

ASX Announcement

29 November 2021



2021 AGM CHAIRMAN'S ADDRESS

Dear Shareholders,

Please find attached a transcript of the Chairman's Address to Shareholders to be presented at Alta Zinc Limited's Annual General Meeting today.

For and on behalf of the Board

Stephen Hills
Company Secretary

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Chairman's Address to Shareholders

2021 was another very significant year for the Company, as we achieved multiple milestones in advancing the strategically important former zinc, lead and silver producer that we refer to as the Gorno Project, in northern Italy. We have also applied for new exploration licences over other areas in Italy that have a known history of producing battery metals and, subject to voting, the Company is soon to be renamed “**Altamin**”, to more aptly reflect our growing pipeline of base and battery metal projects.

None of these milestones would have been achieved without the skill, passion and dedication of our teams here in Perth and in Italy, led by our Managing Director, Geraint Harris, who joins us at our AGM virtually from the UK.

As you may have heard from Geraint's webinar last week on the key aspects of the Scoping Study, the news is very positive for our Gorno Project. Rather than going over it again in detail today, I will highlight the key outcomes and invite you to view the Webinar video at your leisure via our website (www.altazinc.com).

In summary, last week we released our first public technical study on the Gorno Project highlighting its robust economics with the C1 cost/lb in the first quartile of global zinc producers, a low capital intensity and a material free cashflow for the first 9 years of production. The Study confirms an efficient pathway for high quality concentrate production with excellent ESG credentials and is essentially a blueprint for a first phase project development with significant growth potential.

The independent study by a world-class team of industry professionals, headed by CSA Global, reports the following outstanding financial returns after-tax:

- NPV₈ of US\$211 million (A\$288 million);
- IRR of 50%; and
- 2.5 year capex payback.

The Study incorporates a detailed assessment of the mining and processing infrastructure resulting in a capital cost of US\$114 million which is expected to be financed by bank debt in combination with funding by strategic partners (e.g. offtakers) and other commercially attractive alternatives. The work to date, including future growth plans, gives us the opportunity to present a shovel ready project to partners, financiers and the market as we complete a detailed DFS.

The Study has also importantly allowed us to complete the submission for the renewal for our Mining Licence with the regulators, so it serves a number of practical objectives in addition to confirming the Project's attractive economics.

Notwithstanding the significant value confirmed for the Project, the sharemarket metric has not responded commensurately, based on our underperforming share price. This appears to be partly due to unfounded scepticism about developing mining projects in Italy and other concerns including zinc market fundamentals.

We are working diligently to address the first of these concerns by securing endorsements from the regulators and other stakeholders. It is also worth noting that we have now been operating in Italy since 2015 and the Gorno mine operated for over a century until its premature closure in the early 1980s. Gorno's concentrates were treated in Italy by refineries that have been operating continuously for 40 years. There is significant surplus demand from refineries owned and operated by large companies (e.g. Glencore, Trafigura and Boliden) for low impurity/high quality concentrates produced in their backyard.



Furthermore, we continue to have strong community, municipal and regional Government support, and are on track to have positive permitting news on our Mining Licence renewal. We are also following the well-tested path travelled by more than 2,000 other currently operational mining and quarrying sites in Italy (and many others within Europe), therefore any misconception of Italy being an anti-mining jurisdiction is fundamentally different to the reality on the ground.

To elaborate on zinc; it remains the fourth largest traded metal market by value, contributes to the profitability of some of the world's major mining companies and was recently added to the US list of critical metals. Given that zinc is a key ingredient for galvanizing steel, the major infrastructure budgets recently approved in the EU, USA and China underpin the positive zinc market outlook.

Being a strategic mining project in a key location with sought after production, Gorno has numerous suitors, financiers and prospective partners who seek to lock in offtake arrangements for high quality concentrates as well as being attracted by the robust economics identified by the recent Study. We will consider all options to fund future work in order to maximise shareholder value.

Using our first mover advantage and local knowledge, we have also taken the opportunity of applying for three exploration licence areas in Italy over known historic producers of some key EV related strategic metals, namely:

Project	Assayed Metals	Region
Punta Corna	Co, Ni, Cu & Ag	Piedmont
Monte Bianco	Cu, Co, Au, Ag & Mn	Liguria
Corchia	Cu, Co, Au & Ag	Emilia Romagna

The drilling permission for the Punta Corna Project is expected shortly, hopefully in time for us to start drilling as soon as the weather allows efficient access. We have received strong endorsement from the local municipality, who want the project to go ahead. Drilling is pending securing an independent source of funding, so we are seeking parties to help finance the cost-effective work program that share our positive views on the future benefits of potentially confirming a clean, traceable source of cobalt and other strategic metals from within Europe to help meet the significant demand for these EV metals.

The other exploration licence applications are ongoing which, once approved, would fill our pipeline with the most prospective base and battery metal projects in Italy with which to significantly rerate and grow the Company.

I would like to take this opportunity to thank our outstanding team of dedicated professionals in Italy and Australia for their hard work and commitment, as well as our local stakeholders in Italy. In keeping with the rest of us, they also want Gorno to be brought back into production as soon as possible to importantly create local jobs and generate other significant economic benefits for the region.

In closing, I would like to thank shareholders for your patience and support over the past years. We have all invested significantly in our Company and, together, look forward to the day when we are all able to enjoy long overdue rewards based on valid market recognition of the intrinsic value of our project portfolio. In the meantime, we will continue to work hard to unlock that value.

Alexander Burns
Non-executive Chairman