

ALTAMIN EXECUTES SUBSCRIPTION AND JOINT VENTURE AGREEMENT FOR A\$103M FUNDING DEAL FOR GORNO

Altamin Limited (**Altamin** or **the Company**) (**ASX:AZI**) is pleased to announce that it has executed a binding subscription and joint venture agreement with Appian Italy B.V (**Appian**) (**Joint Venture Agreement**), which replaces the binding term sheet with Appian Natural Resources Fund II acting by its general partner Appian Natural Resources Fund GP II Limited, the details of which were set out in Altamin's ASX announcement of 25 July 2022.

Pursuant to the Joint Venture Agreement:

- Altamin's wholly owned subsidiary, Energia Minerals (Italia) SRL (**EMI**) will transfer the assets comprising the Gorno Project to a newly incorporated Italian joint venture company, Vedra Metals SRL (**Vedra**), which will be initially wholly owned by EMI;
- Appian may invest up to ~A\$103 million¹ (US\$65 million) to earn up to a 67.4% interest in Vedra, consisting of:
 - first tranche of ~A\$15.9 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 definitive feasibility study (**DFS**), to earn up to ~29.9%; and
 - the right to fund up to a further ~A\$87.3 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 Scoping Study parameters;²
- Following satisfaction of the applicable conditions precedent, Appian will invest an initial ~A\$4.1 million³ (US\$2.6 million) to earn an initial interest in Vedra of approximately 9.96%, with the remaining first tranche funding to be drawn by Vedra when required after obtaining any requisite approvals under Italian law; and
- 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.

Mr Geraint Harris, Managing Director of Altamin said:

This funding and JV partnership positions us to quickly commence remobilisation of our drilling contractor to embark upon the largest drilling program ever initiated at Gorno. Altamin and Appian share the vision of significant additional Resource potential at Gorno and the ability of this mine to make an important contribution to local prosperity and to supply a clean and sustainable source of concentrates for European smelters long into the future. The execution of this funding agreement marks a key milestone confirming Italy as a mining jurisdiction and we are excited to be a contributor to the growing efforts to secure the raw material supply chain in Europe.

Mr Michael W. Scherb, Founder and CEO of Appian said:

Appian is pleased to solidify its partnership with Altamin through the Vedra Metals joint venture and embark on the journey of developing Gorno and delivering the full potential of the project for the benefit of all stakeholders. Gorno is a high-quality asset with a highly prospective resource and strong local support. The Altamin team have been excellent custodians of the asset to date and we look forward to working with them, the surrounding communities, and all other stakeholders to successfully take the project forward.

¹ Total agreed transaction value of up to US\$65 million translated at the approximate exchange rate of A\$1.00 = US\$0.63 as at 18 October 2022.

² Refer to Altamin's announcement titled '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.

³ At the approximate exchange rate of A\$1.00 = US\$0.63 as at 18 October 2022.



Further details of the material terms of the Joint Venture Agreement, including the applicable conditions to funding, are summarised in the Annexure to this announcement.

This announcement is authorised by the Altamin board.

For further information please contact:

Geraint Harris
Managing Director
Altamin Limited
info@altamin.com.au

About Appian

Appian Capital Advisory LLP is a European headquartered investment advisor to long-term value-focused private equity funds that invest solely in mining and mining-related companies.

Appian is a leading investment advisor in the metals and mining industry, with global experience across South America, North America, Europe, Australia and Africa and a successful track record of supporting companies to achieve their development targets, with a global operating portfolio overseeing nearly 5,000 employees. Appian has a global team of 58 experienced professionals with presences in London, Toronto, Vancouver, Lima, Belo Horizonte, Montreal and Perth. 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.

For more information please visit www.appiancapitaladvisory.com, or find us on LinkedIn, Instagram and Twitter.

Forward looking statements

This announcement may include forward-looking statements about Altamin and Appian. Forward-looking statements are statements that are not historical facts and include statements regarding the schedule and completion of various steps in the Joint Venture proposal. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These risks and certain other factors include: Altamin and Appian's expectations regarding the Joint Venture proposal, the response of Altamin shareholders to the Joint Venture proposal, regulatory requirements applicable to the Joint Venture proposal, whether each party exercises their respective rights to meet additional funding requirements and other factors that may be beyond the control of Altamin and Appian. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Altamin and Appian to be materially different from those expressed or implied by such forward-looking statements, including the risks factors listed above, other risks inherent in the mining industry and other risks described in the management discussion and analysis of the Altamin and Appian. Although Altamin and Appian have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward- looking statements. Neither Altamin nor Appian undertake to update any forward-looking statements, except as required by applicable securities laws.

ANNEXURE – MATERIAL TERMS OF JOINT VENTURE AGREEMENT

Funding	<p>Appian may earn an interest of up to 67.4% in Vedra for a total investment of up to US\$65 million as follows:</p> <ul style="list-style-type: none"> • Appian has committed to fund up to US\$10 million into Vedra prior to a FID being reached and to earn an interest of up to approximately 29.9% as the committed funds are called by Vedra; and • Appian has the right to acquire up to a further 37.5% in Vedra by funding all cash requirements of Vedra between FID and the project completion date (the Development Phase) up to a further US\$55 million. <p>To the extent Vedra’s equity funding requirements prior to FID exceed US\$10 million each of Altamin and Appian have the right to fund any additional amounts pro-rata to their interest in Vedra at the same valuation. Similarly, each of Altamin and Appian have the right to fund any additional amounts pro-rata to their interest in Vedra to the extent the Vedra’s post FID equity funding requirements exceed US\$55million.</p> <p>At completion under the Joint Venture Agreement, Appian will invest an initial US\$2.6 million to earn an initial interest in Vedra of 9.96%, with the remaining first tranche funding to be drawn by Vedra when required after obtaining any requisite approvals under Italian law.</p> <p>If a force majeure event occurs during the Development Phase which is beyond the reasonable control of the party concerned and it will, or is reasonably likely to, diminish the net present value of the Project by 25% or more, the affected party may suspend its obligations (including obligations to fund) and may terminate the affected obligations if the force majeure event continues for six consecutive months.</p>
Conditions Precedent	<p>Completion under the Joint Venture Agreement is conditional on:</p> <ul style="list-style-type: none"> • fundamental warranties remaining true and correct immediately before completion; • neither EMI, Altamin or Appian having breached any of their respective material obligations under the Joint Venture Agreement; • Vedra duly adopting a resolution at a quotaholders meeting before a notary public resolving upon, among other things, a capital increase to be subscribed and paid up by EMI by means of a contribution in kind of the assets comprising the Gorno Project; and • certain Italian regulatory approvals being obtained in relation to the contribution in kind of the assets comprising the Gorno Project by EMI.
Condition Subsequent	<p>It is a condition subsequent that the Regione Lombardia issue a final decree stating that Vedra holds legal title to the mining tenement comprising the Gorno Project, within 120 days after the date of completion under the Joint Venture Agreement.</p> <p>If the condition subsequent is not satisfied or waived within the relevant time, Appian may terminate the Joint Venture Agreement, in which case the parties must promptly take all actions necessary to unwind the actions taken at completion of the Joint Venture Agreement.</p>
Condition Precedent to Additional Funding	<p>Appian’s obligation to provide the committed first tranche funding (except for the initial US\$2.6 million to be provided at completion) is conditional on certain Italian regulatory approvals being obtained in relation to the increase of Appian’s quota in Vedra to 10% or more within 90 business days after the date of completion under the Joint Venture Agreement.</p>
Final Investment Decision	<p>The Quotaholders acknowledge their mutual intention to propose and make a final investment decision as soon as possible following completion of, among other things, a satisfactory definitive feasibility study,</p>

receipt of project finance term sheets and receipt of all necessary authorisations to construct, develop and operate the Gorno project.

Governance	The board of directors of Vedra will initially consist of two nominees of each of Altamin and Appian. Once FID has been reached, Appian has the right to appoint an additional director such that its nominees will represent a majority of the board. From the time the Gorno Project reaches commercial development, board appointment rights will be rebased to represent the ownership of Vedra. Certain matters are reserved for supermajority approvals of the board (75%) or the Quotaholders (80.1%) requiring increased thresholds for approval.
Non-compete	Vedra has the right to be transferred any interest held or acquired by Altamin or Appian now or in the future in relation to a base metals project or in any downstream processing operations for base metals project within a 40km radius from the Gorno Project.
Representations and Warranties	Standard representations and warranties for a transaction of this nature.
Break fee	A break fee of US\$750,000 is payable by each of Altamin and Appian (and is an exclusive remedy) if the Joint Venture Agreement is terminated for non-satisfaction of a condition precedent resulting from a material breach of the Joint Venture Agreement or if a completion default occurs.
Default	<p>If a Quotaholder does not fulfil a funding obligation or elect to take up its right to fund an amount, the other Quotaholder has the right to fund all (but not some) of the relevant amount on the same terms.</p> <p>If a Quotaholder commit an event of default, the non-defaulting Quotaholder is granted an option to purchase the entire Quota over the defaulting Quotaholder.</p>
Right of First Refusal	Prior to FID being achieved, each of Altamin and Appian have granted the other a right of first refusal (ROFR) in relation to a proposed third-party sale of their ownership interest. Following FID, Appian may require Altamin sell its ownership interest on the same terms offered by a third party to Appian, although Altamin may exercise a ROFR to acquire Appian's ownership interest on the same term before the drag along right may be exercised by Appian.
Term	<p>The Joint Venture Agreement remains in effect until:</p> <ul style="list-style-type: none"> • Vedra is liquidated, wound up or deregistered; • it ceases to apply to one or more Quotaholders such that it applies only to a single remaining Quotaholder; • the Quotaholders agree to terminate the agreement; or • 10 (ten) years after the date of the agreement. <p>If termination occurs because of the 10-year sunset date, the parties will reconvene in good faith to agree a further 10 year extension.</p>
By-laws	The by-laws of Vedra will be amended to reflect, to the maximum extent permitted by Italian law, the provisions and principles set out in the Joint Venture Agreement.