

ASX Announcement

30 April 2019



Quarterly Activities Report Period Ending 31 March 2019

HIGHLIGHTS:

Gorno Zinc Project - Advanced Technical Study

- Technical Study announced 31 January 2019 demonstrates Gorno's technical viability
- Completed by Lycopodium, AMC Consultants and Alta Zinc to PFS levels of accuracy
- Study confirms significant value can be added by increasing Gorno's Mineral Resource

Gorno Project Area (GPA) - Exploration Study

- Updated GPA Exploration Target announced 25 January 2019
- Exploration priority is Pian Bracca/Arera Thrust (PBAT) target
- Drilling program defined to assess high-priority PBAT target

Gorno Mining Licence (ML) Renewal

- Winter Environmental Baseline Study completed
- Key component of Environmental Impact Assessment (EIA)
- EIA forms part of the ML renewal application documentation

CORPORATE:

Cash on hand at 31 March 2019 of \$315,000. Cash inflows of \$2.826 million received after the Quarter end, from proceeds of the rights issue \$1.811 million and Italian VAT refund of \$1.015 million, resulting in a pro-forma cash balance of \$3.141 million (calculated before issue costs and settlement of the approximate \$610,000 of accounts payable).

Alta Zinc Limited | ASX Code AZI | ABN 63 078 510 988

Level 3, Suite 3.5, 9 Bowman Street, South Perth, WA 6151, Australia
Email: info@altazinc.com | Tel: +61 (0)8 9321 5000 | Fax: +61 (0)8 9321 7177
Website: www.altazinc.com

Alta Zinc Limited (ASX: AZI) (Alta or the Company) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2019.

Gorno Zinc Project (Lombardy, Northern Italy)

During the period, the Company completed and announced the Technical Study, based solely on the Gorno Project's existing Zorzone Mineral Resource, and an Exploration Study that highlighted the significant exploration upside within the GPA.

The Technical Study confirms the technical viability of a small-scale project and highlights the potential substantial value accretion that could be gained by increasing the Mineral Resource from Gorno's near-resource exploration targets.

The Exploration Study identified five priority targets that have potential to significantly add to the Zorzone Mineral Resource (view the "Gorno Project Animation" video at <http://www.altazinc.com/>). From this, Alta has prepared a staged Exploration Plan aimed at tapping into zones of confirmed mineralisation nearby.

Based on the outcomes of the Technical Study and the Exploration Study, Alta has previously outlined its immediate planned activities as part of its ongoing strategy for advancing the Gorno Project as follows:

- conduct a resource definition drilling campaign for Pian Bracca, the highest priority exploration target within the GPA that is approximately 300m to the east of Colonna Zorzone;
- 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 EIA; and
- finalise the application and renewal of the ML and other exploration licences at the Gorno Project.

The above plans are subject to satisfactory funding arrangements being in place (see page 6 for details).

Proposed Drilling Program for 2019 – Zorzone East & Pian Bracca

The proposed resource definition drilling program at Zorzone East and Pian Bracca is currently being refined in consultation with Alta's drilling contractors and independent resource estimation consultants. The initial program that was planned anticipated drilling upwards from the 940RL. This plan has now been modified to take advantage of alternative access at the 990RL, which is closer to the confirmed mineralisation (refer to Figures 1-4) and would provide for shorter drill holes with associated cost benefits. Work is continuing on site to finalise the revised program and obtain the required approval by the local authorities.

Mining Licence (ML) Renewal

Alta continues to work closely with the regional authorities and local community, who remain strong supporters of the Gorno Project. Alta's staff and consultants have commenced work on the renewal of the ML and have already completed the winter environmental baseline monitoring that is a key component of the EIA. In addition, the recently completed Technical Study has been translated into Italian as an important component of the documentation to be submitted with the ML renewal application currently under preparation.

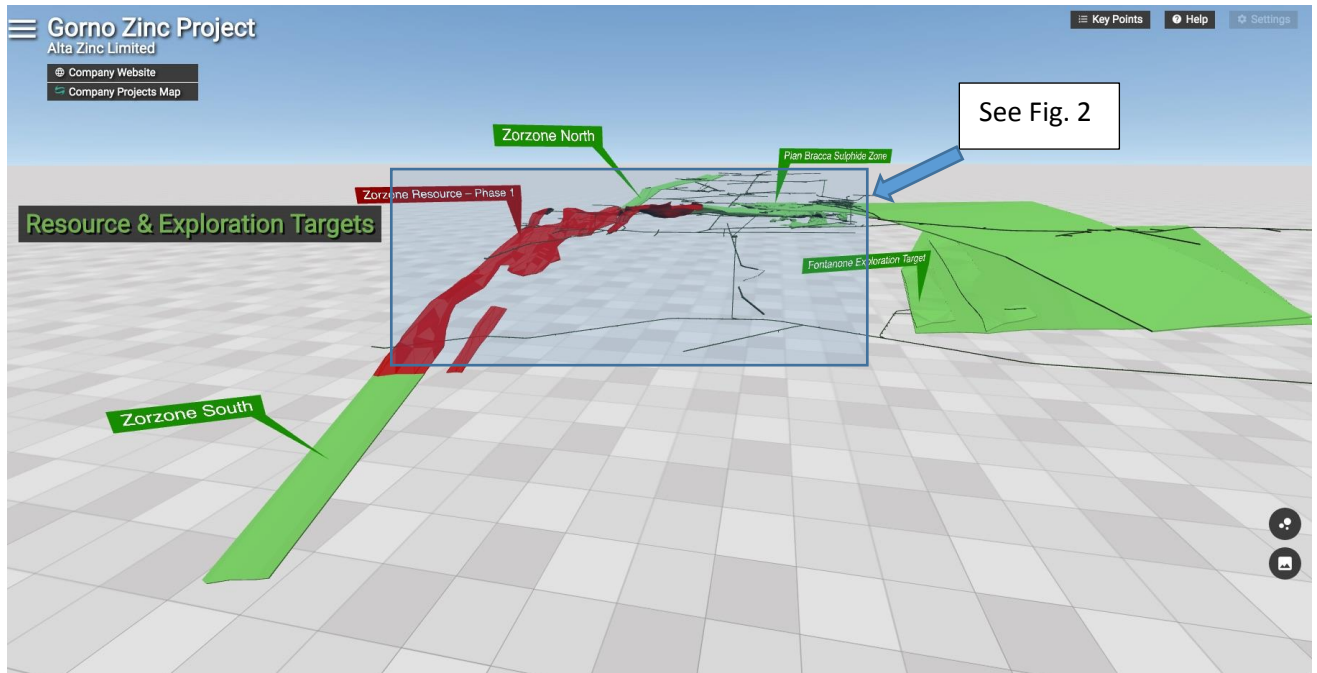


Figure 1: Zorzone & near Resource Exploration Targets including Pian Bracca (centre)

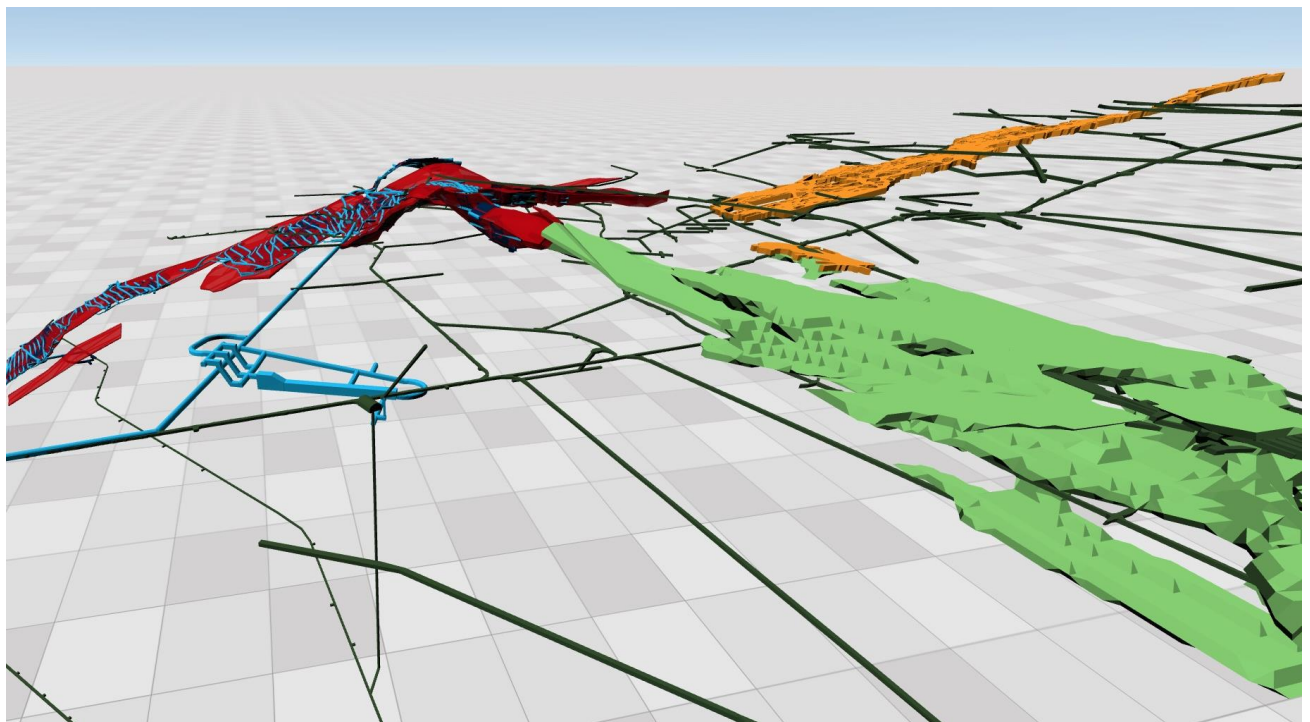


Figure 2: View looking west towards Zorzone (red) from the Pian Bracca target to be drilled (green). Historical (dark green) and new development proposed by AMC for mining the Zorzone Resource (light blue) are shown as per the Technical Study. Historical stoped areas are in yellow.

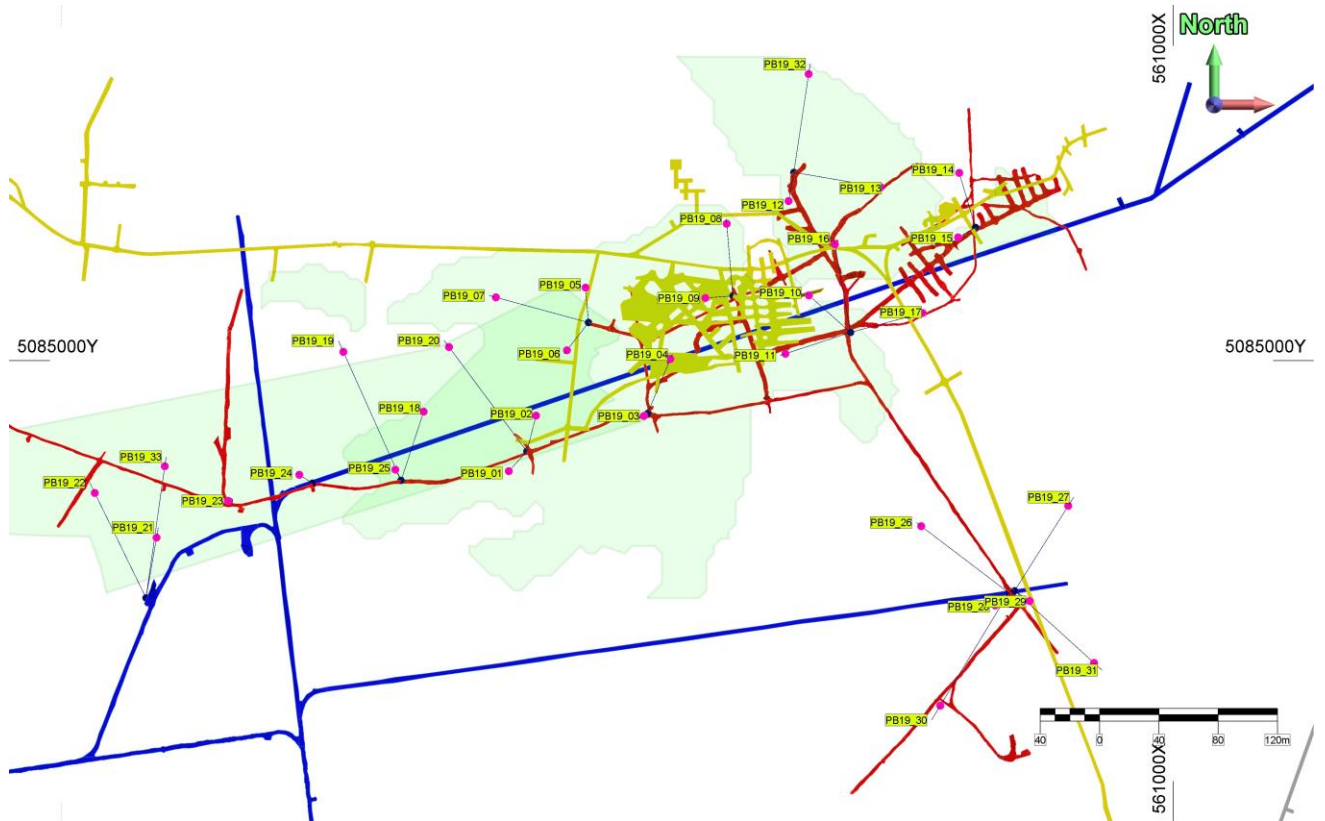


Figure 3: Plan view of proposed drilling program for Pian Bracca & Zorzone East

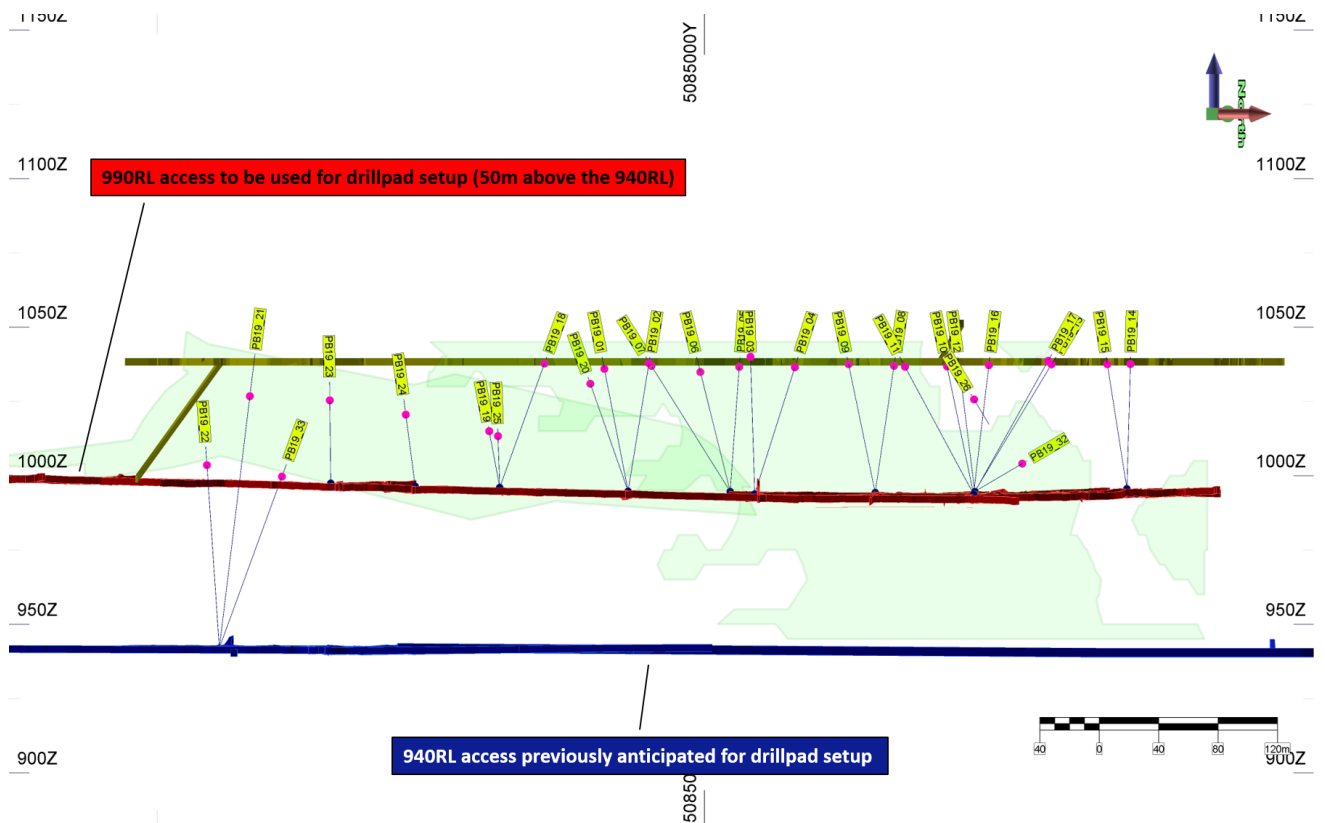


Figure 4: Cross section of proposed drilling program for Pian Bracca & Zorzone East

Other Exploration – Italy

Punta Corna Cobalt Project (Piedmont, Northern Italy)

Alta holds an Exploration Licence (EL) covering the historic Usseglio cobalt mining area in Piedmont, northern Italy. The EL covers 14.3km² in the Usseglio Municipality and is located approximately 7km from the French border and approximately 300km from Alta's flagship Gorno Zinc Project. Exploration activities have included the collection of preliminary grab and rock chip samples from within the EL area where cobalt was mined in the 18th century. These have returned positive assay results confirming Co-Ni-Cu-Sb-Ag mineralisation. No further field work was carried out during the period given the seasonal conditions.

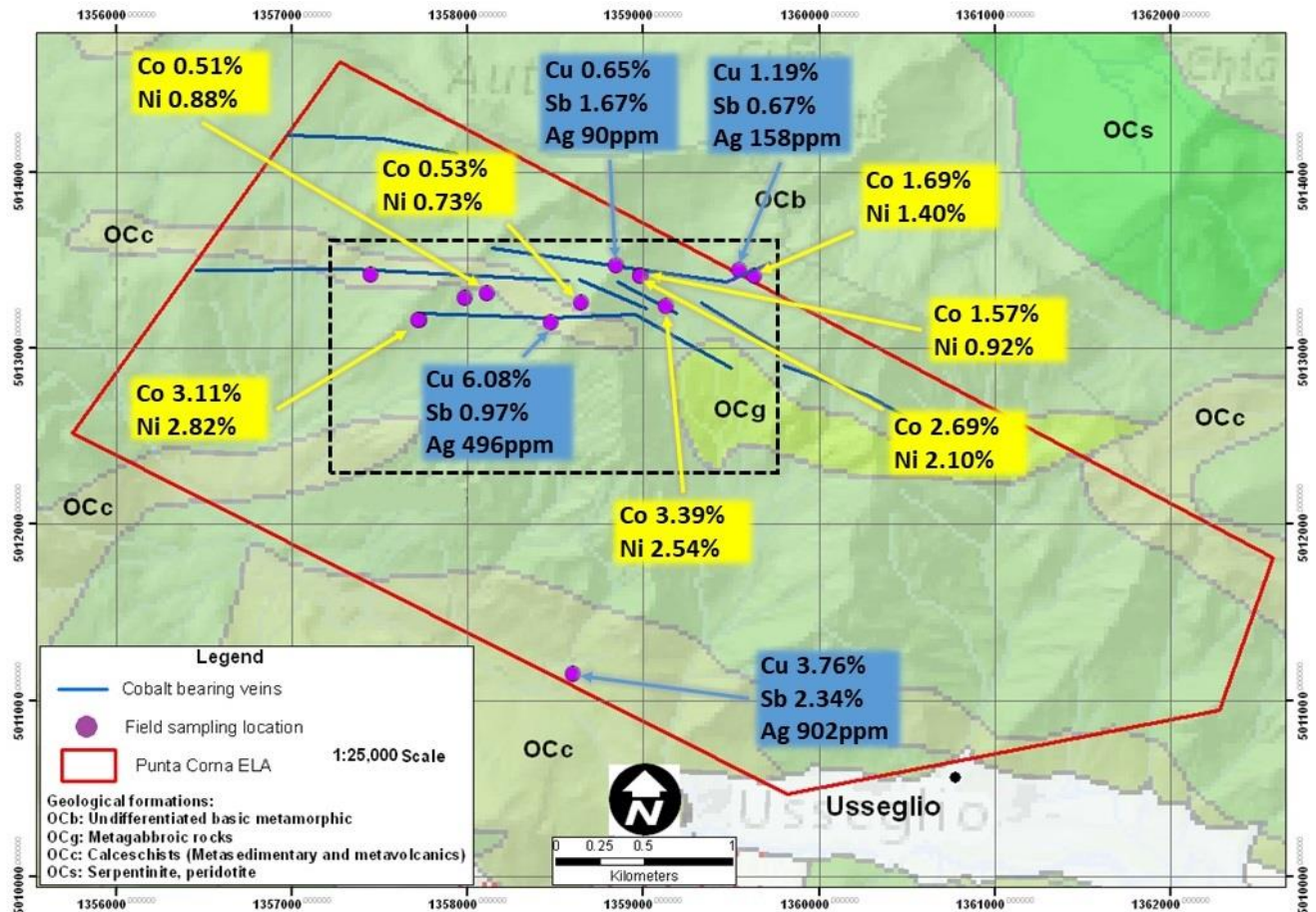


Figure 5: Punta Corna EL – general geology, sample locations & assay results

Salafossa and Predil Zinc-Lead Projects (Northern Italy)

Salafossa and Predil are historic zinc-lead mines in northern Italy. No exploration work was carried out on either property during the period. After careful assessment of the exploration potential of the two areas, on 12 February 2019 the Salafossa EL was relinquished and the Company has advised the authorities it will not pursue with a planned application for an EL over the Predil project area.

Exploration Projects – Australia

McArthur Project - Northern Territory

The project encompasses three tenements totalling 1,238km². One tenement (EL31045) is granted. The grant of the remaining two applications is pending the outcome of discussions with Traditional Owners. A scheduled meeting due to be held in April 2019 with the Northern Land Council has been cancelled and an alternative meeting date later in 2019 remains to be confirmed. No work was carried out during the period.

Alta is continuing to consider options with regards to the future of the project, including potential joint venture opportunities.

Paterson Project - Western Australia

The Paterson Project comprises two granted Exploration Licences (E45/4534 and E45/4543) covering 219km² in the east Pilbara region. The two tenements cover highly prospective parts of the Broadhurst Formation and include the Eva Well prospect. The broader Paterson Province, where the project is located, has attracted significant investor interest triggered by Rio Tinto's announcement of the Winu copper-gold discovery on 27 February 2019. Alta did not carry out field work during the period. It is proposed that a detailed gravity survey of these tenements will be undertaken during the field season in 2019 subject to the availability of funding.

Corporate

Cash Balance

Cash on hand as at 31 March 2019 was approximately \$315,000. (Please refer to the attached Appendix 5B for further information).

Subsequent to the end of the Quarter, the Company has received proceeds of \$1.811 million (before costs) from the recent rights issue and an additional €640,000 (approximately A\$1.015 million) as a refund of Italian VAT.

As proposed in the rights offer document, funds raised through the rights issue will be applied first to pay costs of the issue and the estimated \$610,000 of creditors at 31 March 2019, then applied in priority to the renewal of the Gorno mining and exploration licences and the planned Pian Bracca resource drilling campaign.

Issued Capital

As at 31 March 2019, the Company had 1,368,965,708 fully paid ordinary shares on issue and 54,250,000 unlisted options.

Rights Issue Offer

On 8 March 2019, the Company announced a 4-for-5 pro-rata rights issue of fully paid ordinary shares at the price of \$0.004 per share. Subsequent to the end of the Quarter, Alta completed the allotment of 452,668,603 fully paid ordinary shares. The Directors have reserved the right to place any of the 642,503,963 shortfall shares under the offer shortfall facility within three months of the 5 April 2019 closing date, at the same issue price as the shares offered under the rights issue.

Tenements

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

For and on behalf of Alta Zinc Limited.



Alexander Burns
Executive Chairman/Chief Executive Officer
+61 8 9321 5000
info@altazinc.com

For media enquiries contact:
Peter Klinger
Cannings Purple
+61 (0)411 251 540
pklinger@canningspurple.com.au

About Alta Zinc Limited

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

Competent Person Statements

Information in this Quarterly Report that relates to Exploration Targets and Exploration Results is based on information prepared or reviewed by Dr Marcello de Angelis, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr de Angelis is a Director of Energia Minerals (Italia) S.r.l. and Strategic Minerals Italia Srl (controlled entities of Alta Zinc Limited), 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 Quarterly Report that relates to the Exploration Targets for the Gorno Project is extracted from the ASX Announcement titled "Exploration Study Resets Exploration Target at Gorno" dated 25 January 2019. The information in this Quarterly Report that relates to the Exploration Results for the Punta Corna Cobalt Project is extracted from the ASX Announcement titled "Punta Corna Cobalt Project – Maiden Sampling Results" dated 9 November 2018.

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 Zorzone 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, which contained the following Mineral Resource classification, at a cut-off grade above 1% Zn as Indicated and Inferred (below) in accordance with the guidelines in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012 Edition).

Table 1: December 2017 Zorzone Mineral Resource Estimate Summary

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

This table reproduced as it was first reported to the ASX on 8 December 2017.

Forward Looking Statements:

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

Table 2: Schedule of mining tenements held

Project	Tenement	Entity's Interest	Comments
Western Australia			
Moses Chair	E45/4534	100%	Granted
Broadhurst Range	E45/4543	100%	Granted
Northern Territory			
McArthur	EL 25272	100%	Application
McArthur	EL31045	100%	Granted
McArthur	EL31046	100%	Application
Italy			
Novazza	N/A	100%	Application
Val Vedello	N/A	100%	Application
Gorno – Monica Concession	Decree 845	100%	Granted
Gorno – Vedra	Decree 5846	100%	Renewal Application
Gorno – Zambra West	Decree 771	100%	Granted
Gorno – Riso	Decree 772	100%	Granted
Gorno – Parina	Decree 1995	100%	Renewal Application
Punta Corna	Decree 628	100%	Granted
Balme	N/A	100%	Application

Table 3: Schedule of mining tenements reduced

Area of Interest	Tenement	Entity's Interest	Comments
Predil	N/A	100%	Relinquished
Salafossa	Decree 1481	100%	Relinquished

Table 4: Schedule of mining tenements increased

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

ALTA ZINC LIMITED

ABN

63 078 510 988

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	2
1.2 Payments for		
(a) exploration & evaluation	(338)	(1,447)
(b) development	-	-
(c) production	-	-
(d) staff costs	(246)	(662)
(e) administration and corporate costs	(76)	(335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Refund of Italian VAT received	33	374
1.9 Net cash from / (used in) operating activities	(625)	(2,051)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(6)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	(4)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	7	12
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	7	2

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(1)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	(1)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	937	2,370
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(625)	(2,051)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	7	2
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(1)
4.5 Effect of movement in exchange rates on cash held	(4)	(5)
4.6 Cash and cash equivalents at end of period	315	315

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	142	336
5.2	Call deposits	173	601
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	315	937

6. Payments to directors of the entity and their associates

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

**Current quarter
\$A'000**

287

-

Included in item 1.2:

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

- Payment of two quarterly instalments of fees to Arete Capital Partners Pty Ltd (Arete) in accordance with the Strategic Alliance Agreement. Arete is an associate of Mr Olsen, Non-Executive Director - \$145k.

- Payment of \$2k to Gilbert & Tobin Lawyers for legal services. Mr Cardaci, Non-Executive Director, is a partner of Gilbert + Tobin. These legal services were not provided by Mr Cardaci.

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

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

**Current quarter
\$A'000**

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify) – Bank Guarantee

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

Nil

Nil

-

-

13

13

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	950
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	115
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows*	1,165

* To be funded out of net proceeds of rights issue closed in April 2019 and Italian VAT refund. (For details refer to the Quarterly Activities report for period ended 31 March 2019.)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Salafossa, Italy Predil, Italy	Exploration Licence Application	100% 100%	Nil Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

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



Sign here:
(Director/Company secretary)

Date: 30 April 2019

Print name: Stephen Hills

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose

additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.