

QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 30 SEPTEMBER 2022

HIGHLIGHTS

Gorno Zinc Project

- Binding subscription and joint venture agreement now executed for the A\$103 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
- First tranche, US\$10 million budget agreed with Appian to deliver the drilling program, Definitive Feasibility Study (DFS) and all Gorno permitting approvals
- Drilling contractor Edilmac commenced a ~20,000m step out and infill diamond drilling
- Metallurgical optimisation and variability testing program continues

Battery Metals Projects

- Punta Corna expanded exploration licence and drilling program is pending from the Regional government, following positive Environmental & Social Impact Assessment (EIA) from the Ministry of the Environment
- Campagnano EL for lithium in brine exploration granted
- Ferento licence application for lithium in brine exploration work program received exclusion from requiring an EIA, now official grant of EL pending from Regional government
- Altamin staff have been refocused on advancing the Company's other fully owned base and battery metal projects in Italy, pending financial close of the Appian transaction

Corporate

- Cash as of 30 September 2022 is \$3.250 million
-



Altamin Limited (ASX: AZI) (Altamin or the Company) is pleased to provide its Quarterly Activities Report for the period ended 30 September 2022.

Gorno Zinc Project

Operations

During the Quarter, the operational focus continued on the metallurgical test work of Gorno mineralisation.

Detailed underground re-survey of control points took place, for subsequent as-built laser scanning and mapping in preparation for the upcoming DFS work streams.

Geochemical analysis of by-product rock was undertaken to optimise by-product re-use and sales planning and to support the development of commercial applications that can enhance the Gorno Projects' circular economy applications and general green credentials.

To preserve Altamin shareholder funds, drilling and all discretionary project activities at Gorno were paused pending completion of the Appian funding arrangements. Altamin staff were then focused on progressing knowledge acquisition for the Company's other base and battery metals projects and EL applications in Italy.

Permitting

Gorno's exploration activities are permitted under the Cime exploration licence (Cime EL), which can be extended up to 2026. Upon finalisation of the DFS, application will be made to convert the Cime EL to a mining licence which will include the current exploration area and areas required for the underground and surface infrastructure.

During the Quarter, the Company has engaged with specialist external consultants to assist Altamin's staff in addressing key permitting areas required for the DFS. The Company has determined that the preferred permitting approach will be to adopt a streamlined process integrated with the various DFS outputs, including those aligned with the stakeholder feedback received in response to the previous mining licence application.

Strategic funding

On 18 October 2022, Altamin executed a binding subscription and joint venture agreement with Appian Italy B.V (Appian), which replaces the previously reported binding term sheet with Appian Natural Resources Fund II acting by its general partner Appian Natural Resources Fund GP II Limited.

Under the Joint Venture Agreement, Appian may invest up to ~A\$103 million¹ (US\$65 million) to earn up to a 67.4% interest in Gorno, consisting of:

- a 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 DFS, to earn up to ~ 29.9%; and

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.

- 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 November 2021 Scoping Study² parameters.

Altamin has incorporated a new Italian joint venture company, Vedra Metals SRL (Vedra Metals), to own and develop the Gorno Project. 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.

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.

During the Quarter, the Company entered into a memorandum of understanding with a drill rig operator with specific expertise in Alpine drilling, so that drilling can commence once all permitting requirements are satisfied and sufficient funding is obtained. Drilling permissions at Punta Corna have received a positive VIA assessment with the final EL Decree pending.

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.

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.

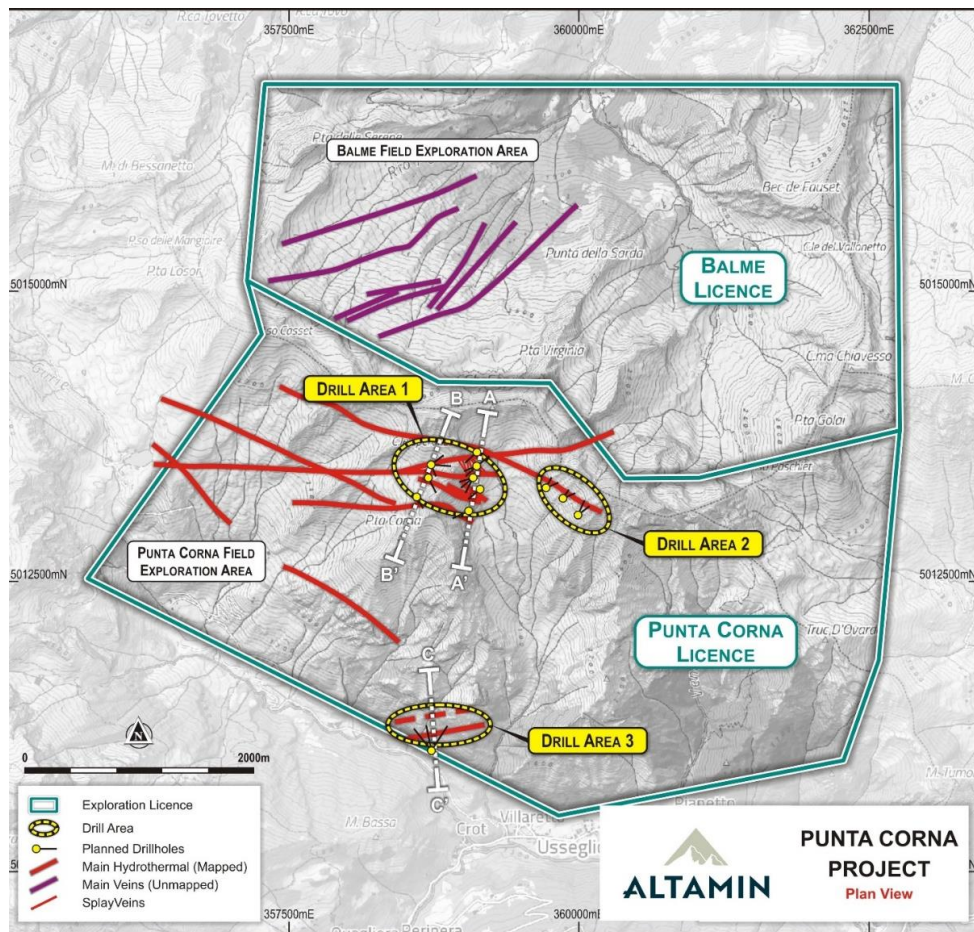


Figure 1: Plan map of Punta Corna (south) & Balme (north) Exploration Licences, the hydrothermal veins locations, exploration areas & activities planned

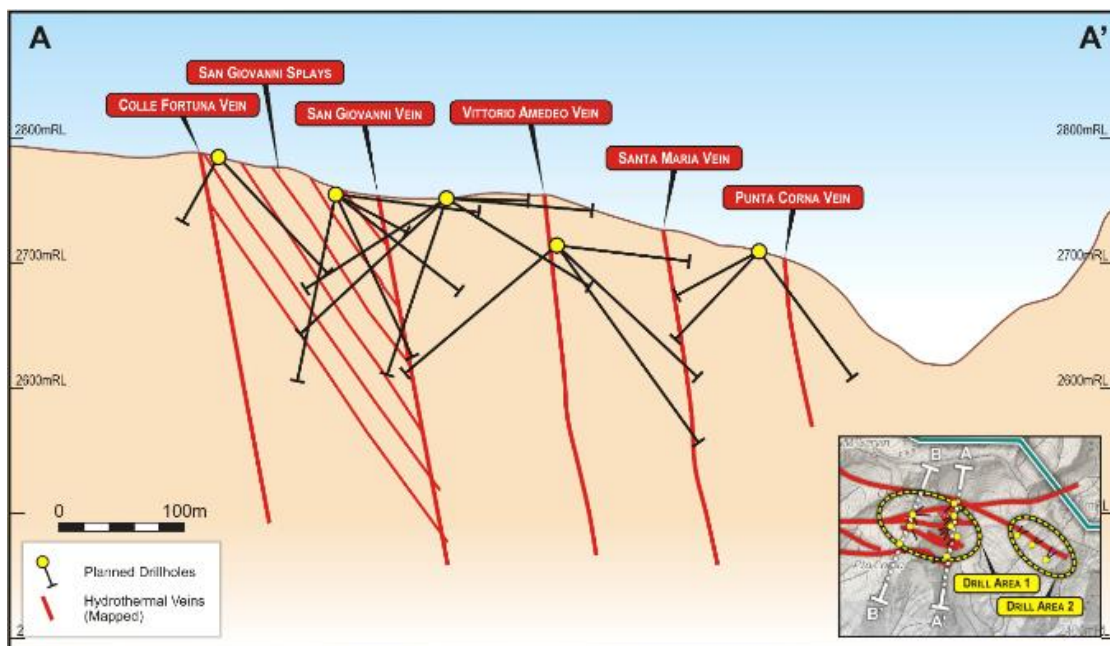


Figure 2: A-A' section (N-S, see Figure 1) through Punta Corna showing the multiple mapped veins which can be targeted by planned diamond drilling

Campagnano, Galeria, and Ferento – Geothermal Lithium in Brine

Altamin has three exploration projects in the Lazio region of Italy: Campagnano EL and Galeria EL (about 50km north of Rome) and application for Ferento (about 80km north of Rome). These areas cover a combined area of approximately 7,500ha in the southern half of Italy's premier geothermal field.

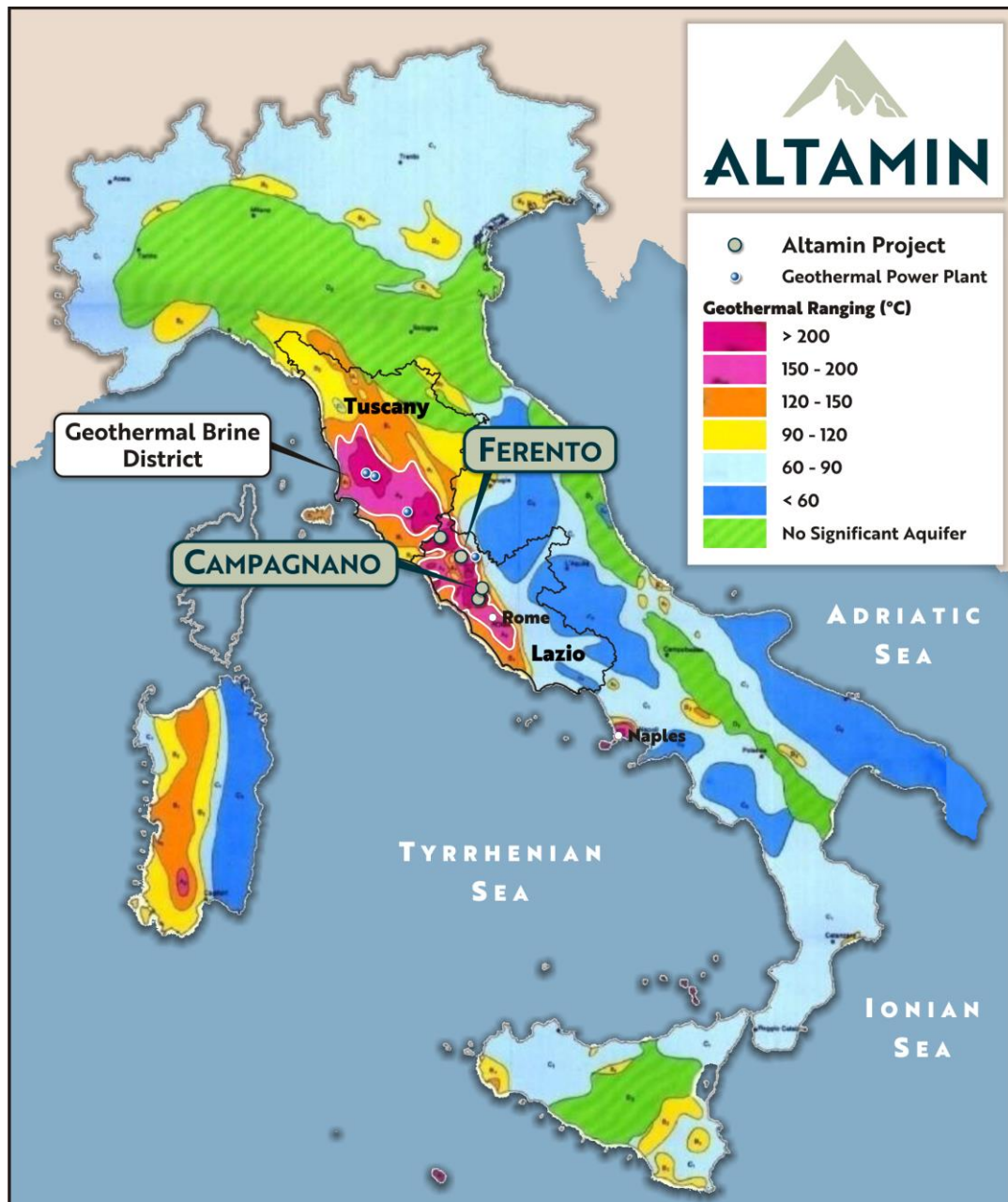


Figure 3: Geothermal Ranking of the Italian Territories (Source: Cataldi et Al, 1995)

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.

During the Quarter, and in support of the EL applications, physical and desktop reconnaissance was undertaken to assess surface access, final EL coordinates, and the feasibility of resampling the geothermal brines in order to undertake a comprehensive geochemical and geothermal assessment.

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 Corchia and Monte Bianco, the two most significant copper, cobalt and manganese-rich historical mining districts in Italy hosted in VMS (volcanogenic massive sulphide) systems in Regione Emilia Romagna and Regione Liguria. These applications were placed in standby pending environmental assessment by the Ministry of the Environment.

The Company has recently received environmental Decrees in support of its proposed exploration programs over both projects. Hence, the EL application for Corchia has now been re-lodged with the Regional Government of Emilia Romagna, following integration of prescriptions by the Ministry of the Environment. The Monte Bianco application is on hold pending discussions between the regional and national governments.

Corporate

Cash Balance

Cash on hand as at 30 September 2022 was \$3.250 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 September 2022 on a consolidated basis.

Exploration expenditure for the period was \$1.233 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 \$414,774, including \$176,702 for salaries, superannuation, directors' fees and consulting fees and \$238,072 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

(VBS) The Company released its First Supplementary Target's Statement on 25 July 2022 in response to the VBS Exchange Pty Limited (VBS) off market takeover offer dated 3 May 2022 (VBS Offer). VBS 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 VBS Offer ended on 1 August 2022.

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:

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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 at grades ranging between 8.5 and 10.4% Zn, 1.9 and 2.4% Pb and 19 and 23g/t Ag within a larger mineralised strike of >8km⁴, which represents an opportunity for significant additional potential Mineral Resource growth.
- Infill and exploration drilling being run in conjunction with the DFS will target resources definition and the potential conversion of a portion of the near-mine Exploration Target into Mineral Resources.

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;
- good infrastructure and logistics, with its central European location providing high quality road, rail and port network alternatives; and,
- significant expansion and upside potential beyond the Scoping Study, with ongoing metallurgical test-work and flowsheet design targeting DFS level definition of processing performance, equipment sizing, optimising metallurgical recoveries and concentrate economics.

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.

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 two granted exploration licences at **Campagnano** and **Galeria**, and an application at **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.

Table 1: Schedule of Mining Tenements Held

Project	Tenement		Entity's Interest	Comments
Cime (Gorno)	Decree 8073	Zn,Pb,Ag	100%	Granted
Punta Corna	Decree 628 & 160	Co,Ni,Cu,Ag	100%	Renewal & extension in progress
Balme	Decree 323	Co,Ni,Cu,Ag	100%	Granted
Monte Bianco	N/A	Co,Cu,Mn	100%	Application
Corchia	N/A	Co,Cu,Mn	100%	Application
Campagnano	G11709	Li	100%	Granted
Galeria	GA13532	Li	100%	Granted
Ferento	N/A	Li	100%	Application

Table 2: Schedule of Mining Tenements Reduced

Project	Tenement	Entity's Interest	Comments
-	-	-	-

Table 3: Schedule of Mining Tenements Increased

Project	Tenement	Entity's Interest	Comments
-	-	-	-

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 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,233)	(1,233)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(133)	(133)
	(e) administration and corporate costs	(212)	(212)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
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	(1,575)	(1,575)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(3)	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,836	4,836
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,575)	(1,575)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(8)	(8)
4.6	Cash and cash equivalents at end of period	3,250	3,250

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	859	1,683
5.2	Call deposits	2,391	3,153
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)	3,250	4,836

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	415
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 \$176,702. - Payments for legal services of \$238,072 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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
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		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,575)
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)	(1,575)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,250
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,250
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.06
<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 Note that exploration & evaluation activities at the Gorno Project in future periods will be sourced from the committed US\$10m (~A\$15.9m) Appian strategic funding deal (refer ASX announcement dated 18 October 2022)	
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: 31 October 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.