

ASX Announcement

25 January 2019



STUDY CONFIRMS TECHNICAL VIABILITY OF “STARTER” PROJECT FOR GORNO

Highlights:

- **Phase 1 Advanced Technical Study completed by Lycopodium, AMC Consultants and Alta Zinc;**
- **Based only on existing Zorzone Indicated and Inferred Mineral Resource reported in compliance with JORC (2012);**
- **Technical Study highlights Gorno’s potential value accretion by increasing the Mineral Resource;**
- **Phase 1 “starter” Project targeted underground mine utilising existing infrastructure;**
- **10km rail tunnel & modular processing plant design provide flexibility for expansion;**
- **Environmental Impact Assessment (EIA) is well advanced with no fatal flaws identified; and**
- **Technical Study completion allows for mining licence renewal to get underway.**

Cautionary Statement¹

The Technical Study referred to in this announcement has been conducted to investigate the technical and economic viability of a small-scale underground “starter” mining operation for the Gorno Zinc Project.

The Mineral Resource used in the Technical Study was reported by Alta Zinc Limited (“Alta” or “the Company”) on 8 December 2017 and includes Indicated and Inferred Resources, of which Inferred Resources make up 36% of the total tonnes of the Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources. The Inferred Resources constitute a significant proportion of the Mineral Resource tonnes and is considered to be determinative of the project economics.

For the above reasons, under ASX reporting guidelines the Technical Study is considered to be a “Scoping Study” as defined by the JORC Code (2012 Edition) clause 38 for reporting purposes and does not provide reasonable grounds for Alta to publish a production target or forecast financial information derived from a production target. While the Technical Study has been conducted to a degree of accuracy consistent with a pre-feasibility study and was titled as such by its authors, the Mineral Resource is insufficient to support the estimation of ore reserves or to provide an assurance of economic development. For ASX reporting purposes, the Technical Study therefore cannot be classified or referred to as a “pre-feasibility study” as defined by JORC Code (2012 Edition) clause 39.

The Technical Study is based on the material assumptions set out in this announcement. These include assumptions about the availability of funding. While Alta considers that all material assumptions are based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes in the Technical Study will be achieved.

Further drilling and evaluation is required before Alta will be in a position to estimate any ore reserves or provide any assurance of an economic development case. Investors should note that there is no certainty that the Company will be able to raise the funds when needed, and that it is possible that such funding may be only available on terms that may be dilutive or otherwise affect the value of Alta’s shares.

Given the uncertainties involved, the outcomes of the Technical Study and the Company’s current expectations of future results or events and should not be solely relied upon by investors when making investment decisions.

¹ Terms not otherwise defined in this announcement have the meanings ascribed to such terms under JORC Code (2012 Edition).

Alta Zinc Limited (ASX:AZI) (“Alta” or “the Company”) is pleased to announce the outcomes of the recently completed Technical Study (“Technical Study”) of the Company’s Gorno Zinc Project (“Project”) in northern Italy. Completion of the Technical Study is a key milestone for Alta.

As previously reported, Alta has completed a Technical Study for the Gorno project focused on exploiting only the accessible sulphide zones within the existing Zorzone Mineral Resource. This was carried out to a pre-feasibility study (“PFS”) level of study by independent consultants Lycopodium Minerals Pty Limited for the metallurgy, processing, surface infrastructure, and associated costs components, and AMC Consultants Pty Limited for the mining geotechnical, mining and mining costs components.

While the Technical Study was conducted to a degree of accuracy consistent with a pre-feasibility study and was titled as such by its authors, given that 36% of the Mineral Resource is Inferred category and is considered determinative of the study economics the Mineral Resource is insufficient to support the estimation of ore reserves or to provide an assurance of economic development. It therefore cannot be classified as a “pre-feasibility study” for ASX reporting purposes, and Alta is unable to report a production target or financial outcomes achieved.

In addition to confirming the technical viability of a Gorno Phase 1 “starter” project, the Technical Study has highlighted the potential value accretion that could be gained by increasing Gorno’s Mineral Resource from the near resource exploration targets that are described in a separate, preceding ASX announcement².

An Environmental Impact Assessment (“EIA”) is also well advanced with no fatal flaws identified and, with the additional information on mine design, plant configuration and location available from the Technical Study, Alta has now commenced the process of renewing its existing mining licence in collaboration with the authorities.

Alta’s Executive Chairman and CEO, Mr Alexander Burns, said:

“As flagged to our shareholders, we have delivered a study that confirms the technical viability of a Phase 1 “starter” project as well as highlighting the potential upside by increasing the Mineral Resources in the area.

“It also independently verifies Alta’s development approach to utilise existing infrastructure, including the processing plant site and 10km of rail tunnels, to exploit the rich zinc endowment along its path.

“This Technical Study provides us with the means to secure permits, conduct negotiations with financiers and validates the strategy to drill Pian Bracca to Mineral Resource status as a precursor to project financing while we continue to work in parallel on delineating more resources for a much larger project development.

“We are very fortunate to have the support of the local communities and regulators who want to see Gorno brought back to a long life, providing local jobs and continuing economic benefits to the whole region.”

For and on behalf of the board:



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² Refer to ASX announcement titled “Exploration Study resets Exploration Target at Gorno” on 25 January 2019

Competent Person Statements

Information in this release that relates to Exploration Targets 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, shareholder and option holder 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.

GORNO ZINC PROJECT

Technical Study Context

The Phase 1 “starter” project concept is to exploit the accessible high-grade sulphide zones within the existing JORC compliant Zorzone Mineral Resource to produce a zinc sulphide concentrate and a lead sulphide concentrate. Phase 1 is designed to repay upfront capital and to be modular in nature to minimise any future expansion capital and development time.

The aim of the Phase 1 “starter” study (“Technical Study”) was to consolidate all the knowledge derived to date from multiple internal studies to evaluate the technical and commercial viability of a Phase 1 operation based on the Mineral Resource.

The Technical Study outcomes and conclusions will be used to inform Alta’s strategy to expand the project scale, which will be evaluated once proposed drilling has been completed. This is beyond the scope of the Technical Study.

The Technical Study was carried out by Lycopodium for the plant and processing component together with AMC Consultants for the mining geotechnical and mining component and Alta as the primary contributors. Where appropriate, reference is made to other providers of technical reports and inputs.

Introduction

The Gorno Zinc Project is owned and operated by Alta through its wholly-owned Italian subsidiary Energia Minerals (Italia) Srl (“EMI”). EMI holds four granted exploration licences in the Gorno district and one granted mining licence, the Monica Mining Concession.

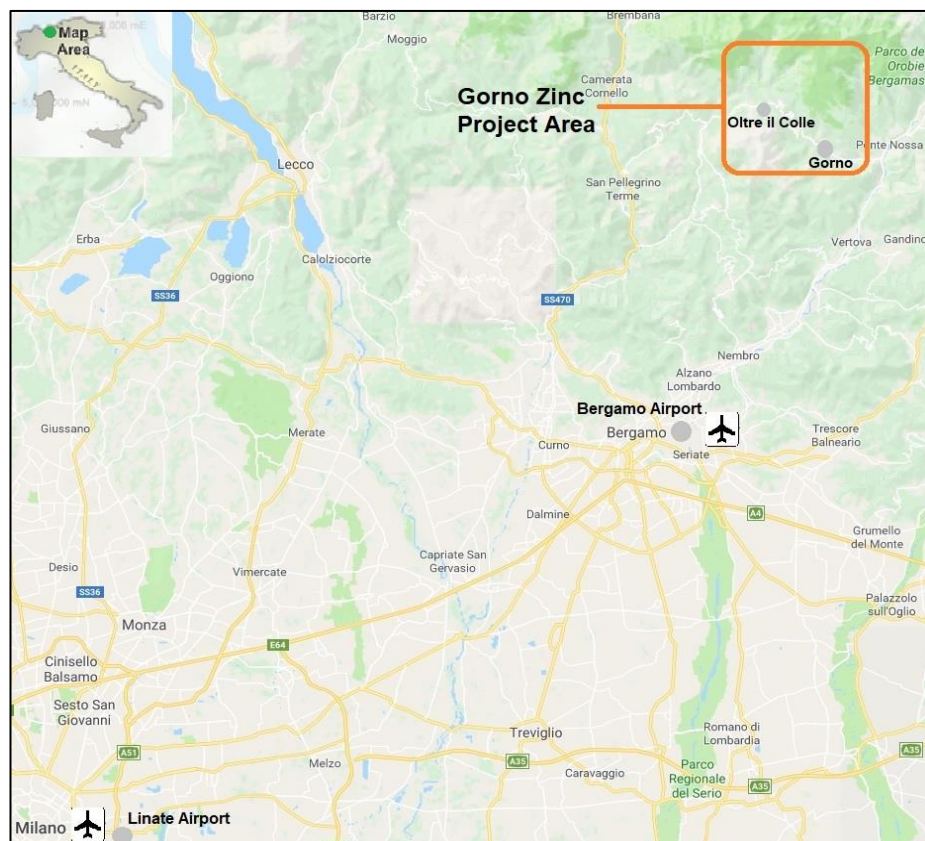


Figure 1: Project Location Map

The Gorno Zinc Project is located in the northern Italian region of Lombardy in the Province of Bergamo, approximately 90km northeast of Milan and about 40km northeast of Bergamo. The Gorno Project Area (GPA) is easily accessible in one hour by road from Bergamo or two hours by road from central Milan via sealed roads along either the Seriana Valley (Val Seriana) or along the Brembana Valley (Val Brembana).

The proposed mine decline and portal area are situated within the municipality of Oltre il Colle (locality Cà Pasi), and the proposed processing plant area within the municipality of Gorno (locality Riso).

Zorzone Mineral Resource Statement

The Zorzone Mineral Resource was reported by the Company in December 2017 (ASX Announcement – 8 December 2017 - Updated Mineral Resource Estimate Supports Resource Growth Strategy). The Zorzone Mineral Resource at 1% Zn cut-off grade is shown in Table 1 and is reported in accordance with the guidelines of the JORC Code (2012 Edition).

Classification	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
Total	3.3	4.9	163	1.3	43	27.2	2.9

Table 1: Zorzone Mineral Resource Estimate at December 2017

Figure 2 shows the grade zoning in the Zorzone model, while Figure 3 shows the resource classification (Indicated and Inferred) in the Zorzone model.

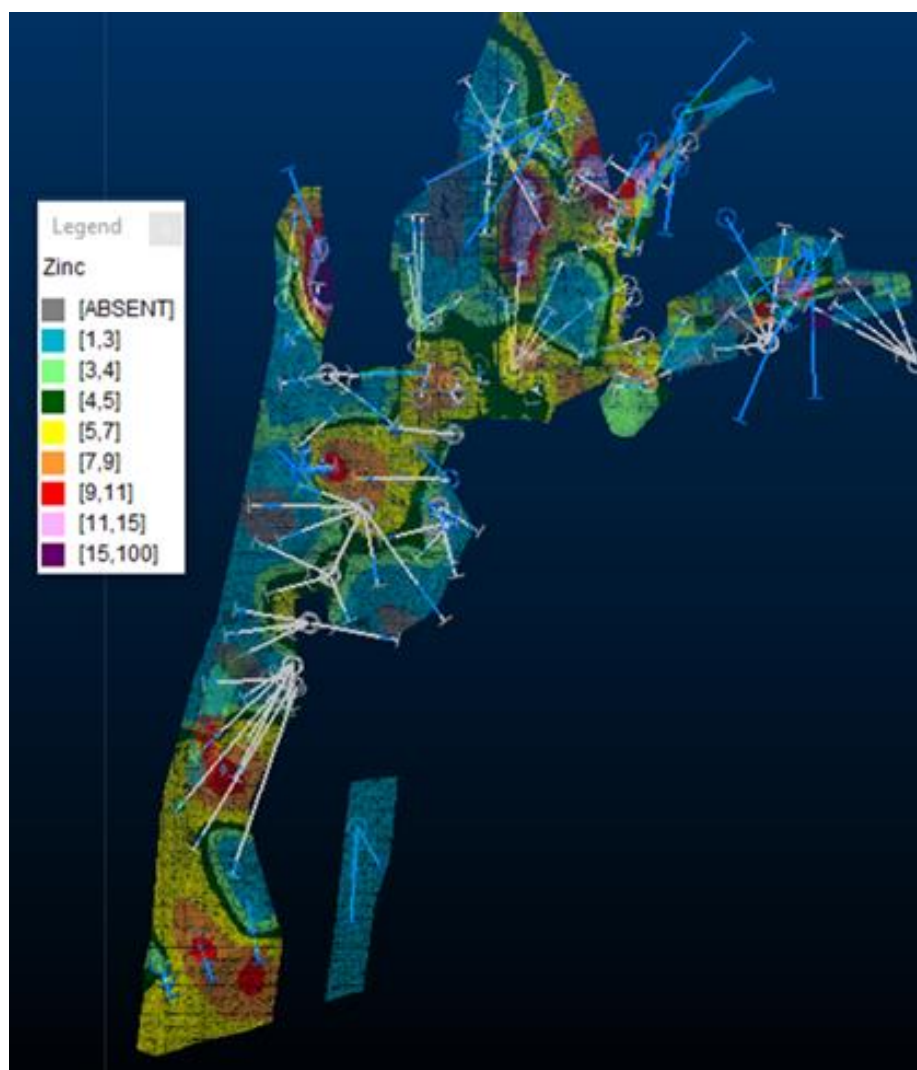


Figure 2: Zorzone Resource Model Showing Grade Zoning

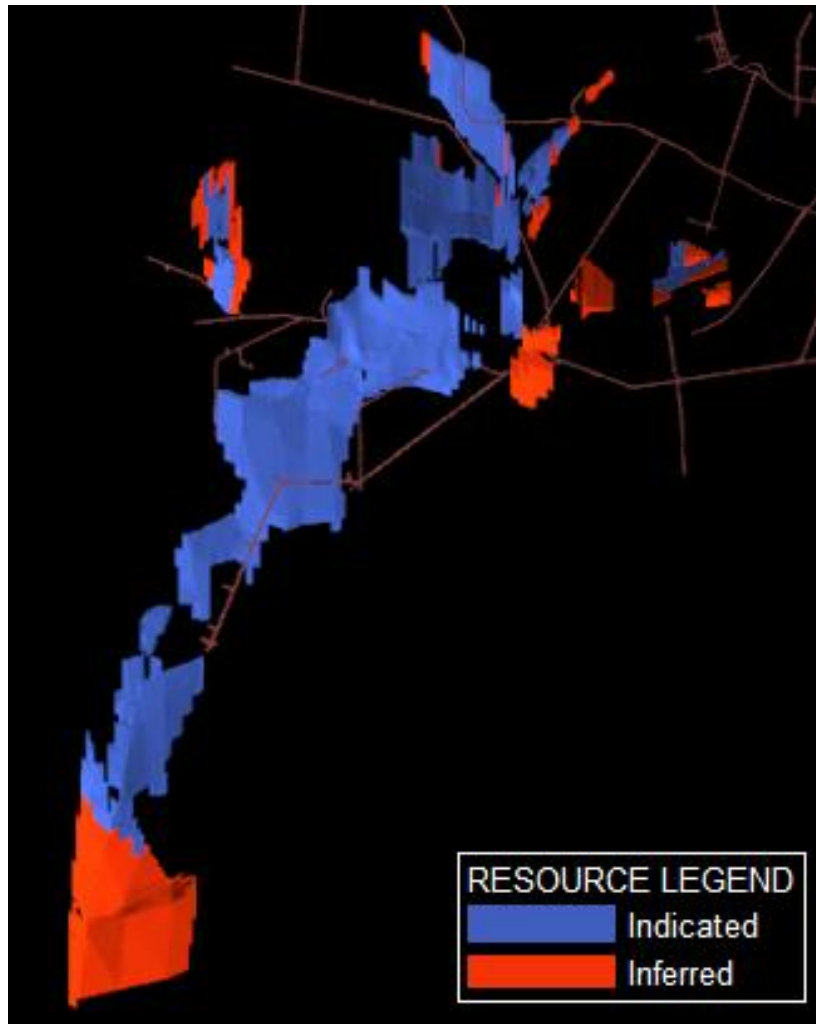


Figure 3: Zorzone Mineral Resource Classification (Indicated & Inferred)

Exploration Potential

The Technical Study concludes that the Company has achieved a good understanding of the geological characteristics of the Gorno system, and that recent studies including a geophysical survey at Pian Bracca together with re-interpretation of the relationships between known mineralisation and the geological structure have resulted in a more comprehensive understanding of the exploration potential at Gorno.

Further, the improved geological model indicates the known underground mineralisation is not closed off at depth, or along strike to the north and south of the Zorzone Resource, and that the Gorno system remains highly prospective for the discovery of additional mineralisation.

Five exploration targets have recently been defined within three main target groups:

- Zorzone Extensions – Zorzone North, East and South, which are stratabound style like Zorzone;
- Pian Bracca – (includes Arera Thrust “PBAT”, as both are now interpreted as the same thrust zone) which is tectonic melange (breccia) style mineralisation; and
- Fontanone, a stratabound style deposit.

Of the five exploration targets the most prospective and of highest priority is Pian Bracca which is readily accessible from existing underground workings.

The Exploration Target for the GPA is summarised in Table 2 and shown in Figure 4. Please refer to the ASX release “Alta Zinc resets Exploration Target at its flagship Gorno Zinc Project” dated 25 January 2019 for details.

The potential quantity and grade of the Exploration Target shown is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Target/Group	Mineralisation Style	Mt (low)	Mt (high)	Pb+Zn % (low)	Pb+Zn % (high)
Zorzone Extensions	SB	1.2	2.5	6	7
Pian Bracca/Arera Thrust (PBAT)	PB	5.0	9.7	6	7
Fontanone	SB	2.4	9.2	6	7
TOTAL (Rounded)	SB+PB	9	21	6	7

SB = Stratabound style mineralisation; PB = Pian Bracca style mineralisation

Table 2: Gorno Zinc Project, Exploration Targets

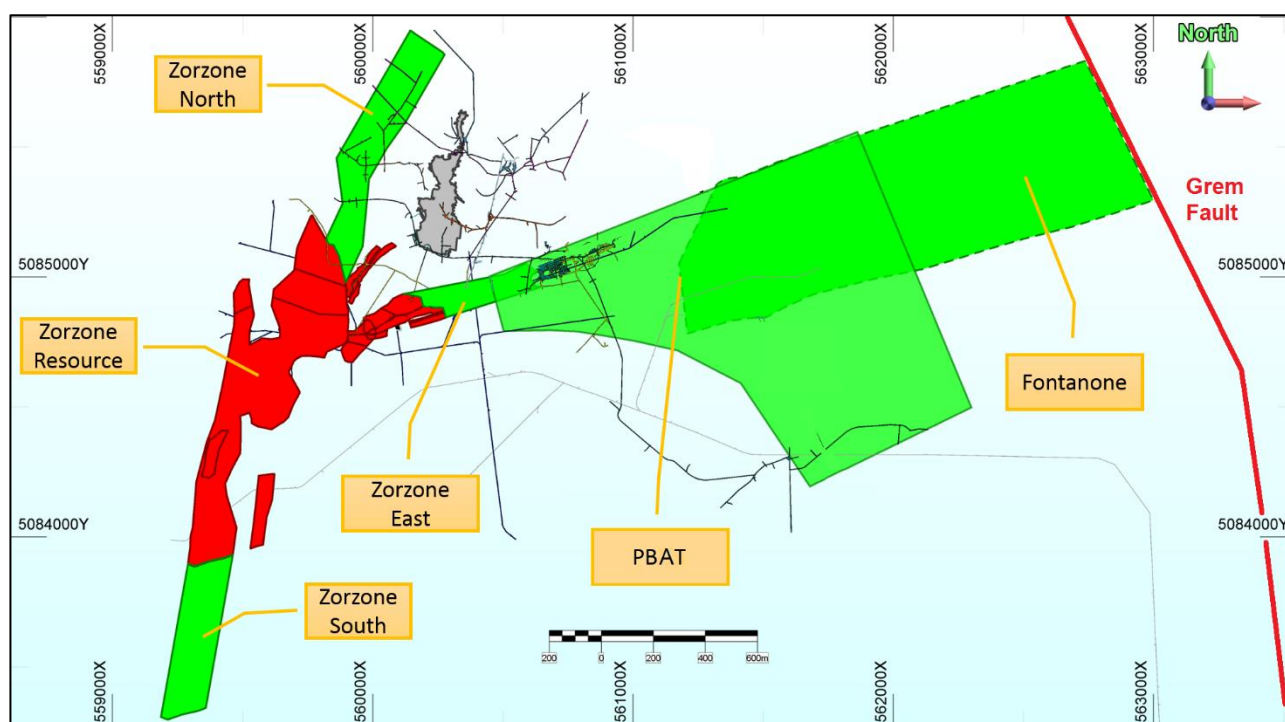


Figure 4: Plan view of Zorzone Resource and extensional or nearby Exploration Targets

Mining

Background

The Gorno region contains extensive underground workings. Historical levels are developed on 30m vertical spacing with the key levels used in the Technical Study being the Forcella level at 940 mRL, and Riso Parina at 600 mRL.

The majority of the historical workings are located above the Forcella level, with no workings near the Zorzone area between the Forcella and Riso Parina levels (refer to Figure 5). The Technical Study was based on both Indicated and Inferred Resources contained within the Zorzone Resource which lies predominantly between these levels.

Mine Design

The mine design developed by AMC was based on using small mechanised equipment and utilising existing development as much as practical in order to minimise initial mining capital requirements.

The maximum development dimensions, excluding the infrastructure chamber, were 4.5m wide x 4.5m high for the decline and other access development to suit 20t capacity trucks.

The capital development design is shown in Figure 5. The main components of the design are:

- New Zorzone access to provide access to the infrastructure chamber and establish the primary ventilation network.
- Infrastructure development (underground chamber) for the crusher and ore sorter.
- In-ore decline and associated return airway.

Operating development comprises ore development on 7m vertical intervals, and ancillary development such as sumps and stockpiles. Development in the Longhole open stoping (LHOS) area uses a shanty back profile to minimise waste dilution.

The Zorzone mining area extends 500m vertically from 1,100 to 600mRL.

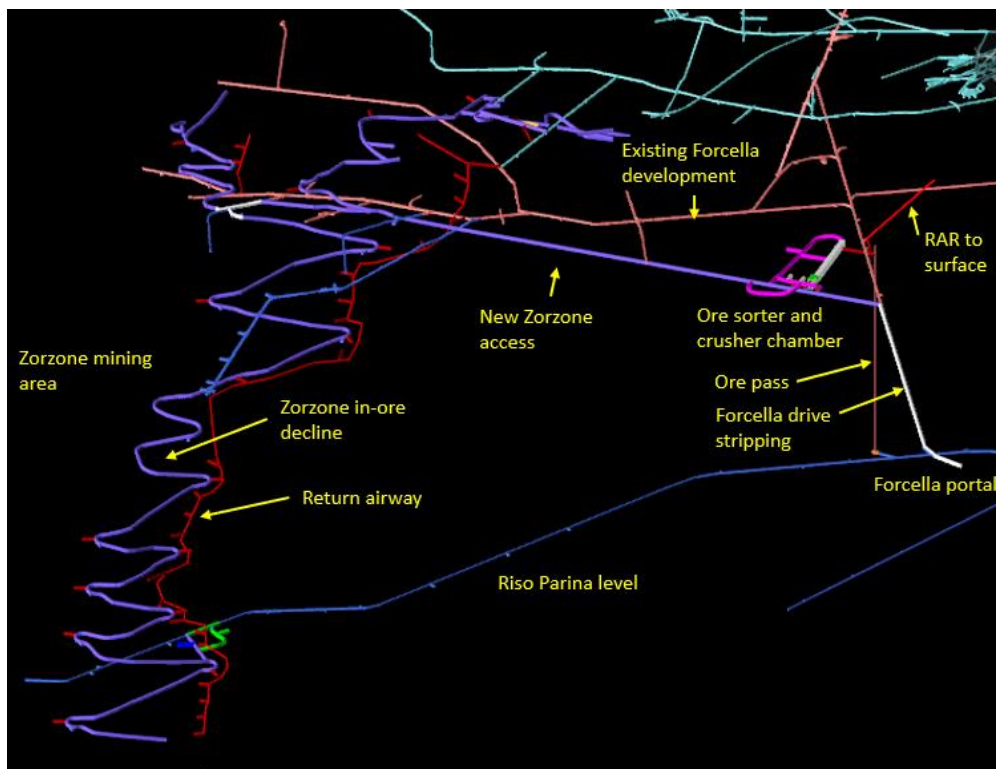


Figure 5: Mine Capital Development Design

Mining Method and Stope Design

The majority of the Zorzone stratabound deposit has a moderate dip of approximately 25°, and width of between 1m to 5m with an average width of 3m to 4m. In the upper northern area, it becomes almost horizontal. LHOS with fill will be used for moderate dipping areas of the ore body and room-and-pillar in the horizontal area.

Stope shapes were developed using Mineable Shape Optimizer ("MSO"). The mine design was based on the 3.5% Zn cut-off grade ("COG") shapes, which provided the preferred balance between tonnage and grade.

The LHOS area was based on a 7m vertical level interval. This level interval was selected as it provided a higher MSO mining resource, reduced stoping risk associated with the moderate dip, and allowed for long stopes (up to 70m in length) relative to increased level intervals.

Room-and-pillar was based on 7m wide rooms with 3m square pillars, providing 70% ore recovery.

Materials Handling

The pre-production material handling system entails:

- Waste rock generated during access development and development of the infrastructure chambers being trucked to the Forcella portal, crushed and potentially used as construction material for the local community or placed in waste rock dumps in the valley at Cà Pasi.
- Pre-production ore will be trucked to the Forcella portal, crushed and sorted on surface, then trucked to the surface stockpile at the processing plant.

The operational phase materials handling system entails materials handling of waste rock, ore, ore sorter rejects and tailings.

The ore handling system comprises underground truck haulage from production areas to the underground crusher and ore sorter chamber. After ore sorting, the crushed ore continues through the system to an existing ore pass that links the Forcella and Riso Parina levels. The crushed and sorted ore is then loaded from the bottom of the pass into rail wagons, for rail haulage of 8.7km from the ore pass to the surface processing plant.

The waste rock and ore sorter reject handling system comprises underground truck haulage from production areas to a temporary underground stockpile, followed by:

- Disposal into new underground voids using a loader as part of the stope fill.
- Haulage and disposal into the upper level historical voids.
- Excess material brought to surface.

The dry tailings handling system comprises:

- Tails loaded into rail wagons at the surface processing plant at Riso Parina.
- Rail haulage 9.8km back to the mine (Zorzone).
- Underground loader and trucks used to re-handle the tailings from the Riso Parina level into the paste plant located on the Forcella level.

Mine Schedule

AMC prepared the mine schedule based on a nominal ROM production rate applied to the MSO shapes. The mine design prioritises high grade sulphide zones (in preference to resource classification) as the proposed processing route is designed for sulphide ore only. In the pre-production period the infrastructure development and decline access from Forcella to Riso Parina were prioritised.

An owner operator mining model utilising equipment leasing over LOM was selected as the preferred costing configuration.

Metallurgical Testwork and Process Plant Design

Phase 1 considers treating only pre-concentrated sulphide material (Enriched Feed). Minimal oxide mineralisation will be mined and either stockpiled underground for subsequent treatment or sorted through the ore sorters (fines will be predominantly oxide). Only a minor quantity of oxide mineralisation is expected to report to the flotation plant feed and treated through the Phase 1 plant. No detrimental effects on sulphide circuit performance are expected from oxide entering the flotation circuit.

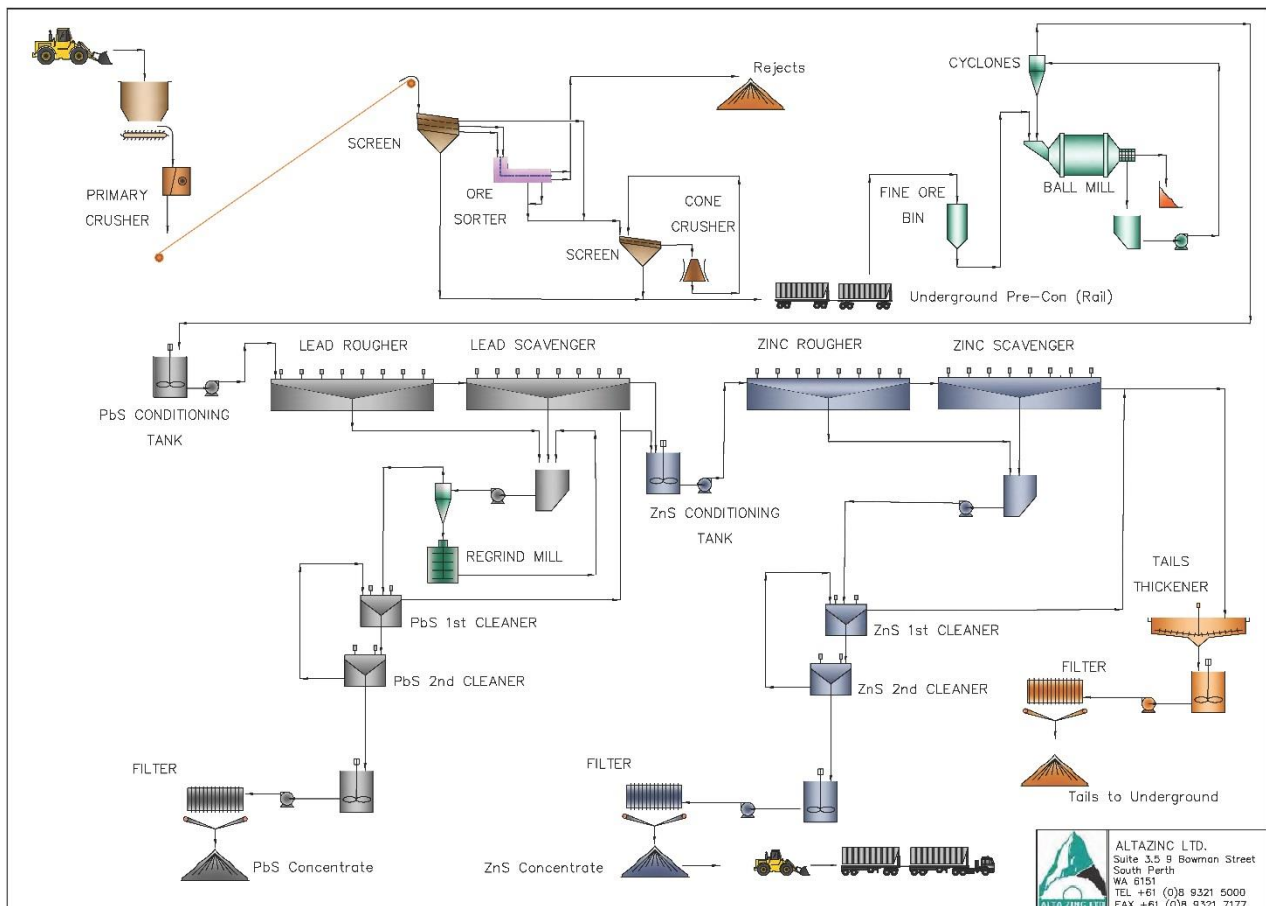


Figure 6: Process Flowsheet

Although the processing route appears to be substantially fixed for the sulphide mineralisation in black shale further refinements may be possible. Optimisation testwork is recommended, particularly investigation of pre-flotation as a means of removing carbonaceous black shale ahead of lead sulphide flotation.

Additional variability flotation testwork is also recommended in the future on a range of samples to generate robust recovery and grade predictions.

Infrastructure and Site Layout

The proposed processing plant and concentrate dispatch area are situated in the locality of Riso, which is approximately 4km south of the Gorno town centre.

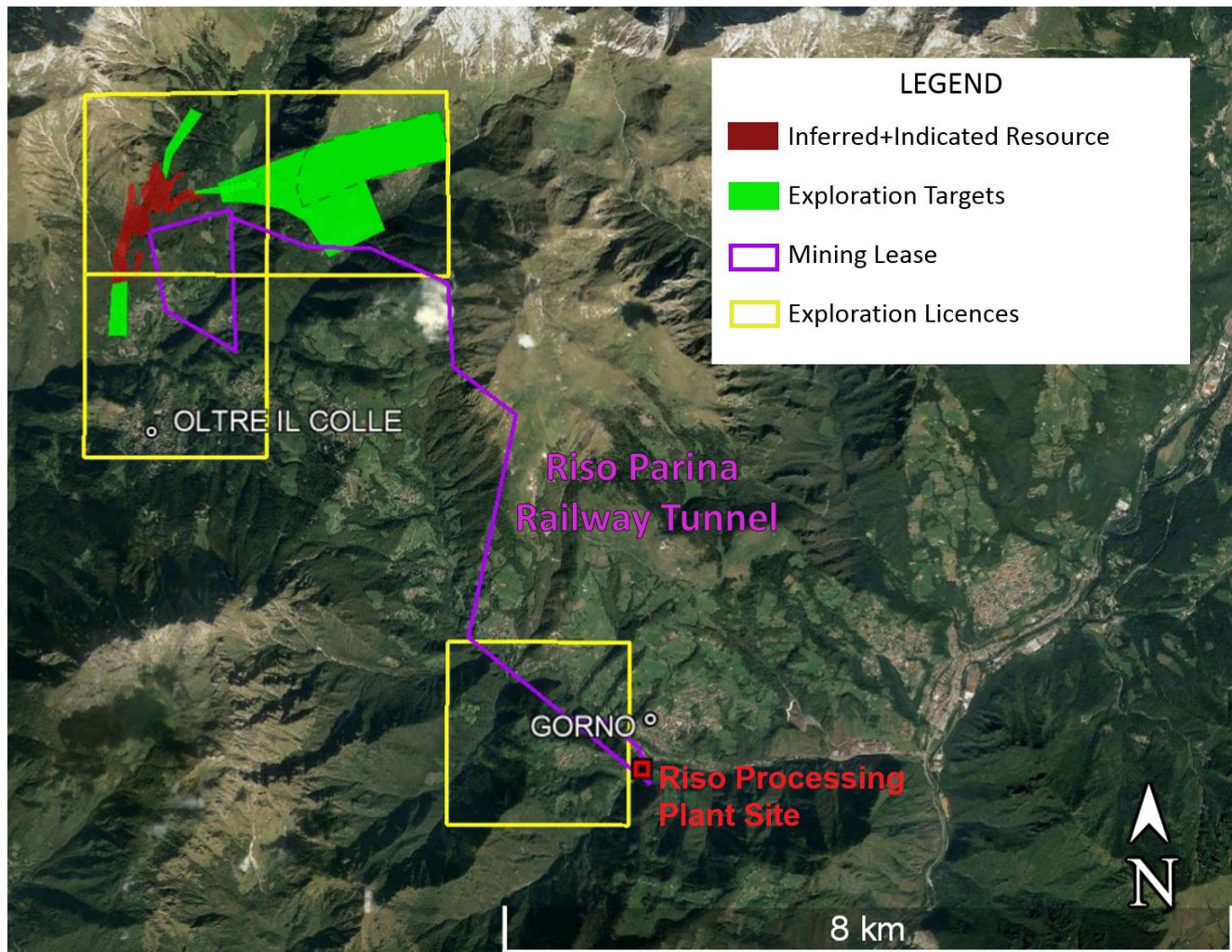


Figure 7: Underground Portal and Processing Plant Locations

The project locations are in developed areas which are easily accessible. In the vicinity there is readily available adequate supporting infrastructure such as housing, power, communication, water and sewage services.

The national power grid operated by ENEL is well established in the region, with a sophisticated network of high voltage and medium voltage power lines. Medium voltage power is available at both the Cà Pasi and Riso sites.

The main additional infrastructure required for the development of the underground project will be:

- Mine facilities (additional office space, workshop and ablution blocks).
- Land access for temporary above ground waste rock and ore stockpiles (during development).
- Grid power supply cabins and power distribution.



Figure 8: Existing Offices and Infrastructure at the Cà Pasi site located near Oltre il Colle

The mining operations will be serviced by offices, workshops and surface facilities constructed in the vicinity of the underground portal at Cà Pasi, located near Oltre il Colle. The existing exploration infrastructure, such as offices and changerooms, will be expanded to meet the requirements of the development and operational project phases.

The flotation plant, concentrate storage and handling facility is to be constructed at Riso in the municipality of Gorno. It is proposed to demolish the old Riso plant and use the available land currently administered by the municipality of Gorno. Bulk earthwork requirements will be minimised by maintaining existing retaining walls and various natural elevations. Workshops, warehouse and administration buildings will be housed in existing buildings in the vicinity of the proposed plant site.



Figure 9: Processing Plant designed by Lycopodium to be constructed at the Riso Processing Plant Site

Marketing and Product Specifications

The Gorno Project will produce two concentrates, being a zinc sulphide concentrate (ZnS) and a lead sulphide concentrate (PbS) containing payable silver credits, which the Technical Study assumes will be marketed and sold as two separate products.

A significant market exists for 'clean' concentrates, and supply from Gorno should prove competitive and offer European smelters a viable supply alternative to concentrates sourced from other continents.

Discussions with internationally recognised base metal commodity trading houses indicate likely strong demand for the Gorno concentrates which may attract premium pricing because of the high concentrate grades and low impurity specifications.

The expected quality of the Gorno concentrates (anticipated unusually low iron content and low manganese levels) means they can have a special value to smelters obliged to consume large quantities of 'dirty concentrates', especially where residue disposal is a serious environmental problem or cost.

Permitting

The Gorno Project is a brownfields development utilising the existing network of underground workings and with the processing plant to be located on the site of the historic plant at Riso which operated up until 1980.

Whilst an existing mining licence and exploration licences are in effect over the GPA, additional environmental and social baseline studies, planning and design work are necessary to complete all permitting requirements for the mining licence renewal and ancillary plant approvals.

It is important to note that no fatal flaws have been identified in the Environmental Impact Study ("EIS") which has been carried out as part of the overall Environmental Impact Assessment ("EIA") necessary for the renewal of the mining licence, which expires on the 30 January 2020. The EIA is approximately 80% complete.

This Technical Study provides the general mine and plant design to be used for the mining licence renewal application process. The renewal application follows a defined consultation and approval process which includes the following steps:

- Submission of the application by the Company.
- Publication in the Preliminary Notice Board (Public Notification).
- Technical assessments of the impacts of mine waste and mineral processing waste
- Work plan and feasibility study showing economic potential (addressed by the results of the Technical Study).
- EIA.
- Regulatory Committee meeting in order to streamline the application process and convene all regulatory authorities.

After the preliminary assessment of the application, the Regulatory Committee meeting is organised within 30 days (provided the application meets the minimum standards and preliminary checklist). Approval must occur within 90 days from lodgment of the application, extended as necessary to provide time for additional information to be provided by the Company, where requested by the authorities.

The processing plant approvals process, in addition to the above, includes an over-arching Integrated Environmental Authorisation ("IEA")³ which adopts the EIA and addresses approval of ancillary minor permits that satisfy complementary regulations concerning energy use, waste flows and accident prevention. This is normally completed after completion of the detailed plant design.

³ IEA conforms to the Integrated Pollution Prevention and Control (IPPC) Directive regulating large industrial sites in the European Union

Capital Cost Estimate

Initial capital cost estimates were prepared and include all direct and indirect costs to bring the Project into production as defined by this Technical Study. All mining operating costs prior to commencement of the processing plant are capitalised. No contingencies were applied to the mining costs.

Mining Capital Cost Estimate

Costing has been based on the following assumptions:

- Owner mining for LOM.
- Owner management and technical services for the LOM.
- Any additional ROM production in excess of processing capacity will be stockpiled on surface until the processing plant has available capacity.

Costs were split into capital, sustaining and operating costs.

Capital costs are considered to be those incurred on infrastructure equipment, mining or ancillary costs as a result of the development of declines, return airways, escape-ways or infrastructure chambers. They are considered a capital cost in the pre-production period, and sustaining capital costs once processing commences.

Operating Cost Estimate

An overall LOM operating cost estimate was prepared by utilising an operating cost model that translated the input costs derived from the mining schedule and costs developed by AMC, the plant feed schedule developed by AMC, the processing costs developed by Lycopodium and Alta and the general and administration costs developed by Alta.

Mine Operating Cost

Operating costs are considered to be those incurred on mining or ancillary costs during the mining of access, cross-cut and ore drive development, as well as during the performance of stope preparation, stoping and backfill activities. In the pre-production period operating costs are capitalised.

Costs that are shared by mining activities that fall into both categories (for example personnel and equipment costs) are allocated based on the proportion of capital and operating tonnes on a monthly basis.

Processing and Administration Operating Cost

Processing and administration operating cost estimates for the Gorno Zinc Project have been developed based on a design treatment rates of:

- ROM production through the underground crushing and upgrade plant with the plant operating 12 hours per day, 365 days per year.
- Crushed and upgraded pre-concentrate through the surface flotation plant with the plant operating 24 hours per day, 365 days per year.

The operating cost estimate has been compiled from a variety of sources, including the following:

- Labour and labour pay rates as advised by TC HR Services (Milan) S.r.l./Alta.
- Power unit cost as advised by ENEL/Alta.
- Consumable prices from supplier budget quotations, the Lycopodium database or Alta.
- Modelling by Orway Mineral Consultants for crushing and grinding energy and consumables.
- Reagent consumptions based on metallurgical testwork results provided by RFB Consultants/Alta.
- First principle estimates based on typical operating data/standard industry practice.

No contingency has been included in the operating cost estimate.

The operating costs were split into fixed and variable components to enable them to be used to derive annual costs for changing plant feed blends and/or throughput over the life of the project. The fixed and variable costs are considered valid for throughput variations within $\pm 25\%$ of the design plant feed throughput.

Key assumptions and input values used in economic modelling and preparation of cost information include the following:

Off-site charges

The following off-site charges were assumed for the zinc concentrate produced:

- 85% payable zinc (based on a zinc grade of 62.7% for concentrate and a deduction of 8% Zn).
- base treatment charge of US\$147/dmt concentrate (at the base zinc price of US\$3,000/t), with an escalator of 0% and de-escalator of 0% for zinc prices differing from the base price.
- €40.00/wmt concentrate transport charge.

The following off-site charges were assumed for the lead concentrate produced:

- 95% payable lead (based on a lead grade of 74.2% for concentrate and a minimum 3% discount).
- Base treatment charge of US\$135/t concentrate (at the base lead price of US\$2,350/t), with an escalator of 0% and de-escalator of 0% for lead prices differing from the base price.
- 95% payable silver with a minimum deduction of 50 Ag g/t.
- €40.00/wmt concentrate transport charge.

Penalty elements

Based on the testwork to date and typical concentrate assays, no typical penalty elements are expected.

Royalties

A net smelter return (NSR) royalty of 1% is payable to Berghem Mines & Tech S.r.l. (previous owner of the mining licence). No government royalties are payable on minerals in Italy.

Corporate Income Tax

Corporate income taxes have been estimated based on the following assumptions:

- 27% statutory income tax rate.
- Capital depreciation based on straight-line remaining LOM.
- Opening tax loss of €14.5M.
- Full carry forward of operating or pre-production tax losses.

These assumptions are consistent with current and anticipated income tax laws in Italy.

Exchange Rates & Inflation

Capital costs, and revenue and operating costs are in Euro (EUR or €) and are in real 2018 money terms. For indexation purposes, the cashflow model assumes a start date of 1 January 2020.

- Exchange rate applied in the financial model is EUR/USD = 1.1325.
- No inflation rate was applied in the financial model.

Project Implementation

The Gorno Zinc Project is well positioned for a fast track construction strategy as the major access infrastructure, in particular the Riso Parina tunnel and Forcella portal, is already in place from previous operations although rehabilitation and rebuilding work is required to restore operations.

A conceptual project execution schedule summary for a Phase 1 is shown in Figure 10. This assumes a pre-works period followed by construction commencement in January 2020. It also includes an 18-month pre-production period for construction, development and commissioning activities.

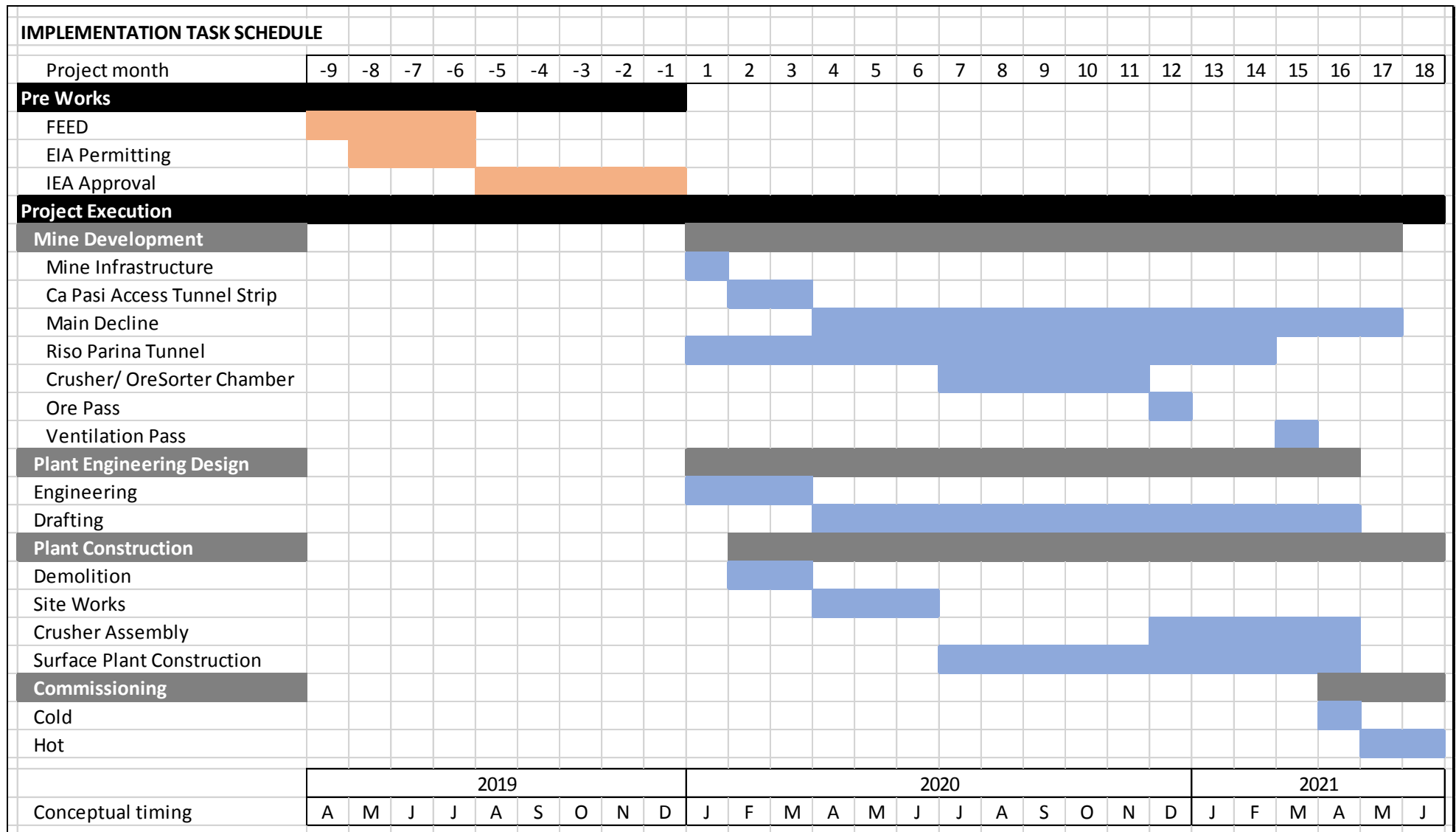


Figure 10: Overall Project Schedule Outline

Funding

The Technical Study modelling provides an estimate of the funding that will be required for the capital works, pre-production capital works and contingency estimated.

It is currently anticipated that the ultimate financing for development of the Gorno Project will include a combination of equity and debt instruments.

Recent discussions with financial institutions, potential offtake partners and senior lenders have focused on arranging funding of both short-term funding of a bankable feasibility study based on a larger scale project, and long-term funding to complete all pre-production activities and costs through to commencement of production at Gorno.

Funding discussions with potential financiers have contemplated exploration drilling planned to be undertaken in parallel with other pre-production activities. The Company is confident this exploration will result in additional mineralisation being able to be converted to Resource, which economic modelling suggests will be highly value accretive for the Project.

Having considered the potential outcomes of additional exploration and the expressions of interest received from potential financing partners, Alta believes it has a reasonable basis to assume that funding will be available on reasonable terms to fund both the planned pre-production activities scheduled to commence in 2019, and construction of the operation once all funding pre-conditions have been satisfied.

Next Steps

The conceptual execution schedule contained in the Technical Study assumes construction commences in January 2020. During 2019 the Company intends, subject to funding, to:

- Use the information contained in the Technical Study such as the mine design, plant configuration and location to finalise and submit the application required for renewing the existing mining licence.
- Conduct further drilling to evaluate near resource targets within the GPA, particularly PBAT.
- Upgrade the Technical Study to include the results of the drilling and any further detailed technical work.

These activities will be more fully described in separate announcements.