

ASX Announcement

25 October 2019



ALTA ZINC SUCCESSFULLY RAISES \$1.9 MILLION TO FUND BROWNFIELD EXPLORATION STRATEGY

HIGHLIGHTS

- Alta successfully completes a Placement to raise c.\$1.9M that includes an acceptance of oversubscriptions of c.\$0.9M
- The Placement received strong support from new and existing institutional and sophisticated investors for Alta's renewed brownfield exploration and resource growth strategy to unlock value from its flagship Gorno Zinc Project
- Existing strategic shareholder Victor Smorgon Group participated in the Placement to maintain their current 15.7% shareholding, representing a strong endorsement of Alta's strategy and management
- Alta's recently appointed Managing Director, Geraint Harris, has subscribed for shares worth \$150K, which will be issued subject to shareholder approval
- The Placement positions Alta with a strong cash balance to complete an underground diamond drilling programme at Pian Bracca testing multiple high priority targets generated by high-grade channel samples and historical structural and exploration data

Alta Zinc Limited (**Alta** or **the Company**) (ASX: AZI) is pleased to announce that it has received binding commitments for a Placement to raise c.\$1.9M before costs (**Placement**). The Placement will comprise the issue of c.372.3M new fully paid ordinary shares in Alta at an issue price of 0.50c per share as follows:

- Unconditional placement of 342.3M shares to raise c.\$1.7M under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A; and
- Conditional placement of 30M shares to Alta's Managing Director, Geraint Harris, to raise \$150K, which will be issued subject to shareholder approval.

The Placement was strongly supported and introduced a number of new, high quality domestic and international investors to the Alta share register. Strategic shareholder, Victor Smorgon Group, maintained their c.15.7% shareholding providing strong validation of the Gorno Zinc Project and the Company's revitalised brownfield exploration and resource growth strategy.

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Together with existing cash reserves, the Placement ensures Alta is well funded to undertake an underground diamond drilling program at Pian Bracca testing multiple high priority targets generated by high-grade channel samples and historical structural and exploration data. The funds will also be used to cover corporate costs and general working capital requirements. Drilling at Pian Bracca is expected to commence in early November and continue into early 2020.

Alta's Managing Director Geraint Harris commented:

"This capital raising provides us with balance sheet support for our underground drilling program at Pian Bracca. We welcome our new shareholders and are grateful for the continued support of our existing shareholders. We look forward to building shareholder value through the execution of our strategy to define additional zones of high-grade mineralisation, which will enable development options for Gorno to be reconsidered at the appropriate time."

The issue price represents a 16.7% discount to Alta's last close of 0.60c per share on 22 October 2019, a 18.0% discount to 10-day VWAP of 0.61c per share and a 16.7% discount to the 15-day VWAP of 0.60c per share.

The Placement shares to be issued under Listing Rules 7.1 and 7.1A are expected to be allotted on Friday, 1 November 2019, with trading to commence on a normal settlement basis on the ASX on the same day. All shares issued under the Placement will rank equally with existing shares on issue.

The Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 234,995,146 new shares will be issued under Listing Rule 7.1 and 107,269,271 new shares will be issued under Listing Rule 7.1A.

Discovery Capital Partners acted as Lead Manager to the Placement.

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