

11 March 2019



Dear Shareholder,

Non-Renounceable Rights Issue

As announced on 8 March 2019, Alta Zinc Limited ACN 078 510 988 (**ASX: AZI**) (**Company**) is proceeding with pro-rata non-renounceable rights issue to raise up to approximately \$4.381 million before associated costs of the issue (**Rights Issue**).

The key information in connection with the Rights Issue and important dates are set out below for your reference:

- The Rights Issue is being undertaken on the basis of four (4) new fully paid ordinary shares for every five (5) ordinary shares held by eligible shareholders at \$0.004 (0.4 cent) per share.
- **The record date to determine entitlements for eligible shareholders is 7.00pm AEDT on 13 March 2019 (Record Date). All shareholders on the Company's register on the Record Date will be entitled to participate in the 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.
- Each new ordinary share will be issued on the same terms as those ordinary shares already issued by the Company.
 - For the purposes of calculating your entitlement, fractional entitlements to new shares will be rounded up to the nearest whole number of shares.
 - The Rights Issue is non-renounceable, that is, rights will not be tradeable on ASX or otherwise transferrable. Eligible shareholders who do not take up their entitlements in full will therefore not receive any value in respect of those entitlements that they do not take up.
 - The Rights Issue is not underwritten. A shortfall facility will be available for shareholders to apply for new shares in excess of their entitlement. 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 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%.
 - There is no minimum subscription under the Rights Issue.

- A maximum of 1,095,172,566 ordinary shares will be issued under the Rights Issue. This number is subject to reconciliation of entitlements and rounding (fractional entitlements will be rounded up to the nearest whole number).
- After the Rights Issue, the Company will have up to 2,464,138,274 ordinary shares on issue.
- No shareholder approval is required for the Rights Issue.
- The Rights Issue is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) without the need for a prospectus.

Full details of the Rights Issue are set out in an offer document which was lodged with ASX on 8 March 2019 and will be dispatched to eligible shareholders on 18 March 2019. The offer document will be accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement. Any shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue offer document.

Timetable

Important dates for eligible shareholders are:

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 Opening date of the Rights Issue	18 March 2019
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.

Further information

For further information on the Rights Issue, please see the Company's ASX announcements made on 8 March 2019 available at www.asx.com.au or www.altazinc.com or contact:

Stephen Hills
Finance Director and Company Secretary
Tel: +61 8 9321 5000

Yours sincerely,

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

Alexander Burns
Executive Chairman

The information provided in this announcement is not investment advice. You should read the entire Rights Issue offer document when you receive it, as well as all other materials lodged with ASX which you consider relevant and consider all of the risk factors that could affect the performance of the Company and the new shares in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in new shares. Specifically, shareholders should seek advice on the taxation implications of participating in the Rights Issue and have regard to the risks of investing in the Company highlighted in the offer document.