

29 July 2020



QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2020

HIGHLIGHTS:

- Drilling results announced during the Quarter have some of the highest grade and thickest mineralised intercepts drilled to date at Pian Bracca and have extended the high-grade mineralisation significantly west towards the Zorzone JORC Resource.
- Selected high grade drill-hole intercepts:
 - 15.0m at 14.1% Zn and 4.2% Pb (18.3% Zn+Pb) and 70g/t Ag from 65.3m (PBD13A)
 - 2.4m at 27.0% Zn and 6.4% Pb (33.4% Zn+Pb) and 59g/t Ag from 37.6m (PBD13);
 - 3.7m at 12.0% Zn and 6.4% Pb (18.4% Zn+Pb) and 78g/t Ag from 79.0m (PBD16); and
 - 7.6m at 8.2% Zn, 3.4% Pb (11.6% Zn+Pb) and 17g/t Ag from 34.2m (PBD17).
- Channel sampling has been conducted 850m north-west of Pian Bracca into the prospective Ponente area, which establishes a new potentially high-grade exploration target in addition to the Pian Bracca Zone. Channel sample highlights include:
 - 2.4m at 51.5% Zn and 7.3% Pb (58.8% Zn+Pb) and 80g/t Ag (POCH04); and
 - 2.2m at 28.8% Zn and 3.2% Pb (32.0% Zn+Pb) and 39g/t Ag (POCH09).
- Metallurgical testwork and concentrate specifications released to the market
 - Flotation recoveries of 96.0% for zinc and 74.2% for lead, to concentrate with a simple and proven processing flowsheet, coarse grind size and a straight-forward comminution circuit;
 - World class high-quality lead and zinc concentrate specifications produced; with a zinc concentrate grade of 63.3% Zn (1.66% Si and 0.62% Fe) and a lead concentrate grade of 75.8% Pb with 810g/t Ag.
- Exploration activities and drilling re-started with an initial 18-hole/ 1,500m drilling campaign to test high-priority extensional targets to the west, north and south of previously drilled mineralisation.
- Alta secured \$3.6M in a two-tranche oversubscribed placement to fund Gorno exploration. Cash at 30 June 2020 including Tranche 1 placement proceeds was \$2.3M. This excludes Tranche 2 placement proceeds of \$1.35M and proceeds from an ongoing \$0.5M Securities Purchase Plan.

Alta Zinc Limited (ASX: AZI) (Alta or the Company) is pleased to provide its Quarterly Activities Report for the period ended 30 June 2020.

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

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Gorno Zinc Project (Lombardy, Northern Italy)

Pian Bracca diamond drilling program and Ponente channel sampling

Hole PBD13A returned the highest grade and longest sample interval drilled to date with 15.0m at 14.1% Zn and 4.2% Pb (18.3% Zn+Pb) and 70g/t Ag from 65.3m. This highlights the quality of the mineralisation that has been recently intersected from our drilling at the Gorno Project. Drilling also continued to intersect mineralisation within the underlying 'Breno' lens. The Pian Bracca and Breno lenses form multiple closely-stacked layers of mineralisation which are accessible from nearby underground development.

Further drilling announced in the quarter extended the Pian Bracca mineralisation an additional 140m to the west and intersected high grades, for a total strike extension of 415m since drilling commenced. Also re-logging of drill-core from the Zorzone area (from the 2016 drill campaign) confirmed that thrust hosted mineralisation is also present above the stratabound mineralisation potentially extending this mineralisation style an additional 260m to the west from the current drilling.

Following the mapping of underground development and reviewing the historical data, the Company has conducted channel sampling in the Ponente area, 850m north-west of Pian Bracca. The stratabound mineralisation in the Ponente area was partially mined with stopes of 8-10m average height and recent channel sampling has demonstrated grades of up to 51.5% Zn and 7.3% Pb (58.8% Zn+Pb) and 80g/t Ag (POCH04), which highlights the high-grade tenor of the mineralisation exposed and visible in the sidewalls of existing development. Hence, the Company has planned a drilling program at Ponente, with the aim of continuing to expand the Gorno Mineral Resource base with higher grade tonnage.

Normal site exploration and drilling activities have resumed at Gorno following lifting of the COVID-19 imposed lock-down. Figure 1 illustrates the current drilling plan designed to test extensions to Pian Bracca in three directions, in addition to starting new drilling activities at Ponente.

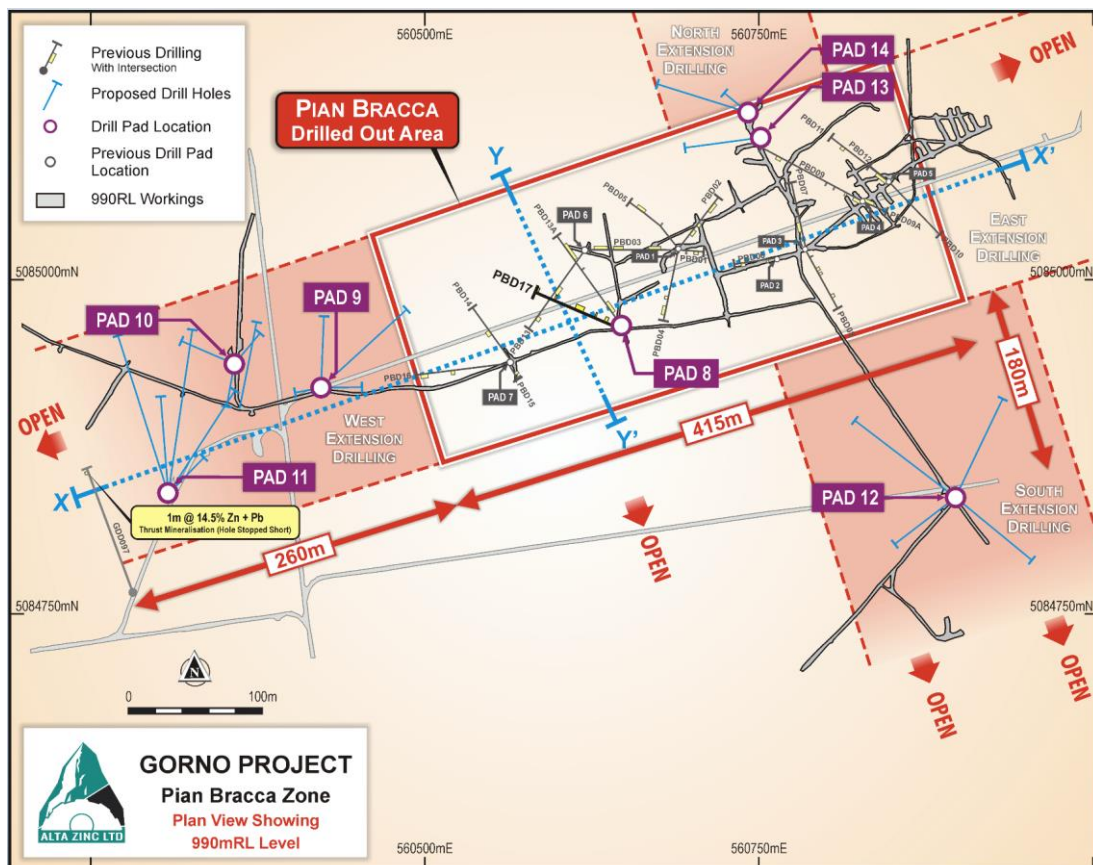


Figure 1: Plan view showing recent drilling & the planned Pian Bracca drilling campaign

Figure 2 summarises the recent drilling at Pian Bracca and demonstrates the lateral continuity of both mineral horizons intersected by almost all drill-holes to date. The figure also shows the drilling planned to extend the mineralisation to the west by infilling the 260m space between Pian Bracca and the Zorzone Mineral Resource.

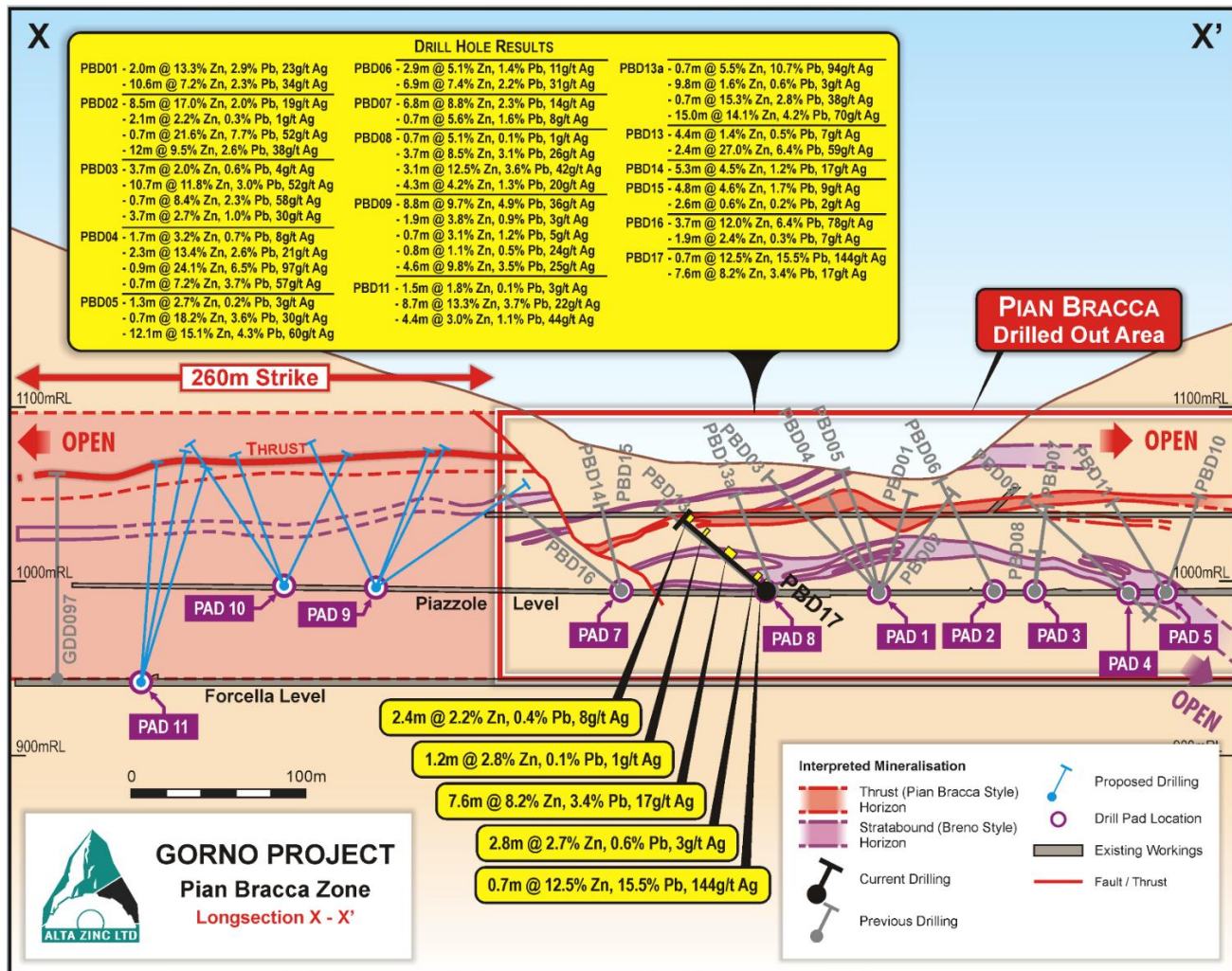


Figure 2: Long-section E-W through Pian Bracca showing recent drilling & planned drilling to the West

To date all drill holes have intersected material grade and thickness at Pian Bracca, which demonstrates both the Company's high level of geological understanding and the good continuity of the mineralisation between structural controls. This bodes well for the Company's strategy of building a larger and higher grade mineral resource inventory. Highlighted results for all drill holes and channel samples from Pian Bracca and Ponente are shown in Table 1 and Table 2.

Table 1: Highlighted results of holes drilled to date (showing down hole thickness)

Hole ID	From m	To m	Intercept m	Ag g/t	Zn %	Pb %	Pb+Zn %
PBD01	18.0	20.0	2.0	23	13.3	2.9	16.1
PBD01	36.6	47.2	10.6	34	7.2	2.3	9.5
PBD02	23.4	31.9	8.5	19	17.0	2.0	19.1
PBD02	40.3	41.0	0.7	52	21.6	7.7	29.3
PBD02	56.9	68.9	12.0	38	9.5	2.6	12.1
PBD03	58.0	68.7	10.7	52	11.8	3.0	14.8
PBD03	74.7	75.4	0.7	58	8.4	2.3	10.6
PBD04	54.7	57.0	2.3	21	13.4	2.6	16.0
PBD04	64.2	67.5	3.3	39	8.1	2.6	10.8
PBD05	31.4	32.1	0.7	30	18.2	3.6	21.8

PBD05	59.5	71.6	12.1	60	15.1	4.3	19.4
PBD06	13.9	16.8	2.9	11	5.1	1.4	6.5
PBD06	52.8	59.6	6.9	31	7.4	2.2	9.6
PBD07	16.3	23.0	6.8	14	8.8	2.3	11.1
PBD07	25.7	26.4	0.7	8	5.6	1.6	7.1
PBD08	27.7	31.4	3.7	26	8.5	3.1	11.6
PBD08	34.0	37.1	3.1	42	12.5	3.6	16.2
PBD08	64.2	68.5	4.3	20	4.2	1.3	5.4
PBD09	0.0	8.8	8.8	36	9.7	4.9	14.6
PBD09	80.5	85.1	4.6	25	9.8	3.5	13.4
PBD09A	0.0	10.1	10.1	5	1.5	0.9	2.4
PBD10	0.0	0.7	0.7	6	8.2	1.5	9.8
PBD11	5.2	13.9	8.7	22	13.3	3.7	17.0
PBD11	55.4	59.8	4.4	44	3.0	1.1	4.0
PBD12	0.0	11.3	11.3	11	3.5	1.7	5.2
PBD13a	0.0	0.7	0.7	94	5.5	10.7	16.2
PBD13a	12.5	22.3	9.8	3	1.6	0.6	2.2
PBD13a	55.1	55.8	0.7	38	15.3	2.8	18.0
PBD13a	65.3	80.3	15.0	143	14.1	4.2	18.3
PBD13	37.6	40.0	2.4	59	27.0	6.4	33.3
PBD14	34.8	40.1	5.3	17	4.5	1.2	5.7
PBD15	24.0	28.1	4.1	10	5.2	1.9	7.1
PBD16	79.0	82.7	3.7	78	12.0	6.4	18.4
PBD17	0.0	0.7	0.7	144	12.5	15.5	28.0
PBD17	34.2	41.8	7.6	17	8.2	3.4	11.6

Table 2: Highlighted Channel Sample Assays from Pian Bracca & Ponente (cut orthogonal to mineralisation, full drive height including dilution)

Hole ID	From m	To m	Intercept m	Ag g/t	Zn %	Pb %	Pb+Zn %
PBCH01	0.0	2.6	2.6	29	7.4	2.7	10.1
PBCH02	0.0	2.3	2.3	42	13.3	2.4	15.6
PBCH03	0.0	2.6	2.6	48	9.9	2.8	12.7
PBCH04	0.0	2.2	2.2	31	10.5	2.3	12.8
PBCH05	0.0	2.1	2.1	62	16.4	4.5	20.9
PBCH06	0.0	2.1	2.1	52	8.5	2.5	11.0
PBCH07	0.0	2.4	2.4	49	11.2	5.0	16.2
PBCH08	0.0	2.7	2.7	128	19.1	4.4	23.5
PBCH09	0.0	2.0	2.0	128	39.5	9.4	48.9
PBCH10	0.0	2.4	2.4	21	16.2	2.4	18.6
PBCH11	0.0	2.3	2.3	12	5.3	1.9	7.2
PBCH12	0.0	2.1	2.1	9	4.2	1.7	5.8
PBCH13	0.0	2.7	2.7	6	2.7	1.3	4.0
PBCH14	0.0	2.8	2.8	41	30.4	5.0	35.3
POCH01	0.0	1.8	1.8	19	1.1	2.5	3.7
POCH02	0.0	2.5	2.5	59	11.7	3.0	14.7
POCH03	0.0	2.4	2.4	38	7.9	2.4	10.3
POCH04	0.0	2.4	2.4	80	51.5	7.3	58.7
POCH05	0.0	1.8	1.8	3	6.4	0.6	7.1
POCH06	0.0	1.7	1.7	5	12.4	0.8	13.2
POCH07	0.0	2.1	2.1	90	30.2	5.0	35.2
POCH08	0.0	2.8	2.8	46	20.1	5.3	25.4

POCH09	0.0	2.2	2.2	39	28.8	3.2	32.0
POCH10	0.0	2.0	2.0	21	14.9	1.4	16.3
PBD13a	12.5	22.3	9.8	3	1.6	0.6	2.2
PBD13a	55.1	55.8	0.7	38	15.3	2.8	18.0
PBD13a	65.3	80.3	15.0	143	14.1	4.2	18.3
PBD13	37.6	40.0	2.4	59	27.0	6.4	33.3
PBD14	34.8	40.1	5.3	17	4.5	1.2	5.7
PBD15	24.0	28.1	4.1	10	5.2	1.9	7.1
PBD16	79.0	82.7	3.7	78	12.0	6.4	18.4
PBD17	0.0	0.7	0.7	144	12.5	15.5	28.0
PBD17	34.2	41.8	7.6	17	8.2	3.4	11.6

Advanced Metallurgical Testwork

During the quarter Alta released metallurgical testing results for the Gorno project. These results demonstrated high metallurgical recoveries at 96.0% for zinc, 74.2% for lead and 59.1% for silver. The simple crush, grind, flotation processing route envisaged is similar to that used with success historically at Gorno and is typical for many Mississippi Valley Type deposits, also with a low bond work index (of 11.65 kWh/t) and excellent metal liberation at a coarse grind size (P80 of 120 microns). The PFS level testwork illustrates that the Gorno metallurgy is substantially de-risked compared to other exploration projects at a similar stage. Figure 3 below shows the proposed Gorno mineral processing flowsheet.

Notably, the zinc concentrate grade is 63.3% Zn with exceptionally low iron and silica values (1.66% Si and 0.62% Fe). The lead concentrate grade is 75.8% Pb with 810g/t Ag contained and also has exceptionally low levels of contaminants. To demonstrate the value of this high grade and high quality concentrate, Alta conducted a preliminary independent concentrate marketing study which confirms that these concentrates will be amongst the highest grade and cleanest concentrates available globally. As such they are likely to be highly sought after and have the potential to command superior economics by European and worldwide smelters looking to improve the blend of their feedstock from the growing international supply of less high quality concentrates.

Tenements

Current tenement holdings, tenements disposed of and tenements acquired during the quarter are shown in the attached Tables 3 to 5.

By the board of Alta Zinc Limited.

Geraint Harris
Managing Director
info@altazinc.com

About Alta Zinc Limited

Alta Zinc Limited owns 100% of the historic Gorno Zinc Project, near Bergamo in the Lombardy region of northern Italy. The Company is committed to a strategy to define additional zones of high-grade mineralisation, which will enable development options to be reconsidered at the appropriate time and taking advantage of strong local support, excellent metallurgy, established infrastructure and favourable zinc market conditions. The Bergamo region of Italy has a long history of mining extending back to the Pre-Roman times. The Gorno underground zinc mine ceased operations in the early 1980s following a government directive for its then-owner SAMIM (a state-owned company and part of the ENI group) to focus solely on oil and gas. The Company also holds two ELs in Piedmont, Italy for the Punta Corna Cobalt Project and an exploration portfolio in Australia.

Competent Person Statements

Information in this release that relates to 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) and a consultant 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 release that relates to metallurgy and metallurgical test work has been reviewed by Mr Sergio Di Giovanni, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a consultant to Alta Zinc Limited. Mr Di Giovanni has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Di Giovanni consents to the inclusion in this report of the contained technical information in the form and context as it appears.

Table 3: Schedule of mining tenements held

Project	Tenement	Entity's Interest	Comments
Western Australia			
Broadhurst Range	E45/4543	100%	Granted
Northern Territory			
McArthur	EL25272	100%	Application
McArthur	EL31045	100%	Granted
McArthur	EL31046	100%	Application
Italy			
Novazza	N/A	100%	Application – on hold
Val Vedello	N/A	100%	Application – on hold
Gorno – Monica Concession	Decree 845	100%	Renewal & extension in process
Gorno – Vedra	Decree 975	100%	Consolidation in process (granted July 2020)
Gorno – Zambla West	Decree 771	100%	
Gorno – Parina	Decree 4358	100%	
Punta Corna	Decree 628	100%	Granted
Balme	Decree 323	100%	Granted

Table 4: Schedule of mining tenements reduced

Area of Interest	Tenement	Entity's Interest	Comments
Moses Chair	E45/4534	100%	Relinquished
Gorno – Riso	Decree 772	100%	Expired

Table 5: Schedule of mining tenements increased

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTA ZINC LIMITED

ABN

63 078 510 988

Quarter ended ("current quarter")

30 JUNE 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(608)	(2,703)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(118)	(675)
	(e) administration and corporate costs	(52)	(321)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	74	74
1.9	Net cash from / (used in) operating activities	(704)	(3,623)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(14)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(14)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,864
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(155)	(267)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – share placement proceeds for shares allotted after the end of quarter	2,202	2,202
3.10	Net cash from / (used in) financing activities	2,047	3,799

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	926	2,094
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(704)	(3,623)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,047	3,799

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(8)	5
4.6	Cash and cash equivalents at end of period	2,261	2,261

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,111	785
5.2	Call deposits	150	1,200
5.3	Bank overdrafts	-	-
5.4	Other (provide details if material)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,261	1,985

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	106,741
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Included in item 1.2: - Remuneration payments to Executive Chairman, Managing Director, Finance Director and Non-Executive Director fees, \$106,081. - Payments to Gilbert & Tobin Lawyers for legal services, \$660. Mr Cardaci, Non-Executive Director, is a consultant of Gilbert & Tobin. The legal services were not provided by Mr Cardaci.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (bank guarantee)	13	13
7.4	Total financing facilities	13	13
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(704)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(704)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,261
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,261
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.21
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 29 July 2020

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.