



ALTA ZINC LIMITED
ACN 078 510 988

Offer Document

Non-renounceable Rights Issue

4 New Shares for every 5 Shares held at an issue price of
\$0.004 (0.4 cent) per New Share to raise up to
approximately \$4.381 million

**The Rights Issue closes at 5.00pm (AEDT) on
5 April 2019**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Offer Document is not a prospectus and does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares.

You should read this Offer Document in its entirety before deciding whether to accept the offer of New Shares. If you do not understand any part of this Offer Document or are in doubt as to what you should do, you should consult your stockbroker, accountant, financial or other professional adviser immediately.

Contents

Chairman's Letter	1
A Rights Issue at a glance	3
B Background to the Company and details of the Rights Issue	4
C How to participate	7
D Risk factors	11
E Other important information	16
F Glossary	20
Corporate Directory	22

Important information

This document and the accompanying information (**Information**) has been prepared by Alta Zinc Limited ACN 078 510 988 (**Company**).

The Rights Issue to which this Information relates complies with the requirements of sections 708AA of the Corporations Act as notionally modified by the ASIC Corporations Instruments 2016/73 and 2016/84. The Information is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Information relates to a 4 for 5 (4:5) non-renounceable Rights Issue to subscribe for New Shares at the Issue Price set out in this Offer Document and the Entitlement and Acceptance Form, and as announced to ASX by the Company on 8 March 2019 (**Rights Issue**).

Not investment or financial product advice

The Information is not investment or financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of New Shares in the Company and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of the Company and the New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Information about the Company

The Information included in this Offer Document provides information about the Company's activities current as at 8 March 2019. It is information in a summary form and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements, the Company's annual report for the year ended 30 June 2018 and the Company's other announcements to ASX available at www.asx.com.au or on the Company's website at www.altazinc.com.

Foreign jurisdictions

The Company has reviewed the registered address of Shareholders and has determined that this document may be

sent to all Shareholders on the Company's Share Register as at 7.00pm (AEDT) on the Record Date.

Governing law

The Information, the Rights Issue and the contracts formed on receipt of your Application are governed by the law applicable in Western Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts of Western Australia.

Future performance

The Information may contain certain forward-looking statements.

The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to Part D 'Risk factors'.

Past performance

Past performance information given in this Information is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All dollar values are in Australian dollars (A\$).

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Rights Issue that is not contained in this Offer Document.

Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Rights Issue.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Document.

Defined terms

Terms used in this Offer Document are defined in the glossary on page 20.



8 March 2019

Dear Shareholder

Alta Zinc Limited – pro-rata non-renounceable rights issue

Alta Zinc Limited (**Company**) has today announced it will be undertaking a non-renounceable rights issue offering 4 new shares for every 5 shares held at \$0.004 (0.4 cent) per share to raise up to approximately \$4.381 million before issue related costs (**Rights Issue**).

The Rights Issue is being undertaken to provide the Company with funding to undertake the following activities as part of its ongoing strategy for advancing the Gorno Project:

- conduct a resource definition drilling campaign for Pian Bracca, the highest priority exploration target within the Gorno Project Area to the east of the existing Colonna Zorzone deposit;
- subject to receiving positive results from the drilling campaign, incorporate the interpretations and conclusions into an “upscaled” development plan for the Gorno Project;
- in parallel with the above resource definition related work, complete the winter environmental baseline monitoring required to finalise the Environmental Impact Assessment; and
- finalise the application and renewal of the Monica Mining licence and other exploration licences at the Gorno Project.

In addition to the work on the Company’s flagship Gorno Project, the funds will also be applied to:

- evaluate the potential of Punta Corna, the site of historic cobalt mining in Piedmont, northern Italy where the Company announced positive “maiden” sampling results late last year;
- continue value enhancing activities on exploration projects held in Australia; and
- meet general working capital requirements as they arise.

As a board, we remain confident in Gorno’s untapped potential and Alta Zinc’s ability to monetise what is a significant, high quality, historical zinc project in the heart of western Europe.

This Offer Document provides you with the opportunity to participate in the Rights Issue. This offer is being made to Eligible Shareholders on the Company’s Register as at 7.00pm (AEDT) on 13 March 2019 (**Record Date**).

Eligible Shareholders may, in addition to their entitlement under the Rights Issue, apply for Additional Shares under the Shortfall Facility. Successful applications for Additional Shares will be satisfied out of any New Shares for which applications have not been received from Eligible Shareholders before the Closing Date of the Rights Issue. Further information regarding the application process and allocation policy for Additional Shares is provided in Section 7 of Part B of this Offer Document.

This Offer Document contains important information concerning your potential participation in the Rights Issue, including:

- the key terms of the Rights Issue;
- instructions on 'how to participate' should you choose to do so; and
- a personalised Entitlement and Acceptance Form which details your rights, to be completed in accordance with the instructions provided.

Like many investments in mining exploration companies, an investment in the Company involves risks. A number of these risks are summarised in **Part D** of this Document, including but not limited to risks associated with exploration activities, the approvals and permitting process, reliance on key management personnel (refer to paragraph 12) and commodity price and exchange risks.

In order to participate in the Rights Issue, you must ensure that applications for New Shares are received in accordance with the Entitlement and Acceptance Form on or before **5.00pm (AEDT) on 5 April 2019**. Otherwise, your rights will lapse.

If you have any doubt as to whether you should participate in the Rights Issue, you should consult your stockbroker, accountant, financial or other professional adviser.

On behalf of your Directors, I encourage you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. Burns', written in a cursive style.

Alexander Burns
Executive Chairman/Chief Executive Officer

A Rights Issue at a glance

1 Summary of Rights Issue offer

Issue Price per New Share	\$0.004 (0.4 cent)
Rights	4 New Shares for every 5 Shares held at 7.00pm (AEDT) on the Record Date offered to Eligible Shareholders.
Maximum number of New Shares to be issued under the Rights Issue	1,095,172,566
Amount to be raised	Up to approximately \$4.381 million (before costs of the Rights Issue)

2 Indicative Timetable

Announcement of the Rights Issue	8 March 2019
Ex Date	12 March 2019
Record Date to determine Rights	7.00pm (AEDT) on 13 March 2019
Offer Document and Entitlement and Acceptance Form dispatched	18 March 2019
Opening date of the Rights Issue	
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and Application Money	5.00pm (AEDT) on 5 April 2019
Trading of New Shares commences on a deferred settlement basis	8 April 2019
ASX notified of under-subscriptions	10 April 2019
Issue of New Shares and despatch of transaction confirmation statements for New Shares	12 April 2019
Normal trading of New Shares expected to commence on ASX	15 April 2019

Subject to the Listing Rules, the Company reserves the right to vary the timetable without prior notice, including by extending the Closing Date or closing the Rights Issue early. The Company also reserves the right not to proceed with the whole or part of the Rights Issue at any time prior to allotment. In that event, Application Money will be returned without interest. See **section 10 of Part C** of this Offer Document for further details.

B Background to the Company and details of the Rights Issue

1 Details of the Rights Issue

Eligible Shareholders are invited to participate in a pro-rata non-renounceable Rights Issue of up to 1,095,172,566 New Shares. The Rights Issue will be conducted on the basis of 4 New Shares for every 5 Shares (4:5) held at 7.00pm (AEDT) on the Record Date, at an issue price of \$0.004 (0.4 cent) per New Share, payable in full on application.

Your Rights to subscribe for New Shares is shown on your personalised Entitlement and Acceptance Form which accompanies this Offer Document. If you take up your Entitlement in full, you may also apply for Additional Shares not taken up by other Eligible Shareholders under the Shortfall Facility.

The Rights Issue is non-renounceable, which means that if you do not accept all or part of your Rights, you will not be able to trade your Rights and they will lapse. There is no ability to subscribe for more than your allocated Rights.

New Shares will rank equally in all respects with existing Shares.

The Rights Issue is being undertaken by the Company under section 708AA of the Corporations Act without a prospectus.

2 Why a Rights Issue?

The Rights Issue is intended to raise up to approximately \$4.381 million (before costs of the Rights Issue) and was first announced by the Company on 8 March 2019.

The structure of the Rights Issue is the result of an investigation by the Company into the best available alternatives to meet the Company's ongoing financing needs. This included the consideration of alternative funding structures and counterparties.

In reaching the decision to propose the Rights Issue, the Board had regard to the quantum needed to be raised to meet the Company's objectives, the structure that would best guarantee the delivery of that amount and structure that could be implemented in a timely manner.

3 Use of funds

The Rights Issue is being undertaken to provide the Company with funding to undertake the following activities as part of its ongoing strategy for advancing the Gorno Project:

- conduct a resource definition drilling campaign for Pian Bracca, the highest priority exploration target within the Gorno Project Area to the east of the existing Colonna Zorzone deposit;
- subject to receiving positive results from the drilling campaign, incorporate the interpretations and conclusions into an "upscaled" development plan for the Gorno Project;
- in parallel with the above resource definition related work, complete the winter environmental baseline monitoring required to finalise the Environmental Impact Assessment; and
- finalise the application and renewal of the Monica Mining licence and other exploration licences at the Gorno Project

In addition to the work on the Company's flagship Gorno Project, the funds will also be applied to:

- evaluate the potential of Punta Corna, the site of historic cobalt mining in Piedmont, northern Italy where the Company announced positive "maiden" sampling results late last year;
- continue value enhancing activities on exploration projects held in Australia; and
- meet general working capital requirements as they arise.

The following table sets out the intended use of funds raised for the 12 month period to 31 March 2020 assuming the maximum amount is raised under the Rights Issue:

Proposed Use of Proceeds	Approximate Amount
Exploration at the Gorno Project referred to above, including the Pian Bracca resource definition drilling campaign	\$2,845,000
Costs associated with the application and renewal of the Monica Mining licence and other exploration licences at the Gorno Project	\$450,000
Estimated creditors of the Company as at 31 March 2019	\$610,000
Exploration – other projects in Italy and Australia	\$122,000
Expenses of the Rights Issue	\$60,000
Corporate and administration costs	\$51,000
Total	4,381,000

Any additional funds raised from the participation of Eligible Shareholders in the Rights Issue following the exercise of their Options prior to the Record Date will be applied towards the Company's general working capital and administration expenses. However, having regard to the Company's current Share price and the exercise price of the Options, the Directors consider it unlikely that any Options will be exercised prior to the Record Date.

To the extent that funds raised under the Rights Issue is less than maximum, funds raised will be applied in the following order of priority:

- (a) expenses of the Rights Issue and estimated creditors of the Company as at 31 March 2019;
- (b) costs associated with the application and renewal of the Monica Mining licence and other exploration licences at the Gorno Project;
- (c) exploration – other projects in Italy and Australia; and
- (d) general working capital and administrative expenses.

The Company does not seek to raise a minimum amount under the Rights Issue. In the event that insufficient funds are raised to meet the expenses of the Rights Issue and estimated creditors of the Company as at 31 March 2019, the Company will seek other sources of funding in the short term to meet the expenses of the Rights Issue and estimated creditors of the Company as at 31 March 2019.

If less than the maximum amount is raised under the Rights Issue the Company will need to re-evaluate its current proposed drilling strategy at the Gorno Project which may include reducing the proposed drilling program, seeking additional funding within the next 12 months or deferring drilling.

The table and statements above are statements of the Company's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds may change depending on a number of factors including outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. The Board therefore reserves the right to alter the way the funds are applied.

4 Who is eligible to participate

The Rights Issue is being extended to Eligible Shareholders (which are all Shareholders on the Register as at 7.00pm (AEDT) on the Record Date). For further details on Eligible Shareholders, refer to **section 1 of Part E**.

5 Issue Price

The Issue Price is \$0.004 (0.4 cent) for each New Share representing a 33% discount to the closing Share price on the ASX (\$0.006) on 7 March 2019, being the last practicable day before finalising this Offer Document. The Issue Price represents a 32% discount to the 10 day volume weighted average share price on the 10 trading days prior to the date of this Offer Booklet.

6 Minimum subscription

There is no minimum subscription under the Rights Issue.

7 Shortfall and Top Up Facility

New Shares not taken up by Eligible Shareholders will become available as Shortfall under the Shortfall facility (**Shortfall Facility**). Eligible Shareholders who subscribe for their Entitlement in full may apply for additional New Shares under the Shortfall Facility (**Additional Shares**).

There is no guarantee regarding the number of Additional Shares (if any) that will be available to Eligible Shareholders under the Shortfall Facility. This will depend on the extent to which Shareholders taken up their Entitlement. If all Rights are taken up under the Rights Issue then there will be no Additional Shares available under the Shortfall Facility.

In the event that demand for Additional Shares under the Shortfall Facility exceeds the number of Additional Shares that are available then there will be a scale back on a pro rata basis.

The Additional Shares will be allocated to Eligible Shareholders who have subscribed with valid applications for their full entitlements under the Entitlement Offer, and who subscribe with valid applications for Additional Shares in excess of their entitlements with such Additional Shares subject to scale back on a pro rata basis (if required) between applicants for Additional Shares. However, the Company will only issue such Additional Shares pursuant to an application for Additional Shares where the Directors are satisfied that the issue of the Additional Shares will not increase the applicant's voting power above 19.9%.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Additional Shares under the Shortfall Facility at their discretion within three months after the Closing Date, and further reserves the right to engage one or more brokers to act as lead manager(s) to the placement of Additional Shares. Additional Shares offered pursuant to the Shortfall Facility will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Rights Issue.

8 Opening and Closing Date for Applications

The Rights Issue opens for acceptances on 18 March 2019 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00pm (AEDT) on 5 April 2019, subject to the Directors being able to vary the Closing Date in accordance with the Corporations Act and the Listing Rules.

9 Rounding of Rights

Fractional Rights to New Shares will be rounded up to the nearest whole New Share. Where the Company considers that holdings have been split in order to take advantage of this rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Rights.

C How to participate

1 Read the Offer Document

Read the whole of this Offer Document including the Announcement, the Entitlement and Acceptance Form and other information made available

As stated on page 1 of this Offer Document, the Rights Issue is not being made under a disclosure document or prospectus. Accordingly, it is important for Shareholders to read and understand the publicly available information on the Company and the Rights Issue prior to accepting their Rights.

2 Consider the Rights Issue in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial or other professional adviser if you have any queries or are uncertain about any aspect of the Rights Issue. In particular, please refer to Part D 'Risk factors', which describe some of the key risks in relation to an investment in the Company.

3 What you may do – choices available

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

Option	Further information
Take up your Rights in full or in part	Section 4 of Part C
Take up your Rights in full and apply for Additional New Shares under the Shortfall Facility	Section 5 of Part C
Allow some or all of your Rights to lapse	Section 8 of Part C

4 If you wish to accept your Rights in full or in part

Either:

- (a) Complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up in accordance with the instructions on the form. Return your completed form in the enclosed reply paid envelope, together with the Application Money to the Share Registry at the address set out in **section 7 of Part C**. It must be received by no later than 5.00pm (AEDT) on 5 April 2019.

OR:

- (b) Make a payment of \$0.004 (0.4 cent) for each New Share you wish to apply for by BPAY in accordance with the instructions on the Entitlement and Acceptance Form by no later than 5.00pm (AEDT) on 5 April 2019.

5 Applying for Additional Shares under the Shortfall Facility

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Additional Shares under the Shortfall Facility by either:

- (a) Completing the Entitlement and Acceptance Form for your full Entitlement, and insert the Additional Shares you wish to apply for in accordance with the instructions on the form. Return your completed form in the enclosed reply paid envelope, together with the Application Money to the Share Registry at the address set out in **section 7 of Part C**. It must be received by no later than 5.00pm (AEDT) on 5 April 2019.

OR:

- (b) Make a payment of the full number of New Shares under your Entitlement plus the number of Additional Shares you wish to apply for, multiplied by \$0.004 per New Share, by BPAY in accordance with the instructions on the Entitlement and Acceptance Form by no later than 5.00pm (AEDT) on 5 April 2019.

It is possible that there will be few or no Additional Shares available, depending on the level of take up by Eligible Shareholders of their Entitlement. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Company may issue to an Eligible Shareholder a lesser number of Additional Shares than the number applied for, reject an application for Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares allocated and issued is less than the number applied for, surplus application monies will be refunded without interest. The Company's allocation policy with respect to Additional Shares is set out in Section 7 of Part B.

6 Payment for New Shares

The issue price of \$0.004 (0.4 cent) per New Share is payable in full on application.

All payments are to be made in Australian currency by cheque, bank draft or money order drawn on and payable at any Australian bank or by BPAY.

Cheques, bank drafts and money orders should be made payable to "**Alta Zinc Limited – Rights Issue Account**" and crossed "Not Negotiable".

Applicants are asked not to forward cash. Receipts for payments will not be issued.

BPAY payments should be made in accordance with the instructions on the Entitlement and Acceptance Form using the BPAY Biller Code and unique Customer Reference Number shown on the form. You are not required to return the Entitlement and Acceptance Form if you use BPAY to pay the Application Money.

If you have multiple holdings you will receive multiple BPAY reference numbers. To ensure you receive your Entitlement you must use the customer reference number shown on each personalised Entitlement and Acceptance Form.

7 Address details and enquiries

Completed Entitlement and Acceptance Forms (including payment of Application Money) should be forwarded to the Company's Share Registry by mail in the enclosed prepaid envelope or delivered to the following addresses:

By hand:

Level 9, Suite 913
530 Little Collins Street
Melbourne Vic 3000

or

By mail:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West Vic 8007
Australia

For further information on your Rights or what your choices are in relation to it, please contact the Company Secretary, on +61 (0)8 9321 5000.

8 If you do not wish to accept all or any part of your Rights

To the extent you do not accept all or part of your Rights, it will lapse. As the Rights Issue is non-renounceable, your Rights are not be tradeable on ASX or otherwise transferable or able to be sold.

Shareholders who do not take up their Rights in full will not receive any payment or value for those Rights they do not take up. Shareholders who do not take up their Rights in full are likely to have their proportionate interest in the Company diluted.

9 Consequences of accepting all or part of your Rights

Submitting an Application constitutes a binding offer by you to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding on you.

It is a term of the Offer that if an Application is not completed or submitted correctly it may still be treated as a valid Application for New Shares. The Company's decision whether to treat an Application as valid and how to construe, amend, complete or submit the Application is final. By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you:

- (a) agree to be bound by the terms of this Offer Document and the provisions of the Company's Constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are not associated (as that term is defined in sections 12 and 16 of the Corporations Act) with any existing Shareholder of the Company;
- (e) declare that you will not acquire a relevant interest in issued voting shares in the Company that increases your, or someone else's, voting power in the Company either: (i) from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90% (for the purposes of this clause the terms, 'voting shares', voting power' and 'relevant interest' have the meanings given in the Corporations Act);
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Rights Issue;
- (g) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY, you may not withdraw it except as allowed by law;
- (h) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Issue Price \$0.004 (0.4 cent) per New Share;
- (i) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you are the current registered holder(s) of the Shares in your name at the Record Date;
- (k) acknowledge that the information contained in this Offer Document is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge, represent and warrant that the law of any other place does not prohibit you from being given this Offer Document or making an application for New Shares; and
- (m) acknowledge, represent and warrant that you are an Eligible Shareholder and have read and understood this Offer Document and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Offer Document and the Entitlement and Acceptance Form.

10 When will you receive your New Shares?

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted and that transaction confirmation statements will be dispatched, on or about 12 April 2019. However, if the Closing Date is extended, the date for allotment and posting may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

It is the responsibility of each Applicant applying for New Shares to confirm their holding before trading in those New Shares. Any person who sells New Shares before receiving confirmation of their holding in the form of the confirmation statement will do so at their own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in New Shares before receiving their confirmation statement.

Application Money will be held in trust in a subscription account until allotment. Any interest earned on Application Money will be retained by the Company, irrespective of whether allotment takes place.

The Directors may at any time decide to withdraw this Offer Document and the offers made under the Rights Issue, in which case the Company will return all Application Money (without interest) as soon as practicable.

D Risk factors

Prior to deciding whether to apply for New Shares under the Rights Issue, Eligible Shareholders should read this Offer Document in its entirety and review all announcements made to the ASX in order to gain an understanding of the Company, its activities, operations, financial position and prospects. The risks included in this section are specific to the Company and its operations and are not exhaustive.

As the risks described in this section may impact upon the Company's future performance, the Company and its Directors have taken steps to safeguard the Company from, and to mitigate the Company's exposure, to these risks.

1 Gorno Project Evaluation

On 25 January 2019, the Company announced its development strategy for the Gorno Project following the completion of an advanced technical study into a Phase 1 starter project (**Technical Study**) and an extensive evaluation and assessment (**Exploration Study**) of the significant exploration potential upside within the Gorno Project Area (**GPA**). The Technical Study demonstrated the technical viability of a project development based only on exploiting the existing Zorzone Mineral Resource at Gorno. It also highlighted the significant value that can be delivered by increasing the size and/or grade of Gorno's Mineral Resource from within the GPA.

The Exploration Study identified five priority targets across three areas within the GPA – Zorzone Extensions, Pian Bracca/Arera Thrust (**PBAT**) and Fontanone – that have the potential to significantly add to the current Mineral Resource.¹

The potential quality and grade of the Exploration Target 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.

Of these, the Pian Bracca target is considered to be the highest priority, low-risk near resource target area and the Company has therefore planned a drill programme for 2019 which is aimed at defining a Mineral Resource at this target to boost the Indicated Mineral Resource available within Gorno Project footprint area. Additional significant mineralisation converted to Mineral Resources as an outcome of the drilling program will then be able to be fed into a revised upscaled development plan for the Gorno Project.²

Commencement of the drilling program for 2019 is subject to raising funds and the renewal of one remaining exploration licence at Gorno (see **section 2 of this Part D** below for further details).

No assurances can be given that any additional exploration will result in the determination of a Mineral Resource on the Pian Bracca target or any of the other targets identified. Even if a Mineral Resource is identified no assurance can be provided that this can be economically extracted and an Ore Reserve identified.

There is no guarantee that any future project evaluation undertaken by the Company on the Gorno Project will result in the project being economically viable. Even if the evaluation process demonstrates that the Gorno Project is economically viable, further finance arrangements, agreements and regulatory approvals are required before any decision to commence mining can be made.

2 Gorno Project and Other Approvals

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.

¹ Please refer to the ASX release 'Exploration Study resets Exploration Target at its flagship Gorno Zinc Project' dated 25 January 2019 for further details regarding the Exploration Target set for the GPA.

² For further information please refer to the ASX release 'Alta ready for Gorno Zinc Project Resource Definition Drilling; Priority focus will be on Pian Bracca/Arera Thrust (PBAT) Target); Results to Feed into Upscaled Project Development Plan for Gorno' dated 25 January 2019 and ASX release 'Exploration Study resets Exploration Target at its flagship Gorno Zinc Project' dated 25 January 2019.

The Company has four exploration licences, one of which is currently subject to a renewal application, and a mining licence (the Monica Mining Licence) the current term of which is due to expire in January 2020. Commencement of the planned drill programme for 2019 in respect of the Pian Bracca target will not be commenced until the exploration licence is renewed.

Whilst an existing mining licence and exploration licences are in effect over the Gorno Project area, additional environmental and social baseline studies, planning and design work are necessary to complete all permitting requirements for the mining licence application and renewal (which includes extension of the mining licence boundaries) and ancillary plant approvals.

The use of proceeds of the Rights Issue in **section 3 of Part B** includes funds to complete the environmental and social baseline studies, and for the preparation of the mining licence application and renewal.³

The Company is in regular contact with the relevant authority responsible for granting the exploration licence renewal and based on prior experience it is expected that the exploration licence renewal will be obtained in the normal course of events. However, the Company cannot guarantee if or when the exploration licence will be renewed, or if the mining licence application (once it is lodged) will be approved.

Failure to renew the exploration licence and the mining licence application (once it is submitted), or delay, would result in an inability to continue with the Company's development plans and materially impact on the value of the Gorno Project and the Company.

The Group also has two exploration licences in Western Australia and one exploration licence (in addition to two exploration licence application) in the Northern Territory, which have minimum expenditure commitments. Failure to meet these expenditure commitments could result in forfeiture of the licences and/or penalties being incurred.

3 Financing

Funding obtained from the Rights Issue is intended for the purposes set out in **section 3 of Part B** for the period to 31 March 2020.

Additional funds are expected to be required following completion of the proposed drilling of the Pian Bracca target for any further Gorno Project development expenditure.

The future capital requirements of the Company beyond those outlined above will depend on many factors including the results of exploration programs and technical studies. An inability to obtain additional funding would have a materially adverse effect on the Company's business and the price of its Shares.

There can be no assurance that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings and the voting power of existing shareholders and may be undertaken at a lower price than the Issue Price. Any increase in the number of Shares issued may have a depressive effect on the price of Shares. Any debt financing, if available, may involve restrictions on financing and operating activities. Any inability to obtain additional funding, may have a material adverse effect on the Company's operations, its financial condition and performance and its ability to continue as a going concern.

4 Going concern risk

Investors should be aware of the going concern risk to which the Company is exposed. The Company's financial report for the year ended 30 June 2018 includes a note at pages 31 and 32 in relation to the preparation of the Company's financial statements and the existence of a significant uncertainty about the Company's ability to continue as a going concern in the event the Company is unable to raise additional funds through equity raisings.

³ The Technical Study announced to the ASX on 25 January 2019 (refer to ASX release 'Study Confirms Technical Viability Of 'Starter' Project for Gorno') provides the general mine and plant design to be used for the mining licence renewal application process.

The Company's consolidated financial statements for the year ended 30 June 2018 were prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the normal course of business. In assessing the appropriateness of this assumption, the Directors assumed the Company will be able to attract new equity to undertake its business activities and to continue to fund its ongoing exploration interests in a timely manner and believed it was reasonable to assume the Company could continue to meet its planned expenditure based on recent and historical abilities to raise such capital.

The Board believes that on completion of the Offer the Company will have sufficient funds, or access to other short term funding options to adequately meet the Company's current commitments and short term working capital requirements. However, it is likely that further funding will be required by the Company in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant uncertainty on the Company's ability to continue as a going concern.

5 Exploration

Exploration, by its nature, contains elements of significant risk. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of an efficient exploration operation and obtaining customary permitting and necessary regulatory approvals. The exploration activities may be affected by a number of factors including, but not limited to, geological conditions, seasonal weather patterns, technical difficulties and failures, availability of the necessary drilling rigs, technical equipment and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to appropriate funding when required.

There can be no assurance that the Company's exploration activities in the Gorno Project Area, or any other projects, tenements or databases that the Company holds or may acquire in the future, will result in the discovery of any significant mineral resource.

In the future the Company may undertake various studies on the Company's projects depending on results of exploration and testing programs, including scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

In the event that the Company's exploration programmes and/or studies prove to be unsuccessful this could lead to a diminution in value of its projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its Tenements.

6 Government policy

Italy

Mining and exploration activity in Italy is regulated by Regional governments with a consultation process that involves local government authorities. Mining activities are subject to the granting of a mining concession issued by the relevant Regional government. A mining concession is granted at the absolute discretion of the relevant Regional government. If the Company cannot obtain the appropriate mining concession or it is granted subject to onerous conditions, then the Company's ability to conduct its development operations may be adversely affected.

Australia

Mining activity in Australia is regulated by Federal and State governments. Complying with the relevant laws and regulations for exploration and mining in general may increase the costs of exploring, drilling, developing, construction, operating and closing mines and other production facilities.

In addition, environmental regulations impose obligations on companies that conduct the exploration for, and mining of, base metals. Such regulations also cover the subsequent transport of those produced minerals as well as the processing of ore into concentrate, as well as the possible effects of such activities on the environment and local communities. Future changes in governments, regulations and policies affecting any of the areas in which the Company has projects may have an adverse impact on the Company.

7 Title and transfer

In relation to the Company's tenements, some or all of these may be the subject of applications for extension in the future. If a tenement is not extended, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement. In addition, the Company cannot guarantee that those tenements that exist will convert to mining tenure and therefore convert to productive mining operations.

8 No production revenue

The Company has not recorded any revenues from the Gorno Project and its other current projects, nor has it commenced commercial production on any of its projects. There is no assurance that the Company will be profitable in the future or at all.

9 Commodity price and demand, and exchange rates

The demand for, and price of, base metal products are highly dependent upon a variety of factors, including international supply and demand, actions taken by governments, global economic and political developments, exchange rates and the proper functioning of debt markets. In the event that the Company achieves exploration success leading to future production and/or processing activities, the revenue it will derive through the sale of base metal products exposes the potential income of the Company to commodity price and exchange risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including, the intensity of global manufacturing and construction activities, the supply of base metal products as a result of the commissioning of new mines and the decommissioning of others, the sentiment and conditions in the countries and sectors where the Company or its business or commercial partners will potentially sell their products, and the price and availability of appropriate substitutes. Further, the international prices of various commodities, including base metal products, are denominated in United States dollars, whereas the income and expenditure of the Company are, and will be taken into account, in Australian dollars and Euros. This exposes the Company to the fluctuations and volatility of the exchange rate between the United States dollar, the Australian dollar and Euro, as determined in international markets.

10 Foreign currency risk

The Company is exposed to currency risk on financial assets and liabilities held in Italy. The Company's expenditure obligations in Italy are primarily in Euro and as a result the Company is exposed to fluctuations between the Euro and the Australian dollar. These exposures are not subject to a hedging program. The Company is also exposed to foreign exchange risk arising from the translation of its operations in Italy.

11 General economic and market conditions

The operating and financial position of the Company is influenced by a range of general domestic and global economic and business conditions that are outside the control of the Company. These conditions may include, but are not limited to, political movements, stock market movements, interest rates, industrial disruption, environmental impacts, natural disasters, taxation changes and legislative or regulatory changes. A prolonged deterioration in market, business or economic conditions may potentially have an adverse impact on the Company and its operations.

12 Investment in capital markets

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the Issue Price for the New Shares.

13 Dependence on key personnel

The Company's success depends to a significant extent upon key management personnel, as well as other management and technical personnel, including those employed on a contractual basis. The loss of the services of certain personnel could adversely affect the Company and its activities.

E Other important information

1 Eligible Shareholders

The Rights Issue is being extended to all of Shareholders recorded in the Company's Register of Shareholders.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

For Shareholders resident in Singapore, this document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined under the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this Offer Document nor any other document relating to the Rights Issue has been delivered for approval to the FSA in the United Kingdom and no prospectus (within the meaning of section 85 of FSMA) has been published or is intended to be published in respect of the New Shares. This Offer Document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Offer Document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This Offer Document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

The Company reserves the right to determine eligibility for participation in the Rights Issue at its sole discretion.

2 Optionholders

Holders of Options in respect of Shares will not be entitled to participate in the Rights Issue unless:

- (a) they have become entitled to exercise their Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Rights Issue as a result of being a holder of Shares registered on the share Register at 7.00pm (AEDT) on the Record Date.

3 Potential effect on control

Current capital structure

The capital structure of the Company after the Rights Issue will be as follows (assuming none of the 54,250,000 options currently on issue are exercised before the Record Date and subject to rounding of any fractional Entitlements under the Rights Issue):

Shares currently on issue	1,368,965,708
Maximum number of New Shares offered under the Rights Issue	1,095,172,566
Total Shares on issue on completion of the Rights Issue, assuming the maximum number of New Shares that are offered are issued	2,464,138,274

Current Substantial Shareholders

As at the date of this document and based on information made available to the Company, the current substantial shareholders of the Company are:

Substantial shareholder	Shareholding	Shareholding %
Alexander Burns and associates ¹	251,724,730	18.39
VBS Exchange Pty Limited and associates ²	159,545,454	11.65
Westoz Funds Management Pty Ltd	78,980,000	5.77
Malvasia Pty Ltd <The Spyder Super Fund A/c> ³	73,722,061	5.39

1. Holders of relevant interests are ASIM Holdings Pty Ltd <The ASLI A/C>, Mrs Elizabeth Burns & Mr Alexander Stuart Burns <Rose-Burns SMSF SF A/C> and The RB SMSF Pty Ltd <Rose-Burns SMSF A/C>.

2. Holders of relevant interests are VBS Exchange Pty Ltd, VBS Investments Pty Ltd and Vilo Enterprises Pty Ltd.

3. Mr Marcello Cardaci, a Director of the Company, has informed the Company he has an indirect interest in the Shares held by Malvasia Pty Ltd (by virtue of being a beneficiary of the Spyder Super Fund of which Malvasia Pty Ltd is the trustee)..

Potential effect of the Rights Issue

The Rights Issue may have the following impact on Shareholders and the substantial shareholders of the Company:

- (a) if all Eligible Shareholders take up their full Entitlement, they will maintain their existing percentage interest in the total issued share capital of the Company;
- (b) in the event that there is a Shortfall, Eligible Shareholders who do not take up their Entitlement in full may be diluted relative to those Shareholders who apply for some or all of their Entitlement. The extent of dilution will depend on the extent to which Eligible Shareholders take up their Entitlement and the extent to which Additional Shares are issued under the Shortfall Facility;

- (c) The table below sets out each substantial shareholders relevant interest, voting power as at the date of the Offer Document, entitlement to New Shares under the Rights Issue and voting power if the substantial shareholder subscribes for their Entitlement in full and no other Eligible Shareholders take up any of their Rights and no other New Shares are issued:

Substantial shareholder	Shareholding as at the date of this Offer Document	Shareholding % at the date of this Offer Document	Entitlement	Shareholding % if full Entitlement subscribed for no other Eligible Shareholders take up any of their Rights:*
Alexander Burns and associates ¹	251,724,730	18.39	201,379,784	28.85
VBS Exchange Pty Limited and associates ²	159,545,454	11.65	127,636,364	19.19
Westoz Funds Management Pty Ltd	78,980,000	5.77	63,184,000	9.93
Malvasia Pty Ltd <The Spyder Super Fund A/c> ²	73,722,061	5.39	58,977,648	9.29

1. Calculations rounded up.

2. Mr Marcello Cardaci, a Director of the Company, has informed the Company he has an indirect interest in the Shares held by Malvasia Pty Ltd (by virtue of being a beneficiary of the Spyder Super Fund of which Malvasia Pty Ltd is the trustee).

- (d) save as noted above, so far as the Company is aware, no one Shareholder will as a result of the Rights Issue increase its voting power from below 20% to above a 20% interest in the Company, and the Rights Issue is not otherwise expected to have a significant effect on the control of the Company.

4 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Rights cannot be traded on ASX or any other exchange, nor can they be privately transferred.

5 Taxation consequences

The taxation consequences of any investment in New Shares will depend upon your particular circumstances.

Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

6 Privacy

The information about Applicants included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer the Applicant's holding of New Shares. By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's

related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information by telephoning or writing to the Share Registry as follows:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West Vic 8007
Tel: +61 3 9628 2200

F Glossary

Additional Shares	The meaning given in Section 7 Part B
AEDT	Australian Eastern Daylight Time
Announcement	The ASX announcement relating to the Rights Issue, as announced by the Company on 8 March 2019
Applicant	A person who makes an Application
Application	An application to subscribe for New Shares under this Offer Document
Application Money	Money payable by Applicants in respect of Applications
ASIC	The Australian Securities and Investments Commission
Associate	The meaning given in the Corporations Act
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
Board	The board of directors of the Company
Closing Date	5 April 2019
Company	Alta Zinc Limited ACN 078 510 988
Constitution	The constitution of the Company as amended or varied from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A director of the Company
Eligible Shareholder	A Shareholder as at 7.00pm (AEDT) on the Record Date
Entitlement	The entitlement of each Eligible Shareholder as shown on the Entitlement and Acceptance Form, which reflects their Rights under the Rights Issue.
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Offer Document
Ex Date	12 March 2019
Exploration Study	The exploration study described in Section 1 Part D
FSA	Financial Services Authority of the United Kingdom
FSMA	The Financial Services and Markets Act 2000, as amended
Gorno Project	The Company's Gorno Zinc Project located in the Lombardy region of northern Italy
GPA	Gorno Project Area
Group	The Company and its subsidiaries

Indicated Mineral Resource	Has the meaning given in the JORC Code
Information	The Offer Document the accompanying information
Issue Price	\$0.004 (0.4 cent) per New Share
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
Mineral Resource	Has the meaning given in the JORC Code
New Shares	Shares offered under Rights Issue (including, where applicable, Additional Shares)
Offer Document	This offer document
Opening Date	18 March 2019
Option	An option to acquire a Share
Ore Reserve	Has the meaning given in the JORC Code
PBAT	Pian Bracca/Arera Thrust
Record Date	7.00pm (AEDT) on 13 March 2019
Register	The register of Shareholders required to be kept under the Corporations Act
Related Body Corporate	The meaning given by section 50 of the Corporations Act
Rights	The rights to 4 New Shares for every 5 Shares held at 7.00pm (AEDT) on the Record Date
Rights Issue	The pro-rata non-renounceable offer of 4 New Shares for each 5 Shares registered and entitled to participate at 7.00 pm (AEDT) on the Record Date at the Issue Price
Share	A fully paid ordinary share in the Company
Share Registry	Security Transfer Australia Pty Ltd
Shareholder	A holder of Shares
Shortfall	The number of New Shares offered under the Rights Issue for which Applications have not been received from Eligible Shareholders before the Closing Date.
Shortfall Facility	The meaning given in Section 7 Part B
Technical Study	The technical study described in Section 1 Part D

Corporate Directory

Directors

Mr Alexander Burns (Executive Chairman/Chief Executive Officer)
Mr Stephen Hills (Finance Director and Company Secretary)
Mr Marcello Cardaci (Non-Executive Director)
Mr Campbell Olsen (Non-Executive Director)

Registered Office

Suite 3.5, 9 Bowman Street,
South Perth, WA 6151

Share Registry*

Security Transfer Australia Pty Ltd

PO Box 52
Collins Street West Vic 8007
Australia

Level 9, Suite 913
530 Little Collins Street
Melbourne Vic 3000

Website

www.altazinc.com

*This entity has not been involved in the preparation of this Offer Booklet and has not consented to being named in this Offer Booklet. Its name is included for information purposes only.