

ASX Announcement

25 January 2019

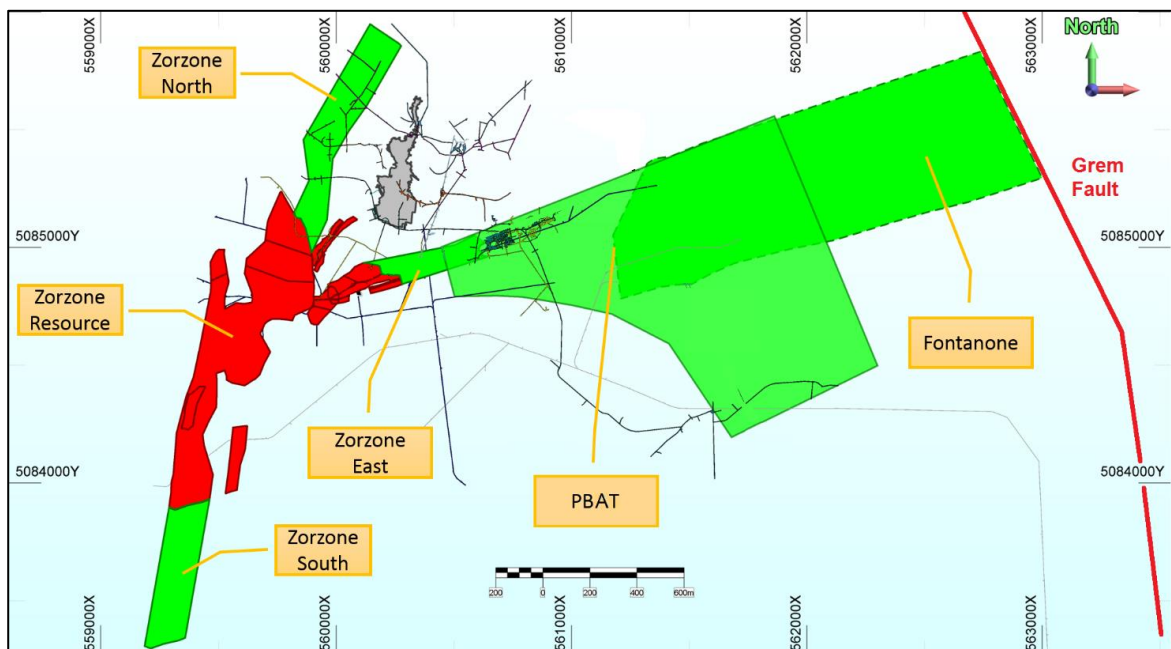


Exploration Study resets Exploration Target at flagship Gorno Zinc Project

In parallel with the Phase 1 Technical Study that is based on the Zorzone Mineral Resource, Alta Zinc Ltd (ASX: AZI) ("Alta" or "the Company") has pursued an intensive exploration program in the Gorno Project Area ("GPA") over the past 12-18 months – carefully investigating all mineralisation beyond the limits of Zorzone – to better understand the potential to enlarge the resource in line with the development strategy.

This work has resulted in the preparation of a comprehensive Exploration Study that was the culmination of:

- Continuing and successful searches of the archives for historical drive mapping and drillhole data
- Recent Company mapping, sampling and a geophysical survey utilising the underground access
- Re-interpretation of all areas considered to have good exploration potential in the context of recent independent research mapping of the Alpine folding and faulting structures
- Resetting of the Exploration Target for the GPA, which now comprises five separate targets (refer to green areas in the diagram below showing high tonnage estimate) in three target groups as follows:
 - **Zorzone Extensions** – North, South and East targets
 - **Pian Bracca/Arera Thrust (PBAT)** target
 - **Fontanone** target



- Formulation of a 5-Stage Exploration Plan, consistent with the Company's project development strategy, to progressively drill test the five targets. Details for Stage 1 drilling are included on page 2.

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Background to this Report in the Context of Alta's Phased Project Development Strategy

As previously reported, Alta adopted a phased development approach in commissioning independent studies to confirm the technical viability of Gorno. Phase 1 focused on exploiting Zorzone's accessible sulphide zones and hence was very restricted in scale. For Phase 2 – and the project development plan – the focus will be to add value through scale enhancements, primarily as a result of increasing the GPA's Mineral Resource.

This development strategy involves resource definition drilling of the Zorzone Extensions, and in particular the known mineralised area of Pian Bracca which is 300m to the east of Zorzone and forms part of the PBAT target. Over and above this, further resources could potentially be defined by drilling the Arera Thrust part of the PBAT, and Fontanone. Drill testing of these areas is planned within the 5-Stage Exploration Plan, in which it is envisaged that exploration and development will follow the mineralisation progressively eastward over time.

Alta Zinc's Executive Chairman and CEO, Mr Alexander Burns, said:

"The systematic evaluation by our geologists over the past 12 months has enabled us to collate all available information sources and develop a thorough conceptual understanding of the geology and stratigraphy of the GPA. This has provided us with an excellent platform to prioritise our planned future exploration as well as reinforcing our confidence in Alta's ambition to re-establish a long-life mining operation at Gorno"

Table 1 summarises the Gorno Exploration Target, which has now been reset to 9-21Mt at 6-7% Zn+Pb.

Table 1: Gorno Zinc Project, Exploration Target

Target/Group	Mineralisation Style	Mt (low)	Mt (high)	Pb+Zn % (low)	Pb+Zn % (high)
S/T 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

SB = Stratabound style mineralisation; PB = Pian Bracca style mineralisation

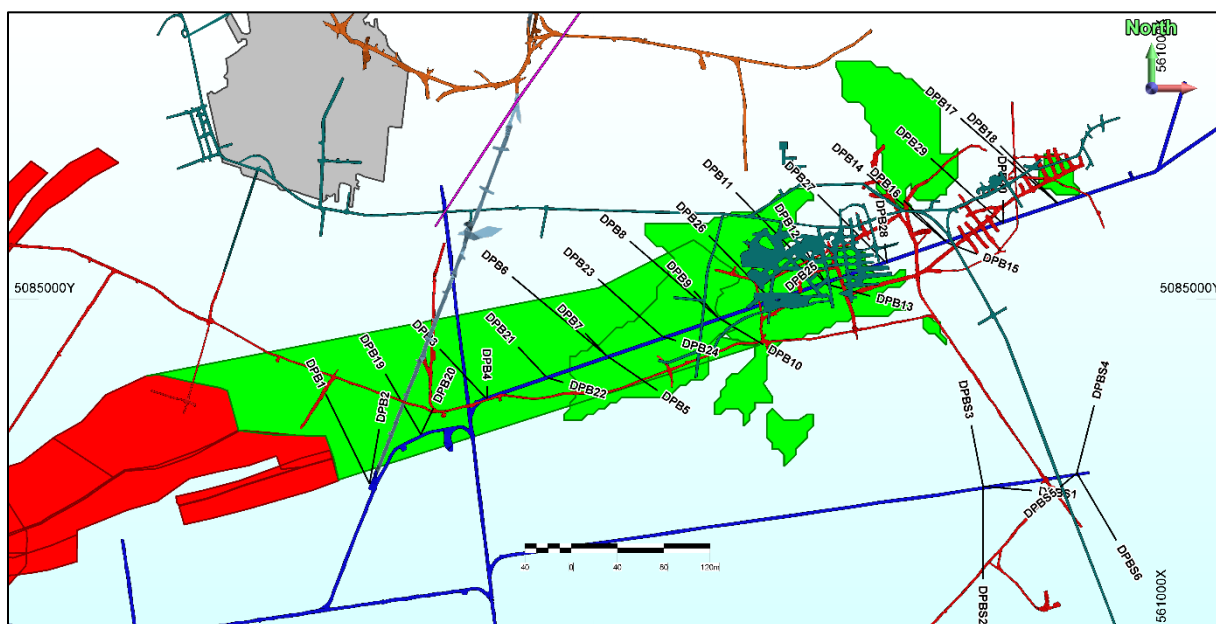
The potential quantity and grade of the Exploration Target shown is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Proposed Drilling Program for 2019 – Stage 1

The planned Stage 1 drillhole locations are at **Zorzone East** and **Pian Bracca**. The locations are shown in the diagram on page 3.

- Resource definition drilling (Indicated) at 50m x 50m drillhole spacing. This will initially be drilled at 50m x 100m drillhole spacing and will be followed up by the 50m x 50m infill drilling to define an Indicated Mineral Resource. A pre-requisite to the drilling is 550m of rehabilitation in the western part of the 940m RL Forcella drive, from which the holes will be drilled.
- Resource definition drilling (Inferred) downplunge at approximately 100m x 100m drillhole spacing. A prerequisite is to remove mining waste from the 940m RL Forcella drive.

Stage 1 Exploration Plan, proposed drillholes for Zorzone East & Pian Bracca (plan view)



Note: The Zorzone East (north) drillholes are prefixed "DPB", and the Zorzone East (south, i.e. down-plunge) holes are prefixed "DPBS". Both sets of holes will be drilled from the Forcella drive (940m RL).

ADDITIONAL SUPPORTING INFORMATION

The Company's regional exploration strategy has proved successful. It recently discovered valuable additional historical data relating to Pian Bracca (announced to the ASX on 19 March 2018¹). Over the course of the past 18 months, high grade Zn-Pb assays have been recorded in samples collected by the Company from surface and drive faces at several locations outside the Zorzone Resource. These have all been previously announced to the ASX, as summarised below:

- On 26 June 2017², face samples taken at the 600m RL, Riso-Parina tunnel (RPF1 to RPF7) assayed up to 47.2% Zn + 10.7% Pb (refer to Figure 15); grab samples of sulphides taken from historical near-surface workings on the slopes of Mt Arera (C1 to C8) ranged up to 50.9% Zn+Pb from dumps and 47.1% Zn+Pb from outcrop (refer to Figure 16). Additional historical drilling data relevant to the extent of the Fontanone target was also included in this announcement for drill holes RP53 and FE80.
- On 24 July 2017³, face samples taken over 5-7m horizontally or 3-4m vertically along the Pian Bracca 990m RL drive at Zorzone East (S1 to S43) gave composite assay results of up to 42.9% Zn + 4.6% Pb.
- On 31 October 2017⁴, 32 horizontal face samples from the Zorzone North Ponente 1070m RL drive (CS1 to CS32) returned composite assay results of up to 20.8% Zn + 5.7% Pb over 5m.
- On 19 March 2018¹, vertical drive channel composite samples (PBCH01 to PBCH07) from seven locations at Pian Bracca 1040m RL, 1034m RL and 1028m RL drives returned (weighted average) assay results ranging from 10.13% Zn+Pb over 2.6m up to 20.9% Zn+Pb over 2.1m in a previously unsampled and unmapped area. These were described as shear (thrust) zone style mineralisation.

This exploration, culminating in recent times with the critical re-interpretation of all available geological information, has led to a significant revision of the Exploration Target for the Gorno Project Area (GPA). The previous revision was announced to the ASX on 16 March 2016⁵.

The new Exploration Target comprises five separate target areas. The lower and upper tonnages for each target have been estimated from new 3D models. The models incorporate available historical drilling data, historical and recent drive mapping and face sampling. There are three main target groups:

- **Zorzone Extensions:** Zorzone North, Zorzone South and Zorzone East targets. They are, respectively, up-plunge, down plunge and along strike from the gently south-plunging antiformal Zorzone deposit.
- **Pian Bracca/Arera Thrust (PBAT).** This east-west tectonic thrust fault system, to the east of Zorzone, was previously reported as separate structures for Pian Bracca and the Arera Thrust. Company geologists have recently recognised this system as a single thrust zone – the PBAT; and
- **Fontanone,** also a single target.

The locations of the five targets are shown in Figure 1 (low tonnage estimate) and Figure 2 (high tonnage estimate). The red areas represent in plan view the Zorzone Mineral Resource and the green areas represent the five targets that together comprise the Gorno Exploration Target.

The five target areas are within the existing tenement area of the GPA. The GPA comprises of one mining permit – the Monica Mining Permit (Decree 845) and four exploration licences, all currently under renewal: Vedra (Decree 5846); Parina (Decree 1995); Riso (Decree 3365); and Zambra (Decree 2869).

These tenements are 100% owned and operated by Energia Minerals (Italia) Srl (EMI), a 100% owned subsidiary of Alta Zinc. The titles are current at the time of this announcement. All tenements are in good standing and no impediments to operating are currently known to exist.

Figure 1: Gorno Project Area, location of the five target areas (low tonnage estimate)

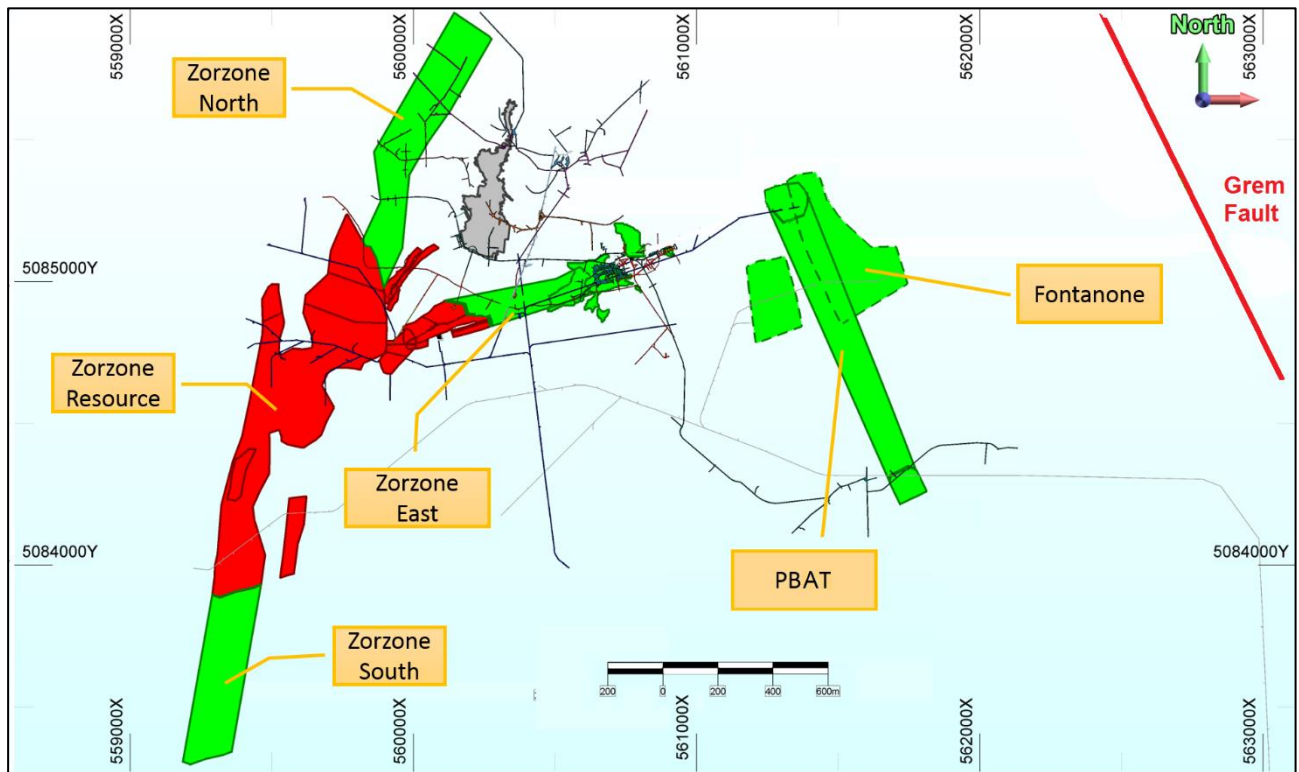
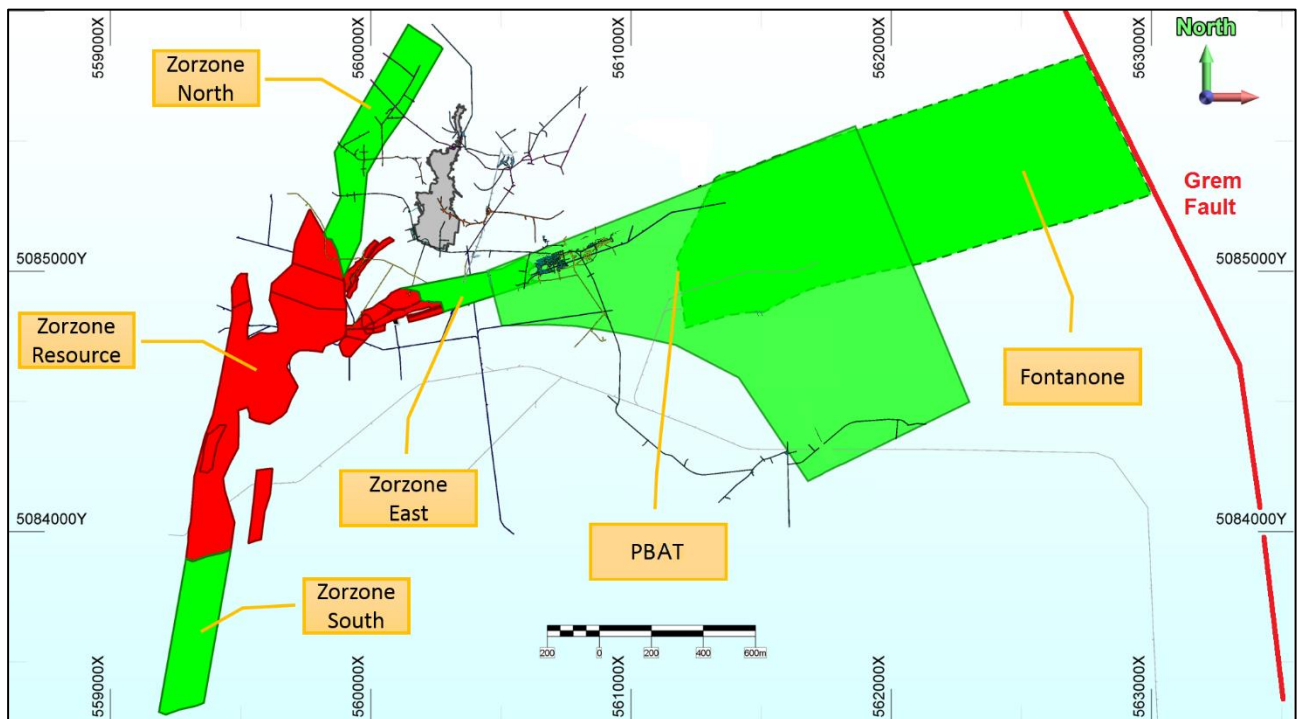


Figure 2: Location of the five target areas (high tonnage estimate)



The processes used to determine the grade and tonnage ranges for each of the five component target areas comprising the overall Exploration Target, together with the target tonnage and grade estimates, are described below.

The proposed exploration activities designed to test the validity of the Exploration Target and its timeframe, in the form of a 5-Stage (nominally 5-Year) Exploration Plan is also detailed below.

Gorno Mineralisation Styles

There are two main mineralisation styles evident at Gorno:

Stratabound Style Mineralisation (SB)

Figure 3 shows typical stratabound style mineralisation. In this example from Zorzone, the mineralisation occurs as massive light brown lumps “floating” within thin stratabound layers in black shale and dark grey limestone at the contact between the favourable Metallifero Formation and the overlying Gorno Formation. The mineralisation at Zorzone, Zorzone Extensions and Fontanone is this stratabound style.

Figure 3: Zorzone example of stratabound mineralisation in black shale/limestone host



Tectonic Mélange (Breccia) Style Mineralisation (PB)

As reported to the ASX on 19 March 2018, a distinctive thicker mineralisation style, comprising fine-grained (microcrystalline) sphalerite was first identified at Pian Bracca, where it occurs in structural traps within a thrust (shear) zone. It has also been described as “Pian Bracca Style” mineralisation. Figure 4 shows an example, at Pian Bracca 1040m RL, where sphalerite (ZnS) occurs in a mélange at the hangingwall thrust contact (dark area at the top of the figure).

Following recent intensive Company studies of historical data, this thrust zone (and its mineralisation style) has been interpreted to extend eastwards and include the Arera Thrust and is now designated the Pian Bracca/Arera Thrust (PBAT).

Figure 4: Pian Bracca 1040m RL, Microcrystalline sphalerite in tectonic mélange (breccia)



Zorzone Mineral Resource Estimate

The current (December 2017) Zorzone Mineral Resource estimate of 3.3Mt at 6.2% Zn+Pb (Indicated and Inferred) at a cut-off grade of 1% Zn was announced to the ASX on 8 December 2017⁶.

The location and grade of the Zorzone Mineral Resource is relevant to the three stratabound Zorzone Extensions targets as these are contiguous, or near-contiguous with the stratabound Zorzone Mineral Resource. This fact, together with evidence of mineralisation in accessible drives (at Zorzone North and East) and historical drilling, adds confidence to the estimates for the stratabound Zorzone Extensions targets, which are located:

- up-plunge from Zorzone at Zorzone North;
- down-plunge from Zorzone at Zorzone South; and
- along strike from Zorzone at Zorzone East.

The grade of the Zorzone Mineral Resource has been used as a realistic guide for setting the target grade ranges.

Zorzone Extensions Targets

Zorzone North Target

Although there is limited underground development on the upper Zorzone North level, stratabound mineralisation was observed there in 2017 at 1070m RL⁴, approximately 300m north of Zorzone. This mineralisation is up-plunge from Zorzone and occurs between the Metallifero and Gorno formations and intercalated black shales. The results of a mapping and sampling program there were as follows:

- The Company collected 32 horizontal rock chip channel samples over 4-6m.

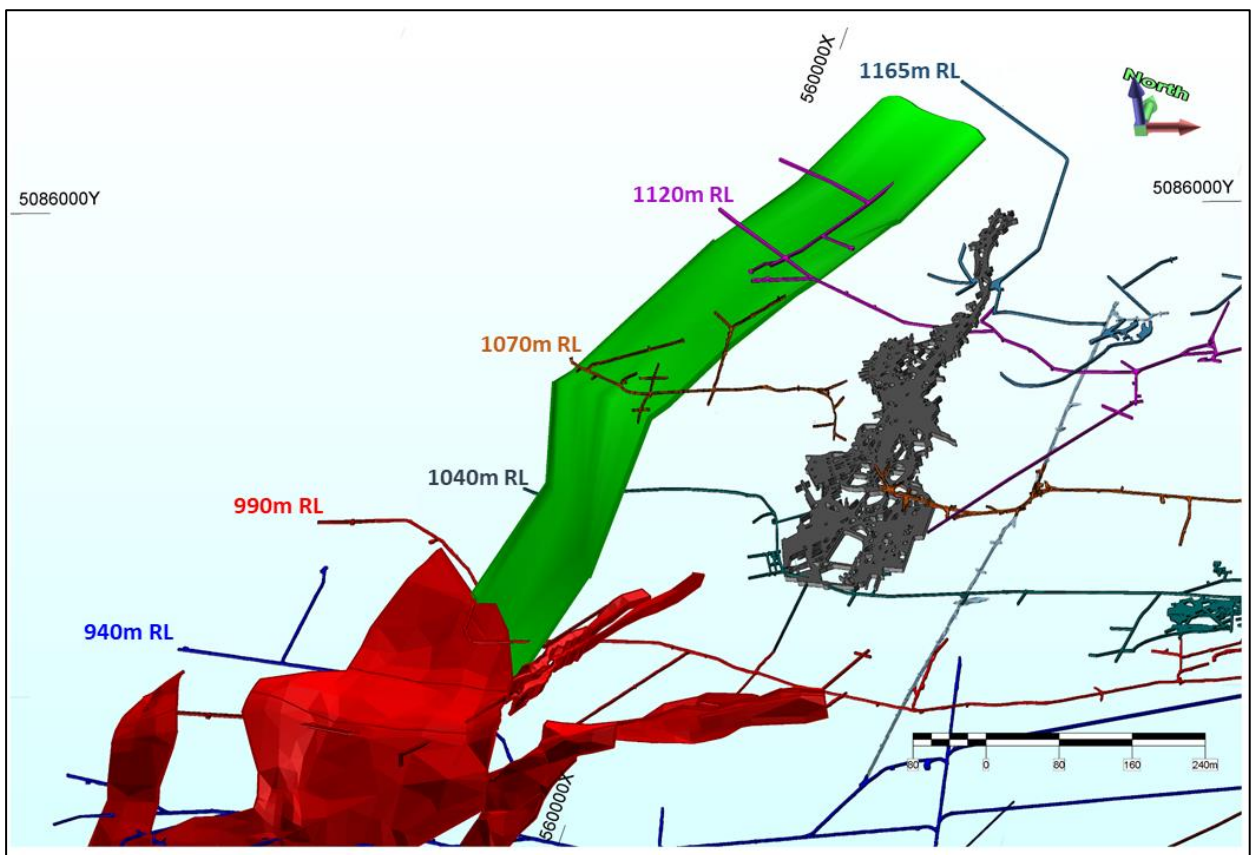
- The assay results ranged from 0.7% to 20.8% Zn and 0.2% to 5.7% Pb.
- Examination of historical drilling records and structural measurements showed that the gently folded shallow dipping mineralised horizon (which undulates above and below the Ponente 1070m RL drive) is potentially continuously mineralised and wider than previously thought.

The Company has combined all available evidence of mineralisation at Zorzone North into a 3D model for estimation of target volumes and tonnages. Target grade ranges have been guided by the Zorzone Mineral Resource grade.

The approximate dimensions of the Zorzone North target are as follows (Figure 5):

- Low end of tonnage range: 150m (X) x 400m (Y) x 3.6m (Z);
- High end of tonnage range: 150m (X) x 800m (Y) x 3.6m (Z).

Figure 5: Zorzone North Target (3D view)



Red area = Zorzone Mineral Resource; green area = Zorzone North target.

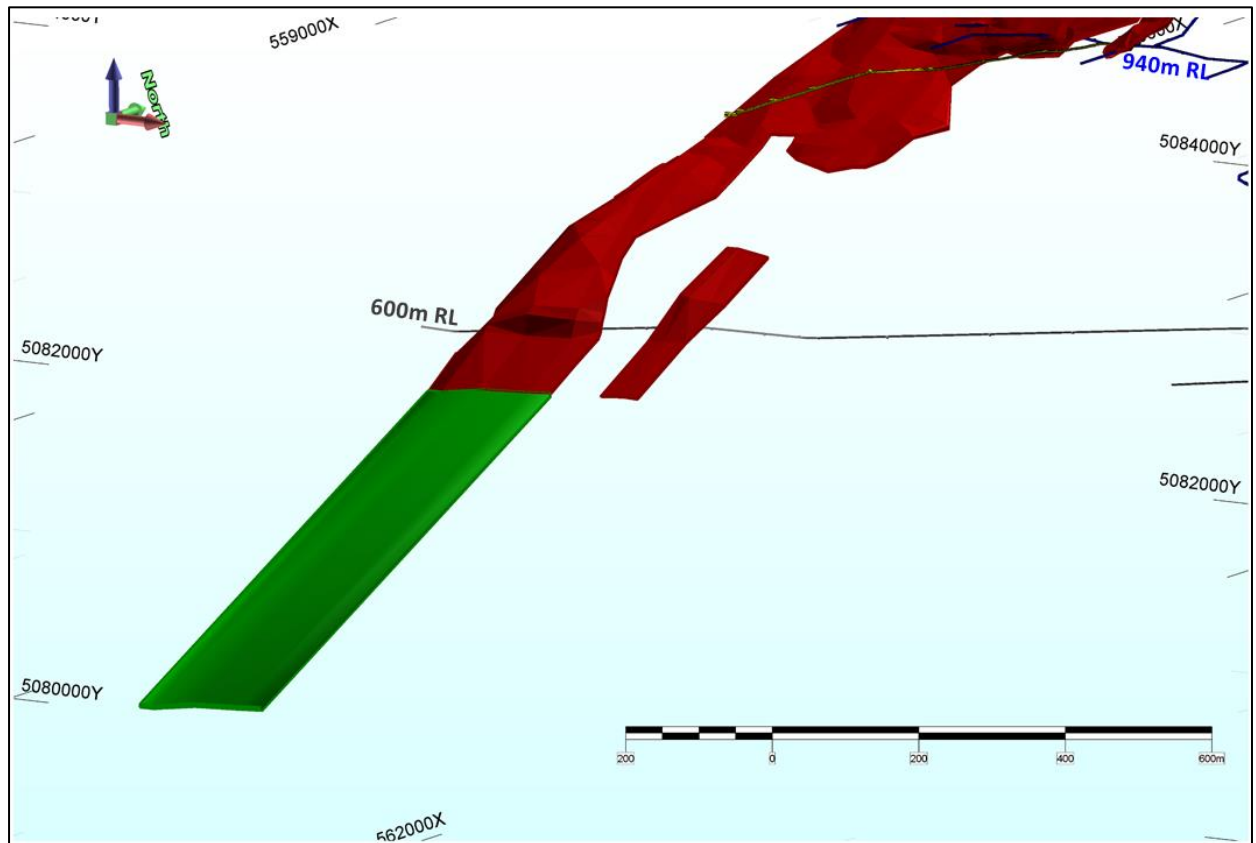
Zorzone South Target

The Zorzone South stratabound target is in an area to the south (down-plunge/dip) of the Zorzone Mineral Resource.

The position of Zorzone South relative to the Zorzone Mineral Resource is shown (3D view) in Figure 6.

Exploration to date has been limited, as there is currently no access to inspect the area. However, there are no known structural controls to suggest that mineralisation is truncated above the Riso-Parina tunnel.

Figure 6: Zorzone South Target (3D view)



Red area = Zorzone Mineral Resource; green area = Zorzone South target.

The approximate dimensions of the Zorzone South target are as follows:

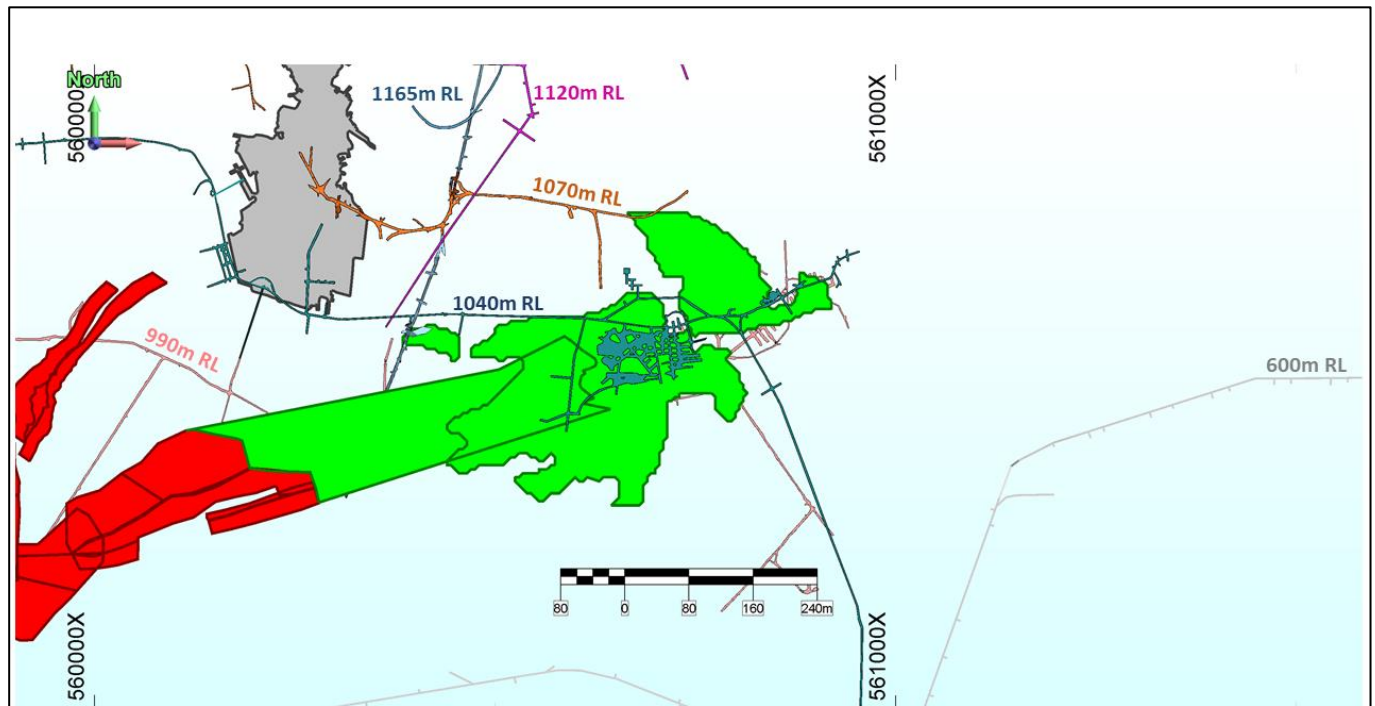
- Low end of tonnage range: 170m (X) x 300m (Y) x 3.6m (Z);
- High end of tonnage range: 170m (X) x 700m (Y) x 3.6m (Z) (projected further down-dip, below water table).

Zorzone East Target

The Zorzone East stratabound target is in an area to the east (along strike from) the Zorzone Mineral Resource.

The position of Zorzone East relative to the Zorzone Mineral Resource is shown in plan view in Figure 7.

Figure 7: Zorzone East Target (Plan View)



Red area = Zorzone Mineral Resource; sub-rectangular green area is Zorzone East target; irregular bordered green area with included grey area (old stopes) is Pian Bracca. Note that Pian Bracca is locally close above Zorzone East (where outlines in green area overlap).

The approximate dimensions of the Zorzone East stratiform target are as follows:

- Low end of tonnage range: 50m (X) x 400m (Y) x 3.6m (Z);
- High end of tonnage range: 100m (X) x 400m (Y) x 3.6m (Z).

Pian Bracca/Arera Thrust (PBAT) Target

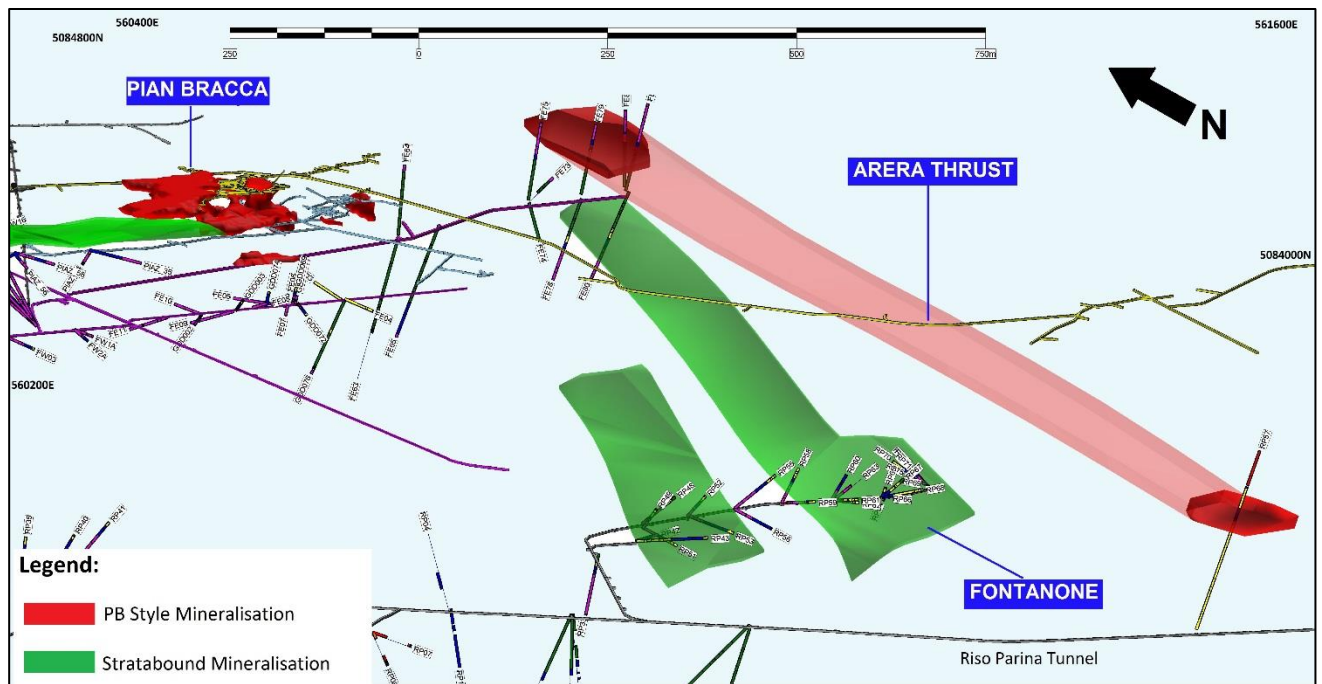
The overall relationships between the Pian Bracca and Arera Thrust components of the PBAT, as well as the underlying Fontanone stratabound target, are shown in Figure 8. The Arera Thrust has recently been re-interpreted as the eastern part of the same thrust zone that encompasses Pian Bracca. Consequently, the Company has estimated tonnage and grade ranges for the PBAT as a single target.

The evidence for this interpretation of the PBAT comes from extensive geological assessment, including:

- Re-examination and analysis of all available historical drive mapping and historical drillhole results for the area – particularly those drilled from the 940m RL Forcella drive and the 600m RL Riso-Parina tunnel;
- Recent Company mapping and examination of the visible thrust-related Pian Bracca Style mineralisation in old drives and stopes;
- A geophysical survey (in 2018) at Pian Bracca, reported to the ASX on 31 October 2018⁷. The results of this electrical survey were computed into a pseudo-conductivity model. This was shown to be a good predictor of the presence of underground mineralisation (based on the known presence of sulphide mineralisation); and
- Re-interpretation of all available historical and recent data – taking into account interpretations of folding and faulting and consistent with research by Alpine geology experts.

The low end of the tonnage range for the PBAT target (Pian Bracca and Arera Thrust) is shown in Figure 8, together with the underlying stratabound Fontanone target.

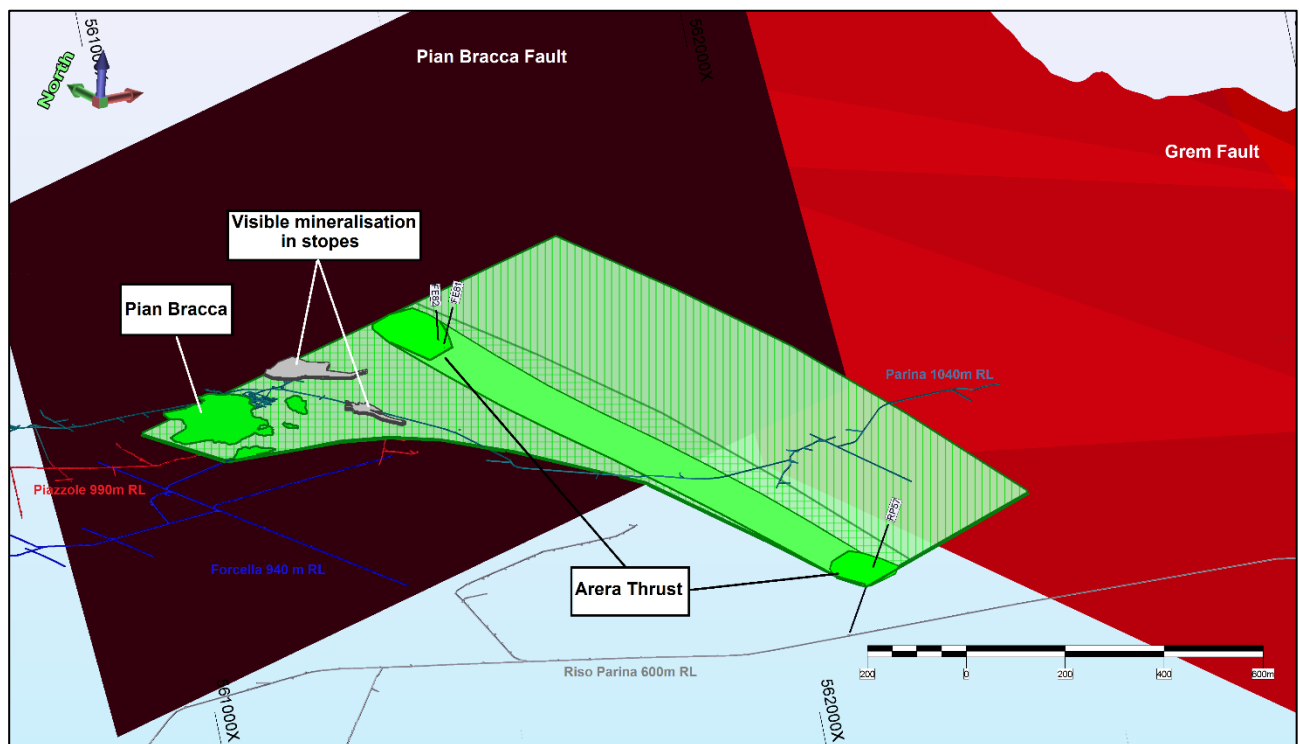
Figure 8: 3D View of Pian Bracca/Arera Thrust (PBAT) and Fontanone (low tonnage estimate)



Red area = PBAT target; eastern green area (centre of figure) = Fontanone target; western green area is Zorzone East target (partially shown)

Figure 9 shows the low tonnage estimates for Pian Bracca and the Arera Thrust (stronger green areas) and the high tonnage estimates (a combination of the dark and light green areas). The maximum tonnage target for the PBAT is projected to extend to within approximately 600m of the transverse Grem Fault (red).

Figure 9: 3D view of PBAT target



Bright green area = PBAT target (low tonnage); all green area = PBAT target (high tonnage)

Pian Bracca part of the PBAT

Pian Bracca is the western part of the PBAT target and has been studied extensively as there is good underground access as well as historical drilling.

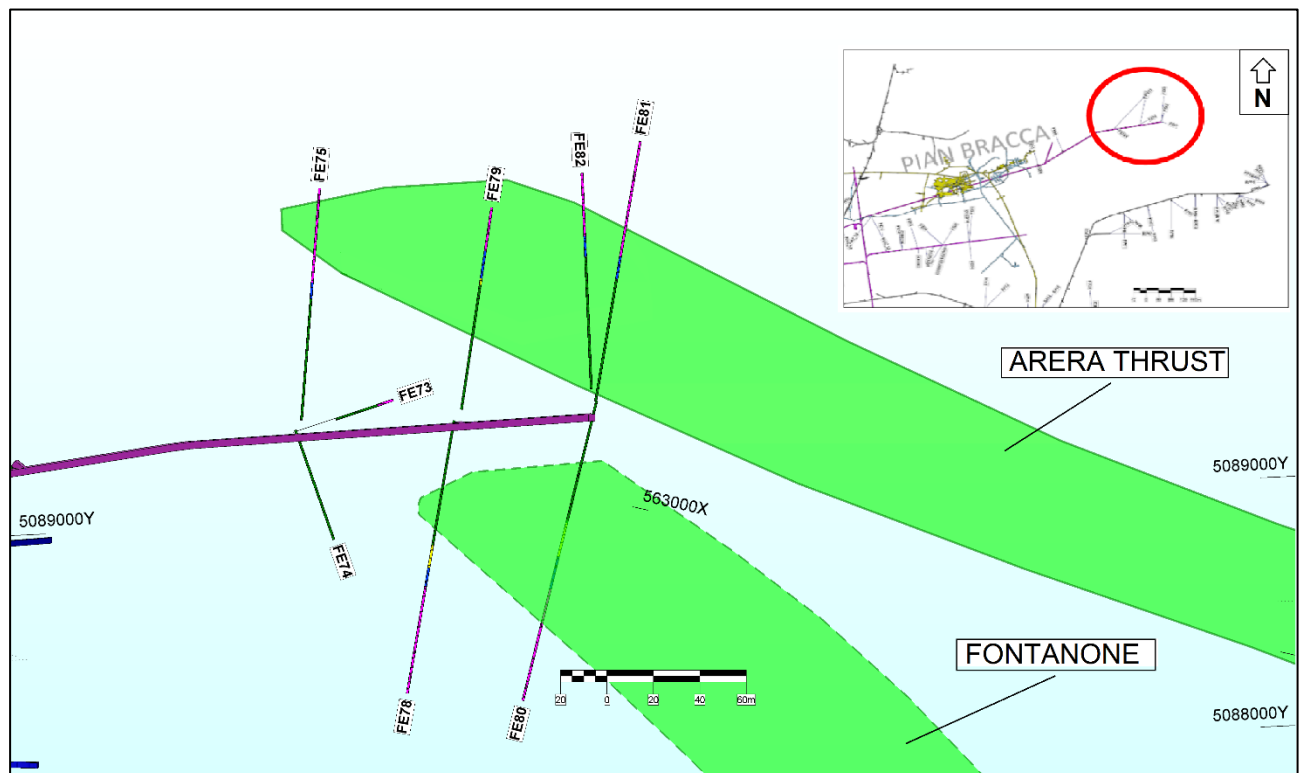
A set of historical Pian Bracca drilling data was discovered in December 2017 following further research of the archives. This was reported to the ASX on 19 March 2018¹.

This discovery included information on an extensive series of drives in a zone of sulphide mineralisation that had not previously been sampled or mapped by the Company and appeared to be thicker than other mineralised zones in the Gorno area. The area is between 1040m RL (where SAMIM had partially mined upper levels of the mineralisation in room and pillar stopes) and the 1028m RL. The mineralisation thickness in this area is estimated at 6m to 14m.

The Company followed up by collecting channel samples from seven locations at 1040m RL, 1034m RL and 1025m RL, where the mineralisation is exposed along the drive walls and in stope pillars. Channels were cut approximately vertically and/or perpendicular to the cleavage. Grades (weighted averages) ranged from 10.13% Zn+Pb to 20.92% Zn+Pb.

The concept of an eastern extension of Pian Bracca was originally proposed by SAMIM before mine closure in 1980, and the Forcella 990m RL drive was extended by SAMIM eastwards to permit drilling. SAMIM drilled seven diamond holes. Four of these (FE78, FE79, FE80 and FE82, Figure 10) were drilled upwards and intersected mineralisation in the Metallifero Formation. Assay data for holes FE79, FE81 and FE82 were found in the archives and support the concept of an eastern extension of the Pian Bracca style mineralisation.

Figure 10: SAMIM drilling at eastern branch of 940m RL Forcella drive



Arera Thrust part of the PBAT

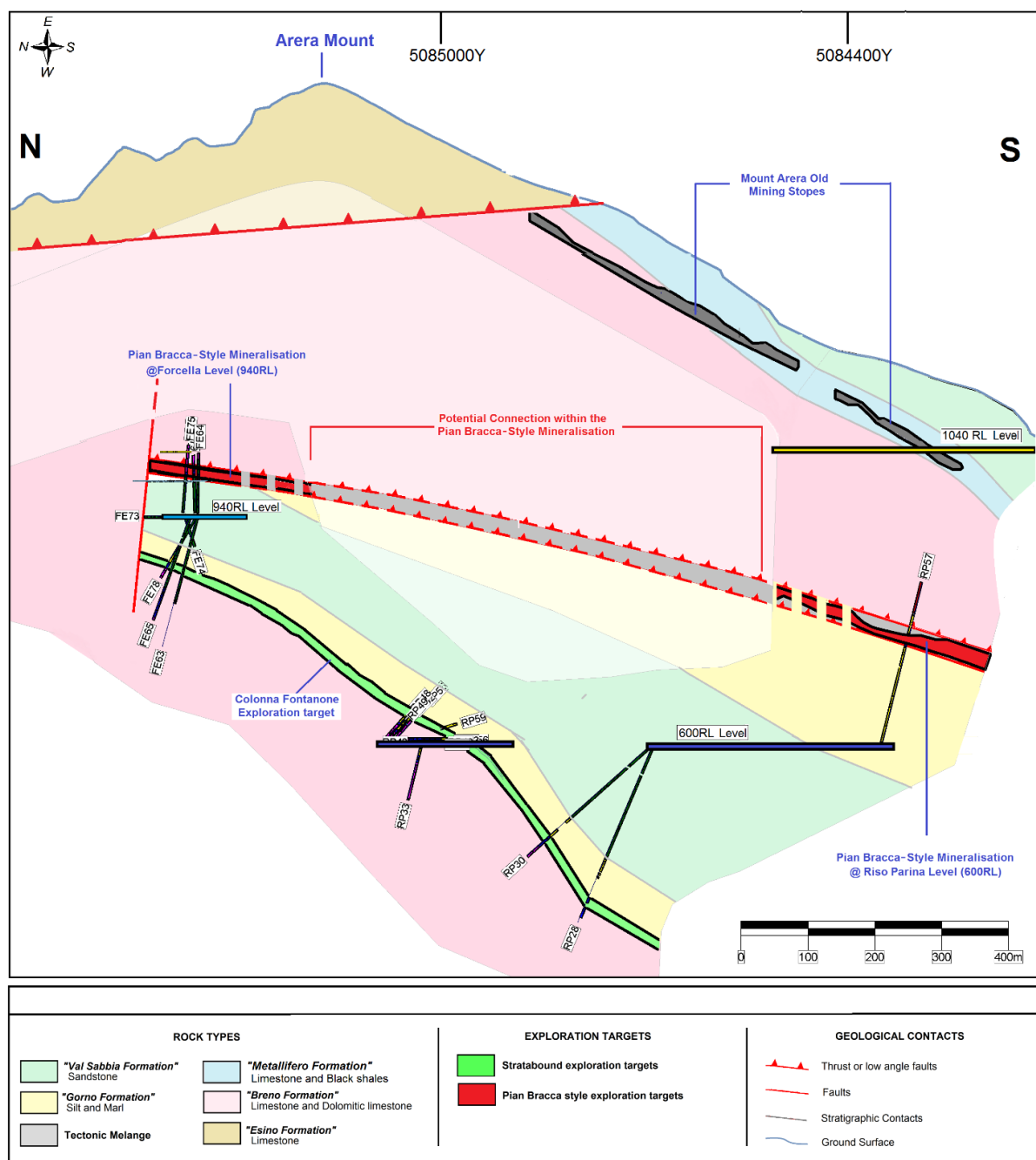
Re-examination by the Company of historical drillholes south of Pian Bracca, collared from the 600m RL Riso Parina drive, identified a drillhole, RP57, as intersecting 13m of discontinuous mineralisation and confirming the down-plunge extent of mineralisation noted in the Forcella 990m RL drilling.

The Arera Thrust was identified by recognising the connection between (a) the Pian Bracca style mineralised intersections in SAMIM drillholes FE79, FE81 and FE82; and (b) drillhole RP57 (collared from the 600m RL Riso-Parina tunnel) which intersected 13m of discontinuous Pian Bracca style mineralisation, Figure 8 and Figure 11. The Company has interpreted these figures from the available historical data, integrated with the structural model of Zanchi et al. (2012)⁸.

Drillhole RP57 therefore confirms the (minimum) down-plunge extent of mineralisation and that the mineralised system continues approximately 500m up-plunge to at least the 940m RL. The continuity of mineralisation will be confirmed during the staged Exploration Plan/Program.

Mineralisation is limited by the Gorno Formation in the footwall and the Esino Formation in the hangingwall.

Figure 11: Projected connection between Pian Bracca and Arera Thrust



The approximate dimensions of the PBAT target are as follows:

- Low end of tonnage range: 1000m (X) x 1100m (Y) x 3.0m (Z);
- High end of tonnage range: 1500m (X) x 1100m (Y) x 3.0m (Z).

Pian Bracca Geophysical Survey (2018)

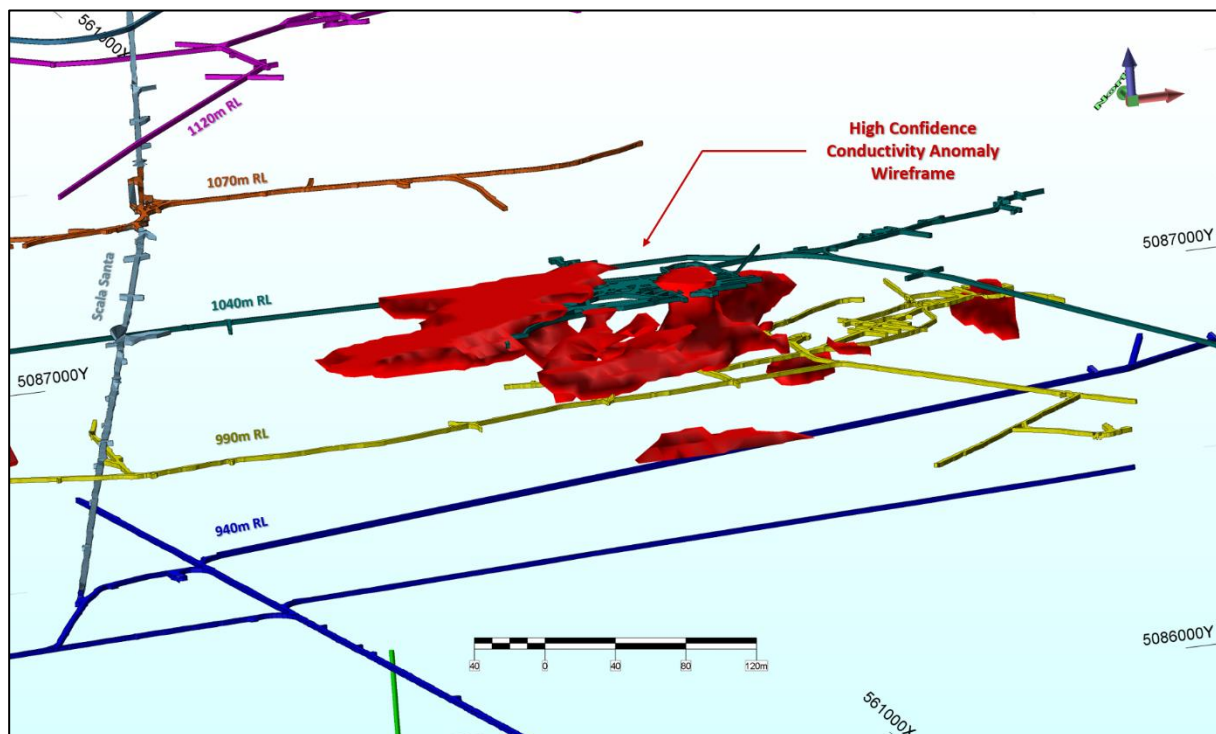
The Company completed an applied potential/resistivity survey in July 2018. The survey configuration was designed to obtain 3D information by recording from the accessible network of underground drives and from the surface.

The survey consisted of pole-pole Applied Potential ('Mise à la Masse') and IP measurements. It was performed using a total of 10 in-mineralisation and out-of-mineralisation current-injection points. All the electric current poles were located underground. The voltage and IP measurements were recorded at surface as well as underground, to provide multi-source 3-D mapping of voltage and polarizability. The surveyed area was approximately 0.1km², with a vertical extent from surface to the lower levels at 940m RL.

Data processing of results showed significant correlation between the electrical anomalies and known underground mineralisation. Results qualitatively define a central domain characterised by a stack of electrical conductors. This is consistent with the structural setting of the area, as described by Zanchi et al., 2012⁸, and possibly represents an imbricated set of folded and sheared mineralised horizons, bound to the east by a high-angle discontinuity that may be coincident with the Pezzel Fault system.

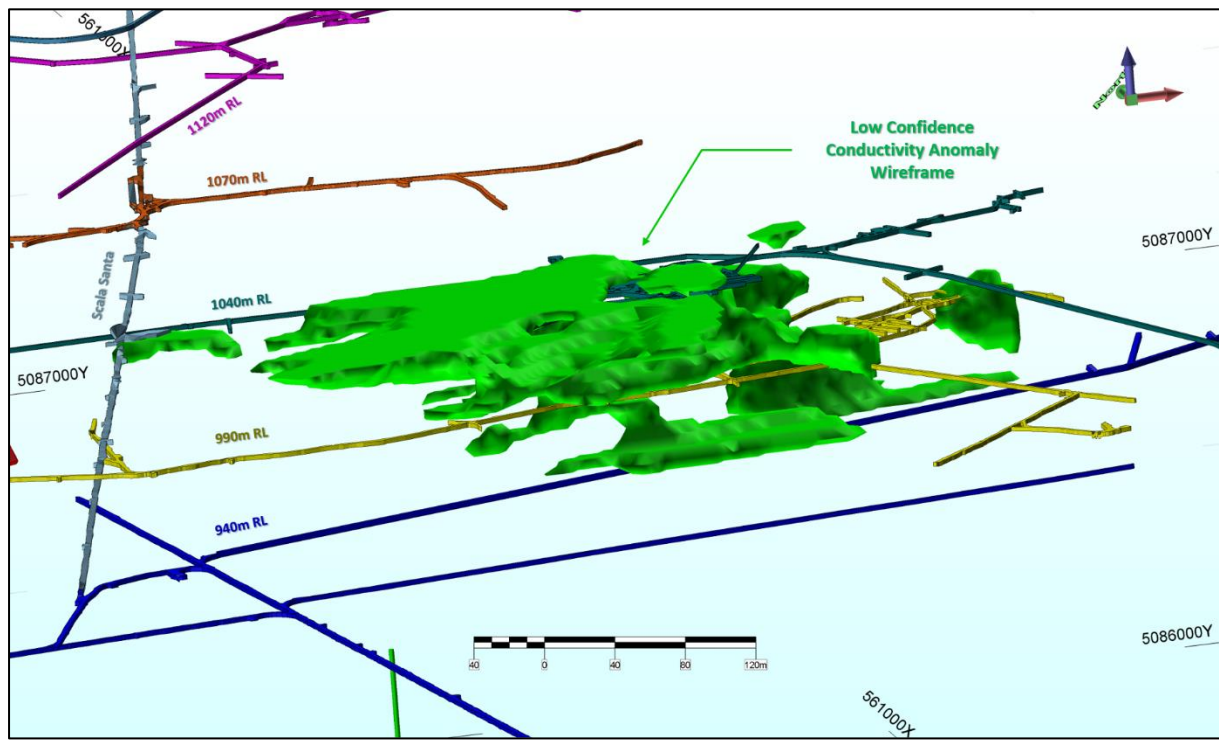
Conductivity models were produced for different pseudo-conductivity models. The most conservative was the high conductivity cut-off model, as this provided the lowest tonnage estimate (albeit at higher confidence), as shown in Figure 12. The lower conductivity cut-off model conversely produced the highest tonnage (albeit a less confident estimate), as shown in Figure 13.

Figure 12: Pian Bracca pseudo-conductivity model (high conductivity)



Anomaly above 0.5 (arbitrary units) pseudo-conductivity cut-off grade shown in red.

Figure 13: Pian Bracca pseudo-conductivity model (low conductivity)



Anomaly above 0.3 (arbitrary units) pseudo-conductivity cut-off grade shown in green.

Observable mineralisation in drives confirms that the conductivity models predict sulphide mineralisation.

Fontanone Target

Figure 8 and Figure 11 (thin green coloured bed, towards bottom of figure) show the Fontanone stratabound target, lying beneath the PBAT thrust zone target.

Re-examination of the historical drillhole data has indicated stratabound style mineralisation target at Fontanone. Figure 11 shows the potential connection between several drillhole intersections down drilled from the 940m RL drive and those drilled both up and down from the 600m RL Riso Parina Tunnel further to the south (green coloured zone in figure).

In 2017², the Company collected seven face samples (RPF1 to RPF7) from visible mineralisation in the Fontanone drive that runs NE from the 600m RL RPT. The relative sample positions and assay results are shown in Figure 14 and Figure 15, together with the location of historical drilling in the area, prefixed RP.

Figure 14: Historical drill results & Alta's face sample results from Fontanone drive (600m RL)

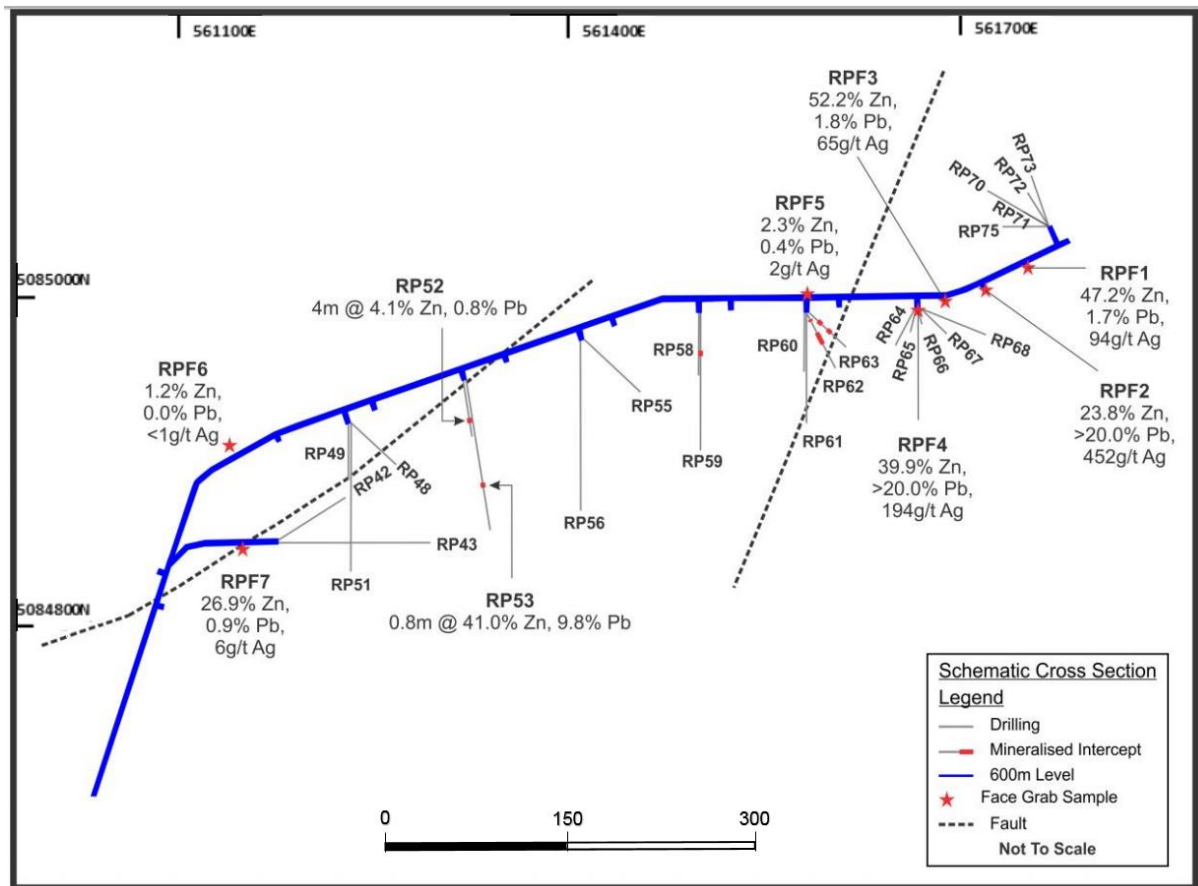
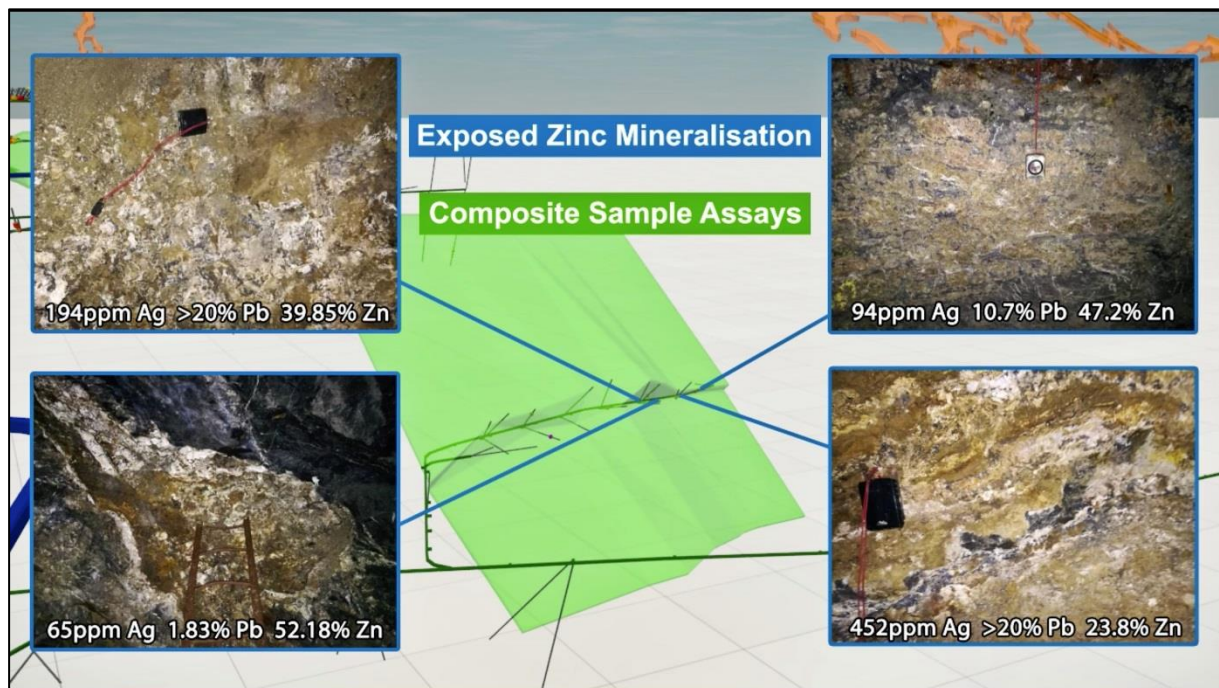


Figure 15: Alta's face sample locations & assay results from eastern part of Fontanone drive (2017)



Starting in the top right corner and moving clockwise are samples RPF1, RPF2 RPF3 and RPF4.

The Company has interpreted the Fontanone target to extend eastwards, right up to the Grem Fault, where it is truncated. This concept is in accord with the structural interpretation of Zanchi et al. (2012)⁸ who undertook detailed geological mapping (at scales of 1:5000 and 1:10,000) in the Gorno area, which identified that the stratigraphic sequence is undisturbed structurally at this location.

Additional strong support for continuity of the Fontanone target is provided by comparing it with the known (and historically mined) Mt Arera stratabound deposit at 1600m RL and 1040m RL, as shown in Figure 11. Here, the higher RL Mt Arera stratabound mineralisation in the Metallifero Formation has similar dip to Fontanone and is continuous over the entire section containing the Fontanone target (see Figure 11). The Fontanone mineralisation is interpreted as a deeper structural repeat of this Mt Arera mineralisation, which also occurs in the Metallifero Formation.

To gain further insights into the Fontanone mineralisation, the Company collected a set of eight sulphide samples (C1 to C8) comprising: six grab samples of dumped sulphide mineralisation (C2 and C5 to C8) from historical near-surface workings that ranged from 13.6% to 50.9% Zn+Pb; and two samples of surface outcrop mineralisation (C1, C3) on the southern flanks of Mt Arera that ranged from 17.7% to 47.1% Zn+Pb. Sample photographs are shown in Figure 16. According to early historical records, oxide ore was the targeted material for mining whilst the sulphide mineralisation was dumped at surface as “waste”. (Note: this is understood to be at a time prior to the invention/use of ore flotation processing methods.)

Whilst the sampled sulphides in dumps were not in situ, the results are broadly consistent with the grades of several historical drillholes in the area, as first reported to the ASX by Alta Zinc on 14 January 2014⁹. Those grades varied up to combined Zn+Pb of 14% (in drillhole RP59).

Figure 16: Samples of dumped and outcropping sulphide mineralisation taken on Mt Arera in 2017



The approximate dimensions of the Fontanone stratabound target are as follows:

- Low end of tonnage range: 500m (x) x 500m (y) x 3.6m (z);
- High end of tonnage range: 1500m (x) x 1100m (y) x 3.6m (z).

Estimation of Gorno Exploration Target Tonnage and Grade Ranges

The Company has taken all available information on the disposition of mineralisation beyond the Zorzone Mineral Resource envelope and re-interpreted lower and upper tonnage ranges (Figure 1, Figure 2) at each of the five targets.

Geological models were produced containing interpretation of all available mineralisation intersections in historical drillholes, drives and stopes, which incorporated recent mapping by the Company. Lower and upper bounds were placed on the mineralisation limits in X (easting) and Y (northing) to provide volume ranges. These were converted to tonnage ranges for each target by applying a conservative dry bulk density factor of 2.67t/m³ for all mineralisation irrespective of grade.

Grades for all targets were estimated by applying a judgement-based range around the Zorzone Mineral Resource grades, allowing for generally higher grades experienced in the Company's grab and channel samples to estimate the high end of the grade range, whilst also allowing for uncertainty at the low end of the grade range.

The tonnage and grade estimations for the five separate target areas and the overall Gorno Exploration Target are shown in Table 2. Individual target estimates in Table 2, although approximate, are not rounded. However, the overall Gorno Exploration Target is rounded to 9-21Mt at 6-7% Zn+Pb. Ag is a by-product and not targeted as such but is expected to be in the range of 19-22g/t Ag.

The potential quantity and grade of the Exploration Target shown is conceptual in nature, and 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.

Table 2: Gorno Zinc Project, Exploration Target

Target/Group	Min. Style	Mt (low)	Mt (high)	Zn % (low)	Zn % (high)	Pb % (low)	Pb % (high)	Pb+Zn % (low)	Pb+Zn % (high)
Zorzone North	SB	0.5	1.1	4.8	5.6	1.2	1.4	6.0	7.0
Zorzone South	SB	0.5	1.0	4.8	5.6	1.2	1.4	6.0	7.0
Zorzone East	SB	0.2	0.4	4.8	5.6	1.2	1.4	6.0	7.0
Total Zorzone Extensions	SB	1.2	2.5	4.8	5.6	1.2	1.4	6.0	7.0
Pian Bracca/ Arera Thrust	PB	5.0	9.7	4.8	5.6	1.2	1.4	6.0	7.0
Fontanone	SB	2.4	9.2	4.8	5.6	1.2	1.4	6.0	7.0
TOTAL	SB+PB	8.6	21.4	4.8	5.6	1.2	1.4	6.0	7.0
ROUNDED TOTAL	SB+PB	9	21	4.8	5.6	1.2	1.4	6.0	7.0

SB = Stratabound style mineralisation; PB = Pian Bracca style mineralisation

Comparison with previous Gorno Exploration Target

This Exploration Target replaces the previous estimate that was announced to the ASX on 16 March 2016⁵ of 7Mt-11Mt at 7-10% Zn+Pb. The upper tonnage target for the new Exploration Target (21Mt) has increased compared with the 2016 estimate following recognition of the following factors:

- The increased potential at Pian Bracca, based on further underground observations, the geophysical survey and integration of Pian Bracca with the Arera Thrust as a single target;
- The existence of the Arera Thrust and its potential extent eastwards, towards the terminating Grem Fault;
- That the stratabound mineralisation at Fontanone potentially extends eastwards as far as the Grem Fault.

The estimated grade range for the new Exploration Target (6-7% Zn+Pb) is considered more representative than the 2016 estimate as it is strongly influenced by the grade of the current (December 2017) Zorzone Mineral Resource.

Staged Exploration Plan

Exploration Strategy

In addition to the requirement to obtain necessary funding, any of the planned exploration activities are subject to confirmation of the customary permitting and regulatory approvals and as such should be regarded as preliminary and subject to change.

The western side of the GPA (Zorzone area) is well understood geologically from the extensive historical drilling data and accessible underground development, which has been remapped and locally sampled by the Company, as well as from the recent (2015-17) resource definition drilling at Zorzone. There is strong evidence of mineralisation extensions of Zorzone in the form of historical drilling and development drives in the three stratabound Zorzone Extensions (North, East and South).

The Company's persistent searches for all relevant historical data have in the past 12 months revealed that, in the mid to late 1970s, SAMIM were advancing their exploration of the Val Vedra area eastwards. The eastern end of the 600m RL Riso-Parina tunnel ended in rich mineralisation. This development work was, however, cut short by the premature closure of the mine despite its obvious potential.

The Company's mapping and sampling has revealed the presence of a thick (6m to 14m) extensive zone of sulphide mineralisation at Pian Bracca as a tectonic mélange over multiple levels (from 1040m RL to 1028m RL) in a thrust zone accessible from the surface portal. Geological observations within the drives suggest there could be vertical continuity of the mineralisation up to the 1040m RL drive.

Meticulous "forensic" exploration by the Company's geologists also recently identified the presence of the Arera Thrust, to the east of Pian Bracca. This has Pian Bracca Style (tectonic mélange) mineralisation.

The Pian Bracca Style mineralisation at the PBAT target is locally thicker than the stratabound style, due to structural repetition (stacking) within a shear zone and tight localised folding. It also has minimal presence of oxides. The mineralisation appears to strike E-W and dip gently to the south. It is interpreted as open to the east, likely pinching out close to (and west of) the Grem Fault, a major N-S transverse fault. This mineralisation is open down dip, based on historical drilling intersections. Continuity has not yet been established but will be tested during the Exploration Plan.

Fontanone is a stratabound target. Mineralisation observed and sampled in the 600m RL Riso-Parina tunnel assayed up to 47.2% Zn and 10.7% Pb. Continuity of the historical near-surface mineralisation demonstrated by the extent of stopes during the historical mining at the Mt Arera stratabound deposit implies that the Fontanone target should also have good continuity. In the Exploration Program, the Fontanone mineralisation (considered a structural repeat of the Mt Arera stratabound mineralisation) will be drill-tested from the extended 940m RL Forcella drive, and later (in Stage 3) the 600m RL Riso-Parina tunnel will be extended to enable drill testing of Fontanone from this lower level.

Providing extensions for the 940m RL Forcella drive and the 600m RL Riso-Parina tunnel is the cornerstone of the 3-Year part of the Exploration Plan, as it will provide appropriate drilling access to allow the Company's exploration to move progressively eastwards into those areas considered to have high potential (the PBAT and Fontanone) yet still within a 2km radius of Zorzone.

5-Stage Exploration Plan Summary

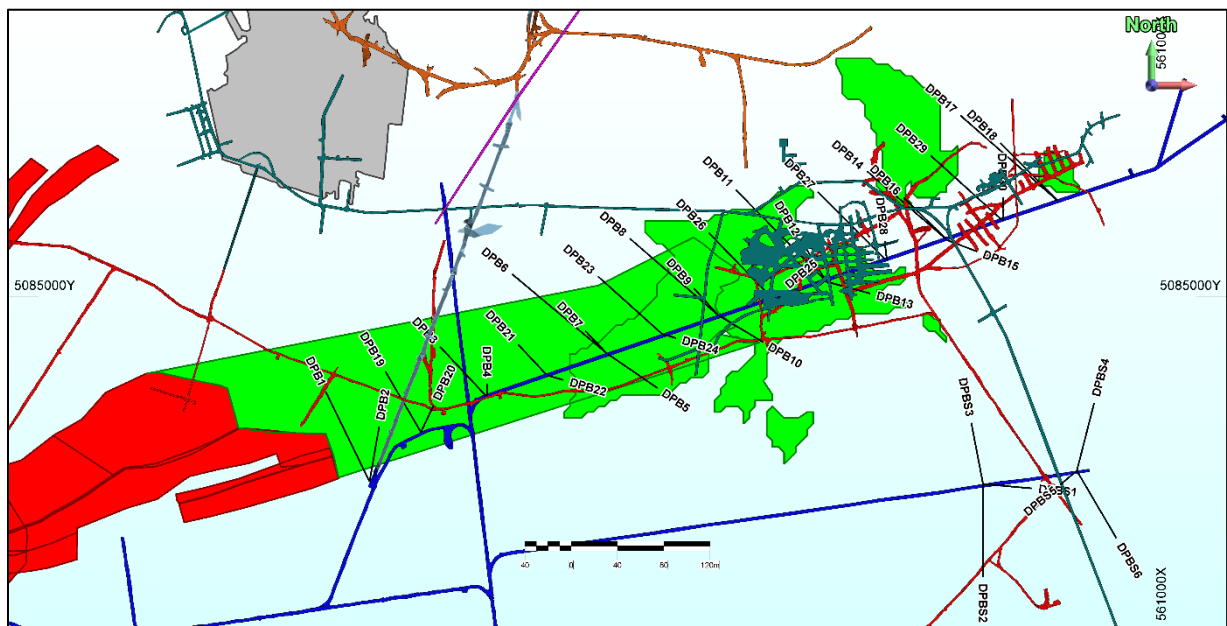
The main part of the Exploration Plan is three annual diamond drilling stages (Stages 1 to 3), in priority sequence, where the priorities are set by the attractiveness of each target, as well as consideration of underground access. Overall, the sequence is "west to east". The number of holes and metres that will be drilled into each target will likely vary from plan – depending on progressive drilling results. Based on the results of the information obtained during the first 3 stages of the Exploration Plan, the drilled targets will be re-assessed and re-estimated with a new drilling program then defined accordingly. The updated exploration targets will be assessed and evaluated (at Stage 4 and Stage 5) using existing underground access for drill sites, to save costs wherever possible, as for the first 3 stages of the Exploration Plan.

Exploration Plan Stage 1 (nominally Year 1)

The planned Stage 1 drillhole locations are at **Zorzone East** and **Pian Bracca**. The locations are shown in Figure 17.

- Resource definition drilling (Indicated) at 50m x 50m drillhole spacing. This will initially be drilled at 50m x 100m drillhole spacing and will be followed up by the 50m x 50m infill drilling to define an Indicated Mineral Resource. A pre-requisite to the drilling is 550m of rehabilitation in the western part of the 940m RL Forcella drive, from which the holes will be drilled.
- Resource definition drilling (Inferred) downplunge at approximately 100m x 100m drillhole spacing. A prerequisite is to remove mining waste from the 940m RL Forcella drive.

Figure 17: Stage 1 Exploration Plan, proposed drillholes (plan view)



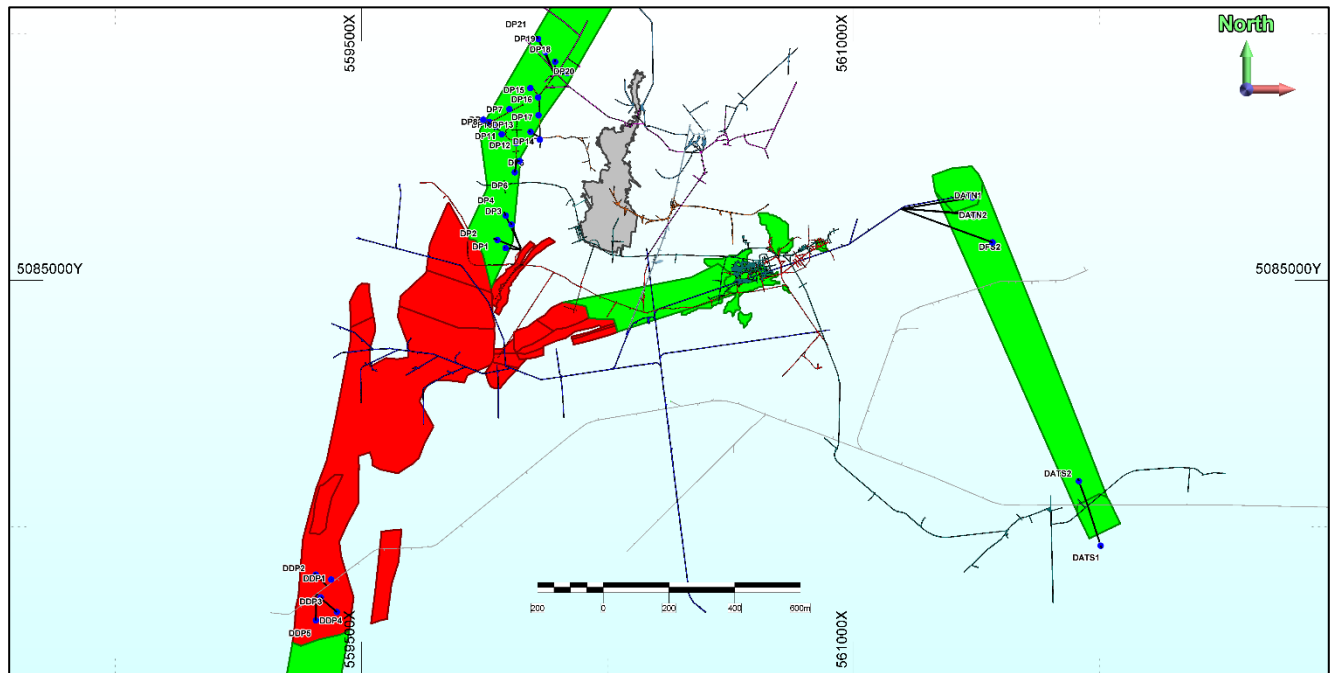
Note: The Zorzone East (north) drillholes are prefixed "DPB", and the Zorzone East (south, i.e. down-plunge) holes are prefixed "DPBS". Both sets of holes will be drilled from the Forcella drive (940m RL).

Exploration Plan Stage 2 (nominally Year 2)

The planned Stage 2 drillhole locations are shown in Figure 18.

- **Zorzone North:** Resource definition drilling from 1070m RL. A prerequisite is cleaning, scaling and minor preparation works in the drive.
- **Zorzone South:** Drilling at 50m x 50m spacing from the RPT to infill the SAMIM historical drilling and to complement the Company's previous resource definition drilling at Zorzone. The primary objective is to define an Indicated Resource from the current Inferred Resource. A pre-requisite is the rehabilitation of the 600m RL RPT during Gorno's Stage 1 development. Whilst in operation, it will be possible to assess the down-plunge continuation of Zorzone South.
- **PBAT:** Scout (reconnaissance) drilling at Pian Bracca, following rehabilitation of the western part of the 940m RL Forcella drive as mentioned above.
- **Fontanone:** Scout drilling. A prerequisite is the 250m for the western part of the 940m RL Forcella drive.

Figure 18: Stage 2 Exploration Plan, planned drillholes (plan view)



Note: 3-D view. The Fontanone drillholes are prefixed "DFS"; the Arera Thrust North drillholes are prefixed "DATN"; the Arera Thrust South holes are prefixed "DATS"; and the Zorzone North drillholes are prefixed "DP".

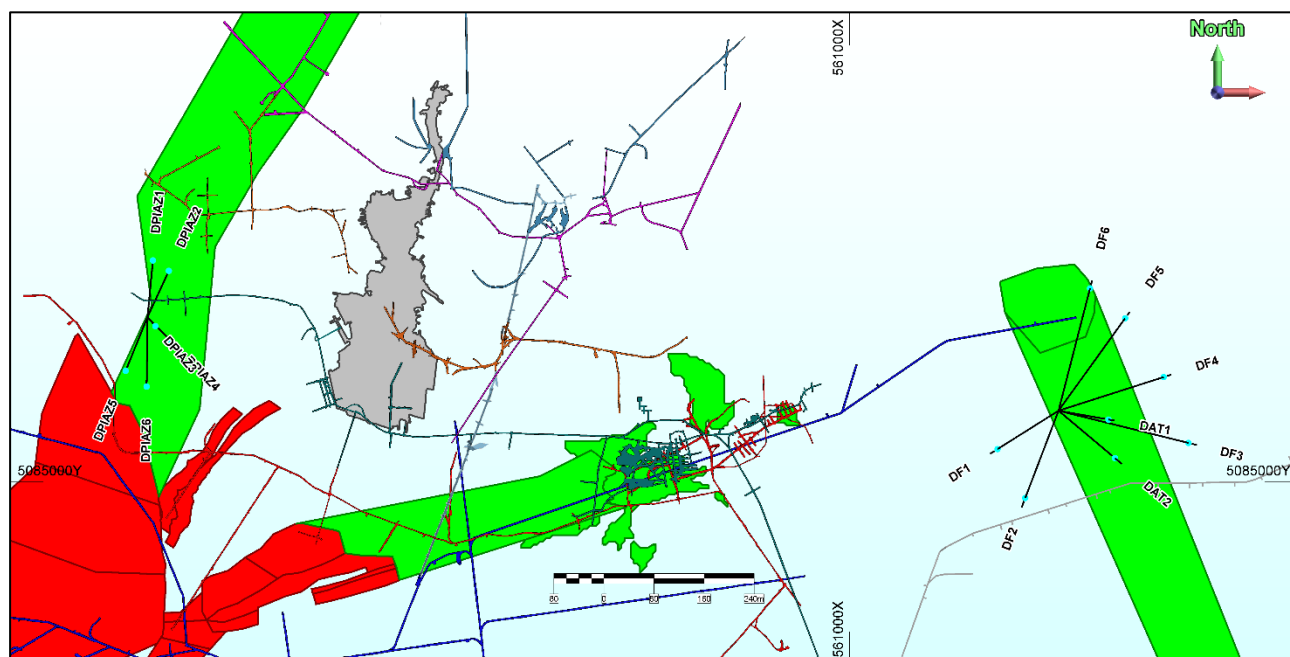
Exploration Plan Stage 3 (nominally Year 3)

The Stage 3 drill hole locations are shown in Figure 19. The exact drillhole locations and the quantities of drilling will depend on the results of the Stage 1 and Stage 2 drilling.

- **Zorzone North:** Follow-up resource definition drilling from 990m RL. A prerequisite is the development of a new 150m incline to provide suitable drill access.
- **PBAT (Arera Thrust north):** Follow-up resource definition drilling to Stage 2 scout drilling. A prerequisite is the development of a new 220m exploration decline which will provide access for drilling from the most suitable positions.
- **Fontanone:** Follow-up resource definition drilling to the Stage 2 scout drilling, using the new exploration decline as mentioned above

Table 3 provides a list of the planned drillholes for Stage 1 to Stage 3.

Figure 19: Stage 3 Exploration Plan, proposed drillholes (plan view)



Note: The Zorzone North new drive drillholes are prefixed "DPAZ". The PBAT drillholes are prefixed "DAT". (Arera Thrust north, from new drive). The Fontanone drillholes are prefixed "DF" (to be drilled from the new drive).

Table 3: Exploration Plan – Stage 1 to Stage 3 drilling

Exploration Stage	Area	Purpose of drillhole	Design HoleID	Easting (m)	Northing (m)	RL (m)	Inclination (deg.)	Azimuth (deg.)	Planned depth (m)
1	ZE, PB	Inf. Res.	DPB1	560307	5084840	942	38	334	110
1	ZE, PB	Inf. Res.	DPB2	560307	5084840	942	64	10	110
1	ZE, PB	Inf. Res.	DPB3	560409	5084913	940	45	317	85
1	ZE, PB	Inf. Res.	DPB4	560409	5084913	940	82	359	86
1	ZE, PB	Inf. Res.	DPB5	560512	5084951	940	59	124	105
1	ZE, PB	Inf. Res.	DPB6	560512	5084951	940	38	310	135
1	ZE, PB	Inf. Res.	DPB7	560512	5084951	940	76	316	107
1	ZE, PB	Inf. Res.	DPB8	560608	5084984	940	39	311	130
1	ZE, PB	Inf. Res.	DPB9	560608	5084984	940	72	318	100
1	ZE, PB	Inf. Res.	DPB10	560608	5084984	940	64	121	105
1	ZE, PB	Inf. Res.	DPB11	560702	5085013	939	42	315	150
1	ZE, PB	Inf. Res.	DPB12	560702	5085013	939	63	328	110
1	ZE, PB	Inf. Res.	DPB13	560702	5085013	939	69	105	110
1	ZE, PB	Inf. Res.	DPB14	560806	5085048	939	47	311	135
1	ZE, PB	Inf. Res.	DPB15	560806	5085048	939	74	111	100
1	ZE, PB	Inf. Res.	DPB16	560806	5085048	939	61	314	110
1	ZE, PB	Inf. Res.	DPB17	560903	5085081	939	41	311	150
1	ZE, PB	Inf. Res.	DPB18	560903	5085081	939	55	315	125
1	ZE, PB	Inf. Res.	DPB19	560351	5084883	943	45	330	86
1	ZE, PB	Ind. Res.	DPB20	560351	5084883	943	74	265	92
1	ZE, PB	Ind. Res.	DPB21	560460	5084932	940	59	317	71
1	ZE, PB	Ind. Res.	DPB22	560460	5084932	940	79	106	77
1	ZE, PB	Ind. Res.	DPB23	560560	5084967	940	53	312	125
1	ZE, PB	Ind. Res.	DPB24	560560	5084967	940	83	106	101

Exploration Stage	Area	Purpose of drillhole	Design HoleID	Easting (m)	Northing (m)	RL (m)	Inclination (deg.)	Azimuth (deg.)	Planned depth (m)
1	ZE, PB	Ind. Res.	DPB25	560655	5084998	940	84	50	101
1	ZE, PB	Ind. Res.	DPB26	560655	5084998	940	52	316	128
1	ZE, PB	Ind. Res.	DPB27	560754	5085030	939	50	315	132
1	ZE, PB	Ind. Res.	DPB28	560754	5085030	939	80	353	102
1	ZE, PB	Ind. Res.	DPB29	560854	5085065	939	50	312	132
1	ZE, PB	Ind. Res.	DPB30	560854	5085065	939	78	359	103
1	ZE, PB	Inf. Res.	DPBS1	560837	5084838	943	65	95	100
1	ZE, PB	Inf. Res.	DPBS2	560837	5084838	943	48	180	120
1	ZE, PB	Inf. Res.	DPBS3	560837	5084838	943	57	349	100
1	ZE, PB	Inf. Res.	DPBS4	560918	5084849	944	53	14	100
1	ZE, PB	Inf. Res.	DPBS5	560918	5084849	944	82	230	125
1	ZE, PB	Inf. Res.	DPBS6	560918	5084849	944	48	150	101
2	FO	Scout	DFS1	561143	5085220	942	-28	95	256
2	FO	Scout	DFS2	561145	5085217	939	-38	110	372
2	AT	Scout	DATS1	561711	5084321	599	42	162	195
2	AT	Scout	DATS2	561711	5084321	599	67	340	207
2	AT	Scout	DATN1	561147	5085218	942	14	81	230
2	AT	Scout	DATN2	561147	5085218	942	12	94	240
2	ZS	Ind. Res.	DDP1	559416	5084085	607	83	309	63
2	ZS	Ind. Res.	DDP2	559394	5084070	607	59	316	103
2	ZS	Ind. Res.	DDP3	559363	5084045	610	69	124	68
2	ZS	Ind. Res.	DDP4	559363	5084045	610	-10	130	84
2	ZS	Ind. Res.	DDP5	559363	5084045	610	-13	180	82
2	ZN	Ind. Res.	DP1	559984	5085094	1001	35	276	60
2	ZN	Ind. Res.	DP2	559985	5085095	1002	9	292	90
2	ZN	Ind. Res.	DP3	559986	5085096	1003	29	339	100
2	ZN	Ind. Res.	DP4	559987	5085097	1004	18	335	130
2	ZN	Ind. Res.	DP5	559974	5085365	1081	-44	100	12
2	ZN	Ind. Res.	DP6	559974	5085365	1081	-28	190	47
2	ZN	Ind. Res.	DP7	559955	5085522	1084	81	263	25
2	ZN	Ind. Res.	DP8	559874	5085493	1086	80	210	25
2	ZN	Ind. Res.	DP9	559888	5085479	1084	-80	30	20
2	ZN	Ind. Res.	DP10	559908	5085465	1084	-80	30	25
2	ZN	Ind. Res.	DP11	559930	5085449	1083	80	210	25
2	ZN	Ind. Res.	DP12	559975	5085423	1083	80	210	35
2	ZN	Ind. Res.	DP13	560047	5085434	1082	20	300	45
2	ZN	Ind. Res.	DP14	560047	5085434	1082	80	210	35
2	ZN	Ind. Res.	DP15	560018	5085591	1084	80	210	35
2	ZN	Ind. Res.	DP16	560041	5085561	1083	80	210	25
2	ZN	Ind. Res.	DP17	560043	5085508	1082	80	210	35
2	ZN	Ind. Res.	DP18	560090	5085625	1081	38	1	60
2	ZN	Ind. Res.	DP19	560090	5085625	1081	23	338	90
2	ZN	Ind. Res.	DP20	560090	5085625	1081	42	81	60
2	ZN	Ind. Res.	DP21	560090	5085625	1081	13	335	135
3	FO	Inf. Res.	DF1	561334	5085114	891	-47	238	188
3	FO	Inf. Res.	DF2	561334	5085114	891	-54	201	284

Exploration Stage	Area	Purpose of drillhole	Design HoleID	Easting (m)	Northing (m)	RL (m)	Inclination (deg.)	Azimuth (deg.)	Planned depth (m)
3	FO	Inf. Res	DF3	561334	5085114	891	-46	104	330
3	FO	Inf. Res	DF4	561334	5085114	891	-41	72	250
3	FO	Inf. Res	DF5	561334	5085114	891	-11	36	198
3	FO	Inf. Res	DF6	561334	5085114	891	-3	15	215
3	AT	Inf. Res.	DAT1	561334	5085114	891	41	100	120
3	AT	Inf. Res.	DAT2	561334	5085114	891	19	130	140
3	ZN	Ind. Res.	DPIAZ1	559877	5085263	1002	37	6	113
3	ZN	Ind. Res.	DPIAZ2	559877	5085263	1002	38	26	104
3	ZN	Ind. Res.	DPIAZ3	559877	5085263	1002	68	139	51
3	ZN	Ind. Res.	DPIAZ4	559877	5085263	1002	39	136	63
3	ZN	Ind. Res.	DPIAZ5	559877	5085263	1002	10	202	94
3	ZN	Ind. Res.	DPIAZ6	559877	5085263	1002	5	181	111

Area: Zorzone East = ZE; Zorzone North = ZN; Zorzone South = ZS; PDAT = Pian Bracca/Arera Thrust (sub-targets are: Pian Bracca = PB; Arera Thrust = AT); Fontanone = FO.

Purpose of drillhole: Inf. Res. = Resource definition targeting Inferred Resource; Ind. Res. Targeting Indicated Resource.

Inclination: Positive degrees is upwards from horizontal; negative degrees is downward from horizontal

Exploration Plan Stages 4 and 5

Based on the results of the information obtained during the first three stages of drilling described above, the exploration targets will be re-assessed and re-estimated, with a new drilling program to then be defined accordingly. The updated exploration targets will be assessed and evaluated using existing underground access to save costs wherever possible, as for the earlier part of the Exploration Plan.

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Alta Zinc Limited

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

Competent Person Statements

Information in this release that relates to Exploration Targets and Exploration Results is based on information prepared or reviewed by Dr Marcello de Angelis, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr de Angelis is a Director of Energia Minerals (Italia) S.r.l. and Strategic Minerals Italia Srl (controlled entities of Alta Zinc Limited), a consultant, shareholder and option holder of Alta Zinc Limited. Dr de Angelis has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr de Angelis consents to the inclusion in this release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to the Exploration Results for the Gorno Project is extracted from following ASX Announcements of the Company:

- 31 October 2018, "September 2018 Quarterly Report & Appendix 5B".
- 19 March 2018, "Newly Identified Sulphide Zone at Pian Bracca".
- 8 December 2017, "Updated Mineral Resource Estimate Supports Strategy".
- 31 October 2017, "Underground Samples Confirm Gorno Expansion Potential".
- 24 July 2017, "Underground samples assay results of up to 47.5% Zn+Pb".
- 26 June 2017, "Regional Exploration Results from Gorno".
- 16 March 2016, "Maiden Resource for Gorno Zinc Project".
- 14 January 2014, "December Quarterly Activities Report & Appendix 5B".

The above announcements are available to view on the Company's website at www.altazinc.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original announcement.

The information in this release that relates to Mineral Resources is based on, and fairly represents, the Mineral Resources and information and supporting documentation extracted from the report which was prepared by Mr Stephen Godfrey as Competent Person in compliance with the JORC Code (2012 Edition) and released to ASX by the Company on 8 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original Announcement. All material assumptions and technical parameters underpinning the Zorzone Mineral Resource estimates in that previous release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original Announcement, which contained the following Mineral Resource classification, at a cut-off grade above 1% Zn as Indicated and Inferred (Table 4) in accordance with the guidelines in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012 Edition).

Table 4: 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.

¹ 19 March 2018, Alta Zinc Limited, ASX Announcement “Newly Identified Sulphide Zone at Pian Bracca”.

² 26 June 2017, Energia Minerals Limited, ASX Announcement “Regional Exploration Results from Gorno”; and “Investor Presentation, 26 June 2017”.

³ 24 July 2017, Energia Minerals Limited, ASX Announcement “Underground samples assay results of up to 47.5% Zn+Pb”.

⁴ 31 October 2017, Energia Minerals Limited, ASX Announcement “Underground samples confirm Gorno expansion potential”.

⁵ 16 March 2016, Energia Minerals Limited, ASX Announcement “Maiden Resource for Gorno Zinc Project”.

⁶ 8 December 2017, Alta Zinc Limited, ASX Announcement “Updated Mineral Resource Estimate Supports Strategy”.

⁷ 31 October 2018, Alta Zinc Limited, ASX Announcement “September 2018 Quarterly Report & Appendix 5B”.

⁸ October 2018, Zanchi, A, D’Adda, P., Zanchetta, S., Berra, F., 2012, “Syn-thrust deformation across a transverse zone: the Grem-Vedra fault system (Central Southern Alps, N Italy).”, in Swiss J Geosci (2012) 105:19 38.

⁹ 14 January 2014, Energia Minerals Limited, ASX Announcement “December Quarterly Activities Report & Appendix 5B”.