ASX Announcement

31 October 2018

Quarterly Activities Report

Period Ending 30 September 2018

Gorno Zinc Project – Feasibility Study Progress

- **Site based activities by AMC and Lycopodium**
- **Mine design & plant flowsheet established for Phase 1 Development**
- **Underground crushing and ore sorting confirmed**
- **Flotation plant to be constructed at the old Riso site**
- **Work streams on track for completion of Study in Q4**

Exploration

- **Continuation of work to better define exploration target zones to the east of Zorzone**
- **Pian Bracca sulphide zone – excellent results achieved from the Geophysical Study**
- **Punta Corna Cobalt Project – positive site visits with Regione and Comune officials**

Corporate

- **Cash on hand of A$1.637 million**

Alta Zinc Limited (ASX: AZI) ("Alta" or the "Company") is pleased to provide its Quarterly Activities Report for the period ending 30 September 2018.

Gorno Zinc Project – Feasibility Study Progress

Project Configuration Overview

Mine development will comprise accessing, re-opening and minimal upgrading of access ways, ore passes and ventilation related to existing workings of the underground mine. The primary mine access will be via the existing 940mRL decline. Material movements between the 940mRL and the Riso rail level (600mRL) will be via an ore pass until the ramp system linking these levels is developed.

The main declines are to be developed progressively so that the required number of stoping levels are available to meet ore production requirements. Ore development headings will be constructed within the various ore zones, accessing the higher-grade stoping blocks. All material mined will be delivered to the crushing circuit, which will be located underground and consist of crushing, ore-sorting (pre-concentration) and stockpiling.

The pre-concentrated ore will then be transported in rail cars through the Riso-Parina tunnel to the surface flotation plant to be constructed at Riso, near the town of Gorno. The upgraded ore is to be milled and classified before being processed by a sequential flotation circuit to produce lead sulphide and zinc sulphide concentrates. The final tailings, combined with waste from the ore-sorters and additional waste from underground mining, will be used for backfilling mined stopes. The Gorno project's proximity to existing infrastructure provides adequate housing, power, communications, water and sewerage services.

Work Streams

Study work streams continued during the Quarter and are currently on track for completion in Q4 2018. Both AMC Consultants (AMC) and Lycopodium Pty Ltd (Lycopodium) completed their respective planned site visits to Gorno during the period.

The Lycopodium team has finalised the process design criteria, plant flowsheet and equipment selection as well as visited local potential service providers and suppliers to seek proposals. The suitability of the old Riso plant at Gorno as the site for the new flotation plant has been confirmed and endorsed by the local Comune.

AMC has confirmed the selection of mining method, stope optimisation, mine access and mine design. Long Hole Open Stoping (LHOS) will be used for the majority of stopes while Room and Pillar will be adopted in the flatter northern area of the Resource. Use of the existing Forcella portal at the 940mRL as the main mining access has been confirmed. A suitable location at the 940mRL has been selected for construction of the underground chambers, which will house the crushing and ore sorting circuits.

Study Deliverables

In order to be able to complete the detailed assessment for Phase 1 on a cost effective and timely basis using existing data, AMC and Lycopodium will produce the Feasibility Study to satisfy Pre-feasibility Study (PFS) level accuracy requirements.

The majority of the cost estimates within the study, including the estimates for the Plant and Infrastructure scopes, will be to a level of accuracy of +/- 10 to 15%.

The Mining and Backfill scope estimates will be in the range of +/- 20 to 25%. The reason for this approach is to incorporate Inferred Resource as well as Indicated Resource in the mine model and to use the currently available metallurgical test work without incurring time delays and costs for work which can be carried out more efficiently later in parallel with other pre-development activities.

The PFS will provide the key recommendations for future near-term work streams for the Project.

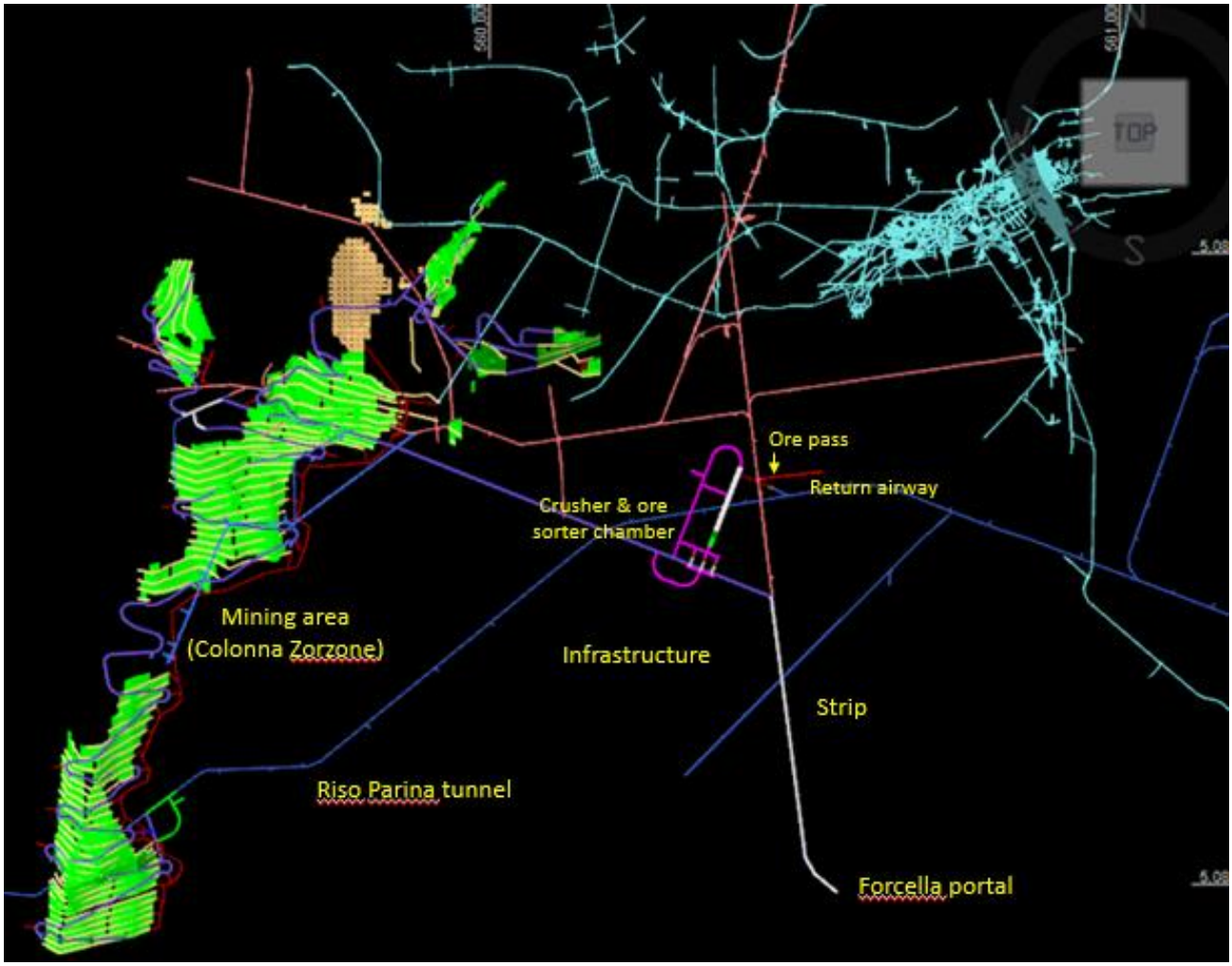

Figure 1: Preliminary mine design and infrastructure locations

Figure 2: Processing plant layout at Riso (shed not shown) utilising rail wagons for ore & waste transport

Gorno Phased Development Strategy

As described in the last Quarterly Report, the Company has adopted a phased development strategy for Gorno, with Phase 1 focused on exploiting the accessible high-grade sulphide zones within the current Zorzone Resource to produce premium zinc sulphide and lead sulphide concentrates. In this "starter" phase of the overall development strategy, the objective is to minimise the development time and upfront capital cost by utilising the existing infrastructure to the maximum extent possible – including building the processing plant where the old processing plant is located and by reusing the existing Riso-Parina tunnel.

In Phase 2, the focus will be to deliver significant project scale enhancements after commissioning of Phase 1. It is envisaged that this will be accomplished through operating multiple mine headings and increasing the initial plant throughput capacity for modest incremental capital expenditure. Phase 2 will be dependent on adding to the existing resource, which can be achieved by drilling the accessible zones identified near to the current Zorzone Resource, in particular the new Pian Bracca zone identified 300m to the east of Zorzone.

Over and above the current Zorzone Resource and the Pian Bracca sulphide zone, there are further targets to the east including Fontanone and the recently identified Arera Thrust target (see Figures 3 - 5 below).

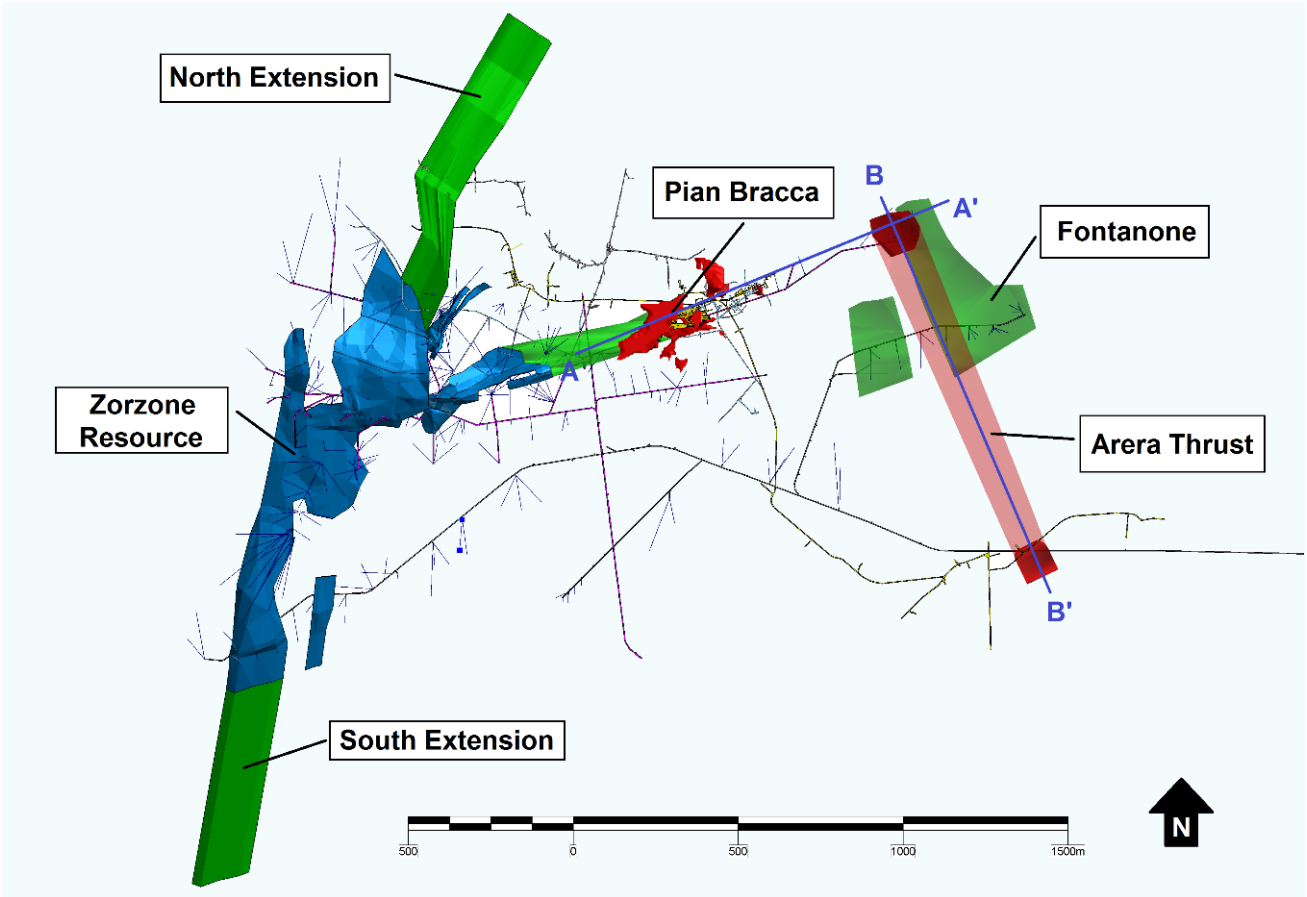

Figure 3: Zorzone Mineral Resource (blue) and exploration target zones (red & green)

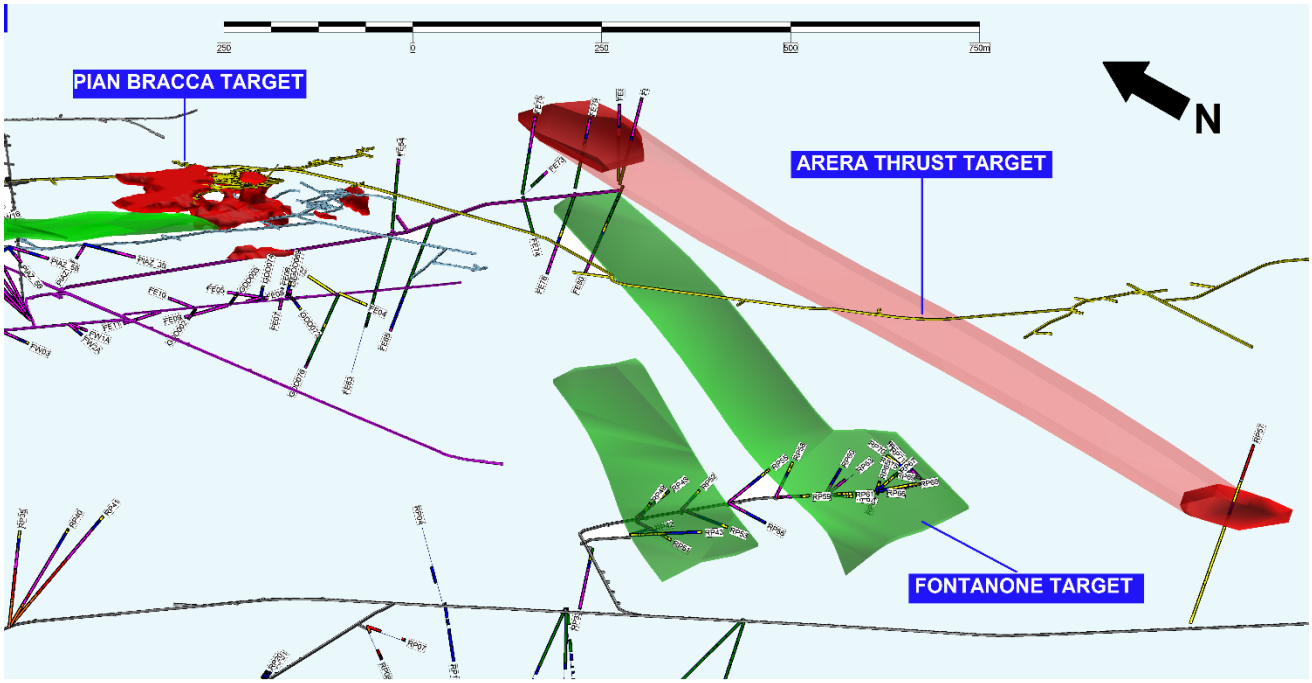

Figure 4: Exploration target zones to the East of Zorzone (oblique view looking NE)

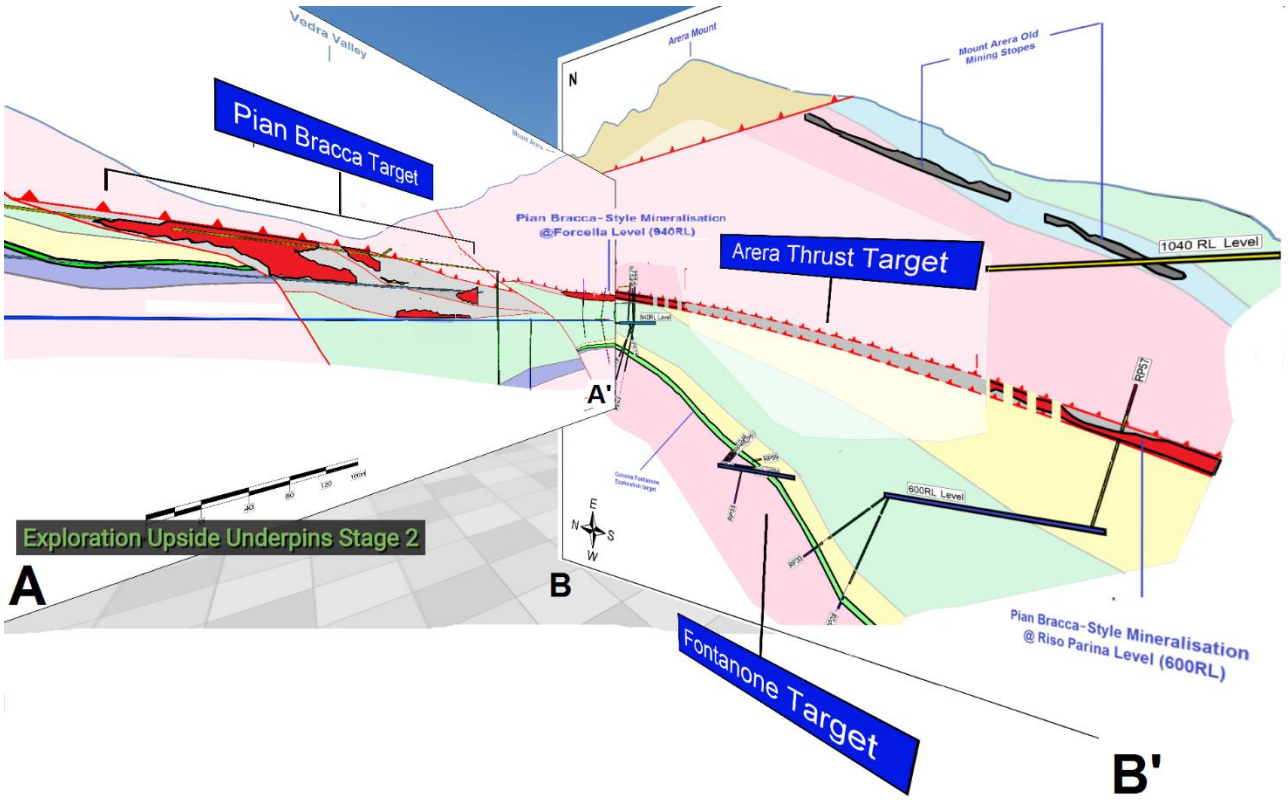

Figure 5: Cross-sections A-A' & B-B' (refer Figure 3) highlighting the interpreted regional mineralisation

Pian Bracca Sulphide Zone

During the Quarter, the Company completed an assessment of the Pian Bracca sulphide zone 300m to the east of the Zorzone Resource and has confirmed this as the highest priority near-resource target zone in the Gorno district.

The Pian Bracca sulphide zone has become the key focus of exploration given its thickness, channel sampling assay results[1] and proximity to Zorzone and existing infrastructure. This zone has the potential to provide future Mineral Resources required to support Phase 2 of the Gorno project development strategy.

The assessment completed during Q3 comprised:

- a geophysical resistivity survey with the aim of better defining the extension of the mineralised body beyond the known adit surface exposures and to verify the continuity of the mineralisation between the 990mRL and the 1040mRL drive levels, which offers potential for bulk mining; and

- a further review of the available SAMIM historical data.

The work resulted in an expanded conceptual model for Pian Bracca, which confirms SAMIM's earlier conceptual model and extends the Pian Bracca-style mineralisation further to the east than previously interpreted (see Figures 6 - 8).

Pian Bracca is considered highly prospective given the results from the geophysical survey and review of the available SAMIM historical data. From a logistics and cost perspective, the Pian Bracca area also requires less refurbishment of existing access in comparison to the other near-resource zones north and south of Zorzone.

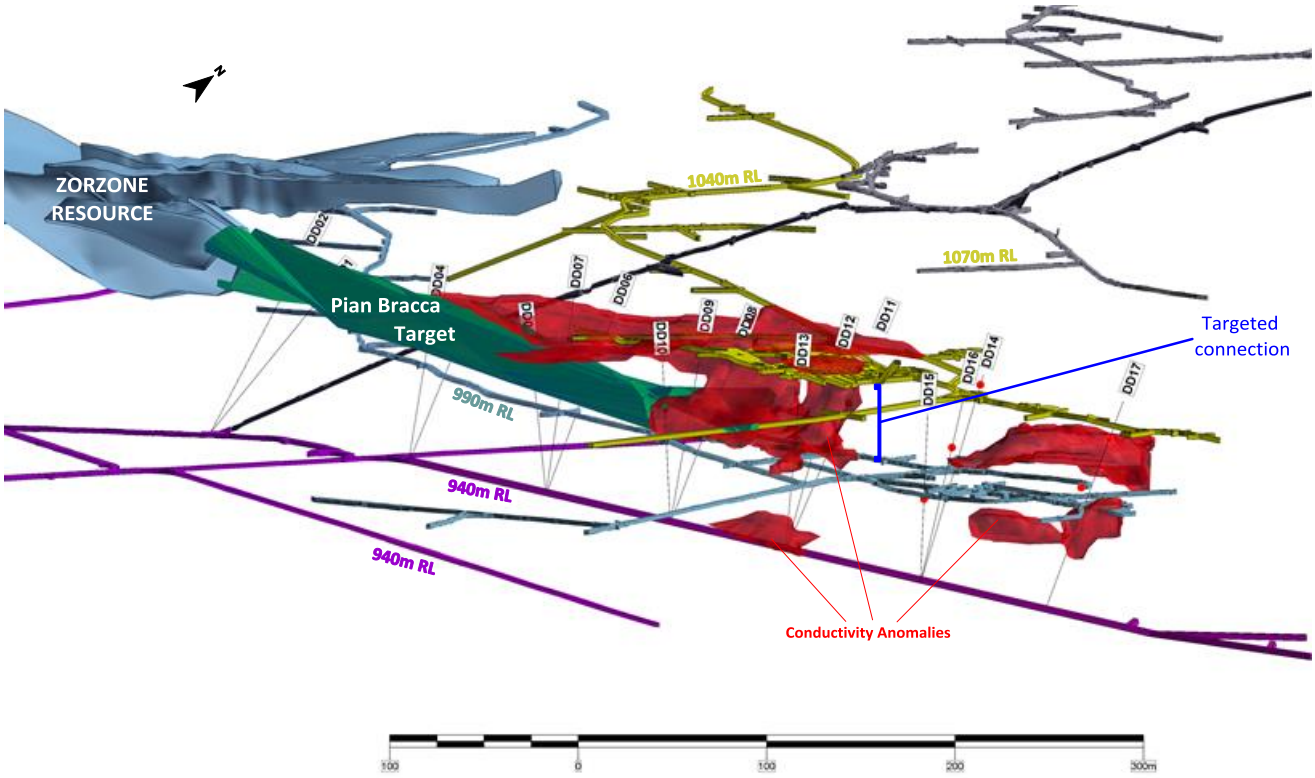

Figure 6: 3D diagram of the Pian Bracca target zone and planned exploration drill holes prior to Phase 2. The diagram shows the Zorzone Resource to the west and the exploration zone to the east. The wireframe (in red) represents a geophysical conductivity anomaly over the central part of the Pian Bracca zone.

[1] *For full details of the sampling campaign, please refer to ASX announcement titled "Newly Identified Sulphide Zone at Pian Bracca Confirms Resource Expansion Potential at Gorno Zinc Project" on 19 March 2018.*

Results of Geophysical Survey

Mississippi Valley-type (MVT) lead-zinc deposits are typically difficult geophysical targets. In areas of shallow cover, the resistivity and induced polarisation (IP) methods can be used to define prospective areas by mapping mineralised systems at a local scale. At Gorno, preliminary determinations of electrical properties performed on selected samples showed a significant resistivity and polarisability contrast between the mineralised zones and the various host rocks. Although sphalerite is a non-conducting mineral and therefore does not polarise, the intimate association of the mineralisation with sphalerite and graphitic material which is both polarisable and conductive made geoelectrical methods particularly suitable for detecting mineralisation and possibly defining its geometry.

The geophysical survey exploited the existing network of tunnels and adits to position 'in-mineralisation' and 'out-of-mineralisation' current-injection points (10 in total). This provided targets in three dimensions, applying pole-pole Applied Potential ('Mise à la Masse') and IP measurements.

Results of the data processing indicate a significant correlation between the known areas of mineralisation and high-conductivity anomalies. The results qualitatively define a central domain characterised by a stack of conductors consistent with the structural setting, possibly representing an overlapping set of folded and sheared mineralised horizons bound to the east by a high-angle discontinuity.

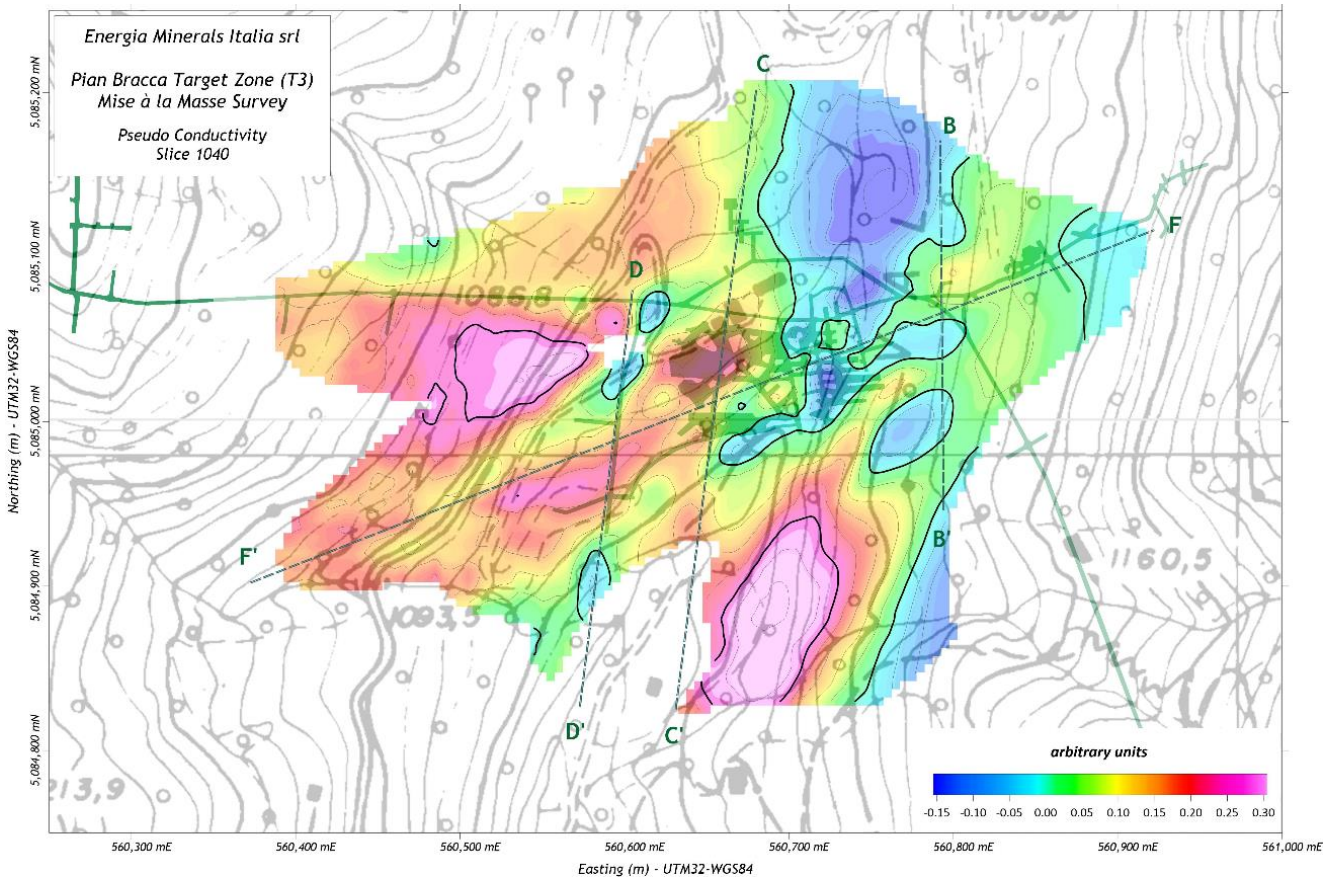

Figure 7: Pian Bracca target zone - slice of pseudo-conductivity at 1040mRL

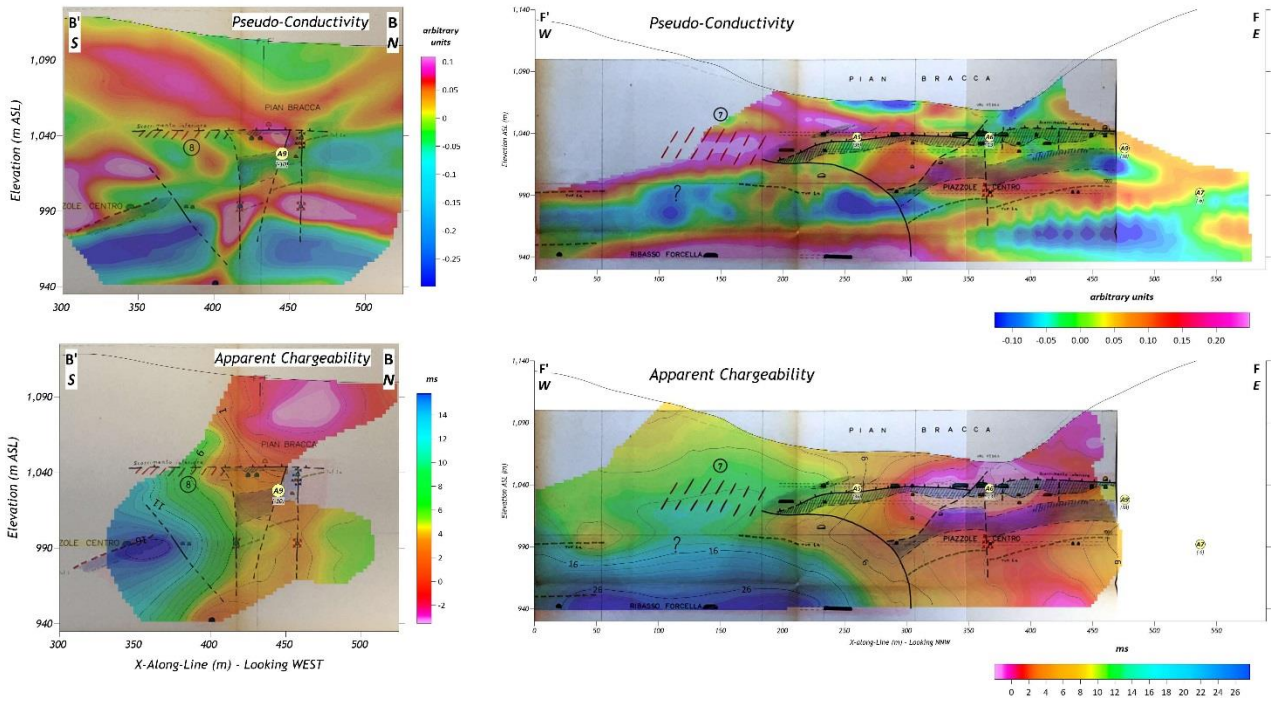

Figure 8: Example of sections of pseudo-conductivity, overlapped against historical interpretative sections at Pian Bracca target zone

Final modelling of the measured Voltage and IP effect resulted in coherent mapping that is consistent with the theoretical simulations generated using synthetic models. The computation of the pseudo-conductivity function generated a reliable conductivity pattern, which is highly representative of the geological structures and, in particular, the higher conductivity zones. With minor adjustments, this has been directly applied to generate a 3D-target and define a new geological model for Pian Bracca.

Historical Data Review

In conjunction with the results from the geophysical survey, a further review of the available SAMIM historical data has resulted in an expanded model for the Pian Bracca target. This confirms SAMIM's early model and extends Pian Bracca-style mineralisation further to the east than previously interpreted (refer Figures 6 - 8).

Fontanone & Arera Thrust Target

Re-examination of old SAMIM reports of exploration activities between Pian Bracca and the Riso Parina drive (600mRL) resulted in the recognition of a new interval of mineralised Metallifero/Gorno formations. A new geological model has been prepared for this mineralised area which includes a package of at least two stacked levels of mineralisation. The stratigrafic/structural model in this specific sector is consistent with recent structural interpretations and the general tectonic setting.

The lowest level is known as the Fontanone target (refer to ASX Announcements on 31 October 2017 and 19 March 2018). The newly interpreted overlaying level is known as the Arera Thrust target (refer Figure 4-5).

Assay data and geological information for the historical holes FE79, FE81 and FE82 were located and digitised (see Table 1). Drill hole RP57 collared from the Riso Parina drive (600mRL) is interpreted to confirm the down-plunge extent of the mineralisation noted in FE79, FE81 and FE82 and that the mineralised system continues some 500m up-plunge to the 940mRL, at least.

It is noted that the historical intercepts serve only to show the potential continuity of the mineralised horizon (Metallifero Limestone) away from current Zorzone Resource and will only be used to assist in further defining the mineralised zones in this region.

HOLE ID	Easting (m) WGS84Z32N	Northing (m) WGS84Z32N	Collar (m ASL)	Dip	Azimuth	Depth (m)	From (m)	Thickness (m)	Comment
FE79	561298	5085257	947	75	60	89	57	3	Mineralised Metallifero; Mineralised Gorno
FE81	561364	5085263	947	80	107	114	53	5	Mineralised Metallifero
FE82	561363	5085266	952	70	17	96	59	3	Mineralised Metallifero
							64	4	
RP57	561713	5084317	603	75	135	248	151	4	Mineralised Metallifero; Mineralised Gorno

Table 1: Historical SAMIM drill holes

Punta Corna Cobalt Project (EL Application) – Piedmont, Northern Italy

During the Quarter, activities focused on satisfying the licencing requirements as well as reviewing historical data and further geological evidence regarding mineralisation type and style and previous mining activities.

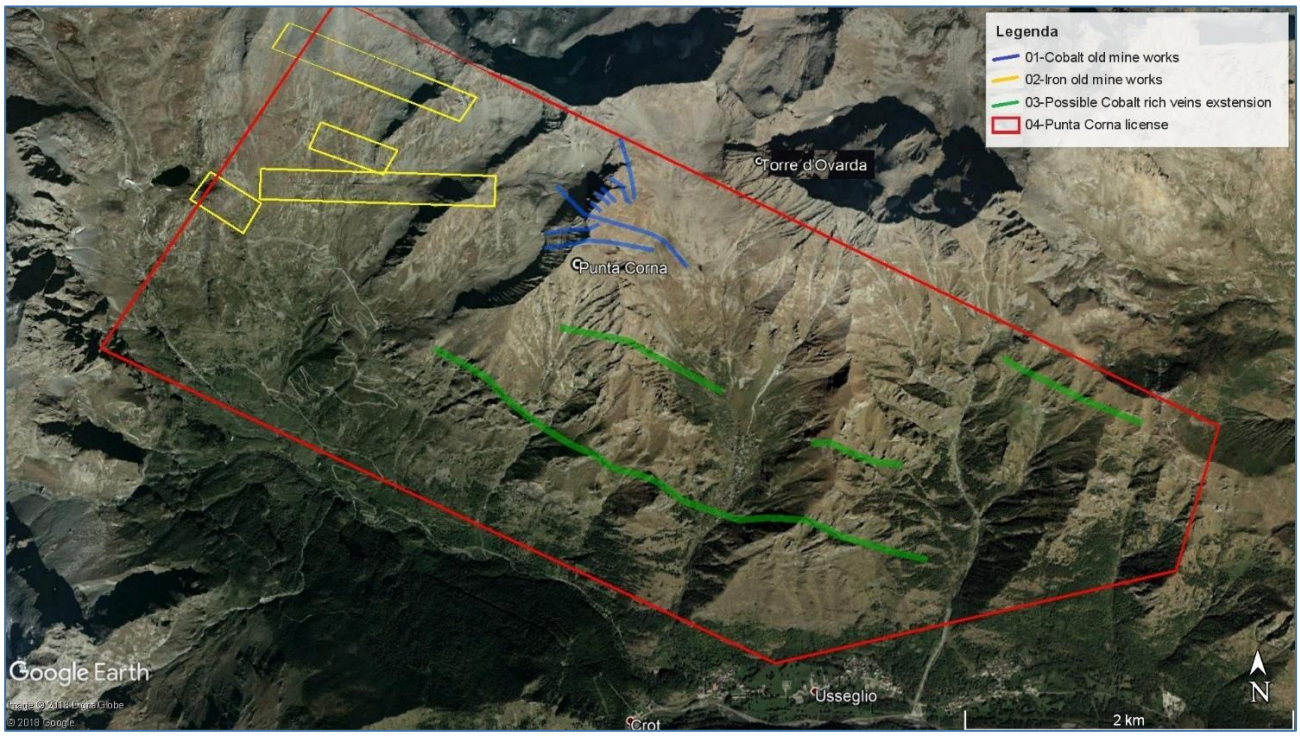

Figure 9: Aerial view of the permit area highlighting the regional mineralised lineaments to be assessed

Subsequent to the Quarter, with the aid of local guides the geological team gained access to historical mining locations and was able to take samples within the application area. The work was done under the supervision of representatives of the Piedmont Region administration as part of the procedural requirements prior to the granting of exploration licences. Representatives of the local Comune were also present during the field visit. The assay results from the grab and rock chip samples will be reported when available in Q4.

Figure 10: Sample taken on site with Cobalt mineralisation (pink erythrite - alteration of skutterudite)

Salafossa Zinc Project, Northern Italy

Alta holds an EL covering the historic Salafossa Mine located in northern Italy, where it completed field work as reported during the March Quarter to evaluate the project's exploration potential. No additional work was carried out on this project during the period given the focus on Gorno Project activities.

Predil EL Application, Northern Italy

No work was carried out on this project during the period.

Other Exploration Projects – Australia

McArthur Project - Northern Territory

The project encompasses three tenements totalling 1,238km^2. One tenement (EL31045) is granted. The grant of the remaining two applications is pending the outcome of discussions with Traditional Owners. During the Quarter, notification was received that the meeting scheduled to be held with the Northern Land Council (NLC) in September 2018 to progress the discussions was deferred by the NLC. An alternative date is yet to be determined. Given this situation, no further work was carried out during the period. Alta is continuing to consider options with regards to the future of the project, including potential joint venture opportunities.

Paterson Project - Western Australia

The Paterson Project comprises two granted Exploration Licences (E45/4534 and E45/4543) covering 219km^2. The two tenements cover highly prospective parts of the Broadhurst Formation and include the Eva Well prospect. During the period the Company was granted an exemption from expenditure on the licences for the year ended 30 June 2018 by the Department of Mines, Industry Regulation and Safety. No field work was carried out on this project during the period. It is anticipated that a detailed gravity survey of these tenements will be undertaken during the next field season in 2019 subject to the availability of funding.

Corporate

Cash Balance

Cash on hand as at 30 September 2018 was approximately $1.637 million. Please refer to the attached Appendix 5B for further information.

Issued Capital

On 2 August 2018, the Company issued 17,500,000 unlisted Incentive Options to certain Eligible Participants under the *2015 Employee Incentive Plan*.

As at 30 September 2018, the Company had 1,368,965,708 fully paid ordinary shares on issue and 48,250,000 unlisted options.

Tenements

Current tenement holdings, tenements disposed of and tenements 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 Limited owns 100% of the historic Gorno Zinc Project, near Bergamo in the Lombardy region of northern Italy. The Company is committed to resuming mining activities, taking advantage of strong local support, excellent metallurgy, established infrastructure and favourable zinc market conditions. The Company also has an extensive zinc and base metals exploration portfolio in Italy and Australia. The Bergamo region of Italy has a long history of mining extending back to the Pre-Roman (Celtic) times. The Gorno underground zinc mine ceased operations in the early 1980s following a government directive for its then-owner SAMIM (a state-owned company and part of the ENI group) to focus solely on oil and gas. The intrinsic mineral economics had little to do with Gorno's premature closure, rather SAMIM was directed by the government to divest all its mineral projects globally and focus exclusively on oil and gas.

Competent Person Statements

Information in this release that relates to Exploration Targets and Exploration Results is based on information prepared or reviewed by Dr Marcello de Angelis, a Competent Person who is a Fellow of the AusIMM. Dr de Angelis is a Director of Energia Minerals (Italia) Srl (a controlled entity of Alta Zinc Limited) and a consultant of Alta Zinc Limited. Dr de Angelis has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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". Dr de Angelis consents to the inclusion in this release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Mineral Resources is based on, and fairly represents, the Mineral Resources and information and supporting documentation extracted from the report, which was prepared by Mr Stephen Godfrey as Competent Person in compliance with the JORC Code (2012 edition) and released to ASX by the Company on 8 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original Announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates in that previous release 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.

Forward Looking Statements:

This release may contain certain forward-looking statements and opinions including projections, forecasts and estimates (together forward looking statements) which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, contingencies, assumptions and other factors, many of which are outside the control of the Company all which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Forward looking statements are inherently uncertain and may therefore differ materially from results ultimately achieved. Alta Zinc does not make any representations and provides no warranties concerning the accuracy of any forward looking statements or likelihood of achievement or reasonableness of any forward looking statements. Past performance is not necessarily a guide to future performance. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Project	Tenement	Entity's Interest	Comments
Western Australia			
Moses Chair	E45/4534	100%	Granted
Broadhurst Range	E45/4543	100%	Granted
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 – Vedra	Decree 5846	100%	Renewal Application
Gorno – Zambla West	Decree 2869	100%	Granted
Gorno – Riso	Decree 3365	100%	Granted
Gorno – Parina	Decree 1995	100%	Granted
Predil	N/A	100%	Application
Salafossa	Decree 1481	100%	Granted
Punta Corna	N/A	100%	Application

Table 2: Schedule of mining tenements held

Area of Interest	Tenement	Entity's Interest	Comments
Nil	Nil	Nil	Nil

Table 3: Schedule of mining tenements reduced

Area of Interest	Tenement	Entity's Interest	Comments
Nil	Nil	Nil	Nil

Table 4: Schedule of mining tenements increased

JORC Code, 2012 Edition – Table 5 Gorno Zinc Project: Historical Exploration Drilling Results and Geophysical Survey

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were collected from diamond drill core for assay. Collection method is unknown. • Measures taken to ensure sample representativeness are unknown. • Information gathered from publicly available reports lodged at the Bergamo State Archives by SAMIN. • Exploration work was undertaken by SAMIM (previous mine operator) in the period between 1978-1980 and would have been completed to industry standards at the time. • The geophysical surveying was performed by 3CGeo S.r.l. using a 11-person foot-borne crew. • The survey consisted of pole-pole Applied Potential ('Mise à la Masse') and IP measurements performed using in-mineralisation and out-of-mineralisation current-injection points (10 in total). The prospected area is approximately 10 hectares (0.1km^2), with a vertical extent that goes from surface to the lower levels (940mRL). • 3CGeo S.r.l. have processed and modelled all geophysical data.

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond Core holes:
		  ○ AQ diamond core
		  ○ Non-oriented core
		  ○ Coring bit used
		  ○ Unknown rig type

Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Assessment of core recoveries: Unknown not detailed in reports • Measures to maximize sample recovery: Unknown not detailed in reports • Not enough information is currently available to establish if a bias exists between sample recovery and grade. However twin holes twinning historical holes show good correlation with historical results.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were geologically logged on geological intervals. • All of the logging was qualitative (subjective opinion) in nature. • All holes were logged over their entire length, except where recovery was zero (which was rare, and noted in the logs as no recovery). No known core photographs exist.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Whether the core was cut or how much core was assayed was not detailed in the reports. • Non-Core, not applicable. • Sample preparation techniques are not detailed in reports. • Quality control procedures not documented in reports. • Measures taken to ensure representative nature of samples not detailed in reports. • It is not known whether sample sizes appropriate to the grain size were collected.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*
		• The nature, quality, and appropriateness of assaying techniques is unknown.
		• Quality Control procedures implemented are unknown.
		• Geophysical equipment used:
		  • Ten-channel IP/Rho Receiver: Iris Instruments Elrec Pro
		  • Constant-Current IP/Rho Transmitter: Iris Instruments VIP4000 c.
		  • 6.5kW Gasoline Generator Set: Pramac ES8000
		  • PMR446 Transceivers (6 units)

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Significant intersections, drill hole locations, and mineralisation in view have been checked by Alta Zinc personnel and consultants in 2017 and 2018 • No historical twin holes are known to have been drilled. • All data has been compiled from hand written reports and entered into Excel templates. These templates were then validated in Micromine. This information was then sent to Alta Zinc's in-house database manager for further validation. If

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	corrections need to be made they are corrected the following day by the person responsible for generating the data. Once complete and validated the data is then compiled into a SQL database server. • No adjustment of assay data is known to have be applied.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collar locations for all holes were digitized from hand drawn maps, and cross checked against multiple maps. • The grid system used at Gorno is WGS_1984_UTM_Zone_32N. Easting and Northing are stated in metres. • Topographic control is from control points noted on both hand drawn maps, and from RL's noted on geological logs. • Handheld GPS (+/-5m) as well as reference to topographical data • All geophysical electrode/injection point positions was collected initially on paper and handheld GPS. This data was hand entered to spread sheets and validated by Company geologists
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill hole orientation and spacing is non-uniform with multiple holes often being drilled from a single exploration adit. • The data spacing and distribution is currently insufficient to establish an appropriate grade continuity for classification of Mineral Resources in the Colonna Fontanone and Arera Thrust areas. At the same time the degree of geological knowledge is appropriate and sufficient to define a conceptual exploration target • Sample compositing has not been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The attitude of the mineralisation is thought to be generally dipping to the south at approximately 25 to 30 degrees. • Sampling bias due to drilling orientation and mineralised structure orientation is probable and with information currently at hand is unquantifiable. The current interpretation shown in Figures 3 to 6 illustrates the most probable geometry.
Sample security	• *The measures taken to ensure sample security.*	• Measures taken to ensure sample security are unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of sampling techniques or data are known to exist.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Gorno Lead Zinc deposit is located in the north of Italy, in the Lombardia Regione. The Gorno Project is made up of one mining permit, three (3) granted tenements: Decree1995, Decree 3365, Decree 2869, and 1 application. These leases are 100% owned and operated by Energia Minerals (Italia) Srl, a 100% owned subsidiary of Alta Zinc. The titles are current at the time of release of this report. • All tenements are in good standing and no impediments to operating are currently known to exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The exploration results reported here were all completed by SAMIM (ENI subsidiary). Drilling works were completed in the period between 1978-1980. A significant amount of work has been completed on the Gorno deposit including the development of more than 230km of exploration drives, detailed mapping, and the mining of over 800,000 tonnes in high grade zinc concentrate. Large scale mining operations ceased at the Gorno deposit in 1978, and the project closed in 1980.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Gorno deposit is an Alpine Type Lead-Zinc deposit (similar to Mississippi Valley Type Lead Zinc deposits) it is broadly stratabound with some breccia bodies and veining also occurring. It displays generally simple mineralogy of low iron sphalerite, galena, pyrite, barite, fluorite, and minor silver. Gorno lies in a part of the Italian Southern Alps named “Lombard Basin”, formed by a strong subsidence occurring in the Permian-Triassic which allowed the subsequent accumulation of a thick sedimentary pile. The sedimentary sequence is constrained laterally by the Luganese Platform to the west and by the Atesina Platform to the east. The lithotypes in the southern portion of the basin are predominantly Triassic in age. The geological sequences of importance in relation to mineralisation, from oldest to youngest are as follows: ○ **Breno Formation**: a back-reef limestone composed by light grey calcareous beds, 10 to 170 m thick. The facies indicate a palaeogeographical evolution from back reef to shelf environment, in low energy water to alternating peri-tidal cycles. ○ **Metalliferous Limestone:** composed of dark grey to black limestone deposited in stromatolitic tidal flats, with siliceous intercalations present in the upper part. The dark colour suggests a stagnant anaerobic depositional environment with bituminous beds generally present at the footwall of the Metallifero. This formation represents a transitional phase between the underlying shelf environment and the upper sequence typified by a peri-continental and detrital sedimentation. Three tuffaceous levels are present in the Metallifero

Criteria	JORC Code explanation	Commentary
Geology (Continued)		stratigraphical column. The pyroclastic tuffs are submarine volcanic phases which intervened during the deposition of the limestones, and effectively represent a control for the mineralized horizons, in that they are always found at the foot wall (Tuff 1) and at the hanging wall (Tuff 2) of the productive mineralised horizons. ○ **Val Sabbia Sandstone:** present along the southern Lombard Basin border and is composed by alternating tuffaceous sandstone and green and\or red silt-mudstone. These were possibly derived from the erosion of continental sediments present to the south. The thickness varies between 0 and 400 metres. ○ **Gorno Formation**: alternating thinly bedded, black limestone and laminated marl deposited in protected lagoon environment with a thickness of 0-350 metres. A thin tongue, intercalated between the Metalliferous Limestone and the Val Sabbia Sandstone, is often mineralised and is referred to as the mineralised “black shales” of the Gorno deposits. ○ **San Giovanni Bianco Formation**: is composed of a thick alternation of marl, sandstone, siltstone and mudstone which passes towards the top into cellular limestone and evaporitic vuggy dolomite, estimated thickness to be in the order of 150 metres. • Structure in the basin is typified by E-W trending belts which can be subdivided in five sectors: ○ **Orobic Anticline,** in the northern part, which includes Palaeozoic successions; ○ **Valtorta-Valcanale Line,** oriented E-W and separating the Orobic Anticline to the north from the Pb-Zn mineralised belt in the south. The line is responsible for many of the allochthonous units; ○ **Camuno Autochthonous,** including the sedimentary cover, which is covered in the central-western part by various overthrusts and outcrops only in the east; ○ **Para-autochthonous and allochthonous units,** present over a large area to the south of the Valtorta-Valcanale Line and formed by the double or triple superimposition of the Triassic carbonate formations; ○ **Fold and fold-fault zone,** which constitutes the southern sector near the Po plains and includes Jurassic-Cretaceous formations. • Mineralisation in the Gorno district occurs within the Camuno Autochthonous Zone, and the para-autochthonous, and allocthounous units. The geometry of the mineralised bodies is mainly stratabound with common characteristics in the majority of the Gorno deposits. The prevailing distribution trend is N-S and the shape, represented by tabular “columns”, is longitudinally developed for more than 200 metres, with widths from 50 to 100 metres and thickness between 3 and 20 metres.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
		• Information material to Historical exploration results is tabulated in Table 1
		• No information has been excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighted averages, maximum and/or minimum grades and cut-off grades have been used. • No aggregate intercepts have been released • No metal equivalents are used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All drill holes are variable orientated. Little confidence has been established in the orientation of the mineralisation at this stage other than a general dip and strike. • The mineralisation is currently thought to be roughly tabular and dipping to the south-south west at an angle of approximately 30 degrees. • True widths of intercepts are not known at this stage, however high angle intercepts are currently deemed unlikely.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Please refer to Table 1 and Figures 3 to 6 for this data.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No grades results have been released.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• A significant amount of mining, exploration, survey, and environmental data has been recovered from the Bergamo State Archives and is currently being translated and digitized.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Future works at Gorno would include rehabilitation of exploration drives (800m rehabilitation of a drive at 940 level) and drilling diamond drill holes to test Pian Bracca mineralization (Figure 6). Alta has prepared a proposed 20-hole (2,228m) drill exploration program to test the Pian Bracca target. The drilling is planned to be spaced approximately 100m apart and is scheduled to be undertaken during H1 2019 subject to availability of funding. In considering next priorities, two holes (630m) have been planned to test the northern extent of Fontanone at the end of the initial Pian Bracca drilling program. Following that, drilling programs are anticipated at both Fontanone (Infill), Arera Thrust (2 scout diamond holes) and Zorzone South once access is established via the Riso Parina tunnel which is proposed to be recommissioned as part of the Gorno redevelopment strategy. • Please refer to Figures 3 to 6 for areas that are open to extensions. Release of future drilling plan data is commercially sensitive, subject to change on review; and will not be detailed here.

+Rule 5.5

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

ABN	**Quarter ended ("current quarter")**
63 078 510 988	30 SEPTEMBER 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1	1
1.2	Payments for		
	(a) exploration & evaluation	(398)	(398)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(210)	(210)
	(e) administration and corporate costs	(127)	(127)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
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**	**(725)**	**(725)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	(4)	(4)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(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**	**(7)**	**(7)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
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	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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**	**(1)**	**(1)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,370	2,370
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(725)	(725)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	(1)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,637**	**1,637**

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	116	303
5.2	Call deposits	1,521	2,067
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)**	**1,637**	**2,370**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	147
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	

6.1 Remuneration of the Executive Chairman/CEO and Finance Director plus Non-Executive Director fees. $140k.

Payment of $7k to Gilbert + Tobin Lawyers for legal services. Mr Cardaci, Non-Executive Director, is a partner of Gilbert + Tobin. These legal services were not provided by Mr Cardaci.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
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	

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	-	-
8.3	Other (please specify) – Bank Guarantee	13	13
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.		

8.3 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	1,100
9.2	Development	-
9.3	Production	-
9.4	Staff costs	230
9.5	Administration and corporate costs	135
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,465**

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: ..... Date: 31 October 2018
(~~Director/~~Company secretary)

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.