



AND CONTROLLED ENTITIES

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019**

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Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at <http://www.altazinc.com/about-us/corporate-governance>.

CHAIRMAN'S LETTER

Dear Shareholders,

Alta has renewed confidence in the Gorno Zinc Project in Italy and its ability to create value for shareholders by unlocking the untapped geological potential with a new exploration focus.

Our primary workstreams in relation to Gorno over the past 12 months were to:

- evaluate a Phase 1 starter project based solely on the current Zorzone Mineral Resource;
- complete an assessment of the extensive mineralisation potential in the project area; and
- obtain and progress the permitting and licenses necessary to carry out future works.

The results of the studies were announced earlier this year and resulted in us prioritising one of the exploration targets for drilling with the objective of boosting the mineral inventory from an area that was previously mined prior to the premature closure of the Gorno project in the early 1980s.

This target, referred to as Pian Bracca, has been the centre of our exploration focus since that time. We have collected and digitised historical data, surveyed, re-mapped and sampled mineralisation in many of the historic drives, designed an optimal drilling program utilising these drives, selected local contractors and obtained all permits for the work to commence over the coming months.

In addition to the flagship Gorno project, we are also excited about the potential of the Punta Corna Cobalt Project that comprises multiple parallel and richly mineralised hydrothermal veins that were partially mined in the 18th century. Based on our own geological research, coupled with the strategic value of a European based cobalt deposit, Punta Corna is shaping up to be a potential company maker in its own right.

Our key objective in the next 12 months is to define additional higher grade resources at Gorno that will be value accretive when added to the existing mine plan and ultimately reposition it as a highly attractive development asset amidst a scarcity of new, viable zinc projects globally. We also plan to carry out value adding work on Punta Corna and our other exploration projects in Australia.

Alta is fortunate to have recently engaged Geraint Harris as the new Managing Director to lead the highly capable Board and management team in Italy and Australia. Geraint brings with him a fresh perspective, energy, experience and a track record of outstanding shareholder returns with Adriatic Metals.

The Alta team welcome Geraint to his new role and are now collectively working towards achieving the Company's long held ambition of unlocking the potential value of Gorno and our other assets.

I wish our team every success in the coming year and would like to sincerely thank all shareholders for their patience as we navigate our way to achieve our ultimate goal – positive shareholder returns.

Yours sincerely



Alexander Burns
Executive Chairman

24 September 2019

OPERATIONS REPORT

ITALIAN PROJECTS

Gorno Zinc Project

The Gorno Zinc Project is located in the Lombardy region of northern Italy and encompasses an extensive Mississippi Valley type (MVT) zinc-lead geological system.

The Lombardy region has a long history of mining extending back over 2,500 years to the Celtic period and the Gorno licences cover a number of partly inter-connected zinc-lead mines that were exploited up until the early 1980's.

Investigation of historical records has established that the Gorno Zinc Project area contains more than 230km of underground workings and recorded historical production of over 800,000 tonnes of zinc metal contained in very high quality zinc concentrates (55-57% Zn for sulphide concentrates) from ore averaging 14.5% Zn+Pb over a production life of 102 years from 1883 to 1985. The concentrating plant closed in 1985, with significant geologic inventory remaining and operations have been dormant since then.



Figure 1: Location of Italian Projects

Alta Zinc established an in-country presence in early 2015 and has since made significant progress in exploration and mine development work. The Company has built a strong project team that understands the regulatory framework and environmental requirements and has developed a rapport with national stakeholders and the community.

Current Year Work

During the year under review on-site activities focused on workstreams including:

- Completion of the Technical Study to confirm the technical viability of a Phase 1 starter project based on Gorno's current Zorzone Mineral Resource
- An Exploration Study of the significant exploration upside within the larger Gorno Project Area
- Conducting environmental base line studies
- Advancing the licencing and permitting
- Identification of new exploration targets and preparation for an exploration plan program at Pian Bracca

The Technical Study confirmed the technical viability of future processing and mining operations and highlighted the potential value accretion that will be gained by increasing the Mineral Resource at Gorno. The Exploration Study identified a minimum exploration target of 8Mt across five priority areas with potential to significantly add to the existing Zorzone Mineral Resource.

These outcomes support Alta's ongoing strategy to re-start exploration at Gorno with the objective of delivering additional Mineral Resource within the existing project footprint. It is the intention that once these Resources will feed into an "up-scaled" mine plan for Gorno.

The above plans are subject to satisfactory funding arrangements.

Technical Study

The completed Technical Study for the Gorno Zinc Project was carried out to a pre-feasibility study (PFS) level by independent consultants Lycopodium Minerals Pty Ltd (Lycopodium) for the metallurgy, processing, surface infrastructure and associated costs components, and AMC Consultants Pty Ltd (AMC) for the mining geotechnical, mining and mining costs components.

In defining the scope the Company elected to incorporate the Inferred Resource as well as Indicated Resources in the mine model and to use the currently available metallurgical test work. This approach effectively determined a successful mining and processing route, which can be re-utilised once the exploration is successful at defining further Resources.

Exploration Study

In January 2019 the Company completed an intensive study to better understand the potential to enlarge the resource of the wider Gorno Project Area (GPA), investigating all mineralisation beyond the limits of Zorzone. As an outcome the Exploration Target for the GPA has been reset to 9-21Mt at 6-7% Zn+Pb as set out in Table 1:

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

Table 1: Gorno Zinc Project - Exploration Target

The potential quantity and grade of the Exploration Target are conceptual in nature. 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.

The Exploration Target for the GPA now comprises five separate targets (refer to green areas in Figure 2), showing high-tonnage estimates) in three target groups as follows:

- **Zorzone Extensions** – North, South and East targets
- **Pian Bracca/Arera Thrust (PBAT)** target; and
- **Fontanone** target.

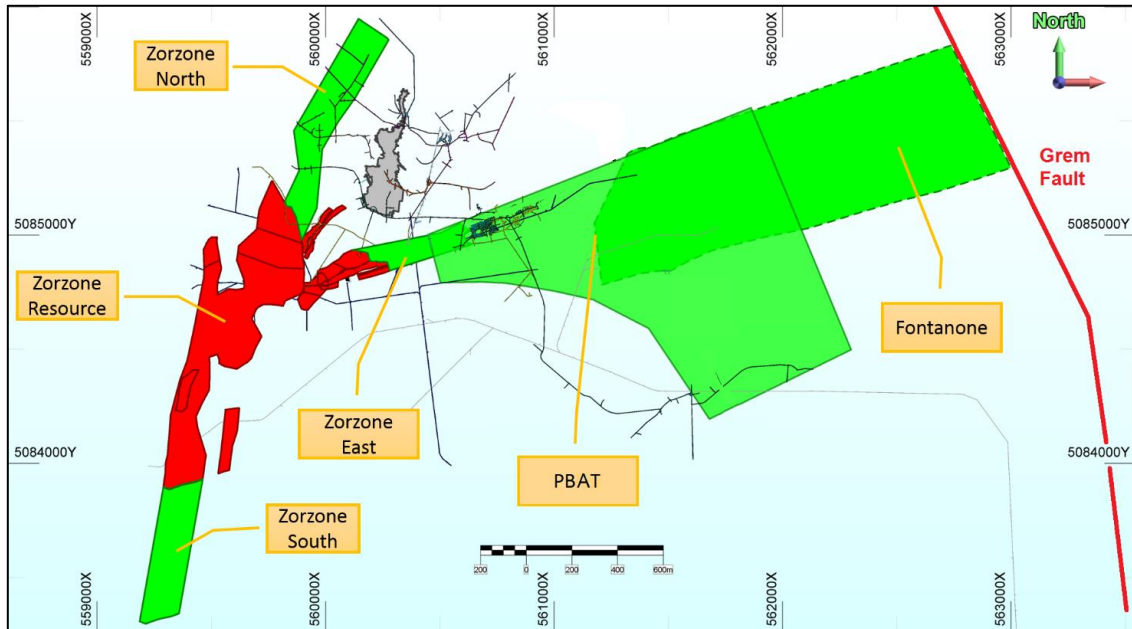


Figure 2: Location of the five target areas (high tonnage estimate)

Drilling Program – Zorzone East & Pian Bracca

The Exploration Study identified Pian Bracca, approximately 300m to the east of the existing Zorzone Mineral Resource, as the priority exploration target.

Recent archival research identified that only the upper portion of Pian Bracca was partially mined in the past using the room and pillar method. The zone appears to strike east-west and gently dips to the south. As shown by historical drilling by SAMIM in 1971-1975 the mineralisation also remains open in both directions.

Underground channel sampling by Alta Zinc along the exposed walls of the 1040m RL, 1034m RL and 1028m RL drives returned the following assay results:

Channel Sample	Interval (m)	Zn (%)	Pb (%)	Zn+Pb(%)
PBCH01	2.6	7.43	2.70	10.13
PBCH02	2.3	13.25	2.38	15.64
PBCH03	2.6	9.90	2.78	12.68
PBCH04	2.2	10.46	2.30	12.76
PBCH05	2.1	16.44	4.48	20.92
PBCH06	2.1	8.84	2.73	11.01
PBCH07	2.4	11.18	4.99	16.17

Table 2: Pian Bracca Channel Sample Results

A geophysical survey conducted from surface to the lower mine level at 940m RL last year, together with extensive database of historical drilling, mapping and channel sampling, has provided data to develop a three-dimensional geological model used to target drilling.

Hence, an initial 2,200m (33 hole) diamond drilling program has been designed, and drill pad locations will be established in the existing underground tunnels.

Necessary permits have been obtained for the drilling and Alta has selected local Bergamo-based EDILMAC Srl to carry out the drilling. EDILMAC are well qualified, having carried out previous drilling operations at Gorno, and are scheduled to commence drilling in the fourth quarter of 2019.

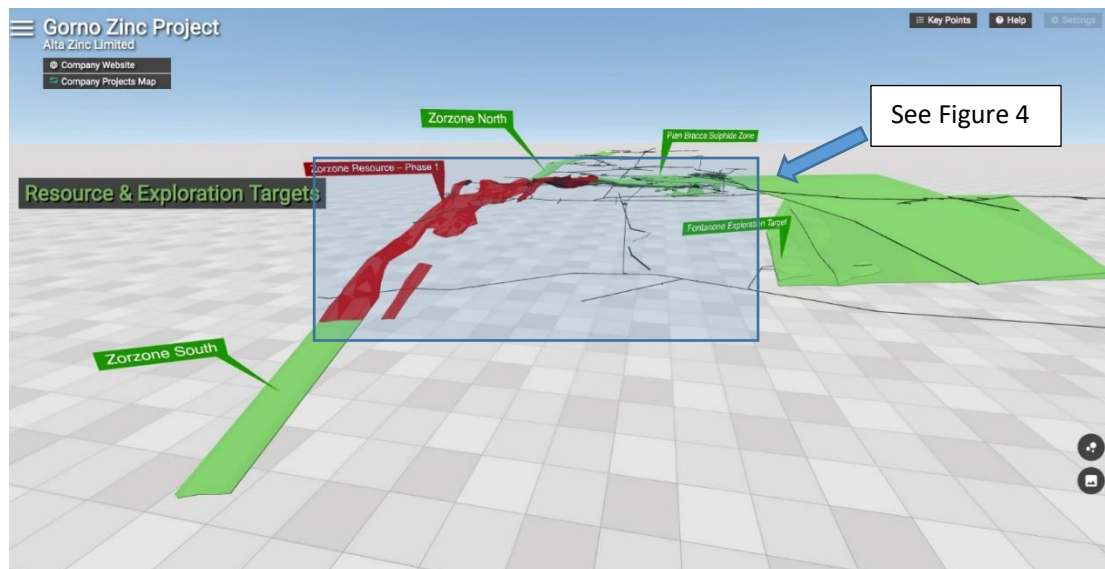


Figure 3: Zorzone & near Resource Exploration Targets including Pian Bracca (centre)

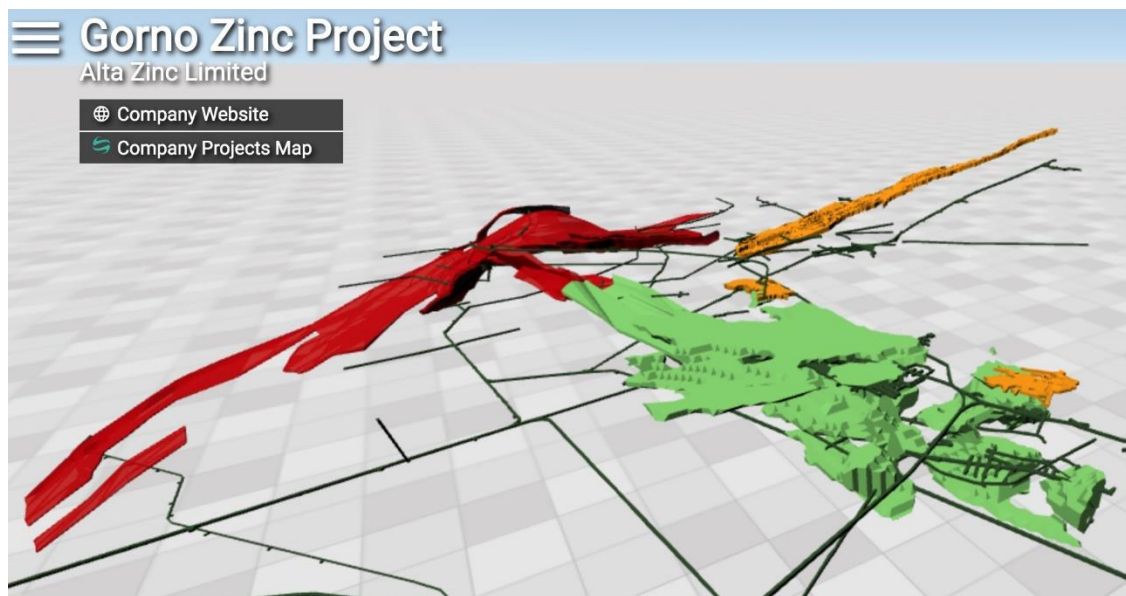


Figure 4: View looking west towards Zorzone (red) and stoped area to the north (yellow) from the Pian Bracca target to be drilled (green)

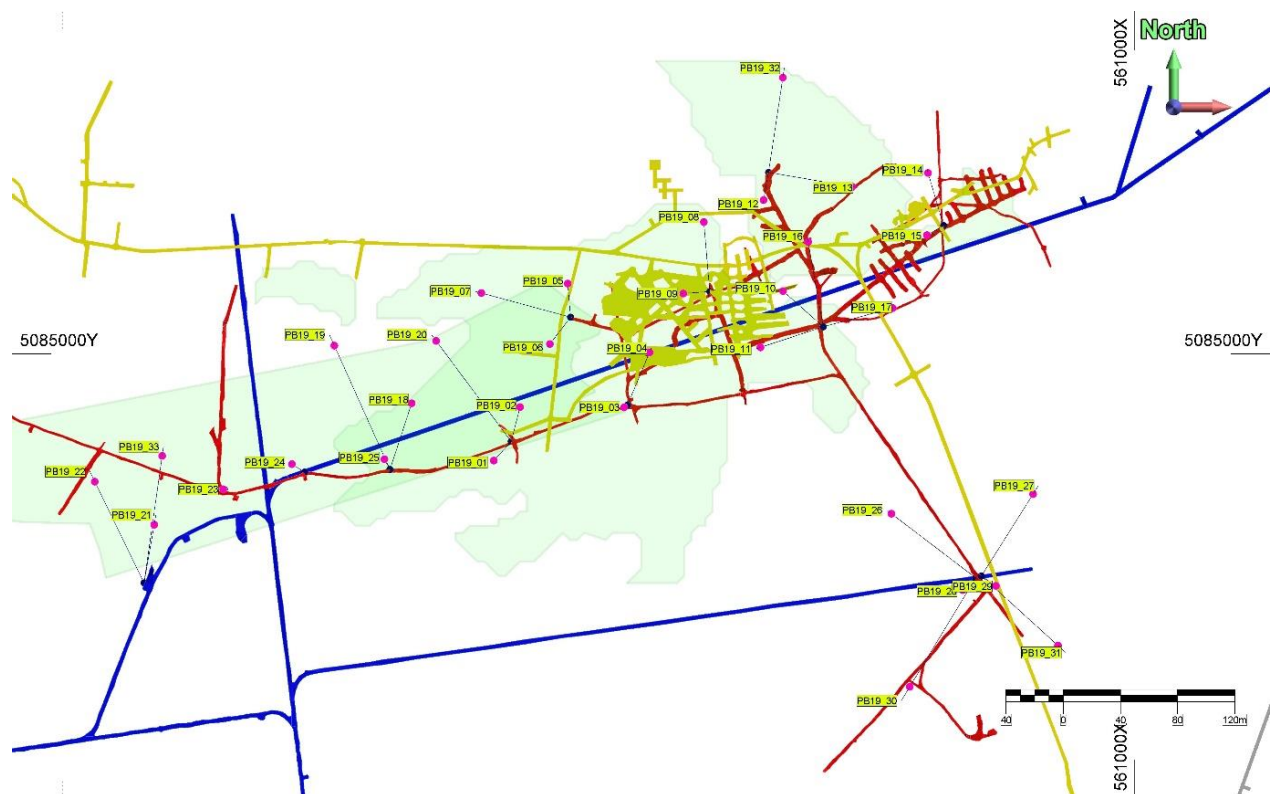


Figure 5: Plan view of proposed drilling program for Pian Bracca & Zorzone East



Alta Zinc has continued work to progress the Environmental Impact Assessment (EIA). Importantly, no fatal flaws have been identified in the Environmental Impact Study (EIS – a part of the overall EIA). Also, the winter environmental baseline study has been successfully completed, fulfilling the final baseline monitoring requirement for the EIA.

The Company continues to work closely with the regional authorities and engage with the local communities, who remain strong supporters of the Gorno Zinc Project.

Punta Corna Cobalt Project, Piedmont, Northern Italy

Alta Zinc's Punta Corna Cobalt Project consists of two granted Exploration Licences (EL) which cover the historic Usseglio cobalt mining area in Piedmont, northern Italy. The project area is located approximately 300km from Alta Zinc's flagship Gorno Zinc Project (see Figure 1).

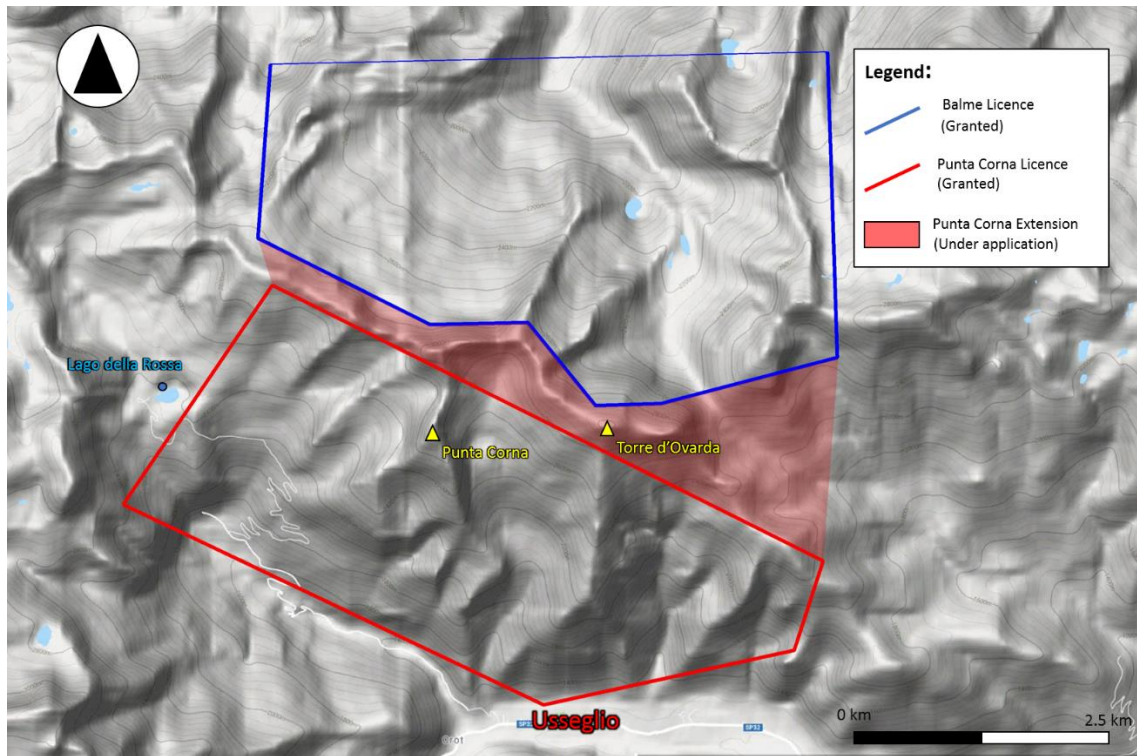


Figure 7: Punta Corna & Balme Cobalt Projects – Exploration Licence Areas

Cobalt was mined in the area during the 18th century, with the peak of historic mining activity occurring during the Age of Cobalt (1753-1823). According to archival records, the mines produced approximately 55 tonnes of cobalt metal that were exported to Wurttemberg in Germany as dye medium (cobalt blue).

In December 2018, the Company was awarded the Punta Corna EL which covers 14.3km² and in May 2019, the Balme EL covering the historic Usseglio area, and therefore now holds a combined prospective exploration area of 29.8km² encompassing the historic mining area and the northern strike of the mineralised lineaments.

To date the Company has reported positive assay results from preliminary grab and rock chip samples, confirming Co-Ni-Cu-Sb-Ag mineralisation. The assay results were announced to the ASX on 9 November 2018 (refer to Figure 8 for more information).

Additionally, geological mapping, a petrographical and mineralogical study and further exploration sampling has been initiated in association with the University of Milan. This will assist by providing a better understanding of the mineralisation at Punta Corna in preparation for advancing the exploration campaign at this property.

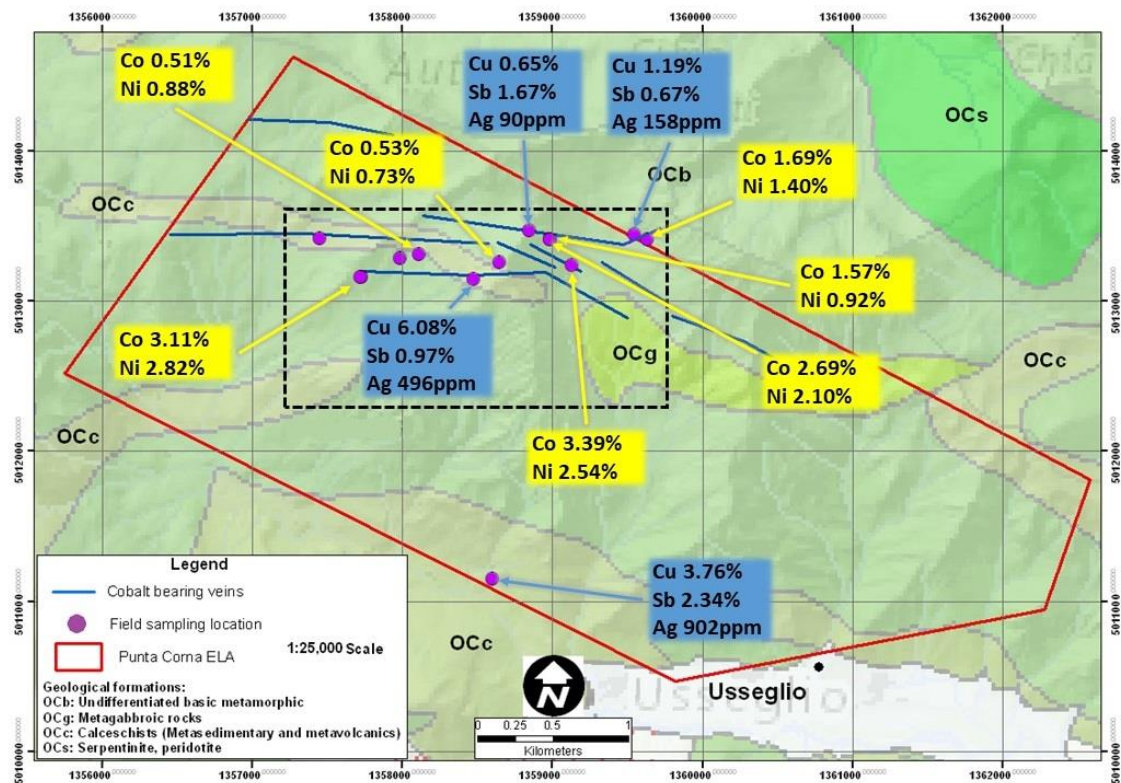


Figure 8: Punta Corno EL – general geology, sample locations & assay results

Notwithstanding that the cobalt price has retreated from its record high prices achieved at the beginning of 2018 of around US\$90,000/t, cobalt remains a strategic metal for battery production to support growing demand for the electric vehicle (EV) sector within Europe.

Regulators and consumers are concerned about the dependence on supply from the DRC, reputedly the source of approximately 72% of current global supply last year, and the ethical nature of sources of supply. Consequently, Alta believes that in advancing the Punta Corno Cobalt Project it will become of strategic importance to upstream European-based cobalt businesses.

AUSTRALIAN PROJECTS

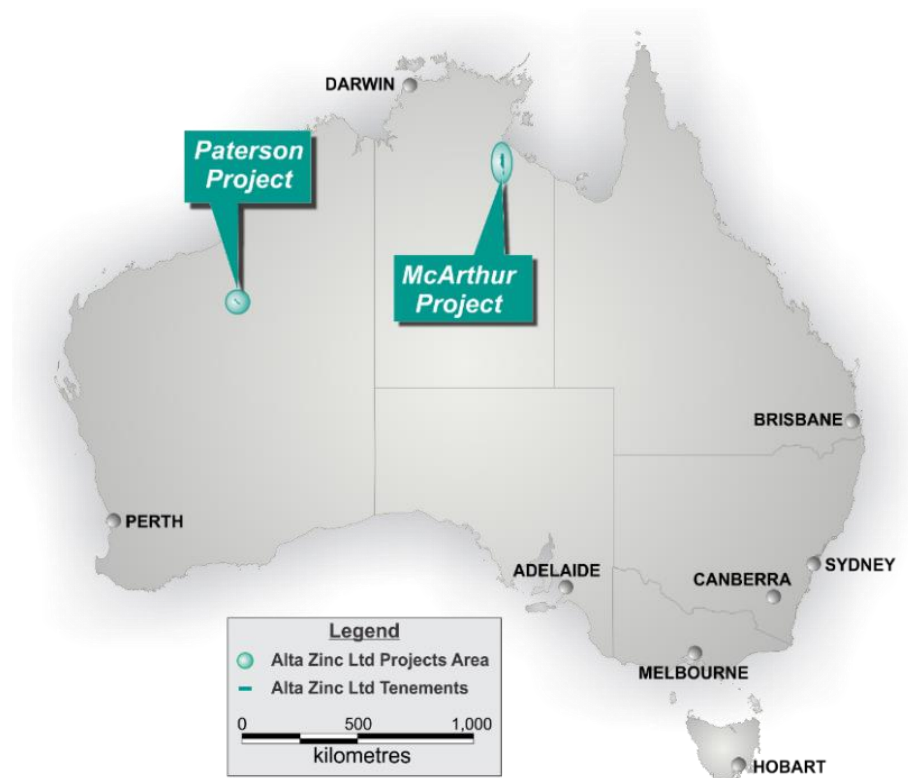


Figure 9: Location of Australian Projects

Paterson Project, Western Australia

The Paterson Project comprises of 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. A detailed study and interpretation of geophysical and satellite data was commissioned with a view to identifying exploration targets within and around the Company's tenure. The broader Paterson Province, where the project is located, has attracted significant recent investor interest, triggered by Rio Tinto's recent copper-gold discovery and other exploration in the area.

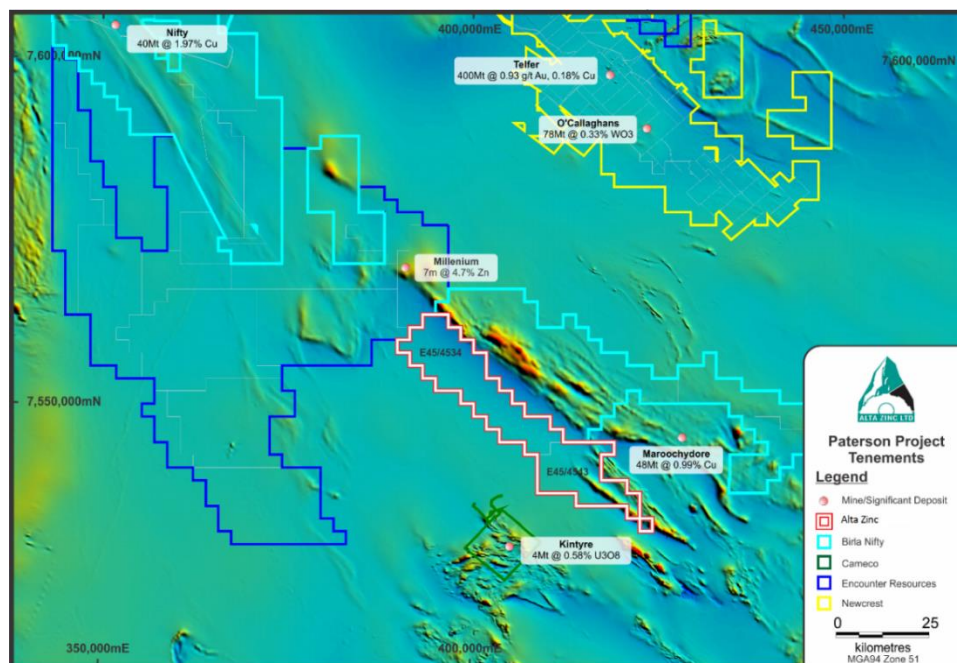


Figure 10: Location of Paterson Project Tenements – Western Australia

McArthur River Project, Northern Territory

Alta Zinc has one granted exploration licence (Nathan River EL31045) and two applications for exploration licences (McArthur EL25272 and Bauhinia EL31046) totalling 1,238km² in the McArthur River region of the Northern Territory.

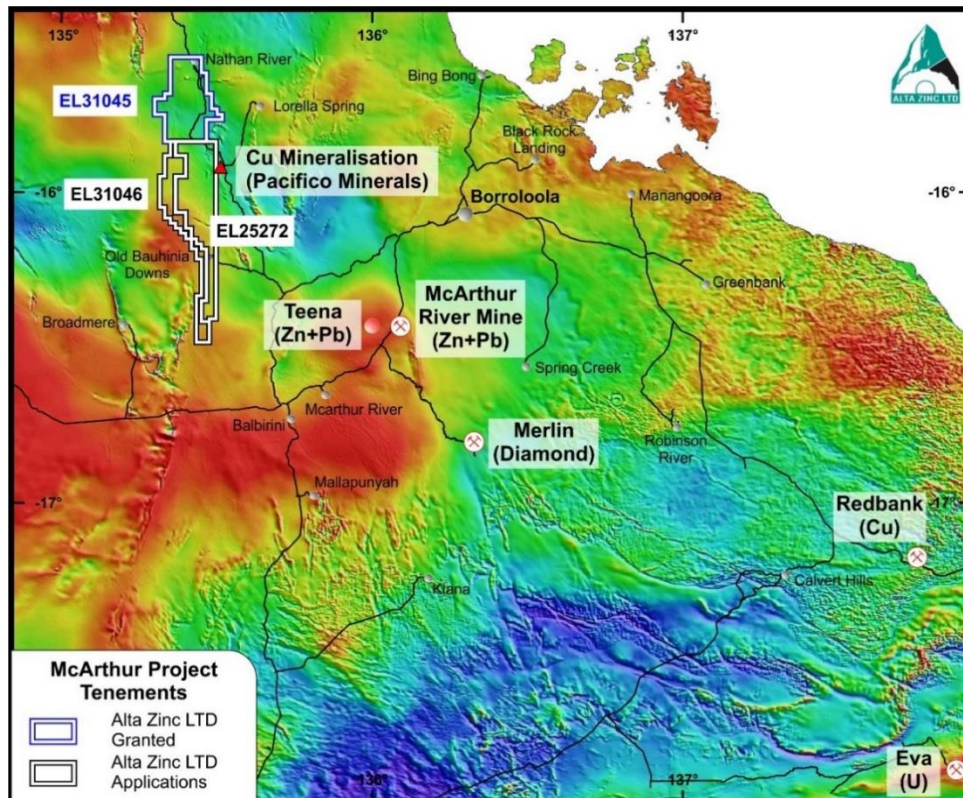


Figure 11: Location of McArthur River Project – Northern Territory

The grant of the remaining two applications is pending the outcome of future discussions with Traditional Owners. The westerly dipping Barney Creek formation at Pacifico Mineral Ltd's Four Mile Prospect, which is host to lead-zinc mineralisation elsewhere in the MacArthur Basin, is interpreted to pass into Alta Zinc's ground at around 250m depth.

Given this situation, no further work was carried out during the period. The Company is continuing to consider options with regards to the future of the project, including potential joint venture opportunities.

Competent Person Statements

Information in this Annual 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) Srl. 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 Annual 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 Annual Report that relates to the Exploration Results for Pian Bracca is extracted from the ASX Announcement titled "Newly Identified Sulphide Zone at Pian Bracca Confirms Resource Expansion Potential at Gorno Zinc Project" dated 19 March 2018. The information in this Annual 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 Annual Report that relates to Mineral Resources is based on, and fairly represents, the Mineral Resources and information and supporting documentation extracted from the report, which was prepared by Mr Stephen Godfrey as Competent Person in compliance with the JORC Code (2012 edition) and released to ASX by the Company on 8 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original Announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates in that previous release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original Announcement.

Forward-looking Statement

Certain statements made in this Annual Report, contain or comprise certain forward-looking statements regarding Alta Zinc Limited's exploration operations, economic performance and financial condition. Although Alta Zinc believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices, exchange rates and business and operational risk management. Alta Zinc undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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.

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Alta Zinc Limited and its controlled entities (**Alta Zinc** or **the Group**) for the year ended 30 June 2019.

Directors

The following persons were directors of Alta Zinc Limited during the whole of the financial year and up-to-date of this report:

Mr Alexander Burns

Mr Stephen Hills

Mr Marcello Cardaci

Mr Campbell Olsen

Mr Geraint Harris – appointed 16 September 2019

Company Secretary

Mr Jamie Armes was the company secretary from the beginning of the financial year until his resignation on 27 February 2019. Mr Stephen Hills was appointed to the position of company secretary on 27 February 2019 and continues in office at the date of this report.

Information on directors

The following information is current as at the date of this report.

Mr Alexander Burns, MBA – Executive Chairman

Mr Burns was Managing Director of Sphere Minerals Limited from 1998 – 2010. During this period, the company acquired and evaluated iron ore properties in Mauritania, West Africa. Sphere was subsequently taken over by Xstrata PLC in November 2010 for \$514 million. Mr Burns was also a non-executive Chairman of Shield Mining Limited (Shield), which was spun out of Sphere in 2006. Shield was a gold and base metals exploration company active in Mauritania and was taken over by Gryphon Minerals Limited in mid-2010.

During the past three years, Mr Burns has not served as a director of any other listed companies.

Mr Stephen Hills, B.Com B. Compt (Hons) CA – Finance Director and Company Secretary

Mr Hills was appointed to the board after initially joining the Group on 1 March 2017 as Chief Financial Officer. He has extensive experience in senior finance roles with public companies listed on the ASX and TSX, including fourteen years in mining companies with gold, nickel and copper producing assets. Before joining Alta Zinc, he was the Finance Director of Democratic Republic of Congo based Tiger Resources Limited from 2010, where he was involved with the financing, commissioning and operations of the Kipoi Copper Project. Before this, he was Chief Financial Officer and Company Secretary of Mirabela Nickel Limited from 2006, where he was involved in the company's listing on the TSX and subsequent capital raisings and the initial syndicated project financing completed in 2009 for the Santa Rita nickel mine in Brazil. From 2003 he was the Chief Financial Officer of Botswana-based gold producer Gallery Gold Limited, and since the early 1990's was Chief Financial Officer of Scientific Services Limited which provided laboratory services to the resources sector.

During the past three years, Mr Hills has also served as a director of the following listed companies:

Tiger Resources Limited – appointed 21 February 2013 and resigned 25 May 2016

Mr Marcello Cardaci, BJuris, LLB, B.Com – Non-executive Director

Mr Cardaci is a consultant to Gilbert & Tobin's Corporate Advisory Group. Mr Cardaci has advised on a range of corporate and commercial matters including public and private equity fund raisings and public and private mergers, acquisitions and divestment. Mr Cardaci also regularly advises on issues relating to *Corporations Act* and *Australian Securities Exchange Listing Rules*. He has cross-border experience, having advised on numerous overseas transactions including capital raisings, takeovers, schemes of arrangements and the structuring of acquisitions and joint ventures in numerous countries. Mr Cardaci has also lectured in the securities law course conducted by the *Securities Institute of Australia* and is a past committee member of the State Branch of the *Australian Mining and Petroleum Law Association Limited*.

Mr Cardaci is the Chairman of the Remuneration Committee, Nomination Committee and Audit & Risk Committee when the full board meets in its capacity as these committees.

During the past three years, Mr Cardaci has also been serving as a director of the following listed companies:

- Manhattan Corporation Limited – appointed December 2006; and
- Cyprium Metals Ltd (formerly called Arc Exploration Ltd) – appointed 31 May 2018 resigned 10 July 2019.

Mr Campbell Olsen, B Eng, MBA – Non-executive Director

Mr Olsen is Chief Executive Officer and Director of Arete Capital Partners Pty Ltd, a resource-focussed global private equity firm. He has had a long career in private equity and operational management in the mining industry. He has deep experience in international private equity practice and process, having spent several years as an Investment Manager with Nomura Jafco and then General Manager (Australasia) with Advent International, a Boston-based multi-billion-dollar international private equity company.

In 2003, Mr Olsen established Polarity Capital, a private equity and advisory firm that specialized in a "hands-on" approach to its investments, with Mr Olsen regularly assuming the CEO role of investee companies for varying durations to provide turnaround and expansion strategies as well as drive and directional clarity. From an operational perspective, he has acquired, managed and run downstream mineral processing operations along with upstream resources assets both in Australia and abroad. His experience encompasses asset/opportunity identification, due diligence, negotiations of acquisition terms and structure, on-going operational reform and improvement through to exit strategies. He has managed exploration programs, JORC-compliant resource estimate programs, mine design and operations primarily across iron ore, silver and rare earth metals.

During the past three years, Mr Olsen has not served as a director of any other listed companies.

Mr Geraint Harris, B Eng (Hos), MSc Eng (Mining) – Managing Director (appointed 16 September 2019)

Mr Harris is a Mining Engineer with over 24 years of mining industry experience across production operations, technical consultancy, funds management and project finance. He specialises in gold and base metals and has worked in numerous countries including Europe, North and South America, Central Asia, the former Soviet Union and China. His most recent role was as the CEO of Adriatic Metals PLC (ASX: ADT), overseeing the technical and commercial aspects of two Zn-Pb-Au-Ag-Cu exploration projects in Bosnia and Herzegovina. Mr Harris was part of the team that commenced production at Anglo American's Lisheen zinc-lead mine in Ireland, where he gained relevant operational experience in ramping up and maintaining production at one of the most significant underground zinc producers in the world. He was also an Associate Director of RMB Resources, a firm who funded many junior resource companies on the Australian, North American and European markets.

During the past three years, Mr Harris has not served as a director of any other listed companies.

Directors' Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Alta Zinc were:

	Number of Ordinary Shares		No. of Options Over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
A Burns	-	353,564,515	-	-
S Hills	-	-	12,000,000	-
M D Cardaci	-	132,699,710	-	-
C Olsen	-	-	-	-
G Harris	8,250,000	-	-	-

Principal Activities

The principal activity of the entities within the Group during the year was the exploration of a suite of tenements located throughout Italy and Australia.

Review of Operations**Operating Review, Business Strategy and Prospects**

The Group's operations, business strategies and prospects are discussed in detail in the *Operations Report* on page 1.

Operating Results for the Year

The consolidated net loss after tax of the Group for the year was \$3,269,858 (2018: \$3,628,474), resulting in a basic/diluted loss per share of \$0.22 (2018: \$0.32 basic/diluted loss per share).

Exploration expenditure for the year was \$481,561 (2018: \$2,287,569). Information about exploration activities is discussed in the *Operations Report*.

Administration expenditure for the year was \$1,026,865 (2018: \$1,408,323).

Capital Structure

As at the date of this report, the Group had 1,829,884,311 (2018: 1,368,965,708) fully paid ordinary shares on issue.

On 12 April 2019, the Group issued 452,668,603 ordinary fully paid shares at \$0.004 each for cash under a 4 for 5 non-renounceable rights issue to raise approximately \$1.808 million (before costs).

Other than detailed above, no other share issues were undertaken during the year ended 30 June 2019.

Cash on Hand

Cash on hand at 30 June 2019 was \$2,094,318 (2018: \$2,369,848).

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those detailed elsewhere in this Review of Operations.

Significant Events after the Balance Date

Subsequent to the end of the financial year the Company confirmed the appointment of Mr Geraint Harris as Managing Director of the Company. On 16 September 2019 the Company issued 8,250,000 fully paid ordinary shares in the capital of the Company to Mr Harris at a deemed issue price of \$0.003 per share, in lieu of cash payments for services provided by Orme Mineral Services Limited (an entity controlled by Mr Harris) under a short-term consultancy agreement. The terms of Mr Harris' engagement and of the issue of shares were announced to the Australian Securities Exchange (ASX) on 9 September 2019.

On 18 September 2019 Alta Zinc entered into an agreement to appoint Discovery Capital Partners Pty Ltd (Discovery) to act as its strategic corporate advisor. Under the agreement, Alta Zinc has agreed to grant Discovery the right to subscribe for two tranches of 15 million Advisor Options in the Company, each tranche exercisable at \$0.008 and \$0.012 respectively with the first tranche vesting after six months and the second tranche on the 5 day VWAP of the Company's share price exceeding 4 times the share price at the date of the agreement.

There were no matters or circumstances, other than those described above, that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Likely Developments and Expected Result

For the year ended 30 June 2019, the Group will continue to undertake mineral exploration to advance the status of its projects, with a primary focus on the advancement and development of the Gorno Zinc Project in Italy.

Environmental Regulation and Performance

The Group holds exploration tenements issued by the relevant regulatory authorities in which the Group operates, being the various states of Australia and Italy. The conditions attaching to these tenements and/or the relevant legislation in those jurisdictions impose obligations on the Group in relation to the environmental management of its operations on the tenements. There have been no known breaches of the Group's environmental obligations to which it is subject.

Share Options

Unissued Shares - Options

As at the date of this report, there were 48,250,000 (2018: 48,250,000) unlisted options over ordinary shares (48,250,000 at the reporting date). Refer to Note 15(c) of the consolidated financial statements for further details of the options outstanding at 30 June 2019.

Series No.	Number of options	Exercise price	Expiry date	Vesting date
17	2,250,000	\$0.05	14 January 2020	Vested
18	2,250,000	\$0.10	14 January 2020	Vested
19	2,250,000	\$0.15	14 January 2020	Vested
20	1,250,000	\$0.12	30 June 2020	Vested
21	1,250,000	\$0.18	30 June 2020	Vested
22	1,250,000	\$0.24	30 June 2020	Vested
23	4,000,000	\$0.12	18 November 2020	Vested
24	4,000,000	\$0.18	18 November 2020	Vested
25	250,000	\$0.24	18 November 2020	Vested
26	2,000,000	\$0.10	28 February 2022	Vested
27	2,000,000	\$0.15	28 February 2022	Vested
28	2,000,000	\$0.20	28 February 2022	Vested
29*	11,750,000	\$0.025	30 June 2020	Vested
30*	11,750,000	\$0.05	30 June 2022	30 June 2020
Total	48,250,000			

* Under the *2015 Employee Incentive Plan* 17.5 million and 6 million unlisted options over ordinary shares were granted on 2 August 2018 and 3 December 2018, respectively. Included in these options were options granted to directors and other key management personnel (KMP). Details of options granted to directors and KMP are disclosed in *Remuneration Report*.

Option holders do not have any right, by virtue of the option, to participate in any issue of shares by the Group or any related body corporate.

Shares Issued as a Result of the Exercise of Options

During and since the end of the financial year, no ordinary shares were issued as the result of the exercise of options.

Indemnification and Insurance of Directors' and Officers

The Group has entered into a Deed of Access, Insurance and Indemnity (Deed) with each Director and the Company Secretary (Officers). Under the Deed, the Group indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the Officers in connection with the Officers being an officer of the Group, the employment of the Officer with the Group or a breach by the Group of its obligations under the Deed.

Also, pursuant to the Deed, the Group must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Group.

During, or since the financial year, the Group has paid premiums in respect of a contract insuring all the directors, company secretary, executives and employees of Alta Zinc against legal costs incurred in defending proceedings for conduct other than:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 or 183 of the *Corporations Act 2001*; as permitted by section 199B of the *Corporations Act 2001*.

In accordance with a confidentiality clause under the insurance policy the amount of premium paid to insurers has not been disclosed. This is permitted under Section 300(9) of the *Corporations Act 2001*.

Auditor Independence and Non-Audit Services

The independence declaration from our auditors, Crowe Perth, for the year ended 30 June 2019 has been received and is attached to this report on page 28.

The Group's auditors, Crowe Perth, provided no non-audit services during the year ended 30 June 2019 (2018: nil).

Indemnification of auditors

No payment has been made to indemnify Crowe Perth during or since the financial year.

Directors' Meetings

During the financial year, 8 meetings of directors, including committees of directors, were held and the number of meetings attended by each director was as follows:

	Director's Meetings		Meeting of Committees					
	Eligible	Attended	Audit & Risk		Remuneration		Nomination	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Alexander Burns	8	8	2	2	1	1	1	1
Stephen Hills	8	8	2	2	1	1	1	1
Marcello Cardaci	8	8	2	2	1	1	1	1
Campbell Olsen	8	8	2	2	1	1	1	1

Committee Membership

The role of the Audit and Risk, Remuneration and Nomination Committees is carried out by the full board. The directors consider that no efficiencies or benefits would be gained by establishing separate committees. Whilst the board has not established separate committees, it has adopted charters which describe the role, composition, functions and responsibilities of the full board when acting in its capacity as the Audit and Risk, Remuneration and Nomination Committees. Reference to committee meetings in the table above refers to separate meetings convened by the full board to specifically deal with the business of that committee in accordance with the charters of the Audit and Risk, Remuneration and Nomination Committees.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Dividends

No dividends have been paid or declared during the financial year and the directors do not recommend the payment of a dividend.

Remuneration Report (audited)

This Remuneration Report for the year ended 30 June 2019 outlines the remuneration arrangements in place for directors and executives of the Parent and the Group, in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Parent and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term “executive” includes the Executive Chairman/Chief Executive Officer, Managing Director, Finance Director, senior executives of the Parent and the Group and the term “director” refers to non-executive directors only.

Details of KMP of the Parent and Group are set out below:

Key Management Personnel

Non-executive Directors

Mr Marcello Cardaci *Appointed 7 October 2014*

Mr Campbell Olsen *Appointed 19 April 2018*

Executive Directors

Mr Alexander Burns Executive Chairman/Chief Executive Officer
Appointed Executive Chairman 7 October 2014
Appointed Chief Executive Officer 26 June 2017

Mr Stephen Hills Finance Director and Company Secretary
Appointed Chief Financial Officer 1 March 2017
Appointed Finance Director 26 June 2017
Appointed Company Secretary 27 February 2019

Executives

Mr Fabio Granitzio Exploration Manager, Italy
Appointed 28 November 2017, resigned 11 October 2018

Mr Sergio Di Giovanni Study Manager
Appointed 1 June 2018, resigned 31 December 2018

Mr Jamie Armes Company Secretary and Group Accountant
Appointed 1 July 2015, resigned 27 February 2019

Changes since the end of the reporting period

Mr Geraint Harris was appointed Managing Director of the Company on 16 September 2019.

Remuneration Policy

The *Remuneration Policy* of Alta Zinc has been developed by the Remuneration Committee in accordance with the *Remuneration Committee Charter*. The full Board currently performs the function of the Remuneration Committee. The *Remuneration Committee Charter* is set out on the Group’s website at www.altazinc.com.

Emoluments of directors and executives are reviewed on an annual basis and are set by reference to employment market conditions, payments made by other companies of similar size and industry, and by reference to the skills and experience of the directors and executives.

Key Management Personnel (KMP) and related parties of KMP are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Engagement of Remuneration Consultants

The Remuneration Committee may at times seek external remuneration advice. No remuneration consultant was engaged during the year ended 30 June 2019 to provide remuneration recommendations in relation to KMP.

Non-executive Directors

The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not directly linked to individual performance. Given the Group is at an early stage of development and the financial restrictions placed on it, the Group may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. The grant of options is designed to conserve cash reserves, recognise efforts and to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Group.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. The maximum amount of non-executive fees payable is currently set at \$250,000 per annum.

Executives

Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Executive pay and reward consists of a base salary, benefits and incentives. Long-term incentives may include options over unissued ordinary shares granted at the discretion of the Board and where applicable, subject to obtaining the relevant shareholder approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of service conditions.

Company Performance, Shareholder Wealth, Director and Executive Remuneration

The *Remuneration Policy* aims to align the objectives of shareholders and the Group with that of executive directors and executives through the issue of options over unissued shares. The granting of options is not subject to specific performance criteria, however, when granting options, the terms of the options are designed to provide an incentive that will contribute to increasing shareholder wealth. This is undertaken by determining an exercise price that exceeds the underlying share price at the date of grant and through vesting conditions that require a period of continuous employment. Remuneration of KMP is not dependent on company performance as the nature of the Group's operations are exploration, and therefore, not currently profit generating.

The following table shows the net profit/(loss) from continuing and discontinued operations and dividends for the last three years for the listed entity, as well as share prices at the end of the respective financial years:

	2017 \$	2018 \$	2019 \$
Net profit/(loss)	(10,715,180)	(3,628,474)	(3,269,858)
Share price at year end	\$0.012	\$0.007	\$0.003
Dividends paid	Nil	Nil	Nil

Non-executive Director Remuneration

Fixed Remuneration

The aggregate remuneration paid to non-executive directors will not exceed the maximum amount in aggregate of \$250,000 per annum. The Constitution of Alta Zinc and the *ASX Listing Rules* specify that the non-executive director fee pool shall be determined from time to time by a general meeting of shareholders. The board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders, and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the additional time commitment of director's who serve on one or more sub-committees. Non-executive directors do not currently receive additional remuneration for their membership of subsidiary boards or committees.

Non-executive directors are encouraged by the board to hold shares in Alta Zinc.

The remuneration of non-executive directors for the period ending 30 June 2019 is detailed on page 24 of this report.

Variable Remuneration – Short-term Incentives

Non-executive directors do not receive performance-based bonuses.

Variable Remuneration – Long-term Incentives

The Group has no contractual obligation to provide long-term incentives to non-executive directors.

Executive Remuneration

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for company and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals of the Group; and
- ensure total remuneration is competitive by market standards.

Executive remuneration comprises of four components:

- base pay and benefits;
- short-term incentives;
- other remuneration such as statutory superannuation and social security contributions; and
- long-term incentives through equity-based compensation.

Base pay and benefits

Base pay is structured as a remuneration package that may be delivered as a combination of cash and salary sacrifice superannuation at the executives' discretion.

Base pay is reviewed annually to ensure the executives' pay is competitive with comparable positions of responsibility. This review may utilise external advisors to provide information on industry benchmarks. There is no guaranteed base pay increases included in any executive contracts.

Executives based in Perth receive car parking benefits. Italian based executives are provided with accommodation and motor vehicle benefits.

Variable Remuneration – Short-term Incentives

At this time, any incentive paid to executives is at the absolute discretion of the Remuneration Committee and the Group has no contractual commitments to provide these incentives to executives. The Group's Policy permits the payment of short-term incentives to executives.

No short-term incentive bonuses were paid to Executives during the year ended 30 June 2019 (2018: Nil).

Variable Remuneration – Long-term Incentives

The Group has an *Employee Incentive Plan* (EIP) as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. In accordance with the provisions of the plan, as approved by shareholders at the annual general meeting held 30 November 2018, at its discretion the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group. Any options granted under the EIP carry neither rights to dividends nor voting rights and may be exercised at any time from the date of vesting to the date of their expiry.

The grant of options to KMP's is not subject to performance conditions as the nature of the Group's operations are loss making during mineral exploration. The Group has no contractual obligation to provide long-term incentives to key management personnel.

Contracts with Key Management Personnel

Alexander Burns – Executive Chairman and Chief Executive Officer

Mr Burns is employed under an Executive Service Agreement (ESA), which commenced on 7 October 2014 for an original three year term and was subsequently extended for an additional three-year period to 7 October 2020 on same terms. The extended agreement was amended to include a provision of rental accommodation for a value up to €2,500 per month for the duration of the period that Mr Burns is located in Italy effective from 1 July 2017.

Mr Burns receives fixed remuneration of \$175,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year.

In the event that his employment is terminated by the Company, other than for gross misconduct, Mr Burns is entitled to 1 month notice and a severance payment of 6 months' salary, together with 2 weeks' salary for each completed year of service. Mr Burns can terminate the agreement with 3 months' notice. The unvested options are forfeited on cessation of employment unless the board determines otherwise.

Stephen Hills – Finance Director

Mr Hills is employed under an Executive Service Agreement which commenced 1 March 2017 and expires on 29 February 2020.

Mr Hills receives fixed remuneration of \$265,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year.

In the event that his employment is terminated by the Company, other than for gross misconduct, Mr Hills is entitled to 1 month notice and a severance payment of 3 months' salary, together with 2 weeks' salary for each completed year of service. Mr Hills can terminate the agreement with 3 months' notice. The unvested options are forfeited on cessation of employment unless the board determines otherwise.

Remuneration for the year ended 30 June 2019 and 30 June 2018

	Fixed remuneration						Variable remuneration	
	Short-term			Post-employment		Long-term	Options	Total
	Salary & fees	Non-Monetary ²	Other ¹	Superannuation	Other ³	Long service leave		
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors								
Mr M Cardaci								
2019	54,795	-	-	5,205	-	-	-	60,000
2018	54,795	-	-	5,205	-	-	-	60,000
Mr C Olsen ⁴								
2019	60,000	-	-	-	-	-	-	60,000
2018	10,000	-	-	-	-	-	-	10,000
Total Non-Executive Directors								
2019	114,795	-	-	5,205	-	-	-	120,000
2018	64,795	-	-	5,205	-	-	-	70,000
Executive Directors								
Mr A Burns								
2019	159,817	14,305	(1,979)	15,183	-	5,798	-	193,124
2018	159,817	34,799	923	15,183	-	3,639	-	214,361
Mr S Hills								
2019	242,009	-	18,498	22,991	-	4,726	6,273	294,497
2018	242,009	705	8,154	22,991	-	1,165	15,838	290,862
Total Executive Directors								
2019	401,826	14,305	16,519	38,174	-	10,524	6,273	487,621
2018	401,826	35,504	9,077	38,174	-	4,804	15,838	505,223
Other Key Management Personnel (group)								
Mr G Collins (resigned 14 January 2018)								
2019	-	-	-	-	-	-	-	-
2018	198,214	22,482	10,860	14,015	-	(5,313)	-	240,258
Mr D Andreazza (resigned 9 February 2018)								
2019	-	-	-	-	-	-	-	-
2018	87,486	467	(1,832)	8,442	-	(10,264)	-	84,299
Mr S Di Giovanni (resigned 31 December 2018)								
2019	115,209	-	-	10,411	-	(23)	2,383	127,980
2018	18,265	38	1,538	1,735	-	23	-	21,599
Mr F Granitzio (resigned 11 October 2018)								
2019	63,231	-	23,513	-	(7,999)	-	-	78,745
2018	102,233	8,027	54,139	-	7,653	-	-	172,052
Mr J Armes (resigned 27 February 2019)								
2019	154,982	-	(20,077)	10,346	-	(25,679)	2,383	121,955
2018	164,384	1,016	4,846	15,616	-	6,999	-	192,861
Total Other Key Management Personnel								
2019	333,422	-	3,436	20,757	(7,999)	(25,702)	4,766	328,680
2018	570,582	32,030	69,551	39,808	7,653	(8,555)	-	711,069
TOTAL								
2019	850,043	14,305	19,955	64,136	(7,999)	(15,178)	11,039	936,301
2018	1,037,203	67,534	78,628	83,187	7,653	(3,751)	15,838	1,286,292

Notes:

1. Other short-term benefits include Italian social security contributions, accrued annual leave (less leave taken or paid on resignation which is included in Salary & Fees).
2. Non-monetary benefits include fringe benefits.
3. Other post-employment benefits represent the accrual of "Trattamento di fine rapporto" (TFR) payable upon ceasing an employment relationship in Italy.
4. Directors fees associated with Mr Olsen's appointment are paid direct to his employer, Arete Capital Partners Pty Ltd.

No director or senior executive appointed during the period received a payment before they started to hold the position, as part of the consideration for them agreeing to hold the position. The premium paid for Directors and Officers liability insurance is not included in the above remuneration table.

Share based remuneration

During the year ended 30 June 2019, a total of 12 million options over ordinary shares was issued to KMP. The following table discloses vesting of share options granted to KMP as remuneration during the year.

	Series	Award Date	Fair Value per Option (cents)	Exercise Price (cents)	Expiry Date	Vesting Date	Vested During Year No.
30 June 2019							
Mr S Hills	29	3-Dec-18	0.041	2.500	30-Jun-20	30-Jun-19	3,000,000
Mr S Hills	30	3-Dec-18	0.084	5.000	30-Jun-22	30-Jun-20	-
Mr J Armes	29	2-Aug-18	0.060	2.500	30-Jun-20	30-Jun-19	1,500,000
Mr J Armes	30	2-Aug-18	0.099	5.000	30-Jun-22	30-Jun-20	-
Mr S di Giovanni	29	2-Aug-18	0.060	2.500	30-Jun-20	30-Jun-19	1,500,000
Mr S di Giovanni	30	2-Aug-18	0.099	5.000	30-Jun-22	30-Jun-20	-
30 June 2018							
Mr S Hills	27	1 Mar 17	0.774	15.000	28 Feb 22	1 Mar 18	2,000,000
Mr J Armes	25	6 Jul 15	1.540	24.000	30 Jun 20	1 Jul 17	500,000

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. There were no forfeitures or alterations to the term and conditions of options awarded as remuneration since their award date during the year ended 30 June 2019. No options were exercised by KMP during the financial year ended 30 June 2019.

Terms and conditions of the share based payment arrangements

The fair values of options over ordinary shares granted during the year were determined using a Black-Scholes option pricing model based on the following inputs:

	Series 29	Series 30	Series 29	Series 30
Number of options	3,000,000	3,000,000	3,000,000	3,000,000
Grant date	2-Aug-18	2-Aug-18	3-Dec-18	3-Dec-18
Expiry date	30-Jun-20	30-Jun-22	30-Jun-20	30-Jun-22
Exercise price (cents)	2.500	5.000	2.500	5.000
Share price (cents)	0.600	0.600	0.600	0.600
Vesting condition	Continued service to 30 June 2019	Continued service to 30 June 2020	Continued service to 30 June 2019	Continued service to 30 June 2020

Options over ordinary shares held by key management personnel

The number of options over ordinary shares held by each KMP of the Group both directly and indirectly during the financial year is as follows:

	Held at start of year	Granted as compensation	Lapsed or expired	Other net change #	Held at end of year	Vested and exercisable at end of year
30 June 2019						
Directors						
Mr S Hills	6,000,000	6,000,000	-	-	12,000,000	9,000,000
Executives						
Mr F Granitzio	-	-	-	-	-	-
Mr S di Giovanni	-	3,000,000	-	(3,000,000)	-	-
Mr J Armes	1,500,000	3,000,000	-	(4,500,000)	-	-
Total	7,500,000	12,000,000	-	(7,500,000)	12,000,000	9,000,000

*Other net changes for Mr Armes and Mr di Giovanni represent the number of options held at the date of ceasing their employment with the Company.

	Held at start of year	Granted as compensation	Lapsed or expired	Other net change #	Held at end of year	Vested and exercisable at end of year
30 June 2018						
Directors						
Mr S Hills	6,000,000	-	-	-	6,000,000	4,000,000
Executives						
Mr G Collins	6,000,000	-	-	(6,000,000)	-	-
Mr D Andreazza	6,000,000	-	-	(6,000,000)	-	-
Mr F Granitzio	-	-	-	-	-	-
Mr S di Giovanni	-	-	-	-	-	-
Mr J Armes	1,500,000	-	-	-	1,500,000	1,500,000
Total	19,500,000	-	-	(12,000,000)	7,500,000	5,500,000

*Other net changes for Mr Collins and Mr Andreazza represent the number of options they held at the date of ceasing employment with the Group.

Shareholdings of key management personnel

Ordinary shares held in Alta Zinc Limited directly and indirectly

	Held at start of year	Granted as remuneration	Issued on exercise of options	Other net change #	Held at end of year
30 June 2019					
Directors					
Mr A Burns	251,724,730	-	-	101,839,785	353,564,515
Mr S Hills	-	-	-	-	-
Mr M Cardaci	73,722,061	-	-	58,977,649	132,699,710
Mr C Olsen	-	-	-	-	-
Executives					
Mr F Granitzio	-	-	-	-	-
Mr S di Giovanni	-	-	-	-	-
Mr J Armes	-	-	-	-	-
Total	325,446,791	-	-	160,817,434	486,264,225

All equity transactions with KMP classified as "Other net change" have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arms-length.

Other transactions and balances with key management personnel and their related parties

Mr Cardaci is a partner in Gilbert + Tobin Lawyers. During the year, Gilbert + Tobin provided legal services to the Group of \$50,947 (2018: \$83,346). The balance owing to Gilbert + Tobin as at 30 June 2019 was \$2,754 (2018: \$7,366). These services were entered into on normal commercial terms and have not been included in directors' remuneration as the fees were not paid for services provided by Mr Cardaci.

On 13 April 2018, the Group entered into a Strategic Alliance Agreement and mandate with Arete Capital Partners Pty Ltd (Arete), a company of which Mr Olsen is a director. Under the mandate, the Group undertook a placement to sophisticated and professional investors introduced by Arete. On completion of the placement, the Strategic Alliance Agreement became effective and Mr Campbell was appointed as a nominee non-executive director of the Company. Under the Strategic Alliance Agreement, Arete agrees to make available their extensive, relevant sector, engineering, technical and project finance advisory expertise on an as required basis in consideration for a one year, fixed consultancy fee of \$290,000 to be paid quarterly in advance. The Strategic Alliance Agreement expired in April 2019.

A summary of the total fees paid to Arete for the year ended 30 June 2019 is as follows:

	30-Jun-19 A\$	30-Jun-18 A\$
Director fees ¹	60,000	10,000
Advisory services	217,500	72,500
Capital raising services	-	150,000
	277,500	232,500

¹ Director fees are included in key management personnel remuneration on page 21.

The outstanding balances due to Arete as at 30 June 2019 were \$10,000 (2018: \$5,500).

All services provided by companies associated with KMP were provided on normal commercial terms.

There have been no other transactions involving equity instruments other than those described in the tables above.

END OF REMUNERATION REPORT

This Director's Report is signed in accordance with a resolution of the directors.



Alexander Burns
Executive Chairman

24 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Alta Zinc Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Perth



Cyrus Patell
Partner

Signed at Perth, 24 September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Perth, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	Consolidated 2019 \$	2018 \$
Revenue		-	-
Administrative expenditure	4	(1,026,865)	(1,408,323)
Exploration expenditure		(2,481,561)	(2,287,569)
Marketing expenditure		(103,587)	(58,422)
Net realised losses on financial assets at fair value through profit or loss		-	(8,770)
Exploration assets written-off		-	(44,186)
Unrealised foreign exchange gain/(loss)		26,348	(9,543)
Other income		-	1,615
Other losses – net		-	(8,292)
Other expenses		(5,894)	(422)
Operating loss		(3,591,559)	(3,823,912)
Net finance income	5	321,701	195,438
Loss from continuing operations before income tax		(3,269,858)	(3,628,474)
Income tax expense	6	-	-
Loss from continuing operations after income tax		(3,269,858)	(3,628,474)
Net loss for the year		(3,269,858)	(3,628,474)
Other comprehensive income			
<i>Items that may be re-classified to profit or loss</i>			
Exchange differences on translation of foreign operations		8,786	77,727
Comprehensive income for the year, net of tax		8,786	77,727
Total comprehensive loss for the year		(3,261,072)	(3,550,747)
Loss per share			
From continuing operations:			
Basic earnings/(loss) per share (cents)	7	(0.22)	(0.32)
Diluted earnings/(loss) per share (cents)	7	(0.22)	(0.32)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,094,318	2,369,848
Receivables	9	260,132	599,601
Total Current Assets		2,354,450	2,969,449
Non- Current Assets			
Receivables	9	40,654	885,080
Plant & equipment	10	147,685	175,129
Exploration and evaluation expenditure	11	438,196	426,249
Total Non-Current Assets		626,535	1,486,458
TOTAL ASSETS		2,980,985	4,455,907
LIABILITIES			
Current Liabilities			
Trade and other payables	12	448,305	467,000
Provisions	13	229,703	223,441
Total Current Liabilities		678,008	690,441
Non-Current Liabilities			
Provisions	13	23,842	11,235
Total Non-Current Liabilities		23,842	11,235
TOTAL LIABILITIES		701,850	701,676
NET ASSETS		2,279,135	3,754,231
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	14(a)	40,171,027	38,402,278
Reserves	14(b)	1,109,561	1,083,548
Accumulated losses		(39,001,453)	(35,731,595)
TOTAL EQUITY		2,279,135	3,754,231

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent				
	Issued Capital	Accumulated	Foreign	Share Based	Total
	\$	Losses	Currency	Payment	
		\$	Translation	Reserve	\$
			Reserve		
			\$	\$	
30 June 2018					
As at 1 July 2017	32,523,439	(32,103,121)	89,226	900,538	1,410,082
Loss for the period	-	(3,628,474)	-	-	(3,628,474)
Other comprehensive income	-	-	77,728	-	77,728
Total comprehensive income/(loss) for the period	-	(3,628,474)	77,728	-	(3,550,746)
<i>Transactions with owners in their capacity as owners:</i>					
Share based payments	6,132,110	-			6,132,110
Transaction costs on shares issued	(253,271)	-			(253,271)
Share based payments	-	-	-	16,056	16,056
At 30 June 2018	38,402,278	(35,731,595)	166,954	916,594	3,754,231
30 June 2019					
As at 1 July 2018	38,402,278	(35,731,595)	166,954	916,594	3,754,231
Loss for the period	-	(3,269,858)	-	-	(3,269,858)
Other comprehensive income	-	-	8,786	-	8,786
Total comprehensive income/(loss) for the period	-	(3,269,858)	8,786	-	(3,261,072)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	1,808,146	-			1,808,146
Transaction costs on shares issued	(39,397)	-			(39,397)
Share based payments	-	-	-	17,227	17,227
At 30 June 2019	40,171,027	(39,001,453)	175,740	933,821	2,279,135

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	7,986
Payment to suppliers and employees (inclusive of GST)		(3,454,016)	(4,164,411)
Interest received		17,596	6,921
Net refund of IVA		1,387,359	-
Net cash flows used in operating activities		(2,049,061)	(4,149,504)
Cash flows from investing activities			
Payments for security bonds		(3,682)	(22,401)
Proceeds from reduction in security deposit		16,211	45,145
Payments to acquire financial assets		-	-
Net proceeds from the disposal of financial assets		-	58,785
Purchase of plant and equipment		(6,863)	(9,468)
Net cash flows from investing activities		5,666	72,061
Cash flows from financing activities			
Repayment of borrowings		-	(64,649)
Proceeds from issue of shares		1,808,146	6,132,110
Transaction costs on issue of shares		(40,281)	(261,135)
Net cash flows from financing activities		1,767,865	5,806,326
Net (decrease)/ increase in cash and cash equivalents		(275,530)	1,728,883
Net foreign exchange difference		-	(6,745)
Cash and cash equivalents at beginning of period		2,369,848	647,710
Cash and cash equivalents at end of period	8	2,094,318	2,369,848

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Alta Zinc Limited (Alta Zinc or the Group) comprises of Alta Zinc Limited and its controlled entities for the year ended 30 June 2019. The financial report was authorised for issue in accordance with a resolution of the directors on 19 September 2019.

Alta Zinc (the Parent or the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is a for profit entity for financial reporting purposes under *Australian Accounting Standards*.

The nature of the operations and principal activities of the Group are described in the *Directors' Report*.

2. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Alta Zinc Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical cost and where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax from continuing operations for the year ended 30 June 2019 of \$3,269,858 (2018: \$3,628,474) and recorded net cash outflows from operating activities of \$2,049,061 (2018: \$4,149,504). At 30 June 2019, the Group had Cash on Hand of \$2,094,318 (30 June 2018: \$2,369,848).

Based on the Group's cash flow forecast, the Directors acknowledge that the Group will require additional capital in the next 12 months to undertake its business activities and to continue to progress its exploration interests.

2. Summary of Significant Accounting Policies (continued)

The Directors are confident that the Group will be able to raise additional funds through the issue of new equity and/or debt capital. The Directors consider this to be reasonable on the basis of the Group's recent and historical abilities to raise such capital. The Directors acknowledge that there may be a risk that equity markets may not be favourably disposed when equity raisings are required to be undertaken and that this may impact on the Group's ability to fund its planned and minimal expenditure commitments and may accordingly cast doubt over the Group's ability to continue as a going concern.

Should the Group be unable to raise additional funds through the avenues mentioned above in order to meet its contracted and forecast expenditure there is material uncertainty that the Group will continue as a going concern and therefore whether the Group will be able to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in this financial report.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Alta Zinc Limited at the end of the reporting period. A controlled entity is any entity over which Alta Zinc has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. The control exists when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent.

The parent entity disclosures required under the Corporations Act 2001 have been included in Note 17 to the accounts.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of Significant Accounting Policies (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and Italian Value Added Tax (VAT) except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. Summary of Significant Accounting Policies (continued)

Cash flows are included in the statement of cash flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Field equipment	15% to 50%
Motor vehicles	12.5%
Office equipment	15% to 75%
Office furniture	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(e) Exploration Expenditure

Exploration and evaluation expenditure is expensed as incurred. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

2. Summary of Significant Accounting Policies (continued)

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars (\$) which is the functional and presentation currency of the Parent entity.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2. Summary of Significant Accounting Policies (continued)

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, which reasonably approximate the rates prevailing on the transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(j) Equity Settled Compensation

The Group undertakes equity-settled share-based payments. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using either the Binomial or Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Upon the exercise of awards, the balance of the share based payments reserve relating to those awards is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, is credited to share capital.

2. Summary of Significant Accounting Policies (continued)

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Other Income

Interest income comprises interest receivable on funds invested and it is recognised in the profit or loss as it accrues, using the effective interest method.

(n) Trade and Other Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made using the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Bad debts are written off when identified.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being paid within 45 days of recognition of the liability.

(q) Fair Value Measurement

The Group measures financial instruments at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Summary of Significant Accounting Policies (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(r) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) Impairment of capitalised exploration and evaluation expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment indicator exists as outlined under AASB 6, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration expenditure is dependent on a number of factors and will ultimately depend on whether the expenditure is recouped through exploitation or sale. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(ii) Share based payments

The Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of unlisted options is determined by using either a Black-Scholes or Binomial model. The assumptions (volatility, dividend yield and risk free rate) used are detailed in Note 15.

2. Summary of Significant Accounting Policies (continued)

(iii) Italian Value Added Tax Receivable

The Italian value added tax receivable (VAT) represents the VAT that is recoverable from the Italian Agency of Revenue. The Group expects to recover a proportion of this receivable through offsetting various Italian employee taxes and social security contributions. In addition to offsetting, the receivable is also anticipated to be recovered through a refund process. The future recoverability of the VAT receivable is dependent on the Group continuing to be entitled to this offsetting arrangement and the refund request satisfying the Italian Agency of Revenue's requirements. To the extent that the VAT receivable is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(iv) Provision for rehabilitation

Rehabilitation costs are a normal consequence of mineral exploration and mining, and the majority of this expenditure is incurred on ceasing exploration activities or the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs, and the estimated future level of inflation. The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques.

Key Judgments

Capitalisation of exploration and evaluation expenditure

Under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group has the option to expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected to expense exploration and evaluation expenditure until such time as activities in an area have reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. However, costs associated with the acquisition of exploration tenements are initially capitalised.

(t) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board* (AASB) that are mandatory for the current reporting period.

AASB 9 Financial Instruments

The Group has adopted AASB 9 Financial Instruments as issued in December 2014, from 1 July 2018. In accordance with the transitional provisions classifications have been applied retrospectively and no adjustments were necessary as a result of transition that required the restatement of comparative information.

AASB 9 replaces the provisions of AASB 139 Financial Instruments that relate to the recognition, classification and measurement of financial assets and financial liabilities, including derecognition, impairment and changes to hedge accounting rules. AASB 9 also amends other standards dealing with financial instruments such as AASB 7 *Financial Instruments: Disclosures*.

2. Summary of Significant Accounting Policies (continued)

The adoption of AASB 9 did not result in a significant change to the recognition or measurement of financial instruments for the Group as presented in the financial report. The following categories of financial asset and liability required no classification or measurement adjustments as a result of adopting AASB 9:

- Cash and cash equivalents;
- Trade and other receivables - this category only includes simple debt instruments where the business model is to collect contractual cash flows and consequently amortised cost has continued to be applied. No lifetime expected credit loss adjustments were considered necessary;
- Derivative financial instruments - subsequent measurement continues to be at fair value through profit or loss; and
- Trade and other payables - subsequent measurement continues to be at amortised cost.

The adoption of *Accounting Standards and Interpretations*, other than AASB 9 Financial Instruments, did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending *Accounting Standards or Interpretations* that are not yet mandatory have not been early adopted.

(u) New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended *Accounting Standards and Interpretations*, most relevant to the consolidated entity, are set out below:

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact on the Group

The Group has reviewed all of its leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the group's operating leases.

As at the reporting date, the group has non-cancellable operating lease commitments of \$114,192 (see note 19). For all of these lease commitments the group expects to recognise right-of-use assets of approximately \$167,000 on 1 July 2019 and lease liabilities of \$169,000 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019). Overall net assets will be approximately \$1,700 lower, and net current assets will be \$169,000 lower due to the presentation of the liability as a current liability.

The group expects that net profit after tax will decrease by approximately \$2,900 for 2020 as a result of adopting the new rules. Operating cash flows will increase and financing cash flows decrease by approximately \$81,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

Application

The group will apply the standard from its mandatory adoption date of 1 July 2019. The group intends to apply the modified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

3. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group considers that it has only operated in one reportable segment, being minerals exploration and evaluation. The segment financial information is as per the Group's consolidated financial statements.

4. Administration Expense

		30-Jun-19 A\$	30-Jun-18 A\$
Legal fees		43,050	25,715
Audit fees	(i)	27,125	32,000
Depreciation		31,774	40,026
Other corporate and administration		(4,907)	114,284
Employee benefits	(ii)	929,823	1,196,298
		1,026,865	1,408,323
<i>(i) Audit fees</i>			
Amounts received or due and receivable by the auditor of the parent entity, Crowe Perth for:			
- audit services		27,125	32,000
- non-audit services		-	-
		27,125	32,000
<i>(ii) Employee benefits</i>			
Wages, salaries and directors' fees		840,691	858,327
Superannuation and pension contributions		74,788	94,855
Movement in long service leave provision		(13,071)	(14,870)
Movement in annual leave provision		(12,735)	(38,854)
Share-based payments		17,227	16,056
Other employment taxes		22,923	280,784
		929,823	1,196,298

5. Net Finance Income

	30-Jun-19 A\$	30-Jun-18 A\$
<i>Finance income:</i>		
Interest received	16,726	7,347
Unwinding of discount on Italian VAT receivable	304,975	198,919
	321,701	206,266
<i>Finance expense:</i>		
Charges on discounting of Italian VAT receivable	-	(10,828)
	-	(10,828)
	321,701	195,438

6. Income Tax Expenses

	30-Jun-19 A\$	30-Jun-18 A\$
Reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before income tax	(3,269,858)	(3,628,474)
Tax refundable at the statutory income tax rate - 30% (2018: 30%)	(980,958)	(1,088,542)
Non-deductible expenses		
Share based payments	5,168	4,817
Other non-deductible expenses/ (non-assessable income)	108,352	40,611
Section 40-880 deduction	-	(17,365)
Effect of different tax rates	109,400	108,802
Deferred tax asset not recognised	757,065	951,677
Timing differences not recognised	973	-
Income tax expense	-	-
Deferred tax Assets - (not recognised)		
Tax Losses - Australia	3,252,443	3,068,999
Tax Losses - Italy (@ 30%)	5,892,141	4,216,637
Other - Accruals, Provisions + 40-880	244,000	1,083,910
DTL - offset against DTA	(5,776)	(310)
	9,382,808	8,369,236
Deferred tax Liabilities - (not recognised)		
Prepayments	5,776	310
Offset against DTA	(5,776)	(310)
	-	-

The Group has tax losses for which no deferred tax asset is recognised arising in Australia of \$10,841,477 (2018: \$10,229,977) and Italy of \$19,640,469 (2018: \$17,569,321). These tax losses are available for offset against future taxable profits of the Group subject to continuing to meet the relevant statutory tests. The Italian income tax rate is currently 24% (2018: 24%).

7. Earnings per Share

	30-Jun-19 A\$	30-Jun-18 A\$
Loss attributable to ordinary shareholders		
Loss for the period	(3,269,858)	(3,628,474)
Weighted average number of ordinary shares		
Issued ordinary shares at the beginning of the year	1,368,965,708	783,027,454
Effect of shares issued during the year	97,974,848	348,988,881
Weighted average number of ordinary shares at 30 June	1,466,940,556	1,132,016,335
Loss per share		
Basic and diluted loss per share (cents per share)	(0.22)	(0.32)

All of the options outstanding have exercise prices greater than the average market price of ordinary shares during the reporting period and are therefore considered anti-dilutive.

8. Cash and Cash Equivalents

	30-Jun-19 A\$	30-Jun-18 A\$
Cash on hand and at bank	926,765	369,848
Term deposits on call	1,167,553	2,000,000
	2,094,318	2,369,848

The effective interest rate on cash and cash equivalents was 0.37% (2018: 2.07%). Short-term deposits mature every 7 to 60 days.

9. Receivables

		30-Jun-19 A\$	30-Jun-18 A\$
Current			
Trade receivable		-	4,525
Prepayments		11,194	60,609
Security deposits	(i)	62,096	23,580
Receivable indirect taxes	(ii)	186,842	510,887
		260,132	599,601
Non-current			
Security deposits	(i)	40,654	37,699
Receivable indirect taxes	(ii)	-	847,381
		40,654	885,080

- (i) Current security deposits represent payments made as guarantees under operating leases that the Group has entered into. Non-current security deposits include bonds and guarantees held with financial institutions on term deposit. The funds receive interest at fixed rates and have an average maturity of 12 months.

9. Receivables (continued)

- (ii) Receivable indirect taxes include the Italian value added tax (VAT) receivable that is recoverable from the Italian Agency of Revenue. During the year, the Group received a refund of EUR640,000 (A\$1,011,315). The remaining balance will be recovered through refunds and offsetting the employment tax liabilities in Italy.

10. Plant and Equipment

	30-Jun-19 A\$	30-Jun-18 A\$
Property, plant and equipment at cost	417,220	415,405
Accumulated depreciation	(269,535)	(240,276)
Carrying value	147,685	175,129

Reconciliation of movement in carrying value

	Field Equipment A\$	Motor Vehicles A\$	Office Furniture A\$	Office Equipment A\$	Total A\$
Balance at 30 June 2017	91,623	54,852	8,591	50,906	205,972
Additions	2,802	-	2,244	4,422	9,468
Disposals	(3,442)	-	(1,021)	(3,852)	(8,315)
Depreciation	(15,345)	(7,080)	(2,015)	(15,586)	(40,026)
Effect of foreign currency translation	3,732	3,163	224	911	8,030
Balance at 30 June 2018	79,370	50,935	8,023	36,801	175,129
Additions	2,575	-	807	3,511	6,893
Disposals	-	(3,925)	-	(1,965)	(5,890)
Depreciation	(12,832)	(6,182)	(1,738)	(11,022)	(31,774)
Effect of foreign currency translation	1,532	1,253	145	397	3,327
Balance at 30 June 2019	70,645	42,081	7,237	27,722	147,685

11. Exploration and Evaluation Expenditure

	30-Jun-19 A\$	30-Jun-18 A\$
Exploration and evaluation - carrying value	438,196	426,249
	438,196	426,249

Reconciliation of movement in carrying value

	30-Jun-19 A\$	30-Jun-18 A\$
Carrying value at 1 July	426,249	444,479
Transaction costs capitalised	-	-
Costs written off	-	(44,186)
Effect of foreign currency translation	11,947	25,956
Carrying costs at the end of the year	438,196	426,249

The recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development or sale of the respective areas of interest.

12. Trade and Other Payables

		30-Jun-19 A\$	30-Jun-18 A\$
Trade creditors	(i)	264,015	267,477
Other payable	(ii)	184,290	199,523
		448,305	467,000

- (i) Trade creditors are non-interest bearing and are normally settled within 45 days. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Other payable include unpaid employee benefit liabilities and short-term employee leave provisions at 30 June 2019.

13. Provisions

	30-Jun-19 A\$	30-Jun-18 A\$
<i>Current</i>		
Provision for restoration	229,703	223,441
	229,703	223,441
<i>Non-current:</i>		
Provision for long service leave	23,842	11,235
	23,842	11,235

A provision has been recognised for the estimated cost of restoring the environmental disturbance that has occurred on the Gorno Project up to 30 June 2019. No discount has been applied to this provision as the restoration work is anticipated to be completed within 12 months.

14. Equity

(a) Issued capital

	30-Jun-19 A\$	30-Jun-18 A\$
Shares on issue	42,578,805	40,770,659
Issuance costs	(2,407,778)	(2,368,381)
	40,171,027	38,402,278

Reconciliation of movement in share capital

	Date	Price A\$	Number of shares	A\$
30 June 2018				
Balance at 1 July 2017			783,027,454	32,523,439
Rights issue	4-Aug-17	0.010	313,210,982	3,132,110
Placement	19-Apr-18	0.011	272,727,272	3,000,000
Share issuance costs			-	(253,271)
Balance at 30 June 2018			1,368,965,708	38,402,278
30 June 2019				
Balance at 1 July 2018			1,368,965,708	38,402,278
Rights issue	12-Apr-19	0.004	452,668,603	1,808,146
Share issuance costs			-	(39,397)
Balance at 30 June 2019			1,821,634,311	40,171,027

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

When managing capital, managements objective is to ensure the entity continues as a going concern as well as undertaking operations in a manner that provide returns to shareholders and other stakeholders. The Group aims to maintain a capital structure that ensures the lowest cost of capital available to the entity and maximises returns for shareholders through minimising dilution.

In order to maintain or adjust the capital structure, the entity may issue new shares, enter into joint ventures or sell assets. The entity does not have a defined share buy-back plan.

No dividends were paid in 2019 (2018: nil).

14. Equity (continued)

(b) Reserves

		30-Jun-19 A\$	30-Jun-18 A\$
Share-based payment reserve	(i)	933,821	916,594
Foreign currency translation reserve	(ii)	175,740	166,954
		1,109,561	1,083,548

Reconciliation of movement in reserves

	30-Jun-19 A\$	30-Jun-18 A\$
(i) Share-based payments reserve		
Balance at 1 July	916,594	900,538
Equity settled share-based payment transactions	17,227	16,056
Balance at 30 June	933,821	916,594
(ii) Foreign currency translation reserve		
Balance at 1 July	166,954	89,226
Effect of translation of foreign currency operation to group presentation currency	8,786	77,728
Balance at 30 June	175,740	166,954
	1,109,561	1,083,548

The foreign currency translation reserve movement results from translation of the Italian subsidiaries balances from Euro, being the subsidiaries' functional currency, to the Australian Dollar, being the Group's presentation currency.

15. Share based payments

(a) Employee Incentive Plan (EIP)

On 30 November 2018, the Company obtained shareholders' approval for the 2018 *Employee Incentive Plan* (EIP). The EIP is established as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. At its discretion, the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group.

(b) Expenses arising from share-based payment transactions

During the year, \$17,227 was recognised as share-based payment expense (30 June 2018: \$16,056).

15. Share based payments (continued)

(c) Movement in options during the year

		2019		2018	
		Number of options	Average exercise price per option (\$)	Number of options	Average exercise price per option (\$)
Outstanding at the beginning of the year		30,750,000	0.13	30,750,000	0.13
Granted during the year	(i)	23,500,000	0.04	-	-
Forfeited/lapsed during the year		(6,000,000)	0.10	-	-
Exercised during the year		-	-	-	-
Outstanding at the end of the year	(ii)	48,250,000	0.09	30,750,000	0.13
Exercisable at the end of the year		36,500,000	0.10	28,750,000	0.21

The options outstanding at 30 June 2019 had a weighted average exercise price of 9 cents per option (2018: 13 cents per option) and a weighted average remaining contractual life of 1.8 years (2018: 2.1). Exercise prices of options outstanding at 30 June 2019 range from 5 cents per option to 24 cents per option (2018: 5 cents per option to 24 cents per option). The weighted average fair value of the options granted during the year was 3.75 cents per option (2018: Nil).

No options were exercised during the year and 6,000,000 unlisted options expired on 30 April 2019.

(i) Options granted during the year

Vesting condition	Number	Grant date	Expiry date	Exercise price (cents)	Share price at grant date (cents)
Employee options					
Continued employment to 30 June 2019	8,750,000	2-Aug-18	30-Jun-20	2.500	0.600
Continued employment to 30 June 2020	8,750,000	2-Aug-18	30-Jun-22	5.000	0.600
Directors' options					
Continued employment to 30 June 2019	3,000,000	3-Dec-18	30-Jun-20	2.500	0.600
Continued employment to 30 June 2020	3,000,000	3-Dec-18	30-Jun-22	5.000	0.600

Fair value of options granted during the year

The fair value of the options granted during the year ended 30 June 2019 was determined using the Black-Scholes valuation method and the model inputs were as follows

	Employee options		Director options	
Number of options	8,750,000	8,750,000	3,000,000	3,000,000
Grant date	2-Aug-18	2-Aug-18	3-Dec-18	3-Dec-18
Expiry date	30-Jun-20	30-Jun-22	30-Jun-20	30-Jun-22
Exercise price (cents)	2.500	5.000	2.500	5.000
Share price (cents)	0.600	0.600	0.600	0.600
Value per option (cents)	0.060	0.099	0.041	0.084

15. Share based payments (continued)

(ii) Options outstanding at the end of the year

Series No.	Number of options	Exercise price	Expiry date	Vesting date
17	2,250,000	\$0.05	14 January 2020	Vested
18	2,250,000	\$0.10	14 January 2020	Vested
19	2,250,000	\$0.15	14 January 2020	Vested
20	1,250,000	\$0.12	30 June 2020	Vested
21	1,250,000	\$0.18	30 June 2020	Vested
22	1,250,000	\$0.24	30 June 2020	Vested
23	4,000,000	\$0.12	18 November 2020	Vested
24	4,000,000	\$0.18	18 November 2020	Vested
25	250,000	\$0.24	18 November 2020	Vested
26	2,000,000	\$0.10	28 February 2022	Vested
27	2,000,000	\$0.15	28 February 2022	Vested
28	2,000,000	\$0.20	28 February 2022	Vested
29	11,750,000	\$0.025	30 June 2020	Vested
30	11,750,000	\$0.05	30 June 2022	30 June 2020
Total	48,250,000			

16. Related Parties

(a) Subsidiaries

The consolidated financial statements include the financial statements of Alta Zinc Limited and its subsidiaries listed in the following table:

	Country of Incorporation	Percentage Owned	
		30-Jun-19 %	30-Jun-18 %
Nickelex Pty Ltd	Australia	100	100
Nabberu Resources Pty Ltd	Australia	100	100
Energia Minerals (Italia) Srl	Italy	100	100
Strategic Minerals Italia Srl	Italy	100	100

(b) Transactions with Key Management Personnel (KMP)

	30-Jun-19 A\$	30-Jun-18 A\$
Short-term employee benefits	884,303	1,183,365
Long-term employee benefits	(15,178)	(3,751)
Post-employment benefits	56,137	90,840
Share-based payment	11,039	15,838
Total key management personnel compensation	936,301	1,286,292

Disclosures relating to KMP are set out in the Remuneration Report contained in the Directors Report.

16. Related parties (continued)

(c) Other transactions related parties

Other than those included in the Remuneration report, there have been no other transactions with related parties during the reporting period or balances outstanding at 30 June 2019.

17. Parent Entity Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30-Jun-19 A\$	30-Jun-18 A\$
ASSETS		
Current Assets	1,202,379	2,327,259
Non-current Assets	21,865,391	20,213,767
TOTAL ASSETS	23,067,770	22,541,026
LIABILITIES		
Current Liabilities	204,304	206,045
Non-current Liabilities	23,842	11,235
TOTAL LIABILITIES	228,146	217,280
NET ASSETS	22,839,624	22,323,746
EQUITY		
Contributed equity	40,173,556	38,402,278
Accumulated losses	933,821	(16,995,126)
Share based payment reserve	(18,267,752)	916,594
TOTAL EQUITY	22,839,625	22,323,746
FINANCIAL PERFORMANCE		
Net profit/(loss) for the year	(1,272,628)	(1,580,677)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(1,272,628)	(1,580,677)

(b) Guarantees entered into by the parent entity

Nickelex Pty Ltd

The parent entity has provided a letter of financial support to its subsidiary Nickelex Pty Ltd whereby the parent entity will not demand repayment of its intercompany loan of \$475,919 (2018: \$432,533) before 30 September 2019 and agrees to provide funding to Nickelex Pty Ltd for approved expenditures. As at 30 June 2019, other than the loan from Alta Zinc Ltd, Nickelex Pty Ltd had no known liabilities (2018: \$10,586).

17. Parent Entity Information (continued)

Nabberu Resources Pty Ltd

The parent entity has provided a letter of financial support to its subsidiary Nabberu Resources Pty Ltd whereby the parent entity will not demand repayment of its intercompany loan of \$84,594 (2018: \$83,644) before 30 September 2019 and agrees to provide funding to Nabberu Resources Pty Ltd for approved expenditures. As at 30 June 2019, other than the loan from Alta Zinc Ltd, Nabberu Resources Pty Ltd had no known liabilities (2018: Nil).

(c) Contingent liabilities

The parent entity has no contingent liabilities as at 30 June 2019 (2018: nil).

(d) Contractual commitments for acquisition of property, plant and equipment

The parent entity has no commitments to purchase property, plant and equipment at 30 June 2019 (2018: nil).

18. Cash Flow Information

	30-Jun-19 A\$	30-Jun-18 A\$
Loss after tax	(3,269,858)	(3,628,474)
Non-cash flows in loss:		
Depreciation	31,774	40,026
Share based payments	17,227	16,056
Unrealised foreign exchange loss	22	9,543
Loss on disposal of plant and equipment	5,894	8,292
Exploration assets written-off	-	44,186
Realised loss on disposal of financial assets	-	8,770
Charges on discounting of Italian VAT receivable	-	10,828
Accretion of discount on Italian VAT receivable	(304,975)	(198,919)
Unrealised loss on revaluation of financial assets		-
Changes in assets and liabilities		
Decrease in trade receivables	1,364,044	251,376
Decrease/(Increase) in prepayments	49,415	(5,210)
(Decrease) in trade payables and accruals	38,527	(630,342)
Increase/(decrease) in provisions	18,869	(75,636)
Cash flow from operations	(2,049,061)	(4,149,504)

(b) Non-cash Financing & Investing Activities

No non-cash financing and investing activities were undertaken during the year ended 30 June 2019 (2018: Nil).

19. Commitments and Contingencies

(a) Operating Lease Commitments

The Group has entered into a number of non-cancellable operating leases for various buildings that it occupies. These leases have terms between 6 months and 6 years, with rent payable in advance. The leases in some instances permit subletting.

The Group has entered into a number of commercial operating leases on motor vehicles. The terms remaining on these leases at 30 June 2019 range from 1 month to 2 years.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are as follows:

	30-Jun-19 A\$	30-Jun-18 A\$
Minimum lease payments payable		
Not later than 12 months	64,088	122,119
After one year but not more than five years	50,104	60,906
	114,192	183,025

(b) Exploration Expenditure Commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Group.

At 30 June 2019, the exploration expenditure commitments are as follows:

	30-Jun-19 A\$	30-Jun-18 A\$
Minimum exploration expenditure commitments		
Not later than 12 months	211,485	120,391
After one year but not more than five years	200,294	356,975
	411,779	477,366

The minimum exploration expenditure commitments include the estimated cost of permit fees and tenement lease costs required to maintain title to the Group's tenements in Italy and Australia.

For Australian tenements, they include the minimum expenditure statutory requirements.

No statutory expenditure commitments are specified by the mining legislation in Italy.

20. Financial Risk Management

This note presents information about the Group's financial assets and financial liabilities, its exposure to financial risks, and the policies and processes for measuring and managing those risks.

During the year ended 30 June 2019, the Group's principal financial assets were cash, short-term deposits and trade and other receivables, comprised primarily of the Italian VAT receivable. The Group's principal financial liabilities comprised trade and other payables. The financial instruments of the Group predominantly arise directly from its operations.

The Group's activities expose it primarily to the following financial risks:

- Market risk including interest rate risk and foreign currency exchange risk;
- Credit risk; and
- Liquidity risk.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing identified risks. The Group uses different methods to manage the different types of risks to which it is exposed. These include monitoring exposure to currency risk and undertaking an assessment of market forecasts. The Group monitors liquidity risk through the preparation and monitoring of cash flow forecasts.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk for the Group comprise interest rate risk and foreign currency risk.

(i) Interest Rate Risk

The Group's exposure to the interest rate risk is minimal; it does not have interest-bearing debt and its exposure to the risk is limited to changes in interest rates on cash and term deposits the Group holds with the Australian banks.

	Floating interest rate A\$	Fixed interest rate 1 year or less A\$	Non-interest bearing A\$	Total A\$	W'ted average effective interest rate %
30 June 2019					
Financial Assets					
Cash	1,215,233	-	879,086	2,094,318	0.37
Receivables	-	-	263,910	263,910	
Restricted cash	-	36,876	-	36,876	2.44
Other financial assets	-	-	-	-	
Total financial assets	1,215,233	36,876	1,142,996	2,395,104	
Financial Liabilities					
Payables	-	-	264,015	264,015	
Total financial liabilities	-	-	264,015	264,015	
Net financial assets	1,215,233	36,876	878,981	2,131,089	

20. Financial Risk Management (continued)

	Floating interest rate A\$	Fixed interest rate 1 year or less A\$	Non-interest bearing A\$	Total A\$	W'ted average effective interest rate %
30 June 2018					
Financial Assets					
Cash	194,069	2,000,000	175,779	2,369,848	2.07
Receivables	-	-	1,447,770	1,447,770	
Restricted cash	-	36,911	-	36,911	2.20
Total financial assets	194,069	2,036,911	1,623,549	3,854,529	
Financial Liabilities					
Payables	-	-	267,477	267,477	
Total financial liabilities	-	-	267,477	267,477	
Net financial assets	194,069	2,036,911	1,356,072	3,587,052	

(ii) Foreign Currency Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to currency risk on financial assets and liabilities held by the controlled entity in Italy. The Group's expenditure obligations in Italy are primarily in Euro and as a result the Group is exposed to fluctuations in the Euro to Australian dollar. These exposures are not subject to a hedging program. Exposure to negative currency fluctuations has been partially mitigated through the maintenance of a Euro denominated cash position.

The Group is also exposed to foreign exchange risk arising from the translation of its foreign operations. The Group's investment in its overseas subsidiary is not hedged as it is considered to be long-term in nature.

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars except for the amounts set out below, which are held in Euro (EUR):

	30-Jun-19 A\$	30-Jun-18 A\$
Financial Assets		
Cash	879,674	192,989
Receivables	240,529	1,416,225
Restricted cash	-	-
Financial Assets	1,120,203	1,609,214
Financial Liabilities		
Payables	243,999	139,299
Financial Liabilities	243,999	139,299

Sensitivity

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the EURO with all other variables held constant. The 10% sensitivity is based on management's estimate of reasonably possible changes over a financial year.

20. Financial Risk Management (continued)

	30-Jun-19 A\$	30-Jun-18 A\$	30-Jun-19 A\$	30-Jun-18 A\$
	Impact on profit after tax		Impact on other equity	
+10% increase in AUD:EUR	(525)	(10,142)	(87,095)	(93,251)
-10% decrease in AUD:EUR	525	10,142	87,095	93,251

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

As the Group is yet to commence mining operations, it currently has no significant exposure to customer credit risk. The class of assets described as Receivables is considered to be the main source of credit risk to the Group. Included in Receivables is Italian value added tax receivable (VAT) from expenditure incurred in Italy. During the financial year, the Group recovered most of the VAT receivable balance in cash. The VAT balance outstanding at 30 June 2019 will be recovered via a mechanism of offsetting employment tax liabilities and refunds through lodgment of annual VAT claims. Further information regarding Receivables is detailed at Note 9.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset in the Statement of Financial Position.

The credit risk in relation to cash balances with banks is managed through the assessment of the credit quality of the institution with whom the funds are deposited. Currently the Group only invests cash with counterparties assessed with high credit ratings. Funds are transferred to Italy to meet the working capital needs of the controlled entity Energia Minerals (Italia) Srl. The cash needs of the controlled entity's operations are monitored by the parent company and funds are advanced to the Italian operations as required.

The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in liquid short-term deposits. The Group's liquidity needs are currently met through cash and cash equivalents. Future liquidity needs can potentially be met through equity raisings.

The Group's liquidity risk exposure relates to trade payables, which are payable within one year from the reporting date.

20. Financial Risk Management (continued)

Financial assets pledged as collateral

Certain financial assets have been pledged as security for finance facilities associated with bank guarantees. The realisation of these financial assets into cash may be restricted and subject to terms and conditions attached to the relevant finance facilities. Refer to Note 9 for further details.

21. Fair Value Measurement of Financial Instruments

This note provides information about how the Group determines fair values of financial instruments.

At 30 June 2019, the carrying value of all financial assets and financial liabilities approximate their fair values. During the year at 30 June 2018, other than the Italian value added tax receivable, the carrying value of financial assets and financial liabilities are considered to approximate their fair values. In particular, the fair value of cash, trade receivables and payables is considered to approximate their carrying amount due to their short-term maturity.

Set out below is a comparison of the carrying amount and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	30 June 2019		30 June 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial Assets				
Receivables - Italian VAT	186,842	186,842	1,358,268	1,660,274
Total	186,842	186,842	1,358,268	1,660,274

No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amount exceeds net fair values at balance date.

Fair value measurement hierarchy

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2019.

The Group classifies all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

21. Fair Value Measurement of Financial Instruments (continued)

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

There have been no transfers between the fair value hierarchy levels during the period. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

22. Events After the Reporting Period

On 18 September 2019 Alta Zinc entered into an agreement to appoint Discovery Capital Partners Pty Ltd (Discovery) to act as its strategic corporate advisor. Under the agreement, Alta Zinc has agreed to grant Discovery the right to subscribe for two tranches of 15 million Advisor Options in the Company, each tranche exercisable at \$0.008 and \$0.012 respectively with the first tranche vesting after six months and the second tranche on the 5 day VWAP of the Company's share price exceeding 4 times the share price at the date of the agreement.

There were no matters or circumstances, other than those disclosed above, that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Alta Zinc Limited, I state that:

1. In the opinion of the directors:
 - (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date.
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
 - (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and
 - (c) The financial statements and notes comply with International Financial Reporting standards as set out in Note 2.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

On behalf of the board



Alexander Burns
Executive Chairman

24 September 2019

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF ALTA ZINC LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

Opinion

We have audited the financial report of Alta Zinc Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that the matter described below to be the key audit matter to be communicated in our report.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Key Audit Matter	How we addressed the Key Audit Matter
Recoverability and Classification of Italian VAT Credits Receivable	
Italian VAT credits receivable are a key audit matter due to: The recognition and measurement of the asset requires significant management judgement, as outlined in Note 2 (s) (iii), which includes the method and timing of the recoverability of the credits.	Our procedures included, but were not limited to: - Discussions with Management and review of advice obtained from the Group's Italian Tax Advisors (Management's Expert) to confirm the mechanism under which the outstanding amounts could be recovered under existing Italian taxation law. - Assessment of the skills, competence and objectivity of Management's Expert. - Agreeing the refunds received during the year to supporting documentation. - Agreeing amounts incurred during the year and amounts offset against other employee taxes and social security contributions to the annual tax returns filed with the Italian Tax Authorities. - Reviewing and challenging management's assessment of the classification of the VAT receivable by reference to historical patterns of recovery and the results of refund requests submitted to the Italian Tax Authorities during the current and previous years.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that for the year ended 30 June 2019, the Group incurred a net loss after tax from continuing operations of \$3,269,858 and net cash outflows from operating activities of \$2,049,061 and, as of that date, the Group had cash at bank of \$2,094,318. As stated in Note 2, these events or conditions, along with other matters set forth in Note 2, indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, International Financial Reporting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 27 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Alta Zinc Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Crowe Perth



Cyrus Patell
Partner

Dated at Perth this 24 September 2019

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 16 September 2019.

(a) Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at <http://www.altazinc.com/about-us/corporate-governance>.

(b) Distribution of Shareholders

The number of shareholders of fully paid ordinary shares, by size of holding are:

Number of Shares			Number of Holders	Number of Shares
1	-	1,000	33	3,201
1,001	-	5,000	17	59,305
5,001	-	10,000	82	794,725
10,001	-	100,000	410	18,323,800
100,001	-	and over	447	1,810,703,280
			989	1,829,884,311
The number of shareholders holding less than a marketable parcel of shares are:			611	28,295,159

(c) Twenty Largest Shareholders

The names of the twenty largest holders of fully paid ordinary shares are:

		Number	Percentage
1	V B S Exchange Pty Ltd	287,181,819	15.69%
2	ASIM Holdings Pty Ltd (ASLI A/C)	204,139,513	11.16%
3	Malvasia Pty Ltd (Spyder S/F A/C)	132,699,710	7.25%
4	Zero Nominees Pty Ltd	95,636,033	5.23%
5	RB SMSF Pty Ltd (Rose-Burns SMSF A/C)	73,875,001	4.04%
6	Citicorp Nominees Pty Ltd	42,938,657	2.35%
7	Injidup Investment Pty Ltd	40,000,000	2.19%
8	Burns Elizabeth + A S (Rose-Burns SMSF S/F A/C)	35,550,001	1.94%
9	J P Morgan Nominees Australia Ltd	31,103,366	1.70%
10	Dunhill Gavin Jeremy	28,000,000	1.53%
11	Flue Holdings Pty Ltd (Bromley Super A/C)	25,000,000	1.37%
12	Scrimshaw Nominees Pty Ltd (Scrimshaw S/F A/C)	24,545,454	1.34%
13	BSN Holdings Pty Ltd (BSN S/F A/C)	23,400,000	1.28%
14	Binco Sec Pty Ltd (Binco Prop Fund A/C)	22,320,000	1.22%
15	Inkese Pty Ltd	22,000,000	1.20%
16	Vetah Abdallah Abdel	19,800,000	1.08%
17	Jetosea Pty Ltd	19,233,467	1.05%
18	Rigi Investments Pty Ltd (Cape A/C)	18,500,000	1.01%
19	Egea Pty Ltd	18,181,818	0.99%
20	HSBC Custody Nominees Australia Ltd	17,929,269	0.98%
		1,182,034,108	64.60%

(d) Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number	Percentage
Alexander Burns & Associates	353,564,513	19.41%
VBS Exchange Pty Ltd & Associates	287,181,818	15.77%
Malvasia Pty Ltd as trustee of the Spyder Super Fund	132,699,710	7.28%

(e) Distribution of Option Holders

The number of option holders, by size of holding, in each class of option are:

Number of Options	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1 - 1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,001 - 100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100,001 - over	2	2	2	2	2	2	3	3	1	1	1	1	9	9
	2	2	2	2	2	2	3	3	1	1	1	1	9	9

(f) Terms of Unquoted Options on Issue

Series No.	Number of Options	Exercise Price	Expiry Date	Vesting Date
17	2,250,000	\$0.05	14 January 2020	Vested
18	2,250,000	\$0.10	14 January 2020	Vested
19	2,250,000	\$0.15	14 January 2020	Vested
20	1,250,000	\$0.12	30 June 2020	Vested
21	1,250,000	\$0.18	30 June 2020	Vested
22	1,250,000	\$0.24	30 June 2020	Vested
23	4,000,000	\$0.12	18 November 2020	Vested
24	4,000,000	\$0.18	18 November 2020	Vested
25	250,000	\$0.24	18 November 2020	Vested
26	2,000,000	\$0.10	28 February 2022	Vested
27	2,000,000	\$0.15	28 February 2022	Vested
28	2,000,000	\$0.20	28 February 2022	Vested
29	11,750,000	\$0.025	30 June 2020	Vested
30	11,750,000	\$0.05	30 June 2022	30 June 2020
	48,250,000			

Holders with More Than 20% of Each Option Series (Not acquired under an employee incentive scheme)

Option Series No.	Optionholder	Number of Options
20	Marcello de Angelis	750,000
21	Marcello de Angelis	750,000
22	Marcello de Angelis	750,000

(g) Voting Rights

All ordinary shares carry one vote per share. There are no voting rights attached to options in the Company. Voting rights will be attached to the unissued ordinary shares when options have been exercised.

(h) Securities Exchange Listing

Quotation has been granted for 1,368,965,708 ordinary shares of Alta Zinc Limited on all member exchanges of the *Australian Securities Exchange* and trade under the symbol AZI.

(i) Restricted Securities

The Company has no restricted securities.

(j) On Market Buyback

There is no on-market buy-back currently being undertaken.

(k) Mineral Resource Statement

The Company's Inferred and Indicated Resources as at 30 June 2018 for the Gorno Project, Italy, reported in accordance with the *Joint Ore Reserves Committee (JORC 2012)* guidelines are:

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	Grade	Metal	Grade	Metal
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

An annual review of the December 2017 resource estimation was completed in June 2018, and found no material changes to have occurred that would impact the estimation.

This Mineral Resource Statement is based on, and fairly represents, information and supporting documentation prepared by the Competent Persons.

Governance and Internal Controls on Resource Estimates

Alta Zinc's policy for the completion of resource estimations is to engage an independent consultant with an exemplary industry reputation. This independent consultant is required to review any information Alta Zinc has provided for resource estimation purposes and is not to utilise any information that does not meet appropriate professional standards. This consultant is required to review Alta Zinc's field and data collection procedures and provide feedback to ensure Alta Zinc collects and interprets data using industry best practice.

Alta Zinc utilises extensive quality assurance and control procedures for all of its data collection and data compilation, and completes annual reviews of its database and any material assumptions made in interpretation and its resource estimates.

The Mineral Resources Statement contained in the 2018 Annual Report has been reviewed by a suitably qualified competent person as detailed in the Competent Person Statement.

Alta Zinc Resource Comparison 2017 to 2018

Comparison 2017 and 2018 OK Estimate Reported using a 1.0% Zinc cut-off grade Subdivided by JORC Code 2012 Resource Categories using ROUNDED figures							
Category/Year	Tonnes (Mt)	Total Zinc		Total Lead		Silver	
		Grade (%)	Metal (Kt)	Grade (%)	Metal (Kt)	Grade (ppm)	Metal (Moz)
Indicated							
2017	2.0	4.9	97	1.3	26	31	2.0
2018	2.1	5.1	107	1.4	29	31	2.1
Inferred							
2017	1.4	4.6	62	1.2	17	21	0.9
2018	1.2	4.6	56	1.1	14	21	0.8
Total							
2017	3.3	4.8	160	1.3	42	27	2.9
2018	3.3	4.9	163	1.3	43	27	2.9

The change in the resources detailed above was due the inclusion of eight diamond drill hole results received subsequent to the information cut-off date for the May 2017 estimate. The revised estimate resulted in a minor increase in the grade and contained metal of the zinc indicated resource. During the revised estimate significant attention was given to the encapsulation of geological, metallurgical, and mining parameters within geological wireframes and estimation blockmodel.

Competent Person Statement

Information in this Annual 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) Srl. 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 Annual 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 Annual Report that relates to the Exploration Results for Pian Bracca is extracted from the ASX Announcement titled "Newly Identified Sulphide Zone at Pian Bracca Confirms Resource Expansion Potential at Gorno Zinc Project" dated 19 March 2018. The information in this Annual 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 Annual Report 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 ASX announcement. All material

assumptions and technical parameters underpinning the Mineral Resource estimates in that previous release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

(I) Scheduled of Mining Tenements

Western Australia	Area of Interest	Tenement	Entity's Interest	Comments
Moses Chair	Paterson	E45/4534	100%	Granted
Broadhurst Range	Paterson	E45/4543	100%	Granted
Northern Territory				
McArthur	McArthur River	EL25272	100%	Application
Nathan River	McArthur River	EL31045	100%	Granted
Bauhinia	McArthur River	EL31046	100%	Application
Italy				
Novazza	Novazza	N/A	100%	Application
Val Vedello	Val Vedello	N/A	100%	Application
Monica Mining Concession	Gorno	Decree 845	100%	Granted
Vedra	Gorno	Decree 9758	100%	Granted
Parina	Gorno	Decree 9966	100%	Granted
Riso	Gorno	Decree 772	100%	Granted
Zambla West	Gorno	Decree 771	100%	Granted
Usseglio	Punta Corna	Decree 628	100%	Granted
Usseglio	Balme	Decree 323	100%	Granted

NB: All tenements granted except those shown as "Application" or "Renewal".

CORPORATE DIRECTORY

Directors

Mr Alexander Burns	Executive Chairman
Mr Geraint Harris	Managing Director
Mr Stephen Hills	Finance Director
Mr Marcello Cardaci	Non-executive Director
Mr Campbell Olsen	Non-executive Director

Company Secretary

Mr Stephen Hills

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