

ALTAMIN'S FIRST SUPPLEMENTARY TARGET'S STATEMENT

Altamin Limited (Altamin) (ASX:AZI) refers to the off-market takeover offer by V B S Exchange Pty Limited (ABN 75 109 106 201) (**VBS**) for all of the ordinary shares in Altamin in which VBS does not have a relevant interest.

Altamin's first supplementary target's statement (the **First Supplementary Target's Statement**) is attached in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth).

A copy of the First Supplementary Target's Statement will be served on VBS and lodged with the Australian Securities and Investments Commission today.

This announcement is authorised by the Altamin board.

For Further Information please contact:

Geraint Harris
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Altamin Limited
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First Supplementary Target's Statement

1 Nature of this Statement

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) (**Act**). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Altamin Ltd (ACN 078 510 988) (**Altamin**) in relation to the off-market takeover bid made by the V B S Exchange Pty Limited (ABN 75 109 106 201) (**VBS**) for all of the ordinary shares in Altamin in which VBS does not have a Relevant Interest (the **VBS Offer**). This First Supplementary Target's Statement supplements, and should be read together with, Altamin's target's statement dated 17 June 2022 (**Original Target's Statement**).

2 Altamin and Appian to Establish Incorporated Joint Venture

Altamin has entered into a binding term sheet with Appian Natural Resources Fund II acting by its general partner Appian Natural Resources Fund GP II Limited (**Appian**) under which the parties agree, subject to the satisfaction of specified conditions, to establish an incorporated joint venture (the **JV Company**) to operate and carry on the business of developing the Gorno Zinc Project (the **Binding Term Sheet**).

Appian may earn an interest of up to 67.4% in the Gorno Project for a total investment of up to US\$65 million consisting of:

- (a) US\$10 million committed funding to the JV Company prior to a final investment decision being made in relation to the Gorno Project to earn up to approximately 29.9%; and
- (b) the right to fund all cash requirements of the JV Company following a final investment decision in relation to the Gorno Project up to an additional US\$55 million to earn up to a further 37.5%.

Altamin's announcement to ASX of 25 July 2022 which sets out the material terms of the Binding Term Sheet is provided in the Annexure to this First Supplementary Target's Statement.

3 Independent Expert to provide supplementary report

The directors of Altamin engaged the Independent Expert to prepare the Independent Expert's Report comprising Annexure C of the Original Target's Statement. In that report, the Independent Expert concluded that the VBS Offer is neither fair nor reasonable. The Independent Expert is providing a supplementary report following the execution of the Binding Term Sheet.

4 Capital Structure of Altamin

As at the date of this First Supplementary Target's Statement, the Altamin Securities on issue are:

CLASS	NUMBER
Altamin Shares	391,716,752

CLASS	NUMBER
AZIAM: Options	5,000,000
AZIAA: Options expiring 16 September 2024 with an exercise price of \$0.18	1,786,674
AZIAB: Options expiring 16 September 2024 with an exercise price of \$0.24	1,786,674
AZIAC: Options expiring 16 September 2024 with and exercise price of \$0.30	1,786,670

A total of 783,334 Options that were on issue at the date of the Original Target's Statement have lapsed.

5 Altamin Board Recommendation

For the reasons set out in the Original Target's Statement, the Directors of Altamin continue to unanimously recommend that Altamin Shareholders **REJECT** the VBS Offer.

6 Consents

BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045) (**BDO**) has given, and not withdrawn before the lodgement of this First Supplementary Target's Statement with ASIC, its written consent to be named in this First Supplementary Target's Statement in the form and context in which it is so named. BDO's consent has been given on the basis that BDO:

- (a) did not authorise or cause the issue of this First Supplementary Target's Statement; and
- (b) does not make, or purport to make, any statement other than as specified in this First Supplementary Target's Statement.

7 General

If you have any questions about the VBS Offer, please contact the Altamin Shareholder Information Line on 1300 043 194 (callers within Australia) or +612 8355 1006 (callers outside Australia). Alternatively, contact the chat line at <http://chat4.shareholdersfirst.com.au>. The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning in this First Supplementary Target's Statement.

This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement.

This First Supplementary Target's Statement is dated 25 July 2022 and a copy of this First Supplementary Target's Statement was lodged with ASIC and ASX on that date. None of ASIC, ASX nor any of its respective officers takes any responsibility for the contents of this First Supplementary Target's Statement.

8 Authorisation

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors of Altamin.

Dated 25 July 2022

Signed for and on behalf of Altamin



Alexander Burns
Non-Executive Chairman

Annexure - ASX Announcement

ALTAMIN SECURES A\$94M APPIAN FUNDING DEAL FOR GORNO

HIGHLIGHTS

- Appian, a global specialist mining private equity fund with expertise in financing and development of mining projects, to invest up to ~A\$94 million¹ (US\$65 million) to earn up to a 67.4% interest in Gorno, consisting of:
 - 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 definitive feasibility study (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 Scoping Study parameters².
- 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 parameters².
- Altamin will maintain full ownership and development control of its other base and battery metal projects in Italy.

Altamin Limited (**Altamin** or **the Company**) (**ASX:AZI**) is pleased to announce that it has executed a binding term sheet with Appian Natural Resources Fund II acting by its general partner Appian Natural Resources Fund GP II Limited (**Appian**) (the **Binding Term Sheet**), under which the parties agree, subject to the satisfaction of specified conditions, to establish an incorporated joint venture (the **JV Company**) to operate and fund the development of the Gorno Zinc Project (**Gorno** or **the Gorno Project**).

Execution of the Binding Term Sheet represents the culmination of the strategic process announced on 24 November 2021 to assess the various options for development of the Gorno Project and is designed to maximise project value, minimise financing risk and establish a robust development pathway for the Gorno Project.

Mr Geraint Harris, Managing Director of Altamin said:

This funding enables our work program to be significantly expanded to test the significant near mine exploration potential and expand the resource footprint at Gorno, therefore maximising project and shareholder value, whilst significantly reducing equity dilution and finance risk for our shareholders. Altamin and Appian are aligned on this strategy and the partnership with Appian also brings a wealth of new exploration and mine development experience to our team. Attracting a world class partner such as Appian to invest in one of Altamin's projects is testament to the hard work of the Altamin team and the quality of the Gorno Project, while also highlighting Italy as a Tier 1 jurisdiction for mining investment.

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

Appian is excited to partner with Altamin on the development of Gorno, a high-quality asset with a highly prospective resource and strong local support, to realise the full potential of this project and deliver value to all stakeholders. The work of the Altamin team to date is a credit to themselves, and we look forward to working with them, the surrounding communities, and all other stakeholders to successfully advance the project.

Appian will commit US\$10 million in the pre-FID funding stage to earn 29.9% interest in the JV Company (**Pre-FID Funding**). The Pre-FID Funding will be used to fund an expanded drilling program, permitting and completion of the DFS. Following FID, Appian has the right to acquire up to a further 37.5% by funding all cash requirements of the JV Company up to US\$55 million (**Post-FID Funding**). The total

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 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.



funding package has been sized to provide for the estimated equity requirement to fund Gorno to commercial production, based on the Scoping Study parameters.

Further details of the Binding Term Sheet material terms and funding conditions are summarised in the Annexure to this announcement.

The directors of Altamin consider the transaction provides shareholders with the following benefits:

- Appian is a European headquartered specialist mining private equity fund with expertise in the financing and development of mining projects. Appian have brought seven mines to commercial production within the last four years. Their investment is a strong endorsement for Gorno and the JV between Altamin and Appian's teams will significantly de-risk the future development of the Gorno Project.
- The transaction provides access to funding to allow expansion of the operating team, acceleration of the drilling program and the project development workstreams to enable growth of the Mineral Resource base and optimise the development and permitting of Gorno.
- Appian's investment in Gorno significantly de-risks the finance of further exploration growth and project funding of the Gorno Project through to commercial production, whilst removing any immediate financing burden of the Project from Altamin's shareholders.
- The transaction allows Altamin and its shareholders to retain exposure to value created at Gorno over time as it progresses through milestones of permitting, further studies, and project development, de-risking the project.
- Altamin will retain its A\$4.836 million³ cash balance along with full ownership and autonomy of its other strategic battery metals projects.

Completion

The Binding Term Sheet is a binding agreement on both Altamin and Appian (subject to the applicable conditions) to finalise and execute formal transaction documents to give effect to the arrangements outlined above. Once the conditions precedent are satisfied, the joint venture will be formed and the first tranche Pre-FID Funding will be available to the JV Company to draw upon when required.

The transaction with Appian is subject to standard conditions precedent, including Altamin obtaining any required shareholder approval.

Each Altamin director considers the transaction with Appian to be in the best interests of the Company. If shareholder approval is required, in the absence of a Superior Proposal⁴ and subject to the conclusion of an independent expert not being not fair and not reasonable (if one is engaged), each Altamin director intends to recommend that shareholders vote to approve the transaction and commits to vote Altamin shares in their control in favour of the transaction.

If shareholder approval is required, relevant documentation will be sent to Altamin shareholders at the appropriate time.

Altamin is being advised by Lisle Group as financial advisor and Gilbert + Tobin as legal adviser.

VBS Offer update

The directors of Altamin continue to recommend that Altamin shareholders **REJECT** the takeover offer for Altamin received from VBS Exchange Pty Limited (ABN 75 109 106 201) (**VBS**) (**VBS Offer**). To **REJECT** the VBS Offer you should simply **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by VBS. The Altamin directors note that entry into the Binding Term Sheet may trigger one of the conditions to the VBS Offer.

The directors of Altamin engaged the Independent Expert to prepare the Independent Expert's Report comprising Annexure C of the Original Target's Statement. In that report, the Independent Expert concluded that the VBS Offer is neither fair nor reasonable. The Independent Expert is providing a supplemental report following the execution of the Binding Term Sheet.

³ As at 30 June 2022, unaudited.

⁴ "Superior Proposal" means a bona fide proposal which the Altamin board determines, acting in good faith and in order to satisfy what the Altamin board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Altamin shareholders, having regard to matters including but not limited to consideration, conditionality, funding, certainty and timing.

If you have any questions in relation to the VBS Offer, please contact the Altamin Shareholder Information Line on 1300 043 194 (callers within Australia) or +61 2 8355 1006 (callers outside Australia). Alternatively, contact the chat line at <http://chat4.shareholdersfirst.com.au>. The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).

This announcement is authorised by the Altamin board.

For further information please contact:

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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, 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 BINDING TERM SHEET

Funding	Appian may earn an interest of up to 67.4% in Gorno for a total investment of up to US\$65 million as follows: - Appian has committed to fund up to US\$10 million into the JV Company prior to a FID being reached and may earn an interest of up to approximately 29.9% as the committed funds are called by the JV Company; and - Appian has the further right to acquire up to a further 37.5% in the JV Company by funding all cash requirements of the JV Company up to a further US\$55 million. To the extent the JV Company'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 the JV Company at the same valuation. Similarly, each of Altamin and Appian have the right to fund any additional amounts pro-rata to their interest in the JV Company to the extent the JV Company's post FID equity funding requirements exceed US\$55million.
Conditions Precedent	The formation of the joint venture is subject to satisfaction of the following conditions on or before 31 December 2022: - Altamin and Appian entering into full form transaction documents, including a Subscription and Shareholders Agreement and a Management Agreement (pursuant to which the JV Company will, among other things, make specified employees available to Altamin for the provision of services in relation to Altamin's other projects); - any required shareholder approvals being obtained by Altamin; - Altamin obtaining the approval of the Regione Lombardia to transfer the relevant assets and liabilities to the JV Company; and - Altamin causing the relevant project assets and associated liabilities in connection with Gorno to be transferred the JV Company. Entry into the full form transaction documents is conditional on representatives of the Regione Lombardia not expressing, in a meeting with Appian to be facilitated by Altamin, that the Gorno Project is not likely to proceed or not likely to receive required permits.
Governance	The board of directors of the JV Company 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 the JV Company.
Non-compete	The JV Company 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 within a 40km radius from the Gorno Project.
Exclusivity	The Binding Term Sheet contains customary exclusivity provisions in relation to competing proposals to invest in the Gorno Project, including "no shop" and "no talk" restrictions and a notification obligation in favour of Appian. The exclusivity arrangements do not restrict Altamin from taking, or not taking, any action in relation to an unsolicited competing proposal if Altamin's board, acting in good faith and after receiving written advice from its financial and legal advisers, determines that a competing proposal is, or may reasonably be expected to constitute, a Superior Proposal (as defined in footnote 4 above) if it were proposed and that

failing to respond to such proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of Altamin's board.

Break fee	A break fee of US\$750,000 is payable by each of Altamin and Appian if the party commits a material breach of the Binding Term Sheet or the Subscription and Shareholders Agreement before the Joint Venture is formed (which does not include Altamin failing to obtain any required shareholder approval after using reasonable endeavors) and the non-defaulting party terminates the relevant agreement. The break fee is an exclusive remedy for a material breach of the Binding Term Sheet before the Joint Venture is formed, where the non-defaulting party terminates the relevant agreement.
Default	Each of Altamin and Appian have the right to fund any failure to contribute any amount of committed funding on the same terms offered to the defaulting party and may otherwise buy the defaulting ownership interest in the JV Company in the event of a material breach that is not a failure to contribute any amount of committed funding.
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.