

Alta back with big resource

The hills around the picturesque Italian town of Oltre Il Colle contain at least 530,000t of zinc

Atrebling of contained metal has delivered Alta Zinc Ltd exactly the kind of resource upgrade it needed to launch development studies on its Gorno zinc project in Italy.

Alta announced the resource update on July 14. The new resource pushes overall tonnes from 3.3mt to 7.8mt and increases contained zinc threefold. The new resource stands at 7.79mt @ 6.8% zinc, 1.8% lead and 32 g/t silver for 530,000t, 140,000t and 8.04 moz respectively.

Alta managing director Geraint Harris said even he had been surprised by the size of growth.

"The resource update exceeded expectations; we were wanting 6-6.5mt but to end up with 7.8mt is tremendous," Harris told **Paydirt**. "Alone it gives us the critical mass for development, but it can also act as a springboard to 10mt, which is another level again."

Harris is hopeful the positive resource update acts as a reset for Alta after it endured a frustrating two years. The company fell out of investors' favour as a result of resource downgrades and a suspended feasibility study, then in early 2020 on-ground activity was suspended as the Lombardy region where Gorno is located became the epicentre of Europe's first wave of COVID.

"A larger resource was always the missing piece in the jigsaw," Harris said. "There was a level of scepticism over the size of the resource so to go from 3.3mt to 7.8mt with three times the amount of zinc is a big step-change. It is proof that we have a project here and now we can get on with designing everything else around it."

"Everything else" could include more zinc. Harris said the exploration drilling had highlighted the extension opportunities still inherent at Gorno.

"Not only does the resource make the project viable, it shows we understand the geology so much better, which makes the

exploration upside story more believable," he said.

Gorno is a Mississippi Valley-type (MVT) orebody with stratabound, breccia and limestone-hosted zinc mineralisation.

"It is a big system, 8km in strike and now we know a lot more about the mineralisation we have an opportunity to explore the potential beyond the resource," Harris said.

The recent upgrade was based mainly on drilling of the Pian Bracca zone which sits above the stratabound horizon of the original Zorzone orebody. Harris said 3D modelling of Pian Bracca and other, undrilled, targets highlighted the potential for extensions.

"We used geophysics prior to drilling Pian Bracca and it was very successful so we are using it again on targets to the north," he said. "We are getting a lot of value out of lining up the geophysics with what we are seeing in the network of adits and what we know from Pian Bracca."

"That knowledge will drive success and give us further credibility. We will put an exploration target out for the entire exploration licence in the coming months."

In parallel, Alta will begin to rebuild the development story. Harris said the company had been reconfiguring the project from the PFS with a view to a more efficient operation. The plant site has been moved closer to the mine and ongoing work is designed to match mine and mill throughput with the new, larger resource.

"We are working on a concept study now and will then put out a scoping study which will show people what we have," he said.

From there, the company plans to move straight into DFS.

"We have already done a lot of the rock mechanics and the mine design and a lot of the met test work," Harris said. "By the time we finish the scoping study all the pieces will be in place for a pathway to DFS."

Metallurgical test work will inevitably be

part of the DFS process but Harris is already confident the Gorno product will attract interest from offtakers.

"We have undertaken our own concentrate marketing study using a zinc-lead marketing expert and we know we will have the cleanest concentrate available globally," he said.

Despite the obvious enthusiasm for Gorno concentrate, Alta will refrain from signing agreements for now.

"Almost without exception the offtakers don't get involved until you have a DFS and are 6-12 months from production," Harris explained. "And, if you can get alternative financing it makes it easier to get the best terms on treatment charges. That is our strategy; the bigger we make the project, the more interested the offtakers will be."

Patience may bring other rewards. Europe is undergoing a minor revolution with the EU and national governments increasingly desperate to identify secure supplies of raw materials. As a potential miner in the middle of Europe, Alta stands to benefit from the trend.

"The way the tide is changing, it becomes an advantage to have a domestic supply of zinc-lead," Harris said.

Such is the strength of the EU's push to find new sources of raw materials, Alta is expanding its exploration footprint. The company has already begun work on its Punta Corna cobalt-nickel project in northern Italy and has also applied for additional copper exploration licences.

"The EU is putting finance behind ambitions to be a raw materials producer and that is why our ambition is to be a mid-tier base metals producer focused on Italy," Harris said. "It is rare that timing works in mining but the energy transition and Europe's refocus on raw materials means we are in the ideal moment."

– Dominic Piper