options pursuant to a share placement) and 72,000,000 options under the EIP.

The options issued under the EIP, comprising of 21,000,000 options to a director and 51,000,000 options to employees and contractors, are subject to vesting conditions whereby if the recipient resigns prior to the vesting date the options are forfeited. The grant of options to the director was approved by shareholders at the Annual General Meeting held on 27 November 2020.

The Advisor options were issued for a subscription price of 0.01 cent, while the EIP options were granted for no consideration. The options issued during the period hold no voting or dividend rights and are not transferrable without Board approval.

The fair value of all unlisted options issued during the year ended 30 June 2021 is $32,902.

15. Share Based Payments (continued)

Fair value of options granted during the year

The fair value of the options granted during the year ended 30 June 2021 was determined using the Black-Scholes valuation method and the model inputs were as follows:

	Director options			Employee options			Advisor options
	Series 37	Series 38	Series 39	Series 37	Series 38	Series 39	SVEST03
No. of options	7,000,000	7,000,000	7,000,000	17,000,001	17,000,001	16,999,998	46,390,289
Grant date	27-Nov-20	27-Nov-20	27-Nov-20	14-Dec-20	14-Dec-20	14-Dec-20	31-Aug-20
Issue price (cents)	-	-	-	-	-	-	0.01
Expiry Date	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24	16-Sep-24	28-Feb-22
Share price (cents)	0.7	0.7	0.7	0.5	0.5	0.5	0.6
Exercise price (cents)	1.2	1.6	2.0	1.2	1.6	2.0	2.0
Expected volatility	38.82%	38.82%	38.82%	46.44%	46.44%	46.44%	34.87%
Option life (years)	3.81	3.81	3.81	3.76	3.76	3.76	1.5
Dividend yield	-	-	-	-	-	-	-
Risk free interest rate	0.29%	0.29%	0.29%	0.34%	0.34%	0.34%	0.26%
Fair value per option (cents)	0.10	0.05	0.03	0.06	0.04	0.02	0.0003
Vesting conditions	Continued service	Continued service	Continued service	Continued service	Continued service	Continued service	None

(ii) Options outstanding at the end of the year

Series No.	Number of options[1]	Exercise price[1]	Expiry date	Vesting date
26	133,334	$1.50	28-Feb-22	Vested
27	133,334	$2.25	28-Feb-22	Vested
28	133,334	$3.00	28-Feb-22	Vested
30	783,334	$0.75	30-Jun-22	Vested
31	1,000,000	$0.12	18-Sep-24	Vested
32	1,000,000	$0.18	18-Sep-24	18-Sep-24
33	1,000,000	$0.12	16-Sep-24	Vested
34	1,000,000	$0.18	16-Sep-24	Vested
35	1,000,000	$0.24	16-Sep-24	Vested
36	3,092,686	$0.15	28-Feb-22	Vested
37	1,600,006	$0.18	16-Sep-24	Vested
38	1,600,006	$0.24	16-Sep-24	1-Sep-21
39	1,600,006	$0.30	16-Sep-24	1-Jun-22
Total	**14,076,040**			

[1] *The number of options and their respective exercise prices reflect the share consolidation.*

16. Related Parties

(a) Subsidiaries

The consolidated financial statements include the financial statements of Alta Zinc Limited and its subsidiaries listed in the following table:

	Country of Incorporation	Percentage Owned 30-Jun-21 %	Percentage Owned 30-Jun-20 %
Nickelex Pty Ltd	Australia	**100**	100
Nabberu Resources Pty Ltd[1]	Australia	**-**	100
Energia Minerals (Italia) Srl	Italy	**100**	100
Strategic Minerals (Italia) Srl	Italy	**100**	100

[1] *Voluntary deregistration lodged with ASIC on 28 June 2021.*

(b) Transactions with Key Management Personnel (KMP)

	30-Jun-21 A$	30-Jun-20 A$
Short-term employee benefits	**738,281**	760,458
Long-term employee benefits	**(14,378)**	11,351
Post-employment benefits	**41,246**	48,584
Share-based payment	**19,309**	37,419
Total key management personnel compensation	**784,458**	857,812

Disclosures relating to KMP are set out in the Remuneration Report contained in the Directors Report.

(c) Other transactions related parties

During the year, Gilbert & Tobin provided legal services to the Group of $92,221 (2020: $37,883). Mr Cardaci is a consultant to Gilbert & Tobin's Corporate Advisory Group. At 30 June 2021, the balance owing to Gilbert & Tobin was $134 (2020: Nil). The services were entered into on normal commercial terms and have not been included in directors' remuneration as the fees were not paid for services provided by Mr Cardaci.

There were no other transactions during the year ended 30 June 2021.

17. Parent Entity Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30-Jun-21 A$	30-Jun-20 A$
ASSETS		
Current Assets	**3,704,241**	2,257,099
Non-current Assets	**73,895**	555,657
TOTAL ASSETS	**3,778,136**	2,812,756
LIABILITIES		
Current Liabilities	**254,644**	2,567,980
Non-current Liabilities	**27,035**	37,993
TOTAL LIABILITIES	**281,679**	2,605,973
NET ASSETS	**3,496,457**	206,783
EQUITY		
Contributed equity	**50,782,869**	41,794,229
Accumulated losses	**(47,516,734)**	(41,782,094)
Share based payment reserve	**230,321**	194,648
TOTAL EQUITY	**3,496,456**	206,783
FINANCIAL PERFORMANCE		
Net profit/(loss) for the year	**(5,734,640)**	(1,521,368)
Other comprehensive income	**-**	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(5,734,640)**	**(1,521,368)**

(b) Guarantees entered into by the parent entity

During the year the parent entity wrote off and forgave the intercompany loan balances receivable from its Australian subsidiaries, Nickelex Pty Ltd and Nabberu Resources Pty Ltd.

Nabberu Resources Pty Ltd was deregistered on 28 June 2021. As at 30 June 2021 Nickelex Pty Ltd had no known liabilities (2020: nil).

The parent entity has agreed to provide funding to Nickelex Pty Ltd for approved expenditures.

(c) Contingent liabilities

The parent entity has no contingent liabilities as at 30 June 2021 (2020: nil).

(d) Contractual commitments for acquisition of property, plant and equipment

The parent entity has no commitments to purchase property, plant and equipment at 30 June 2021 (2020: nil).

18. Cash Flow Information

		30-Jun-21 A$	30-Jun-20 A$
Loss after tax		**(5,377,531)**	(3,761,334)
Non-cash and non-operating flows in loss:	*(i)*		
Depreciation		**91,001**	122,634
Share based payments		**35,673**	79,036
Unrealised foreign exchange (gain)/loss		**(728)**	(5,657)
Net profit on sale of tenement		**(145,524)**	-
Net profit on sale of investment		**(8,751)**	-
Loss on disposal of plant and equipment		**-**	2,827
Accretion of discount on Italian VAT receivable		**-**	-
Changes in assets and liabilities			
(Increase)/decrease in trade receivables		**(191,154)**	(86,166)
(Increase)/decrease in prepayments		**(6,062)**	(42,256)
Increase in trade payables and accruals		**697,643**	80,921
Increase in provisions		**(18,628)**	85,082
Cash flow from operations		**(4,924,061)**	(3,524,913)

(i) Non-cash Financing & Investing Activities

During the year, the Company received 512,202 shares in AIM-listed Wishbone Gold PLC (Wishbone) as net consideration of $145,524 for the sale of its Paterson Project exploration tenement EL45/4543. The Company sold all of it Wishbone shares on market, realising a net profit of $8,751 from this transaction.

No other non-cash financing and investing activities were undertaken during the year ended 30 June 2021 (2020: Nil).

19. Commitments and Contingencies

Exploration Expenditure Commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Group.

At 30 June 2021, the exploration expenditure commitments are as follows:

	30-Jun-21 A$	30-Jun-20 A$
Minimum exploration expenditure commitments		
Not later than 12 months	30,987	268,760
After one year but not more than five years	30,987	79,963
	61,974	348,723

The minimum exploration expenditure commitments include the estimated cost of permit fees and tenement lease costs required to maintain title to the Group's tenements in Italy and Australia.

For Australian tenements, they include the minimum expenditure statutory requirements.

No statutory expenditure commitments are specified by the mining legislation in Italy.

20. Financial Risk Management

This note presents information about the Group's financial assets and financial liabilities, its exposure to financial risks, and the policies and processes for measuring and managing those risks.

During the year ended 30 June 2021, the Group's principal financial assets were cash, short-term deposits and trade and other receivables, comprised primarily of the Italian VAT receivable. The Group's principal financial liabilities comprised trade and other payables. The financial instruments of the Group predominantly arise directly from its operations.

The Group's activities expose it primarily to the following financial risks:

- Market risk including interest rate risk and foreign currency exchange risk*;*
- Credit risk; and
- Liquidity risk.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing identified risks. The Group uses different methods to manage the different types of risks to which it is exposed. These include monitoring exposure to currency risk and undertaking an assessment of market forecasts. The Group monitors liquidity risk through the preparation and monitoring of cash flow forecasts.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk for the Group comprise interest rate risk and foreign currency risk.

(i) Interest Rate Risk

The Group's exposure to the interest rate risk is minimal; it does not have interest-bearing debt and its exposure to the risk is limited to changes in interest rates on cash and term deposits the Group holds with the Australian banks.

	Floating interest rate A$	Fixed interest rate 1 year or less A$	Non-interest bearing A$	Total A$	W'ted average effective interest rate %
30 June 2021					
Financial Assets					
Cash	**4,084,885**	**-**	**-**	**4,084,885**	**0.04**
Receivables	**-**	**-**	**580,689**	**580,689**	
Restricted cash	**-**	**37,024**	**-**	**37,024**	**1.12**
Total financial assets	**4,084,885**	**37,024**	**580,689**	**4,702,598**	
Financial Liabilities					
Payables	**-**	**-**	**1,193,531**	**1,193,531**	
Leases	**-**	**-**	**41,301**	**41,301**	
Total financial liabilities	**-**	**-**	**1,234,832**	**1,234,832**	
Net financial assets	**4,084,885**	**37,024**	**(654,143)**	**3,467,766**	

20. Financial Risk Management (continued)

Market risk (continued)

(i) Interest Rate Risk (continued)

	Floating interest rate A$	Fixed interest rate 1 year or less A$	Non-interest bearing A$	Total A$	W'ted average effective interest rate %
30 June 2020					
Financial Assets					
Cash	205,829	-	2,055,435	2,261,264	0.01
Receivables	-	-	396,856	396,856	
Restricted cash	-	36,876	-	36,876	1.78
Total financial assets	205,829	36,876	2,452,291	2,694,996	
Financial Liabilities					
Payables	-	-	590,509	590,509	
Leases	-	-	102,446	102,446	
Total financial liabilities	-	-	692,955	692,955	
Net financial assets	205,829	36,876	1,759,336	2,002,041	

(ii) Foreign Currency Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to currency risk on financial assets and liabilities held by the controlled entity in Italy. The Group's expenditure obligations in Italy are primarily in Euro and as a result the Group is exposed to fluctuations in the Euro to Australian dollar. These exposures are not subject to a hedging program. Exposure to negative currency fluctuations has been partially mitigated through the maintenance of a Euro denominated cash position.

The Group is also exposed to foreign exchange risk arising from the translation of its foreign operations. The Group's investment in its overseas subsidiary is not hedged as it is considered to be long-term in nature.

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars except for the amounts set out below, which are held in Euro (EUR):

	30-Jun-21 A$	30-Jun-20 A$
Financial Assets		
Cash	**485,160**	13,919
Receivables	**558,347**	353,038
Financial Assets	**1,043,507**	366,957
Financial Liabilities		
Payables	**953,211**	272,357
Lease liabilities	**26,971**	54,762
Financial Liabilities	**980,182**	327,119

20. Financial Risk Management (continued)

Market risk (continued)

(ii) Foreign Currency Risk (continued)

Sensitivity

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the EURO with all other variables held constant. The 10% sensitivity is based on management's estimate of reasonably possible changes over a financial year.

	30-Jun-21 A$	30-Jun-20 A$	30-Jun-21 A$	30-Jun-20 A$
	Impact on profit after tax		Impact on other equity	
+10% increase in AUD:EUR	**(8,217)**	(669)	**(194,151)**	(8,791)
-10% decrease in AUD:EUR	**8,217**	669	**194,152**	8,791

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

As the Group is yet to commence mining operations, it currently has no significant exposure to customer credit risk. The class of assets described as Receivables is considered to be the main source of credit risk. Included in Receivables is Italian value added tax receivable (VAT) arising from expenditure incurred in Italy. During the current financial year, the Group recovered the majority of the VAT receivable balance outstanding as at 30 June 2020 by way of offsetting liabilities for various Italian employee taxes and social security contributions and a cash refund. The VAT balance classified as a current asset at 30 June 2021 is similarly expected to be recovered by offsetting employment tax liabilities, with the VAT balance classified as a non-current asset expected to be recovered in the following year through the offsetting mechanism and by refund following the lodgment of the annual VAT return. Further information regarding Receivables is detailed at Note 8.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset in the Statement of Financial Position.

Credit risk in relation to cash balances with banks is managed through the assessment of the credit quality of the institution with whom the funds are deposited. Currently the Group only invests cash with counterparties assessed with high credit ratings. Funds are transferred to Italy to meet the working capital needs of the controlled entities Energia Minerals (Italia) Srl and Strategic Minerals Srl. The cash needs of the controlled entity operations are monitored by the parent company and funds are advanced to the Italian operations as required.

The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

20. Financial Risk Management (continued)

Liquidity risk (continued)

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in liquid short-term deposits. The Group's liquidity needs are currently met through cash and cash equivalents. Future liquidity needs can potentially be met through equity raisings and or debt.

The Group's liquidity risk exposure relates to trade payables, which are payable within one year from the reporting date.

Financial assets pledged as collateral

Certain financial assets have been pledged as security for finance facilities associated with bank guarantees. The realisation of these financial assets into cash may be restricted and subject to terms and conditions attached to the relevant finance facilities. Refer to Note 9 for further details.

21. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group considers that it has only operated in one reportable segment, being minerals exploration and evaluation. The segment financial information is as per the Group's consolidated financial statements.

22. Events After the Reporting Period

There were no matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Alta Zinc Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

      i. Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date.

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

   (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and

   (c) The financial statements and notes comply with International Financial Reporting standards as set out in Note 2.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

On behalf of the Board

Alexander Burns
Non-executive Chairman
29 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTA ZINC LTD
REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Report on the financial report

Opinion

We have audited the financial report of Alta Zinc Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and the Directors' Declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Group's financial position at 30 June 2021 and of its financial performance for the year then ended; and
(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that Group incurred a net loss of $5,377,531 and had net operating cash outflows of $4,924,061 for the year ended 30 June 2021. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Decentralised operations	
We consider the decentralised nature of the Group's operations as a key audit matter based on the following: • Alta Zinc Ltd holds 100% of the share capital of Energia Minerals (Italia) Srl, Strategic Minerals (Italia) Srl and Nickelex Pty Ltd. The main operations are located in Italy while the parent entity is located in Australia. • The decentralised nature of the operations requires significant oversight by the Group to monitor the activities, review component financial reporting and undertake the Group consolidation process.	Our procedures included, but were not limited to: • Assessing the design and operating effectiveness of relevant controls over the Group's decentralised structure, including centralised monitoring controls at the Group and component level. • Planning, scoping and performing audit procedures on significant entities or significant balances focussing on areas requiring estimation and judgement. • Verifying the deregistration of Nabberu Resources Pty Ltd. • Undertaking analytical review procedures on financial information of all components, including those not considered individually significant. • Evaluation of the adequacy of the Group's disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's reports thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director's for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Crowe

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Alta Zinc Ltd for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Perth

Crowe Perth

Sean McGurk
Partner

29 September 2021

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 23 September 2021.

(a) Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at https://www.altazinc.com/corporategovernance.

(b) Distribution of Shareholders

The number of shareholders of **fully paid ordinary shares**, by size of holding are:

Number of Shares			Number of Holders	Number of Shares
1	-	1,000	183	95,000
1,001	-	5,000	272	717,711
5,001	-	10,000	317	2,274,653
10,001	-	100,000	774	28,103,859
100,001	-	and over	281	259,522,899
			1,827	**290,714,122**
The number of shareholders holding less than a marketable parcel of shares are:			544	1,318,059

The number of shareholders of **listed options**, by size of holding are:

Number of Shares			Number of Holders	Number of Shares
1	-	1,000	6	3,129
1,001	-	5,000	42	120,797
5,001	-	10,000	39	261,524
10,001	-	100,000	116	4,294,521
100,001	-	and over	66	26,220,985
			269	**30,900,956**

(c) Twenty Largest Shareholders

The names of the twenty largest holders of **fully paid ordinary shares** are:

Fully Paid Ordinary Shares		Number	Percentage
1	V B S Exchange Pty Ltd	40,869,750	14.06%
2	Citicorp Nominees Pty Ltd	33,500,002	11.52%
3	ASIM Holdings Pty Ltd <The ASLI A/C>	18,109,301	6.23%
4	Malvasia Pty Ltd <The Spyder Super Fund A/C>	12,179,981	4.19%
5	HSBC Custody Nominees (Australia) Limited	9,200,888	3.16%
6	BNP Paribas Nominees Pty Ltd <IB AU NOMS RetailClient DRP>	6,656,699	2.29%
7	Mr Mark Anthony Broglio	5,500,000	1.89%
8	BNP Paribas Nominees Pty Ltd <LGT Bank AG DRP>	5,000,000	1.72%
9	The RB SMSF Pty Ltd (Rose-Burns SMSF A/C)	4,595,001	1.58%
10	Injidup Investments Pty Ltd	3,829,620	1.32%
11	BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/c>	3,784,966	1.30%
12	Chetan Enterprises Pty Ltd	3,408,334	1.17%
13	Binco Securities Pty Ltd (The Binco Prop Fund A/C)	2,488,000	0.86%

(c) Twenty Largest Shareholders (continued)

Fully Paid Ordinary Shares		Number	Percentage
14	Simore Pty Ltd <Simore Super Fund A/C>	2,466,728	0.85%
15	Diemar & Associates Pty Limited <Superannuation Fund A/c>	2,433,334	0.84%
16	Mrs Elizabeth Burns & Mr Alexander Stuart Burns (Rose-Burns SMSF S/F A/C)	2,370,001	0.82%
17	Mr Tianyu Wu	2,319,067	0.80%
18	Brevistal Pty Ltd <VWM Superannuation Fund A/c>	2,130,885	0.73%
19	BSN Holdings Pty Ltd <BSN Super Fund A/c>	2,100,000	0.72%
20	Piama Pty Ltd <FENA Superannuation Plan A/c>	2,000,000	0.69%
20	Mr Andrew Broglio & Miss Alana Owen <The A Team Superfund A/c>	2,000,000	0.69%
		166,942,557	**57.43%**

The names of the twenty largest holders of **listed options** are:

Listed Options		Number	Percentage
1	V B S Exchange Pty Limited	2,611,112	8.45%
2	Tango88 Pty Ltd <Tango88 A/c>	2,524,952	8.17%
3	Citicorp Nominees Pty Limited	2,097,222	6.79%
4	ASIM Holdings Pty Ltd (The ASLI A/C)	1,666,667	5.39%
5	BNP Paribas Nominees Pty Ltd <LGT Bank AG DRP>	1,666,666	5.39%
6	Pershing Nominees Limited <WRCLT A/c>	1,333,334	4.31%
7	Malvasia Pty Ltd (The Spyder Super Fund A/C)	1,111,112	3.60%
8	HSBC Custody Nominees (Australia) Limited	1,082,223	3.50%
9	Mr John Edmund Sainsbury	600,000	1.94%
10	Brevistal Pty Ltd (VWM Superannuation Fund A/c>	444,445	1.44%
11	Mr Michael Leslie Jefferies & Mrs Julie Anne Jefferies <Jefferies S/F A/c>	416,667	1.35%
11	Flue Holdings Pty Ltd	416,667	1.35%
11	Mr Paul Anthony Sharp	416,667	1.35%
11	Lamerton Pty Ltd <Macs Super Fund A/c>	416,667	1.35%
12	Altor Capital Management Pty Ltd <Altor Alpha Fund A/c>	411,112	1.33%
13	Zephyr Pty Ltd <A Branicki Superfund A/c>	400,000	1.29%
14	Apam Holdings Pty Ltd <Hector Super Fund A/c>	388,889	1.26%
15	Chetan Enterprises Pty Ltd	375,000	1.21%
16	Mr Paul Sharp & Mr Valentine Durnin <Sharp Superfund A/c>	361,112	1.17%
17	BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/c>	355,555	1.15%
18	Mr Geoffrey Warren Greenhill & Mrs Gwenda Joy Greenhill <Greenhill Super Fund A/c>	338,256	1.09%
19	Mr Anthony John Locantro	333,334	1.08%
20	Mr Simon William Tritton <Investment A/c>	277,778	0.90%
		20,045,437	**64.87%**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with *section 671B* of the *Corporations Act 2001* are:

Substantial Shareholders	Number	Percentage
VBS Exchange Pty Ltd & Other Parties	40,869,750	14.06%
Alexander Burns & Associates	28,903,923	9.94%

(d) Distribution of Option Holders

The number of option holders, by size of holding, in each class of option are:

Number of Options	26	27	28	30	31	32	33	34	35	36	37	38	39
1 - 1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-	-	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-	-	-	-	-	-	-	-
10,001 - 100,000	-	-	-	5	-	-	-	-	-	-	6	6	6
100,001 - over	1	1	1	4	1	1	1	1	1	1	5	5	5
	1	1	1	9	1	1	1	1	1	1	11	11	11

(e) Terms of Unquoted Options on Issue

Series No.	Number of options	Exercise price	Expiry date	Vesting date
26	133,334	$1.50	28-Feb-22	Vested
27	133,334	$2.25	28-Feb-22	Vested
28	133,334	$3.00	28-Feb-22	Vested
30	783,334	$0.75	30-Jun-22	Vested
31	1,000,000	$0.12	18-Sep-24	Vested
32	1,000,000	$0.18	18-Sep-24	18-Sep-24
33	1,000,000	$0.12	16-Sep-24	Vested
34	1,000,000	$0.18	16-Sep-24	Vested
35	1,000,000	$0.24	16-Sep-24	Vested
36	3,092,686	$0.15	28-Feb-22	Vested
37	1,600,006	$0.18	16-Sep-24	Vested
38	1,600,006	$0.24	16-Sep-24	Vested
39	1,600,006	$0.30	16-Sep-24	1-Jun-22
Total	**14,076,040**			

Holders with More Than 20% of Each Option Series (not acquired under an employee incentive scheme):

Series No.	Optionholder	Number of Options
31	Horizon Investment Services Pty Ltd	1,000,000
32	Horizon Investment Services Pty Ltd	1,000,000
36	Discovery Capital Partners Pty Ltd	1,546,343
36	Foster Stockbroking Pty Ltd	1,546,343

(f) Voting Rights
All ordinary shares carry one vote per share. There are no voting rights attached to options in the Company. Voting rights will be attached to the unissued ordinary shares when options have been exercised.

(g) Securities Exchange Listing
Quotation has been granted for 290,714,122 ordinary shares of Alta Zinc Limited on all member exchanges of the *Australian Securities Exchange* and trade under the symbol AZI.

Quotation has been granted for 30,900,956 options over ordinary shares of Alta Zinc Limited expiring on 31 January 2022 on all member exchanges of the *Australian Securities Exchange* and trade under the symbol AZIO.

(h) Restricted Securities
The Company has no restricted securities.

(i) On Market Buyback
There is no on-market buy-back currently being undertaken.

(j) Mineral Resource Statement
The updated Inferred and Indicated Resources for the Gorno Zinc Project, Italy, is set out in the Minerals Resource Estimate (MRE) table below, as reported to the ASX on 14 July 2021.

Gorno Deposit Mineral Resource Estimate (July 2021)

Domain	JORC Classification	Tonnes kt	Zinc Total		Lead Total		Silver	
			%	kt	%	kt	g/t	koz
Sulphide	Indicated	4,020	6.9	280	1.8	70	32	4,170
	Inferred	2,770	6.9	190	1.7	50	33	2,970
	Total	*6,790*	*6.9*	*470*	*1.8*	*120*	*33*	*7,140*
Oxide	Indicated	780	6.1	50	1.8	14	29	730
	Inferred	220	5.8	10	1.4	3	24	170
	Total	*1,000*	*6.0*	*60*	*1.7*	*20*	*28*	*900*
Total	Indicated	4,790	6.7	320	1.8	90	32	4,900
	Inferred	3,000	6.8	210	1.7	50	33	3,140
	Total	**7,790**	**6.8**	**530**	**1.8**	**140**	**32**	**8,040**

Governance and Internal Controls on Resource Estimates

Alta Zinc's policy for the completion of resource estimations is to engage an independent consultant with an exemplary industry reputation. This independent consultant is required to review any information Alta Zinc has provided for resource estimation purposes and is not to utilise any information that does not meet appropriate professional standards. This consultant is required to review Alta Zinc's field and data collection procedures and provide feedback to ensure Alta Zinc collects and interprets data using industry best practice.

Alta Zinc utilises extensive quality assurance and control procedures for all of its data collection and data compilation and completes annual reviews of its database and any material assumptions made in interpretation and its resource estimates.

The Mineral Resources Statements contained in the 2021 Annual Report has been reviewed by a suitably qualified competent person as detailed in the Competent Person Statement.

Competent Person Statement

The information in this Annual Report that relates to Mineral Resources is based on, and fairly represents, the Mineral Resources, information and supporting documentation extracted from the report which was compiled by Mr Dmitry Pertel as Competent Person in compliance with the JORC Code (2012 edition) and released to ASX by the Company on 14 July 2021.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement of the Mineral Resource released to the ASX. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement of the Mineral Resource.

(k) Scheduled of Mining Tenements

Italy			
Novazza	N/A	100%	Application – on hold
Val Vedello	N/A	100%	Application – on hold
Monica Mining Concession	Decree 538	100%	Renewal & extension in progress
Cime	Decree 8073	100%	Granted
Punta Corna	Decree 628 & 160	100%	Renewal & extension in progress
Balme	Decree 264	100%	Renewal in progress
Monte Bianco	N/A	100%	Application
Corchia	N/A	100%	Application

NB: All tenements granted except those shown as "Application" or "Renewal".

CORPORATE DIRECTORY

Directors

Mr Alexander Burns	Non-executive Chairman
Mr Geraint Harris	Managing Director
Mr Stephen Hills	Finance Director
Mr Marcello Cardaci	Non-executive Director

Company Secretary

Mr Stephen Hills

Registered Office & Principal Place of Business

Level 3, Suite 3.5,
9 Bowman Street,
South Perth, WA 6151
Tel: +61 8 9321 5000
Fax: +61 8 9321 7177
Email: info@altazinc.com

Share Register

Automic Group
Level 5, 126 Phillip Street
Sydney, NSW 2000
Tel: 1 300 288 664

Auditors

Crowe Perth
Level 5, 45 St Georges Terrace
Perth WA 6000
Tel: +61 8 9481 1448

Internet Address

www.altazinc.com

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: **AZI**

ABN 63 078 510 988