

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2022

HIGHLIGHTS

Gorno Zinc Project

- A\$94 million (US\$65 million) strategic funding deal secured with Appian, a global specialist mining private equity fund with expertise in financing and development of mining projects.
- Major shareholder, VBS Exchange, has confirmed it supports the financing with Appian and is supportive of Altamin's strategy of developing a pipeline of European battery metal projects.
- Drilling contractor Edilmac mobilised and has commenced drilling as part of the initial infill and exploration drill program in support of the Definitive Feasibility Study (DFS).
- Metallurgical optimisation and variability testing program continues, with ore-sorter test work completed by Tomra Sorting Solutions also to be analysed by Wardell Armstrong International (WAI) in Cornwall, UK

Battery Metals Projects

- Positive Environmental & Social Impact Assessment (EIA) received for the Punta Corna exploration licence and proposed drilling, with EL grant pending.
- Campagnano and Galeria lithium in brine exploration licence application work programs are excluded from the requirement for EIA, with EL's pending.
- Additional new exploration licence application lodged with lithium in brine potential at Ferento, in Lazio region, central Italy.
- Altamin maintains 100% ownership and development control of its other base and battery metal projects in Italy under the Appian funding deal.

Corporate

- Cash as of 30 June 2022 is \$4.836 million.
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Altamin Limited (ASX: AZI) (Altamin or the Company) is pleased to provide its Quarterly Activities Report for the period ended 30 June 2022.

Gorno Zinc Project

Operations

During the Quarter, the key operational focus was on the continuation of metallurgical test work and the exploration and resource drilling activities to support the Definitive Feasibility Study (DFS) for the Gorno Project.

A comprehensive metallurgical test work program commenced with the Wardell Armstrong International laboratory in Cornwall, United Kingdom. The purpose of the test work is to provide a comprehensive assessment for the DFS, including to evaluate, simplify and optimise the reagent scheme and to potentially increase lead/silver recovery and reduce processing operating costs, also to conduct variability testing on the mineralisation styles identified.

To supplement this program, an 18-tonne bulk sample of several mineral styles was delivered to Tomra Sorting Solutions for ore sorting test work to be conducted at their facility in Germany. These results will be next be analysed at Wardell Armstrong, UK.

Edilmac Srl, Altamin's Italian drilling and mining contractor, successfully completed remobilisation and commenced the first phase of planned diamond drilling, comprising infill drilling intended to upgrade the category of the MRE ahead of the DFS and step-out drilling to increase the MRE. The initial drilling has taken place in the Forcella West area, with follow-up drilling moving into the eastern and northern areas of the mine.

Permitting

Prior to the 2021 Mineral Resource updates and Scoping Study, and in anticipation of the Monica Mining Licence's (MML) expiry date of January 2020, the Company had submitted an application to renew the MML and extend its boundaries to incorporate the proposed new Gorno Project mine layout. As part of the renewal process the application underwent an Environmental & Social Impact Assessment (EIS).

As announced on 8 June 2022, the Ministry for Ecological Transition published a negative Decree in relation to the EIS, based largely on technical aspects which were not sufficiently detailed in the renewal application. Altamin's team is addressing these items now in the various studies being conducted for the DFS.

Current Gorno exploration activities are permitted under the Cime exploration licence (Cime EL), which can be extended up 2026. The Cime EL can be converted to a new mining licence and extended to include the area covered in the MML renewal application. This is now the Company's preferred permitting approach, to adopt a streamlined process aligned with the MML stakeholder feedback and integrated with the DFS outputs, as is usual for many mining projects.

Strategic funding

During the Quarter, the Company continued the strategic process announced on 24 November 2021 to assess the various options for development of the Gorno Project and designed to maximise project value, minimise financing risk and establish a robust development pathway for the Gorno Project.

This process has successfully culminated on 24 July 2022 with the execution of a Binding Term Sheet with Appian Capital Advisory LLP, a European headquartered investment advisor to long-term value-focused private equity funds that invest solely in mining and mining-related companies under which, subject to the satisfaction of specified conditions, the parties have agreed to establish an incorporated joint venture to operate and fund the development of the Gorno Project).

The Appian team has a long history of successfully bringing mines through development and into production, having completed 7 mine builds in the last 4 years.

Appian can invest up to ~A\$94 million¹ (US\$65 million) to earn up to a 67.4% interest in Gorno, consisting of:

- a first tranche of ~A\$14.5 million (US\$10 million) committed funding for significantly expanded exploration and infill drilling campaign in excess of 20,000m, permitting and then completion of a DFS, to earn up to ~ 29.9%; and
- the right to fund up to a further ~A\$79.6 million (US\$55 million) for project construction following a final investment decision (**FID**), to earn up to a further 37.5%, an amount sized to fund the expected project financing equity component for Gorno, based on the November 2021 Scoping Study² parameters.

Altamin and Appian will share management of Gorno prior to FID and Altamin anticipates it will retain a 32.6% interest in Gorno once the project has been funded to commercial production based on the Scoping Study parameters

Altamin will maintain full ownership and development control of its other base and battery metal projects in Italy.

Battery and EV Metals

Punta Corna Cobalt Project

The Punta Corna Cobalt Project in Piedmont, northern Italy, consists of two exploration licences (ELs), Punta Corna and Balme, which contain a series of historical cobalt, nickel, copper and silver mine workings and several vein outcrops where the Company has collected high grade (~1% to 5% cobalt) grab samples.

Drilling permissions at Punta Corna have received a positive VIA assessment with the final EL permission pending. If the EL is received the timing and financing of the ensuing drill campaign will be prioritised.

Punta Corna is central to Altamin's battery metals strategy in Italy and will benefit from the major initiative by the EU to secure clean domestic sources of energy metals and from the European industrial investment in electric vehicle and battery manufacturing facilities.

¹ Total agreed transaction value of up to US\$65 million translated at the approximate exchange rate of A\$1.00 = US\$0.6906 as at 22 July 2022.

² Refer announcement 'Gorno Project Scoping Study Results' released on 24 November 2021. The Company confirms it is not aware of any new information or data that materially affects the information in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. As stated in the Scoping Study, there is a low level of geological confidence associated with Inferred Mineral Resources (as defined in the JORC Code) (which comprise 23% of the 9-year production period in the Scoping Study) and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources (as defined in the JORC Code) or that the production target itself will be realised.

Campagnano, Galeria, and Ferento - Lithium in Brine applications

Altamin now has three exploration licence applications in the Lazio region of Italy: Campagnano and Galeria (about 50km north of Rome); and Ferento (about 80km north of Rome) which was applied for during the Quarter. These areas are both located in the southern half of Italy's premier geothermal field.

From the 1990s more than 800 wells were drilled into the geothermal fields in this part of Italy, and the brines sampled in the vicinity of these exploration licence applications contained anomalous lithium values.

The Company has received confirmation that the initial work programs for the Campagnano and Galeria exploration licence applications are excluded from the requirement for an Environmental & Social Impact Assessment (EIS) so that the relevant regulator can now proceed to progress those applications.

The work program for Ferento is similar to those for Campagnano and Galeria, so the Company is hopeful that this may also receive exemption from EIS assessment by the Lazio authorities.

If EL's are successfully granted, the initial work program for the exploration licences will be to obtain and assess the historical geological and technical data from the geothermal wells on the property then consider if resampling and full analysis of the geothermal brines from existing well-holes is possible.

Lithium is included, along with cobalt, in the list of 30 critical materials prepared by the European Union for their economic importance and supply risk. The production techniques for extraction of lithium from geothermal brines are evolving towards commercialisation and the high geothermal gradients present on the EL applications could assist in partially meeting much of the energy requirements for this process.

Monte Bianco and Corchia Projects (VMS exploration licence applications)

Altamin has lodged exploration licence applications over Monte Bianco and Corchia, the two most significant copper, cobalt and manganese-rich historical mining districts in Italy hosted in VMS (volcanogenic massive sulfide) systems in Regione Liguria and Regione Emilia Romagna.

The Company has recently received environmental Decrees in support of its proposed exploration programs over both projects, however the EL applications are yet to be lodged pending discussions at a regional and national level.

The next step is for one or both of VMS exploration licence applications to be lodged for assessment by the respective regional authorities of Liguria and Emilia Romagna.

Corporate

Cash Balance

Cash on hand as at 30 June 2022 was \$4.836 million. Please refer to the attached Quarterly Cashflow Report (Appendix 5B).

Financial and Additional Information

The attached Quarterly Cashflow Report (Appendix 5B) provides an overview of the Company's financial activities for the quarter ended 30 June 2022 on a consolidated basis. Exploration expenditure for the period was \$1.004 million (item 1.2(a) of the Appendix 5B). The total amount paid to executive and non-executive directors of the entity and their associates for the quarter (item 6.1 of the Appendix 5B) was \$339,000, including \$177,996 for salaries, superannuation, directors' fees and consulting fees and \$160,646 for legal services to Gilbert & Tobin. Mr Cardaci, a non-executive director of the Company, is a consultant of Gilbert & Tobin. The legal services were not provided by Mr Cardaci.



Takeover Bid

On 3 May 2022, the company's largest shareholder VBS Exchange Pty Limited (VBS) lodged an unsolicited takeover bid to acquire all of the fully paid ordinary shares in Altamin via an off-market takeover for \$0.095 per Share.

The Company released its Target's Statement on 17 June 2022 and its First Supplementary Target's Statement on 25 July 2022, and at the date of this report the Directors continue unanimously to recommend that Altamin shareholders REJECT the Offer.

VBS Exchange has issued a letter of support dated 26 July 2022, to confirm that it supports the financing transaction with Appian and is supportive of Altamin's strategy of developing a European pipeline of battery metal projects. The letter also confirms that its off-market offer will end on 1 August, and will not be either extended, or increased, other than if required by law.

Tenements

Tenement holdings, tenements disposed of and tenements acquired during the quarter are shown in the attached Tables 1 to 3.

This announcement has been approved for release by the Board of Altamin Limited.

For further information, please contact:

Geraint Harris

Managing Director

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About Altamin Limited

Altamin Limited is an ASX-listed mineral company focused on base and battery metal exploration and brownfield mine development in Italy, with two 100% owned mineral projects and five under licence application.

The Company's **Gorno Zinc Project**, in the Lombardy region of northern Italy, is an advanced, historic mine with well-defined mineralisation. The Gorno Project benefits from strong local support, excellent metallurgy and established infrastructure. Up until 1980 the Gorno underground zinc mine was owned by SAMIM (a state-owned company and part of ENI) and then the unilateral decision was made to close all SAMIM-owned metal mining in Italy to focus solely on oil and gas, despite there being defined mineral reserves remaining.

The Project is at an advanced stage, and presents the opportunity to deliver high-grade, clean zinc and lead concentrates to smelters and offtake customers in Europe.

The November 2021 Scoping Study confirmed that the Gorno Project is potentially a commercially viable development opportunity, with significant upside, and highlights the project as a low capital cost development-cost opportunity with significant existing infrastructure, attractive economics and an advanced schedule to first production.



The Gorno Project area hosts well-defined mineralisation with an existing resource and significant exploration upside:

- JORC compliant Mineral Resource estimate of 7.8Mt @ 6.8% Zn, 1.8% Pb and 32g/t Ag³; and
- Exploration Target of 17.4Mt to 22.0Mt within a larger mineralised strike of >8km.⁴

The Gorno Project has unique attributes that contribute to making it a low-risk brownfields development, including:

- established underground access with more than an estimated 20km of useful primary development in place;
- simple metallurgy and a simple processing route, demonstrated by recent test work;
- clearly defined permitting parameters, compared to peer group projects at a similar level of study; and
- good infrastructure and logistics, with its central European location providing high quality road, rail and port network alternatives.
 - significant expansion and upside potential beyond Scoping Study;
 - infill and a proportion of exploration drilling will run in conjunction with the Definitive Feasibility Study (DFS). This will target resources definition and potential conversion of a portion of the near-mine Exploration Target into Mineral Resources. The Exploration Target has been estimated as an additional 17.4Mt to 22Mt at grades ranging between 8.5 and 10.4% Zn, 1.9 and 2.4% Pb and 19 and 23g/t Ag and represents an opportunity for significant additional potential Mineral Resource growth; and
 - ongoing metallurgical test-work and flowsheet design will target DFS level definition of processing performance, equipment sizing, optimising metallurgical recoveries and concentrate economics.

The **Punta Corna Cobalt Project** in Piedmont, Italy, historically mined for cobalt, nickel, copper and silver, is an active exploration project with outcropping mineralisation, a historical bulk sample grading 0.6-0.7% Co, plus Ni, Cu, Ag and a drilling program outlined pending permit renewal Altamin's recent sampling has returned high-grade assays over >2km strike length from multiple sub-parallel veins, with good potential for further mineralised vein discovery and significant depth extension.

Altamin has lodged applications over **Monte Bianco** and **Corchia**, the two most significant copper, cobalt and manganese-rich [volcanogenic massive sulphide (VMS)] historical mining districts in Italy.

In addition, the Company has lodged three Exploration Licence (EL) applications **Campagnano**, **Galeria** and **Ferento** in the Lazio region of central Italy in the southern half of Italy's premier geothermal field. During the 1990s more than 800 wells were drilled into the geothermal field(s) in this part of Italy, and the brines sampled in the vicinity of the ELs contained high lithium values.

The announcements listed above are available to view on Altamin's website (www.altamin.com.au) and on the ASX platform.

³ Refer announcement 'Updated Mineral Resource for Gorno' released on 15 November 2021. Altamin confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

⁴ Refer announcement dated 8 September 2021 'Exploration Target Outlines Upside at Gorno'. The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration will result in the determination of a Mineral Resource or that the Production Target based on the Exploration Target will be realised. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the exploration target continue to apply and have not materially changed.

Table 1: Schedule of Mining Tenements Held

Project	Tenement	Entity's Interest	Comments
Novazza	N/A	100%	Application – on hold
Val Vedello	N/A	100%	Application – on hold
Cime (Gorno)	Decree 8073	100%	Granted
Punta Corna	Decree 628 & 160	100%	Renewal & extension in progress
Balme	Decree 264	100%	Granted
Monte Bianco	N/A	100%	Application
Corchia	N/A	100%	Application
Campagnano	N/A	100%	Application
Galeria	N/A	100%	Application
Ferento	N/A	100%	Application

Table 2: Schedule of Mining Tenements Reduced

Project	Tenement	Entity's Interest	Comments
Monica Mining Licence (Gorno)	Decree 538	100%	Expired

Table 3: Schedule of Mining Tenements Increased

Project	Tenement	Entity's Interest	Comments
Ferento	N/A	100%	Application

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTAMIN LIMITED

ABN

Quarter ended ("current quarter")

63 078 510 988

30 JUNE 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,004)	(4,308)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(132)	(534)
	(e) administration and corporate costs	(124)	(299)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(1,259)	(5,140)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1)	(46)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(46)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,059
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	3
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(135)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – provide details if material	-	-
3.10	Net cash from / (used in) financing activities	(18)	5,927

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,102	4,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,259)	(5,140)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(46)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	5,927

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	12	10
4.6	Cash and cash equivalents at end of period	4,836	4,836

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,683	2,157
5.2	Call deposits	3,153	3,945
5.3	Bank overdrafts	-	-
5.4	Other (provide details if material)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,836	6,102

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	339
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Included in item 1.2: <ul style="list-style-type: none"> - Remuneration payments to Director \$177,996. - Payments for legal services of \$160,646 to Gilbert & Tobin Lawyers, a party related to Mr Cardaci. 		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (bank guarantee)	13	13
7.4	Total financing facilities	13	13
7.5	Unused financing facilities available at quarter end	<div>-</div>	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<div></div>			

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,259)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,259)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,836
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,836
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.84
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N.A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N.A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N.A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.