

ASX Announcement

24 March 2021



ALTA ZINC SECURES \$3.75M TO FURTHER EXTEND EXPLORATION DRILLING AT GORNO ZINC PROJECT

HIGHLIGHTS

- Alta receives binding commitments for a Placement priced at 0.5 cents per share to raise \$3.75M including an acceptance of \$1.75M in excess demand
- Demand for the Placement was in excess of funds sought, reflecting the strong support from Alta's key strategic shareholder Victor Smorgon Group and institutional demand from global resources fund Rab Capital
- Alta's Managing Director, Geraint Harris (or his associates/related parties) subscribed for shares worth a total of \$100,000 in the Placement subject to shareholder approval
- The Placement positions Alta with a strong cash balance of c.\$5.7M¹ to extend the highly successful underground diamond drilling programme at Pian Bracca and Ponente
- Strong near-term news-flow with a dual-rig drill programme ongoing at Pian Bracca and Ponente

Alta Zinc Limited (**Alta** or **the Company**) (ASX: AZI) is pleased to announce that it has received binding commitments from eligible professional and sophisticated investors for a placement to raise \$3.75M before costs (**Placement**).

The Placement received strong commitments from existing strategic shareholder, Victor Smorgon Group and global specialist mining fund Rab Capital, providing a strong endorsement of the Company's brownfield exploration and resource growth strategy at the Gorno Zinc Project.

Alta's Managing Director Geraint Harris commented:

"The Placement allows us to continue to extend our current dual-rig underground drilling program at Gorno, where we have had outstanding success in identifying high-grade mineralisation in the current areas and see similar potential in both extensional and new target areas. The drilling completed to-date and that which is ongoing will be integrated into our upcoming Mineral Resource update and these funds will allow drilling to continue to further expand the Resource base at Gorno and to advance our other exciting regional projects."

¹ Alta Zinc's unaudited cash reserves as at 23 March 2021 totalled approximately \$2.0 million

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We are extremely grateful for the continued, strong support of our key shareholder, Victor Smorgon Group and the increased participation of Rab Capital. It provides a validation of Alta's strategy to significantly enlarge the mineral inventory of the historic Gorno mine as well as develop a pipeline of exciting base, precious and battery metals opportunities in a stable and supportive European jurisdiction."

The Placement provides Alta with additional funding to extend the highly successful underground diamond drilling programme currently in progress at Pian Bracca and Ponente. Alta is aiming to extend the thick high-grade mineralisation identified in these zones to underpin a new global mineral resource estimate.

Alta has agreed to consider undertaking a share consolidation after the issue of all Placement shares, which would require shareholder approval.

PLACEMENT DETAILS

The Placement was undertaken at an issue price of 0.5 cents per share, raising \$3.75M (before costs). This represents a 16.7% discount to Alta's last close of 0.60 cents per share on 19 March 2021, a 16.7% discount to the 15-day VWAP of 0.60 cents per share and a 19.4% discount to the 30-day VWAP of 0.62c per share.

The Placement will comprise the issue of a total of 750,000,000 new fully paid ordinary shares in Alta. The Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 541,604,876 new shares will be issued under Listing Rule 7.1 and 188,395,124 new shares will be issued under Listing Rule 7.1A.

The Placement shares will rank equally with existing fully paid ordinary shares. Placement settlement is expected to be completed on Tuesday, 30 March 2021, and with 20,000,000 shares to be issued to the Managing Director subject to shareholder approval at a General Meeting expected to take place early June.

Discovery Capital Partners and Foster Stock Broking acted as Joint Lead Managers to the Placement.

KEY DATES

Summary of Key Dates	Date/Time (AWST)
Settlement of new shares Issued under the Placement	Tuesday, 30 March 2021
Anticipated allotment of new shares	Wednesday, 31 March 2021
Notice of General Meeting dispatched	Late April/early May 2021
Anticipated General Meeting date	Early June 2021

Note: Times and dates are indicative only and are subject to change without notice.

Authorised for release to the ASX by Geraint Harris, Managing Director.

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