

31 January 2018



Quarterly Activities Report Period Ending 31 December 2017

HIGHLIGHTS

Completion of Technical and Economic Assessment (TEA)

- The TEA of the Gorno Zinc Project was completed based on the option of locating an underground processing plant adjacent to Colonna Zorzone.
- The TEA is being used for the dual purpose of defining the 2018 work program and for ongoing discussions with potential off-takers and financiers.
- The conclusions and recommendations arising from its findings include:
 1. That a mining operation with an underground processing plant is achievable, subject to further work and funding, with potential for significant project enhancements.
 2. The potential to improve the existing Mineral Resource with an efficient drilling strategy is high and that, in collaboration with financiers/off-take partners, it will assist the Company in defining the optimal mine schedule, project configuration, plant location and flowsheet.

Mineral Resource Update and Exploration Program

- For mine parameters and other work in the TEA, an updated Mineral Resource Estimate was established for Colonna Zorzone of 3.3Mt @ 6.2% Zn+Pb.
- A detailed exploration program was completed for the mineralised extensions of Colonna Zorzone including mapping, sampling and historical data review.
- Based on the work completed to date¹, a drilling program is being developed to drill-test the highest priorities to the east (Pian Bracca) and north (Piazzole).

¹ For further information, refer to 31 October 2017 ASX releases titled "September 2017 Quarterly Report and Appendix 5B" and "Underground Samples Confirm Gorno Expansion Potential".

Completion of Technical and Economic Assessment

During the Quarter, the Technical and Economic Assessment (TEA) of the Gorno Zinc Project was completed based on the option of locating an underground processing plant adjacent to Colonna Zorzone (see Figure 1).

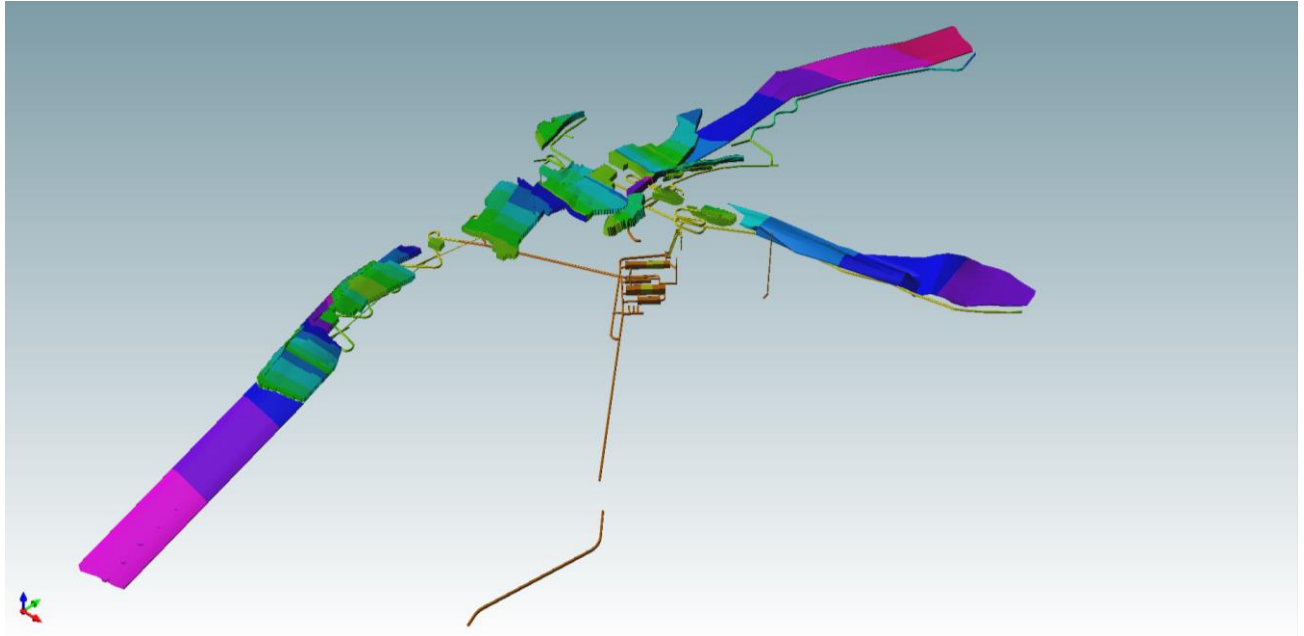


Figure 1: Conceptual Mine Plan and Underground Plant Layout for Colonna Zorzone

The TEA is an internal document that cannot be considered to be a study of a sufficient standard for the purposes of determining a mineral reserve or providing a reasonable basis for economic assessment given that the mine plan underpinning the TEA incorporates areas of known mineralisation (north, south and east extensions) that are outside of the current JORC-compliant mineral resource (refer to Figure 2 overleaf).

The TEA was prepared by Alta Zinc personnel with briefs assigned to expert independent consultants in key areas including:

- Metallurgical testwork
- Mineral resource estimation
- Mine planning and geotechnical studies
- Validation of previous metallurgical bench test results
- Environmental studies
- Plant and waste management design

Much of these work streams have been completed at levels of accuracy consistent with the standards of a feasibility study.

The TEA represents the outcomes of studies up to December 2017 of the underground processing scenario and is being used for the dual purpose of defining the 2018 work program and for review by potential off-takers and financiers. The conclusions and recommendations arising from the Study include the following:

- The TEA demonstrates that a mining operation with an underground processing plant is achievable, subject to further work and funding, with potential for significant project enhancements.
- The potential to improve the existing Mineral Resource with an efficient drilling strategy is high given the adjacent mineralised zones identified to the north, east and south of Colonna Zorzone, and the other important conceptual target identified further to the east at Colonna Fontanone (see Figure 2).
- Further work is warranted, in collaboration with financiers/off-take partners, to drill these targets to assist in defining the optimal mine schedule, project configuration, plant location and flowsheet.

The Company has established a data room to allow potential off-take partners and financiers, under confidentiality agreements, access to the TEA and other key information on the project. This is an ongoing process and the Company has been encouraged by interest shown to date. However, the Company cannot guarantee that an acceptable proposal from an off-take partner and/or financier will be received.

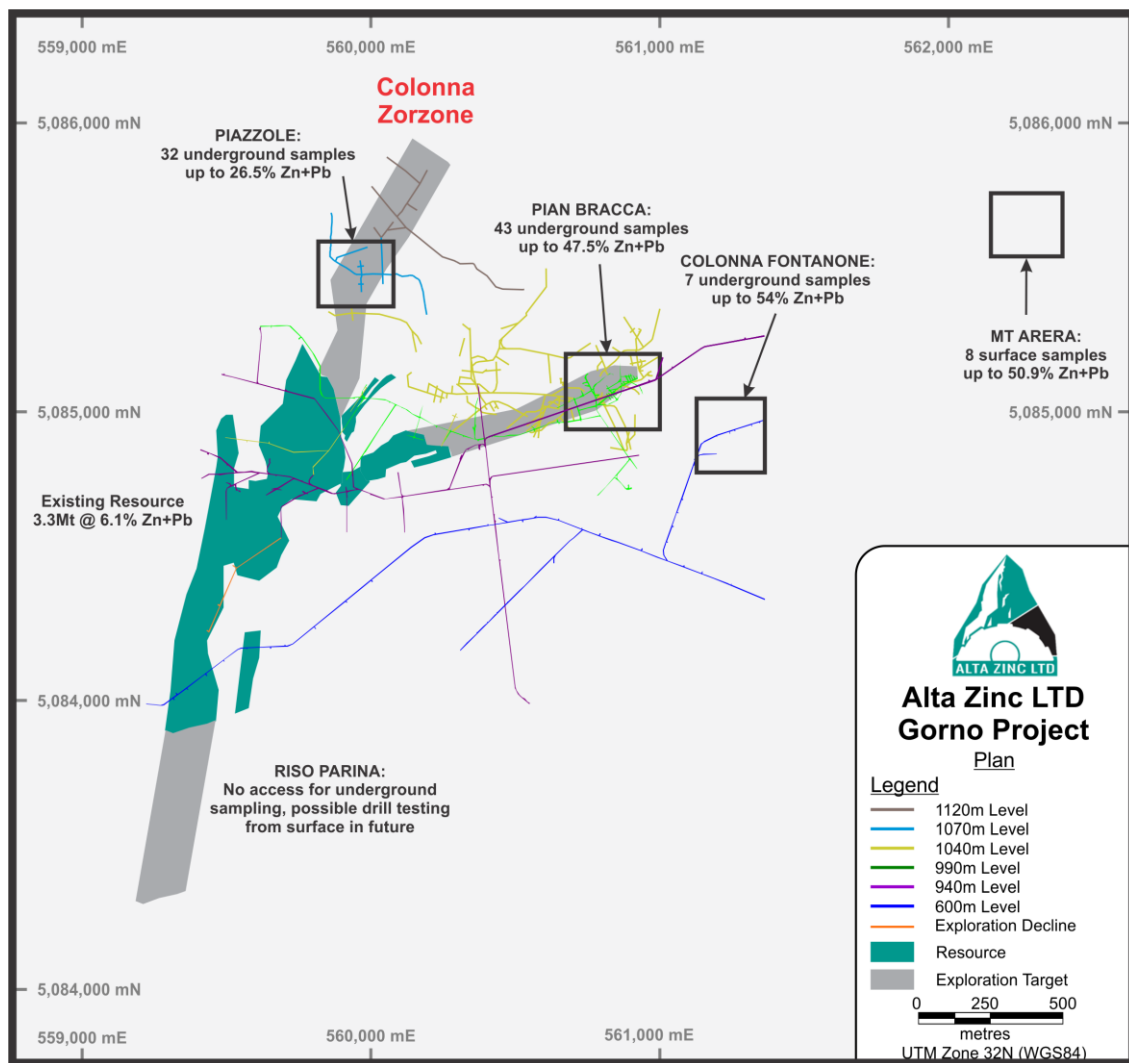


Figure 2: Existing Colonna Zorzone Mineral Resource & Targeted Mineralised Extensions

Mineral Resource Update

Alta Zinc commissioned a mineral resource estimation revision to include all drilling results obtained to date. The revision primarily focused on using the resource estimation to inform metallurgical and mining parameters for the TEA, and to increase the level of geological knowledge and confidence in the mineral resource. For full details on the resource estimate please refer to ASX announcement on 8 December 2017.

December 2017 OK Estimate Reported using a 1% Zinc Cut-off Grade Subdivided by JORC Code 2012 Resource Categories using ROUNDED figures							
Category	Tonnes (Mt)	Total Zinc		Total Lead		Silver	
		Grade (%)	Metal (Kt)	Grade (%)	Metal (Kt)	Grade (ppm)	Metal (Moz)
Indicated	2.1	5.1	107	1.4	29	30.9	2.1
Inferred	1.2	4.6	56	1.1	14	20.9	0.8
Indicated + Inferred	3.3	4.9	163	1.3	43	27.2	2.9

Table 1: December 2017 Mineral Resource Estimate

Other Exploration Projects

Salafossa and Predil - Italy

Alta Zinc holds an Exploration Licence (EL) covering the historic Salafossa Mine. The new EL is located in northern Italy within 7km of the Austrian border and approximately 400km from the flagship Gorno Project.

Salafossa was discovered in 1957 and was mined by Societa Mineraria e Metallurgica di Pertusola SpA from 1964 until its closure in 1986 due to depletion of reserves and resources. During the mine's life Salafossa produced 11Mt of sulphide ore grading 5.0% zinc and 1.0% lead at an average production rate of approximately 500,000 tonnes per annum. Salafossa comprised a single sub-horizontal, Mississippi Valley Style (MVT) deposit that supported historical production from a single, mineralised body with dimensions of 750m in length, 50m-200m wide and 50m-100m thick. This facilitated mining by large-scale open stoping which is typically a low-cost mining method. Potential exists for structural repeats of the mineralisation, both vertically and horizontally, as has been proven to be the case for Gorno and in similar MVT deposits.

The Exploration Licence application at Predil is still being processed by the Regione.

No work was carried out on these projects during the period.

McArthur Project - Northern Territory, Australia

The project encompasses three tenements totalling 1,245km². One tenement (EL31045) is granted. The grant of the remaining two applications is pending the outcome of discussions with Traditional Owners. It is anticipated that a meeting will be held with the Northern Land Council in 2018 to progress these discussions. The westerly dipping Barney Creek formation at Pacifico Mineral Ltd's Four Mile Prospect, which is host to lead-zinc mineralisation elsewhere in the MacArthur Basin, is interpreted to pass into Alta Zinc's ground at around 250m depth. No work was carried out during the period.

Paterson Project - Western Australia

The Paterson Project comprises two granted tenements (E45/4534 and E45/4543) covering 219km². The two tenements cover highly prospective parts of the Broadhurst Formation and include the Eva Well prospect. In November 2017, a geophysical contractor was mobilised to site to undertake a detailed gravity survey over these tenements. Unfortunately, due to a number of fires in the region, the gravity survey was terminated prior to commencement. It is anticipated the survey work will now commence by June 2018.

Nyang ISR Uranium Project - Western Australia

Alta Zinc's tenement application encompasses a 40-50km strike length of the eastern margin of the Carnarvon Basin, including the interpreted oxidation/reduction (Redox) front within the Birdrong Sandstone. This Redox front hosts the three known ISR (In Situ Recovery) uranium deposits (Manyingee, Bennett Well and Carley Bore) within the Carnarvon Basin. The application covers most of the estimated 150km strike length of the Redox horizon between the Manyingee and Carley Bore deposits that remains largely untested.

No work was carried out on the application during the quarter.

Corporate

Change of Company Name

Following shareholder approval on 28 November 2017, the Company changed its name from Energia Minerals Limited to Alta Zinc Limited in order to better reflect the current activities and future strategic direction of the Company, namely delivering value from the Gorno Zinc Project in northern Italy and the suite of base metal projects in Italy and Australia.

Cash on Hand and Issued Capital

Cash on hand as at 31 December 2017 was approximately \$1.38 million. At 30 December 2017, the Company had 1,096,238,436 fully paid ordinary shares on issue and 30,750,000 unlisted options. Please refer to the attached Appendix 5B for further information.

Tenements

Current tenement holdings, tenements disposed of and acquired during the quarter are shown in the attached Tables 2 to 4.

For and on behalf of Alta Zinc Limited.



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About Alta Zinc Limited

Alta Zinc has a portfolio of projects in Italy and Australia covering approximately 2,177km² in 14 granted tenements and 12 under application. All tenements and applications are 100% owned with no third-party royalties other than a 1% NSR royalty payable to Berghem Mines & Tech SRL in respect of any zinc production from the Gorno Zinc Project. In Northern Italy, Alta Zinc has granted titles over the flagship Gorno Zinc Project. Gorno was mined extensively until 1978, producing approximately 800,000 tonnes of zinc metal contained in high-quality, coarse-grained 55-58% zinc sulphide concentrates and zinc oxide concentrates from a recorded throughput of 6Mt grading 14.5% zinc. More than 230km of underground workings were developed across the Gorno licences. For further information, please visit www.altazinc.com.

Competent Person Statement

The information in this announcement that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Gorno Zinc Project is based on, and fairly represents, information which has been compiled by employees of Alta Zinc under the supervision and guidance of Mr David Andreazza, a full time employee of Alta Zinc and Member of the Australasian Institute of Geoscientists. Mr Andreazza has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andreazza consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this announcement that relates to the Mineral Resource estimate at The Gorno Zinc Project is based on, and fairly represents, information which has been compiled by Mr Stephen Godfrey. Mr Godfrey is a Principal Geologist at Jorvik Resources Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Project	Tenement	Entity's Interest	Comments
Western Australia			
Moses Chair	E45/4534	100%	Granted
Broadhurst Range	E45/4543	100%	Granted
Nyang	E08/2923	100%	Application
Northern Territory			
McArthur	EL 25272	100%	Application
McArthur	EL31045	100%	Granted
McArthur	EL31046	100%	Application
Italy			
Novazza	N/A	100%	Application
Val Vedello	N/A	100%	Application
Gorno – Monica Concession	Decree 845	100%	Granted
Gorno – Gorno NE	Decree 3910	100%	Granted
Gorno – Gorno NW	Decree 3917	100%	Granted
Gorno – Monte Golla	Decree 3921	100%	Granted
Gorno – Zambla	Decree 3920	100%	Granted
Gorno – Vedra	Decree 5846	100%	Granted
Gorno – Zambla West	Decree 2869	100%	Granted
Gorno – Riso	Decree 3365	100%	Granted
Gorno – Vedra Nord	Decree 2872	100%	Granted
Gorno – Parina Nord	Decree 3366	100%	Granted
Gorno – Parina	Decree 1995	100%	Granted
Gorno – Pano Orso	N/A	100%	Application
Gorno – Oltre Il Colle	N/A	100%	Application
Gorno – Zambla South	N/A	100%	Application
Gorno – Riso West	N/A	100%	Application
Gorno – Brembo	N/A	100%	Application
Gorno – Serio	N/A	100%	Application
Predil	N/A	100%	Application
Salafossa	Decree 1481	100%	Granted

Table 2: Schedule of Mining Tenements Held

Area of Interest	Tenement	Entity's Interest	Comments
Nil			

Table 3: Schedule of Mining Tenements Reduced

Area of Interest	Tenement	Entity's Interest	Comments
Nil			

Table 4: Schedule of Mining Tenements Increased

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALTA ZINC LIMITED (FORMERLY ENERGIA MINERALS LIMITED)

ABN

63 078 510 988

Quarter ended ("current quarter")

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1	6
1.2 Payments for		
(a) exploration & evaluation	(688)	(1,492)
(b) development	-	-
(c) production	-	-
(d) staff costs	(155)	(514)
(e) administration and corporate costs	(200)	(334)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,040)	(2,329)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(7)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(b) tenements (see item 10)	-	-
	(c) investments	-	59
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	52

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,132
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(57)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(28)	(55)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(28)	3,020

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,460	648
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,040)	(2,329)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	52
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	3,020
4.5	Effect of movement in exchange rates on cash held	(6)	(10)
4.6	Cash and cash equivalents at end of period	1,381	1,381

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	563	425
5.2 Call deposits	818	2,035
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,381	2,460

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
78
-

6.1 Being the remuneration of the Finance Director and superannuation of the Executive Chairman/CEO. Mr Burns, Executive Chairman/CEO together with Mr Cardaci, Non-Executive Director, continued to defer the payment of their remuneration during the quarter. However, it was resolved that the payment of all deferred remuneration of \$164,863 would be made during January 2018.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify) – Bank Guarantee	45	45
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The facility is associated with an unconditional bank guarantee provided by the National Australia Bank. The guarantee is provided by way of a fully utilised finance facility secured by a fixed term cash deposit. No interest is currently paid on the facility.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	625
9.2 Development	-
9.3 Production	-
9.4 Staff costs	375
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,200

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(~~Director~~/Company secretary)

Date: 31 January 2018

Print name: Jamie Armes

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.