

10 May 2022

Dear fellow Shareholders

ALTAMIN BOARD INTENDS TO RECOMMEND SHAREHOLDERS REJECT VBS TAKEOVER OFFER

V B S Exchange Pty Limited (VBS) has announced an off-market takeover offer to acquire all of the fully paid ordinary shares (Shares) in Altamin Limited that it does not already own for cash consideration of \$0.095 per Share (9.5c per Share) (VBS Takeover Offer).

You will shortly receive a Bidder's Statement from VBS and the VBS Takeover Offer will be open for acceptance.

Altamin's Board of Directors, in advance of releasing its Target's Statement which is expected to be dispatched to shareholders in early June, advises that it intends to recommend that shareholders **REJECT THE VBS TAKEOVER OFFER**.

The Board has considered a number of commercial and strategic factors, including those outlined below.

1 The VBS Takeover Offer provides an insufficient premium for control of Altamin

The price offered by VBS is a 3.1% discount to the highest market price achieved for Shares in the month prior to announcement of the VBS Takeover Offerⁱ.

Furthermore, the VBS Takeover Offer price of 9.5c per Share represents only a:

- 7.7% premium to the volume weighted average price (VWAP) of Shares in the month prior to announcement of the VBS Takeover Offerⁱⁱ; and
- 14.0% premium to the VWAP of Shares in the two months prior to announcement of the VBS Takeover Offerⁱⁱⁱ.

These premiums are materially below the average premiums paid in Australian corporate control transactions^{iv}.

2 The VBS Takeover Offer implies a significant discount to the NPV of Gorno^v

The VBS Takeover Offer, which implies a value of approximately \$37.2 million^{vi} for all Shares, is priced at a significant discount to the Gorno Zinc Project (Gorno) net present value (NPV) of US\$211 million outlined in the Scoping Study released in late 2021, equivalent to approximately A\$300 million at current exchange rates^v. Importantly, the NPV of Gorno calculated in the Scoping Study was based on a zinc price of US\$2,850 per tonne, a meaningful discount to the current zinc price which recently traded above US\$4,000 per tonne.



3 The VBS Takeover Offer does not recognise Altamin's attractive battery metal portfolio

In addition to Gorno, Altamin has accumulated an attractive portfolio of battery metals focused projects in Italy. The Punta Corna Cobalt project in Northern Italy has the potential to provide an alternative long-term supply of ethically sourced, high-grade cobalt and nickel to nearby battery metals processors in Europe and other Western markets. In addition, the Company has a growing portfolio of Italian exploration licence (EL) applications, including the recently announced lithium in brine related EL applications of Campagnano and Galeria in central Italy. Despite these ELs being highly prospective and the premiums currently associated with lithium projects, VBS has made no mention of these assets in its Bidder's Statement.

VBS, which is part of the Victor Smorgon Group, is a significant shareholder of Altamin, with a voting power of 19.73% at the time the VBS Takeover Offer was announced. Since this time, VBS has (via Canaccord Genuity (Australia) Limited) stood in the market to acquire additional Shares on-market before the VBS Takeover Offer opens. To date, the Altamin Share price has consistently traded above the 9.5c per Share VBS Takeover Offer price.

If you are considering selling your Shares on-market, please note that you will not receive any subsequent increase in price offered under the VBS Takeover Offer, you will not be able to participate in any competing proposal that may arise at any point in time and you will pay brokerage by doing so.

Shareholders are advised to **TAKE NO ACTION** and wait until they receive and consider the Target's Statement, which will include full details of the Board's recommendation and an Independent Expert's Report on whether the VBS Takeover Offer is fair and reasonable to Altamin shareholders, before deciding whether to accept or reject the VBS Takeover Offer.

In the meantime, Altamin's Board and operational team will continue to progress work in support of the Definitive Feasibility Study for Gorno and the previously announced review of options to fund its development. Through this review, the Board is considering a range of potential alternatives, including corporate and asset-level transactions as well as long-term offtake agreements with associated prepayments. These discussions remain confidential, incomplete and non-binding and there can be no assurances that they will result in any transaction.

The Board thanks you for your ongoing support of Altamin and we look forward to providing further updates over the course of the VBS Takeover Offer.

Yours faithfully

A handwritten signature in black ink, appearing to read "Alexander Burns".

Alexander Burns
Non-executive Chairman
Altamin Limited

Forward looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Altamin's expectations and beliefs concerning future events at the date of this announcement, and are expressed in good faith for general guide only and should not be relied upon as an indication or guarantee of future performance. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Altamin, which could cause actual results to differ materially from such statements. None of Altamin, its affiliates or their directors, officers, employees, associates, advisors, agents or contractors make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law, and other than as required by law (including the ASX Listing Rules) make no undertaking to subsequently update or revise the forward looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Production target

The Company's production targets were announced on 24 November 2021 in its announcement titled 'Gorno Project Scoping Study Results'. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in that announcement continue to apply and have not materially changed.

ⁱ Based on Altamin's Share price of \$0.098 per Share on 6 April 2022.

ⁱⁱ Based on Altamin's one month VWAP of \$0.088 per Share as at 3 May 2022.

ⁱⁱⁱ Based on Altamin's two month VWAP of \$0.083 per Share as at 3 May 2022.

^{iv} A 2021 study conducted by RSM found that the average control premium observed in 605 successful takeovers and schemes of arrangement in Australia in the 15.5 years between 1 July 2005 and 30 December 2020 was 34.7% based on the 20-day pre-bid price.

^v Based on AUD:USD 0.70 as at 9 May 2022 and Gorno post-tax NPV8%; see Altamin's Gorno Scoping Study ASX announcement dated 24 November 2021 titled 'Gorno Project Scoping Study Results'.

^{vi} Based on 391,716,752 Shares on issue.