
Target's Statement

Altamin Limited (ABN 63 078 510 988)

This Target's Statement has been issued in response to the off-market takeover bid made by V B S Exchange Pty Limited (ABN 75 109 106 201) (**VBS**) for all of the ordinary shares in Altamin for \$0.095 per ordinary share.

THE ALTAMIN DIRECTORS UNANIMOUSLY RECOMMEND THAT
YOU **REJECT** THE OFFER FROM VBS BY **TAKING NO ACTION**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

Altamin Shareholders can contact the Altamin Shareholder Information Line on 1300 043 194 (callers within Australia) or +612 8355 1006 (callers outside Australia). The lines are open 9:00am to 5:00pm AEST, Monday to Friday (excluding public holidays).

Financial Adviser



Legal Advisers



Important Information

To **REJECT** the Offer, you should **TAKE NO ACTION** in relation to all correspondence sent to you by VBS.

Key Dates

Event	Date
Announcement of the Offer	3 May 2022
Original Bidder's Statement lodged with Altamin, ASIC and ASX	3 May 2022
Replacement Bidder's Statement lodged with Altamin, ASIC and ASX ¹	20 May 2022
Date of the Offer and commencement of Offer Period	3 June 2022
Date of this Target's Statement	17 June 2022
Close of the Offer (unless extended or withdrawn)	7:00 pm (AEST), 4 July 2022

Note: The above dates are indicative only and may change without notice. The Company reserves the right to amend the timetable at any time.

Nature of this document

This document is a Target's Statement issued by Altamin Limited (ABN 63 078 510 988) (**Altamin**) under Part 6.5 of the Corporations Act in response to the off-market takeover bid announced on 3 May 2022 by V B S Exchange Pty Limited (ABN 75 109 106 201) (**VBS**) for all the ordinary shares in Altamin.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX on 17 June 2022. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Target's Statement.

No account of personal circumstances

The information contained in this Target's Statement does not constitute personal advice. In preparing this Target's Statement, Altamin has not taken into account the objectives, financial situation or needs of individual Altamin Shareholders. It is important that you consider the information in this Target's Statement in light of your particular circumstances. You should seek advice from your financial, legal or other professional adviser before deciding whether to accept or reject the Offer.

Disclaimer as to forward-looking statements

Some of the statements in this Target's Statement may be in the nature of forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Altamin operates as well as

¹ VBS also lodged on this date a Supplementary Bidder's Statement which attached a marked up copy of the Replacement Bidder's Statement against the Original Bidder's Statement.

general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward-looking statement. None of Altamin, its Related Bodies Corporate or any of its officers or employees, nor any persons named in this Target's Statement or any person involved in the preparation of this Target's Statement makes any representation or warranty (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. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Except as required by applicable law or the Listing Rules, Altamin does not undertake to update or revise these forward-looking statements nor any other statements (written or oral) that may be made from time by or on behalf of Altamin, whether as a result of new information, future events or otherwise.

Disclaimer as to information on VBS

The information on VBS contained in this Target's Statement has been prepared by Altamin using publicly available information (including information contained in the Replacement Bidder's Statement) and has not been independently verified by Altamin. Accordingly, subject to the Corporations Act, Altamin does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Risk factors

Altamin Shareholders should note that there are a number of risk factors attached to their investment in Altamin and other risks which apply in the event the Offer is accepted. Section 6 of this Target's Statement sets out further information regarding those risks.

Reporting of Exploration Results, Mineral Resources, Scoping Study and Production Targets

The Exploration Results for the Punta Corna Project referred to in this Target's Statement are set out in Altamin's announcement titled 'Punta Corna Delivers Further High-Grade Cobalt, Nickel, Copper & Silver Results' released on 8 February 2021. Altamin confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

The estimates of Mineral Resources for the Gorno Project referred to in this Target's Statement are set out in Altamin's announcement titled '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 those announcements, and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

Altamin's Production Targets were announced on 24 November 2021 in its announcement titled 'Gorno Project Scoping Study Results'. Altamin 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.

Information on the Company's Scoping Study for the Gorno Project in this Target's Statement is extracted from 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.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

Privacy

Altamin has collected your information from its share register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Altamin Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Altamin Shareholders. Without this information, Altamin would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to Altamin and its Related Bodies Corporate, Altamin Shareholders and external service providers, and may be required to be disclosed to regulators, such as ASIC. If you would like details of information about you held by Altamin, please contact the Altamin Shareholder Information Line as set out below.

Diagrams

Diagrams appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Currencies

In this Target's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Target's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Target's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Altamin in respect of which different exchange rates may have been, or may be, used.

Time

All references to time in this Target's Statement are to Perth (AWST) time, unless otherwise stated.

Defined terms

Capitalised terms used in this Target's Statement are defined in paragraph 1.1 of Schedule 1. The rules of interpretation that apply to this Target's Statement are also set out in paragraph 1.2 of Schedule 1.

Altamin Shareholder Information Line

If you have any questions about the 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>, or scan the QR code.



The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).

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Letter from the Chairman

17 June 2022

Dear Fellow Shareholders,

REJECT VBS' OFFER FOR YOUR ALTAMIN SHARES, AS YOUR BOARD INTENDS TO DO^{2, 3}

You will have recently received a Replacement Bidder's Statement from VBS outlining its unsolicited off-market takeover offer to acquire all your Altamin Shares for \$0.095 (9.5 cents) per Share (**Offer**).

VBS is part of the Victor Smorgon Group and is Altamin's largest shareholder, with a disclosed Voting Power of 24.32%. In comparison, the other Directors and I collectively have a relevant interest in 17.8% of the Altamin Shares on issue.²

This Target's Statement is your Board of Directors' formal response to the Offer and sets out reasons for our recommendation to **REJECT** the Offer.

Independent Expert concluded that the Offer is neither fair nor reasonable

To assist with its assessment of the Offer, the Board of Directors engaged BDO to prepare an Independent Expert's Report to provide an independent opinion on the value of Altamin Shares and assess whether the Offer is fair and reasonable to shareholders.

BDO has concluded that the Offer is **NEITHER FAIR NOR REASONABLE** to shareholders and estimated the fair market value of Altamin to be in the range of \$0.195 to \$0.309 per Share (with a preferred value of \$0.253 per Share). Shareholders are encouraged to read the Independent Expert's Report in full, a copy of which is provided in Attachment C to this Target's Statement.

Reasons why you should REJECT the Offer

Your Board of Directors recommend that shareholders join us in **REJECTING the Offer**.³ In reaching this conclusion, we have considered a number of commercial and strategic factors, including those outlined below:

- The Independent Expert has concluded the Offer is neither fair nor reasonable
- You lose the potential upside of our attractive portfolio, which also includes strategic battery metals projects
- The Offer was unsolicited and provides an insufficient premium for control of Altamin
- Shareholders that accept the Offer will not benefit if any superior proposal from a third party emerges, whether for the whole Company or in relation to any of our projects

Section 1 contains further information in relation to each of these reasons.

² Marcello Cardaci has a relevant interest in 17,211,794 Altamin Shares. Of these, 17,051,974 Altamin Shares (representing approximately 4.35% of the Altamin Shares on issue) are held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c. Mr Cardaci is a beneficiary of the Spyder Super Fund and has a current association with the trustee of the Spyder Super Fund but does not control those Altamin Shares and his intention does not extend to those Altamin Shares.

³ The Altamin Directors reserve the right to alter this intention in the event of any improvement in the consideration offered under the Offer or any new circumstance arising.

To REJECT VBS' Offer, simply do nothing and ignore all documentation sent to you by VBS.

I urge you to read this Target's Statement in full and to seek any independent financial, legal, taxation or other professional advice that you require before deciding whether or not to accept the Offer.

Your Directors will continue to keep you informed on all material developments in relation to the Offer.

If you have any questions about the 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>, or scan the QR code.



The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).

Thank you for your continued support.

Yours sincerely

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

Alexander Burns
Non-Executive Chairman

1 Reasons why you should **REJECT** the Offer

1.1 Recommendation

Based on the information currently available to them, the Directors of Altamin unanimously recommend that Altamin Shareholders **REJECT** the Offer.

The Directors' recommendation is given as at the date of this Target's Statement and the Directors reserve the right to change their recommendation if circumstances change.

If any new circumstances arise after the Last Practicable Date which should be drawn to the attention of Shareholders, or which cause any change or variation to the advice of your Directors contained in this Target's Statement, the Directors will ensure that Shareholders are promptly and appropriately advised.

In considering whether to **REJECT** the Offer, the Directors of Altamin encourage you to read the whole of this Target's Statement (including the Independent Expert's Report set out in Attachment C) and the Replacement Bidder's Statement, have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances and obtain financial advice from your broker or financial adviser in respect of the Offer and obtain taxation advice on the effect of accepting the Offer.

1.2 Summary of reasons to **REJECT** the Offer

Your Board has carefully considered the Offer to assess whether it is in the best interests of Altamin Shareholders. In addition, the Board has commissioned BDO to complete an Independent Expert's Report which is contained at Attachment C to this Target's Statement. The Independent Expert's Report concludes that the Offer is **NEITHER FAIR NOR REASONABLE** to shareholders.

The Directors reasons for recommending that Altamin Shareholders **REJECT** the Offer are:

- 1. The Independent Expert has concluded that the Offer is NEITHER FAIR NOR REASONABLE**
- 2. You lose the potential upside of Altamin's attractive portfolio, which also includes strategic battery metals projects**
- 3. The Offer was unsolicited and provides an insufficient premium for control of Altamin**
- 4. You will not benefit if any superior proposal from a third party emerges, whether for the whole Company or in relation to any of our projects**

Further information in relation to each of these reasons is set out below in section 1.3.

1.3 Further information on reasons to REJECT the Offer

1. The Independent Expert has concluded that the Offer is NEITHER FAIR NOR REASONABLE

BDO, as Independent Expert, has assessed the value of Altamin Shares in the range of \$0.195 and \$0.309 per Altamin Share and notes that the Offer Price of \$0.095 is “less than the value of an Altamin Share prior to the Offer (on a controlling basis)” and therefore, the Independent Expert has concluded that the Offer is NEITHER FAIR NOR REASONABLE to Altamin Shareholders.

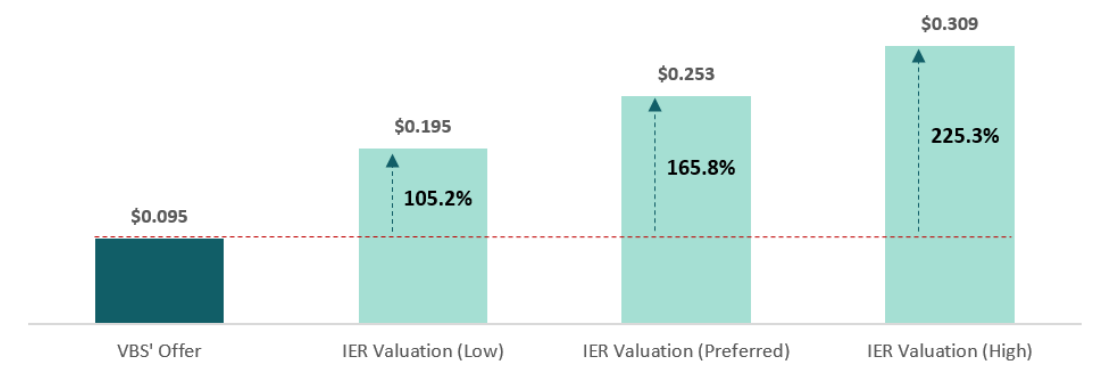


Figure 1: Offer Price relative to Independent Expert's range for the value of Altamin Shares

The Independent Expert's value range for Altamin Shares is based solely on a net asset valuation methodology, with the value of Altamin's mineral assets having been assessed by Snowden Optiro, an independent technical specialist, in accordance with the VALMIN Code and other industry guidelines.

Full details of the Independent Expert's valuation and recommendations can be found in the Independent Expert's Report contained at Attachment C.

2. You lose the potential upside of Altamin's attractive portfolio, which also includes strategic battery metals projects

Gorno Project

The Gorno Project is the Company's most advanced project, and the focus of a scoping study released on 24 November 2021 (**Scoping Study**).

The Offer values the Company at A\$37.2 million. The Scoping Study supported the Gorno Project's estimated net present value (**NPV**) of US\$211 million, or approximately A\$300 million at current exchange rates.⁴ The NPV does not include any potential additional value from future exploration activities converting part or all of the Exploration Target into potential future Mineral Resources. Furthermore, the NPV of the Gorno Project 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. If Altamin Shareholders accept the Offer, they lose all exposure to the potential upside of Altamin's Gorno Project.

⁴ Based on Gorno's post-tax NPV8% of US\$211 million and AUD:USD 0.70 as at 13 June 2022; see Altamin's Gorno Scoping Study ASX announcement dated 24 November 2021 titled 'Gorno Project Scoping Study Results'.

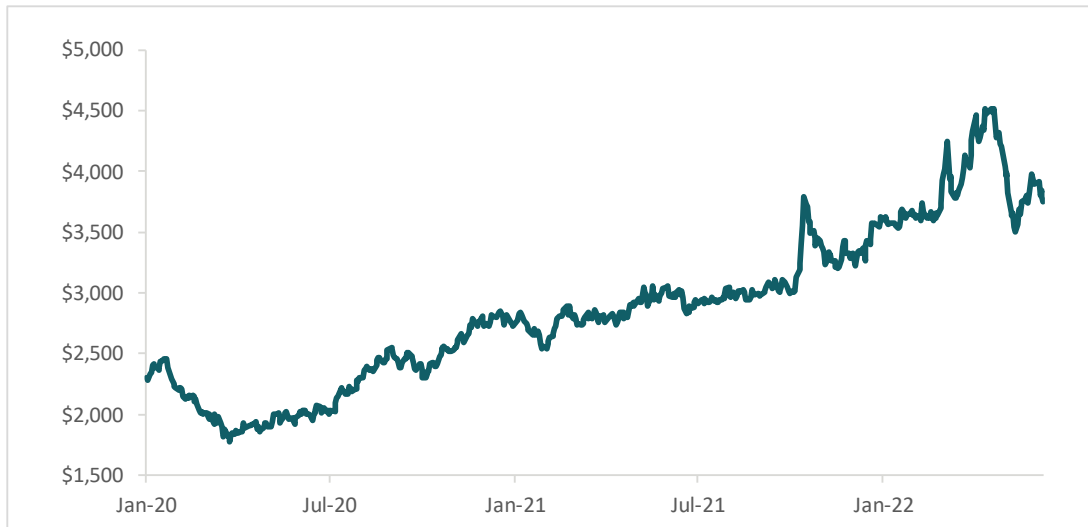


Figure 2: Zinc price from January 2020 to 13 June 2022

Battery metals projects

The Company has accumulated a suite of battery metals projects (including new applications for base and battery metals exploration licences) in Italy, as described below, which it considers are highly prospective and provide Altamin and its shareholders with significant potential upside from further exploration.

Notwithstanding the potential upside attributed to the Company's battery metals projects, VBS does not reference these projects in its discussion of its proposed intentions and strategy for the Company outlined in section 7 of its Replacement Bidder's Statement, which focuses solely on the Gorno Project.

Punta Corna Project

Assays on recent sampling at the Company's Punta Corna Cobalt Project in northern Italy have returned high-grade cobalt, nickel, copper and silver results. This has led the Company to prepare an initial diamond drill program designed to intersect the multiple mineralised veins that have been identified and mapped. Punta Corna has the potential to provide Europe with an ethically sourced, sustainable, domestic supply of cobalt, nickel and other green energy metals, and in the opinion of the Directors has the potential to be a 'company maker' in its own right.

Lithium exploration licence applications

The Company has lodged lithium in brine exploration licence applications over 3,240ha at Campagnano and Galeria in the Lazio region of central Italy. These are adjacent to the Cesano exploration licence held by Vulcan Energy Resources (ASX:VUL).⁵

In addition, the Company has a recent further exploration licence application over 5,983ha at Ferento, also in the Lazio region, with the potential for geothermal energy and lithium content in the brines.⁶ If found to be present in sufficient concentration, this could provide an opportunity to commercially extract the lithium for sale to electric vehicles customers in the EU as well as the production of geothermal energy.

⁵ Refer to Altamin's ASX Announcement released on 14 February 2022 titled 'New Lithium in Brine Geothermal Applications'.

⁶ Refer to Altamin's ASX Announcement released on 7 June 2022 titled 'New Lithium in Brine/Geothermal Applications'.

VMS exploration licence applications

The Company has lodged applications over Monte Bianco and Corchia, two of the most significant copper, cobalt and manganese rich historical mining districts in Italy hosted in volcanogenic massive sulfide (**VMS**) systems in Liguria and Emilia Romagna.⁷

If granted, the licences have significant exploration potential for additional base, battery and precious metals discovery, all of which are important raw materials for battery manufacturers targeting the rapidly growing electric vehicle market.

The lithium, cobalt and copper prospects in Altamin's project pipeline remain highly prospective assets in these commodities that are of great interest to the public equity markets and central to the European carbon transition. These projects are currently early stage and Altamin's work programs over the next 12 to 24 months could be transformational for the value proposition of these assets and their contribution to Altamin's Share price.

3. The Offer was unsolicited and provides an insufficient premium for control of Altamin

The Directors view VBS' unsolicited Offer as an attempt to take control of Altamin without paying an adequate premium.

The Offer Price of \$0.095 per Share represents:

- a 31.9% premium to the last trading price for Altamin Shares immediately prior to announcement of the Offer on 3 May 2022, being \$0.072 per Altamin Share;
- a 7.7% premium to the volume weighted average price (**VWAP**) in the one month prior to announcement of the Offer of \$0.088 per Altamin Share;⁸
- a 14.0% premium to Altamin's two-month VWAP prior to announcement of the Offer of \$0.083 per Altamin Share;⁹
- a 3.1% discount to the \$0.098 per Share price at which Altamin Shares traded in the month prior to announcement of the Offer;¹⁰ and
- an 8.7% discount to Altamin's 52-week high of \$0.104 per Altamin Share (equivalent pre-consolidation) at the time of announcement of the Offer.¹¹

The Directors note that the Altamin Share price is subject to meaningful volatility due to factors including, but not limited to, the limited trading in Altamin Shares. For example, the price of Altamin Shares fell by 21.7% in the eight trading days prior to announcement of the Offer, during which time the average daily turnover of Altamin Shares was only \$39,022 per day, with less than 500,000 Altamin Shares on average traded per day. Given the lack of liquidity in Altamin Shares, the Directors believe that VWAPs (such as those referenced above) provide a more appropriate basis for estimating premiums associated with the Offer relative to a point value measured at the close of any particular trading day.

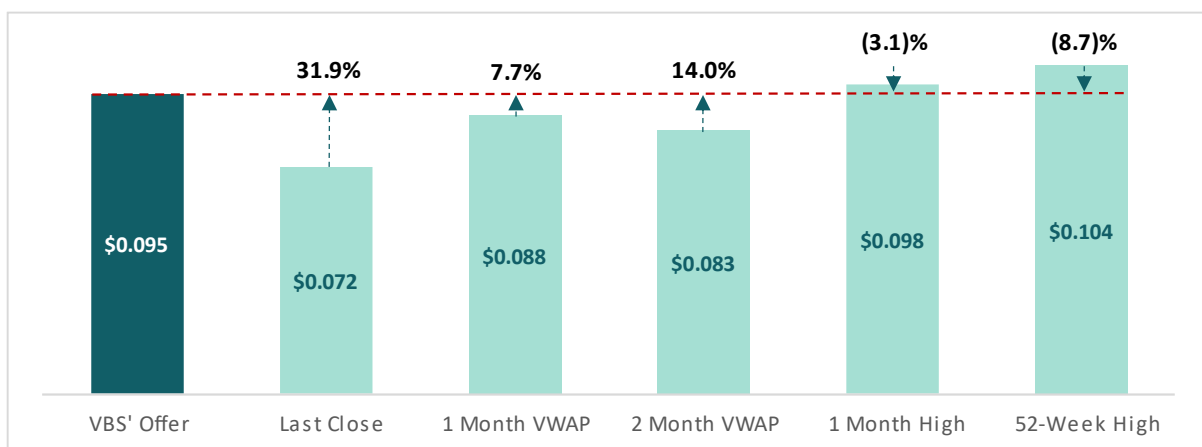
⁷ Refer to Altamin's ASX Announcement released on 15 March 2021 titled 'Alta Expands Exploration Pipeline into Copper and Manganese Mining Districts'.

⁸ Based on trading in Altamin Shares in the period up to and including 3 May 2022, the day prior to announcement of the Offer.

⁹ Based on trading in Altamin Shares in the period up to and including 3 May 2022, the day prior to announcement of the Offer.

¹⁰ Based on trading in Altamin Shares in the period up to and including 3 May 2022, the day prior to announcement of the Offer.

¹¹ This represents the highest trading price of Altamin Shares in the 52 weeks up to and including 3 May 2022, which was on 4 May 2021.



Source: Refinitiv

Figure 3: Offer Price relative to previous Altamin Share trading prices and VWAPs

The comparisons of the Offer Price against Altamin's trading price and VWAPs are materially below the average premiums paid in Australian mining and exploration control transactions. For example, the Independent Expert has identified that the long-term average control premium paid by acquirors of ASX-listed mining and exploration companies was 41.71% based on 101 transactions between 2012 and 2022. See the Independent Expert's Report at Attachment C for further information.

4. You will not benefit if any superior proposal from a third party emerges, whether for the whole Company or in relation to any of our projects

As previously announced, Altamin is conducting a strategic process to determine the various options to fund the future development of its Gorno Project. The review is reasonably advanced, with the Company having received indicative, non-binding proposals from a number of third parties covering a range of potential financing structures, including alternative corporate and asset-level and earn-in or joint venture transactions as well as potential long-term offtake agreements, and associated prepayment funding.

These strategic options have the potential to either provide project level funding through to production of the Gorno asset, or increase the debt amount available through project finance, thus reducing the potential equity dilution and reducing funding risk in relation to the Gorno Project.

While the outcomes of the review remain uncertain and there can be no assurances that it will result in any transaction, the Board is committed to exploring all options that are in the best interests of, and have the potential to maximise value for, Altamin Shareholders.

If you accept the Offer, unless the acceptance is legally able to be withdrawn, you will not be able to accept a third party proposal, should one emerge. You may only withdraw your acceptance if, having accepted, the Offer is extended whilst it is still conditional, and the extension delays the right to receive the Offer Price by one month or more.

1.4 Frequently asked questions

This section answers some frequently asked questions about the Offer. It is not intended to address all relevant issues for Altamin Shareholders. This section should be read together with all other parts of this Target's Statement.

Note: Section numbers refer to this Target's Statement unless otherwise indicated.

QUESTION	ANSWER	REFERENCE
What is this Target's Statement?	This Target's Statement is Altamin's formal response to VBS' Offer, including the recommendation of the Directors to REJECT the Offer.	N/A
What is the Replacement Bidder's Statement?	The Replacement Bidder's Statement is the document dated 20 May 2022 prepared by VBS setting out the terms of the Offer, a copy of which was lodged with ASIC and released to ASX on 20 May 2022. That Replacement Bidder's Statement replaces the Original Bidder's Statement which was lodged by VBS with ASIC and released to ASX on 3 May 2022. You should also have received a copy of the Bidder's Statement on or about 3 June 2022.	N/A
Who is making the Offer?	The Offer is made by VBS, which is a substantial shareholder of Altamin. Information in relation to VBS is set out in section 5 of this Target's Statement and section 5 of the Replacement Bidder's Statement.	Section 5
Does VBS already have an interest in Altamin Shares?	As at the Last Practicable Date, Altamin understands that VBS has a relevant interest in 95,228,194 Altamin Shares or 24.32% of Altamin's total issued capital.	Section 5.3
What is VBS offering for Altamin Shares?	VBS is offering \$0.095 cash consideration for every Altamin Share held by you (Offer Price).	Section 3 Section 4 of the Replacement Bidder's Statement
What choices do I have as an Altamin Shareholder?	As an Altamin Shareholder, you have the choice to: (a) reject the Offer by doing nothing; (b) sell some or all of your Altamin Shares on market at any time (unless you have already accepted the Offer); or	Section 2

QUESTION	ANSWER	REFERENCE
	<p>(c) accept the Offer for all (and not just a part) of your Altamin Shares.</p> <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in section 2 of this Target's Statement.</p> <p>You should carefully consider the Directors' unanimous recommendation to REJECT the Offer.</p> <p>You may wish to seek independent financial and taxation advice from your professional adviser in relation to the action you should take in relation to the Offer.</p>	
What do the Directors recommend?	<p>The Board has carefully considered VBS' Offer to assess whether it is in the best interests of Altamin Shareholders.</p> <p>The Directors unanimously recommend that you REJECT the Offer by TAKING NO ACTION. The Directors' recommendation is given as at the date of this Target's Statement and the Directors reserve the right to change their recommendation, see section 1 for more details, including the Directors' reasons for this recommendation.</p>	Section 1
Why should I REJECT the Offer?	<p>The Directors consider you should REJECT the Offer because:</p> <ul style="list-style-type: none"> (a) the Independent Expert has concluded the Offer is neither fair nor reasonable; (b) if you accept the Offer, you lose the potential upside of Altamin's attractive portfolio, which also includes strategic battery metals projects; (c) the Offer was unsolicited and at an insufficient premium for control of Altamin; and (d) if you accept the Offer, you will not benefit if any superior proposal from a third party emerges, whether for the whole Company or in relation to any of its projects. 	Section 1
What do the Altamin Directors intend to do with their Altamin Shares?	<p>All Altamin Directors intend to REJECT the Offer in respect of all Altamin Shares owned or controlled by them. The Altamin Directors collectively have a relevant interest in 17.80% of the Altamin Shares.¹²</p> <p>The Altamin Directors reserve the right to alter this intention in the event of any improvement in the consideration offered under the Offer or any new circumstance arising.</p>	

¹² As at the Last Practicable Date, Marcello Cardaci has an indirect interest in 17,051,974 Altamin Shares held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c. With respect to the Altamin Shares held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c, Mr Cardaci is a beneficiary of the Spyder Super Fund and has a current association with the trustee of the Spyder Super Fund but does not control those Altamin Shares.

QUESTION	ANSWER	REFERENCE
What are the risks of rejecting the Offer?	<p>If you reject the Offer, you will remain an Altamin Shareholder.</p> <p>If you remain an Altamin Shareholder, you should be aware that:</p> <p>(a) if you choose not to accept the Offer and VBS acquires at least 90% of the Altamin Shares, VBS may become entitled to compulsorily acquire the balance of the Altamin Shares on issue, and VBS has stated that it intends to exercise those rights at section 7.4 of the Replacement Bidder's Statement; and</p> <p>(b) if you choose not to accept the Offer and VBS acquires more than 50% but less than 90% of the Altamin Shares on issue, you will remain exposed to the risks associated with being a minority shareholder in Altamin.</p> <p>There are also general risks associated with remaining an Altamin Shareholder. Set out in section 6 of this Target's Statement are the possible key risks which may affect the future operating and financial performance of Altamin and the value of Altamin Shares.</p>	<p>Section 6.3 of this Target's Statement</p> <p>Section 7.4 of the Replacement Bidder's Statement</p>
Is there an Independent Expert's Report?	<p>Altamin has commissioned BDO to prepare an Independent Expert's Report which is contained at Attachment C to this Target's Statement.</p> <p>The Independent Expert's has assessed the value of Altamin Shares in the range of \$0.195 and \$0.309 per Altamin Share and notes that the Offer Price of \$0.095 is "less than the value of an Altamin Share prior to the Offer (on a controlling basis)" and therefore, the Independent Expert has concluded that the Offer is neither fair nor reasonable to Altamin Shareholders.</p> <p>The Independent Expert's value range for Altamin Shares is based solely on a net asset valuation methodology, with the value of Altamin's mineral assets having been assessed by Snowden Optiro, an independent technical specialist, in accordance with the VALMIN Code and other industry guidelines.</p> <p>Further details with respect to the Independent Expert's conclusions and recommendations can be found in the Independent Expert's Report contained at Attachment C.</p>	Attachment C
Are there conditions to the Offer?	<p>The Offer is conditional on there being no Prescribed Occurrences happening in respect of Altamin before the end of the Offer Period. These Prescribed Occurrences are set out in full at section 4.7 of the Replacement Bidder's Statement and include:</p> <p>(a) while VBS' Voting Power is at or below 50%, Altamin (or a Subsidiary) resolves to reduce its share capital, enters</p>	<p>Section 3.4 of this Target's Statement</p> <p>Section 4.7 of the Replacement</p>

QUESTION	ANSWER	REFERENCE
	<p>into a buy-back agreement or issues Altamin Securities; and</p> <p>(b) at any point in time before the end of the Offer Period, an Insolvency Event occurs in relation to Altamin.</p>	Bidder's Statement
What happens if the Condition is not fulfilled or waived?	If the Condition is not satisfied or waived, VBS will have the option as to whether to proceed with the Offer or allow the Offer to lapse. If the Offer lapses, all acceptances will be void and of no effect and you will continue to hold Altamin Shares and be free to deal with them as if VBS had not made the Offer.	Section 3.5
Does the Offer extend to Options?	<p>The Offer will not extend to the acquisition of any Options.</p> <p>Since the Offer only relates to those Shares on issue as at the Register Date, the Offer does not extend to any Altamin Shares that may be issued after the Register Date as a result of the vesting or exercise of any Options.</p>	Section 4.1 of the Replacement Bidder's Statement
How do I REJECT the Offer?	To REJECT the Offer, simply DO NOTHING and TAKE NO ACTION in relation to any documents sent to you by VBS.	N/A
How do I accept the Offer?	<p>If you wish to accept the Offer, you should follow the instructions set out in the Replacement Bidder's Statement.</p> <p>You should be aware that the Altamin Directors have unanimously recommended that you REJECT the Offer.</p> <p>Before accepting the Offer, you should consider the risks associated with accepting the Offer set out in section 6.2 of this Target's Statement.</p> <p>You should also note that brokerage, fees or other charges may be payable by you upon acceptance of the Offer.</p>	<p>Section 6.2 of this Target's Statement</p> <p>Section 2 of the Replacement Bidder's Statement</p>
Can I be forced to sell my Altamin Shares?	<p>You cannot be forced to sell your Altamin Shares unless VBS proceeds to compulsorily acquire Altamin Shares under Chapter 6A of the Corporations Act.</p> <p>In summary, VBS will need to acquire a relevant interest in at least 90% of Altamin Shares (under the Offer or otherwise) in order to exercise compulsory acquisition rights. If VBS acquires a relevant interest in 90% or more of Altamin Shares and proceeds to compulsorily acquire all Altamin Shares on issue, then you will receive the same consideration from VBS under the Offer.</p>	N/A

QUESTION	ANSWER	REFERENCE
Can I sell my Altamin Shares on-market?	<p>Yes. You can sell your Altamin Shares on market.</p> <p>The Replacement Bidder's Statement provides that VBS intends to conduct on market purchases of Altamin Shares in accordance with item 2 of section 611 of the Corporations Act. VBS has appointed Canaccord Genuity (Australia) Limited to stand in the market on behalf of VBS to acquire Altamin Shares offered to it at the Offer Price from 3 May 2022 until the end of the Offer Period.</p> <p>If you sell your Altamin Shares on market, you will not receive any increase in the Offer Price, and you will pay brokerage.</p>	Section 7.6 of the Replacement Bidder's Statement
What are the consequences of accepting the Offer now?	<p>If you accept the Offer, you will give up your right to:</p> <ul style="list-style-type: none"> (a) accept a competing proposal in relation to Altamin, should one emerge; (b) sell your Altamin Shares on market; or (c) otherwise deal with your Altamin Shares while the Offer remains open. <p>VBS will also be entitled to all Rights for as long as your acceptance remains valid.</p>	Section 2.3
What happens if I accept the Offer now and the Offer Price increases?	<p>If VBS increases the Offer Price, all Altamin Shareholders (whether or not they have accepted into the Offer before that increase) will be entitled to the benefit of that increased consideration.</p> <p>However, in the Replacement Bidder's Statement, VBS stated that it does not have any current intention to increase the Offer Price (although it reserves the right to do so).</p>	Section 1 of the Replacement Bidder's Statement
If I accept, can I withdraw my acceptance of the Offer?	<p>You may only withdraw your acceptance if the Offer remains conditional and VBS varies the Offer in a way that postpones the time when VBS is required to satisfy its obligations by more than one month.</p>	<p>Section 3.7</p> <p>Section 4.5(e) of the Replacement Bidder's Statement</p>
When does the Offer close?	<p>The Offer is currently scheduled to close at 7.00 pm (AEST) on 4 July 2022, but the Offer Period can be extended in certain circumstances.</p>	Section 3.3
Can VBS vary the Offer?	<p>Yes. VBS can vary the Offer by extending the Offer Period or increasing the Offer Price.</p>	Section 4.12 of the Replacement

QUESTION	ANSWER	REFERENCE
	VBS cannot increase the Offer Price during the last 5 trading days of the Offer Period.	Bidder's Statement
Can VBS withdraw its Offer?	Before you accept the Offer, VBS may only withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.	N/A
How is VBS funding the Offer?	The Replacement Bidder's Statement provides that VBS is funding the Offer from its internal cash reserves of \$30 million as at the date of the Replacement Bidder's Statement.	Section 8.3 of the Replacement Bidder's Statement
When will you be paid the Offer Price?	<p>Subject to the Corporations Act, ASIC Class Order [CO 13/521] and you providing VBS with any documents required to be given with your acceptance to enable VBS to become the holder of your Altamin Shares (such as a power of attorney), if you accept the Offer, VBS will pay you the Offer Price on or before the later of:</p> <p>(a) 15 Business Days after the date that the Offer becomes unconditional;</p> <p>(b) 10 Business Days after the date that you accept the Offer,</p> <p>but in any case not later than 21 calendar days after the end of the Offer Period.</p>	<p>Section 3.12</p> <p>Section 4.9 of the Replacement Bidder's Statement</p>
What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications of accepting the Offer is set out in section 7 of this Target's Statement and section 9 of the Replacement Bidder's Statement.</p> <p>As those sections provide a general overview only, Altamin Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.</p>	<p>Section 7</p> <p>Section 9 of the Replacement Bidder's Statement</p>
Will I receive further advice from Altamin Directors during the Offer Period?	<p>The Altamin Directors will be closely monitoring the progress of the Offer.</p> <p>If circumstances change, or if matters arise which should be drawn to the attention of Altamin Shareholders, or which cause any change or variation to the advice of your Altamin Directors in this Target's Statement, the Altamin Directors will ensure that Altamin Shareholders are promptly and appropriately advised.</p>	
Is there a number I can	If you have any questions about the Offer, please contact the Altamin Shareholder Information Line on 1300 043 194 (callers within Australia) or +612 8355 1006 (callers outside Australia).	N/A

QUESTION	ANSWER	REFERENCE
<p>call if I have any questions?</p>	<p>Alternatively, contact the chat line at http://chat4.shareholdersfirst.com.au, or scan the QR code.</p> <div data-bbox="448 416 639 651" data-label="Image"> </div> <p>The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).</p>	

2 Your choices as an Altamin Shareholder

Your Board has carefully considered VBS' Offer to assess whether it is in the best interests of Altamin Shareholders. The Directors unanimously recommend that you **REJECT** the Offer for the reasons set out in section 1 of this Target's Statement.

Altamin encourages you to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Altamin Shares.

As an Altamin Shareholder, you have the following three choices available to you in relation to the Offer:

2.1 Option 1 – REJECT the Offer by DOING NOTHING

If you do not wish to accept the Offer and want to retain your Altamin Shares, simply do nothing and take no action in relation to any documents sent to you by VBS.

This is the unanimous recommendation of the Directors. This recommendation is given as at the date of this Target's Statement and the Directors reserve the right to change their recommendation.

2.2 Option 2 – Sell your Altamin Shares on market

You can still sell your Altamin Shares on market at any time if you have not already accepted the Offer. If you sell your Altamin Shares on market, you:

- (a) will not receive the benefits of:
 - (i) the potential upside of Altamin and its projects;
 - (ii) any potential higher competing offer for your Altamin Shares;
 - (iii) any superior proposal received from a third party, whether for the whole of the Company or in relation to any of its projects; or
 - (iv) any potential higher offer from VBS,(although there is no certainty as to whether such events will occur);
- (b) may incur a brokerage charge; and
- (c) may be liable for tax on gains you make on the sale.

You should seek your own specific professional advice regarding the taxation consequences of selling your Altamin Shares on market.

2.3 Option 3 – Accept the Offer

The Directors unanimously recommend that you **REJECT** the Offer. This recommendation is given as at the date of this Target's Statement and the Directors reserve the right to change their recommendation

However, Altamin Shareholders may elect to accept the Offer.

If you accept the Offer, you:

- (a) lose the potential upside of Altamin's attractive portfolio, which also includes strategic battery metals projects;
- (b) will receive an insufficient premium for the control of Altamin;
- (c) will not be able to accept a higher price from a competing bidder if such a bid eventuates;
- (d) will not benefit if any superior proposal is received from a third party, whether for the whole of the Company or in relation to any of its projects; and
- (e) may be liable to pay tax on the disposal of your Altamin Shares (refer to section 7 of this Target's Statement and section 9 of the Replacement Bidder's Statement for further details of the tax consequences of the Offer).

VBS will also be entitled to all Rights for as long as your acceptance remains valid.

Once you have accepted the Offer, you will only have limited rights to withdraw your acceptance of the Offer (see section 3.7 of this Target's Statement for more information).

Altamin Shareholders should note that, if VBS and its Associates have a relevant interest in at least 90% of the Altamin Shares during or at the end of the Offer Period, VBS will be entitled to compulsorily acquire the Altamin Shares that it does not already own (see section 3.9 of this Target's Statement).

Altamin Shareholders who wish to accept the Offer should refer to the Replacement Bidder's Statement for instructions on how to do so.

3 About VBS's Offer

3.1 Summary of the Offer

VBS announced its off-market takeover bid for all of the ordinary shares in Altamin which VBS does not already own on 3 May 2022. VBS is offering \$0.095 in cash consideration for each Altamin Share held by you.

The terms of the Offer are set out in the Replacement Bidder's Statement.

The Offer relates to all Altamin Shares that exist as at the Register Date, and are held by you.

You may accept the Offer with respect to all (but not some) of your Altamin Shares.

3.2 Options

The Offer will not extend to the acquisition of any Options.

Additionally, given the Offer extends only to Altamin Shares on issue as at the Register Date, the Offer will therefore not extend to any Altamin Shares that are issued and listed for quotation on ASX at any time after the Register Date (including during the Offer Period) as a result of the vesting or exercise of any Options.

3.3 Offer Period

The Offer is open for acceptance from 3 June 2022 until 7:00 pm (AEST) on 4 July 2022, unless extended or withdrawn.

While the Offer is subject to the Condition, VBS may extend the Offer Period at any time:

- (a) before giving the notice of status of the Condition, which, as at the date of this Target's Statement, must be given by 7 July 2022;¹³ and
- (b) after giving the notice of status of Condition in the circumstances described in section 650C(2) of the Corporations Act.

However, if the Offer is unconditional (that is, the Condition is satisfied or waived), VBS may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- (a) VBS improves the consideration offered under the Offer; or
- (b) VBS' Voting Power in Altamin increases to more than 50%.

If either of these two events occur, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

Before you accept the Offer, VBS may withdraw the Offer with the written consent of ASIC, subject to the conditions (if any) specified in such consent.

¹³ If the Offer Period is extended, this date will be taken to be postponed for the same period.

Subject to applicable laws, VBS may waive the Condition, at which point an Altamin Shareholder will no longer be able to withdraw its acceptance. Any such waiver may occur within three Business Days after the end of the Offer Period.

3.4 Condition of the Offer

Subject to section 4.8 of the Replacement Bidder's Statement, the Offer and any contract resulting from acceptance of the Offer are subject to, between and including 3 May 2022 and the end of the Offer Period, none of the following events occurring (each a **Prescribed Occurrence**):

- (a) where the Voting Power of VBS in Altamin is at or below 50% at the time any one of the following occurs before the end of the Offer Period:
 - (i) Altamin converts all or any of its Altamin Shares into a larger or smaller number of Shares (under section 254H of the Corporations Act);
 - (ii) Altamin or a Subsidiary of Altamin resolves to reduce its share capital in any way;
 - (iii) Altamin or a Subsidiary of Altamin:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Altamin or a Subsidiary of Altamin issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Altamin or a Subsidiary of Altamin issues, or agrees to issue convertible notes;
 - (vi) Altamin or a Subsidiary of Altamin disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Altamin or a Subsidiary of Altamin grants, or agrees to grant a Security Interest in the whole, or a substantial part, of its business or property; or
 - (viii) Altamin or a Subsidiary of Altamin resolves to be wound up; and
- (b) irrespective of the Voting Power of VBS, an Insolvency Event occurs in relation to Altamin.

3.5 Effect of non-satisfaction of the Condition

If the Condition is not satisfied or waived prior to the date which is three Business Days after the end of the Offer Period, VBS will have the option as to whether to proceed with the Offer or allow the Offer to lapse. If the Offer lapses, all acceptances of the Offer will be void and have no effect and you will continue to hold Altamin Shares and be free to deal with them as if VBS had not made the Offer.

3.6 Effect of acceptance

The effect of accepting the Offer is described in section 2.3 of this Target's Statement and section 4.5 of the Replacement Bidder's Statement. Altamin Shareholders should read these provisions in full to understand the effect that acceptances will have on their ability to exercise the Rights attaching to their Altamin Shares and the representations and warranties which they give by accepting the Offer.

3.7 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer.

You may only withdraw your acceptance of the Offer if VBS varies the Offer in a way that postpones, for more than one month, the time when VBS needs to meet its obligations under the Offer. This will occur if VBS extends the Offer Period by more than one month and the Offer is still subject to the Condition.

3.8 Effect of increased Offer Price

If VBS increases the Offer Price, all Altamin Shareholders (whether or not they have accepted into the Offer before that increase) will be entitled to the benefit of that increased consideration.

However, in the Replacement Bidder's Statement, VBS stated that it does not have any current intention to increase the Offer Price (although it reserves the right to do so).

3.9 Consequences of VBS acquiring 90% or more of Altamin Shares

If VBS acquires 90% of the Altamin Shares (by number) and the Offer becomes unconditional, VBS will be entitled to compulsorily acquire all outstanding Altamin Shares. VBS' intentions with respect to compulsory acquisition are set out in section 7.4 of the Replacement Bidder's Statement. In summary, VBS has stated that if it becomes entitled to do so under the Corporations Act, it intends to give notices to compulsorily acquire any outstanding Altamin Shares in accordance with Part 6A.1 of the Corporations Act (**Post Bid Compulsory Acquisition**).

If VBS does not become entitled to undertake a Post Bid Compulsory Acquisition, VBS may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6B.2 of the Corporations Act if it subsequently acquires sufficient Altamin Shares to give it a relevant interest in 90% (by number) of Altamin Shares (**General Compulsory Acquisition**).

(a) Post Bid Compulsory Acquisition

VBS will be entitled to compulsorily acquire any Altamin Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, VBS (together with its Associates):

- (i) has a relevant interest in at least 90% (by number) of the Altamin Shares; and
- (ii) has acquired at least 75% (by number) of the Altamin Shares that VBS offered to acquire under the Offer.

If these thresholds are met, VBS will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to Altamin Shareholders who have not accepted the Offer. Altamin Shareholders have statutory rights to challenge the compulsory acquisition, subject to the Corporations Act.

(b) General Compulsory Acquisition

If VBS does not become entitled to proceed to Post Bid Compulsory Acquisition, VBS will nevertheless become entitled to compulsorily acquire any outstanding Altamin Shares if VBS' Voting Power in Altamin is at least 90%, and VBS (either in its own right or through Related Bodies Corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Altamin Shares, and:

- (i) VBS lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;

- (ii) VBS proposes a cash sum for the compulsory acquisition of the Altamin Shares; and
- (iii) obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice represent fair value for the Altamin Shares.

If Altamin Shareholders with at least 10% of Altamin Shares the subject of the compulsory acquisition notice object to the acquisition before the end of the one-month objection period, VBS may apply to a court for approval of the acquisition of the Altamin Shares the subject of the compulsory acquisition notice.

VBS has indicated in section 7.4 of the Replacement Bidder's Statement that if it acquires more than 90% of the Altamin Shares, it would:

- (i) proceed with compulsory acquisition of the outstanding Altamin Shares in accordance with Chapter 6A of the Corporations Act;
- (ii) if a compulsory acquisition process is completed, procure the removal of Altamin from the official list of the ASX; and
- (iii) replace the Altamin Board with VBS' nominees (although it may, in its discretion, seek to retain one or more of the existing Altamin Directors).

3.10 Consequences of VBS acquiring more than 50% and less than 90% of Altamin Shares

If VBS acquires more than 50% but less than 90% of the Altamin Shares then, assuming the Condition to the Offer is fulfilled or waived, VBS will acquire a majority shareholding in Altamin and effectively control Altamin but will not be entitled to compulsorily acquire Altamin Shares.

Accordingly, shareholders who do not accept the Offer will become minority shareholders in Altamin. This has a number of possible implications, including:

- (a) VBS will be in a position to cast the majority of votes at a general meeting of Altamin. This will enable it to control the composition of the board of directors and senior management, determine Altamin's dividend policy and control the strategic direction of the businesses of Altamin and its Subsidiaries;
- (b) the Altamin share price may fall immediately following the end of the Offer Period, and it is unlikely that Altamin's share price will contain any takeover premium;
- (c) liquidity of Altamin Shares may be lower than at present;
- (d) if the number of Altamin Shareholders is less than that required by the Listing Rules to maintain an ASX listing, then VBS may seek to have Altamin removed from the official list of the ASX. If this occurs, Altamin Shares will not be able to be bought or sold on the ASX, and will only be able to be bought or sold privately; and
- (e) if VBS acquires 75% or more of the Altamin Shares it will be able to pass a special resolution of Altamin. This will enable VBS to, among other things, change Altamin's constitution and may enable VBS to delist Altamin from ASX.

VBS has indicated in section 7.3 of the Replacement Bidder's Statement that if it acquires more than 50% and less than 90% of the Altamin Shares, its intentions are as follows:

- (a) **Board representation:** VBS may seek representation on Altamin's Board that is reasonably proportionate to its interest in Altamin Shares;
- (b) **delisting:** VBS may seek to remove Altamin from the official list of the ASX;

- (c) **general strategy:** VBS is supportive of the Gorno Project and Altamin's proposed strategy as outlined in the results of its Gorno Project Scoping Study report and intends to assist with identifying other business opportunities and areas of revenue generation which may provide overall strategic operational benefit for Altamin and to assist with identifying the most effective and efficient means of realising Altamin's objective of becoming a key supplier of clean concentrate European zinc smelters; and
- (d) **employees:** VBS will review business operations and organisational structure to ensure that Altamin has the appropriate mix and level of employees and skills to enhance the business and to enable the business to pursue growth opportunities. Subject to that review, VBS intends to maintain Altamin's key management and the current level of employment in the operations.

3.11 Consequences of VBS acquiring less than 50% of Altamin Shares

If VBS owns or controls less than 50% of Altamin Shares, it will not control Altamin. VBS has indicated at section 7.5 of the Replacement Bidder's Statement that if it acquires less than 50% of the Altamin Shares, its intentions are as follows:

- (a) VBS does not expect to be in a position to give effect to the intentions set out in sections 3.9 or 3.10 above; and
- (b) VBS' investment interest in Altamin will be reviewed by VBS and VBS will consider its approach to the composition of the board of the Altamin having regard to the size of its stake and the circumstances applicable at that time.

3.12 When you will receive payment of the Offer Price

As stated in section 4.9 of the Replacement Bidder's Statement, subject to the ASIC Class Order [CO 13/521] and the Corporations Act, if you accept the Offer and the Condition is fulfilled or waived, VBS will pay you the Offer Price for your Accepted Shares by the later of:

- (a) 15 Business Days after the date that the Offer becomes unconditional; or
- (b) 10 Business Days after the date that you accept the Offer,

but in any case not later than 21 calendar days after the end of the Offer Period.

Refer to section 4.9 of the Replacement Bidder's Statement for further details on when you will be paid the Offer Price by VBS.

4 Information relating to Altamin

4.1 Overview of Altamin

Altamin is an ASX-listed mineral company focused on exploration and mine development in Italy, with assets including the Gorno Project, Punta Corna Project and applications over other base and battery metal projects as detailed below.

The recent Scoping Study announced by the Company on 24 November 2021 (**Scoping Study**) confirmed that the Company's 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.

In creating its attractive portfolio of assets, the Company has focused on identifying high quality projects that can provide traceable, ethical and environmentally clean supply of strategic metals sourced from the politically stable heart of Europe.

All of the properties under licence or application are 100% owned by the Company and exhibit considerable geological exploration upside based on historical data and recent exploration reconnaissance.

The Company's management team has a strong track record in exploration and production both internationally and in Italy, and in particular, has experience with production and development of Mississippi Valley Type zinc-lead deposits relevant to the Gorno Project.

(a) Gorno Project

The Gorno Zinc Project, in the Lombardy region of northern Italy, is a brownfields project development. 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 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 Ag; and
- Exploration Target of 17.4Mt to 22.0Mt within a larger mineralised strike of >8km.¹⁴

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

¹⁴ The Company's Exploration Target was set out in its announcement dated 8 September 2021 and titled '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.

- good infrastructure and logistics, with its central European location providing high quality road, rail and port network alternatives.

(i) *Scoping Study*

The Scoping Study was based on the November 2021 Mineral Resource estimate, and demonstrates strong production metrics and indicates robust project economics, with the following highlights:

- Life of mine (**LOM**) Production Target is indicated to be in the order of 6.04Mt at 7.1% Zn, 1.9% Pb and 31g/t Ag recovering 396,000t Zn, 81,800t Pb and 3.4Moz Ag (comprising of 77% Indicated Mineral Resources and 23% Inferred Mineral Resources):¹⁵
 - LOM concentrate production of zinc: 630,000 dmt (63% Zn) and lead: 108,000 dmt Pb/Ag concentrate (76% Pb and 740g/t Ag); and
 - annual mine production rate of 0.8Mt pa and processing rate of 0.52Mt pa;
- mine life of 9 years (plus a 15 to 18 months construction period) averaging approximately US\$67M of annual free cash-flow during peak production;
- among the lowest projected cost for global primary Zinc producers:
 - cash cost mining, processing, G&A, transport, TC/RC, royalty of US\$0.54/lb Zn equivalent (Co-product convention);
 - all-in sustaining costs mining, processing, G&A, transport, TC/RC, royalty, sustaining capex of US\$0.60/lb Zn equivalent (Co-product convention);
- Zinc metallurgical recovery of 93% (after ore sorting and froth flotation) with 80% of revenues from payable Zinc;
- estimated initial capital cost, US\$114M (±35% accuracy) and LOM sustaining capital cost of US\$42M:
 - substantially de-risked initial underground capital including only 2,880m of new development and 400m of raise-boring, whilst leveraging 3,800m of historical development and 890m of existing development to be enlarged;
 - includes all new processing equipment, underground crusher and conveyors, ore sorters, waste and concentrate loading facilities, train haulage, all surface and underground infrastructure;
 - minimising environmental impacts and capital costs by the re-use of an existing modern factory building and infrastructure to house the processing plant and no surface tailings disposal or waste dumps required; and
 - sustaining capital estimated at US\$42M (8% of operating cost);

¹⁵ Of the Mineral Resources estimates scheduled for extraction in the Scoping Study production plan approximately 77% are classified as Indicated and 23% as Inferred during the 9-year production period evaluated. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. Inferred Mineral Resources comprise 22% of the production schedule in the first three years of operation and an average of 21% over the first five years of operation. Altamin confirms that the financial viability of the Gorno Project is not dependent on the inclusion of Inferred Resources in the production schedule

- positive financial metrics in the range of:
 - Post Tax Net Present Value (NPV8) of approximately US\$211M;
 - Post-Tax Internal Rate of Return of approximately 50%; and
 - Payback period of approximately 3.5 years from final investment decision and approximately 2.5 years from first concentrate production; and
- 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;¹⁶ 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 Company has commenced a metallurgical testwork program in parallel with infill and exploration resource drilling, to support a future DFS.

(ii) Permitting process

To engage in commercial mining activities in Italy, companies are required to hold a mining licence that covers all aspects of the planned development and operations. Altamin acquired its Monica Mining Licence as an existing mining licence over the Gorno Project by way of purchase from Bergem Mines & Tech Srl in 2014.

In advance of the Monica Mining Licence's scheduled expiry date in January 2020, the Company submitted an application to renew the Monica Mining Licence and to extend its boundaries to incorporate the footprint of the proposed mine layout. As part of that renewal process, the Company's application underwent an Environmental & Social Impact Assessment (**VIA**).

Ordinarily, after that VIA process is complete, applications for an Integrated Environmental Authorisation (**AIA**) and ancillary approvals must also be made in order to commence operations on any mining licence. The VIA procedure includes a consultation process involving stakeholders and regulators. Principal stakeholders include the Regione Lombardia, the Ministry of Cultural Heritage and Activities and Tourism and the VIA Committee of the Ministry for Environment and Ecological Transition. Following receipt of submissions from these stakeholders, the Minister for Ecological Transition will provide a Decree in relation to the application. That Decree can be either positive with no prescribed conditions, positive with prescribed conditions or negative.

As announced to the market on 8 June 2022, the Ministry has published online a negative Decree in relation to the VIA process conducted for the Monica Mining Licence renewal application.

¹⁶ The Company's Exploration Target was set out in its announcement dated 8 September 2021 and titled 'Exploration Target Outlines Upside at Gorno'. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and there is no certainty that further exploration work will result in the determination of a Mineral Resource or that the Production Target which is based on the Exploration Target will be realised.

The likely impact of this negative Decree is that the renewal application will lapse and the Monica Mining Licence will therefore expire.

The Company's preliminary analysis of the negative Decree suggests that it was based largely on technical aspects which were not sufficiently detailed in the Company's renewal application, or which would require further analysis at a level which would ordinarily be addressed in a DFS. These technical aspects include:

- more detailed visual impact, traffic and noise assessment;
- the water cycle of the Gorno Project being assessed through the creation of a hydrogeological model; and
- underground blasting to be assessed to determine whether there will be material surface impacts.

To address these technical aspects, the Altamin team is already conducting haulage trade-off studies and advanced metallurgical and ore sorting test work. The detailed design of the processing plant and the visual assessment of surface structures are proposed to be addressed in the scope of the Company's upcoming DFS.

The receipt of a negative Decree is not uncommon. There have been many instances in Italy where significant projects are given regulatory approval after an initial negative Decree or negative feedback, particularly when based on technical grounds. Importantly, the receipt of the negative Decree is not expected to have an adverse long-term impact on the Company's ability to conduct operations at its Gorno Project.

Current exploration drilling, survey and rehabilitation work activities at Gorno are permitted under the Company's Cime exploration licence (**Cime EL**), whose area is very similar to that sought to be covered by the Monica Mining Licence.

The Cime EL is valid until 5 July 2023 with the opportunity to extend up to a further three years to expiry in 2026, and is also capable of being extended and converted to a new mining licence, which would enable the Company to engage in commercial mining activities over the relevant area.

Based on the Company's initial assessment of the negative Decree and its available options, this extension and conversion of the Cime EL to a new mining licence is the preferred permitting approach. This preferred approach would involve the Company:

- conducting a detailed audit of the Decree's stakeholder opinions and a gap analysis of the Company's Monica Mining Licence renewal application submissions in order to understand the specific permit-related outputs required to be generated by the Company;
- progressing and completing the DFS for the Gorno Project so that relevant project details will be more closely defined and engineering will be at a level sufficient for impacts to be assessed in the necessary detail;
- applying for an extension of the boundaries of the Cime EL and a variation of its current approved program of work, to allow rehabilitation of and exploration along the Riso Parina tunnel ahead of any new mining licence being granted;
- applying to convert the Cime EL (as extended) to a new mining licence; and
- utilising a 'Single Environmental Provision' (**SEP**) process to achieve the above. The SEP is a streamlined permitting process which combines the VIA, AIA and ancillary approvals processes into a single procedure) and has the ability to expedite the conversion process.

The Company's preliminary estimate is that this preferred permitting approach may result in a project delay of between 6 and 18 months compared to the timeline estimate in the Scoping Study. Notwithstanding this, the Company considers the preferred permitting approach has a number of advantages for the Gorno Project, including:

- the Company's proposed detailed audit of the Decree's stakeholder opinions will help the Company to create a detailed checklist to guide the new application submissions;
- the Company is able to adopt an efficient and streamlined process for obtaining a mining licence for the Gorno Project via the SEP process;
- the SEP process provides coordination and direct engagement amongst key stakeholders, as well as a defined response time from regulators;
- exploration activities under the current Cime EL can continue and the Company can commence rehabilitation of the Riso Parina tunnel prior to the grant of a new mining licence (pending approval of an updated program of work and extension of the boundaries of the Cime EL); and
- any new mining licence application will be aligned with the detailed outcomes of the DFS, which is usual for many mining projects.

(iii) Strategic Review Process

As previously announced, Altamin is conducting a strategic review of options to fund the development of its Gorno Project.

As at the Last Practicable Date, the review is reasonably advanced, with the Company considering indicative proposals received from a number of third parties covering a range of potential options, including alternative corporate and asset-level transactions as well as potential long-term offtake agreements. While the review is reasonably advanced, the results of that review have not to date reached a stage which warrants any further disclosure. While the outcomes of the review remain uncertain and there can be no assurances that it will result in any transaction, shareholders that accept the Offer will not benefit if a superior proposal is generated via this process.

(b) Battery Metals Projects

(i) Punta Corna Project

The Punta Corna Cobalt Project in Piedmont, Italy (historically mined for cobalt, nickel, copper and silver) is an active exploration project with the potential to provide a secure, clean, domestic source of critical metals to the EU.

Punta Corna was an important source of cobalt and the deposit was mined from 1756 to 1820. Research of archival records by Altamin has provided evidence of assay results from sampling and mapping in the early 1920s and subsequent exploration between 1936 and 1937 which included drilling and blasting of multiple veins to produce a bulk sample of approximately 50 tonnes grading 0.6% to 0.7% Co. The Project has similar geology to the Bou Azzer mine in Morocco, one of the world's highest grade cobalt mine.¹⁷

The project area of approximately 30km² is contained within two exploration licences held by the Company, the Punta Corna exploration licence and the Balme exploration licence, and contains outcropping mineralisation of stacked hydrothermal veins, with mineralisation so far defined over 2km strike with good potential for significant depth extension and additional mineralised

¹⁷ Refer to Altamin's ASX announcement released on 8 February 2021 titled 'Punta Corna Delivers Further High-grade Results'.

vein discovery. Altamin's outcrop sampling has returned high-grade cobalt, nickel, copper and silver assay results from grab sampling, including:¹⁶

- 5.0% Co, 6.5% Ni, 0.3% Cu, 11g/t Ag, and 5.8% Cu, 405g/t Ag;
- 1.0%Co, 0.4% Ni, 0.2% Cu and 38g/t Ag; and
- 2.2%Cu and 450g/t Ag, 1.2% Cu and 260g/t Ag.

The Company has prepared a detailed initial diamond drill program of up to 4,000m with short holes designed to intersect multiple mineralised veins to maximise potential intersections, which it plans to commence pending necessary drilling permission and subject to funding being available and contractor mobilisation.

The Company previously reported that it had hoped that drilling permissions at Punta Corna could be obtained in time for the Spring season, however due to delays experienced in relation to the renewal process, the final permissions are still awaited. As announced to the market on 8 June 2022, the Ministry of Ecological Transition has since issued a positive EIA for the Punta Corna exploration licence and proposed drilling, which is valid for 5 years. This is now being reviewed by Altamin and its proposed drilling contractors in relation to the conditions which are prescribed under the approval and how best to implement these in a forthcoming campaign.

In order for the Punta Corna exploration licence Decree to be determined, a final Service Conference will be convened in the near term. The Company has implemented a SEP process to achieve this, similar to the approach outlined above for the Gorno Project in section 4.1(a)(ii).

(ii) Campagnano, Galeria and Ferento (lithium in brine exploration applications)

Altamin lodged two exploration licence applications in February 2022, Campagnano and Galeria, at Cesano over 3,240ha in the Lazio region of central Italy in the southern half of Italy's premier geothermal field about 50km north of Rome. In May 2022, the Company lodged an exploration licence application over each of Latera (913ha) and Ferento (5,893ha), nearby Lake Bolsena in the north of the Lazio region. The Latera application has since been refused as it overlaps an existing mining concession held by the state-owned renewable energy company, Enel Green Power S.p.A..

During 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 the Company's exploration licences contained anomalous lithium values.

If 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.

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 so that the relevant regulator can now proceed to progress those applications.

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 exploration licences under application could assist in partially meeting some or all of the energy requirements for this process.

If approved, these lithium exploration licences will take their place in the Company's growing pipeline of base and battery metals projects strategically situated in the heart of Western Europe close to prospective partners, financiers and within easy logistical reach of downstream consumer market.

(iii) *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.

The next step for the VMS exploration licence applications to be granted is for those applications to be approved by the respective regional authorities of Liguria and Emilia Romagna.

4.2 Director and senior management profiles

As at the date of this Target's Statement, the Altamin Director and senior management profiles are as follows:

- (a) **Alexander Burns (Non-Executive Chairman):** Mr Burns was Managing Director of Sphere Minerals Limited from 1998 – 2010. During this period, the company acquired and evaluated iron ore properties in Mauritania, West Africa. Sphere was subsequently taken over by Xstrata PLC in November 2010 for \$514 million. Mr Burns was also a non-executive Chairman of Shield Mining Limited (**Shield**), which was spun out of Sphere in 2006. Shield was a gold and base metals exploration company active in Mauritania and was taken over by Gryphon Minerals Limited in mid-2010.
- (b) **Geraint Harris (Managing Director):** Mr Harris is a Mining Engineer with over 25 years' of mining industry experience across production operations, technical consultancy, funds management and project finance. He specialises in gold and base metals and has worked in numerous countries including Europe, North and South America, Central Asia, the former Soviet Union and China. His most recent role was as the CEO of Adriatic Metals PLC (ASX: ADT), overseeing the technical and commercial aspects of two Zn-Pb-Au-Ag-Cu exploration projects in Bosnia and Herzegovina. Mr Harris was part of the team that commenced production at Anglo American's Lisheen zinc-lead mine in Ireland, where he gained relevant operational experience in ramping up and maintaining production at one of the most significant underground zinc producers in the world. He was also an Associate Director of RMB Resources, a firm who funded many junior resource companies on the Australian, North American and European markets.
- (c) **Stephen Hills (Finance Director and Company Secretary):** Mr Hills has extensive experience in senior finance roles in public companies listed on the ASX and TSX, including fourteen years in mining companies with gold, nickel and copper producing assets. Before joining Altamin, he was involved with the financing, commissioning and operations of the Kipoi Copper Project in the Democratic Republic of Congo, and prior to this the TSX listing of Mirabela Nickel Limited and initial syndicated project financing for the Santa Rita nickel mine in Brazil. He was CFO of Gallery Gold Limited operator of the Mupane gold mine in Botswana, and prior to that of the global Analabs laboratory services group before its sale to SGS Group.
- (d) **Marcello Cardaci (Non-Executive Director):** Mr Cardaci is a consultant in Gilbert + Tobin's Corporate Advisory Group. Mr Cardaci advises on a range of corporate and commercial matters including public and private equity fund raisings and public and private mergers, acquisitions and divestment. Mr Cardaci also regularly advises on issues relating to Corporations Act and Australian Securities Exchange Listing Rules. He has cross-border experience, having advised on numerous overseas transactions including capital raisings, takeovers, schemes of arrangements and the structuring of acquisitions and joint ventures in numerous countries.

4.3 Recent historical financial information

On 29 September 2021, Altamin released its financial results for FY2021. Highlights included:

- (a) the consolidated net loss after tax of the Altamin Group for the year was \$5,377,531 (2020: \$3,761,334), resulting in a basic/diluted loss per share of \$0.022 per share (2020: \$0.0018 basic/diluted loss per share);
- (b) exploration expenditure for the year was \$5,092,023 (2020: \$3,226,935); and
- (c) administration expenditure for the year was \$458,823 (2020: \$387,357).

Since the release of its 2021 Annual Report, Altamin has also released the following:

- (a) September 2021 quarterly report and Appendix 5B on 29 October 2021;
- (b) December 2021 quarterly report and Appendix 5B on 31 January 2022; and
- (c) March 2022 quarterly report and Appendix 5B on 29 April 2022.

Altamin's 2021 Annual Report and quarterly reports are available on the Investors' section of Altamin's website at www.altamin.com.au.

The selected income statement, balance sheet and statement of cash flows information contained below for Altamin is extracted from the audited consolidated financial statements for Altamin for the years ended 30 June 2021 and 30 June 2020, and the reviewed consolidated financial statements of Altamin for the half-year ended 31 December 2021.

The financial information has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Altamin Shareholders may view the complete copies of the audited consolidated financial statements at Altamin's website at www.altamin.com.au or at www2.asx.com.au.

(a) Income statement

	Note	Consolidated 2021 \$	2020 \$
Other income	3(a)	359,880	74,000
Administrative expenditure	3(b)	(458,823)	(387,357)
Exploration expenditure		(5,092,023)	(3,226,935)
Marketing expenditure	2(e)	(184,130)	(232,762)
Foreign exchange gain/(loss)		(1,902)	15,286
Operating loss		(5,376,998)	(3,757,768)
Net finance income	4	(533)	(3,566)
Loss from continuing operations before income tax		(5,377,531)	(3,761,334)
Income tax expense	5	-	-
Loss from continuing operations after income tax		(5,377,531)	(3,761,334)
Net loss for the year		(5,377,531)	(3,761,334)
Other comprehensive income			
<i>Items that may be re-classified to profit or loss</i>			
Exchange differences on translation of foreign operations		(44,763)	(11,493)
Comprehensive income for the year, net of tax		(44,763)	(11,493)
Total comprehensive loss for the year		(5,422,294)	(3,772,827)
Loss per share			
From continuing operations:			
Basic earnings/(loss) per share (cents)	6	(2.21)	(2.72)
Diluted earnings/(loss) per share (cents)	6	(2.21)	(2.72)

(b) Balance sheet

	Note	Consolidated 2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	4,084,885	2,261,264
Receivables	8	343,691	355,289
Total Current Assets		4,428,576	2,616,553
Non-Current Assets			
Receivables	8	274,022	78,443
Plant & equipment	9	124,122	133,351
Right of use assets	12	40,370	100,992
Exploration and evaluation expenditure	10	427,867	442,499
Total Non-Current Assets		866,381	755,285
TOTAL ASSETS		5,294,957	3,371,838
LIABILITIES			
Current Liabilities			
Trade and other payables	11	1,193,531	590,509
Capital raising proceeds held in trust	14(a)	-	2,202,149
Provisions	13	224,288	231,958
Lease liabilities	12	41,301	102,446
Total Current Liabilities		1,459,120	3,127,062
Non-Current Liabilities			
Provisions	13	27,035	37,993
Total Non-Current Liabilities		27,035	37,993
TOTAL LIABILITIES		1,486,155	3,165,055
NET ASSETS		3,808,802	206,783
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	14(a)	50,782,869	41,794,229
Reserves	14(b)	349,805	358,895
Accumulated losses		(47,323,872)	(41,946,341)
TOTAL EQUITY		3,808,802	206,783

(c) Statement of cash flows

	Note	Consolidated 2021 \$	2020 \$
Cash flows from operating activities			
Payment to suppliers and employees (inclusive of GST and VAT)		(5,135,651)	(3,600,506)
Interest received		1,440	1,593
Other receipts		210,150	74,000
Net cash flows used in operating activities		(4,924,061)	(3,524,913)
Cash flows from investing activities			
Net proceeds from the disposal of financial assets		154,979	-
Purchase of plant and equipment		(19,567)	(14,193)
Net cash flows (used in)/ provided by investing activities		(135,412)	(14,193)
Cash flows from financing activities			
Proceeds from issue of shares		7,114,639	4,068,999
Transaction costs on issue of shares		(400,201)	(268,400)
Lease payments		(68,698)	(99,111)
Net cash flows from financing activities		6,645,740	3,701,488
Net increase/(decrease) in cash and cash equivalents		1,857,091	162,382
Net foreign exchange difference		(33,470)	4,564
Cash and cash equivalents at beginning of period		2,261,264	2,094,318
Cash and cash equivalents at end of period	7	4,084,885	2,261,264

(d) Notes

See the notes to the financial statements as at the date of the Company's 2021 Annual Report contained at Attachment B.

4.4 Publicly available information about Altamin

Altamin is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Altamin is subject to the Listing Rules which require continuous disclosure of any information Altamin has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (subject to certain exceptions).

ASX maintains files containing publicly disclosed information about all listed companies. Altamin's file is available for inspection at ASX during normal business hours. Altamin's recent ASX announcements are available from the ASX website (www2.asx.com.au). Altamin's ASX announcements released between the date of the Offer on 3 May 2022 and the Last Practicable Date are listed at Attachment A. In addition, Altamin is required to lodge various documents with ASIC, copies of which may be obtained from, or inspected at, an ASIC office. A substantial amount of information about Altamin is also available in electronic form at www.altamin.com.au.

5 Information relating to VBS

5.1 Disclaimer

The following information about VBS is based on publicly available information, including information in the Replacement Bidder's Statement, and has not been independently verified by Altamin. Altamin does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on VBS in this Target's Statement should not be considered comprehensive. Further information about VBS is set out in the Replacement Bidder's Statement.

5.2 Overview of VBS

The Offer is being made by V B S Exchange Pty Limited.

VBS is an Australian proprietary limited company limited by shares and was incorporated in 2004. VBS is part of the Victor Smorgon Group. As set out in section 5.2 of the Replacement Bidder's Statement, the Victor Smorgon Group invests in a diversified portfolio of assets based around particular thematic. Individual investments are either through direct operations, direct investment in equity or debt instruments or through fund managers. The current portfolio of the Victor Smorgon Group includes investments in the horticultural and agricultural sectors, mining operations, development, exploration, property development and property assets, consumer discretionary wholesale and retail, plastics recycling and the corporate debt sector. Further information on VBS and the Victor Smorgon Group is set out in section 5.2 of the Replacement Bidder's Statement.

VBS does not have representation on the Altamin Board.

5.3 VBS' interest in Altamin

As at the Last Practicable Date, VBS has a Voting Power of approximately 24.32% in Altamin, representing approximately 95,228,194 Altamin Shares.

Section 6.7(b) of the Replacement Bidder's Statement provides that, since announcement of the Offer on 3 May 2022, VBS has acquired 378,646 Altamin Shares on-market at a price of \$0.095 per Altamin Share. Further substantial holding notices lodged by VBS on 10 June 2022 and 15 June 2022 indicate that VBS has acquired further Altamin Shares since the date of the Replacement Bidder's Statement, resulting in its current Voting Power noted above.

See section 5 of the Replacement Bidder's Statement for further details.

5.4 VBS' intentions

VBS' intentions in relation to the continuation of or changes to Altamin's business, (including any redeployment of the fixed assets of Altamin), changes to the Board and the future employment of present employees of Altamin are set out in section 7 of the Replacement Bidder's Statement and sections 3.9 to 3.11 of this Target's Statement.

6 Risk factors

6.1 Overview

There are various risks associated with either accepting the Offer or rejecting the Offer and continuing to hold Altamin Shares. Some of these risks are specific to VBS or Altamin and their respective businesses, while others are risks of a more general nature that apply to any investment in a listed company. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems, but many are beyond the control of Altamin and its Directors and cannot be mitigated.

The risks summarised below are not exhaustive and do not take into account the personal circumstances of Altamin Shareholders. Prior to deciding whether to accept or reject the Offer, Altamin Shareholders should read this entire Target's Statement to gain an appreciation of Altamin, its activities, operations, financial position and prospects, including the risks set out in this section 6, and should seek professional advice if they have any doubt about the risks associated with accepting or rejecting the Offer, having regard to their investment objectives and financial circumstances.

The options which you have in relation to the Offer are set out in section 2 of the Target's Statement.

6.2 Risks associated with accepting the Offer

If you accept the Offer, the following risks may apply to you.

(a) Condition

If the Condition is not satisfied or waived, you will continue to hold your Altamin Shares as if you had not accepted.

(b) Limited withdrawal rights

You may only withdraw your acceptance of the Offer in limited circumstances where the Offer is extended whilst it is still conditional, and the extension delays the right to receive the Offer Price by one month or more.

(c) Possibility of superior proposal emerging

A third party with a superior proposal may emerge (though the Directors can give no assurances that this will occur). By accepting the Offer, you will not be able to accept any superior proposal that may be made, unless you become entitled to withdraw your acceptance (see section 3.7 for further information). As such, you may not be able to obtain any potential benefit associated with any such superior proposal.

(d) Taxation consequences of accepting the Offer

The taxation consequences of disposing of your Altamin Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in section 7. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

(e) Possible appreciation of Altamin Shares in the future

You may be able to sell your Altamin Shares in the future for more valuable consideration than the Offer Price (though the Directors can give no assurances and make no forecast of whether this will occur).

6.3 Risks associated with rejecting the Offer and continuing as an Altamin Shareholder

(a) Minority ownership consequences

VBS' intentions in relation to Altamin in various scenarios where VBS acquires different levels of relevant interests in Altamin are set out in section 7 of the Replacement Bidder's Statement.

Depending on the number of Altamin Shareholders which accept the Offer, implications on the remaining Altamin Shareholders who do not accept the Offer may include the following:

- (i) depending on the size of VBS' interest in Altamin, it may be less likely that another party will seek to acquire all of the Altamin Shares in the future;
- (ii) VBS may be in a position, either alone or together with other Altamin Shareholders, to materially influence the appointment of the Directors and senior management of Altamin. This, in turn, will enable VBS (either alone or together with other Altamin Shareholders) to determine Altamin's dividend policy and capital structure and to control the strategic direction of Altamin;
- (iii) as at the Last Practicable Date, the Company's strategic review is reasonably advanced, with the Company considering early stage indicative proposals received from a number of third parties covering a range of potential options, including alternative corporate and asset-level transactions as well as potential long-term offtake agreements. If VBS gains control of the Company, there is a possibility that the Company (or potential counterparties) may not be in a position to proceed with any such indicative proposals;
- (iv) the liquidity in Altamin Shares may be lower than at present;
- (v) if the number of Altamin Shareholders is less than that required by the Listing Rules to maintain an ASX listing, VBS has stated in section 7.4 of the Replacement Bidder's Statement that it will seek to have Altamin removed from the official list of the ASX. If this occurs, Altamin Shareholders will not be able to sell their Altamin Shares on the ASX; and
- (vi) if VBS acquires 75% or more of Altamin Shares, it will be able to pass a special resolution of Altamin. This will enable VBS to, among other things, change the Altamin constitution.

(b) No consideration

Altamin Shareholders who do not accept the Offer will not receive the consideration offered by VBS. Further, the price of Altamin Shares on ASX may potentially fall to or below the price at which they were trading before the date of announcement of the Offer, such that any amount received by the sale of Altamin Shares on market is less than the consideration offered by VBS through the Offer Price.

(c) Resource risks

The Scoping Study for the Gorno Project has highlighted that significant additional project value can be created by increasing the size of the November 2021 Gorno Mineral Resource. Altamin has identified a significant Exploration Target of between 17.4 and 22.0 million tonnes at a

grade ranging between 8.5 and 10.4% zinc, 1.9 and 2.4% lead, and 19 and 23g/t silver¹⁸. The Exploration Target lies wholly within Altamin's granted exploration licence with the target area being within or adjacent to the extensive underground development that makes up the historical Gorno mine. The Exploration Target is in addition to and contiguous with the recently announced Mineral Resource estimate.

The potential quality and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. There is no certainty that further exploration will result in the determination of the Mineral Resource or that the Production Target based on the Exploration Target will be realised.

Even if a Mineral Resource is identified, no assurance can be given that this will be economically extracted and that an Ore Reserve will be identified.

Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made, and modifying factors and assumptions, including infill drilling results, which may ultimately prove to be inaccurate and require adjustment. Additionally, resource estimates may change over time as new information becomes available. Should Altamin encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect Altamin's operations, future plans, financial performance, value and ability to satisfy production and economic objectives of the Gorno Project. There is no guarantee resources can be converted to reserves.

There is no guarantee that any future project evaluation undertaken by Altamin on the Gorno Project will result in the project being economically viable. Even if the evaluation process demonstrates that the Gorno Project is economically viable, further finance arrangements, agreements and regulatory approvals are required before any decision to commence mining can be made.

(d) Gorno Project Evaluation

Altamin has completed a Scoping Study for the Gorno Project and intends to progressively undertake further studies, including additional infilling and exploration drilling and metallurgical test work, with the aim of completing a DFS. These studies will be completed within parameters designed to determine the economic feasibility of the Gorno Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Gorno Project or the results of other studies undertaken by Altamin (e.g. the results of a DFS may materially differ to the results of the Scoping Study). Even if a study confirms the economic viability of the Gorno Project, there can be no guarantee that the Gorno Project will be successfully brought into production as assumed or within the estimated parameters in the DFS (e.g. operational costs and commodity prices) once production commences. There is no guarantee of permitting or that production will reflect the resource model. Further, the ability of Altamin to complete a study may be dependent on Altamin's ability to raise further funds.

(e) Gorno Project Permitting and Other Regulatory Approvals

As set out in section 4.1(a)(ii) of this Target's Statement, Altamin had submitted an application for renewal and extension of the boundaries of its Monica Mining Licence at the Gorno Project. As announced on 8 June 2022, the Company received a negative Decree in relation to that application from the relevant regulator, with the likely effect that the application has lapsed and the Monica Mining Licence will therefore expire.

¹⁸ For further information please refer to the Company's announcement released on 8 September 2021 titled 'Exploration Target Outlines Upside at Gorno'. 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 Company has set out in section 4.1(a)(ii) of this Target's Statement its preferred permitting pathway forward, which involves extending the boundaries of its existing Cime EL and converting it into a new mining licence. There is no guarantee that the application for a new mining licence pursuant to this process will be successful. Additionally, this process is estimated to add between 6 and 18 months to the timeline for commissioning the Gorno mine as set out in the Scoping Study. There is also no guarantee that the Cime EL will be renewed past its current expiry date of 5 July 2023.

There is a risk that the commercial terms agreed with Italian landholders in the Zorzone Industrial Area may not culminate in a binding agreement that is legally enforceable or acceptable to Altamin. If this is not achieved, this may have an adverse impact on the selected processing plant location.

(f) General Permitting Risk

In relation to Gorno, the Punta Corna and its other Projects, there is a risk that Altamin may not receive all approvals and licences sought, promptly or at all, or that they might be granted with conditions which are unfavourable.

More broadly, no assurance can be given that Altamin will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Altamin may be curtailed or prohibited from continuing or proceeding with exploration and production.

(g) Financing

The funds raised under the Entitlement Offer which completed on 25 February 2022 are enabling the continuation of the drilling campaign so that the infill drilling and a proportion of the priority exploration targets can be tested, in order to be fed into a revised Mineral Resource estimate for the Gorno Project.

The future capital requirements of Altamin beyond those outlined above for the drilling and DFS will depend on many factors including the results of both activities. An inability to obtain additional funding would have a materially adverse effect on Altamin's business and the price of Altamin Shares.

There can be no assurance that Altamin will be able to raise the funds sought, secure any additional funding or be able to secure funding on terms favourable to Altamin. Any additional equity financing will dilute shareholdings and the Voting Power of existing shareholders and may be undertaken at a lower price than the Offer Price. Any increase in the number of Altamin Shares issued may have a depressive effect on the price of Altamin Shares. Any debt financing, if available, may involve restrictions on financing and operating activities. Any inability to obtain additional funding, may have a material adverse effect on Altamin's operations, its financial condition and performance and its ability to continue as a going concern.

(h) Going concern risk

Investors should be aware of the going concern risk to which Altamin is exposed. Altamin's financial report for the year ended 30 June 2021 includes a note at page 1 of the auditor's report in relation to the preparation of Altamin's financial statements and the existence of a significant uncertainty about Altamin's ability to continue as a going concern in the event Altamin is unable to raise additional funds through equity raisings.

Altamin's consolidated financial statements for the year ended 30 June 2021 were prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the normal course of business. In assessing the appropriateness of this assumption, the

Directors assumed Altamin will be able to attract new equity to undertake its business activities and to continue to fund its ongoing exploration interests in a timely manner and believed it was reasonable to assume Altamin could continue to meet its planned expenditure based on recent and historical abilities to raise such capital.

Since the date of that annual report, Altamin has successfully completed the Entitlement Offer to raise \$6.059 million (before costs), which represented strong support by eligible shareholders and an overall 85% take up. The Board believes that it has sufficient funds, or access to other short term funding options, to adequately meet Altamin's current commitments and short term working capital requirements. However, it is likely that further funding will be required by Altamin in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on Altamin's business, and may give rise to significant uncertainty on Altamin's ability to continue as a going concern.

(i) Development risks

Possible future development of a mining operation at Altamin's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, and contracting risk from third parties providing essential services.

There can be no guarantee the proposed DFS will be completed on time, on budget, or support an economic development of the Gorno Project.

If Altamin commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that Altamin will achieve commercial viability through the development or mining of its projects.

Development of a commercial mining operation is also dependent on Altamin's ability to obtain necessary titles and governmental and other regulatory and third party approvals. There is no guarantee that these will be forthcoming, including current early stage discussions with potential strategic investors and/or offtake partners.

The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interest.

Risks outside the control of Altamin, including force majeure, terrorism and other hostilities, sabotage, fire, flood or unrest, could have a material adverse impact. In the event that the crisis management plans are not implemented adequately, the impact of a crisis can be significant and can attract adverse media reports or reputation damage which would require additional costs or experience additional delays in responding and recovering. Altamin may not be able to obtain adequate insurance at an appropriate price or at all.

(j) COVID-19 risks

The global economic outlook is uncertain due to the prevailing COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. Any infections occurring at site or access to the site could force activities to be suspended for an unknown period of time which could have an adverse impact on future development plans at the projects. Supply chain disruptions resulting

from measures implemented by governments around the world to limit the transmission of the virus may further adversely impact Altamin's share price, operations, financial position, prospects and ability to raise capital.

Altamin has a policy in place to address the risks presented by COVID-19 by conforming with the workplace regulations decreed from time to time by the relevant Italian authorities. However, the serious health issues that could result from COVID-19 remains a risk for employees and contractors, as well as local community members who may be unvaccinated and who are vulnerable.

Any further governmental or industry measures taken in response to COVID-19 may adversely impact Altamin's operations and are likely to be beyond the control of Altamin and could have consequential disruption and costs, plus managing the activities at the Company's projects, including Gorno Project as it works towards its DFS. In particular a sustained lockdown or sustained community transmission of a pathogen in the Lombardy region of Italy could have a materially adverse impact on the planned Gorno schedule of activities.

However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, Altamin will continue to update the market in regard to any material impact of COVID-19 on costs or schedule.

(k) Regulatory risks

There are no guarantees that the licence applications that are subject to renewal will be renewed, which would adversely affect the standing of a licence. Alternatively, applications, or renewals may be refused or may not be approved with favourable terms. Any of these events could have a materially adverse effect on Altamin's prospects and the value of its assets.

Further, Altamin is subject to other laws and regulations, including relating to exploration, mining, processing, development, tax, labour, subsidies, royalties, environmental impact and land access. Any materially adverse changes to government application, policy or legislation in relevant areas, or community or government attitudes could impact the assets, profitability or viability of the Gorno Project.

Altamin is not aware of any reviews or changes that would affect its current or proposed interests in its licences or proposed surface facilities. However, changes in political policies, law, and/or community attitudes on matters such as taxation, duties, royalties and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Altamin's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay development of the Gorno Project.

(l) Personnel and labour risks

Altamin's success depends to a significant extent upon key management personnel, as well as other management and technical personnel, including those employed on a contractual basis. The loss of the services of certain personnel could adversely affect Altamin and its activities. The responsibility of overseeing the day-to-day operations and the strategic management of Altamin depends substantially on its key personnel. Key personnel are important to attaining the business goals of Altamin. Altamin believes that it has, in general, good relations with its employees and contractors. There can be no assurance given that there will be no detrimental impact on Altamin if one or more of these employees cease their employment and an adequate handover process is not undertaken with their replacement.

Critical functions of Altamin's operations may be affected in the short to medium term as replacement key personnel are sought, which can incur additional costs or experience loss of productivity during the recruitment and onboarding phases. Altamin is also exposed to a

general resources industry risk of not being able to appoint operational personnel on reasonable terms if labour costs in the resources industry increase. In these circumstances Altamin's operating and financial performance may be adversely affected.

There can also be no assurance that Altamin's operations or those of its contractors will not be affected by labour related problems in the future, such as disputes relating to wages or requests for increased benefits. There are risks associated with staff including attracting and retaining key personnel, and staff acting out of their permitted authority and with contractors not acting in accordance with Altamin's policies.

(m) Health, safety and security risk

Mining activities have inherent hazards and risks. Altamin is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. Altamin provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its health and safety management system.

A serious site health and safety incident may result in significant interruptions and delays in the Gorno Project. A health and safety incident which results in serious injury, illness or death may also expose Altamin to significant penalties and Altamin may be liable for compensation. These liabilities may not be covered by Altamin's insurance policies or, if they are covered, may exceed Altamin's policy limits or be subject to significant deductibles. Also, any claim under Altamin's insurance policies could increase Altamin's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on Altamin's liquidity and financial results and reputation. In addition, it is not possible to anticipate the effect on Altamin's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of Altamin.

Further, the production processes used in conducting any future mining activities can be dangerous. Altamin has, and intends to maintain, a range of workplace practices, procedures and policies which will seek to provide a safe and healthy working environment for its employees, visitors and the community.

Altamin has in place a group health and safety management system to ensure significant risks have robust sustainable safety critical controls. If the health and safety management system is not implemented or complied with adequately, there is a risk that a serious health and safety incident may occur which can result in delays in the project.

(n) Environmental and climate risks

The operations and proposed activities of Altamin are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, Altamin's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is Altamin's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall, may impact on Altamin's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Altamin for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation.

There is a risk that environmental laws and regulations become more onerous making Altamin's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Climate change is a risk that Altamin has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to Altamin include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. Altamin may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. Climate change may cause certain physical and environmental risks that cannot be predicted by Altamin, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Altamin operates.

As Altamin is progressing towards its DFS, new data may emerge that would require Altamin to amend its climate change mitigation strategies which may require and incur additional costs. Altamin will update the market if amended reports or submissions are required in relation to its climate change strategies.

(o) Exploration

Exploration, by its nature, contains elements of significant risk. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of an efficient exploration operation and obtaining customary permitting and necessary regulatory approvals. The exploration activities may be affected by a number of factors including, but not limited to, geological conditions, seasonal weather patterns, technical difficulties and failures, availability of the necessary drilling rigs, technical equipment and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to appropriate funding when required.

There can be no assurance that Altamin's exploration activities in the Gorno Project area, or any other projects, tenements or databases that Altamin holds or may acquire in the future, will result in the discovery of any additional Mineral Resources. There is a risk that infill drilling and exploration drilling may produce unsatisfactory outcomes.

In the future Altamin may undertake various studies on Altamin's projects depending on results of exploration and testing programs, including scoping, pre-feasibility and definitive feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of Altamin's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of Altamin's projects or the results of other studies undertaken by Altamin (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further even if a study determines the economics of Altamin's projects, there can be no guarantee that the project will be successfully brought into production. In addition, the ability of Altamin to complete a study may be dependent on Altamin's ability to raise further funds to complete the study if required.

In the event that Altamin's exploration programmes and/or studies prove to be unsuccessful this could lead to a diminution in value of its projects, a reduction in the cash reserves of Altamin and the possible relinquishment of one or more of its licences.

(p) Government policy

Mining and exploration activity in Italy is regulated by federal and regional governments with a consultation process that involves local government authorities. Mining activities are subject to the granting of a mining concession issued by the relevant regional government. A mining concession is granted at the absolute discretion of the relevant regional government. If Altamin cannot obtain the appropriate mining concession or it is granted subject to onerous conditions, then Altamin's ability to conduct its development operations may be adversely affected.

(q) Licence to Operate

Poor environmental, social and governance (ESG) decisions, implementation of policies or practices can materially adversely impact a company's social licence to operate. Altamin's continued reputation as a corporate citizen with the support of local stakeholders is important, particularly the Italian national, regional and commune support. Negative shifts in perception of Altamin may have an adverse impact on the financial performance and/or financial position of Altamin.

(r) Title and transfer

In relation to Altamin's licences, some or all of these may be the subject of applications for extension in the future. If a licence is not extended, Altamin may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that licence. In addition, Altamin cannot guarantee that those licences that exist will convert to mining tenure and therefore convert to productive mining operations.

(s) No production revenue

Altamin has not recorded any revenues from the Gorno Project and its other current projects, nor has it commenced commercial production on any of its projects. There is no assurance that Altamin will be profitable in the future or at all.

(t) Commodity price and demand, and exchange rates

The demand for, and price of, base metal products are highly dependent upon a variety of factors, including international supply and demand, actions taken by governments, global economic and political developments, exchange rates and the proper functioning of debt markets. In the event that Altamin achieves exploration success leading to future production and/or processing activities, the revenue it will derive through the sale of base metal products exposes the potential income of Altamin to commodity price and exchange risks. Commodity prices fluctuate and are affected by many factors beyond the control of Altamin, including, the intensity of global manufacturing and construction activities, the supply of base metal products as a result of the commissioning of new mines and the decommissioning of others, the sentiment and conditions in the countries and sectors where Altamin or its business or commercial partners will potentially sell their products, and the price and availability of appropriate substitutes. Further, the international prices of various commodities, including base metal products, are denominated in United States dollars, whereas the income and expenditure of Altamin are, and will be taken into account, in Australian dollars and Euros. This exposes Altamin to the fluctuations and volatility of the exchange rate between the United States dollar, the Australian dollar and Euro, as determined in international markets.

(u) General economic and market conditions

The operating and financial position of Altamin is influenced by a range of general domestic and global economic and business conditions that are outside the control of Altamin. These conditions may include, but are not limited to, political movements, stock market movements, interest rates, industrial disruption, environmental impacts, natural disasters, taxation changes

and legislative or regulatory changes. A prolonged deterioration in market, business or economic conditions may potentially have an adverse impact on Altamin and its operations.

(v) Insurance risks

Altamin will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances Altamin's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Altamin. Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where Altamin considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. Altamin will use reasonable endeavours to insure against the risks it considers appropriate for its needs and circumstances. However, no assurance can be given it will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

6.4 General risks

Mineral exploration and mining may be hampered by circumstances beyond the control of Altamin and are operations which, by their nature, are subject to a number of inherent risks. Altamin's Gorno Project is subject to a range of general mineral exploration, technical and financial risks associated with establishing Mineral Resources and Ore Reserves. These include the general risk factors set out below.

(a) Commodity prices and foreign exchange rate

There can be no assurance that prices of commodities that Altamin has exposure to via its project portfolio will be such that Altamin's projects can be mined to provide an acceptable return in the future. The prices of such commodities fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, foreign exchange rate fluctuations, interest rates, global or regional consumption patterns and speculative activities.

Altamin is also exposed to currency risk on financial assets and liabilities held in Italy. Altamin's expenditure obligations in Italy are primarily in Euro and as a result Altamin is exposed to fluctuations between the Euro and the Australian dollar. These exposures are not subject to a hedging program. Altamin is also exposed to foreign exchange risk arising from its operations in Italy.

Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact foreign currency exchange rates. These factors may have a positive or negative effect on Altamin's project development and production plans and activities together with the ability to fund those plans and activities.

(b) Future capital requirements

If Altamin requires future equity capital, such additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit Altamin's operations and business strategy. No assurances can be made that appropriate funding, if and when needed, will be available on terms favourable to Altamin or at all.

(c) Liquidity risk

There can be no guarantee that there will continue to be an active market for Altamin Shares or that the price of Altamin Shares will increase. There may be relatively few buyers or sellers of Altamin Shares on ASX at any given time. This may affect the volatility of the market price of Altamin Shares. It may also affect the prevailing market price at which Altamin Shareholders are able to sell their Altamin Shares. This may result in Altamin Shareholders receiving a market price for their Altamin Shares that is less or more than the Offer Price. Further, depending on the level of acceptance of VBS' Offer, if the Offer is declared unconditional, the liquidity of the Altamin Shares may further decrease (see also section 6.3(a) for other implications associated with minority ownership as a result of VBS' Offer).

(d) Economic factors

The operating and financial performance of Altamin is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors, including government policy, international economic conditions, significant acts of terrorism, hostilities, war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Altamin's operating and financial performance and financial position. Altamin's future possible revenues and share price can be affected by these factors, which are beyond the control of Altamin.

(e) Stock market conditions

As with all stock market investments, there are risks associated with an investment in Altamin. Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of Altamin's performance.

Share prices may rise or fall and the price of Altamin Shares might trade below or above the value ascribed to each Altamin Share through the Offer Price. General factors that may affect the market price of the Altamin Shares include economic conditions in both Australia and internationally (particularly, in Italy), investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

There can be no guarantee that there will be an active market for Altamin Shares or that the price of Altamin Shares will increase. There may be relatively few buyers or sellers of Altamin Shares on ASX at any given time. This may affect the volatility of the market price of Altamin Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Altamin Shares.

(f) Securities investment risk

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of Altamin's performance. The past performance of Altamin is not necessarily an indication as to future performance of Altamin as

the trading price of the Altamin Shares can go up or down. Neither Altamin nor the Directors warrant the future performance of Altamin or any return on an investment in Altamin.

(g) Exploration risks

The success of Altamin also depends in part on successful exploration programs leading to the delineation of economically minable Mineral Resources or Ore Reserves, securing and maintaining title to Altamin's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on Altamin's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of Altamin and possible relinquishment of the exploration and mining permits and licences.

(h) Ability to exploit successful discoveries

It may not always be possible for Altamin to exploit successful discoveries which may be made on permits and licences in which Altamin has an interest. Such exploitation would involve obtaining the necessary licences, clearances and/or approvals from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies, whose interests and objectives may not be the same as Altamin's.

(i) Competition

Altamin competes with other companies. Some of these companies have greater financial and other resources than Altamin and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Altamin can compete effectively with these companies.

(j) Litigation risk

Altamin is subject to litigation risks. All industries, including the minerals exploration and production industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Altamin is or may become subject could have a material effect on its financial position, operational results or Altamin's activities.

(k) Tax risk

Changes to income tax, GST, stamp duty or other revenue legislation, case law, rulings or determinations issued by tax authorities or other practices of tax authorities may change following the date of this Target's Statement or adversely affect Altamin's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

(l) War and terrorist attacks risk

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a consequential effect on Altamin's financial performance.

(m) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements, or in relation to employees (through personal injuries, industrial matters or otherwise), or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities

after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Altamin. The above list of risk factors ought not to be taken as exhaustive of the risks faced by Altamin or by investors in Altamin. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Altamin and the value of the Altamin Shares.

7 Taxation considerations

7.1 Introduction

This section is a brief guide on only certain Australian tax considerations of transferring Altamin Shares to VBS under the Offer based on the law and the administrative practices of Australian revenue authorities as at the date of this Target's Statement. It is not advice to any particular Altamin Shareholder and does not set out all tax considerations that may be applicable. Altamin Shareholders should seek their own tax advice that takes into account their personal circumstances.

This guide only sets out possible Australian tax considerations for Altamin Shareholders who hold their shares on capital account for Australian income tax purposes.

It does not consider the consequences for shareholders who: are in the business of trading or dealing in securities or otherwise hold their Altamin Shares on revenue account; acquired their Altamin Shares in return for services or as the result of an employee share plan or employee share option plan; acquired (or are taken to have acquired for Australian income tax purposes) their Altamin Shares prior to 20 September 1985; are subject to the taxation of financial arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) or other special taxation rules; are banks, insurance companies, tax exempt organisations and superannuation funds with accounts in a tax-free pension phase; are non-residents who currently hold, or have held, Altamin Shares at any time through a permanent establishment in Australia; or are temporary residents.

7.2 Taxation on the disposal of Altamin Shares

An Altamin Shareholder who transfers their Altamin Shares to VBS under the Offer will dispose of those Altamin Shares for Australian tax purposes.

If an Altamin Shareholder disposes of their Altamin Shares by accepting the Offer, in the absence of a class ruling or private ruling from the Commissioner of Taxation in respect of the Offer, Altamin Shareholders should treat the time of disposal as when they accept the Offer, even if the Condition is not satisfied until a later date. However, in class rulings on takeovers, the Commissioner of Taxation treats the time of disposal in a takeover to be when the takeover is declared unconditional (typically, shortly after any conditions are satisfied or waived).

If the Altamin Shares of an Altamin Shareholder are compulsorily acquired, the Altamin Shareholder will be taken to have disposed of the Altamin Shares on the date the Altamin Shareholder ceases to be the owner of the Altamin Shares.

7.3 Determination of capital gains and losses

An Altamin Shareholder should realise a capital gain equal to the amount by which the Offer Price exceeds the cost base of that Altamin Share. An Altamin Shareholder will alternatively realise a capital loss equal to the amount by which the reduced cost base of the Altamin Share exceeds the Offer Price. The cost base of an Altamin Share should generally include the amount paid (or deemed to be paid) to acquire the Altamin Share, which includes certain incidental costs (such as brokerage fees) of the acquisition, holding and disposal of the Altamin Share. The reduced cost base of an Altamin Share is usually determined in a similar, but not identical, manner.

A capital loss may be used to offset a capital gain made in the same income year and any resulting net capital loss may be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or gains.

7.4 Australian resident Altamin Shareholders

An Australian resident Altamin Shareholder who is an individual, a trust or a complying superannuation fund may be entitled to reduce their capital gain (after first reducing the capital gain by any available capital losses) by the applicable CGT discount (one-third in the case of a complying superannuation fund and one-half in the case of an individual or a trust that is not a superannuation fund) provided that the Altamin Shares were acquired (for tax purposes) at least 12 months before their disposal to VBS (excluding the date of acquisition and the date of disposal) and the Altamin Shareholder did not choose to index the cost base of their Altamin Shares (where applicable). No CGT discount is available for Altamin Shareholders which are companies.

Any resulting net capital gain (i.e. the amount remaining after the application of any available capital losses, available CGT discounts and/or concessions) should be included in the Altamin Shareholder's assessable income and is subject to Australian income tax at the Altamin Shareholder's applicable rate of tax.

7.5 Non-resident Altamin Shareholders

Any Altamin Shareholder that is not a resident for Australian income tax purposes should generally not have to pay Australian income tax on any capital gain arising on the disposal of their Altamin Shares, unless both of the following requirements are satisfied:

- (a) the Altamin Shareholder, together with its associates (as defined in section 318 of the *Income Tax Assessment Act 1936* (Cth)), held a combined interest of at least 10% in Altamin either at the time the Altamin Shares were disposed of (for tax purposes) or for a continuous period of 12 months during the 24 months before the Altamin Shares were disposed of (for tax purposes); and
- (b) more than 50% of the value of Altamin's assets is attributed to direct or indirect interests in Australian real property, which is defined to include Australian mining and exploration leases and licences (**Principal Asset Test**).

Where this is the case, non-resident Altamin Shareholders may be liable for tax on gains from the disposal of their Altamin Shares and may be required to lodge a tax return in connection with the disposal of Altamin Shares.

The Principal Asset Test must be assessed at the time of the relevant disposal, which will vary for each Altamin Shareholder. The market value of Altamin's assets may change between now and then. However, based on currently available information, Altamin is of the view that the Principal Asset Test will not be satisfied. VBS has stated in its Replacement Bidder's Statement that the Principal Asset Test should not be satisfied for Altamin given the market value of Altamin's direct and indirect interests in Australian real property assets appears to be less than the market values of Altamin's other assets.

A non-resident Altamin Shareholder who is subject to tax on disposal of their Altamin Shares may be eligible to apply a CGT discount to part of their gain, depending on their circumstances if they acquired, or are taken to have acquired, their Altamin Shares on or before 8 May 2012.

7.6 Non-resident CGT withholding tax

VBS may be required to pay 12.5% of the Offer Price (**non-resident CGT withholding tax**) to acquire the Altamin Shares to the Australian Taxation Office if at least one of the Altamin Shareholders is a non-resident and the two requirements described in section 7.5 are satisfied.

However, VBS has stated in its Replacement Bidder's Statement that the Principal Asset Test should not be satisfied for Altamin.

7.7 Stamp duty

Altamin Shareholders will not be liable to any stamp duty in respect of their disposal of Altamin Shares.

7.8 GST

Altamin Shareholders should not be subject to any GST in respect of their disposal of Altamin Shares. Altamin Shareholders should seek their own tax advice to determine whether any GST incurred on costs (for example third party advisers' fee) in relation to the disposal of their Altamin Shares is recoverable by way of input tax credits or reduced input tax credits.

8 Additional information

8.1 Capital structure

As at the Last Practicable Date, the Altamin Securities on issue are:

CLASS	NUMBER
Altamin Shares	391,716,752
AZIAM: Options	5,783,334
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 an exercise price of \$0.30	1,786,670

8.2 Substantial holders

Based on substantial shareholder notices provided to Altamin, the Replacement Bidder's Statement and other publicly available information as at the Last Practicable Date, the substantial shareholders of Altamin are:

NAME OF HOLDER	RELEVANT NUMBER OF ALTAMIN SHARES	VOTING POWER ¹⁹
VBS	95,228,194	24.32%
Alexander Burns and Associates	40,465,494	10.33%

8.3 Directors of Altamin

At the date of this Target's Statement, the Directors of Altamin are:

- (a) Alexander Burns (Non-Executive Chairman);
- (b) Geraint Harris (Managing Director);
- (c) Stephen Hills (Finance Director and Company Secretary); and
- (d) Marcello Cardaci (Non-Executive Director).

¹⁹ Based on 391,716,752 Altamin Shares on issue.

8.4 Interests of Directors in Altamin Securities

As at the Last Practicable Date, the Directors had the following relevant interests in Altamin Securities.

Director	Shares	Options
Alexander Burns	40,465,494	Nil
Geraint Harris	12,210,266	3,000,000
Stephen Hills	Nil	1,600,001
Marcello Cardaci ²⁰	17,211,794	Nil

8.5 Dealings of Directors in Altamin Securities

None of the Directors have acquired or disposed interests in Altamin Securities in the four months ending on the date of the Target's Statement, other than as set out below:

Director	Acquisitions	Disposals
Alexander Burns	11,561,571 Altamin Shares on 25 February 2022 as a result of participation in the Entitlement Offer for \$693,694.26.	Nil
Geraint Harris	2,675,847 Altamin Shares on 25 February 2022 as a result of participation in the Entitlement Offer for \$160,550.82. 2,844,800 Altamin Shares on 22 April 2022 as a result of participation in the shortfall facility under the Entitlement Offer for \$170,688.	Nil
Stephen Hills	Nil	Nil
Marcello Cardaci	4,917,656 Altamin Shares on 25 February 2022 as a result of participation in the Entitlement Offer for \$295,059.36. ²¹	Nil

²⁰ As at the Last Practicable Date, Marcello Cardaci has a relevant interest in 159,820 Altamin Shares which he holds directly and an indirect interest in 17,051,974 Altamin Shares held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c. With respect to the Altamin Shares held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c, Mr Cardaci is a beneficiary of the Spyder Super Fund and has a current association with the trustee of the Spyder Super Fund but does not control those Altamin Shares and his intention does not extend to these Altamin Shares.

²¹ Of these Altamin Shares acquired, 4,871,993 were acquired by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c. Mr Cardaci is a beneficiary of the Spyder Super Fund and has a current association with the trustee of the Spyder Super Fund but does not control those Altamin Shares.

8.6 Directors' interests and dealings in VBS

Neither Altamin nor any of its Directors have a relevant interest in the securities of VBS or any Related Body Corporate of VBS.

8.7 Impact of the Offer on Altamin's senior employee and director arrangements

None of the contractual arrangements between Altamin, its Directors and key employees will be materially affected by the Offer, if it were to become unconditional, other than those matters described below and in section 8.10 of this Target's Statement. Any payments described below are subject to limitations in the Corporations Act.

(a) Director arrangements

Benefits paid or to be paid to Directors or company secretary of Altamin or its Subsidiaries in connection with loss of, or resignation from, office as a result of the Offer

As a result of the Offer, no benefit (other than a benefit which can be given without member approval under the Corporations Act) has been paid or will be paid to any Director or secretary of Altamin or its Subsidiaries in connection with the loss of, or their resignation from, their office.

Benefits paid or to be paid to Directors conditional on, or related to, the Offer

Other than as disclosed in this Target's Statement, no Altamin Director has agreed with VBS to receive, or is entitled to receive, any benefit which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Altamin Shares or Options (see section 8.10 of this Target's Statement).

Agreements between Directors and any person in connection with, or conditional upon, the outcome of the Offer

No agreement has been made between any Director and any person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of Altamin Shares or Options (see section 8.10 of this Target's Statement).

Directors' interests in VBS contracts

No Director has any interest in any contract entered into by VBS.

(b) Executive and employee arrangements

Certain executives and employees are entitled under contract and statute to various amounts of redundancy payments. In addition to the above matters, the Managing Director and key employees are entitled to securities under Altamin's Employee Share Plan (see section 8.8 of this Target's Statement).

8.8 Altamin's Employee Incentive Plan

As part of Altamin's remuneration framework, the Employee Incentive Plan adopted by Altamin Shareholders on 29 November 2021 enables Altamin to offer employees and eligible contractors the opportunity to subscribe for Options, Altamin Shares and performance rights to acquire Altamin Shares in order to increase the range of potential incentives available to them and to strengthen links between Altamin and its employees.

Under the Employee Incentive Plan, Altamin can grant eligible employees, eligible contractors and other people who are declared by the Board to be an eligible participant (**Eligible Participants**) Options, Shares and performance rights (collectively defined as **Incentives**).

Under the Plan, the Board may offer to Eligible Participants the opportunity to subscribe for such number of Incentives as the Board may decide and on the terms set out in the rules of the Employee Incentive Plan. Incentives granted under the Employee Incentive Plan will be offered to participants in the Employee Incentive Plan on the basis of the Board's view of the contribution of the Eligible Participant to the Company.

In accordance with ASIC Class Order 14/1000 (CO14/1000), the total Incentives that may be issued under the Employee Incentive Plan in reliance on CO14/1000 will not exceed 5% of the total number of Altamin Shares on issue. Incentives issued under the Employee Incentive Plan other than in reliance on CO14/1000 are not subject to this 5% cap.

The maximum number of Incentives proposed to be issued under the Employee Incentive Plan following Shareholder approval is expected to be 29,071,412.

Future grants of Incentives under the Employee Incentive Plan to Altamin's Directors will be subject to approval by Altamin Shareholders in accordance with the Listing Rules and the Corporations Act.

As at the date of this Target's Statement, there are 373,332 unvested Altamin Securities issued under the Employee Incentive Plan on issue.

8.9 Change of control events

As far as the Directors are aware, none of Altamin's agreements, which are material in the context of Altamin's business taken as a whole, contain change of control clauses which may be triggered if VBS is successful in acquiring control of Altamin, and which give rise to:

- (a) that agreement being terminated; or
- (b) the business of Altamin otherwise being materially adversely affected.

8.10 Effect of Offer on Options

As at the Last Practicable Date, the following Options on issue have automatically vested as a result of the Offer, and are capable of being exercised during the bid period (being the period from 3 May 2022 to the end of the Offer Period):

- (a) 1,000,000 Options with an exercise price of \$0.12 and an expiry date of 18 September 2024; and
- (b) 1,000,000 Options with an exercise price of \$0.18 and an expiry date of 18 September 2024.

The above Options are held by unrelated parties, and no Altamin Director has an interest in those Options.

Additionally, the Board has determined (in the absence of Geraint Harris and Stephen Hills), in accordance with the terms of the Employee Incentive Plan, that all of the following Options will automatically vest and automatically exercise when and if VBS obtains a Voting Power of more than 50% or obtains Voting Power which the Altamin Board determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Altamin Board:

- (a) 783,334 Options with an exercise price of \$0.75 and an expiry date of 30 June 2022;
- (b) 1,000,000 Options with an exercise price of \$0.12 and an expiry date of 16 September 2024;

- (c) 1,000,000 Options with an exercise price of \$0.18 and an expiry date of 16 September 2024;
- (d) 1,000,000 Options with an exercise price of \$0.24 and an expiry date of 16 September 2024;
- (e) 1,786,674 Options with an exercise price of \$0.18 and an expiry date of 16 September 2024;
- (f) 1,786,674 Options with an exercise price of \$0.24 and an expiry date of 16 September 2024; and
- (g) 1,786,670 Options with an exercise price of \$0.30 and an expiry date of 16 September 2024.

The following Altamin Directors have an interest in those Options:

- (a) Geraint Harris: 3,000,000 Options (on the terms detailed at sections 8.10(b), 8.10(c) and 8.10(d) above); and
- (b) Stephen Hills: 200,000 Options on the terms detailed at section 8.10(a) above, 466,667 Options on the terms detailed at section 8.10(e) above, 466,667 Options on the terms detailed at section 8.10(f) above and 466,667 Options on the terms detailed at section 8.10(g) above.

8.11 Material litigation

As at the Last Practicable Date, Altamin is not aware of any material disputes or litigation being undertaken, commenced or threatened against any member of the Altamin Group.

8.12 Consents

The following parties have given, and have not withdrawn before the lodgement of this Target's Statement with ASIC, their written consent to be named in this Target's Statement in the form and context in which they are so named:

- (a) Gilbert + Tobin, to being named in this Target's Statement as Australian legal advisers to Altamin;
- (b) BDO, to the references to its name in this Target's Statement; and
- (c) Lisle Group, to being named in this Target's Statement as financial adviser to Altamin.

None of these persons have caused or authorised the issue of this Target's Statement, nor makes or purports to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based or takes any responsibility for any part of this Target's Statement, other than any reference to its name.

Each of the Directors has given and not withdrawn their consent to:

- (a) be named in this Target's Statement in the form and context in which they are named; and
- (b) statements attributable to them being included in this Target's Statement in the form and context in which they appear.

As permitted by ASIC Class Order 13/521, this Target's Statement may include or be accompanied by statements which are made in documents lodged with ASIC or ASX. Pursuant

to the Class Order, provided this Target's Statement fairly represents such statements, the consent of the parties making those statements is not required for, and those parties have not consented to, the inclusion of such statements in this Target's Statement.

Altamin Shareholders may, during the Offer Period, obtain a copy of the documents (free of charge) in which the aforementioned statements appear (or in which statements based on those statements appear, as the case may be), or the relevant part(s) of any of those documents, by contacting 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>, or scan the QR code.



The lines are open 9:00am to 5:00pm AEST Monday to Friday (excluding public holidays).

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by statements fairly representing a statement by an official person, or statements from a public official document or a published book, journal or comparable publication.

8.13 ASIC modifications

On 25 May 2022, ASIC granted Altamin a modification of section 648C of the Corporations Act in connection with the Offer. The effect of this modification was to allow Altamin to:

- (a) deliver an electronic copy of this Target's Statement via electronic mail to the nominated email address of those Altamin Shareholders who have elected to receive communications electronically from Altamin, providing details of how Altamin Shareholders can request a hard copy of the Target's Statement; and
- (b) send a letter or postcard, in lieu of the Target's Statement, to those Altamin Shareholders who have not elected to receive communications electronically from Altamin, providing details of where Altamin Shareholders can access an electronic copy of the Target's Statement or how to request a hard copy of the Target's Statement.

8.14 No other material information

This Target's Statement is required to include all information that Altamin Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Target's Statement; and
- (b) only if the information is known to any of the Directors.

The Directors are of the opinion that the information that Altamin Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is the information contained in:

- (a) the Replacement Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) Altamin's releases to ASX before the date of this Target's Statement;
- (c) documents lodged by Altamin with ASIC before the date of this Target's Statement; and
- (d) this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Replacement Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Replacement Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- (a) the nature of the Altamin Shares (being fully paid ordinary shares);
- (b) the matters which Altamin Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Altamin Shareholders; and
- (d) the time available to Altamin to prepare this Target's Statement.

9 Approval of this Target's Statement

This Target's Statement has been approved by a resolution passed by the Directors. Signed for and on behalf of Altamin Limited:

Date 17 June 2022

Signed for and on behalf of Altamin Limited
By



Director

Alexander Burns

Schedule 1 Dictionary

1 Definitions and interpretation

1.1 Definitions

The following defined terms in this Target's Statement have the meanings set out below.

AEST means Australian Eastern Standard Time.

AIA means the Integrated Environmental Authorisation.

Altamin or **Company** means Altamin Limited (ABN 63 078 510 988).

Altamin Group means Altamin and its Related Bodies Corporate.

Altamin Securities mean Altamin Shares or Options (as applicable) and Altamin Security means any of the foregoing (as applicable).

Altamin Shareholder Information Line means the information line established by Altamin to answer questions from Altamin Shareholders about the Offer.

Altamin Shareholders means the holders of Altamin Shares.

Altamin Shares means fully paid ordinary shares in the capital of Altamin.

Associate has the meaning given under section 9 of the Corporations Act.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the financial market, the Australian Securities Exchange, where the context requires.

Attachment means an attachment to this Target's Statement.

BDO means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Board means the Board of Directors of Altamin.

Business Day means a day on which banks are open for business in Perth, Western Australia, excluding the days of Saturday, Sunday or public holidays.

Cime EL means the Company's Cime exploration licence.

Condition means the condition of the Offer as set out in section 3.4 of this Target's Statement.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

DFS means definitive feasibility study.

Directors means the directors of Altamin.

Employee Incentive Plan means the Altamin Limited Employee Incentive Plan adopted by Altamin at its annual general meeting on 29 November 2021.

Entitlement Offer means the non-renounceable entitlement offer of Altamin Shares, announced by Altamin on 24 January 2022, on the basis of two (2) new Altamin Shares for every five (5) Altamin Shares held by eligible Altamin Shareholders on 28 January 2022 at an issue price of \$0.06 per new Altamin Share.

Exploration Results has the meaning given in the JORC Code.

Exploration Target has the meaning given in the JORC Code.

FY means a financial year ending 30 June.

General Compulsory Acquisition has the meaning given in Section 3.9 of this Target's Statement.

Independent Expert means BDO.

Insolvency Event has the meaning given in section 652C(2) of the Corporations Act.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

Last Practicable Date means 15 June 2022.

Listing Rules means the official listing rules of ASX as amended or varied from time to time.

LOM means life of mine.

Mineral Resources has the meaning given in the JORC Code.

NPV means net present value.

Offer means the off-market takeover offer by VBS for Altamin Shares under the terms and conditions contained in section 4 of the Replacement Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the terms and conditions of the Replacement Bidder's Statement.

Offer Price means the consideration offered for Altamin Shares under the Offer, being \$0.095 for each Altamin Share held by an Altamin Shareholder.

Option means an option to acquire an Altamin Share.

Ore Reserves has the meaning given in the JORC Code.

Original Bidder's Statement means the bidder's statement dated 3 May 2022, which has been replaced by the Replacement Bidder's Statement.

Post Bid Compulsory Acquisition has the meaning given in Section 3.9 of this Target's Statement.

Prescribed Occurrences has the meaning given to it in the Bidder's Statement and which is set out in section 3.4 of this Target's Statement.

Production Targets has the meaning given in the JORC Code.

Register Date means 7:00pm (AEST) on 3 May 2022, being the date set by VBS under section 633(2) of the Corporations Act.

Replacement Bidder's Statement means the replacement bidder's statement dated 20 May 2022 prepared by VBS in relation to the Offer, which replaces the Original Bidder's Statement.

Related Body Corporate has the same meaning given in section 50 of the Corporations Act.

Rights means all accretions and rights attaching to Altamin Shares after 3 May 2022 (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Altamin).

Scoping Study has the meaning given in section 4.1 of this Target's Statement.

Security Interest has the same meaning given in section 51A of the Corporations Act.

SEP means the *Single Environmental Provision*.

Subsidiary has the same meaning given in section 46 of the Corporations Act.

Target's Statement means this document and includes the Attachments to it.

VIA means the Environmental & Social Impact Assessment process.

VMS means volcanogenic massive sulfide.

Voting Power has the meaning given in the Corporations Act.

VWAP means the volume weighted average price of Altamin Shares sold on the ASX over the relevant period.

1.2 Interpretation

- (a) Unless otherwise specified, words and phrases have the same meaning given in the Corporations Act.
- (b) Where a term is defined, its other grammatical forms have a corresponding meaning.
- (c) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (d) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- (e) The singular includes the plural and vice versa.
- (f) Words importing any gender include all genders.
- (g) A reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate.

- (h) Unless otherwise specified, a reference to a section or paragraph are to a section of or paragraph in this Target's Statement.
- (i) Unless otherwise specified, a reference to time is a reference to the time in Perth, Australia.
- (j) Unless otherwise specified, a monetary amount is in Australian dollars.

Attachment A ASX Announcements

The following table lists the announcements made to ASX by Altamin over the period between 3 May 2022 (following announcement of the Offer by VBS) and the Last Practicable Date.

Date	Title
4 May 2022	Altamin Response to VBS Bid
4 May 2022	Form 604 Notice of Change of Interests of Substantial Holder
4 May 2022	Permitting Update for Lithium in Brine Applications
10 May 2022	Altamin Board Recommendation to Reject Takeover Bid
20 May 2022	First Supplementary Bidder's Statement
20 May 2022	Replacement Bidder's Statement
25 May 2022	Target Statement to be released mid-June 2022 – ASIC Relief
2 June 2022	Update on VBS Takeover Offer
3 June 2022	Commencement of sending Bidder's Statement
3 June 2022	Completion of sending Bidder's Statement
7 June 2022	New Lithium in Brine / Geothermal Applications
8 June 2022	Altamin Permitting Updates
10 June 2022	Form 604 Notice of Change of Interests of Substantial Holder
15 June 2022	Change in Substantial holding

Attachment B Notes to financial statements

1 Corporate Information

The financial report of Altamin (**Altamin** or the **Altamin Group**) comprises of Altamin and its controlled entities for the year ended 30 June 2021. The financial report was authorised for issue in accordance with a resolution of the directors on 28 September 2021.

Altamin (the **Parent** or the **Company**) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Altamin Group is a for profit entity for financial reporting purposes under *Australian Accounting Standards*.

The nature of the operations and principal activities of the Group are described in the *Directors' Report*.

2 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Altamin is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of the Altamin Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical cost and where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

The Altamin Group has incurred a net loss after tax from continuing operations for the year ended 30 June 2021 of \$5,377,531 (2020: \$3,761,334) and recorded net cash outflows from operating activities of \$4,924,061 (2020: \$3,524,913). At 30 June 2021, the Altamin Group had Cash on Hand of \$4,084,885 (2020: \$2,261,264).

Based on the Altamin Group's cash flow forecast, the Directors acknowledge that the Altamin Group will require additional capital in the next 12 months to undertake its business activities and to continue to progress its exploration interests.

The Directors are confident that the Altamin Group will be able to raise additional funds through the issue of new equity and/or debt capital. The Altamin Directors consider this to be reasonable on the basis of the Altamin Group's recent and historical abilities to raise such capital. The Altamin Directors acknowledge that there may be a risk that equity markets may not be favourably disposed when equity raisings are required to be undertaken and that this may impact on the Altamin Group's ability to fund

its planned and minimal expenditure commitments and may accordingly cast doubt over the Group's ability to continue as a going concern.

Basis of preparation (continued)

Should the Altamin Group be unable to raise additional funds through the avenues mentioned above in order to meet its contracted and forecast expenditure there is material uncertainty that the Altamin Group will continue as a going concern and therefore whether the Altamin Group will be able to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in this financial report.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Altamin at the end of the reporting period. A controlled entity is any entity over which Altamin has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. The control exists when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent.

The parent entity disclosures required under the Corporations Act have been included in Note 17 to the accounts.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (**GST**) and Italian Value Added Tax (**VAT**) except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Altamin Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Altamin Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Field equipment	15% to 50%
Motor vehicles	12.5%
Office equipment	15% to 75%
Office furniture	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(e) Exploration Expenditure

Exploration and evaluation expenditure is expensed as incurred. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(f) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated

useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Altamin Group presents right-of-use assets and lease liabilities as separate line items in the relevant sections of the Statement of Financial Position and additional information is shown in notes to the financial statements.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars (\$) which is the functional and presentation currency of the Parent entity.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Altamin Group's presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, which reasonably approximate the rates prevailing on the transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(i) Employee Benefits

Provision is made for the Altamin Group's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(j) Equity Settled Compensation

The Altamin Group undertakes equity-settled share-based payments. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using either the Binomial or Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Upon the exercise of awards, the balance of the share based payments reserve relating to those awards is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, is credited to share capital.

(k) Provisions

Provisions are recognised when the Altamin Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Other Income

Interest income comprises interest receivable on funds invested and it is recognised in the profit or loss as it accrues, using the effective interest method.

Government grants have been included in other income and are recognised when the right to receive the income has been established.

Other revenue is recognised when it is received or when the right to receive payment is established.

(n) Trade and Other Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made using the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Bad debts are written off when identified.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being paid within 45 days of recognition of the liability.

(q) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Altamin Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) Share based payments

The Altamin Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of unlisted options is determined by using either a Black-Scholes or Binomial model. The assumptions (volatility, dividend yield and risk free rate) used are detailed in Note 15.

(ii) Italian Value Added Tax Receivable

The Italian value added tax receivable (VAT) represents the VAT that is recoverable from the Italian Agency of Revenue. The Group expects to recover a proportion of this receivable through offsetting various Italian employee taxes and social security contributions. In addition to offsetting, the receivable is also anticipated to be recovered through a refund process. The future recoverability of the VAT receivable is dependent on the Group continuing to be entitled to this offsetting arrangement and the refund request satisfying the Italian Agency of Revenue's requirements. To the extent that the VAT receivable is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(iii) Provision for rehabilitation

Rehabilitation costs are a normal consequence of mineral exploration and mining, and the majority of this expenditure is incurred on ceasing exploration activities or the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs, and the estimated future level of inflation. The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques.

Key Judgments

Capitalisation of exploration and evaluation expenditure

Under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group has the option to expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected to expense exploration and evaluation expenditure until such time as activities in an area have reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. However, costs associated with the acquisition of exploration tenements are initially capitalised.

Monica Mining Licence

In accordance with the mining law and regulations of Italy, the Company submitted an application in December 2019 for the renewal and expansion of the existing mining licence at Gorno (Monica Mining Licence granted under Decree 845) which has expired on 30 January 2020. The renewal procedure is currently in process. Once approved the mining licence will provide exclusive rights to the Company to operate an underground mine and also to continue exploration within the boundaries of the licence area for the life of the mining licence, which is expected to be at least 20 years.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(s) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board* (AASB) that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Altamin Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Altamin Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Altamin Group's financial statements.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the AASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021.

Attachment C Independent Expert's Report



ALTAMIN LIMITED Independent Expert's Report

15 June 2022



Financial Services Guide

15 June 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Altamin Limited ('Altamin') to provide an independent expert's report on the off-market takeover offer from the Victor Smorgon Group via its subsidiary V B S Exchange Pty Limited ('VBS' or 'the Bidder') to acquire all of the fully paid ordinary shares in Altamin that the Bidder does not already own, by way of a \$0.095 per share cash bid ('the Offer'). You are being provided with a copy of our report because you are a shareholder of Altamin and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the document to be issued by Altamin to shareholders outlining the Offer and providing Altamin's formal response to it ('Target's Statement'). The Target's Statement is required to be provided to you by Altamin to assist you in deciding on whether or not to accept the Offer.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ♦ Who we are and how we can be contacted;
- ♦ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ♦ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ♦ Any relevant associations or relationships we have; and
- ♦ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$45,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Altamin.

Other Assignments

BDO Corporate Tax (WA) Pty Ltd provided taxation compliance and consulting services to Altamin from 2019 to 2022 for total fees of approximately \$37,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Altamin for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700, West Perth WA 6872 or, by telephone or email using the contact details within the following report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Technical Specialist Report prepared by Snowden Optiro

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15 June 2022

The Directors
Altamin Limited
Level 3, Suite 3.5
9 Bowman Street
South Perth, WA, 6151

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 3 May 2022 (after market close), Altamin Limited ('Altamin' or 'the Company') announced that it had received an offer from V B S Exchange Pty Limited ('VBS' or 'the Bidder') of its intention to make an unconditional (other than in respect of a "prescribed occurrences") off-market takeover bid ('the Offer') to acquire all of the fully paid ordinary shares in Altamin which it does not already own, for cash consideration of \$0.095 for every one Altamin share held ('the Consideration').

The announcement of the Offer on the Australian Securities Exchange ('ASX') was first made through the release of a bidder's statement ('Original Bidder's Statement') prepared by VBS and its advisors, which was also lodged with the Australian Securities and Investments Commission ('ASIC') and provided to Altamin on 3 May 2022. Subsequently, on 20 May 2022, VBS submitted a replacement bidder's statement ('Replacement Bidder's Statement') containing minor amendments to the document, but with the key terms of the Offer remaining unchanged.

VBS is part of the Victor Smorgon Group and is the largest shareholder of Altamin, holding a 19.73% interest in Altamin as at the date of the Original Bidder's Statement and a 19.83% interest as at the date of the Replacement Bidder's Statement.

The directors of Altamin have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Offer is fair and reasonable to the non-associated shareholders of Altamin ('Shareholders').

Further details of the Offer are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('A\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

There is no statutory requirement for the directors of Altamin to commission an independent expert's report in relation to the Offer. However the directors of Altamin have requested that BDO prepare our

Report stating whether, in BDO's opinion, the Offer is fair and reasonable, and the reasons for that opinion.

Our Report is prepared as if it had been prepared pursuant to section 640 of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the Target's Statement ('Target's Statement') for Altamin in order to assist the Shareholders in their decision on whether to accept the Offer.

2.2 Approach

Our Report has been prepared having regard to ASIC Regulatory Guides Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Offer as outlined in the body of our Report. We have considered:

- How the value of an Altamin share prior to the Offer (on a control basis) compares to the value of the Consideration;
- The likelihood of an alternative offer being made to Altamin;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Offer; and
- The position of Shareholders should the Offer not be accepted.

2.3 Opinion

We have considered the terms of the Offer as outlined in the body of this report and have concluded that the Offer is neither fair nor reasonable to Shareholders.

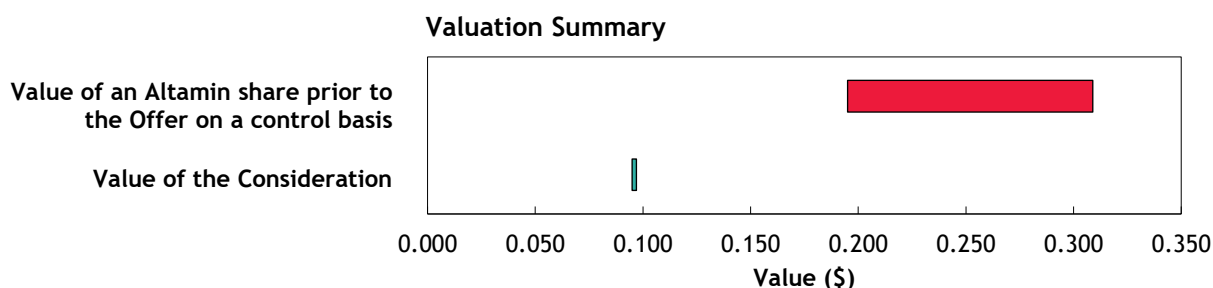
2.4 Fairness

In Section 11, we determined that the Offer Consideration compares to the value of an Altamin Share prior to the Offer, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of an Altamin share prior to the Offer (controlling basis)	10.3	0.195	0.253	0.309
Value of the Consideration	9.2	0.095	0.095	0.095

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Offer is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 12 of this report, in terms of both:

- advantages and disadvantages of the Offer; and
- other considerations, including the consequences of not accepting the Offer.

In our opinion, the position of Shareholders if the Offer is accepted is less advantageous than the position if the Offer is not accepted.

Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Offer is not reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Offer is not subject to a minimum acceptance condition	13.4	By accepting the Offer, Shareholders forego the opportunity to participate in any upside of Altamin's projects
13.3	The Offer provides Shareholders with certainty of value	13.4	If VBS compulsorily acquires, Shareholders will still receive \$0.095 per share, but will experience a delay in receiving consideration for their shares
13.3	The Offer is at a premium to the closing price prior to the announcement of the Offer	13.4	Shareholders forego the opportunity to receive a competing bid, should one emerge

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not accepting the Offer

3. Scope of the Report

3.1 Purpose of the Report

VBS has prepared a bidder's statement in accordance with Section 636 of the Corporations Act. Under section 633, Item 10 of the Act, Altamin is required to prepare a target's statement in response to the bidder's statement.

Section 640 of the Act requires the target's statement to include an expert's report to shareholders if:

- The bidder's voting power in the target is 30% or more; or
- The bidder and the target have a common director or directors.

Further, the Corporations Act requires the expert to be someone other than an associate of the bidder or target.

There are no common directors of Altamin, VBS or Victor Smorgon Group, and VBS does not have a voting power in Altamin of 30% or more. Accordingly, there is no requirement for this Report pursuant to section 640 of the Act. Notwithstanding the above, the directors of Altamin have requested that BDO prepare this report as if it were an independent experts report pursuant to section 640. This report is to be included in the Target's Statement for Altamin, to assist Shareholders in deciding whether to accept or reject the Offer.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Offer is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Offer is a control transaction as defined by RG 111 and we have therefore assessed the Offer as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest. As such the expert should consider this value inclusive of a control premium.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of an Altamin share prior to the Offer (including a premium for control) and the value of the Consideration for each Altamin share (fairness - see Section 11 'Is the Offer Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to accepting the Offer, after reference to the value derived above (reasonableness - see Section 12 'Is the Offer Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Offer

The Original Bidder's Statement and Replacement Bidder's Statement were announced on the ASX on 3 May 2022 (after ASX trading close) and 20 May 2022, respectively, and provided details of the Offer. VBS offered to acquire all of the fully paid ordinary shares in Altamin that it does not already own or control via an off-market takeover from the period starting 3 June 2022 to 4 July 2022 ('Offer Period').

The Offer Consideration is \$0.095 cash for every Altamin share, representing a 10.5% premium to Altamin's 30 trading day volume weighted average price ('VWAP') of \$0.086 per share as at 3 May 2022.

The Offer relates to all Altamin shares that are on issue as at 3 May 2022 and does not extend to any Altamin shares that may be issued following the exercise of any Altamin options ('Options') subsequent to 3 May 2022.

The Offer is only conditional on none of the following events ('Prescribed Occurrences') occurring in respect of Altamin prior to the end of the Offer Period:

- Where the voting power of the Bidder in Altamin is at or below 50% at the time any one of the following occurs during the Offer Period:
 - Altamin converts all or any of its shares into a larger or smaller number of shares;
 - Altamin or a subsidiary resolves to reduce its share capital in any way;
 - Altamin or a subsidiary enters into, or resolves to approve the terms of a buy-back agreement;
 - Altamin or a subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - Altamin or a subsidiary issues, or agrees to issue convertible notes;
 - Altamin or a subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - Altamin or a subsidiary grants, or agrees to grant a security interest in the whole, or a substantial part, of its business or property; or
 - Altamin or a subsidiary resolves to be wound up;
- Irrespective of the voting power of the Bidder, an insolvency event occurs in relation to Altamin.

The Bidder is currently the largest shareholder of Altamin, holding a 19.73% interest in the Company's issued capital as at the date of the Original Bidder's Statement and a 19.83% interest as at the date of the Replacement Bidder's Statement. Therefore, the Bidder will be required to lodge substantial holder notices for any further acquisition of relevant interest in Altamin, as required by the Corporations Act.

The Bidder is part of the Victor Smorgon Group (further information outlined in Section 6 of our Report) and as disclosed in the Replacement Bidder's Statement, it will fund the total Consideration for the Offer from its available cash reserves.

Further information on the Offer is available in the Replacement Bidder's Statement.

5. Profile of Altamin

5.1 History

Altamin is an ASX-listed mineral exploration company focused on the exploration of base and battery metals, including zinc, lead, silver, cobalt and lithium. Altamin currently has two key projects located in Northern Italy: the Gorno Zinc Project (**'Gorno Project'**) located in the Lombardy region, and the Punta Corna Cobalt Project (**'Punta Corna Project'**) located in the Piedmont region.

In addition, Altamin has lodged six applications for exploration licences (**'EL'**) over the Corchia and Monte Bianco regions (collectively the **'VMS Projects'**), and the Campagnano, Galeria, Latera and Ferento regions (collectively the **'Lithium in Brine Projects'**).

The Company's head office is located in South Perth, Western Australia.

The current directors of Altamin are:

- Mr. Alexander Burns - Non-Executive Chairman;
- Mr. Geraint Harris - Managing Director;
- Mr. Stephen Hills - Finance Director and Company Secretary; and
- Mr. Marcello Cardaci - Non-Executive Director.

5.2 Gorno Project

The Gorno Project is located in Northern Italy, approximately 28 kilometres (**'km'**) from the Bergamo rail hub and 230 km from the Port of Genoa. The Gorno Project licence area contains more than 230 km of underground workings and produced more than 800,000 tonnes of lead-zinc concentrate historically. Modern mining at the Gorno Project commenced in 1888 and operated intermittently until closing in 1982 under the ultimate ownership of the global Italian mineral and petroleum company, Ente Nazionale Idrocarburi.

The Gorno Project is held under one EL and one mining licence, which are 100% owned by Energia Minerals (Italia) S.R.L, a wholly owned subsidiary of Altamin. The Company commenced exploration at the Gorno Project in the first half of 2015 before announcing an Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves Code 2012 (**'JORC Code'**) compliant maiden mineral resource estimate (**'MRE'**) for the project's Zorzone deposit (**'Zorzone'**) in March 2016. The Zorzone maiden MRE comprised an indicated and inferred resource of 3.87 million tonnes (**'Mt'**) grading 6.1% zinc, 1.6% lead and 25 grams per tonne (**'g/t'**) silver for contained metal of 238,000 tonnes (**'t'**) of zinc, 63,000 t of lead and 3.1 million ounces (**'oz'**) of silver.

In April 2016, Altamin announced the completion of a scoping study which led to the commencement of a definitive feasibility study (**'DFS'**) targeted to be completed in May 2017. However, on 3 May 2017, the Company announced a revised MRE which despite resulting in an upgrade to the indicated resource category, also resulted in a downgrading of the overall tonnage and resource grade from the maiden MRE in 2016. The additional drilling confirmed the down-plunge continuity of the Zorzone deposit, which however would have required high upfront capital costs to drill to indicated resource category and develop. Altamin elected to reconfigure the development strategy for the Gorno Project and to defer the completion of the DFS to include potential mineralisation outside the Zorzone deposit.

A regional exploration program was commenced in the June 2017 quarter to build upon the Zorzone MRE inventory through the investigation of mineralisation to the east, north and south of the Zorzone deposit. This identified Pian Bracca and Piazzole as high priority drill targets to extend the MRE to the east and north of Zorzone. In December 2017, Altamin announced an updated MRE to include eight diamond drill hole results that were not included in the prior May 2017 MRE and completed an internal engineering study that outlined the use of a two-phased development approach. The first phase focused on mining accessible zones of the Zorzone MRE whilst minimising upfront capital costs and development time. Reliant upon the anticipated growth of the existing MRE, the second phase included the delivery of scale enhancements.

A further technical study (**‘Technical Study’**) was commissioned in the June 2018 quarter which was based on the two-phase development approach. Altamin announced the completion of the Technical Study in January 2019. Although the Company considered the study to have been conducted to a degree of accuracy consistent with a pre-feasibility study, the existing MRE was insufficient to support the estimation of ore reserves or provide an assurance of economic development. As such, Altamin was unable to refer to the study as a “pre-feasibility study”. The Technical Study completed by AMC and Lycopodium was based on existing indicated and inferred mineral resources, utilising existing infrastructure and a modular processing plant design to provide expansion flexibility.

In parallel with the Technical Study, Altamin announced the formulation of an exploration plan, focussed on increasing the size and/or grade of the Zorzone MRE across the Zorzone and Fontanone areas. On 14 July 2021, following exploration drilling at Pian Bracca and Fontanone, Altamin announced an updated JORC Code compliant MRE. This announcement was shortly followed by an updated MRE on 15 November 2021 of 7.79 Mt at 6.8% zinc, 1.8% lead and 32g/t silver as a result of exploration initiatives undertaken post-July 2021.

On 24 November 2021, the Company announced the completion of a scoping study (**‘2021 Scoping Study’**) completed by CSA Global Pty Ltd (**‘CSA Global’**). The study identified a nine-year life of mine, with capital payback expected to be achieved in the first 3.5 years from the final investment decision. The 2021 Scoping Study returned a post-tax net present value of \$288 million (using an 8% discount rate) and an internal rate of return of 50%.

On 8 June 2022, Altamin announced that the Ministry of Ecological Transition and the Ministry of Culture had published a negative decree in relation to the Environmental Impact Assessment (**‘EIA’**) forming part of Altamin’s application for renewal and extension of the Gorno Project’s Monica Mining Licence. The Company anticipates that the negative decree will lead to a final investment decision delay of between six and 18 months. Altamin indicated that stakeholder opinions towards the Gorno Project’s configuration and production rate led to the negative decree.

In response to the negative decree, Altamin will assess the specific outputs required of the DFS to feed into a new mining licence application, extend the current Cime EL and include a varied program of work prior to having the Cime EL converted to a mining licence. In addition to this, a permitting process will be utilised to ensure all project authorisations and ancillary planning approvals are satisfied prior to production.

For further information regarding the Gorno Project, please refer to the Independent Technical Specialist Report (**‘Technical Specialist Report’**) in Appendix 3 of our Report.

5.3 Punta Corna Project

The Punta Corna Project comprises two EL's, Punta Corna and Balme, with a combined area of 29.8 square kilometres ('km²') located approximately 40 km northwest of Turin in the Piedmont region of Northern Italy and approximately 300 km from the Gorno Project. The project consists of cobalt, nickel, copper and silver mineralisation transported by hydrothermal fluids emplaced in fractures affecting the Ophiolitic Complex of the Piemonte Zone. The last recorded exploration was undertaken by FIAT automobile company of Turin from 1941 to 1944 in search for iron rich mineralisation.

Sample collection, mapping and historical research by Altamin of the Punta Corna Project through field campaigns have confirmed the identification of cobalt-nickel and copper-silver veins present over a 2.0 km strike and 1.3 km vertical range. Once drilling is approved and funding has been obtained, Altamin plans to drill-test defined targets as part of a diamond drill program.

On 8 June 2022, Altamin announced that a positive EIA had been issued by the Italian Ministry of Ecological Transition. The EIA approved Altamin's proposed exploration drilling program, however for the final decree to take effect, ancillary authorisations for landscape and hydrogeological permissions are to be determined in an upcoming service conference.

5.4 Other Projects

In light of the recent electric vehicle ('EV') evolution in the European Union ('EU') and leveraging off the Company's current presence in Italy, Altamin has applied for several ELs to gain further exposure to the battery minerals sector.

On 15 March 2021, Altamin announced the application for the Monte Bianco EL in the Liguria region of the Northern Apennines and the Corchia EL in the Emilia Romagna region of Italy. Mineralisation at both EL's are situated in copper-rich volcanogenic massive sulphide systems mined up until the early 1970's.

On 14 February 2022, the Company announced the lodgement of two EL applications, being the Campagnano EL and Galeria EL, situated 10 km apart in the Cesano district of Italy. Covering a combined area of 3,240 hectares, Altamin's proposed exploration in the Cesano district is focused on the discovery of lithium in brine.

On 7 June 2022, the Company announced two further EL applications for Lithium in Brine, the Latera EL and Ferento EL, located in the Lazio region of central Italy. The new applications cover areas where exploration wells have been drilled for geothermal power generation. On 14 June 2022, Altamin advised that the license application for the Latera EL had been refused by the relevant authorities as it overlaps an existing permit area.

5.5 Recent Corporate Events

In March 2021, the Company completed a \$3.75 million placement of 750 million new fully paid ordinary shares at an issue price of \$0.005 per share (on a pre-consolidation basis). The funds raised from professional and sophisticated investors were targeted for funding the exploration program at the Gorno Project and other regional projects.

At the Company's May 2021 general meeting, Altamin shareholders passed a resolution to consolidate the Company's issued capital by converting every 15 existing shares into one new share. As per the ASX listing rules, the Company also consolidated the options on issue using the same ratio as the shares and amended

the exercise prices. The consolidation was proposed by the Company to introduce a more effective capital structure and to increase the share price to a position that will appeal to investors.

In January 2022, Altamin announced a two for five non-renounceable entitlement offer at an offer price of \$0.06 per share to raise up to \$6.98 million. The offer closed in February 2022, raising \$6.06 million under the entitlement offer as well as a shortfall facility for the shares not applied for. The Victor Smorgon Group subscribed for its full entitlement and subscribed for additional shares under the shortfall facility, increasing its holding to 19.87%. The funds were raised in order to progress the Gorno Project toward a DFS level, for the continuation of drilling to expand the Gorno Project MRE and exploration drilling at the Punta Corna Project.

5.6 Historical Statements of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-21 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
CURRENT ASSETS			
Cash and cash equivalents	1,353,714	4,084,885	2,261,264
Receivables	307,685	343,691	355,289
TOTAL CURRENT ASSETS	1,661,399	4,428,576	2,616,553
NON-CURRENT ASSETS			
Receivables	279,466	274,022	78,443
Plant and equipment	152,395	124,122	133,351
Right of use asset	67,411	40,370	100,992
Exploration and evaluation expenditure	421,793	427,867	442,499
TOTAL NON-CURRENT ASSETS	921,065	866,381	755,285
TOTAL ASSETS	2,582,464	5,294,957	3,371,838
CURRENT LIABILITIES			
Trade and other payables	924,522	1,193,531	590,509
Capital raising proceeds held in trust	-	-	2,202,149
Provisions	221,104	224,288	231,958
Lease liabilities	65,721	41,301	102,446
TOTAL CURRENT LIABILITIES	1,211,347	1,459,120	3,127,062
NON-CURRENT LIABILITIES			
Provisions	19,306	27,035	37,993
TOTAL NON-CURRENT LIABILITIES	19,306	27,035	37,993
TOTAL LIABILITIES	1,230,653	1,486,155	3,165,055
NET ASSETS	1,351,811	3,808,802	206,783
EQUITY			
Issued capital	50,782,869	50,782,869	41,794,229
Reserves	286,032	349,805	358,895
Accumulated losses	(49,717,090)	(47,323,872)	(41,946,341)
TOTAL EQUITY	1,351,811	3,808,802	206,783

Source: Altamin's audited financial statements for the years ended 30 June 2020 and 30 June 2021 and reviewed financial statements for the half year ended 31 December 2021

We note that the Company's auditor highlighted a material uncertainty around the ability of Altamin to continue as a going concern in its reports for the years ended 30 June 2020 and 30 June 2021. However,

the audit opinion was not modified in respect of the matter. We also note that the Company's auditor did not highlight a material uncertainty related to going concern with respect to the reviewed financial statements for the half year ended 31 December 2021.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents increased from \$2.26 million as at 30 June 2020 to \$4.08 million as at 30 June 2021. The increase in cash and cash equivalents of \$1.82 million was primarily the result of placements totalling \$7.11 million on 27 August 2020, 4 September 2020 and 31 March 2021 at prices of \$0.004, \$0.004 and \$0.005 respectively. This was partially offset by payments to suppliers and employees of \$5.14 million. Cash and cash equivalents decreased to \$1.35 million as at 31 December 2021, with the decrease over the period largely a result of payments to suppliers and employees of \$2.66 million;
- Current receivables of \$0.31 million as at 31 December 2021 primarily relate to \$0.28 million in receivables for indirect taxes, being Italian Value Added Tax ('VAT') and Australian Goods and Services Tax ('GST'), which are expected to be recovered within 12 months from 31 December 2021. The balance of Italian VAT is recovered through offsetting various Italian employee taxes, social security contributions and a refund process upon the lodgement of the annual VAT return;
- Similarly, the non-current receivables of \$0.28 million as at 31 December 2021 relate to \$0.24 million in receivables for indirect taxes and \$0.04 million in security deposits. The indirect taxes also comprise Italian VAT that is expected to be recovered by November 2023;
- Capitalised exploration and evaluation expenditure was \$0.42 million as at 31 December 2021, which primarily relates to tenement acquisition costs that are capitalised. The Company's accounting policy is to expense exploration expenditure as incurred, and costs are only carried forward to the extent they are expected to be recouped through successful development or sale of the respective areas of interest; and
- Current provisions of \$0.22 million as at 31 December 2021 relate to the estimated cost of restoring the environmental disturbance that has occurred at the Gorno Project, while non-current provisions of \$0.02 million as at 31 December 2022 relate to long service leave.

5.7 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-21	Audited for the year ended 30-Jun-21	Audited for the year ended 30-Jun-20
	\$	\$	\$
Other income	-	359,880	74,000
Expenses			
Administrative expenditure	(192,635)	(458,823)	(387,357)
Exploration expenditure	(2,150,063)	(5,092,023)	(3,226,935)
Marketing expenditure	(103,431)	(184,130)	(232,762)
Foreign exchange gain/(loss)	(5,211)	(1,902)	15,286
Operating loss	(2,451,340)	(5,376,998)	(3,757,768)
Net finance income	(226)	(533)	(3,566)
Loss from continuing operations before income tax	(2,451,566)	(5,377,531)	(3,761,334)
Income tax expense	-	-	-

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-21 \$	Audited for the year ended 30-Jun-21 \$	Audited for the year ended 30-Jun-20 \$
Net loss for the period	(2,451,566)	(5,377,531)	(3,761,334)
Other comprehensive income			
Exchange differences on translation of foreign operations	(9,950)	(44,763)	(11,493)
Total comprehensive loss for the period, net of income tax	(2,461,516)	(5,422,294)	(3,772,827)

Source: Altamin's audited financial statements for the years ended 30 June 2020 and 30 June 2021 and reviewed financial statements for the half year ended 31 December 2021

As noted above, the Company's auditor highlighted a material uncertainty around the ability of Altamin to continue as a going concern in its reports for the years ended 30 June 2020 and 30 June 2021. However, the audit opinion was not modified in respect of the matter. No material uncertainty was highlighted in relation to going concern with respect to the reviewed financial statements for the half year ended 31 December 2021.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Other income of \$0.36 million for the year ended 30 June 2021 related to \$0.20 million generated from the disposal of the Company's Paterson Project exploration tenement in Western Australia to Wishbone Gold Plc. The disposal was made following Altamin's assessment of options in relation to the Paterson Project tenement. The balance of \$0.16 million was received as part of the Australian government COVID-19 economic response programs; and
- The Company's accounting policy is to expense exploration and evaluation expenditure as incurred and costs are only capitalised to the extent they are expected to be recouped. Exploration expenditure for the assessed periods primarily related to exploration expenses at the Gorno Project, including the completion of a MRE, scoping study and exploration drilling.

5.8 Capital Structure

The share structure of Altamin as at 3 June 2022 is outlined below:

	Number
Total ordinary shares on issue	391,716,752
Top 20 shareholders	223,338,934
Top 20 shareholders - % of shares on issue	57.02%

Source: Altamin share registry information, 3 June 2022

The range of shares held in Altamin as at 3 June 2022 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	186	92,349	0.02%
1,001 - 5,000	245	639,674	0.16%
5,001 - 10,000	297	2,201,795	0.56%
10,001 - 100,000	744	26,931,004	6.88%
100,001 - and over	295	361,851,930	92.38%
TOTAL	1,767	391,716,752	100.00%

Source: Altamin share registry information, 3 June 2022

The ordinary shares held by the most significant shareholders (based on an analysis of beneficial ownership) as at 3 June 2022 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Victor Smorgon Group	77,269,650	19.73%
Burns, Alexander	40,465,494	10.33%
Cardaci, Marcello*	17,211,794	4.39%
Harris, Geraint	12,210,266	3.12%
Harvest Lane Asset Management Pty Ltd	7,708,887	1.97%
Hughes, Jay & Linda	7,306,949	1.87%
RAB Capital Ltd.	6,972,891	1.78%
Pershing Securities Ltd.	6,199,373	1.58%
Dekker, Cornelis	6,000,000	1.53%
Hedge, Chetan Anant & Arora, Shelly	5,093,669	1.30%
Subtotal	186,438,973	47.60%
Others	205,277,779	52.40%
Total ordinary shares on issue	391,716,752	100.00%

Source: Altamin share registry information and Investor Tracking Report prepared by Altamin's advisers, 3 June 2022

*Of the 17,211,794 Altamin shares held by Marcello Cardaci, 17,051,974 (representing approximately 4.35% of the Altamin shares on issue) are held by Malvasia Pty Ltd as trustee for The Spyder Super Fund A/c. Mr. Cardaci is a beneficiary of the Spyder Super Fund and has a current association with the trustee of the Spyder Super Fund but does not control those Altamin shares.

As at 3 June 2022, Altamin had the following Options on issue:

Options on Issue	Number
Options exercisable at \$0.75 with expiry date of 30 June 2022	783,334
Options exercisable at \$0.12 with expiry date of 16 September 2024	1,000,000
Options exercisable at \$0.18 with expiry date of 16 September 2024	2,786,674
Options exercisable at \$0.24 with expiry date of 16 September 2024	2,786,674
Options exercisable at \$0.30 with expiry date of 16 September 2024	1,786,670
Options exercisable at \$0.12 with expiry date of 18 September 2024	1,000,000
Options exercisable at \$0.18 with expiry date of 18 September 2024	1,000,000
Total number of Options on issue	11,143,352

Source: Altamin Options register.

6. Profile of the Victor Smorgon Group

We have presented a brief overview of VBS and the Victor Smorgon Group to the extent that it may relate to our assessment of the Offer. We note that further information relating to the Bidder is available in Section 5 of the Replacement Bidder's Statement.

6.1 Background

VBS

VBS is an Australian proprietary company that was incorporated in 2004 and is based in Melbourne, Victoria. It operates as a holding company that holds several investments in public and private companies across industries such as natural resources, agriculture, property assets, corporate debt, consumer wholesale and retail, healthcare and hospitality.

As at the date of the Replacement Bidder's Statement, VBS held 77,648,296 shares in Altamin, which was equivalent to an interest of 19.83% of the total issued shares of Altamin. Apart from being a substantial shareholder, VBS does not hold any management or board representation in Altamin.

The directors of VBS are:

- Mr. Peter Edwards; and
- Mr. James Orloff.

Mr. Peter Edwards is the Managing Director of the larger Victor Smorgon Group and has been overseeing the Victor Smorgon Group since 1996. Mr. James Orloff is the joint Managing Director of the Victor Smorgon Group and is also on the board of Victor Smorgon Partners Pty Ltd ('VS Partners'), a family office fund manager that is part of the Victor Smorgon Group.

History of Victor Smorgon Group

VBS is a wholly owned subsidiary of the Victor Smorgon Group. The Victor Smorgon Group is the operational investment vehicle of the family of the late Mrs. Loti Smorgon AC and Mr. Victor Smorgon AC, and does so for the benefit of their lineal descendants.

6.2 Investments

We note that a full list of the investments held by VBS and the Victor Smorgon Group is not publicly available. However, based on information sourced from S&P Capital IQ, the Victor Smorgon Group, through VBS and its other investment holding companies holds interests in the following ASX listed companies:

- Navarre Minerals Limited (ASX:NML);
- Red 5 Limited (ASX:RED);
- Incannex Healthcare Limited (ASX:IHL);
- Emerge Gaming Limited (ASX:EM1); and
- North Stawell Minerals Limited (ASX:NSM).

7. Economic analysis

In the following section, we set out an analysis of the current economic context and outlook in Italy and consider the implications for Altamin's operations and the mining industry. We have also presented an analysis of the current economic context of Australia to the extent that it relates to Altamin's corporate environment.

7.1 Italy

Overview

Italy is a founding member of the EU and is the fourth largest economy in Europe by Gross Domestic Product ('GDP'). The country's economic performance is largely driven by its manufacturing export sector for machinery, vehicles and pharmaceuticals as well as its services sectors in business and tourism.

Like other countries in the EU, the Italian economy was largely in a period of recovery from 2014 to 2019 since the effects of the Global Financial Crisis and European debt crisis in the late 2000's. As the momentum of the economic recovery started to slow in 2019, Italy was severely impacted by an early onset of the COVID-19 pandemic, which saw high fatality and hospitalisation rates that necessitated intensive regionalised lockdowns. As a result, GDP fell by 8.9% in 2020 with the contact-intensive services such as tourism experiencing large declines.

In response, the Italian government adopted the use of fiscal policy to address the impact of the COVID-19 crisis, with key measures such as direct cash grants to firms, loan guarantees for small to medium enterprises, tax payment deferrals, short-time work schemes and a ban on retrenchments to protect employment rates. Such measures, along with the nationwide vaccine rollout have assisted in mitigating job losses and have preserved productive capacity. Economic recovery has been driven largely by the manufacturing and construction sectors which performed better than 2019 levels due to their ability to adapt quickly to subsequent lockdowns and restrictions. In contrast, the recovery of the services sector has lagged behind, although this has started to improve in recent quarters with the easing of COVID-19 restrictions.

According to projections by the Organisation for Economic Cooperation and Development ('OECD') as at December 2021, Italy's GDP was forecast to grow progressively at a rate of 4.6% and 2.6% in 2022 and 2023, respectively, with economic recovery supported by continued fiscal policy, further investment from EU funds and the gradual normalising of services activity.

However, this growth has appeared to be inhibited in the first quarter of 2022 based on preliminary data by the central bank of Italy ('Banca d'Italia') released in April 2022. The Banca d'Italia estimates GDP to have fallen by 0.5% in the first quarter of 2022, owing to the resurgence in COVID-19 cases from the Omicron variant and the spike in energy prices stemming from Russia's invasion of Ukraine, which had an overall dampening impact on consumer confidence.

Being heavily reliant on energy imports, the sharp increase in energy prices also resulted in the Italian economy recording a 30-year high Consumer Price Index ('CPI') annual inflation rate of 6.5% in March 2022. However, the rise in prices did not pass through to contractual wages with wage growth remaining subdued in the March 2022 quarter. Similarly, employment and number of hours worked also increased slightly in early 2022, but at a slower pace as compared to the last two quarters of 2021. The OECD expects the unemployment rate to decrease from 10.4% in 2021 to 10.1% in 2022 as government support continues to assist with job creation and as the tourism sector recovers.

Government fiscal policies continue to assist in the period of economic recovery. However, the inflation and growth outlook for the Italian economy is largely dependent on the outcome of the crisis in Ukraine, which has not only put pressure on commodity prices and dampened global economic confidence, but has also had a significant impact on the growth of Italy's energy-intensive manufacturing sector and foreign investment.

Mining

Although Italy is a major global producer of steel since joining of the European Coal and Steel Community ('ECSC') at its inception, its land contains few mineral resources, especially metalliferous resources. Mining is therefore, not a major sector of the Italian economy and most of the metal mines that existed in Italy in the 1900's are now closed. Therefore, the potential development and operation of Gorno Project would be considered to be one of the first movers in the metal mining industry in Italy.

As a member of the EU, mining companies in Italy are required to comply with the European Commission's environmental legislation such as the EIA Directive (85/337/EEC) enacted in 1985 which requires certain projects to undergo an EIA with the relevant authorities. For mineral projects in Italy, environmental authorisations are required as preliminary to any exploration or mining activity, which are authorised by the Italian Central Government through the Ministry of Environment based in Rome.

Source: www.bancaditalia.it Banca d'Italia Economic Bulletin No.2, 8 April 2022 and OECD Economic Surveys Italy, September 2021

7.2 Australia

Overview

In its May 2022 Statement of Monetary Policy, the Reserve Bank of Australia ('RBA') stated that it expects GDP in Australia to grow by 4.5% over 2022. However, the RBA also elucidated caution around rising inflationary pressures, projecting consumer price inflation to peak at 6% in the latter half of 2022.

Both the Australian and global outlooks for growth and inflation remain uncertain in light of substantial geopolitical disruptions, emerging from several supply side factors, pandemic related disturbances in China and Russia's invasion of Ukraine. Moreover, it is uncertain how the withdrawal of extraordinary policy support will affect consumer demand. In many advanced economies, inflation has exceeded the initial forecasts published earlier in the year, and remains a key source of market volatility. Moreover, inflation has outpaced many central banks' inflation targets.

Bond yields have increased, and equity prices have contracted, as the market outlook remains uncertain amongst market participants. The Australian equity market has outperformed other developed markets, as resource companies have capitalised on the recent wave of high commodity prices. In Australia and most advanced economies, fixed borrowing rates remain low for most borrowers, however, borrowing rates have increased from previous lows, in line with rising bond yields and other market interest rates.

The RBA increased the cash rate by 0.5% in June 2022, which was the largest single rise in 22 years.

Economic Indicators

Inflation in Australia has increased quicker than expected, but still remains lower than many advanced economies. In the March quarter of 2022, headline inflation for the quarter reached 2%, and 5% over the year. Additionally, the outlook for inflation is higher than forecast earlier in the year. Headline annual inflation is expected to peak at around 6% in the second half of 2022, largely owing to higher petrol prices and rapid increases in the cost of new dwellings. As supply side issues are rectified, inflation is forecast to

ease, however, with labour market conditions becoming increasingly tight, growth in labour costs is expected to pick up in the coming years. Inflation is expected to return to the top of the 2% to 3% range in 2023.

The labour market has generated significant momentum on the back of the pandemic, and demand for labour is strong. The unemployment rate is currently 3.9%, which is the lowest rate in almost 50 years. Demand for employment has been met by firms increasing headcount and hours of existing staff, as restrictions and capacity limits are abolished across the country. Relatedly, labour underutilisation has declined significantly across most industries, and has been particularly prominent in industries where employment has grown strongly, such as professional services. The level of job vacancies remains very high, at a time where labour participation rate and the ratio of employment to working-age population are already at historical highs. The RBA forecasts unemployment rate to further decline to around 3.5% in early 2023 citing Australia's sizeable impending economic expansion, relative to other developed economies.

The combination of a tight labour market and a higher inflationary environment means that firms are generally better at compensating employees with higher wages and other benefits to attract and retain staff. However, despite low unemployment rates, wage growth has not matched inflation, consequently, real wages have declined. Consumer sentiment has fallen as households maintain a pessimistic outlook in light of declining real incomes and rising living costs. The expected decline in consumer spending will likely be cushioned by strong household balance sheets. Wage growth remained relatively stagnant through 2021, recovering to levels seen pre-pandemic. However, more recent evidence from liaison and business surveys indicate that larger wage increases have been occurring or are planned in many private-sector firms.

Despite depreciating significantly against the United States dollar in early 2020, the Australian dollar recovered rapidly on the back of strong demand for Australian commodity exports. From mid-May 2021, the Australian dollar entered a depreciating trend against the United States dollar, however, this trend reversed from February 2022 onwards, following several price shocks to key commodity markets following Russia's invasion of Ukraine. The currencies of Australia and other commodity exporting countries have depreciated over April 2022, but still remain stronger than levels seen prior to Russia's invasion of Ukraine. The recent depreciation in the Australian dollar is linked to weaker forecast economic growth in China.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 7 June 2022 and prior periods, www.rba.gov.au Statement on Monetary Policy May 2022 and prior periods, budget.gov.au Australian Government 2022-23 Budget Overview and imf.org World Economic Outlook dated April 2022.

8. Industry analysis

Altamin's key operational focus includes the exploration and development of the Gorno Project, which has a JORC Code compliant MRE for zinc, lead and silver, as well as the Punta Corna Project, which is prospective for cobalt, nickel, copper and silver. Furthermore, Altamin's Lithium in Brine Projects are prospective for lithium.

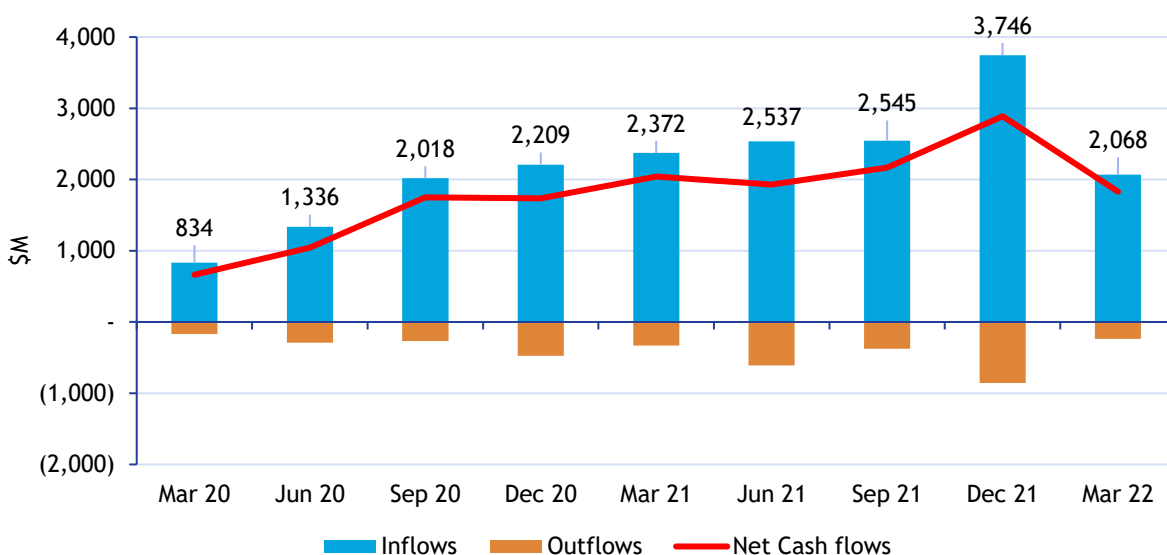
As such, we have presented an industry analysis of exploration sector as well as an industry analysis of the zinc, lead, cobalt and lithium mining industries, on the basis that these are the key commodities underpinning the value of the Company's mineral assets.

8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2022 provides mixed signals for the exploration sector, with evidence of a slowdown in activity across exploration, investment and financing. However, this comes with a significant caveat in that the slowdown is relative to the record levels witnessed in the December 2021 quarter.

The largest decline was observed in the level of financing cash inflows, which decreased by 45% from \$3.75 billion in the December 2021 quarter to \$2.07 billion in the March 2022 quarter. This was mainly driven by the reduced number of large capital raisings undertaken over the March 2022 quarter, which is consistent with historical seasonality whereby fundraising activity tends to reduce at the start of the calendar year. Despite a decrease in the number of companies that raised funds of \$10 million or more, the average financing inflow per company for the March 2022 quarter still exceeded historical averages, up 11.4% compared to the average since the March 2017 quarter.

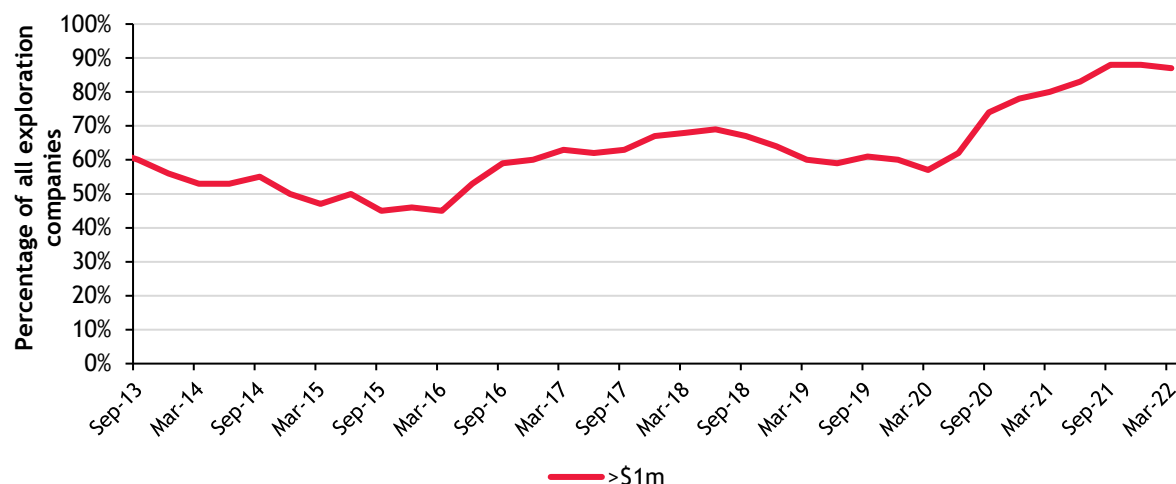
Financing Cash Flows (\$M)



Exploration companies continued to have a strong cash position in the March 2022 quarter with 87% of exploration companies reporting a cash balance of over \$1 million as at 31 March 2022, an increase from

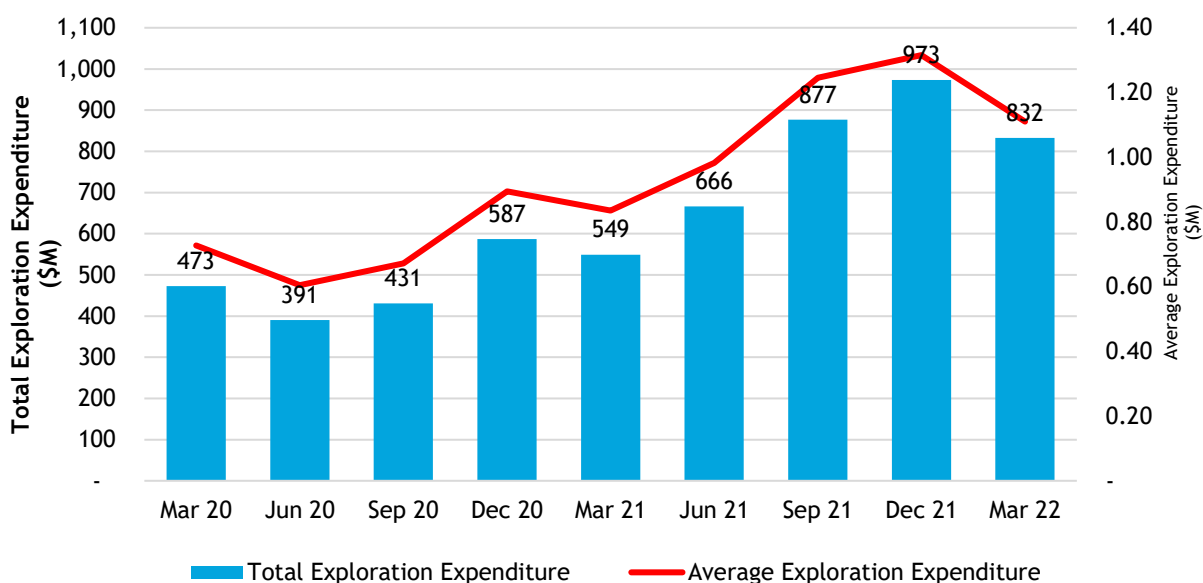
the 69% average since the March 2017 quarter. This was largely consistent with the December and September quarters of 2021 and is higher than historical averages. This shows that the decrease in financing cash flows may not necessarily be a sign of capital markets turning, but instead represents the strong cash position of explorers, who may be focusing on spending or investing rather than raising capital. The long term graph below further demonstrates that the current cash position remains at one of the strongest levels observed since BDO commenced this analysis in June 2013.

ASX Explorers' Cash Balance (%)



Exploration expenditure slowed through the March 2022 quarter, down 14% from an eight-year high of \$973 million in the December 2021 quarter. Despite this decline, the \$832 million spent this quarter still represents the third highest exploration spend since the June quarter of 2014, exceeded only by the prior December and September quarters of 2021.

Total Exploration Expenditure - Last Two Years (\$M)

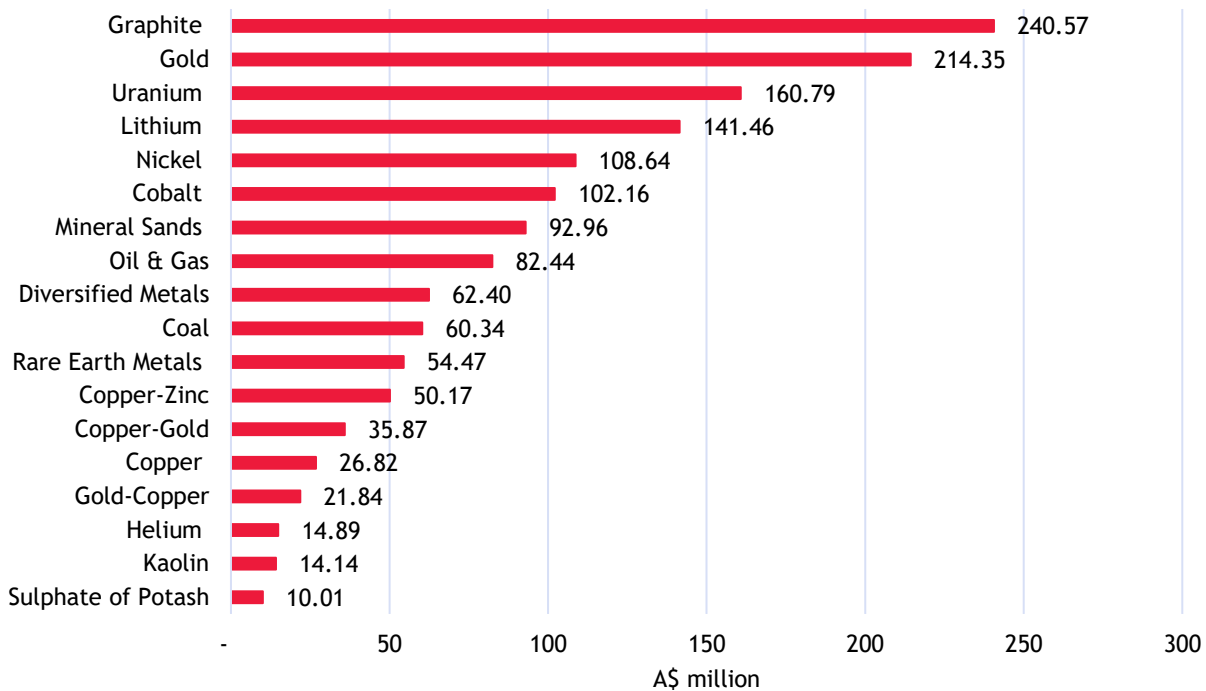


Net investing outflows in the March 2022 quarter also declined by 35% from \$1.00 billion in the December 2021 quarter to \$651 million in the March 2022 quarter. However, the level of investment spending was

still relatively strong in the context of the last two years, since being subdued through 2020 and early 2021 due to economic uncertainty and travel restrictions stemming from the global pandemic.

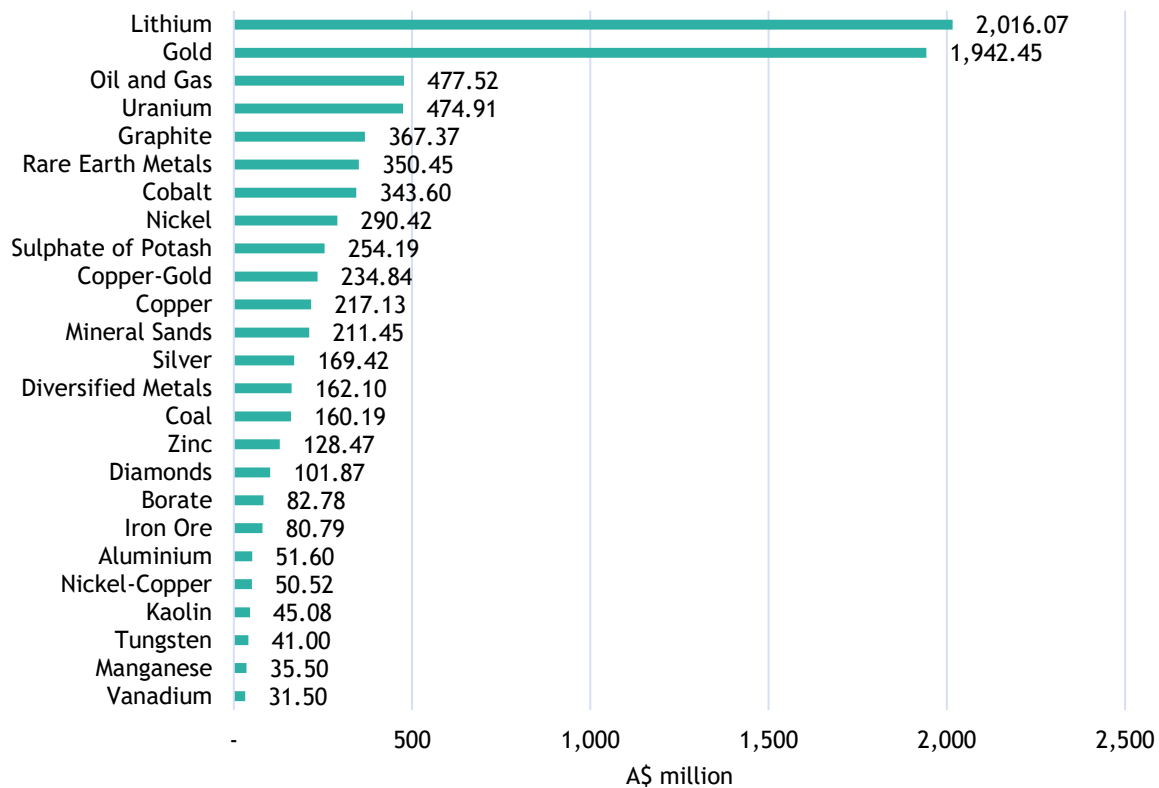
In the March 2022 quarter, 44 companies successfully raised capital of \$10 million or more, with graphite company, Syrah Resources Limited, sourcing the most funds.

Financing Inflow by Commodity - Top 44 Explorers March Quarter 2022



Battery minerals, such as lithium, graphite, nickel and cobalt continued to be prominent in the March 2022 quarter, as in the 2021 calendar year. The rise of battery minerals is linked to the global trends of rising electric vehicle adoption and lower carbon emission targets. This ties largely into the central theme of Environmental, Social and Governance ('ESG'), which is at the forefront of the minds of explorers and investors alike.

Financing Inflow by Commodity Calendar Year 2021



Altamin, having a growing focus on battery mineral exposure with the Punta Corna Project and in-application licences for the Lithium in Brine Projects, may be well-positioned to benefit from this access to funding.

Source: BDO Explorer Quarterly Cash Update: March 2022 and December 2021.

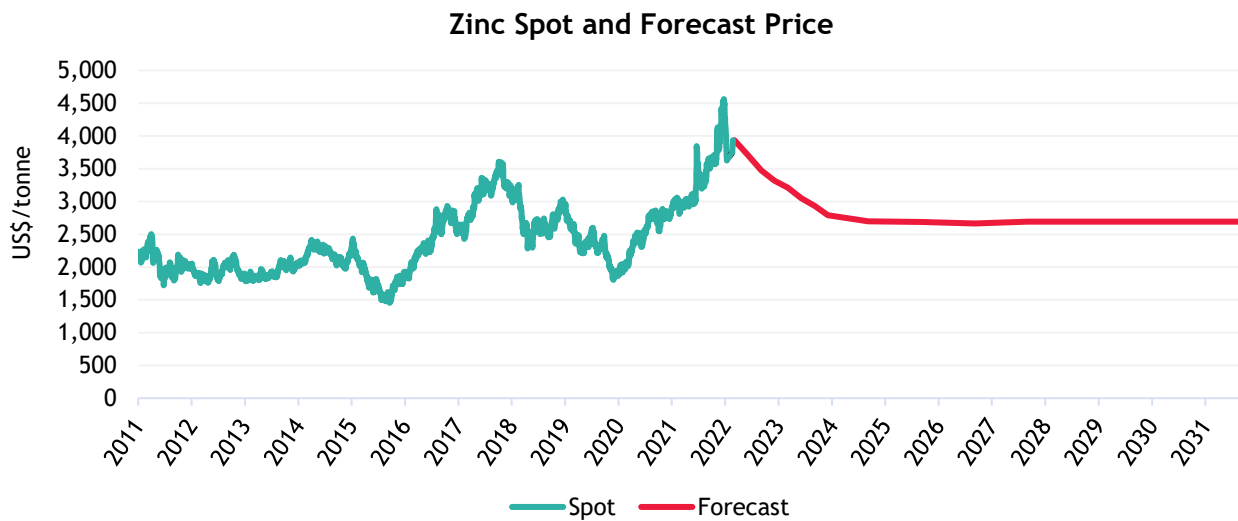
8.2 Zinc

Globally, zinc is the most used metal after iron, aluminium and copper. It is typically found in complex deposits alongside lead and silver. It is an element known for its unique protective capacity given it is resistant to corrosion and, as such, a substantial portion of zinc is used for galvanising iron and steel. Other uses include the production of zinc alloys, e.g. brass from the combination of zinc and copper. Zinc is also used in chemical forms, for example in the pharmaceutical industry for skin products.

Zinc was recently added to the official US Critical Minerals List of 2022 prepared by the United States Geological Survey ('USGS'). This means that the USGS has identified zinc as vital to the well-being of the US economy and at risk of significant movements in the global supply chain.

Zinc prices

The United States dollar ('US\$') price for zinc is quoted on the London Metal Exchange ('LME'). A key driver of the zinc price relates to the stock levels of zinc held in the LME warehouses, the largest global zinc depository. The global balance between demand for and supply of zinc, along with speculative influences, determine the price of zinc. No single producer can influence zinc prices as it is an undifferentiated commodity.



Source: Bloomberg, Consensus Economics

The figure above illustrates the historical fluctuations in the zinc spot prices from May 2011 to May 2022 and the Consensus Economics forecasts for zinc prices through to 2031.

As a result of the demand drivers for base metals, the price of zinc has closely followed global economic conditions. After the global financial crisis in 2008, the price of zinc steadily recovered in line with global economic recovery and climbed to US\$3,500/t in February 2018. Prices started to decline throughout 2018 and 2019 as Chinese zinc production started to increase.

The onset of the COVID-19 pandemic caused prices to fall to a five-year low of US\$1,802/t on 24 March 2020 as global markets were impacted and infrastructure spending tightened. Since then, prices have rallied over a mismatch between supply and demand as the global economy recovers faster than the increase in output. Zinc prices averaged US\$3,738/t in the first quarter of 2022 and has reached levels exceeding US\$4,500/t in April 2022.

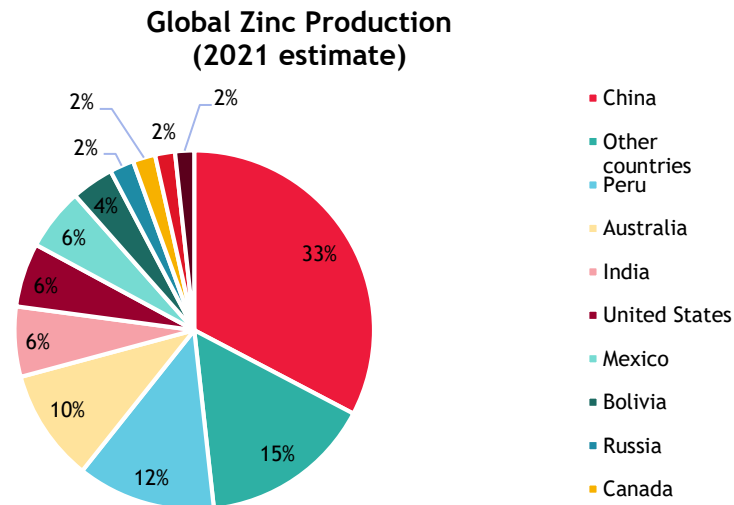
According to Consensus Economics, current high prices are forecast to weaken slightly as demand growth starts to slow, but stabilise at levels that are comparatively higher than historical prices. The forecast price of zinc is expected to remain within a band of US\$3,210/t and US\$3,936/t in the next 12 months and decline toward a long term forecast of around US\$2,700/t.

We note that the 2021 Scoping Study for the Gorno Project adopted a zinc price of US\$2,850/t as its economic assumption.

Zinc production and reserves

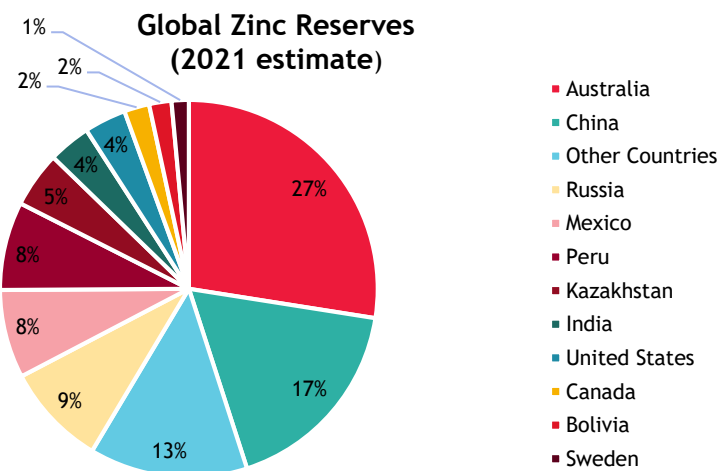
According to the USGS, total estimated global zinc production increased in 2021 to 13.0 Mt up from 12.0 Mt in 2020, when mine production was constrained due to COVID-19 lockdowns.

China remains the largest producer of zinc globally and is also the largest consumer of zinc primarily for its steel applications. Peru and Australia follow as the second and third largest producers, respectively.



Source: USGS, January 2022

Australia has the world's largest deposits for zinc, with a substantial portion of zinc reserves located in the state of Queensland. Globally, China and Peru also have substantial portions of zinc reserves. The figure below outlines global zinc reserves by country for 2021.



Source: USGS, January 2022

8.3 Lead

Lead is a heavy, corrosion-resistant metal that has been in use for at least 5,000 years. In its early days it was used primarily for building materials, however, following the increased growth in production of motorized vehicles, demand for lead has significantly shifted towards lead-acid storage batteries. They are primarily used as starting-lighting-ignition batteries for vehicles and trucks, as well as industrial-type batteries for standby power for computer and telecommunications networks.

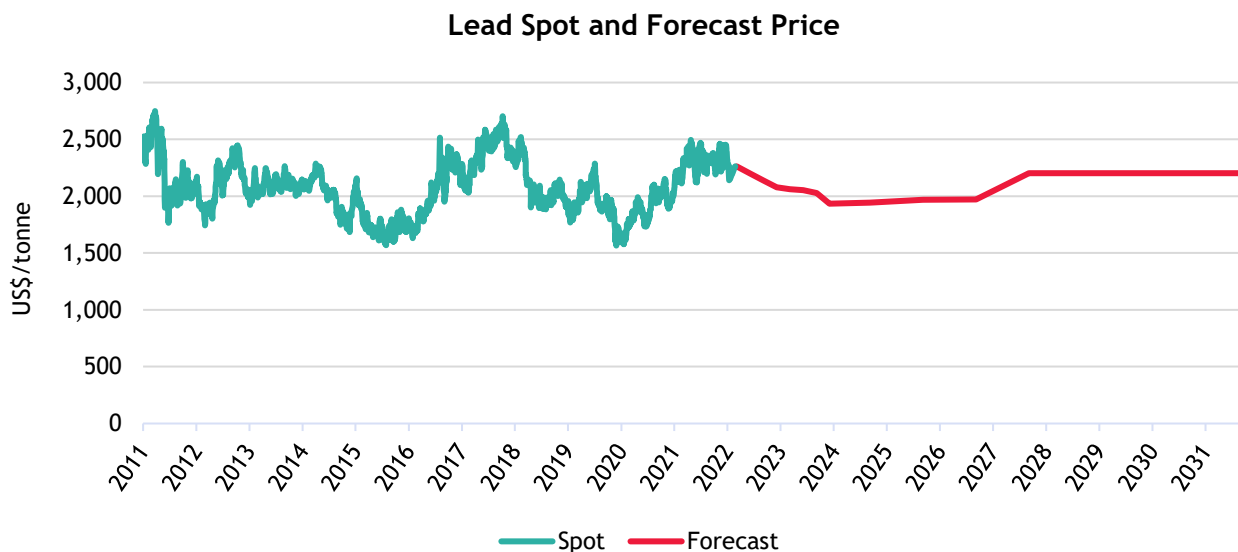
The use of lead in batteries for vehicles, accounts for approximately 85% of modern lead usage. Lead is also used in weights and ballast, underwater cable sheathing, solder, casting alloys, chemical compounds,

ammunition, glassware and radiation protection. The use for lead is projected to increase in the future in large storage batteries and in electric vehicles.

Lead is commonly found in ore that also contains zinc and silver and are hence often mined together. However, a large proportion of the lead used today comes from recycling, mostly from old car batteries.

Lead prices

The US\$ price for lead is listed on the LME. Lead is a global commodity and as such, prices are determined by global supply and demand factors.



Source: Bloomberg, Consensus Economics

The figure above illustrates the historical fluctuations in the lead spot prices from May 2011 to May 2022 and the Consensus Economics forecasts for lead prices through to 2031.

Due to its demand drivers, the price of lead has closely followed global economic conditions. Following its peak to US\$2,700/t in July 2011, the price of lead averaged US\$2,068/t over the subsequent four years to July 2015, before declining to US\$1,570/t in November 2015 due to an excess of supply over weakened global demand for most major commodities. Prices then climbed back to 2011 levels over the period to February 2018 in line with global economic recovery and growth in demand from China.

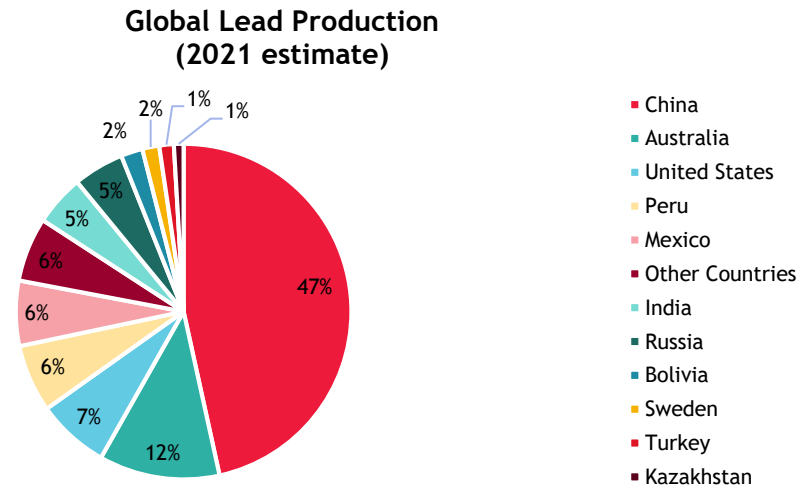
In 2020, lead prices fell alongside other major commodities following the adverse global economic impacts stemming from the COVID-19 outbreak, but rallied over 2021 in a similar trend to zinc with concerns over a limited supply. The increase in prices, however, has been relatively subdued compared to zinc as the alternate supply of recycled lead continues to help in supplementing demand.

Lead prices averaged US\$2,325/t in the first quarter of 2022 and reached US\$2,454/t in mid-April. Consensus Economics forecasts a reduction towards US\$2,029/t by the end of 2023 and a long term forecast of US\$2,203/t from 2027 to 2031.

We note that the 2021 Scoping Study for the Gorno Project adopts a lead price of US\$2,100/t as an economic assumption.

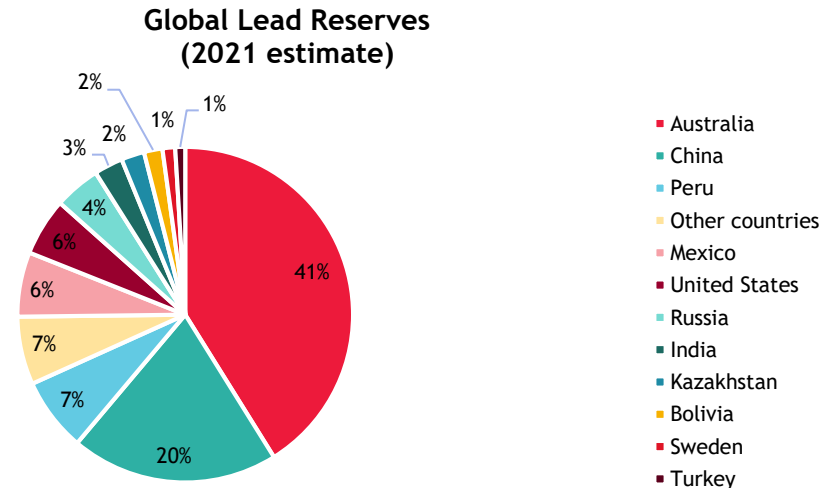
Lead production and reserves

China is the leading producer of lead, with an estimated 2,000 tonnes of lead produced from mining throughout 2021, equating to approximately 47% of the world lead mine production.



Source: USGS, January 2022

Australia has the world's largest deposits for lead by a significant proportion, with most of its reserves located in the state of Queensland. The figure below outlines global lead reserves by country for 2021.



Source: USGS, January 2022

8.4 Cobalt

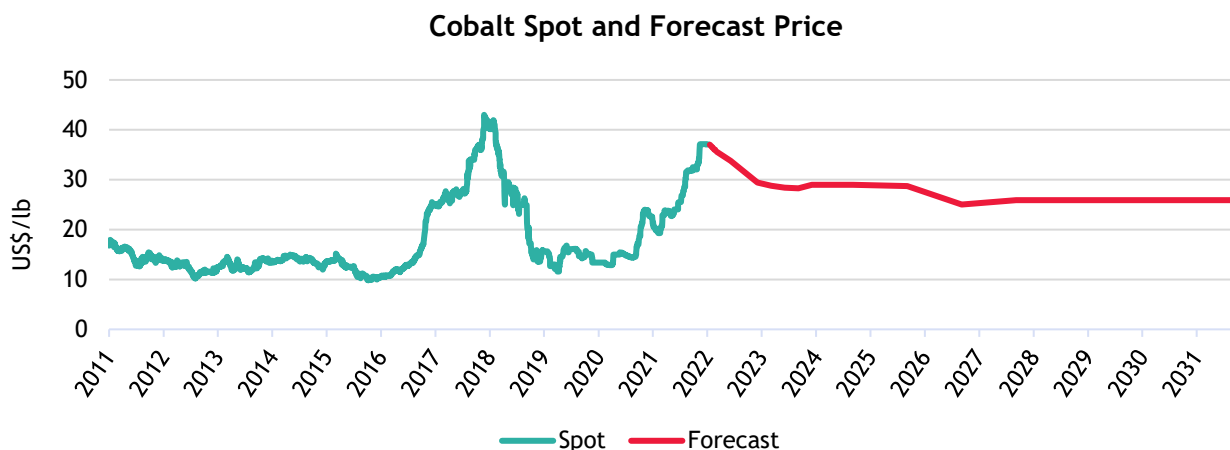
Cobalt is a key commodity within the “battery metals” class of metals, which primarily relates to the input commodities used in the manufacturing of rechargeable batteries for EVs. While most of the cobalt required by the battery metal industry is used in portable electronic devices, the advent of EVs is expected to lead to a step change in demand as an average EV is expected to require nearly 1,000 times

more cobalt than a cell phone. Cobalt is also used as a super alloying agent due to its anti-corrosive properties.

Almost all global cobalt production occurs as a by-product of mining other commodities, approximately 38% of which comes from nickel mining and 60% from copper mining. Most cobalt is sourced from the Democratic Republic of Congo ('DRC'), however the country is generally thought to be politically unstable with mining operations often employing the use of child labour. Consequently, with a global focus on ESG, demand for cobalt produced from other regions has also risen as battery manufacturers seek a more reliable and ethical source for the metal.

Cobalt prices

Cobalt prices are typically quoted in US\$ per pound and are primarily determined by supply movements which are concentrated to the DRC, and more recently, global demand from the EV sector.



Source: Bloomberg, Consensus Economics

The figure above illustrates the historical fluctuations in the cobalt spot prices from May 2011 to May 2022 and the Consensus Economics forecasts for cobalt prices through to 2031.

Since 2016, demand for cobalt has been supported by an increasing demand from battery manufacturers who use the metal to prevent overheating and to extend the usable life of batteries. As cobalt is almost entirely produced as a by-product of nickel and copper mining, its production is not easily expanded which explains the high level of volatility of its historical prices. In mid-2016, market expectations of a supply crunch in cobalt production resulted in prices increasing from US\$10/lb to over US\$40/lb.

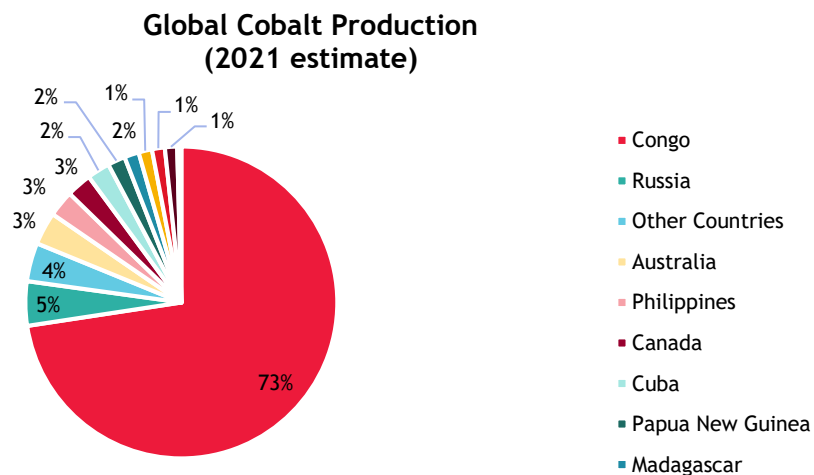
The falling cobalt price since then has primarily been driven by increasing supply from the DRC. In August 2019, global cobalt producer, Glencore, announced it would suspend its operations at its copper and cobalt mine in DRC by the end of the year. The announcement temporarily boosted cobalt prices, with prices reaching close to US\$17/lb in September 2019, although prices moderated shortly after.

After remaining subdued over 2020, cobalt prices have climbed in 2021 and 2022, spurred on by the global push towards EV adoption and lower carbon emissions. This is further exacerbated by the lack of ethically-viable cobalt resources with over 70% supply coming from the DRC.

Cobalt prices averaged US\$34/lb in the first quarter of 2022 and has held at US\$37/lb in April and May 2022. Consensus Economics forecasts a tapering down of these prices in the medium term towards US\$29/lb, which still remains generally higher than historical prices over the last three years.

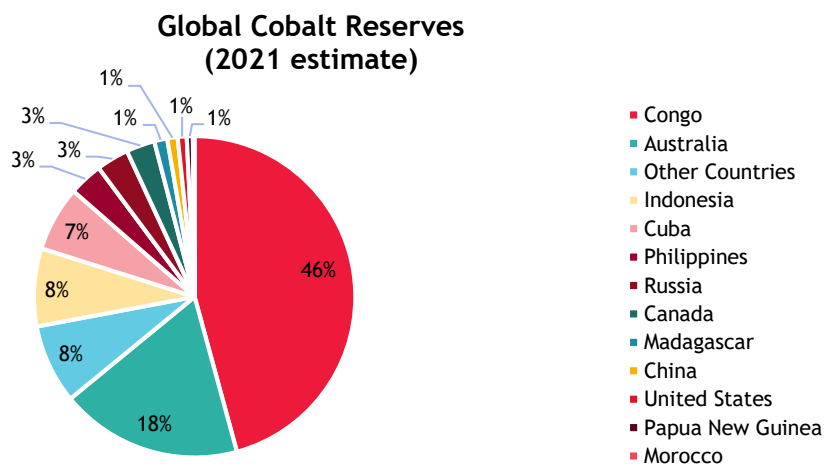
Cobalt production and reserves

In 2021, an estimated 170,000 metric tonnes of cobalt was produced. The chart below shows the countries in which the majority of cobalt was produced in 2021, with the DRC the clear leader in global cobalt production:



Source: USGS, January 2022

The chart below shows the location of the world's cobalt reserves, with DRC once again accounting for the largest proportion of global reserves. Australia follows as having the second largest cobalt reserve for 2021.



Source: USGS, January 2022

8.5 Lithium

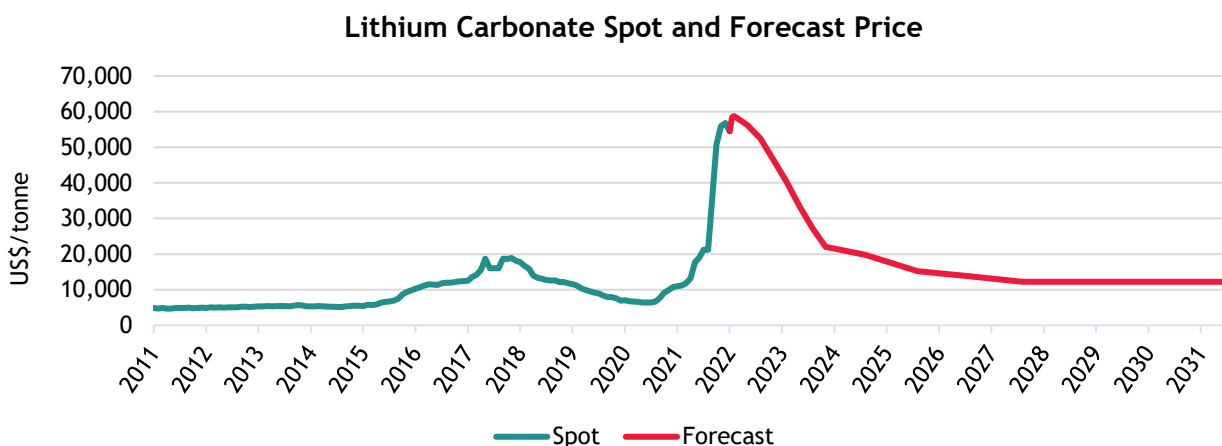
Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements and is the lightest and least dense metal. It has excellent potential for power generation due to its reactivity, however, does not occur naturally as a metal in nature. Lithium occurs rather as chemical compounds which are extracted from ores of spodumene or from subsurface brines. Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium's use in batteries has increased significantly in recent years as rechargeable lithium batteries are used extensively in the growing market for portable electronic devices and increasingly in electric tools, EVs and grid storage applications. It is also used to strengthen and improve resistance in glasses and ceramics, along with being alloyed with aluminium and copper to reduce weight in airframe structural components.

Growth in the electric car manufacturing industry particularly is a key driver for lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many electric car manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

Lithium prices

Lithium trade is usually confined to a small number of producers and their customers, and as such, contract terms such as pricing are privately negotiated. Furthermore, there are an extensive range of products that can be made from lithium which leads to a range of prices that are dependent on the product and its purity.



Source: S&P Global Market Intelligence, Consensus Economics

The figure above illustrates the historical fluctuations in lithium carbonate spot prices from May 2011 to May 2022 and the consensus economics forecast for lithium carbonate prices through to 2031.

The strong performance of the lithium price over 2016 and 2017 was reversed in the subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher prices incentivised the rapid commissioning of production capacity throughout the supply chain, the slide in lithium prices has led to output curtailments or suspensions of production. Subsequently, prices fell below US\$10,000/t in 2020.

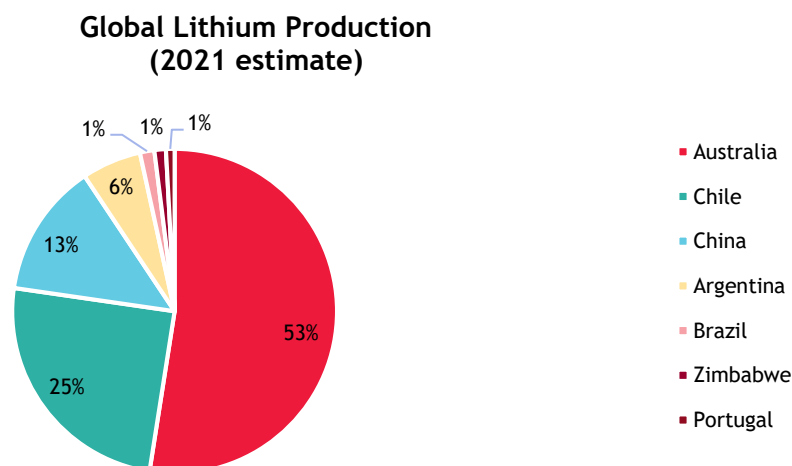
The combination of the existing aforementioned supply issues and a substantial increase in consumer demand since 2021 has placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales have grown considerably. Additionally, global supply side issues, originating from the COVID-19 pandemic have further exacerbated prices in the lithium market, with spot prices exceeding US\$56,000/t in April 2022.

On 29 May 2022, Goldman Sachs released a commodity research report on battery metals, forecasting a downward trend in the lithium price over a two year period, declining to US\$16,372/t by 2023. Goldman Sachs analysts forecast the correction to be created by the positive long term EV demand expectations, creating a short term supply excess. Long terms forecasts by Goldman Sachs estimated a recovery, where a demand surge will overcome the short term supply growth.

Similarly, Consensus Economics forecasts (released prior to the Goldman Sachs report) lithium carbonate prices to be US\$52,500/t in December 2022, with prices forecast to decline quarter on quarter to approximately US\$12,000/t by December 2027. This decline is expected as a result of general supply chain issues being rectified and new producers entering the market to meet growing EV demand.

Lithium production and reserves

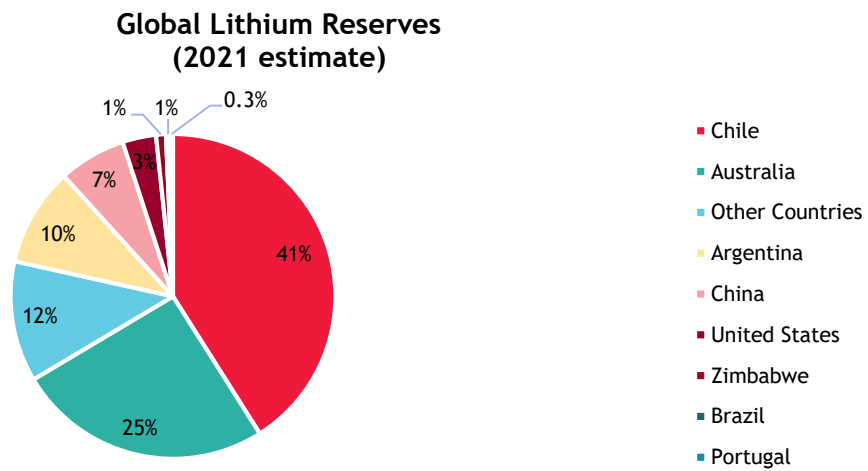
In 2021, Australia was the leading producer of Lithium, contributing approximately 55,000 tonnes of lithium, equating to 52.5% of global lithium production.



Source: USGS, January 2022

*excluding undisclosed United States production data

Whilst Chile is the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. As of 2021, Chile held approximately 9.2 million tonnes of lithium, accounting for approximately 41% of global reserves, followed by Australia which held approximately 5.7 million tonnes, representing 25% of global reserves.



Source: USGS, January 2022

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset and liability may be determined using different methodologies as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

9.1 Value of an Altamin share prior to the Offer

In our assessment of the value of an Altamin share prior to the Offer, we have chosen to employ the following methodologies:

- NAV as our primary methodology, which estimates the market value of a company by aggregating the assessed realisable value of its identifiable assets and liabilities and considering the amount that would be available for distribution to security holders in an orderly realisation of assets; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market.

We have chosen these methodologies for the following reasons:

- Altamin's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings. Also, the FME approach is typically not suited to finite life assets such as mining assets. Therefore, the FME approach is not appropriate;
- Altamin has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely, in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'). As outlined in Section 5.2 of our Report, we note that Altamin released the 2021 Scoping Study on 24 November 2021, which disclosed a post-tax net present value of \$288 million. However, pursuant to IS 214 and RG 170 we do not have reasonable grounds to place full reliance on this value, and therefore we do not consider the application of the DCF approach to be appropriate;
- The core value of Altamin lies in its mineral assets, which are currently not producing and do not generate revenues or cash flows in their current state. Consequently, we consider the NAV

approach to be the most appropriate valuation methodology. We have commissioned Snowden Optiro ('**Snowden Optiro**') to provide an independent market valuation of Altamin's mineral assets which we have incorporated into our NAV approach; and

- The QMP basis is a relevant methodology to consider because Altamin's shares are listed on the ASX. This means there is a regulated and observable market where Altamin's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

Technical Expert

In performing our valuation of Altamin's mineral assets as a component to our NAV method, we have relied on the Technical Specialist Report, which includes an independent assessment of the market value of Altamin's mineral assets.

Snowden Optiro's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**') and the JORC Code. We are satisfied with the valuation methodologies adopted by Snowden Optiro, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by Snowden Optiro are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 3.

9.2 Valuation approach for the Consideration

The Consideration of \$0.095 per Altamin share is being paid in cash. Therefore, the value of the Consideration is \$0.095 per Altamin share.

10. Valuation of an Altamin share prior to the Offer

10.1 Net Asset Valuation of Altamin

We have applied our NAV method by first using the reviewed statement of financial position of Altamin as at 31 December 2021 and comparing this to the unaudited statement of financial position as at 30 April 2022, provided by Altamin management.

The value of Altamin's net assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Ref	Reviewed as at 31-Dec-21 \$	Low Value \$	Preferred Value \$	High Value \$
CURRENT ASSETS					
Cash and cash equivalents	a)	1,353,714	5,791,483	5,791,483	5,791,483
Receivables		307,685	307,685	307,685	307,685
TOTAL CURRENT ASSETS		1,661,399	6,099,168	6,099,168	6,099,168
NON-CURRENT ASSETS					
Receivables		279,466	279,466	279,466	279,466
Plant and equipment		152,395	152,395	152,395	152,395
Right of use asset		67,411	67,411	67,411	67,411
Exploration and evaluation expenditure	b)	421,793	70,975,025	93,551,573	115,704,812
TOTAL NON-CURRENT ASSETS		921,065	71,474,297	94,050,845	116,204,084
TOTAL ASSETS		2,582,464	77,573,465	100,150,013	122,303,252
CURRENT LIABILITIES					
Trade and other payables		924,522	924,522	924,522	924,522
Provisions		221,104	221,104	221,104	221,104
Lease liabilities		65,721	65,721	65,721	65,721
TOTAL CURRENT LIABILITIES		1,211,347	1,211,347	1,211,347	1,211,347
NON-CURRENT LIABILITIES					
Provisions		19,306	19,306	19,306	19,306
TOTAL NON-CURRENT LIABILITIES		19,306	19,306	19,306	19,306
TOTAL LIABILITIES		1,230,653	1,230,653	1,230,653	1,230,653
NET ASSETS		1,351,811	76,342,812	98,919,360	121,072,599
Number of shares on issue	c)		391,716,752	391,716,752	391,716,752
Value per share			0.195	0.253	0.309

Source: Altamin's reviewed financial statements for the half-year ended 31 December 2021, Altamin consolidated report for April 2022, Snowden Optiro Valuation 2022 and BDO analysis

We have not undertaken a review of Altamin's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information provided to us was not prepared on a reasonable basis.

The table above indicates the net asset value of an Altamin share is between \$0.195 and \$0.309, with a preferred value of \$0.253. We note that because the NAV method provides a value on a control basis, no further control premium adjustment would be appropriate.

We have been advised that there has not been any other significant change in the net assets of Altamin since 31 December 2021 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2021 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

The following adjustments were made to the net assets of Altamin as at 31 December 2021 in arriving at our valuation.

Note a) Cash and cash equivalents

Management have provided us with the unaudited cash balance of Altamin as at 30 April 2022. We have adjusted the reviewed cash and cash equivalents balance of \$1.35 million as at 31 December 2021 to \$5.79 million as at 30 April 2022, which we have verified by obtaining bank statements to support this balance. The increase in the cash and cash equivalents is primarily driven by the proceeds from the entitlement issue undertaken in February 2022 to raise \$6.06 million (see Section 5.5), which was partially offset by ongoing exploration and operating expenses.

Note b) Valuation of Altamin's mineral assets

We instructed Snowden Optiro to provide an independent market valuation of the exploration assets held by Altamin. Snowden Optiro considered a number of different valuation methods when valuing the exploration assets of Altamin. Snowden Optiro valued the Mineral Resources of the Gorno Project as well as its exploration targets and exploration hectares, using the comparable transactions method. Similarly, Snowden Optiro valued the Punta Corna Project and Campagnano, Galeria and Ferento ELs using the comparable transactions method.

No value was ascribed to Monte Bianco and Corchia on the basis that the EL applications are yet to be approved by the regional authorities of Liguria and Emilia Romagna. Similarly, due to the Latera EL application being refused (see Section 5.4), no value has been ascribed to the Latera EL.

Snowden Optiro applied a cross check to its valuation using a multiple of exploration expenditure method, which broadly supported its preferred valuation assessment. Further details of Snowden Optiro's valuation assumptions and methodologies are set out in its report attached as Appendix 3.

Snowden Optiro's assessment of Altamin's exploration assets ranged between US\$50.3 million and US\$82.0 million with a preferred valuation of US\$66.3 million.

When converted to Australian Dollars using the average AUD/USD exchange rate for the month to 10 June 2022 of 0.7087 (sourced from Bloomberg), this results in a valuation ranging from approximately \$71.0 million to \$115.7 million with a preferred valuation of \$93.6 million.

Note c) Number of shares on issue

As at 3 May 2022 and consistent with Section 5.8 of our Report, Altamin had 391,716,752 shares outstanding, which we have used in our assessment of the value per Altamin share. The movement in the number of shares outstanding from 31 December 2021 is set out below:

Number of Shares on Issue	No. of Ordinary Shares
Total ordinary shares on issue as at 31 December 2021	290,714,122

Number of Shares on Issue	No. of Ordinary Shares
Shares issued under entitlement offer (see Section 5.5)	100,980,408
Shares issued resulting from the exercise of options	22,222
Total ordinary shares on issue as at 3 May 2022	391,716,752

Source: Altamin ASX announcements

10.2 Quoted Market Prices for Altamin Securities

To provide a comparison to the valuation of Altamin in Section 10.1, we have also assessed the quoted market price for an Altamin share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Under the Offer, VBS seeks to obtain 100% of Altamin and therefore should pay a premium for control.

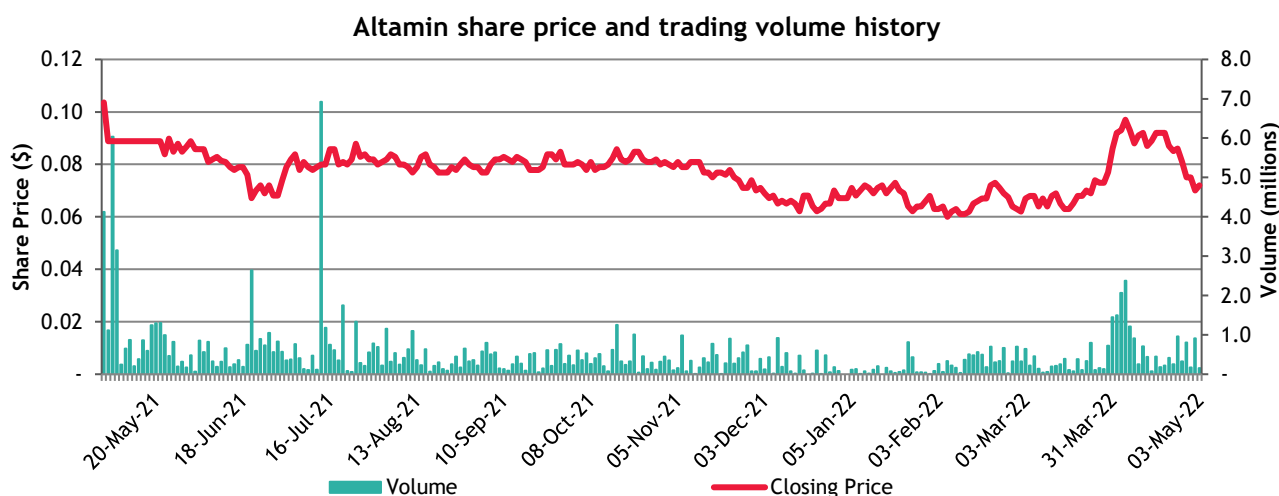
Therefore, our calculation of the quoted market price of an Altamin share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an Altamin share is based on the pricing prior to the announcement of the Offer. This is because the value of an Altamin share after the announcement may include the effects of any change in value as a result of the Offer. However, we have considered the value of an Altamin share following the announcement when we have considered reasonableness in Section 12.

Information on the Offer was announced on the ASX on 3 May 2022, after market close. Therefore, the following chart provides a summary of the share price movement over the 12 months to 3 May 2022, which was the last trading period prior to the announcement.

We note that a 15 for one share consolidation was undertaken by Altamin in May 2021 (see Section 5.5 of our Report) and note that the data below sourced from Bloomberg has been adjusted for this consolidation.



Source: Bloomberg

The daily price of Altamin shares from 3 May 2021 to 3 May 2022 has ranged from a low of \$0.060 on 7 February 2022 to a high of \$0.104 on 4 May 2021. The highest single trading day of trading over the assessed period was 14 July 2021, when 6,926,689 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)			Closing Share Price Three Days After Announcement \$ (movement)		
27/04/2022	Gorno - Technical Update and Drilling Results	0.081	▼	5.8%	0.070	▼	13.6%
22/04/2022	Appendix 3Y Change of Director's Interest Notice	0.085	▼	2.3%	0.075	▼	11.8%
22/04/2022	Application for quotation of securities - AZI	0.085	▼	2.3%	0.075	▼	11.8%
13/04/2022	Result of General Meeting	0.089	▲	2.3%	0.092	▲	3.4%
14/03/2022	Letter to Shareholder & Notice of General Meeting	0.069	▲	1.5%	0.063	▼	8.7%
10/03/2022	Half Year Accounts - December 2021	0.064	▼	4.5%	0.065	▲	1.6%
03/03/2022	Appendix 3Y Change of Director's Interest Notice	0.067	▲	8.1%	0.064	▼	4.5%
03/03/2022	Appendix 3Y Change of Director's Interest Notice	0.067	▲	8.1%	0.064	▼	4.5%
03/03/2022	Appendix 3Y Change of Director's Interest Notice	0.067	▲	8.1%	0.064	▼	4.5%
25/02/2022	Successful Completion of Entitlement Offer	0.068	▼	2.2%	0.062	▼	8.1%
14/02/2022	New Lithium in Brine Geothermal Applications	0.062	▲	1.6%	0.067	▲	8.1%
14/02/2022	Directors Commit \$1.33M to Entitlement Offer	0.062	▲	1.6%	0.067	▲	8.1%
07/02/2022	Entitlement Offer - Extension of Closing Date	0.060	▼	6.3%	0.061	▲	1.7%
02/02/2022	Notice to Ineligible Shareholders	0.063	▼	7.4%	0.060	▼	4.8%
02/02/2022	Dispatch of Offer Booklet and Entitlement Form	0.063	▼	7.4%	0.060	▼	4.8%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
01/02/2022	Appendix 3H Notification of Cessation of Securities	0.068	▲	3.0%	0.064	▼	5.9%
31/01/2022	December 2021 Quarterly Report and Appendix 5B	0.066	▲	3.1%	0.063	▼	4.5%
24/01/2022	Entitlement Offer Booklet	0.064	▼	7.1%	0.064	▼	0.2%
24/01/2022	Non-renounceable Entitlement Offer to raise \$6.97M	0.064	▼	7.1%	0.064	▼	0.2%
20/12/2021	Change of Registry Address	0.064	▼	5.9%	0.065	▲	1.6%
26/11/2021	Jobkeeper Payments Notification	0.071	▼	4.1%	0.070	▼	1.4%
24/11/2021	Scoping Study Presentation	0.075	▼	3.7%	0.071	▼	5.3%
24/11/2021	Gorno Scoping Study	0.075	▼	3.7%	0.071	▼	5.3%
15/11/2021	Updated Mineral Resource for Gorno	0.077	▼	4.9%	0.077	►	0.0%
12/10/2021	Investor Presentation October 2021	0.079	▲	1.3%	0.082	▲	4.4%
07/10/2021	High-grade Extensions at Gorno	0.078	▼	2.5%	0.079	▲	1.3%
29/09/2021	2021 Annual Report	0.085	▲	3.5%	0.080	▼	5.8%
08/09/2021	Exploration Target Outlines Upside at Gorno	0.082	▲	2.5%	0.082	►	0.0%
11/08/2021	Punta Corna Cobalt Project Multiple Veins & Licence Renewal	0.079	▼	1.3%	0.083	▲	5.1%
27/07/2021	Gorno Innovation Receives EU Booster Funding and Support	0.083	▼	5.6%	0.082	▼	1.2%
14/07/2021	Major Mineral Resource Upgrade at Gorno	0.080	▲	1.3%	0.086	▲	7.4%
30/06/2021	Appendix 3Y Change of Director's Interest Notice	0.068	►	0.0%	0.082	▲	20.3%
21/06/2021	Further High-grade Zinc Results Expands Gorno Mineralisation	0.076	▼	3.7%	0.072	▼	5.3%
26/05/2021	Further High-grade Results at Ponente	0.085	▼	5.6%	0.087	▲	2.4%
04/05/2021	Alta Zinc Investor Update	0.104	▲	7.7%	0.089	▼	14.3%

Source: Bloomberg, ASX announcements and BDO analysis

On 4 May 2021, the Company released an announcement detailing a webinar to be held by the Managing Director, Geraint Harris to provide an update on exploration activities. On the date of the announcement, the share price increased 7.7% to close at \$0.104, before decreasing 14.3% over the subsequent three day trading period to close at \$0.089.

On 30 June 2021, the Company released an announcement a change of director's interest notice detailing the transfer of shares from Alexander Burns to Injidup Investments Pty Ltd, a company in which he is a director and shareholder. On the date of announcement, the share price closed at \$0.068, unchanged from the previous close, before increasing 20.3% over the subsequent three day trading period to close at \$0.082.

On 14 July 2021, Altamin released an announcement of an updated mineral resource estimate at the Gorno Project following exploration drilling at the Pian Bracca and Fontanone targets. On the date of the announcement, the share price increased 1.3% to close at \$0.080, before increasing 7.4% over the subsequent three day trading period to close at \$0.086.

On 2 February 2022, Altamin announced the dispatch of the offer booklet and entitlement and acceptance form in relation to the 2 for 5 non-renounceable entitlement offer of new shares announced on 24 January

2021. On the same day, Altamin released notice to ineligible shareholders in relation to the entitlement offer. On the date of announcement, the share price decreased 7.4% to close at \$0.063, before decreasing 4.8% over the subsequent three day trading period to close at \$0.060.

On 25 February 2022, Altamin announced the completion of the entitlement offer, raising proceeds of \$6.059 million before costs. On the date of the announcement, the share price decreased 2.2% to close at \$0.068, before decreasing 8.1% over the subsequent three day trading period to close at \$0.062.

On 3 March 2022, the Company released three change of director's interest notices in relation to Alexander Burns, Geraint Harris and Marcello Cardaci's participation in the entitlement offer of two new shares for every five held at \$0.06 per new share. On the date of the announcement, the share price increased 8.1% to close at \$0.067, before decreasing 4.5% over the subsequent three day trading period to close at \$0.064.

On 14 March 2022, Altamin released a notice of general meeting and explanatory memorandum for the general meeting of shareholders to be held on 13 April 2022. On the date of the announcement, the share price increased 1.5% to close at \$0.069, before decreasing 8.7% over the subsequent three day trading period to close at \$0.063.

On 22 April 2022, the Company released a change of director's interest notice in relation to Geraint Harris' participation in the shortfall facility under the entitlement offer, acquiring 2,844,800 new shares. On the date of the announcement, the share price decreased 2.3% to close at \$0.085, before decreasing 11.8% over the subsequent three day trading period to close at \$0.075.

On 27 April 2022, the Company announced a technical update and drilling results for the Gorno Project, including assay results from the 2021 exploration campaign and metallurgical optimisation and definitive feasibility study program commencement in February 2022. On the date of the announcement, the share price decreased 5.8% to close at \$0.081, before decreasing 13.6% over the subsequent three day trading period to close at \$0.070.

To provide further analysis of the market prices for a Altamin share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 3 May 2022.

Share Price per unit	03-May-22	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.072				
Volume weighted average price (VWAP)		\$0.080	\$0.086	\$0.079	\$0.077

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the announcement of the Offer, to avoid the influence of any increase in price of Altamin shares that has occurred since the Offer was announced.

An analysis of the volume of trading in Altamin shares for the twelve months to 3 May 2022 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.072	\$0.074	155,733	0.04%
10 Days	\$0.070	\$0.093	4,413,381	1.13%
30 Days	\$0.063	\$0.098	18,675,391	4.77%
60 Days	\$0.060	\$0.098	28,181,200	7.19%

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
90 Days	\$0.059	\$0.098	32,416,281	8.28%
180 Days	\$0.059	\$0.098	64,012,787	16.34%
1 Year	\$0.000	\$0.104	126,185,901	32.21%

Source: Bloomberg, BDO analysis

This table indicates that Altamin's shares display a low level of liquidity, with 1.13% of the Company's issued capital being traded over the ten trading days to 3 May 2022 and 4.77% of the Company's current issued capital being traded in a 30 trading day period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant. As noted above, we consider the shares to display a low level of liquidity.

We have also assessed the trading volumes for Altamin shares on a weekly basis over the twelve months prior to 3 May 2022, being the last full trading period prior to the announcement of the Offer and found the mean and median weekly trading volume was approximately 0.62% and 0.50% of Altamin's current issued capital respectively. Of the 52 weeks in which our analysis is based on, more than 1% of Altamin's securities had been traded in only six of those weeks.

Our assessment is that a range of values for Altamin shares based on market pricing, after disregarding post announcement pricing, is between \$0.070 and \$0.085.

Control Premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value an Altamin share on a control basis, we have added a control premium that is based on our analysis set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of mining and exploration companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed mining and exploration companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	4	3767.40	31.37
2021	6	1235.14	29.89
2020	6	494.17	33.24
2019	11	153.60	36.27
2018	9	61.53	39.47
2017	5	13.91	35.21
2016	11	66.19	51.54
2015	9	340.83	57.86
2014	15	113.69	41.79
2013	13	134.67	34.94
2012	12	98.98	50.77

Source: Bloomberg and BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	17	6,311.50	17.43
2021	33	1,420.58	33.59
2020	25	451.20	37.66
2019	43	3,161.24	29.90
2018	42	1,158.47	31.08
2017	29	973.72	37.91
2016	38	788.28	36.82
2015	34	828.15	34.10
2014	45	517.00	37.98
2013	36	138.78	33.37
2012	32	474.54	42.22

Source: Bloomberg and BDO analysis

The mean and median of the entire data sets comprising control transactions from 2012 onwards for ASX-listed mining and exploration companies and all ASX-listed companies are set out below:

Entire Data Set Metrics	ASX-listed mining and exploration companies		All ASX-listed companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	361.84	41.71	1260.01	34.37
Median	37.48	39.66	119.62	30.50

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of ASX-listed mining and exploration companies and all ASX-listed companies is approximately 41.71% and 34.37% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 39.66% for ASX-listed mining and exploration companies and 30.50% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 30% and 40%, with a midpoint of 35%.

Quoted market price including control premium

Applying a control premium to Altamin's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Preferred	High
	\$	\$	\$
Quoted market price value	0.070	0.078	0.085
Control premium	30%	35%	40%
Quoted market price valuation including a premium for control	0.091	0.105	0.119

Source: BDO analysis

Therefore, our valuation of an Altamin share based on the quoted market price method and including a premium for control is between \$0.091 and \$0.119, with a preferred value of \$0.105.

10.3 Assessment of the value of Altamin prior to the Offer

The results of the valuations performed are summarised in the table below:

	Low	Preferred	High
	\$	\$	\$
Net assets value (Section 10.1)	0.195	0.253	0.309
QMP including a premium for control (Section 10.2)	0.091	0.105	0.119

Source: BDO analysis

We have chosen to rely solely on the NAV for the purposes of determining our range for the following reasons:

- The core value of Altamin lies in the mineral assets that it holds and we have commissioned Snowden Optiro, an independent technical specialist to value these assets;
- As detailed in Section 10.2, based on the pre-announcement trading data, Altamin shares display a low level of liquidity. The QMP methodology relies on there being a liquid and active market for the company's shares, therefore it would not be appropriate to rely on the QMP methodology in forming our valuation range as it does not provide a suitably reliable indicator of value.

The value of an Altamin share under the QMP approach could be less than the NAV-derived valuation for the following reasons:

- Our QMP assessment was performed over a period when Altamin shares were illiquid, therefore the Company's share price may not reflect the underlying value of the Company; and
- The market may have ascribed a lower value to Altamin's mineral assets compared to the valuation attributed by Snowden Optiro. This could be due to more conservative assumptions such as assigning lower exploration potential to Altamin's mineral assets compared to Snowden Optiro. Snowden Optiro has prepared its Independent Specialist Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes.

Based on the results above we consider the value of an Altamin share to be between \$0.195 and \$0.309, with a preferred value of \$0.253.

11. Valuation of the Offer Consideration

Under the Offer, Shareholders will receive \$0.095 cash for every Altamin share they hold.

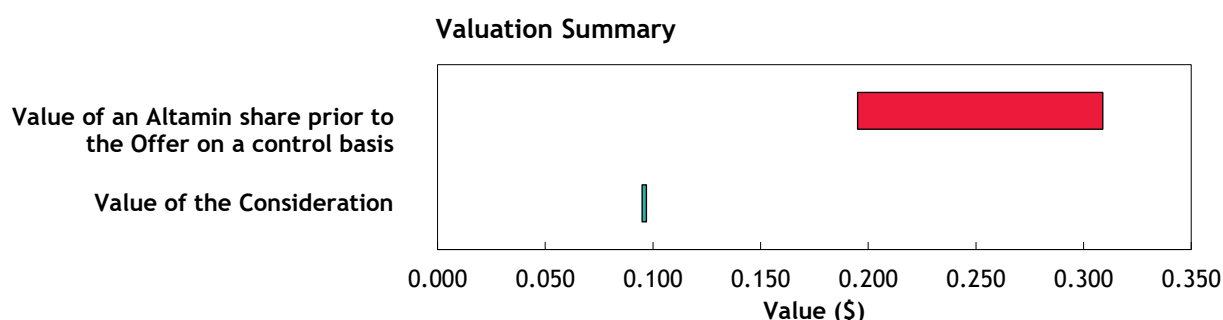
12. Is the Offer fair?

The value of an Altamin share prior to the Offer, on a control basis, is compared to the value of the Consideration below:

	Ref	Low \$	Preferred \$	High \$
Value of an Altamin share prior to the Offer (controlling basis)	10.3	0.195	0.253	0.309
Value of the Consideration	9.2	0.095	0.095	0.095

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

We note from the table above, that the value of the Consideration is less than the value of an Altamin share prior to the Offer (on a controlling basis). Therefore, we consider that the Offer is not fair to Shareholders.

13. Is the Offer reasonable?

13.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Altamin a premium over the value resulting from the Offer.

13.2 Consequences of not accepting the Offer

Potential of future dilution

If the Offer is not accepted, Altamin will continue to seek to develop its mineral assets. This may require further fundraising activity which will require further capital from Shareholders or if they do not participate in these raisings, they will have their ownership in Altamin diluted.

In the past, Altamin has been dependent on shareholders to raise capital required for developing its mineral assets. This is demonstrated by the placements and entitlement offers conducted over the past

year. Shareholders who accept the Offer will avoid exposure to the risk of future changes in the value of Altamin. Further, they will avoid contributing additional capital, which is at risk to changes in value.

If Shareholders do not accept the Offer but elect not to participate in subsequent capital raisings, their interests will be diluted. However, if Altamin conducts a capital raising in the form of an entitlement offer, as some have been in the past, Shareholders who subscribe for their full entitlement will not have their interests diluted.

Reduced liquidity and minority interest

Shareholders who reject the Offer could become minority Shareholders in a company in which VBS would have a controlling interest. The implications of the various levels of control that VBS may obtain as a result of the Offer is outlined below:

VBS' Interest in the Company	Company Influence
>5%	Ability to requisition a general meeting of the Company
>10%	Ability to prevent a compulsory acquisition
>25%	Ability to block special resolutions
>50%	Ability to block and pass general resolutions
>75%	Ability to pass special resolutions
>90%	Ability to initiate a compulsory acquisition

In VBS' Replacement Bidder's Statement, it was outlined that if VBS were to acquire a relevant interest of 90% or more of Altamin's shares, it intended to proceed to a compulsory acquisition of the outstanding Altamin shares in accordance with Part 6A.1 of the Corporations Act. If completed, VBS would then procure the removal of Altamin from the official list of the ASX.

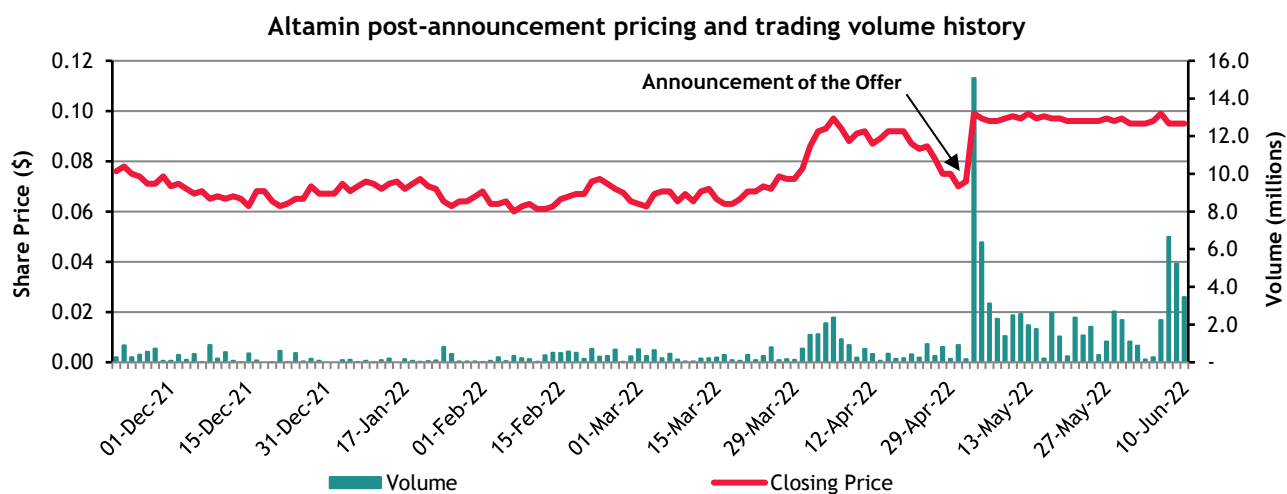
For those Shareholders that do not accept the Offer, the liquidity of the Altamin shares that they hold will likely reduce as VBS is unlikely to actively trade its Altamin shares. In the event that the level of acceptances results in VBS holding less than 90% of Altamin shares, this will create a scenario where VBS holds a large proportion of Altamin shares but is not entitled to compulsorily acquire the remaining shares, and could result in difficult circumstances for Shareholders that may want to sell their shares at a later date.

If the Bidder acquires more than 50% but less than 90% of the shares in Altamin, the Shareholders that do not accept the Offer will become minority shareholders in an entity that is controlled by VBS. This may cause a reduction in the share price and a further reduction to the liquidity of the share price. In addition, VBS will have the required voting power to alter Altamin's distribution policy, capital structure and board configuration.

Further, if Altamin fails to have the spread required under the ASX listing rules, Altamin may be removed from the official list of the ASX. For those Shareholders that do not accept the Offer, this would result in their Altamin shares being unable to be traded on the ASX.

Potential decline in share price

We have analysed movements in Altamin's share price since the Offer was announced on 3 May 2022 (after market close). A graph of Altamin's share price and trading volume leading up to, and following the announcement of the Offer is set out below.



Source: Bloomberg

The closing share price of Altamin was \$0.072 on 3 May 2022, before increasing 37.5% to close at \$0.099 on 4 May 2022, being the first trading day following the announcement of the Offer. On 4 May 2022, 15,080,279 shares were traded, representing approximately 3.85% of the Company's current issued capital. The closing price of an Altamin share from 4 May 2022 to 10 June 2022 has ranged from a low of \$0.095 on multiple dates throughout June to a high of \$0.099 on 4 May 2022, 13 May 2022 and 7 June 2022.

On 8 June 2022, Altamin announced the negative decree received from the Ministry of Ecological Transition and the Ministry of Culture (further information outlined in Section 5.2). On the date of the announcement, the share price closed at \$0.095, down 4.0% from a closing price of \$0.099 on the previous trading day.

Following the announcement of the Offer, Altamin's share price averaged \$0.097 over the period from 4 May 2022 to 10 June 2022. We note that this was higher than the value of the Consideration of \$0.095 per share. This is likely to reflect the market's expectation that a competing bid may emerge, or that a superior bid will be made by VBS.

Based on the above analysis, depending on the level of acceptances, if the Offer expires, the share price of Altamin may decline back to its pre-announcement levels.

13.3 Advantages of accepting the Offer

We have considered the following advantages when assessing whether the Offer is reasonable.

Advantage	Description
The Offer is not subject to a minimum acceptance condition	Under the terms of the Offer there is no minimum acceptance condition. Therefore, Shareholders are free to accept the Offer regardless of whether other Shareholders decide to accept the Offer. This provides Shareholders with certainty that if they accept the Offer, it will be binding.

Advantage	Description
The Offer provides Shareholders with certainty of value	Given that the Consideration is in the form of cash, it provides Shareholders with the certainty of realising the value in their investment. This may be a particular advantage to shareholders with larger parcels of shares given the low liquidity of trading in Altamin shares. Furthermore, Shareholders who accept the Offer will not incur brokerage fees as opposed to if they sold their shares on market.
The Offer is at a premium to the closing price prior to the announcement of the Offer	The Offer represents a premium of 32% to the closing price prior to the announcement of the Offer (3 May 2022) and a premium of 11% to the 30 day VWAP. Therefore, the Offer provides Shareholders with the opportunity to realise their investment at a price that is greater than what they could have realised by selling their shares on market in the lead up to the announcement of the Offer. However, as at the date of our Report the Company's market price is higher than the Offer price meaning that this advantage no longer exists.

13.4 Disadvantages of accepting the Offer

If the Offer is accepted, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
By accepting the Offer, Shareholders forego the opportunity to participate in any upside of Altamin's projects	<p>The zinc, lead and cobalt prices are experiencing strong support given the current economic recovery and EV boom. Successful development of Altamin's projects could deliver greater value in the long term when compared to the Consideration.</p> <p>However, there is no certainty that Altamin would be able to develop its assets to an economic level of production. Funding of the development of the Company's projects will also likely dilute existing Shareholders' interests, should they not participate in any equity capital raisings.</p>
If VBS compulsorily acquires, Shareholders will still receive \$0.095 per share, but will experience a delay in receiving consideration for their shares	If following the close of the Offer, VBS holds 90% or more of the Company's issued capital then its intention is to compulsorily acquire the outstanding shares. If this occurs, Shareholders will still receive \$0.095 for each Altamin share held, but will

Disadvantage	Description
	experience a delay in receiving consideration for their shares. If Shareholders accept the Offer, VBS has committed to payment of the Offer Consideration at the later of 15 business days after the Offer becoming unconditional or 10 business days after Offer acceptance.
Shareholders forego the opportunity to receive a competing bid, should one emerge	If Shareholders accept the Offer, they forego the opportunity to receive a competing offer. As detailed under Section 12.1 of our Report, we are not aware of any superior offer that may emerge. However, if Shareholders accept the Offer, Shareholders may not be able to participate in the superior offer, should one emerge.

14. Conclusion

We have considered the terms of the Offer as outlined in the body of this report and have concluded that the Offer is neither fair nor reasonable to the Shareholders of Altamin.

15. Sources of information

This report has been based on the following information:

- Target Statement on or about the date of this report;
- Audited financial statements of Altamin for the years ended 30 June 2020 and 30 June 2021;
- Reviewed financial statements for the half year ended 31 December 2021;
- Unaudited management accounts of Altamin for the period ended 30 April 2022;
- Independent Technical Assessment and Valuation Report of Altamin's mineral assets dated 15 June 2022 performed by Snowden Optiro;
- Original Bidder's Statement dated 3 May 2022;
- Replacement Bidder's Statement dated 20 May 2022;
- Altamin's response to the Bidder's Statement announced 4 May 2022;
- Share registry information as at 3 June 2022;
- Option registry information as at 3 June 2022;
- S&P Capital IQ and Bloomberg;
- Banca d'Italia Economic Bulletin No.2, 8 April 2022;
- OECD Economic Surveys Italy, September 2021;
- Reserve Bank of Australia;
- International Monetary Fund World Economic Outlook, April 2022;
- Consensus Economics for May 2022;
- United States Geological Survey, January 2022;
- Goldman Sachs Commodities Research, May 2022; and
- Discussions with Directors and Management of Altamin.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$45,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Altamin in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Altamin, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Altamin, VBS, the Victor Smorgon Group and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Altamin, VBS, the Victor Smorgon Group and their respective associates.

A draft of this report was provided to Altamin and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas.

Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

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18. Disclaimers and consents

This report has been prepared at the request of Altamin for inclusion in the Target's Statement which will be sent to all Altamin Shareholders. Altamin engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the Offer is fair and reasonable to Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Target's Statement. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Target's Statement other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Offer. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Altamin, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Altamin.

The valuer engaged for the mineral asset valuation, Snowden Optiro, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes

Director

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers

Director

Appendix 1 - Glossary of Terms

Reference	Definition
2021 Scoping Study	The scoping study announced on 24 November 2021 and completed by CSA Global
A\$, AUD	Australian dollar
The Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
Altamin	Altamin Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Banca d'Italia	Central bank of Italy
BDO	BDO Corporate Finance (WA) Pty Ltd
The Bidder	V B S Exchange Pty Limited
The Company	Altamin Limited
The Consideration	Cash consideration of \$0.095 for every one Altamin share held
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
CSA Global	CSA Global Pty Ltd
DCF	Discounted Future Cash Flows
DFS	Definitive feasibility study
DRC	Democratic Republic of Congo
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECSC	European Coal and Steel Community
EIA	Environmental Impact Assessment
EL	Exploration licences
ESG	Environmental, Social and Governance

Reference	Definition
EU	European Union
EV	Electric vehicle
FME	Future Maintainable Earnings
FSG	Financial Services Guide
g/t	Grams per tonne
GDP	Gross Domestic Product
Gorno Project	The Gorno Zinc Project
GST	Australian Goods and Services Tax
IPO	Initial public offering
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
km	Kilometres
km ²	Square kilometres
LME	London Metal Exchange
MRE	Mineral resource estimate
Mt	Million tonnes
NAV	Net Asset Value
OECD	Organisation for Economic Cooperation and Development
The Offer	The Offer by VBS to acquire all of the fully paid ordinary shares in Altamin that the Bidder does not already own, by way of a \$0.095 per share cash bid
Offer Period	The period starting 3 June 2022 to 4 July 2022
Options	Options issued by Altamin
Original Bidder's Statement	The bidders statement prepared by VBS and its advisors, which was lodged with ASIC and provided to Altamin on 3 May 2022
Our Report	This Independent Expert's Report prepared by BDO
oz	Troy ounces
Prescribed Occurrences	The prescribed occurrences detailed in Section 4 of our Report
Punta Corna Project	Punta Corna Cobalt Project

Reference	Definition
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Replacement Bidder's Statement	The replacement bidders statement announced on 20 May 2022 containing minor amendments to the Original Bidder's Statement
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Regulatory Guide 170 'Prospective Financial Information'
RG 74	Acquisitions Approved by Members
Shareholders	Shareholders of Altamin not associated with the Offer
Snowden Optiro	Snowden Optiro
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
t	Tonnes
Target's Statement	The statement to be issued by Altamin to Shareholders outlining the Offer and providing Altamin's formal response to it
Technical Specialist Report	The Independent Technical Specialist Report prepared by Snowden Optiro
Technical Study	The technical study completed for Altamin in January 2019
US\$	United States dollar
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VAT	Value Added Tax
VBS	V B S Exchange Pty Limited
VS Partners	Victor Smorgon Partners Pty Ltd
VWAP	Volume Weighted Average Price

Reference	Definition
We, us, ours	BDO Corporate Finance (WA) Pty Ltd
Zorzone	Zorzone deposit within the Gorno Project

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Independent Technical Specialist Report by Snowden Optiro



**Report for BDO Corporate Finance (WA)
Independent Valuation of Altamin Assets
Project Number DI206867
June 2022**

This report has been prepared by Datamine Australia Pty Ltd (Snowden Optiro) for use by BDO Corporate Finance (WA) Pty Ltd, pursuant to an agreement between Snowden Optiro and BDO Corporate Finance (WA) Pty Ltd only and not for any other purpose.

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Doc ref:	BDO Review_220606 DI206867 BDO Altamin Valuation v9		
Last edited:	15/06/2022 11:02 AM		

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1 EXECUTIVE SUMMARY

1.1 Scope of work

Snowden Optiro was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to provide an **independent** opinion on the market valuation of the following assets of Altamin Limited (Altamin or the Company), an Australian Securities Exchange (ASX:AZI) listed company:

- The Gorno Zinc Project, taking consideration of the updated Mineral Resource estimate (MRE) and Scoping Study that was prepared by CSA Global Pty Ltd (CSA Global) in November 2021
- The Punta Corna Cobalt Project
- Applications for the Monte Bianco and Corchia Projects
- Any other exploration areas that Snowden Optiro considers to have a material value.

This report is prepared in accordance with: (1) the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) (the VALMIN Code); (2) the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (the JORC Code); and (3) the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

The date of this valuation is 10 June 2022. The valuation currency is United States dollars (US\$).

1.2 Company description

Altamin is an ASX-listed mineral company focused on base and battery metal exploration and brownfields mine development in Italy, with two 100% owned mineral projects and four licences under application. As of April 2022, direct investment by Altamin into its Gorno Project has totalled €17.2 million, and its investment into its other Italian projects has totalled €0.2 million.

Altamin's mineral assets comprise the following projects:

- The **Gorno Zinc Project**, situated in the Lombardy region of northern Italy, is a Pre-Development project with defined Mineral Resources. Until 1982, the historical Gorno underground zinc mine was owned and operated by Società Azionaria Minerario-Metallurgica (SAMIM) (a state-owned company and part of Ente Nazionale Idrocarburi (ENI)) prior to a unilateral decision to close all SAMIM-owned metal mining in Italy to focus solely on oil and gas.
- Drilling by Altamin under an exploration licence (EL) and mining licence (ML) since 2015, together with an analysis of historical information, has resulted in the estimation of Indicated and Inferred Resources, and the completion of a Scoping Study. A Definitive Feasibility Study is planned to commence in mid-2022.
- On 8 June 2022 Altamin announced to the ASX that following the statutory review of the Company's application for renewal and extension of the Gorno Project's Monica Mining Licence (MML), the Ministry of Ecological Transition and the Ministry of Culture published online a negative Decree in relation to the environmental impact assessment (EIA). Whilst the Company was still reviewing the details of the Decree, they expected that this will likely result in the MML renewal application lapsing and substantive project tenure being retained under the existing Cime EL. Altamin expects a resultant delay to project development of between 6 and 18 months.
- The **Punta Corna Cobalt Project**, situated in the Piedmont region, Italy, has been historically mined for cobalt, nickel, copper and silver, and is an active Advanced Exploration project with outcropping mineralisation. The project comprises the **Punta Corna (1,429 ha) and the Balme (1,550 ha) ELs**. These ELs are currently under renewal with an exploration drilling program outlined. Upon grant, and pending funding, a drilling program is planned to start during summer 2022. Altamin's recent sampling has returned high-grade assays over >2 km strike length from multiple subparallel veins above existing workings, with good potential for further mineralised vein discovery and depth extensions.

- On 8 June 2022 Altamin announced to the ASX that the Italian Ministry of Ecological Transition has issued a positive environmental impact assessment (EIA) for the proposed exploration drilling campaign at the Punta Corna Cobalt project in Piedmont, Italy. The successful EIA is valid for 5 years and is now being reviewed by Altamin and its proposed drilling contractors in relation to the attached prescriptions and how best to implement these in a forthcoming campaign.
- Altamin has lodged applications for ELs over **Monte Bianco (8,243 ha)** and **Corchia (3,534 ha)**, the two most significant copper, cobalt and manganese-rich historical mining districts in Italy. The Monte Bianco EL is situated in the Liguria region of the Northern Apennines; and the Corchia EL is situated in the Emilia Romagna region. Altamin's primary focus is to determine the exploration potential for discovery of future mineral deposits at these projects. Snowden Optiro understands there are significant legacy environmental issues associated with the historical mining on these properties and as part of the initial assessment, Altamin intends to assess the potential solutions for environmental remediation.
- Altamin has lodged applications for ELs over the **Campagnano (1,213 ha)** and **Galeria (2,043 ha)** areas, prospective for lithium in brine, situated in the Cesano district 50 km north of Rome. Initial data show that these areas have anomalously high lithium salt values contained in groundwater at depths greater than 1,000 m and the host rocks are known to have exceptionally high geothermal gradients, which may be advantageous to commercialise lithium extraction alongside power generation.
- On 3 May 2022 Altamin announced to the ASX that they had received confirmation that work programs for the Campagnano and Galeria lithium project licence applications were excluded from requirements for an environmental impact assessment. Region Lazio can now proceed to process the EL applications.
- On 7 June 2022 Altamin announced that it had lodged licence applications over the **Latera (913 ha)** and **Ferento (5,983 ha)** areas, prospective for lithium in brine, situated in the Cesano district 80 km northeast of Rome. The areas are underlain by high-mineral content geothermal brines, and limited historical sample data indicates that they are prospective for lithium in the brines. On 14 June 2022, Altamin advised that the license application for the Latera EL had been refused by the relevant authorities.

1.3 Valuation of Altamin mineral assets

Snowden has used comparative market transactions, together with appropriate discounts, to value Altamin's assets. These comparative valuations have been applied on a US\$/t basis for declared Mineral Resources and Exploration Targets (Gorno), and on a US\$/ha basis for areas which have not had sufficient exploration to convert to Mineral Resources or Exploration Targets.

Comparative market company transactions have been adjusted for the current metal price, being the average of the 30 days to 10 June 2022. The price used is the LME cash price, accessed in S&P Market IQ, and is US\$3,748/t Zn, US\$2,137/t Pb, and US\$22/oz Ag.

Property transactions were adjusted for the average transaction prices, versus the average of the 30 days to 10 June 2022 (Table 1.1).

Table 1.1 Prices reported for the valuation

Unit of Measure	Zinc		Lead		Silver
	US\$/lb	US\$/t	US\$/lb	US\$/t	US\$/oz
Gorno Scoping Study	1.29	2,850	0.95	2,100	21
Average of Comparative Transactions	1.28	2,822	1.03	2,271	20
Average Price for 30 Days to 10 June 2022	1.70	3,748	0.97	2,137	22

Discounts applied are described in the report.

Snowden Optiro has determined the market value of Altamin's mineral assets to be between US\$50 million and US\$82 million, with a preferred value of US\$66 million, as shown in Table 1.2.

Table 1.2 Valuation of Altamin's mineral assets as of 10 June 2022

Project	Region	Commodity	Permit status	Project development status	Value (US\$M)		
					Low	High	Preferred
Gorno – Monica ML	Lombardy	Zn/Pb/Ag	Renewal under application	Project development	37.6	46.0	41.8
Gorno – Monica ML	Lombardy	Zn/Pb/Ag	Renewal under application	Advanced exploration	8.4	25.3	16.9
Gorno – Monica ML Val Vedra and Arera	Lombardy	Zn/Pb/Ag	Renewal under application	Exploration	0.1	0.2	0.2
Gorno – Monica ML Fortuna	Lombardy	Zn/Pb/Ag	Renewal under application	Exploration	0.1	0.1	0.1
Gorno – Cime EL – Outside Mining Lease Application	Lombardy	Zn/Pb/Ag	Granted to 5 Jul 2023 & renewable for 3 years to 5 Jul 2026	Exploration drilling	0.1	0.2	0.2
Subtotal Gorno					46.3	71.8	59.2
Punta Corna EL	Piedmont	Co/Ni/Cu/Ag	Renewal application for 3–4 yrs expected from Jun 2022	Exploration drilling	0.7	2.2	1.5
Balme EL	Piedmont	Co/Ni/Cu/Ag	Granted to 27 May 2024	Exploration	0.8	2.4	1.6
Monte Bianco	Liguria	Cu/Co/Au/Mn	EIA granted, EL pending	Exploration & Environmental Assessment	0.0	0.0	0.0
Corchia	Emilia Romagna	Cu/Co/Au	EIA granted, EL pending	Environmental & Exploration Assessment	0.0	0.0	0.0
Campagnano	Lazio	Li	EIA Exclusion granted, EL expected during Jun 2022	Data Assessment & Exploration	0.5	1.1	0.8
Galeria	Lazio	Li	EIA Exclusion granted, EL expected during Jun 2022	Data Assessment & Exploration	0.8	1.8	1.3
Latera	Lazio	Li	EL and EIA lodged and declined	Data Assessment & Exploration	0.0	0.0	0.0
Ferento	Lazio	Li	EL and EIA lodged	Data Assessment & Exploration	1.2	2.7	1.9
Subtotal Other					4.0	10.2	7.1
TOTALS					50.3	82.0	66.3

A check valuation for Gorno and for the other exploration areas has been based on the Multiple of Exploration Expenditure (MEE) approach. The €17.2 million for Gorno and the €0.2 for Punta Corna to April 2022 has been modified to produce the valuation as shown in Table 1.3, 15% lower than the preferred valuation of US\$66 million.

Table 1.3 Check valuation for Altamin mineral assets using the MEE approach

Altamin asset	Cost (US\$)	PEM (low)	PEM (high)	Value (US\$ M)		
				Low	High	Preferred
Gorno Zinc Project	18.7	2	4	37.4	74.8	56.1
Punta Corna Cobalt Project	0.2	2	3	0.3	0.7	0.5
Total	18.9			37.7	75.5	56.6

Note: PEM = prospectivity enhancement multiplier.

2 BASIS OF VALUATION

2.1 Scope of work

2.1.1 Background

On 3 May 2022, Altamin received an unsolicited offer by VBS Exchange Pty Ltd (VBS) to acquire all of the fully paid ordinary shares in Altamin that it (or its associates) did not already own or control via an off-market takeover at A\$0.095 per share, implying an offer value of approximately A\$37.2 million (about US\$26.2 million (at an exchange rate of AU\$0.704 to the US\$)).

BDO has been engaged by Altamin to prepare an Independent Expert's Report for inclusion within a Target's Statement to be provided to the shareholders of the Company.

The Target's Statement is to provide shareholders with the information they require to make an informed decision on whether to accept the unsolicited takeover offer received on 3 May 2022. BDO's Independent Expert's Report is required to provide an opinion on whether the Offer is fair and reasonable to non-associated shareholders and, given the nature of the assets of Altamin, BDO required a Specialist to assist BDO with its opinion.

Snowden Optiro was engaged by BDO to provide an independent valuation of Altamin's mineral assets. BDO will rely on and refer to Snowden Optiro's statements and conclusions in its Specialist Report and understands it will append a copy of Snowden Optiro's report or a summary thereof to its report.

2.1.2 Scope of work

BDO engaged Snowden Optiro to provide an **independent** opinion on the market valuation of the following assets:

- The Gorno Zinc Project, taking consideration of the updated MRE and Scoping Study that was prepared by CSA Global in November 2021
- The Punta Corna Cobalt Project
- ELs for the Monte Bianco and Corchia projects
- Any other exploration areas that Snowden Optiro considers to have material value.

In particular, the Snowden Optiro report should specifically include and/or address the following VALMIN principles or recommendations (items in parenthesis refer to the VALMIN code sections):

- 1) A Competent Person statement for the author and all contributors that demonstrates our claims against the requirements of a Specialist and the competency to conduct the work you have been engaged to do (sections 2.2 and 3.1).
- 2) The sources of any material information or data used and whether Consent has been required (sections 5.2(c) and (d)).
- 3) Your fee and whether it is dependent on your conclusions, the success or failure of the VBS Takeover Offer (Altamin, 10 May 2022), or time and cost restrictions that negatively affect the depth of analysis or extent of detail required to provide shareholders with the information they require to make an informed decision (section 6.3).
- 4) The provision of any previous reports (section 6.4).
- 5) If commercially sensitive information has been excluded (section 6.5).
- 6) A tenure list appropriately prepared (section 7.2).
- 7) Quality and reasonableness statements for any mineralisation, Mineral Resources, or Ore Reserves (section 7.3).
- 8) An evaluation of risks (section 10).

2.1.3 Valuation date

The date of this valuation is 10 June 2022.

2.1.4 Valuation currency

The valuation currency is United States dollars (US\$).

2.1.5 Valuation code

This valuation opinion has been prepared in accordance with the VALMIN Code. Compliance with the VALMIN Code is binding on all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG) who are involved in independent technical and valuation reports. Members of Recognised Professional Organisations may be bound by VALMIN or a compatible code.

2.2 Competent Person statement and qualifications of the valuers

VALMIN (clause 2.2) has a number of requirements for a Specialist. These are detailed in Table 2.1.

Table 2.1 VALMIN Specialist requirement and the qualifications of the Specialist

VALMIN requirement	Qualifications
(a) be Competent in and have had at least five years of recent and relevant industry experience in relation to the specific Mineral Asset to be reported upon.	Mr Mullins has completed Mineral Resource and Ore Reserve estimates, and merger and acquisition assessments on a number of zinc deposits (MVT, VMS and SEDEX type). This has at times included the valuation of the assets under consideration. The deposits studied in detail include Pering in South Africa, LanPing in China, and Tambo Grande and Antamina in Peru.
(b) have at least five years of recent and relevant experience in Technical Assessment, and where a Valuation is being prepared, have at least an additional five years (totalling a minimum of ten years) of recent and relevant experience in the valuation of Mineral Assets.	Mr Mullins has 42 years of experience in the mining industry, in exploration, in Mineral Resource and Ore Reserve estimates, in project development, and in financial analysis. He regularly conducts training in the economic analysis of mineral deposits and has worked as a mining analyst on the Johannesburg Stock Exchange.
(c) be a member of a Professional Organisation with an enforceable professional Code of Ethics and understand that a violation of the VALMIN Code may result in an investigation in accordance with the rules of the Professional Organisation.	Mr Mullins was elected a Fellow of the AusIMM on 26 March 2001 (No. 209421) and is a member in good standing.
(d) be familiar with the VALMIN Code, the JORC Code, the relevant requirements of the Corporations Act, the public policies of ASIC, the ASX or other recognised Securities exchanges, and court decisions that may be relevant to the Public Report being prepared.	Mr Mullins chaired the SAMVAL Committee (the South African equivalent of VALMIN); has chaired the SAMREC Committee; has completed the JORC Certification course and has been a member of the AusIMM Ethics Committee.

Mr Mullins warrants that he fulfils the requirements as a Specialist for this report, for the Mississippi Valley Type (MVT), volcanogenic massive sulphide (VMS), and polymetallic deposits.

Mr Mullins is not a Competent Person in lithium brine deposits.

However, VALMIN Clause 2.2 states that: "If one or more of the Mineral Assets are of Pre-Development or more advanced status, the relevant experience must be in the Technical Assessment and Valuation of Mineral Assets of at least this level of development.

The key qualifier in the requirements of a Specialist is the word ‘relevant’. Determining what constitutes relevant experience can be difficult and common sense must be exercised. ‘Relevant’ also means that it is not necessary for a person to have five years’ experience in each and every type of Mineral Asset under consideration in order to act as a Specialist. For example, where a Specialist has relevant experience in the mineral types that are Material to a Technical Assessment of Mineral Assets, then that Specialist may not need to have five years experience for the other Mineral Assets being assessed where they are not Material. Nevertheless, an understanding of key geological, mining, processing, social and marketing parameters and risks for the specific Mineral Asset under consideration is required.”

Details of the Specialist and Experts involved in this report are as follows:

- **Mr Matt Mullins (Executive Consultant, United Kingdom)** holds a Bachelor of Science with Honours Degree in Geology from Rhodes University, South Africa, obtained in 1982. He was elected a Fellow of the AusIMM on 19 March 2001 with the membership number 209421. Mr Mullins is also a Fellow of the Southern African Institute of Mining and Metallurgy (SAIMM), a Fellow of the Geological Society of South Africa (GSSA), a Fellow of the Geological Society of London (GSL) and is a registered Natural Scientist in terms of the South African Natural Scientists Act of 1982.

Mr Mullins has 42 years’ experience in the mining industry as a geological and mine planning professional specialising in exploration, resource estimation, project development, business improvement, capital management, senior management, and transactions.

Mr Mullins has been involved in a number of valuation studies for zinc-lead deposits, including the Pering zinc-lead deposit in South Africa, the LanPing deposit in China, and in the due diligence of Milpo operations in Peru. He has chaired the South African Mineral Resource (SAMREC) and South African Mineral Asset Valuation (SAMVAL) codes and has been involved in the development and governance of the JORC/VALMIN codes over decades. Mr Mullins is a past President of the GSSA.

Mr Mullins has worked for large mining companies (ArcelorMittal, BHP Billiton, Randgold Resources, and Gold Fields), mid-tier companies (Severin Mining), in research (CSIR), as a consultant, and as a mining analyst on the JSE. He has helped companies list on the JSE, LSE, and NASDAQ.

Mr Mullins takes overall responsibility for this report as Competent Person and Specialist, and personally conducted the site visit. He is a Competent Person/CV in polymetallic base metals deposits, and specifically in zinc deposits. Mr Mullins is not a Competent Person/CV in lithium brine deposits.

- **Mr Matthew Jarvis (Principal Consultant, South Africa)** has over 20 years of experience across multiple commodities. He is a mining engineer with extensive experience in financial evaluation of operations and projects and strategic mine planning, having worked initially with DeBeers in short and long-term mine planning as well as in Strategic Business Planning before joining PwC Corporate Finance. Mr Jarvis has worked with BHP Billiton and South32 as an investment evaluation manager in the aluminium, manganese and nickel businesses across South Africa, Australia, and South America. In addition, he has worked extensively with the South African Energy Coal business in preparation for the divestment to Seriti Resources.

Mr Jarvis holds a Bachelor of Science in Mining Engineering from The University of the Witwatersrand, Johannesburg, and a Masters in Business Administration (MBA).

Mr Jarvis takes responsibility for the compilation of comparative market transactions referred to in this report.

- **Mr Julian Aldridge (Principal Consultant, United Kingdom)** has 17 years of experience as a geologist in resource assessment/exploration and project management of grassroots to feasibility stage projects. He is skilled in three-dimensional modelling, resource assessment, quality assurance/quality control (QAQC) assessment and data/statistical analysis, and has worked on projects/operations in Europe, Asia, and Africa. Mr Aldridge’s key commodity experience is in base metals, precious metals, iron ore, and mineral sands. Before working as a resource geologist, he spent 10 years as an exploration geologist, managing drill programs, running geochemical sampling and geophysical programs in multiple countries. Mr Aldridge is a Chartered Geologist (CGeol) with the GSL, a Member of the IOM3 (MIMMM) and acts as a Competent Person/Qualified Person.

Mr Aldridge holds a Master of Science in Mining Geology (MCSM) from the Camborne School of Mines (United Kingdom) and Master of Earth Sciences from Oxford University (United Kingdom).

Mr Aldridge takes responsibility for the review and resource assessment of the Gorno Mineral Resources, and for the geological review of the other exploration areas disclosed in this report.

- **Amos Muridili (Senior Consultant, United Kingdom)** has substantial experience in computerised mine design, planning, blasting and ventilation using various software packages. His most recent work experience includes mine design, planning and scheduling, as well as ventilation simulation of a deep level platinum mining projects. As a mining engineer, Mr Muridili also has exposure to precious metals, diamonds, manganese, copper and chrome in recent studies.

Mr Muridili holds a Bachelor of Science in Mining Engineering from the University of the Witwatersrand, Johannesburg.

Mr Muridili is responsible for the review of the mine plan, schedule, and the Gorno March 2022 Concept Study.

- **Mr Mark Warren (Executive Consultant, Australia)** is a Chartered Professional Engineer with over 35 years of international industry experience across a range of sectors with particular focus on the global mining industry. His experience includes Board, chief executive, managerial and technical roles across most commodities and geographies in public and private companies. This includes experience in design, operations, manufacturing, project management, strategy development, corporate and Board activities. Mr Warren has 29 years of experience in the management of consulting and advisory services businesses.

Mr Warren holds Bachelor of Engineering (Mechanical) and is a Fellow of the AusIMM. He is a MIEAust, CPEng, NER APEC Engineer Int PE (Aus).

Mr Warren takes responsibility for the review of the final report, findings, and conclusions.

2.3 Sources of material/information

Altamin supplied Snowden Optiro with a comprehensive digital database, comprising Company and geological information and technical reports on each of the project areas. No consent was required to access this information.

A site visit to the Gorno Project was carried out by Mr Mullins from 16 to 19 May 2022.

During and after the site visit, certain additional information was requested, and some files (including the Gorno resource block model) were provided.

Snowden Optiro considers the information supplied to be comprehensive and adequate to complete its valuation of the mineral assets. No requested information was withheld.

Additional information was viewed only, relation to information and documents provided by Altamin to support their environmental assessment study. These were viewed at: <https://va.mite.gov.it/en-GB/Oggetti/Documentazione/7332/10605>.

The S&P Market IQ database was accessed for comparative and company market transactions, for metal price information, and for background commodity information.

Various company websites were accessed, to further analyse individual transactions.

Altamin was provided with a redacted copy of this report for factual checking.

2.4 Independence and fee

At the date of this report, the valuers and Snowden Optiro had no association with BDO, Altamin or their individual employees, or any interest in the securities of Altamin which could be regarded as affecting the ability to provide an independent valuation opinion. Snowden Optiro will be paid a fee (US\$34,080) for this valuation based on a standard schedule of rates for professional services, plus any expenses incurred. The fee is not contingent on the conclusions, success or failure of the proposed VBS Takeover Offer, or time and cost restrictions that negatively affect the depth of analysis or extent of detail required to provide shareholders with the information they require to make an informed decision.

2.5 Previous reports

No previous reports have been completed or commissioned by the commissioning entity.

2.6 Tenure list

The Altamin tenure list is shown in Table 2.2. The EL and ML applications and status have been reported to the ASX. The electronic copies of these applications have been viewed by the author of this report. More details of the licences are contained in individual sections of this report.

Table 2.2 Altamin mining and exploration rights and status

Permit	Procedure	Regulator	Status	Decree n°	Granting date	Validity years	Expiry date	Cost €/he/y	Hectares	Total cost €/y
Cime	EL	Lombardy	Granted	8073	07.07.2020	3	7/5/2023	16.65	1,200	19,980
Punta Corna	EL	Piedmont	Granted	628	21.12.2018	1+1	20.12.2020	3.97	1,429	5,673
Punta Corna extension	EL extension	Piedmont	Granted	160	25.06.2020	1	20.12.2020	3.97	1,429	5,673
Balme	EL	Piedmont	Granted	323	27.05.2019	1+1	26.05.2020	3.97	1,550	6,154
Campagnano	EL	Lazio	Lodged					6.52	1,213	7,909
Galeria	EL	Lazio	Lodged					6.52	2,043	13,320
Latera	EL	Lazio	Lodged and application refused					6.52	913	5,953
Ferento	EL	Lazio	Lodged					6.52	5,983	39,009
Corchia	EL	Emilia Romagna	Requires approval					15.00	3,534	53,010
Monte Bianco	EL	Liguria	Requires approval					16.98	8,243	139,966
Monica	ML	Lombardy	Granted BM&T - expired	538	1/31/2002	18	1/30/2020	81.60	128	10,445
Monica	ML	Lombardy	Transferred EMI - expired	845	2/6/2015			81.60	1,115	90,984
Monica	ML	Lombardy	Renewal + extension under application. EIS rejected							

2.7 Confidential information

To the knowledge of the authors of this report, no confidential information has been withheld.

2.8 Quality and reasonableness statement

Altamin has reported Gorno exploration results, Exploration Targets and Mineral Resources to the ASX, appropriately signed off under the JORC Code and the ASX Listings Rules Section 5. Snowden Optiro has viewed and reviewed these statements. A detailed review of the Exploration Results and Mineral Resources has been undertaken, and Snowden Optiro makes the following comments:

- The Indicated and Inferred Resources have a reasonable level of confidence. The Mineral Resources have been discounted by 10% to reflect this level of confidence, directly translating into a 10% discount on the valuation.
- The Exploration Targets have a low level of confidence. The Exploration Targets results have been discounted by 90% for valuation purposes to reflect this level of confidence.

More details are contained in the relevant sections of this report.

2.9 Risks

2.9.1 Active mines

There are currently no active base metals mines in Italy.

Altamin's operational and management staff are exclusively Italian citizens who are resident in Italy and since operations began in 2015, the Company has used Italian exploration and mining contractors and technical consultants. Additional technical expertise is provided by international specialist mining consultants and a technical supervisory team.

Snowden Optiro considers this to represent a low risk to the successful development of the project.

2.9.2 Geology of the mineral deposits

There is a risk that inadequate understanding of the complexity of the deposit will result in lower-than-expected conversion of Exploration Targets to Mineral Resources, and in lower-than-expected delineation of further resources in unexplored areas. In mitigation:

- The project has a team of four on-site geologists who exhibit a high degree of understanding of the geology, of the structural setting, and of the mineralisation styles of the deposit
- Geological research work is being undertaken at Italian universities.
- The geology of the Gorno deposits has been well described in Jorvik (2017), CSA Global (July 2021), CSA Global (Nov 2021), in the CSA Global Scoping Study (November 2021), and published in Mineralium Deposita by Mondillo et al. (2020).

Snowden Optiro considers this to represent a low risk to the successful development of the project.

2.9.3 Geological prospectivity

There is a risk at the Gorno Zinc Project that further prospecting turns up less additional resources than expected, and that the Exploration Target areas will have a low level of conversion to Mineral Resources. In mitigation:

- Exploration adjacent to and further afield from historical workings has been successful and has led to the delineation and estimation of 7.8 Mt of high-grade ore, signed off in compliance with the JORC Code (2012).
- The Exploration Targets were reported to the ASX on 8 September 2021.

Snowden Optiro considers this to represent a low risk to the successful development of the project.

2.9.4 Estimation of Mineral Resources and Exploration Targets

There is a risk that incorporation of low grades into the wireframe confines of the deposit results in "smearing" of the high grades, and in overestimation of resource tonnages and grades.

- Snowden Optiro has discounted the Mineral Resources by 10% to account for the inherent risk in the level of confidence in the resources, and for the possibility of "smearing" of high grades

There is a risk that the range of zinc grades in the Exploration Targets are overestimated, possibly due to edge effects in the inverse distance weighting interpolation approach used.

- Snowden Optiro has discounted the low, mid and high metal content in the Exploration Target areas by 90% for valuation purposes, to account for the inherent risk in the low level of confidence in the targets, and for the possibility of overestimation of grades due to "edge effects".

Snowden Optiro considers that the risk to the successful development of the project has been accounted for in the appropriate discounts used.

2.9.5 Grant of mining licence

The Monica ML (MML) at Gorno has not yet been renewed. Renewal was dependent on acceptance of the updated environmental impact assessment (EIA). On 8 June 2022 Altamin announced to the ASX that following the statutory review of the Company's application for renewal and extension of the Gorno Project's MML, the Ministry of Ecological Transition and the Ministry of Culture have published online a negative Decree in relation to the environmental impact assessment, or EIA.

Altamin preliminary analysis indicates that the negative decree arises partly because of opinions raised by stakeholders in relation to the project's configuration and production rate, which was materially changed from the initial renewal submitted in 2019, to reflect the Scoping Study completed in 2021. The initial application was lodged at the time to prevent the existing ML from expiring and therefore prior to the significant 2021 Gorno Mineral Resource update and Scoping Study.

According to the Ministry certain technical aspects in the MML renewal application were not yet sufficiently detailed or the impacts analysed to a level that would ordinarily be addressed in a Definitive Feasibility Study (DFS). These requirements include more detailed visual impact, traffic and noise assessment; the water cycle of the project being assessed through the creation of a detailed hydrogeological model and for underground blasting to be assessed to determine if there will be material surface impacts.

Altamin has determined an approach to the permitting which would align re-submissions with the proposed DFS. However, they consider the delay to the investment decision to be no less than 6 months and not more than 18 months.

Snowden Optiro considers there to be a **medium risk of further delay** to the investment decision, and this risk has been reflected in the selection of the comparable transaction resource multiple, that is used in the valuation.

2.9.6 Environmental and community considerations

The project is situated in a scenically beautiful part of the country, and any development will attract community attention.

Altamin has completed comprehensive environmental studies and has incorporated the results and conclusions into the EIS. Following the latest EIS submission in late 2019 the Ministry of Ecological Transition replied with a comprehensive request for additional information and clarification (ISPRA, 2021), noting that "the documentation submitted lacks the level of detail required to conduct an adequate environmental compatibility assessment of the project illustrated".

Altamin is systematically addressing the issues raised, but as stated above, the EIS submission was rejected due to being "not sufficiently detailed".

Snowden Optiro considers there to be a **medium risk of further delay** to project start-up to complete and comply with the various issues raised, to the level of a DFS. This has been taken into account in the selection of the comparable transaction resource multiple, that is used in the valuation.

2.9.7 Difficulty and cost of extraction

The extraction methodology and costs have been well demonstrated through the development of a comprehensive Scoping Study. Approximately 20 to 30 km of primary development is accessible in the vicinity of the current mine plan, together with connecting raises and associated stoping. This underground infrastructure provides an excellent framework for ongoing exploration, for future development, and for material handling.

The cost of mining and processing has been established and reported in the Scoping Study, and economic extraction has been demonstrated.

2.9.8 Metallurgical characteristics

Metallurgical test work has demonstrated the amenability of the ore to the proposed metallurgical extraction process. Certain issues, such as the organic carbon in the ore, are well known, and design flowsheets are adapted to handle these.

Sufficient metallurgical test work has been completed to establish high levels of zinc recovery at Scoping Study level with the proposed extraction methodology. Further test work is in progress.

2.9.9 Economies of scale

The planned ore extraction and processing of 0.8 Mt/a is appropriate to the level of project development. Further expansion is possible, but the limiting factor will be the availability of flat space, and the limitations of the overall materials handling systems. Environmental and community issues will also need to be considered in any expansion plans.

2.9.10 Project development

Altamin has completed a comprehensive Scoping Study (CSA Global November 2021) and plans to progress to a Feasibility Study in mid-2022. A number of trade-off studies are planned or are currently in execution before the Feasibility Study. There is a risk that these are not fully addressed before the final scope is locked down for the Feasibility Study.

This represents a **risk of delay** to the project implementation, and has been taken into account in the valuation.

2.10 Disclaimer

Snowden Optiro has relied on the accuracy and completeness of the information supplied to it by Altamin. Snowden Optiro makes no warranty or representation as to the accuracy or completeness of the information provided. Furthermore, Snowden Optiro accepts no responsibility for the information or statements, opinions, or matters expressed or implied arising out of, contained in, or derived from information contained in this report, unless specifically disclosed by Snowden Optiro.

Snowden Optiro has used reasonable endeavours to verify the accuracy and completeness of information provided to it by Altamin which it has relied upon in compiling this report. Snowden Optiro has no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Snowden Optiro acting as an independent valuer to perform any due diligence processes on behalf of the Company.

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Snowden Optiro's valuation opinion is based on market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading, or incomplete.

3 COMPANY DESCRIPTION

3.1 Background

Altamin is an ASX-listed mineral company focused on base and battery metal exploration and brownfields mine development in Italy, with two 100% owned mineral projects and four licences under application. As of April 2022, direct investment by Altamin into its Gorno Project has totalled €17.2 million. The additional expenditure required prior to a final investment decision is estimated at €5 million; after that, the Gorno project's capital development cost is currently estimated to be €108 million.

Altamin's investment to date on its other Italian projects has totalled €0.2 million and that spend will accelerate if the permits under application are granted. The initial exploration drilling campaign at Punta Corna is budgeted at €4.5 million over the first two years.

3.2 Projects description

The **Gorno Zinc Project**, situated in the Lombardy region of northern Italy, is a Pre-Development project with defined resources. Until 1982, the historical Gorno underground zinc mine was owned and operated by SAMIM (a state-owned company and part of ENI) prior to a unilateral decision to close all SAMIM-owned metal mining in Italy to focus solely on oil and gas. Drilling by Altamin under an Exploration and Mining Licence since 2015, together with an analysis of historical information, has resulted in the estimation of Indicated and Inferred Resources, and the completion of a Scoping Study. A Definitive Feasibility Study is planned to commence in mid-2022.

On 8 June 2022 Altamin announced to the ASX that following the statutory review of the Company's application for renewal and extension of the Gorno Project's Monica Mining Licence (MML), the Ministry of Ecological Transition and the Ministry of Culture have published online a negative Decree in relation to the environmental impact assessment, or EIA. Whilst the Company was still reviewing the details of the Decree, they expect that this will likely result in the MML renewal application lapsing and substantive project tenure being retained under the existing Cime EL.

The **Punta Corna Cobalt Project** in the Piedmont region of Italy, historically mined for cobalt, nickel, copper and silver, is an active advanced exploration project with outcropping mineralisation, and comprises the **Punta Corna (1,429 ha) and the Balme (1,550 ha) ELs**. The ELs are currently under renewal with an exploration drilling program outlined. Upon grant, and pending funding, a drilling program is planned to start during summer 2022. Altamin's recent sampling has returned high-grade assays over >2 km strike length from multiple subparallel veins above existing workings, with good potential for further mineralised vein discovery and significant depth extension. These exploration results have been reported to the ASX.

On 8 June 2022 Altamin announced to the ASX that the Italian Ministry of Ecological Transition has issued a positive environmental impact assessment (EIA) for the proposed exploration drilling campaign at the Punta Corna Cobalt project in Piedmont, Italy. The successful EIA is valid for 5 years and is now being reviewed by Altamin and its proposed drilling contractors in relation to the attached prescriptions and how best to implement these in a forthcoming campaign.

Altamin has lodged applications for ELs over **Monte Bianco (8,243 ha) and Corchia (3,534 ha)**, the two most significant copper, cobalt and manganese-rich historical mining districts in Italy. The Monte Bianco EL is situated in the Liguria region of the Northern Apennines; and the Corchia EL is situated in the Emilia Romagna region. Altamin's primary focus is to determine the exploration potential for discovery of future mineral deposits at these projects. It is understood there are significant legacy environmental issues associated with the historical mining on these properties and as part of the initial assessment, Altamin intends to assess the potential solutions for environmental remediation and the commercial implications.

Altamin has lodged applications for ELs over the **Campagnano (1,213 ha) and Galeria (2,043 ha)** areas, which are prospective for lithium in brine, in the Cesano district, situated 50 km north of Rome. Initial data show that these areas have anomalously high lithium salt values contained in groundwater at depths greater than 1,000 m and the host rocks are known to have exceptionally high geothermal gradients, which may be advantageous to commercialise lithium extraction alongside power generation.

On 3 May 2022 Altamin announced to the ASX that they had received confirmation received that work programs for the Campagnano and Galeria lithium project licence applications were excluded from requirements for an environmental impact assessment. Regione Lazio can now proceed to process the EL applications.

On 7 June 2022 Altamin announced that it had lodged licence applications over the **Latera (913 ha) and Ferento (5,983 ha)** areas, prospective for lithium in brine, situated in the Cesano district 80 km northeast of Rome. The areas are underlain by high-mineral content geothermal brines, and limited historical sample data indicates that they are prospective for lithium in the brines.

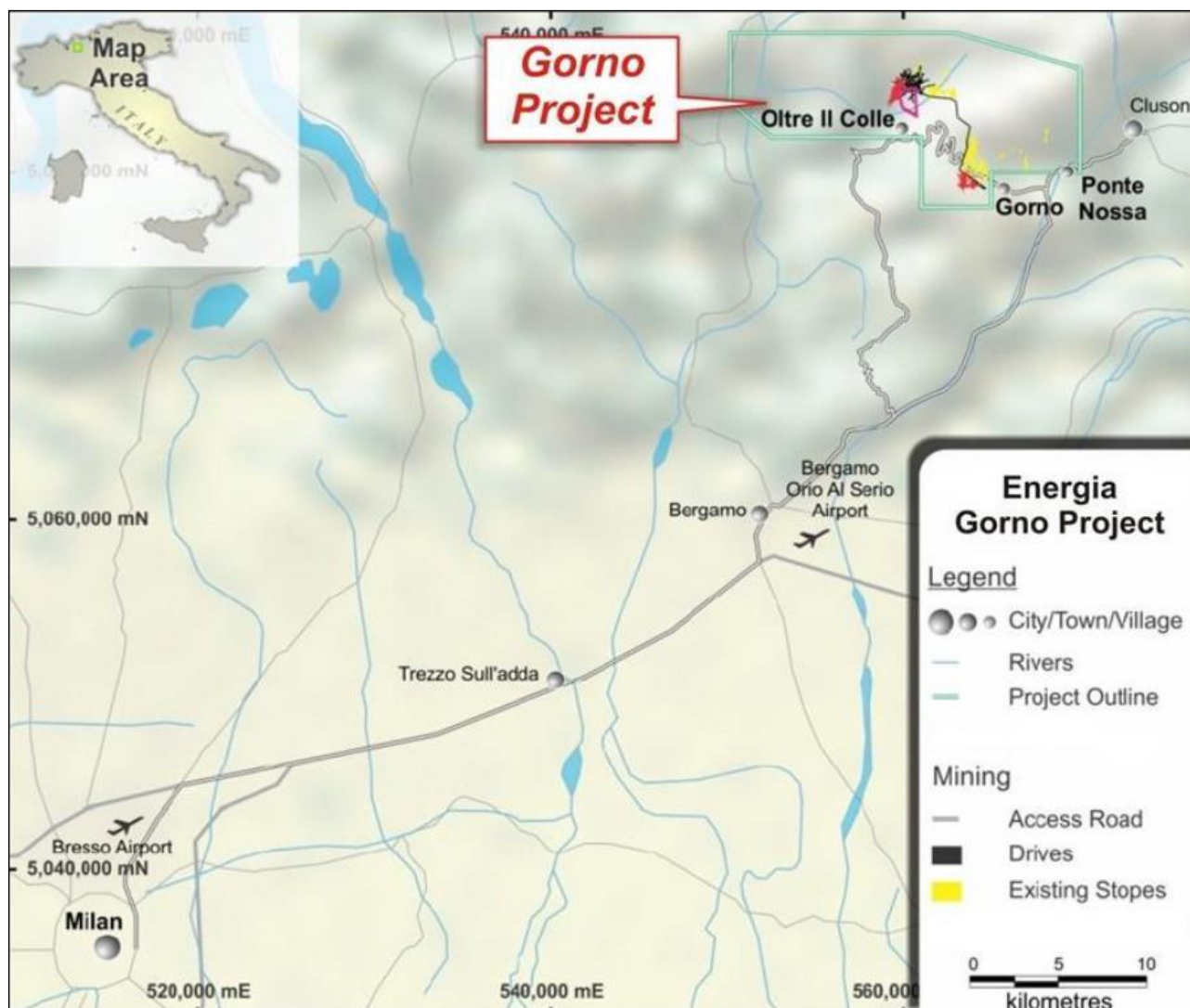
The mining and exploration permits for which the Company has rights to, or are under application, are shown in Table 2.2.

4 THE GORNO ZINC PROJECT

4.1 Location and access

The Gorno Zinc Project is located at Oltre Il Colle, a small village in northern Italy in the Lombardy region, between the Seriana and Brembana valleys within the administrative boundaries of the Province of Bergamo (Lombardy, Italy) as shown in Figure 4.1. Access from Milan, situated approximately 65 km to the southwest, is via the A4 highway and then via provincial roads 35, 69, 46 and 27, a journey time of around two hours.

Figure 4.1 Location of the Gorno Project in northern Italy



Source: Altamin presentation, November 2022

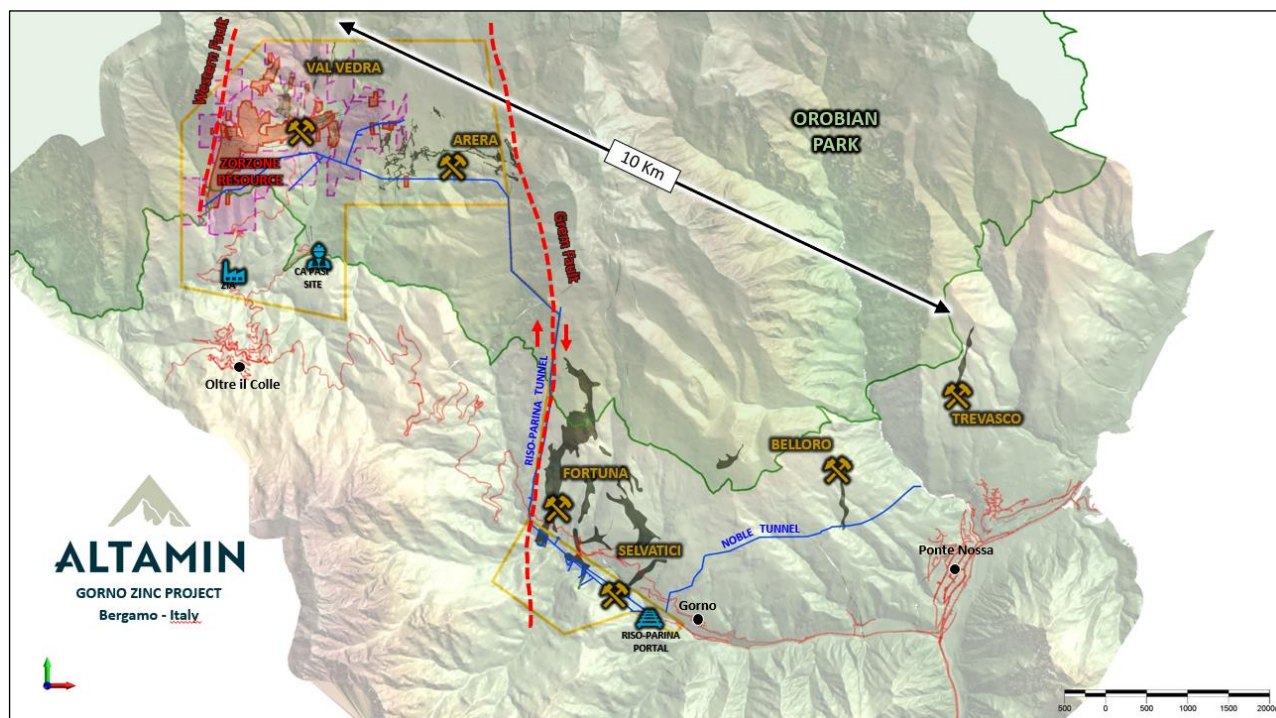
The Gorno zinc-lead mine operated intermittently for nearly 100 years; opening in 1888 and closing in 1982 whilst under the ownership of the mining division of the parastatal mineral and petroleum company ENI.

Activities peaked during the 1970s when many of the underground drives and areas of stoping which had been developed mostly for zinc oxide ore were transitioning to sulphide ore mining; with underground drilling having delineated extensive zinc-lead mineralisation. A substantial tonnage of this undeveloped mineralisation was intended to be brought into production, but ENI closed most of its base metal operations, including Gorno, to focus on its core business of hydrocarbon exploration and development.

The project has ready access to infrastructure, including all major requirements for power, water, road, rail, and labour. Milan is the regional centre and supports, inter alia, extensive extractive industries with many mining services located in the region. An extensive rail network provides ready access to several ports with bulk commodity services allowing easy access to a number of European zinc smelters.

The overall project area stretches about 10 km x 5 km, as shown in Figure 4.2. The mining licence application (yellow outline) is situated within the broader project area and is separated into two discrete areas: the Val Vedra/Arera area (collectively known as the Oltre il Colle area), comprising 958 ha, and the Selvatici area comprising 200 ha. The current valid EL covers the Oltre il Colle area.

Figure 4.2 The Gorno Zinc Project area, showing mined-out areas (dark grey), underground tunnels (blue) faults (red), Mineral Resource areas (red), delineated Exploration Target areas (purple), and the ML application outline (yellow)



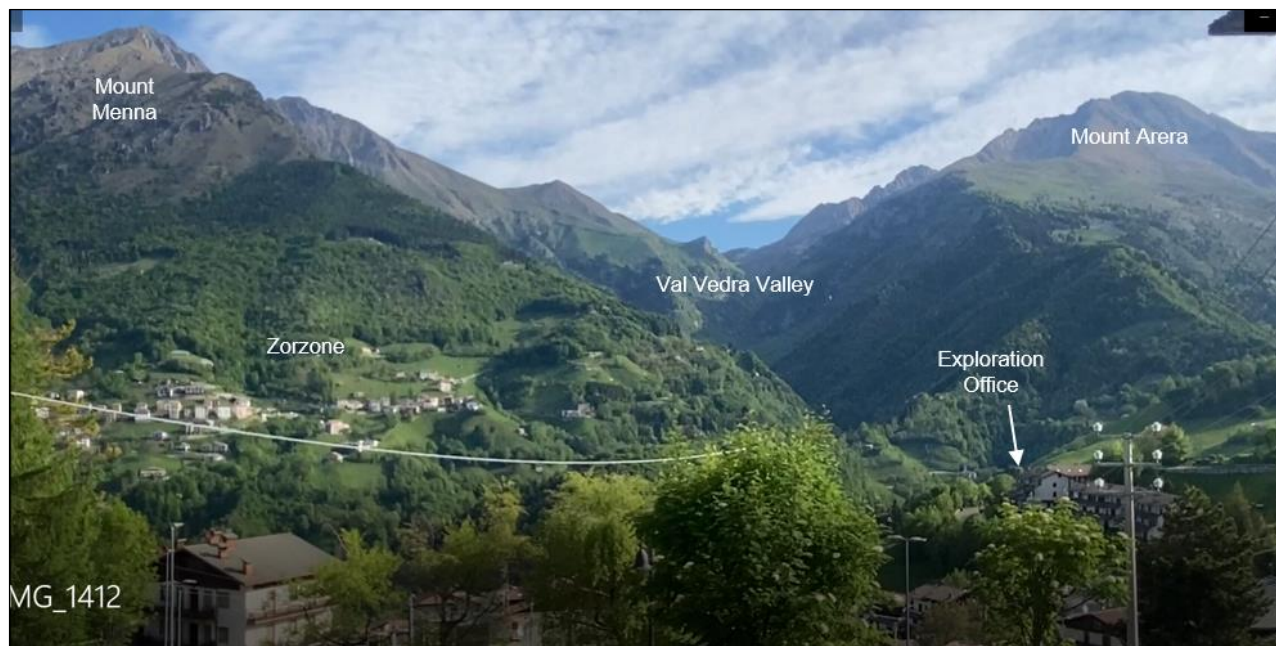
Source: Altamin presentation, November 2022

The Oltre il Colle area comprises a number of historical mines largely confined between two north-south faults, the Western Fault and the Grem Fault (Figure 4.2). The moderately dipping sub-horizontal strata are downthrown (and laterally shifted) to the west and to the east respectively. The historical Fortuna and Selvatici mines operated in the ML area situated to the southeast. A number of additional historical mines are situated to the east of the Fortuna area and are situated outside of the licence area.

Underground tunnelling on the Riso Parina 600 m RL connects the Selvatici mine workings to the Val Vedra workings. Other tunnels are also present, with the Noble tunnel heading to the east of Selvatici to the Trevasco historical mine (Figure 4.2).

A panoramic view of the site taken from the offices situated at 492, Via Roma, Oltre il Colle is shown in Figure 4.3. In the Oltre il Colle area, the southern part of the deposit sits immediately below the village of Zorzone and stretches to the north and northeast.

Figure 4.3 Panoramic view of the north-western part of the ML (taken from the Company office)



Source: Snowden Optiro, 17 May 2022

4.2 Vegetation and climate

The project is located in semi-mountainous terrain with elevations ranging from 600 m to 2,500 m above sea level, with changes in elevation characterised by very steep slopes and incised river valleys. The area immediately above the Gorno deposit is dominated by the steep catchment area of the Val Vedra and Val Parina valleys.

The climate at Gorno is typical of the southern alpine region with short, mild summers and long winters. The temperature in summer averages 17.3°C and average monthly rainfall is 101 mm. The temperature in winter averages 2°C and average monthly snowfall is equivalent to 115 mm of rainfall. The peak periods of precipitation occur between April–May and October–December.

4.3 Mineral tenure

Minerals belong to the Italian State with management and control delegated to the regional governments. Exploration and mining activities are authorised by the Regional Department of Direzione Generale Ambiente e Clima, Sviluppo Sostenibile e Tutela Risorse dell'Ambiente, based in Milan (Regione Lombardia).

Environmental authorisations required as a preliminary to any exploration or mining are authorised by the Central Government through the Ministry of Environment, based in Rome.

4.3.1 Exploration licence

An EL for lead, copper, zinc, silver and associated metals in the Territory of the Municipality of Oltre Il Colle, Province of Bergamo was granted by the Regione Lombardia (Lombardy Region) under Decree No. 8073 dated 7 July 2020 and is valid until 5 July 2023. It may be renewed for a further period of up to three years, to expire in 2026. The EL is current at the time of the release of this report and remains in good standing, and no impediments to operating are currently known to exist.

The area of the EL is 1,200 ha and is centred over the Gorno Mine. It encompasses the Zorzone MRE and all current exploration targets which extend from west of Zorzone to the Grem Fault (a distance of over 4 km). The coordinates of the bounding points of the EL are listed in Table 4.1.

Table 4.1 EL boundary coordinates

Corner point	UTM coordinates (WGS 84 Z32N)		Corner point	UTM coordinates (WGS 84 Z32N)	
	East	North		East	North
1	559000	5086000	4	561000	5084000
2	563000	5086000	5	561000	5082000
3	563000	5084000	6	559000	5082000

Snowden Optiro confirms that the area of the polygon enclosed by the stated coordinates is 1,200 ha.

4.3.2 Mining licence

The original Mining Lease "Monica" (Decree No. 538 2002/01/31 and 845 2015/02/06) of 128 ha was granted on 31 December 2002 and expired on 30 January 2020. In December 2019, Energia, a wholly owned subsidiary of Altamin, lodged an application for both its renewal (20 years) and extension (1,116 hectares in total). The coordinates of the ML application are shown in Table 4.2.

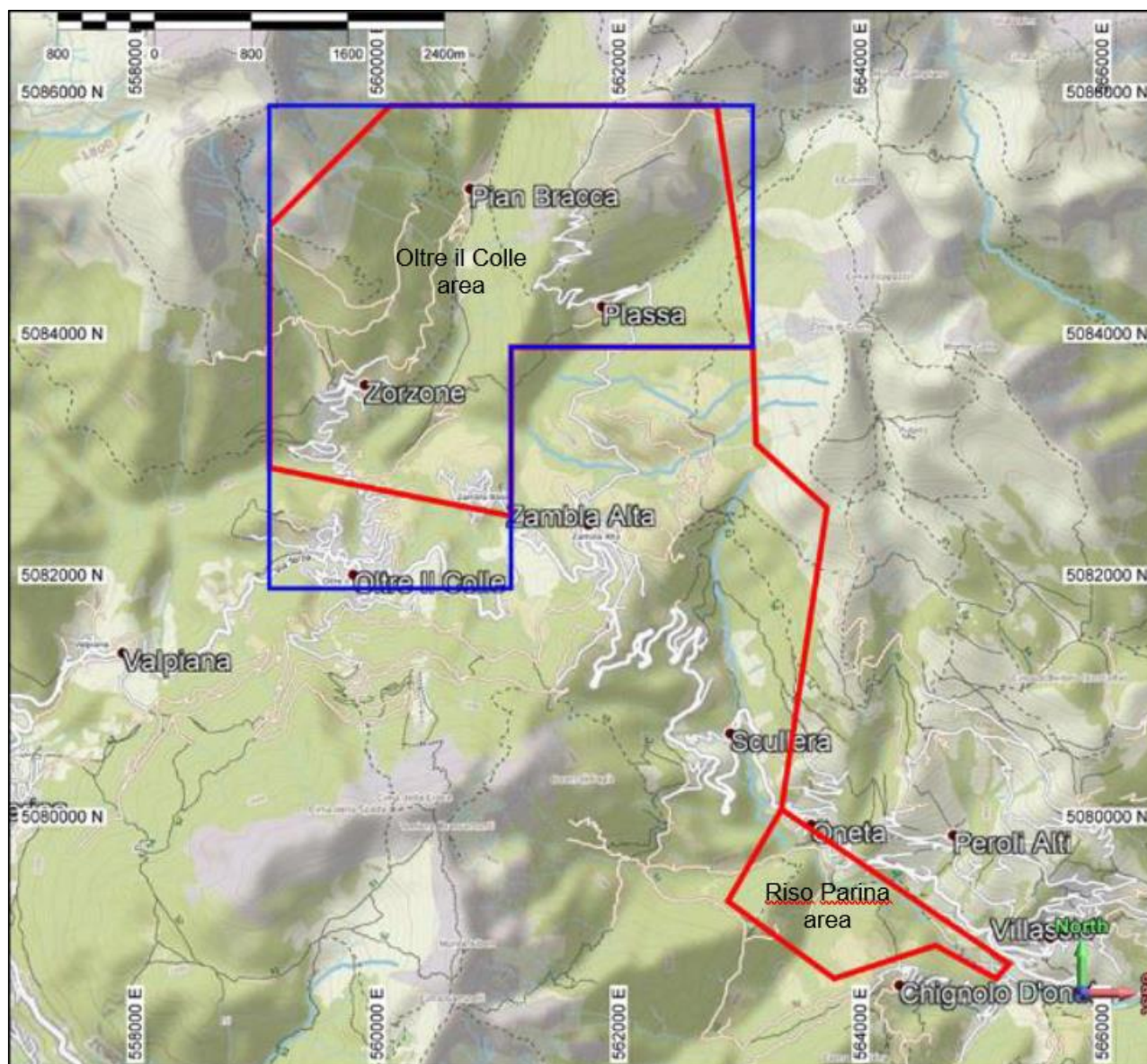
Table 4.2 ML boundary coordinates

Corner point	UTM coordinates (WGS 84 Z32N)		Corner point	UTM coordinates (WGS 84 Z32N)	
	East	North		East	North
V1	562700	5086000	V9	563613	5082668
V2	560000	5086000	V10	563236	5080171
V3	559000	5085000	V11	565120	5078890
V4	559000	5083000	V12	565013	5078769
V5	561000	5082600	V13	564511	5079043
V6	561000	5084000	V14	563673	5078759
V7	563000	5084000	V15	562793	5079409
V8	563026	5083198			

The ML extension application was viewed in Italian, and machine translated into English. Snowden Optiro can confirm that the application is dated 20 December 2019.

A view of the Oltre il Colle part of the Mining Lease (in red), the Riso Parina section of the mining lease (in red) and the EL (in blue), is shown in Figure 4.4.

Figure 4.4 EL (blue) and ML application (red)



Source: Altamin presentation, November 2021

Current status

The current status of the ML application is shown in Table 4.3. The EIS is an integral part of the mining licence application. In the updated EIS (termed the Studio Impacto Ambientale (SIA)) submission, the new Scoping Study findings were introduced. Altamin's environmental studies were incorporated into the EIS.

Following the latest EIS submission in late 2019 the Ministry of Ecological Transition replied with a comprehensive request for additional information and clarification (ISPRA, 2021), noting that "the documentation submitted lacks the level of detail required to conduct an adequate environmental compatibility assessment of the project illustrated".

Altamin announced to the ASX on 8 June 2022 that following the Company's application for renewal and extension of the Gorno Project's Monica Mining Licence (MML), the Ministry of Ecological Transition and the Ministry of Culture have published online a negative Decree in relation to the environmental impact assessment, or EIA. Whilst the Company is still reviewing the details of the Decree, this will likely result in the MML renewal application lapsing and substantive project tenure being retained under the existing Cime Exploration Licence (Cime EL).

Altamin's preliminary analysis indicates that the negative Decree arises partly because of opinions raised by stakeholders in relation to the Project's configuration and production rate, which was materially changed from the initial renewal submitted in 2019 to reflect the Scoping Study completed in 2021. The initial application was lodged at the time to prevent the existing MML from expiring and therefore prior to the significant 2021 Gorno Mineral Resource update and Scoping Study.

Certain technical aspects in the MML renewal application were not yet sufficiently detailed or the impacts analysed to a level that would ordinarily be addressed in a Definitive Feasibility Study (DFS). These requirements include more detailed visual impact, traffic and noise assessment; the water cycle of the project being assessed through the creation of a detailed hydrogeological model and for underground blasting to be assessed to determine if there will be material surface impacts.

Altamin now intends to:

- Conduct a detailed audit of the Decree's stakeholder opinions and a gap analysis of the MML submissions to understand what specific permit related outputs need to be generated by the DFS.
- Apply for the extension of the current Cime EL and for the variation of its approved program of work, to have the permission to start the Riso Parina tunnel rehabilitation and exploration prior to any mining licence being granted, and as required.
- Apply to convert the Cime EL to a mining licence once the DFS is largely completed, so that project details will be closely defined and engineering studies will be at a level sufficient for impacts to be assessed in the required detail.
- Utilise a combined permitting process called a Single Environmental Provision (SEP) to deliver all principal project authorisations and ancillary planning approvals required to commence production from the mine, in an expedited format.

Snowden Optiro has not reviewed this approach in any detail, but supports the approach to combine the environmental studies with the DFS.

Altamin has determined an approach to the permitting which would align re-submissions with the proposed DFS. However, they consider the delay to the investment decision to be no less than 6 months and not more than 18 months.

Snowden Optiro considers there to be a medium risk of further delay to the investment decision, and this risk has been reflected in the selection of the comparable transaction resource multiple, that is used in the valuation.

Table 4.3 Current status of the Gorno Project ML

Permit	Procedure	Authority	Status	Decree no.	Granting date	Validity years	Expiry date	Cost (€/ha/y)	ha	Total cost (€/y)	Notes
Monica	ML	Lombardy Region	Granted BM&T – expired	538	31 Jan 2002	18	1 Dec 2020	81.6	128	10,444.8	Last 1 month fee paid on 26 Feb 2020
			Transferred EMI – expired	845	6 Feb 2015						
			Renewal + extension under application. EIS rejected					81.6	1,115	90,984	2020 fee. To be annually updated with Consumer Price Index.
	VIA	Ministry of Environment	Under application. EIS rejected								

Notes: When granted, the registered owner will be Energia Minerals (Italia) S.r.l., who will own 100% of the licence. No liabilities are known to exist.

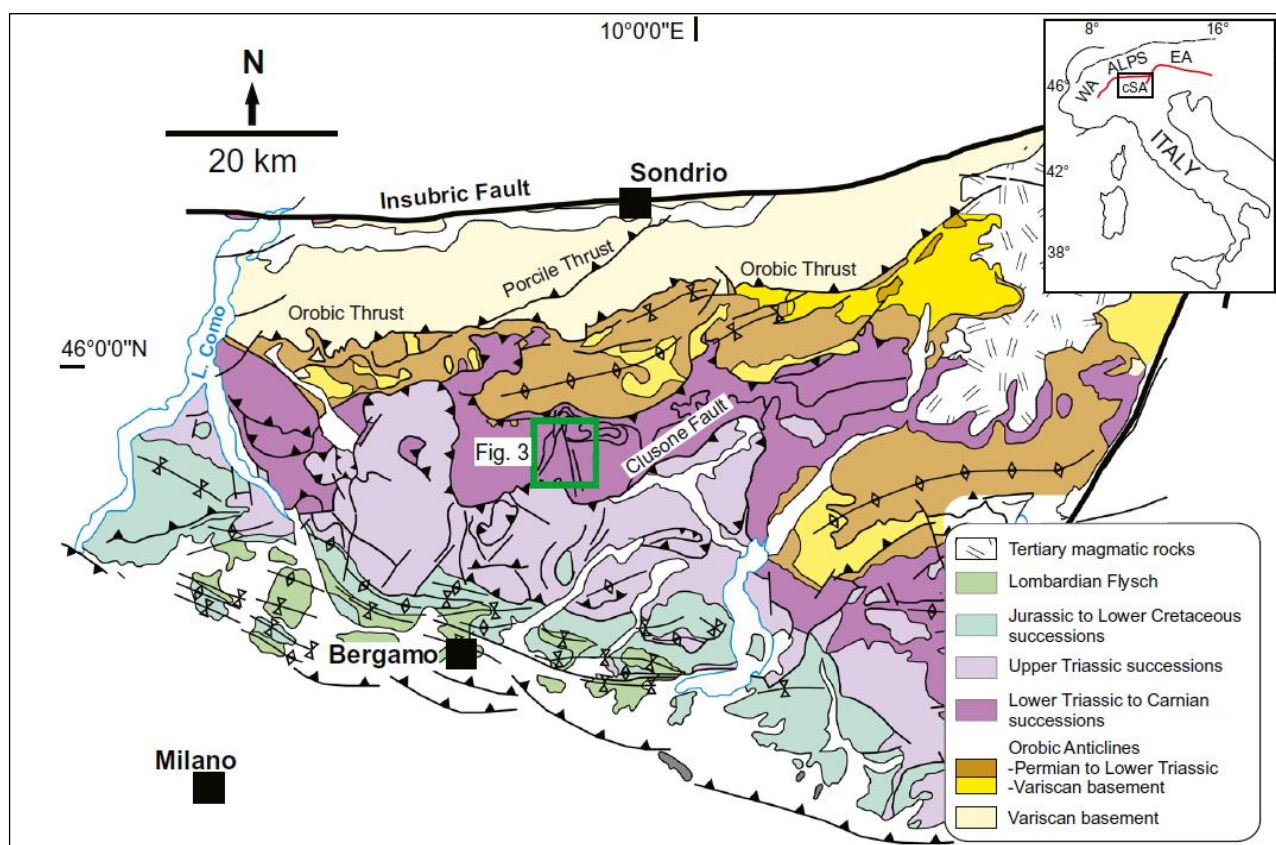
4.4 Regional geology

According to CSA Global (2021, 2022) and Mondillo et al. (2020), the Alpine zinc-lead district occurs within Triassic carbonates which were deposited in a broadly transgressive platform setting in a rift-sag basin environment that developed between North Africa (Gondwana) and Europe (Laurussia) accompanying the break-up of Pangea and opening up of the Neotethys (Figure 4.5).

The Gorno area is located in the western-central part of the Southern Alps, a low- to non-metamorphic south-verging thrust belt, separated from the north-verging (mainly metamorphic) Alps by the Insubric Line, a dextral transpressive fault, active mainly since the Oligocene (Mondillo et al., 2020). The Insubric Line bounds the northern part of the Southern Alps, which consists of pre-Alpine basement units tectonically thrust above basement-cored anticlines (known as Orobic anticlines), mostly made up of Permo-Carboniferous lithologies.

Moving southward, the southern limbs of the Orobic anticlines are overlain by back-thrusts of Lower Triassic to Carnian carbonate successions. These Lower Triassic to Carnian thrust sheets are overlain by imbricated Upper Triassic sedimentary rocks, which are also over-thrust on the Jurassic and Cretaceous units located in the proximity of the Po plain (Mondillo et al., 2020).

Figure 4.5 Geological sketch of the central Southern Alps (Gorno area is indicated by the green square)



Source: Mondillo et al. From *Alpine-type sulfides to nonsulfides in the Gorno Zn project (Bergamo, Italy): Mineralium Deposita* (2020) 55:953–970

Sulphide mineralisation (sphalerite, silver-bearing galena, minor pyrite, and chalcopyrite) paragenetically follow manganese-iron bearing saddle dolomite and sparry calcite. The mineral association agrees with precipitation from hydrothermal fluids in a deep burial setting. Sulphide emplacement occurred before the Alpine orogeny, likely during the Early-Middle Jurassic, in analogy to other Alpine-type deposits.

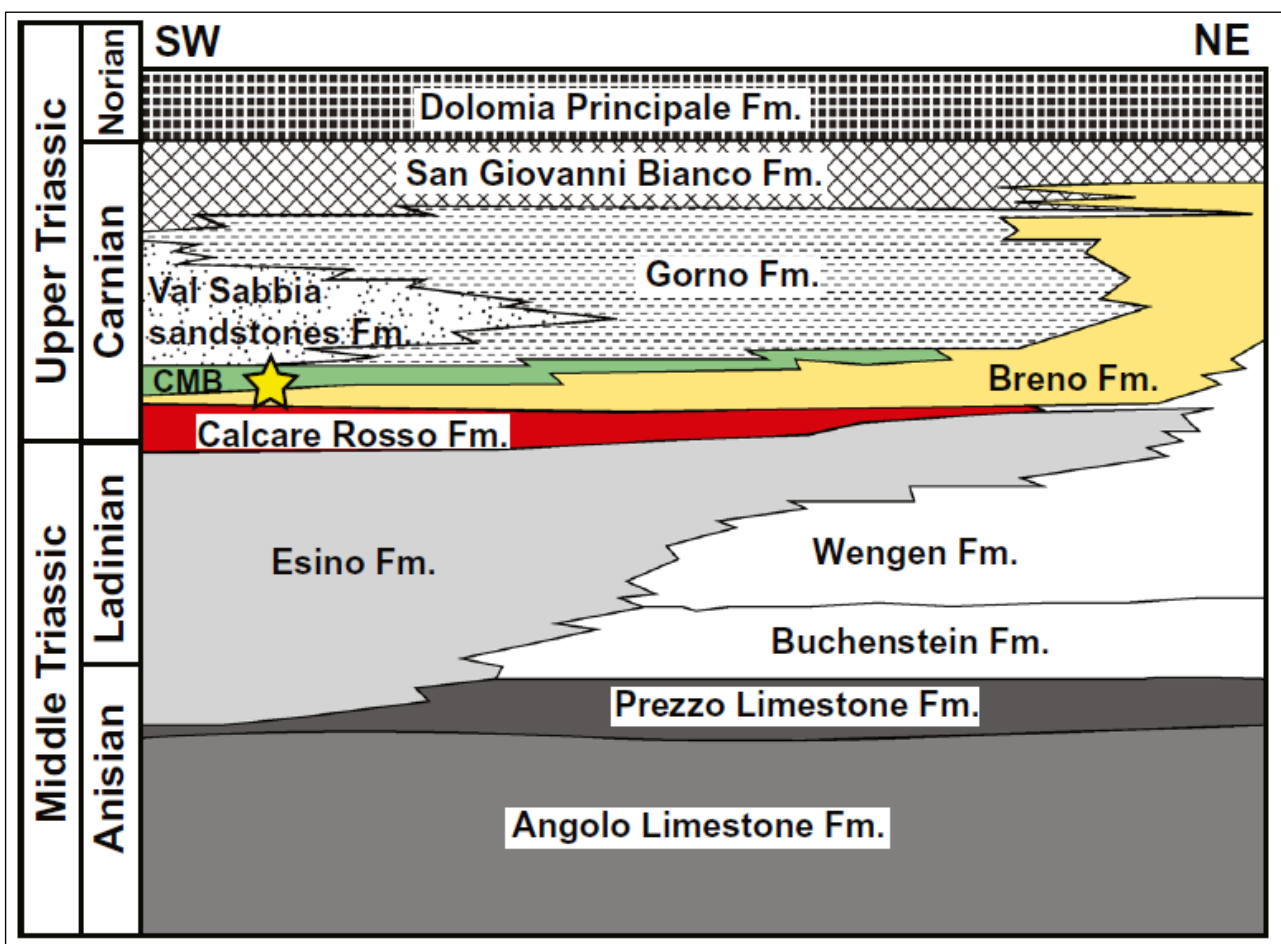
The Alpine zinc-lead mineralisation is generally accepted to be of low-temperature carbonate replacement style (MVT or Irish Type) and not related directly to magmatism. The timing of Alpine mineralisation within this belt has been variably interpreted as syngenetic (Carnian), “extensional” MVT (early Jurassic), or compressional MVT related to Alpine orogenesis (Miocene).

Gorno shares many fundamental features with other deposits in the Alpine zinc-lead district, which hosts four significant stratabound carbonate-hosted zinc-lead deposits in Ladinian-Carnian (Middle to Early Upper Triassic) carbonates. These deposits occur in the eastern Alps about 200 km east-northeast of Gorno. Although deposits can be large, historical production grades are low (c. 4–5% Zn, 1–2% Pb) with no silver credits; this is probably partly an inherent geological characteristic, though also reflecting the mining history.

4.5 Local geology

The Gorno area is dominated by Lower Triassic to Carnian carbonate rocks (Figure 4.6). The 250–300 m thick basal Angolo Limestone Formation carbonate is succeeded by basinal marly limestones (Prezzo Limestone Formation, 10–15 m thick), and platform carbonates (Esino Limestone Formation, 600–700 m). The successive Calcare Rosso Formation is the product of subaerial exposure and repeated meteoric diagenesis.

Figure 4.6 Stratigraphy of the Triassic successions of the Southern Alps (after Mondillo et al., 2020); the yellow star indicates the stratigraphic position of the zinc-lead ores



Source: Mondillo et al. *From Alpine-type sulfides to nonsulfides in the Gorno Zn project (Bergamo, Italy): Mineralium Deposita* (2020) 55:953–970

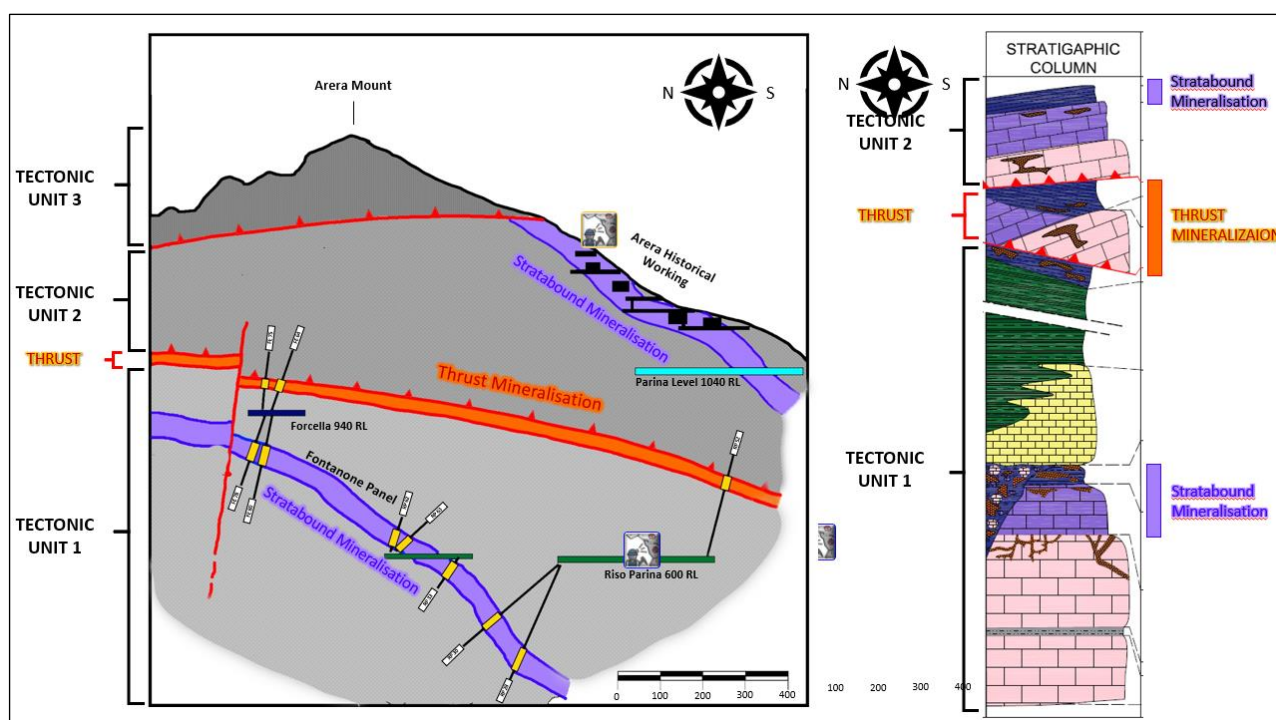
The Calcare Rosso is overlain by peritidal (Breno Formation) and dark subtidal limestones (Calcare Metallifero Bergamasco Formation, 80–100 m), followed in turn by 150–300 m of marls and limestones (Gorno Formation), laterally interfingering with deltaic sandstones (Val Sabbia Sandstones Formation).

Close to the Ladinian-Carnian boundary, tuffites and other volcanic deposits are interbedded on the top part of the Esino Limestone Formation and in the Breno Formation, pointing to the mentioned coeval volcanic activity in the surrounding areas. The Gorno Formation is followed by the terrigenous-carbonate deposits of the San Giovanni Bianco Formation, which include gypsum layers. The overlying Upper Triassic succession mainly consists of the carbonate platform system of the Dolomia Principale Formation, and of its coeval basinal facies.

The Gorno zinc-lead mineralised bodies occur in the lower Carnian Calcare Metallifero Bergamasco Formation (CMB), which in the study area (Oltre il Colle district) consists of well-stratified dark limestones (average thickness 10–35 m), with marly interbeds. The CMB is locally overlain by a horizon of black bituminous clayey sediments (“black shales”), which represent the basal part of the Gorno Formation, interfingering below the Val Sabbia Sandstones Formation.

The local stratigraphy is summarised in the 2021 CSA Global MRE report (CSA Global, 2021). The stratigraphic units modelled in the 2021 MRE are shown in Figure 4.7.

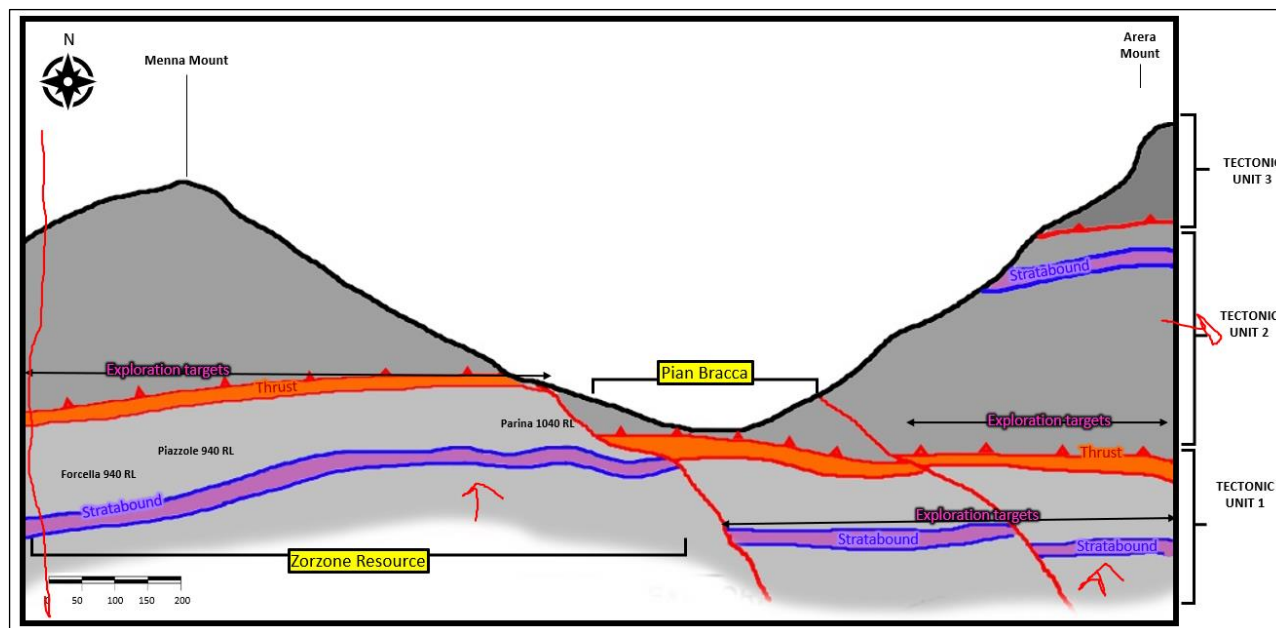
Figure 4.7 North-south section through Val Vedra and Arera, together with the stratigraphic column



Source: Altamin presentation, November 2021

An east-west section through the central part of Val Vedra is shown in Figure 4.8. This section shows the extreme topography and the location of the mineralisation styles.

Figure 4.8 East-west section through the central part of Val Vedra



Source: Altamin presentation, November 2021

The local structure is complex and involves the interplay of six structural units consisting of fold and thrust belts cut and displaced by multiple fault systems. The overall dip of stratigraphy in the project area is towards the south-southeast at approximately 22–30°, with local folding resulting in both flatter and steeper dipping stratigraphy, including approximately east-west orientated antiform and synform structures proximal to fault structures.

The western and eastern margins of the deposit are bounded by large faults with several hundreds of metres of displacement. There are a series of north-south and east-west faults within these bounding faults that have 10–50 m vertical displacements. This effectively breaks up the mineralised Metallifero unit into offset horst-graben blocks.

The mineralisation occurs in three forms:

- Massive, limestone hosted
- Interbedded black shale hosted
- Thrust-hosted.

The mineralisation is broadly stratabound and lies predominantly within the Metallifero which locally can be up to 40–80 m thick, but at times is located within the underlying Breno. Mineralisation in the upper Metallifero is more strongly stratiform in style, associated with black shale interbedded with carbonate. Stratabound “columnar” mineralisation is located mainly in the middle-lower portion of the Metallifero and forms north-south plunging trends which may be 200 m or more long, 50–100 m wide, and 3–20 m thick. Columnar mineralisation was more economically important and provided most historical production.

The mineralisation is dominated by sphalerite and galena (argentiferous), with secondary pyrite and trace amounts of other sulphides (copper). Primary sulphides have been oxidised by the ingress of meteoric waters (from surface or along faults) to smithsonite (zinc carbonate) and hydrozincite, with minor anglesite and cerussite. Gangue minerals are essentially calcite and quartz, which is accompanied locally by dolomite and ankerite.

Snowden Optiro’s review focused on the lithologies and on the mineralisation. At the core shed, the three main mineralised ore types were viewed in borehole GDD083 (shale-hosted mineralisation); borehole GDD094 (limestone-hosted mineralisation) and PBD06 (thrust-zone hosted mineralisation). In all three ore intersections, there were sharp hangingwall and footwall contacts, extensive honey-coloured fine-grained sphalerite mineralisation, and lesser amounts of galena mineralisation. It was noticeable that the sphalerite was finer grained in the thrust-hosted intersection.

Oxide mineralisation (mainly vuggy smithsonite and white coloured hydrozincite), was viewed in borehole PBD013. Hangingwall and footwall lithologies were also viewed.

Hand specimens of the various ore and gangue rock types were viewed in the office, in the core shed, and underground. A photo of the three main mineralised ore types is shown in Figure 4.9.

Figure 4.9 Hand specimens of the three main mineralised ore types



Source: Snowden Optiro site visit, 17 May 2022

4.5.1 Underground visits to Forcella and Ponente

Snowden Optiro's underground visits focused on viewing the geology and underground conditions at the following areas:

- At Forcella Level 940 RL, the following points of interest were visited:
 - Ore pass to Riso Parina (about 300 m high).
 - Black shale hosted mineralisation.
 - Inclined development/winze (Scala Santa) connecting to upper levels.
- At Ponente Level 1070 RL, the following points of interest were visited:
 - Raise/decline (Santa Scala) connecting to lower levels
 - Ladder (Scala Santa) connecting to Cascine Level 1125 RL, and thrust-hosted mineralisation. Channel samples CACH03 and CACH02 (including old workings) were viewed.
 - POCH02 channel sample in limestone-hosted high-grade mineralisation
 - POCH04 channel sample in high grade limestone-hosted mineralisation.

Underground conditions were invariably good, and the ore exposures were excellent.

4.6 Project history and exploration

4.6.1 Exploration history

Sampling data used in the CSA report has been exclusively derived from historical diamond core and percussion pre-production drilling completed by SAMIM between 1973 and 1980, diamond core drilling completed by Energia (a wholly owned subsidiary of Altamin) in 2015–2017 and from 2019 to the date of this report. All the drilling has been completed from underground mine/exploration development and is augmented with geological and structural mapping of accessible underground workings by SAMIM and Energia.

4.6.2 SAMIM

The last phase of exploration work from 1979 to 1981, including underground development and underground drilling, targeted previously unexplored autochthonous mineralisation below the thrust in the northern Val Vedra area which lies within Energia's project area.

The Val Vedra mineralisation is dominated by stratiform mineralisation in the upper Metallifero with black shale in the footwall. The Metallifero was subdivided into lower-middle Metallifero (equivalent to Breno Formation, 25–30 m thick) and upper Metallifero (Calcare Metallifero Bergamasco, 10–35 m thick). It is characterised by cyclical peritidal deposition with tuffaceous horizons. Limestones in the lower part are massive and light coloured becoming darker and interbedded with marl upwards. The upper Metallifero is characterised by black bituminous limestone with discontinuous black shales 0–4 m thick.

Exploration was completed from the 990 RL level (Piazzole), 940 RL level (Forcella) and 600 RL level (Riso Parina) within a 4 km² area, which at the time of reporting, approximately half of the target area had been explored. Exploration encountered a more complex structure than the predicted simple shallowly 25° south dipping monocline. The zone was broken up into three blocks with a central horst bounded by east-west faults with horizontal displacements of up to 1 km. Northeast-southwest faults offset the Metallifero within these blocks, with up to 200 m horizontal displacement.

At the report date, exploration of the central block was complete, was ongoing in the east, and initial drilling had confirmed the presence of the mineralised horizon in the west, amounting to 2 km strike of known mineralised Metallifero.

Stratiform mineralisation in black shales in the western zone was delineated from the Forcella and Piazzole levels over 400 m. The Riso-Parina drive crossed a fault into sandstone further west. Drilling from the Forcella level in the central Metallifero failed to intersect significant mineralisation. In the east, the north drive accessed limited columnar mineralisation in limestone. Exploration in the east was hindered by an overthrust between autochthonous and allochthonous units and a northeast-striking reverse fault.

4.6.3 Energia (2015 to 2017)

Access to and within much of the historical underground development on the 990 RL and 940 RL levels was restored by Energia over several years commencing January 2015. Energia also developed a 590 m long decline extending towards the southwest from the 940 RL level to drill mineralisation interpreted to extend down dip towards significant historical SAMIM drill intersections on the 600 RL level.

Energia completed 169 diamond core holes for 17,545.4 m of drill advance and 3,157 assayed intervals, mostly in the Zorzone area but extending into the western edge of what is now called the Pian Bracca corridor.

4.6.4 Energia (2019 to July 2021)

Energia commenced diamond drilling in November 2019, initially to the east of the Zorzone area in the Pian Bracca corridor before extending south into the Pian Bracca South area, and finally the Ponente area). Channel sampling was also undertaken in all three drilling areas. A breakdown of the drilling is listed in Table 4.4.

Table 4.4: Summary of Energia exploration activities (2019 to present)

Area	Costean			Drilling		
	Sites	Metres	Samples	Holes	Metres	Samples
Pian Bracca	14	35.08	42	54	4,839.80	1,358
Pian Bracca South	3	7.4	9			
Ponente	15	32.45	41	31	1,391.30	412
Cascine	2	4	4	-	-	-

4.6.5 Energia (July 2021 to present)

Since 21 July 2021, Energia has, inter alia, undertaken several exploration investigations comprising:

- Geological mapping and a review of core photos and assays which has produced a more representative and accurate interpretation of the oxide wireframes.
- Detailed surveying and mapping of six areas of historical sludge drilling to better characterise the host rock, structure and mineralisation within these areas. During these activities, the details of additional sludge drilling were discovered amongst the hard copy of the driller's record(s), and these holes have been added to the geological database.

Altamin's exploration expenditure at Gorno from 2015 to March 2022 has been €17.2 million and comprises predominantly drilling and exploration costs, including the cost of development of the Forcella exploration decline and portal, technical studies and ancillary costs directly incurred since the commencement of the project.

Total metres drilled from 2015 is summarised in Table 4.5 and comprises:

- 2015 to 2017 at Zorzzone: A total of 169 diamond core holes for 17,545.4 m of drilling and 3,157 assayed intervals
- November 2019 to April 2021 at Pian Bracca and Pian Bracca South: A total of 54 diamond core holes, 4,839.8 m of drilling and 1,358 assayed intervals
- February to June 2021 at Ponente: A total of 31 diamond core holes, 1,391.3 m of drilling and 412 assayed intervals.

Table 4.5 Total drilling, 2015 to 2022

Time period	Total metres	Assayed intervals (m)
2015 to 2017	17,545.4	3,157
2019 to 2020	4,839.8	1,358
2020 to 2021	1,391.3	412
Subtotal – 2015 to 2021	23,776.5	4,927
2022	120.0	-
TOTAL	23,896.5	4,927

A total of 78.9 m has been channel sampled, and 96 assays collected from 34 sites.

The initial Monica ML acquisition is not included in the above expenditure, as the Company's accounting policy was to capitalise the initial cost of the licence acquisition.

4.6.6 Production history

Production records are available for various production periods, namely 1949, 1959, and 1968.

The 1948 records show mining of Blenda (mostly sulphidic ore) at Gorno, and Calamina (mostly oxidic ore) at Oltre il Colle. A total of 93 kt were mined at an average grade of 12.97% Zn.

Production records for the Riso Parina plant for 1955 and 1968 show higher tonnages, at lower grades. In 1968, approximately 17 kt per month were mined at an average head grade of 4.5–5.1% Zn. The zinc oxide proportion of this grade was approximately 50%.

It should be noted that historical production records are scant, unreliable, and incomplete. Anecdotal evidence indicates that much of the mining was focused on oxide ores (Calamina).

4.7 Mineral Resource review

4.7.1 Data provided

All data used in resource estimation was provided in the form of:

- The Jorvik 2017 MRE report
- The CSA Global MRE reports (July 2021 and November 2021)
- The CSA Global Scoping Study report (prepared in November 2021, and last edited on 2 March 2022)
- The drillhole database
- Topography digital terrain model (DTM)
- Lithology wireframes
- Mineralogy wireframes
- Oxidation wireframes
- Fault wireframes
- Stopes, shafts and development wireframes
- MRE block model and exploration zone block model.

The data was loaded into Datamine Studio RM software for review.

4.7.2 Drilling

The drilling data was provided as collar, survey, assay, lithology and density tables. The database consists of:

- Diamond drilling from the historical SAMIM period (1980–2015), Energia ownership period (2015–2017), and recent Altamin drilling
- Historical sludge drilling, used for stope design and detailed mapping/mineralisation definition during short-term mine planning (usually drilled on a very dense spacing ~5 m from existing development)
- Some minor channel sampling (107 total samples).

The November 2021 MRE is based upon the following data:

- Historical drilling of 208 diamond core holes for 19,583.2 m of drilling
- Historical drilling of 1,475 percussion holes for 32,439.4 m of drilling
- At Zorzone, a total of 169 diamond core holes for 17,545.4 m and 3,157 assayed intervals from 2015 to 2017
- At Pian Bracca, Ponente and Cascine, a total of 78.9 m of channel sampling and 96 assays from 34 sites between March 2018 and April 2021
- At Pian Bracca and Pian Bracca South, a total of 54 diamond core holes for 4,839.8 m and 1,358 assayed intervals from November 2019 to April 2021
- At Ponente, a total of 31 diamond core holes for 1,391.3 m and 412 assayed intervals from February to June 2021.

The orebodies have been assessed based on detailed validation of irregularly spaced diamond drilling that intersected a number of mineralised lenses on an approximate 40 m x 40 m or less drill spacing. There are sufficient data points to model the mineralisation over a strike length of approximately 1,700 m, and a maximum dip direction of 1,800 m. The mineralisation remains open in all directions.

The CSA Global MRE removed all sludge drilling and channel sampling, which Snowden Optiro verified to be the correct method for resource estimation, as the sludge and channel sampling is strongly biased and over-representative of high-grade mineralisation.

The CSA Global report states that the sludge drilling was used to inform the outlines of the mineralisation during wireframing, as discussed further in the section on wireframing.

4.7.3 Quality assurance/quality control

The QAQC analysis of the drilling data from 2019 to 2021 in the CSA Global report (CSA Global, 2021) was reviewed by Snowden and found to be industry standard, with a high level of confidence and precision.

Snowden Optiro reviewed the QAQC analysis from the 2015–2017 Energia period in the independent Jorvik MRE report. These show the drilling and preparation procedures to be industry standard, with a high level of confidence and precision.

The Jorvik report also details drillhole twinning between the:

- Energia vs SAMIM twin diamond drillholes (x 3 pairs) comparing stratigraphy and mineralisation logging, and both sample and composite drill intersection zinc grades
- Energia diamond drillhole twins of SAMIM percussion (sludge holes) compared by sample and composite drill intersection zinc grades.

Jorvik concluded that there was no evidence of systematic bias in the grades of SAMIM diamond drillholes compared to the Energia twin holes and that the assay data for the SAMIM diamond drillholes is suitable for input to Mineral Resource estimation. However, the comparison dataset is small and the confidence in the reliability of the sampling and assay results for SAMIM diamond drillholes is less than for the Energia diamond drillholes.

Snowden Optiro recommends that this be appropriately considered in lower-confidence classification of Mineral Resources where the mineralised regions are dominated by SAMIM diamond drilling.

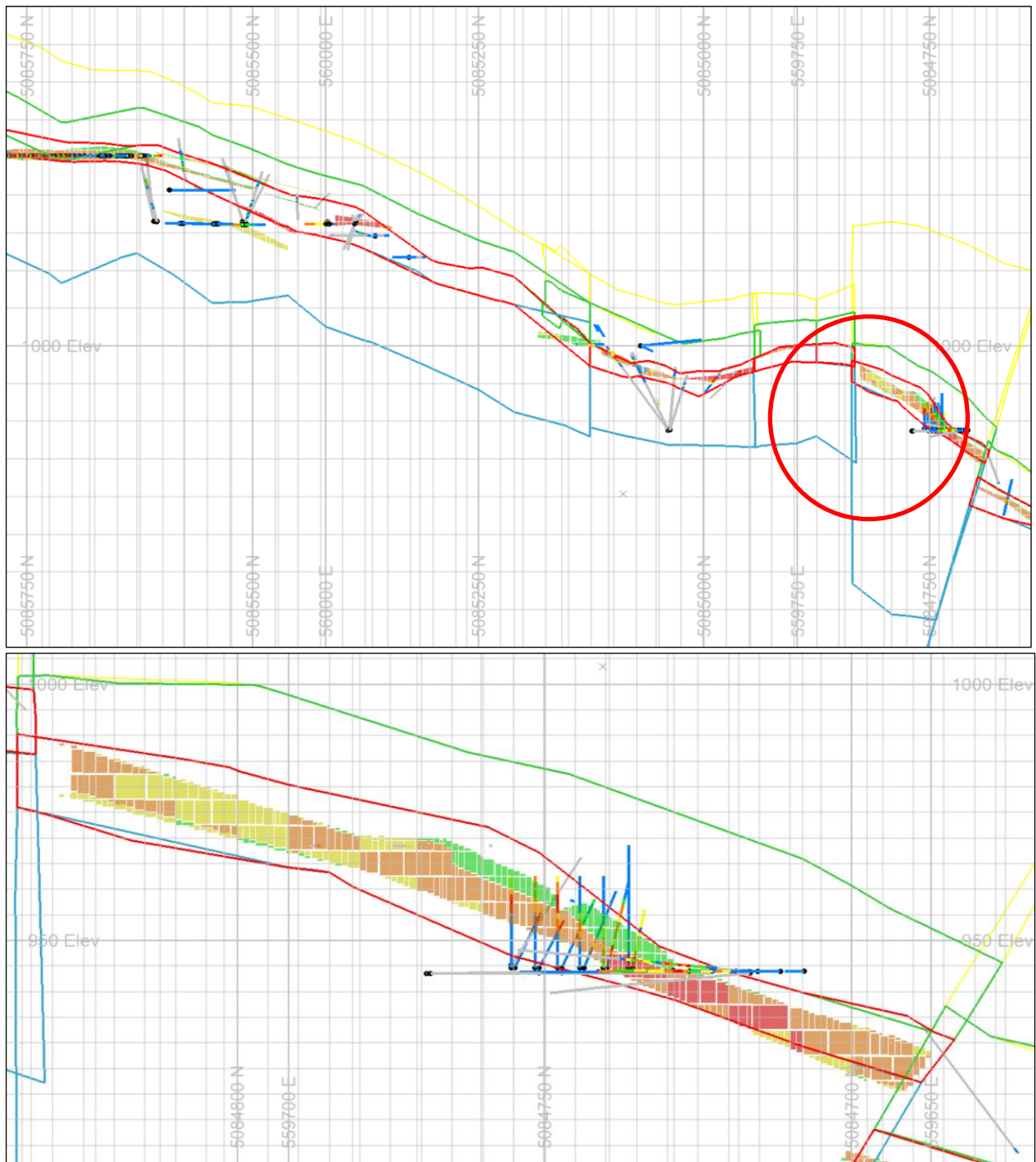
4.7.4 Wireframing

Snowden Optiro reviewed the wireframes that were used during the construction of the block model. Below the main points are listed and issues highlighted from the review:

- The geology/lithology wireframes are appropriate and well modelled (Val Sabbia, Gorno, Metallifero, Breno and Esino units). However, these are not clipped to each other and overlap in places (Figure 4.10). This should be addressed in future estimation exercises, prior to coding of the block model.
- Oxide zone wireframes are vertical/subvertical and follow structures that allowed ingress of meteoric fluids. These are coded into the block model appropriately.
- The mineralisation is offset by faulting, and this is appropriately modelled by planar wireframes representing the faults.
- The mineralisation is modelled separately to the lithological units; it sits within the Metallifero and Breno units in different zones across the deposit. There are two wireframes – high grade containing >2% Zn, and low grade containing >0.5% Zn. There are insignificant amounts of lead outside of these mineralised domains.

The main geological units and main faults that control the mineralisation were interpreted and modelled using geological logging and structural codes in the databases. The georeferenced historical geological cross-sections were also used as a template for interpretation. The five main geological units were interpreted and modelled – Esino, Breno, Metallifero, Gorno and Val Sabbia – and used to control the directions of the interpreted mineralised bodies.

Figure 4.10 Lithological wireframes – north-south section looking east (red circle in upper image corresponds to lower image)



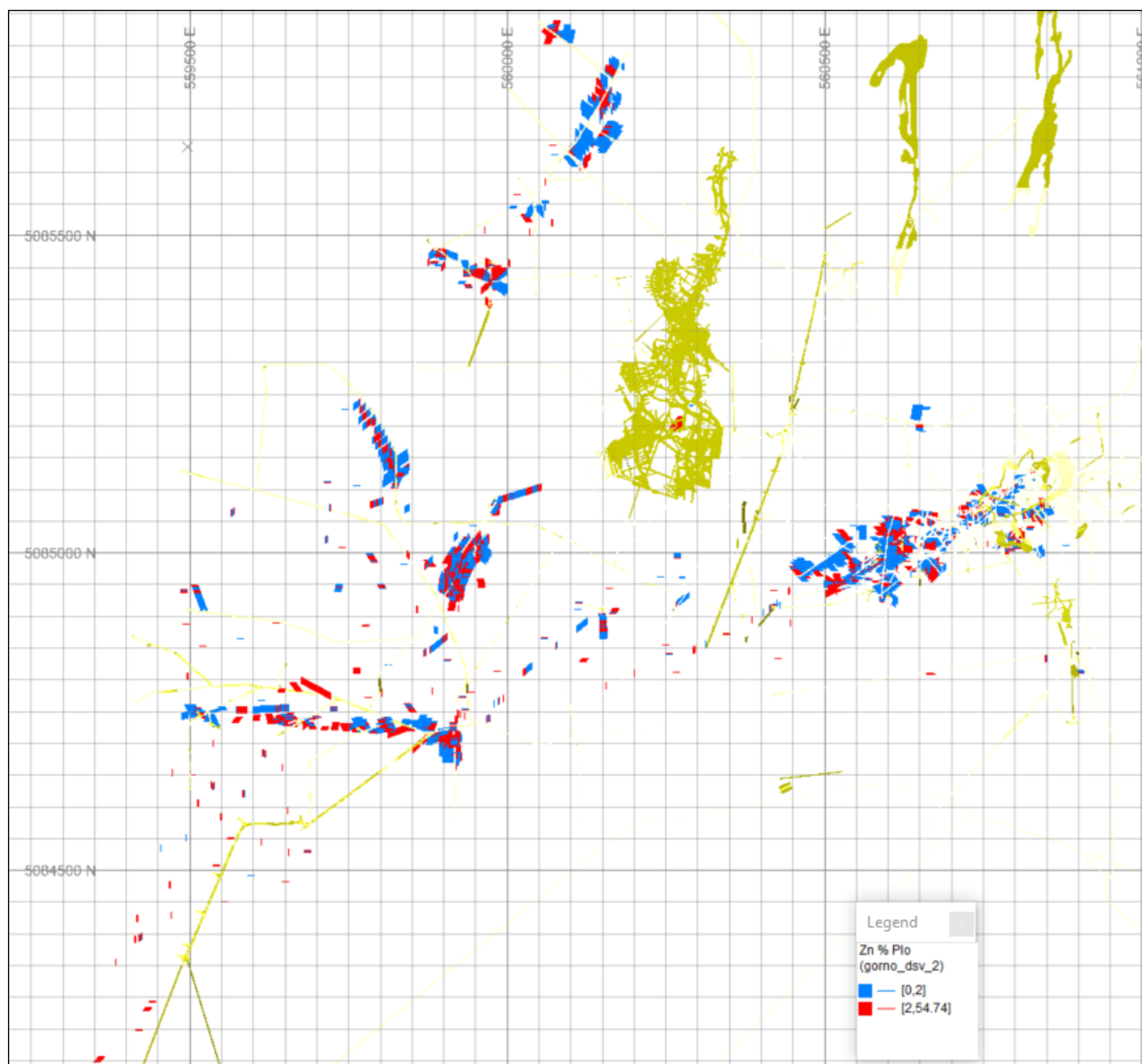
Source: Altamin; Snowden Optiro analysis

Mineralisation wireframes

Snowden Optiro reviewed the mineralisation wireframes to quantify the presence of dilution and grade smearing in the model. Snowden Optiro identified that 45% of drillhole samples inside the 2 % Zn grade shell are below 2 % Zn. This represents significant dilution and can lead to overestimation of total contained metal in the deposit. In the low grade 0.5 % Zn wireframe, there is a more reasonable 20 % of drillhole samples below 0.5 % Zn.

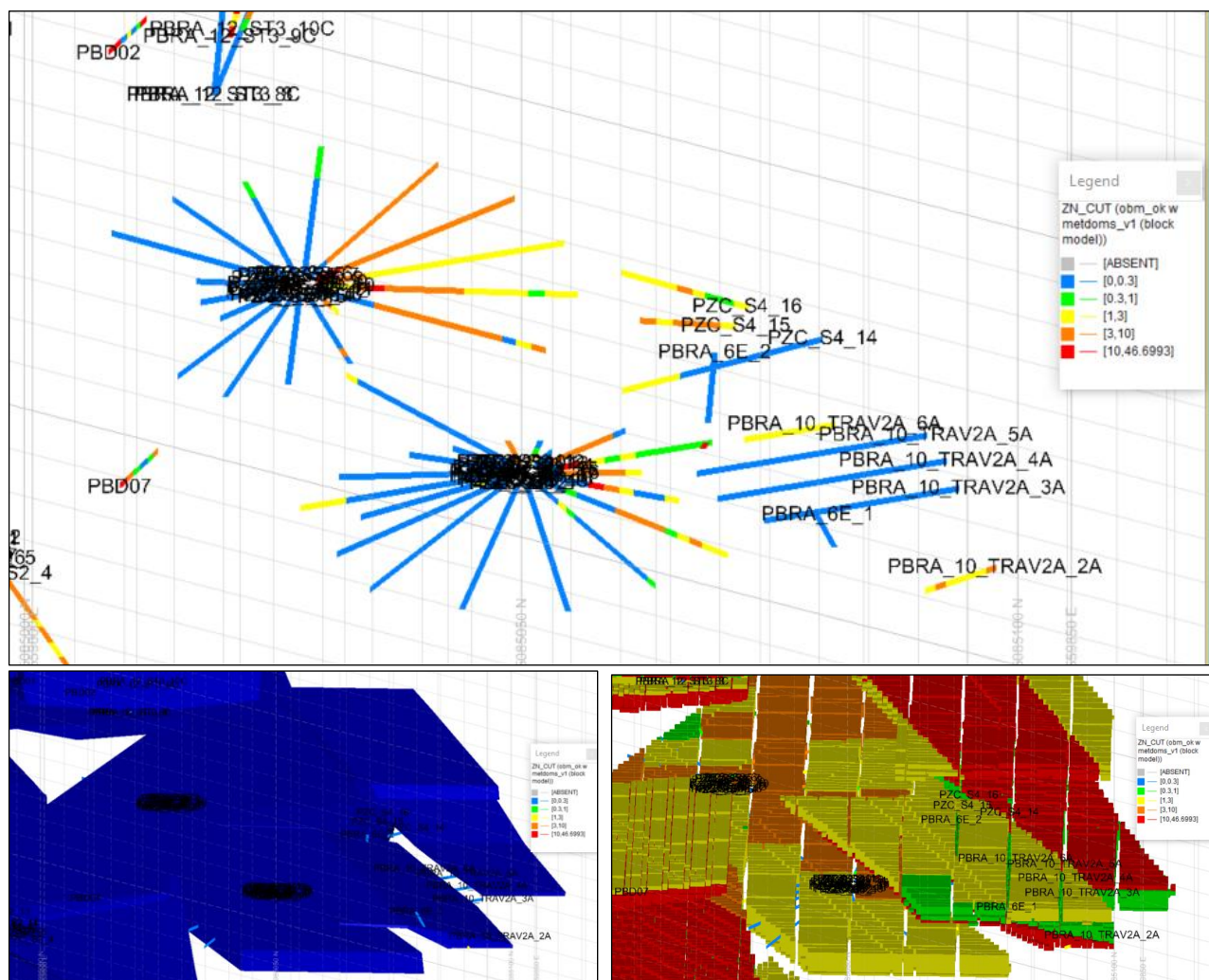
The two figures below (Figure 4.11 and Figure 4.12) show the significant inclusion of <2 % Zn drillhole samples, and the smearing of economic zinc grades into barren zones.

Figure 4.11 All samples within the 2% Zn wireframe (blue coloured samples are <2% Zn)



Source: Altamin; Snowden Optiro analysis

Figure 4.12 Three views of the same image (top image shows the drillhole grades, bottom left shows the mineralised wireframes, and bottom right shows the estimated block grades)



Source: Altamin; Snowden Optiro analysis

Snowden Optiro considers the dilution in the high grade (>2 % Zn) portion of the model to be high, and that in the Indicated portion of the deposit, the dilution should have less drillhole samples below the grade wireframe threshold.

The wireframe models do not quantify the pinch and swell of mineralisation in the deposit. The mineralised wireframes are modelled as continuous without pinch-outs, which is an artifact of explicit string/wireframe modelling. Drillhole intersection analysis indicates that barren portions are included, so thickness variations are incorrectly modelled.

Snowden Optiro recommends that the wireframes be remodelled to exclude the low grade drillhole samples, and limit extrapolation of grade into barren areas of the deposit. Snowden Optiro recommends using the underground/face mapping to add in geological control, and to understand the changes in mineralisation thicknesses on multiple scales.

The possible overestimation of thickness continuity of >2 % Zn mineralisation, and associated smearing of high grades, has been addressed through the lower confidence classification (Indicated and Inferred), with no Measured Resources being appropriately declared. Further valuation impacts are addressed in the valuation section of this report.

4.7.5 Estimation parameters

Snowden Optiro reviewed the estimation parameters with the main points and issues highlighted during the review, summarised as follows:

- The percussion/sludge drillholes were removed prior to estimation.
- Appropriate top cutting was applied to zinc, lead, and silver based on different domains.
- The modelled semi-variogram ranges are greater than the sample spacing. This implies that a significant proportion of first pass estimated resources can be included in the Indicated Resource category, since there should be a sufficient number of samples and drillholes within the first search radii.
- Dynamic anisotropy was used to estimate the block grades, based on the orientation of the mineralised wireframes.

Snowden Optiro considers this method to be industry-standard. Some peripheral blocks show artifacts from the shape of the search ellipse; however, these are in unclassified zones, and are not material.

4.7.6 Variography

Snowden Optiro reproduced the variograms in the CSA Global model:

- The zinc variogram ranges and nugget are appropriate ~90 m x 60 m x 12 m. The minor axis range could be reduced to <6 m based on the downhole variogram. This is a minor change.
- The lead variograms – ranges and nugget are appropriate ~70 m x 60 m x 5 m.

4.7.7 Density

Density estimation used regression formulas. The CSA Global database contained 1,321 direct measurements of bulk density values, which were merged with the analytical data file, and then used to derive the regression formulas.

Each model cell was assigned a density value using the following formula:

- Density for low-grade domain (t/m^3) = $2.681172 - (Zn\ (\%) * 0.006612) + (Pb\ (\%) * 0.101949)$
- Density for high-grade domain (t/m^3) = $2.664311 + (Zn\ (\%) * 0.018083) + (Pb\ (\%) * 0.026844)$.

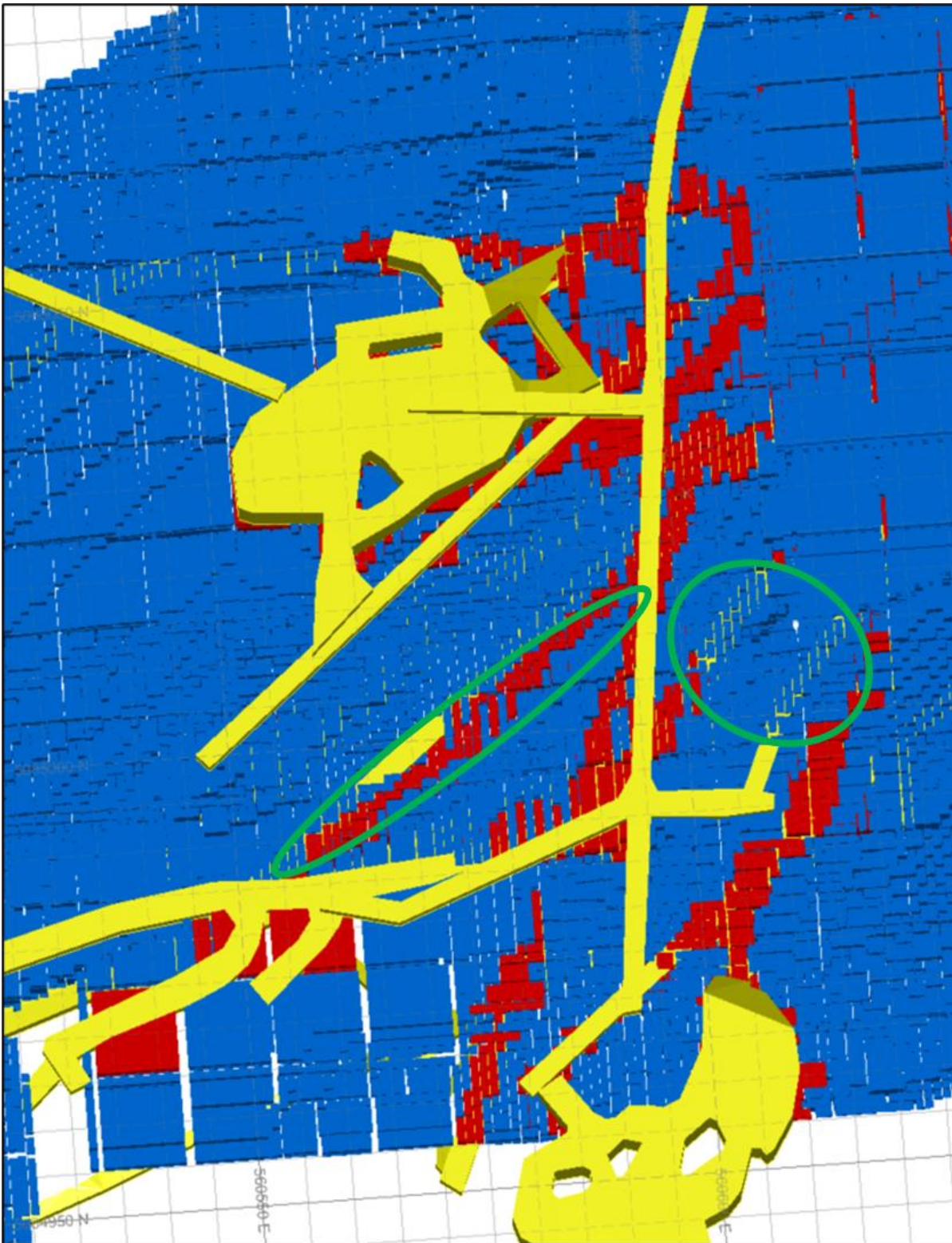
Snowden Optiro considers this to be an industry-standard method, and appropriate for use.

4.7.8 Block models

The block models were reviewed in detail, and Snowden Optiro's review and findings are summarised below:

- The resource and exploration block models overlap in areas, meaning that total metal is being double counted in areas. This is a minor issue.
- The exploration block model has missing blocks in areas, due to inappropriate sub-blocking not filling the mineralised wireframes. This is a minor issue.
- A mined-out field is coded into the model but is miscoded in places (Figure 4.13). This is a minor issue.
- The oxide portion of the Gorno deposit is modelled in two ways:
 - Using the small number of direct oxide assay results, and coded into the block model
 - Coded and reported within the oxide wireframes (this is reported in the resource statement).

Figure 4.13 Mined-out blocks (red), development wireframes (yellow), and mismatches (green circles)



Source: Altamin; Snowden Optiro analysis

The tonnage of mixed sulphide/oxide material within these fault systems is expected to be in the range of 10–14% of the total Mineral Resource with zinc oxide grades of between 4% and 6%, and minor oxide mineralisation in the predominantly sulphide mineralisation, which has been unproblematic in all recent metallurgical testwork and historical production to date.

Snowden Optiro identifies that a more complex and representative model of the proportion of oxide material in the deposit needs to be created. This should form part of a geometallurgical model constructed during the next phase of work.

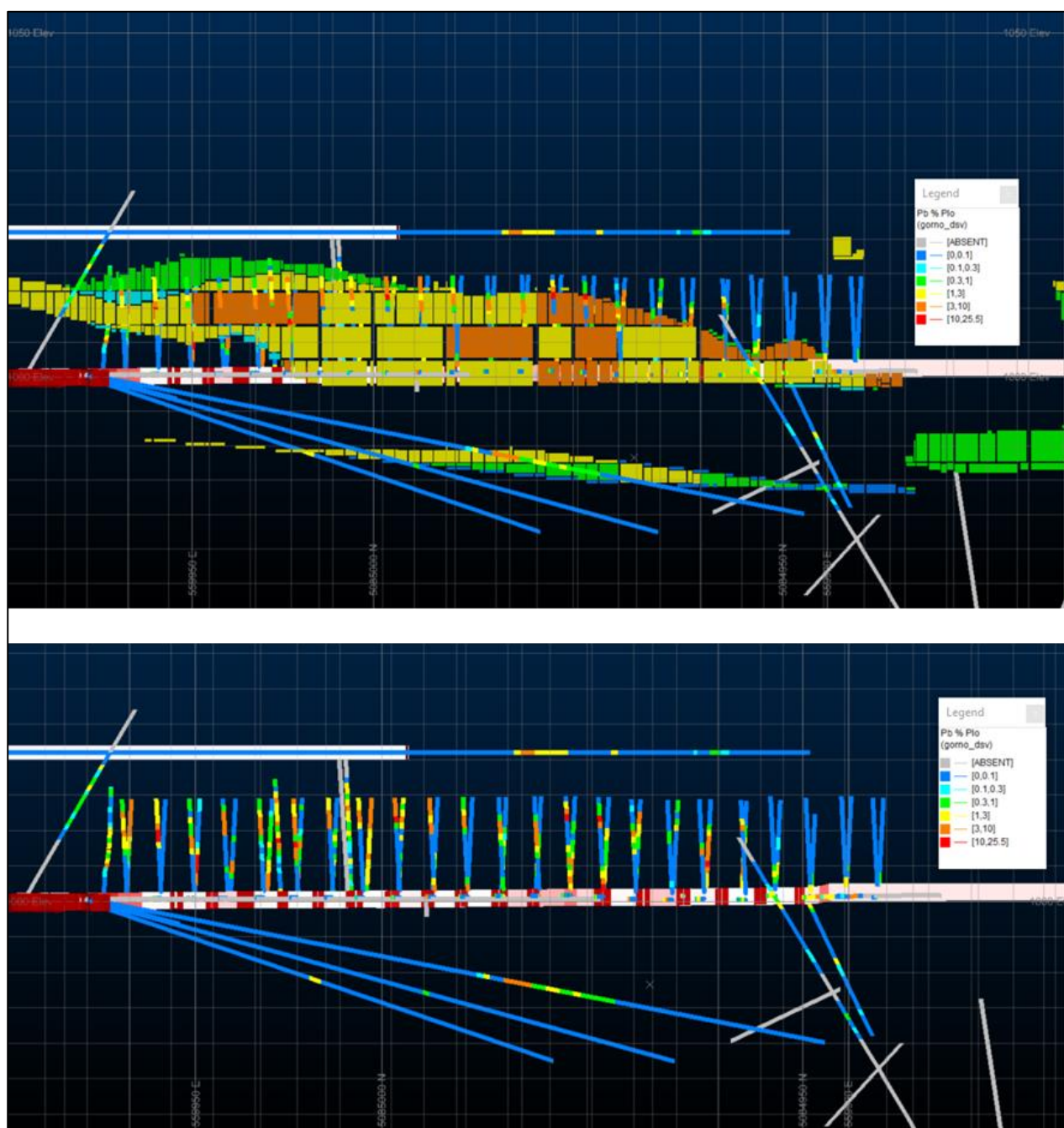
4.7.9 Resource classification and validation

Snowden Optiro was able to reproduce the resource tonnages and grades provided in the resource tables.

- The total resource reproduced exactly.
- The Indicated Resource increased slightly (<10%) and the Inferred Resource decreased slightly. This is likely to be due to updated wireframes in the period since the CSA Global report.
- The sulphide and oxide proportions of the deposit are slightly different (<10%).

Snowden Optiro ran swath plots and visually validated the block model on sections; these show significant grade-overestimation against the input drillhole samples. The sections in Figure 4.14 show smearing of grade into barren zones.

Figure 4.14 Block model grade-smearing into barren areas (top image shows mineralised blocks, bottom image shows the barren drillhole intercepts)



Source: Altamin; Snowden Optiro analysis

The swath plots show that:

- Estimated mean zinc grade in the Indicated Resource is 5.66% Zn vs 4.45% Zn sample grade
- Estimated mean zinc grade in the Inferred Resource is 5.33% Zn vs 3.79% Zn sample grade
- Estimated mean lead grade in the Indicated Resource is 1.49% Pb vs 1.11% Pb sample grade
- Estimated mean lead grade in the Inferred Resource is 1.37% Pb vs 1.00% Pb sample grade.

Snowden Optiro considers the grade overestimation to be due to the incorporation of barren zones into the wireframes, and the subsequent smearing of high zinc and lead grades into barren zones. There is potential overestimation of ore tonnage and thus contained metal in the current model. This is particularly problematic in the Indicated portion of the deposit.

Snowden Optiro recommends that the wireframing be remodelled as described in Section 4.7.4.

4.7.10 Snowden Optiro comments

Snowden Optiro has summarised the findings from the review below and highlighted the issues that have been taken into account in the valuation.

Mineral Resource estimate

Snowden Optiro has identified that there may be overestimation of ore tonnage and contained metal in the current mineral resource model. This is due to modelling of mineralised wireframes that include significant barren zones. This has the added effect of incorporating significant dilution into the model.

Snowden Optiro recommends that a geometallurgical model is created during the next phase of project development to incorporate priority changes and should include:

- Domaining of mineralisation based on ore types (three types identified in the field and from drilling).
- Use of underground face mapping, and percussion/sludge drilling to inform the boundaries of the mineralised domains and lithological models. This will reduce the effect of grade smearing and dilution and improve confidence in the spatial location of ore.
- More conservative grade shell modelling, using mapping and all drillhole information, and excluding barren drillhole intervals.
- An analysis of use of 1% Zn and 0.5% Zn wireframes to control grade estimation instead of the 2% Zn wireframe.
- Incorporation of a proportion of oxide (oxide/sulphide ratio) into each block, based on the assays currently available. This will inform the processing route going forward.
- Re-interpretation and re-coding of the lithological units and mined-out zones into the block model.

Classification

The classification of the Gorno deposit should be re-assessed once an updated resource model is created incorporating all the changes identified in the previous section (particularly focusing on removing grade smearing, tonnage over-estimation, and dilution). There may be scope to include Measured Resources in the higher confidence zones of the deposit.

Higher confidence classification should also only be applied in areas with the highest density of 2015–2017 and 2019–present drilling.

The lower confidence areas in the resource have been taken into account through the classification as Indicated and Inferred Resources. The risk that tonnages and grades could drop by up to 10% in the next resource estimate is considered in the valuation.

4.8 Mineral Resources

CSA Global (2021) defined Indicated and Inferred Mineral Resources over a portion of the Val Vedra and Arera mining areas. These have been defined either adjacent to historical mined out areas, and where exploration since 2015 has been undertaken. In addition, Exploration Targets have been defined where limited information is available.

Snowden Optiro has reviewed the Mineral Resources and Exploration Targets and the steps taken to provide a resource estimate. CSA Global published a Competent Person's report in November 2021, in which the Mineral Resources shown in Table 4.6 were reported.

Table 4.6 Gorno Mineral Resources at 1.0% Zn cut-off grade, 5 November 2021

Gorno Mineral Resources at 1.0% Zn cut-off grade, 5 November 2021								
Domain	Category	Tonnes (kt)	Zn		Pb		Ag	
			%	kt	%	kt	g/t	koz
Sulphide	Indicated	5,000	6.7	335	1.7	86	33	5,380
	Inferred	2,060	7.2	149	1.8	38	31	2,040
	Subtotal	7,060	6.9	484	1.8	124	33	7,420
Oxide	Indicated	670	6.0	40	1.8	12	26	560
	Inferred	70	7.0	5	1.8	1	26	60
	Subtotal	730	6.1	45	1.8	13	26	620
TOTAL	Indicated	5,660	6.6	375	1.7	98	33	5,940
	Inferred	2,130	7.2	153	1.8	39	31	2,100
	TOTAL	7,790	6.8	528	1.8	137	32	8,040

Notes:

- Mineral Resources are based on JORC Code definitions.
- A cut-off grade of 1.0% Zn has been applied.
- A bulk density was calculated for each model cell using regression formulas: bulk density for low-grade domain = $2.681172 - \text{Zn}(\%) * 0.006612 + \text{Pb}(\%) * 0.101949$; bulk density for high-grade domain = $2.664311 + \text{Zn} * 0.018083 + \text{Pb} * 0.026844$.
- Rows and columns may not add up exactly due to rounding.

4.9 Previous Mineral Resource estimates

In July 2021, CSA Global applied conventional block modelling techniques to estimate Mineral Resources which were reported using a 1% Zn cut-off grade. The MRE reported by CSA Global is summarised in Table 4.7.

Table 4.7 Mineral Resources estimated by CSA Global in July 2021, where Zn >1%

Gorno Mineral Resources at 1.0% Zn cut-off grade, 1 July 2021								
Domain	Category	Tonnes (kt)	Zn		Pb		Ag	
			%	kt	%	kt	g/t	koz
Sulphide	Indicated	4,020	6.9	280	1.8	70	32	4,170
	Inferred	2,770	6.9	190	1.7	50	33	2,970
	Subtotal	6,790	6.9	470	1.8	120	33	7,140
Oxide	Indicated	780	6.1	50	1.8	10	29	730
	Inferred	220	5.8	10	1.4	0	24	170
	Subtotal	1,000	6.0	60	1.7	20	28	900
TOTAL	Indicated	4,790	6.7	320	1.8	90	32	4,900
	Inferred	3,000	6.8	210	1.7	50	33	3,140
	TOTAL	7,790	6.8	530	1.8	140	32	8,040

Notes:

- Mineral Resources are based on JORC Code definitions.
- A cut-off grade of 1.0% Zn has been applied.

- A bulk density was calculated for each model cell using regression formulas: bulk density for low-grade domain = $2.681172 - \text{Zn}(\%) * 0.006612 + \text{Pb}(\%) * 0.101949$; bulk density for high-grade domain = $2.664311 + \text{Zn} * 0.018083 + \text{Pb} * 0.026844$.
- Rows and columns may not add up exactly due to rounding.

The MRE developed by CSA Global in July 2021 (Table 4.7) was based on the same data files, mineralised wireframe models and general interpretation, thus the total tonnage and average grades for the July 2021 and November 2021 MREs are the same. However, the updated model has a different distribution of Mineral Resource classification and oxide/sulphide breakdown because of the additional data and updated level of confidence in the geological interpretation. The MRE extends over the Zorzone area of the Gorno Mine and partially into the Ponente and Pian Bracca areas.

The Zorzone MRE was completed by Jorvik for Energia in May 2017. Jorvik applied conventional block modelling techniques. The MRE reported by Jorvik using a 1% Zn cut-off grade is shown in Table 4.8.

Table 4.8 Gorno Mineral Resources estimated by Jorvik in May 2017, where Zn >1%

Classification	Tonnes (Mt)	Total Zn		Zn oxide		Total Pb		Pb oxide		Ag	
		Grade %	Metal (kt)	Grade %	Metal (kt)	Grade %	Metal (kt)	Grade %	Metal (kt)	Grade g/t	Metal (Moz)
Indicated	2.0	4.9	97.0	0.7	14.0	1.3	26.0	0.3	5.0	31.0	2.0
Inferred	1.4	4.6	62.0	0.9	13.0	1.2	17.0	0.4	5.0	21.0	0.9
Total	3.3	4.8	160.0	0.8	27.0	1.3	42.0	0.3	10.0	27.0	2.9

Notes:

- Mineral Resources are classified according to JORC Code definitions.
- All results have been rounded to two significant figures
- Rows and columns may not add up exactly due to rounding.

The previous MRE was based on the individual interpretation of mineralised bodies using a 1.0% Zn cut-off grade. The total reported tonnage was about 11% lower relative to the November 2022 estimate, and the reported average grades were about 15% lower. The differences are explained by the following:

- The 2021 MRE is based additional exploration information and on a better understanding of the geological and structural domains which better distinguishes the mineralised bodies
- The use of grade domaining to separate the mineralised bodies into low-grade and high-grade domains

4.10 Exploration potential

On 8 September 2021, Altamin reported an Exploration Target to the ASX for an area within and surrounding the Gorno Mine. The Exploration Target comprises 13 areas identified within the Company's granted EL. The Exploration Target areas, reported as ranges in accordance with the JORC Code, and signed off by a Competent Person, are shown in Table 4.9.

Table 4.9 Exploration Target areas

Target area	Tonnes (from)	Tonnes (to)	Zn % (from)	Zn % (to)	Pb % (from)	Pb % (to)	Ag g/t (from)	Ag g/t (to)
1	880,000	1,150,000	6.4	7.8	1.3	1.6	20	25
2	310,000	400,000	6.4	7.8	1.4	1.7	15	19
3	460,000	600,000	1.9	2.3	0.4	0.4	5	6
4	130,000	170,000	1.5	1.8	0.5	0.7	15	18
5	430,000	570,000	4.0	4.9	0.9	1.1	10	13
6	2,250,000	2,930,000	3.4	4.1	0.7	0.8	3	4
7	400,000	520,000	2.9	3.6	0.8	1.0	16	19
8	1,400,000	1,820,000	5.9	7.3	1.4	1.7	14	17
9	1,880,000	2,440,000	4.3	5.2	0.8	1.0	10	12
10	1,710,000	1,900,000	12.0	14.6	2.1	2.6	46	56
11	3,860,000	4,640,000	15.1	18.5	3.9	4.7	34	42
12	1,010,000	1,310,000	7.1	8.6	1.6	1.9	28	34

Target area	Tonnes (from)	Tonnes (to)	Zn % (from)	Zn % (to)	Pb % (from)	Pb % (to)	Ag g/t (from)	Ag g/t (to)
13	2,760,000	3,590,000	9.7	11.9	2.2	2.6	3	4
Total	17,400,000	22,000,000	8.5	10.4	1.9	2.4	19	23

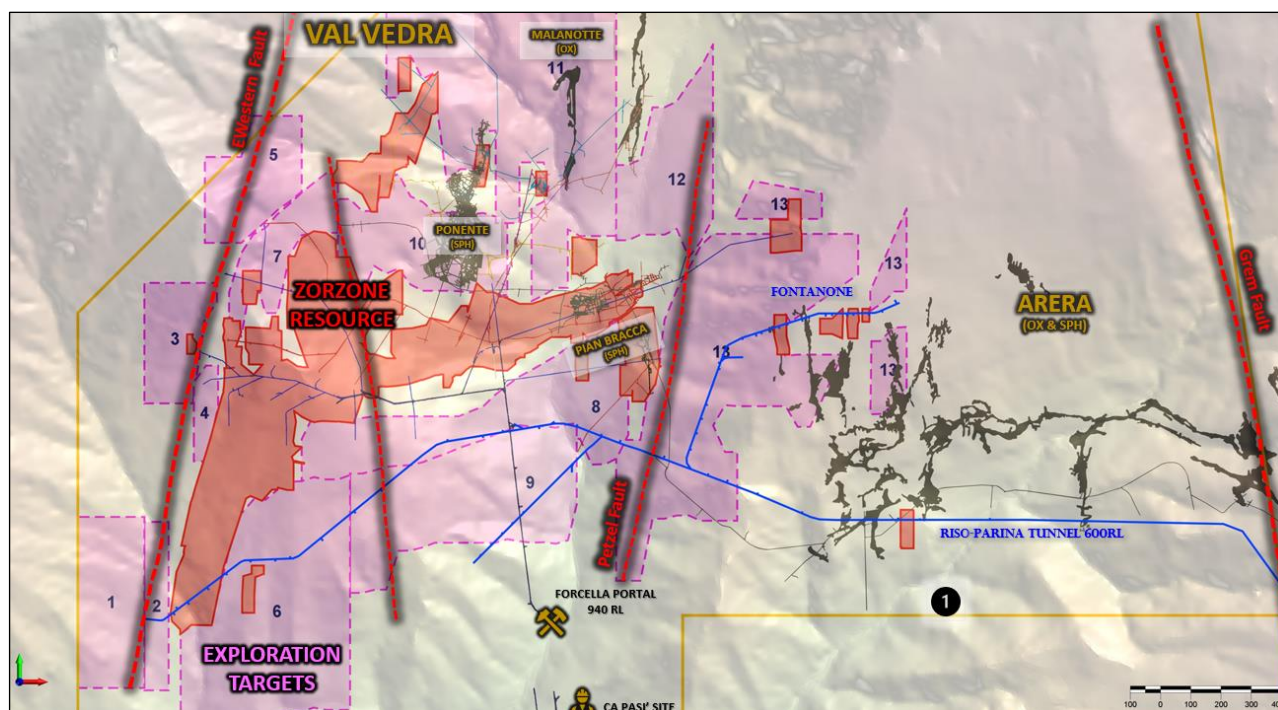
Notes:

- “Tonnes (from)” and “Tonnes (to)” adopt an average thickness between 3.2 m and 4.0 m respectively. The average thickness of the recent Mineral Resource estimate is 4.8 m.
- The average bulk density of the Mineral Resource block model of 2.8 g/cc is adopted.
- All tonnages are discounted by 70% to reflect the conversion rate achieved during recent drilling.
- “Grade (from)” and “Grade (to)” is a 10% variation of the interpolated grade of the blocks constrained by the wireframe(s).

Source: Altamin ASX Announcement dated 8 September 2021.

The Exploration Target is made up of 13 separate but contiguous areas which surround the extensive production stopes and development drives of the Gorno Mine. Four of the areas (1 to 4) lie to the west of the western fault in a downfaulted area, area 13 lies to the east of the Pezel Fault, whilst the remainder (5 to 12) lie between the two faults (Figure 4.15).

Figure 4.15 Areas 1 to 13 showing exploration targets



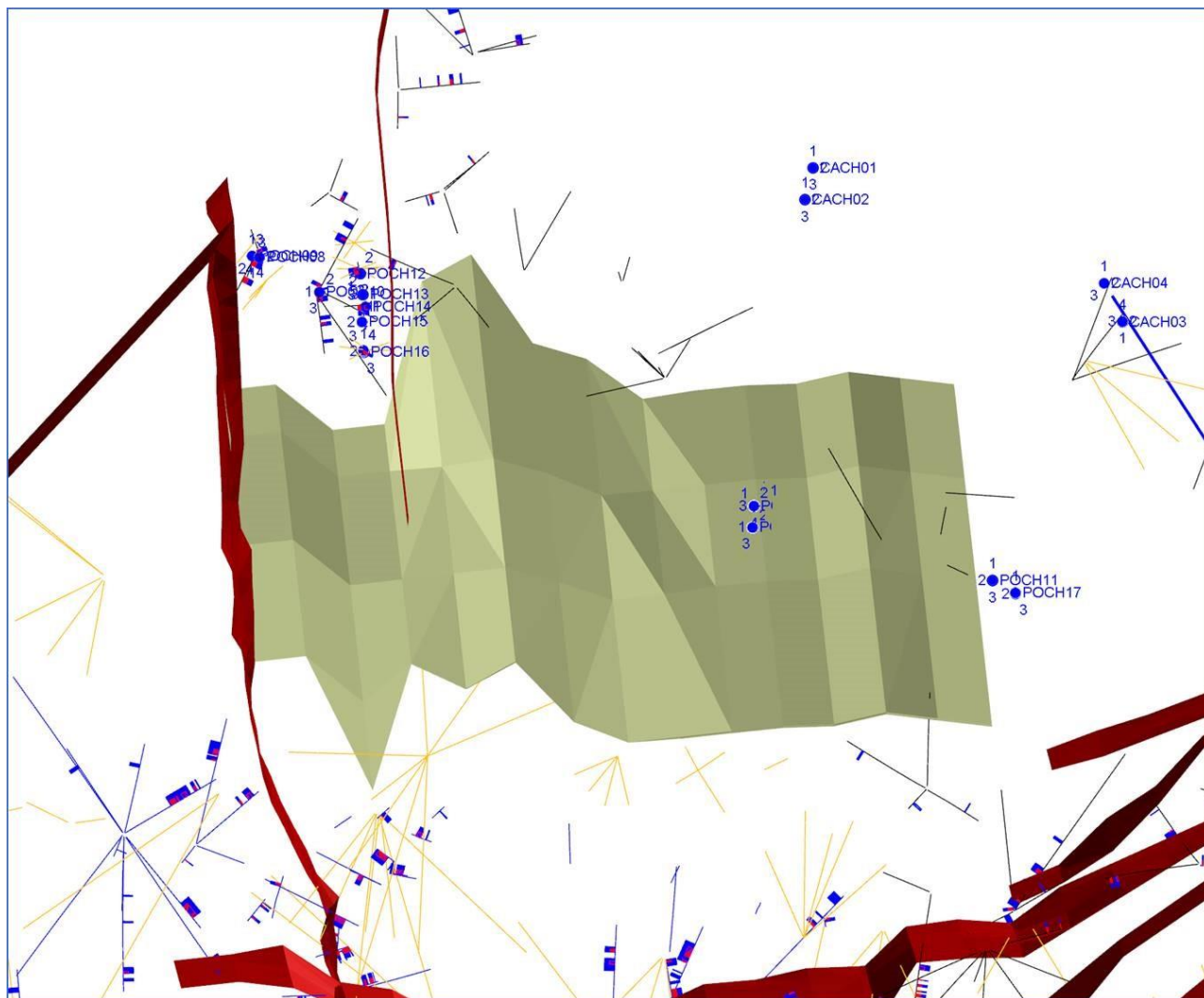
Source: Altamin presentation, November 2021; ASX Announcement

4.10.1 Basis for Exploration Target

Altamin estimated the Exploration Targets by creating wireframes of the host Metallifero Formation and by extrapolating up to 250 m away from known mineralisation. Grade estimation used an inverse distance squared weighting interpolation methodology. Individual assays falling within each polygon are shown below:

- Area 3: One assay at 1.8% Zn (block grade 2.06% Zn)
- Area 6: Five assays with an average grade 4.53% Zn (block grade 3.72% Zn)
- Area 8: Three assays with an average grade 8.6% Zn (block grade 6.60% Zn)
- Area 9: One assay at 2.15% Zn (block grade 4.73% Zn)
- Area 10: Contains eight composite costean assays with a combined weighted average of 23.9% Zn; however, only diamond drilling assays were used in the inverse distance weighting grade interpolation. No drilling assays in Area 10 (hatch blue/red = drilling_assay interval) (block grade 13.3 % Zn) (see Figure 4.16).

Figure 4.16 Exploration Target area 10 showing the geological information



Source: Bob Arnett, by email, Altamin 2022

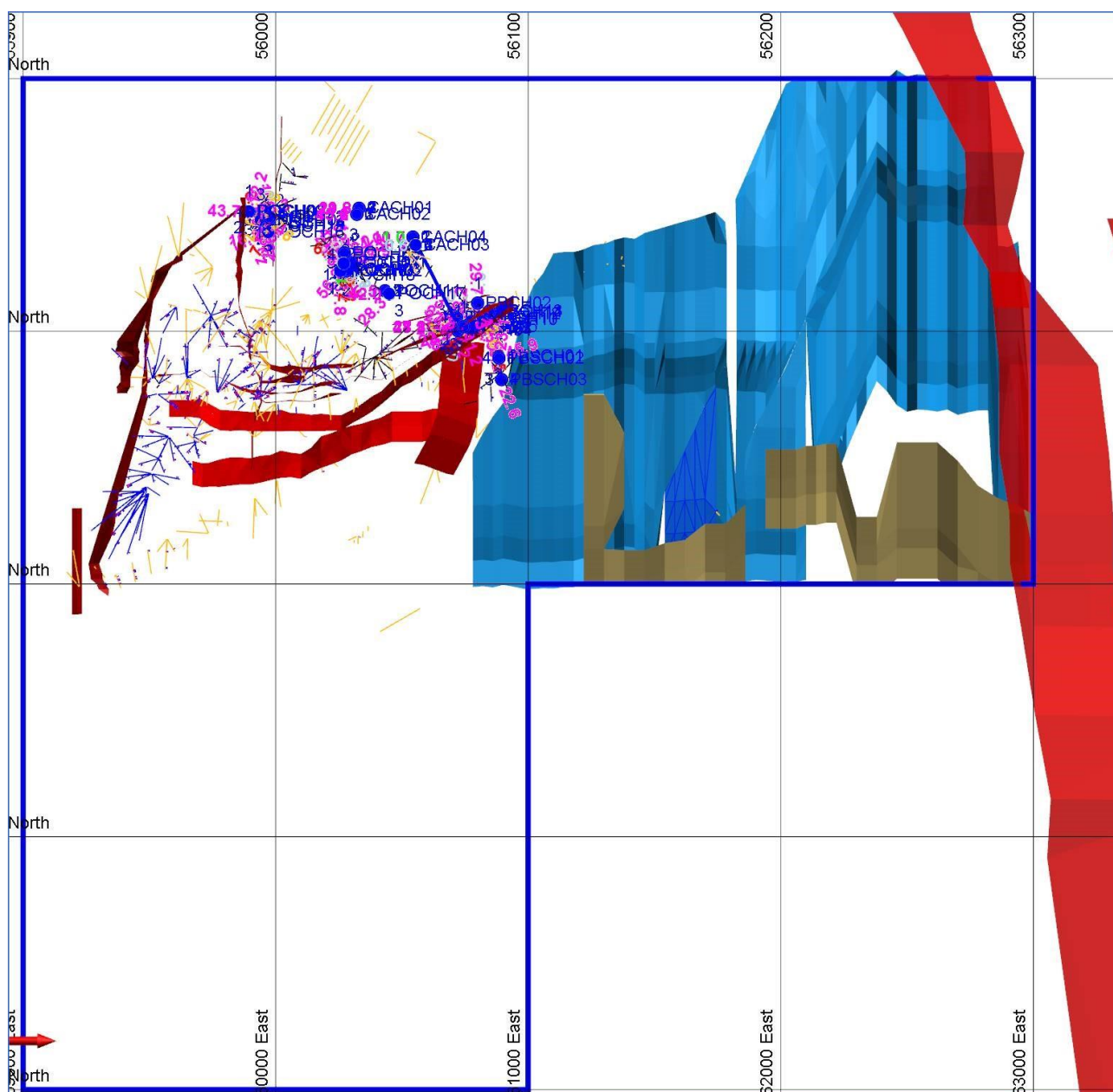
Snowden Optiro notes that the range of average zinc grades in the Exploration Targets at between 8.5% Zn and 10.4% Zn is significantly higher than the grade reported for the Mineral Resources (6.8% Zn). As both models are based on the same data, this is unlikely. The grades appear to be particularly high in Blocks 10 and 11. The 18 samples within the Exploration Target wireframes also do not support these grades. An inspection of the block model shows “edge effects” whereby extrapolation at large distances from existing data can distort the modelled grades.

Although this assertion will need to be confirmed, for the purposes of this valuation a discount of 90% has been applied to the range of Exploration Targets. This is to account for the low level of confidence inherent in the estimation of Exploration Targets.

4.11 Other exploration areas

Additional exploration areas have been identified beyond the Exploration Target areas, as shown in Figure 4.17. These additional areas have not been considered in the Altamin Exploration Target declaration.

Figure 4.17 Additional exploration areas 14 to 22 (in blue) which lie between the bounding faults Pezel (West) and Grem (East)



Source: Bob Arnett, by email, Altamin 2022

4.12 Reasonable prospects for eventual economic extraction

According to CSA Global (November 2021), the Mineral Resources satisfy the requirements for eventual economic extraction, for the following reasons:

- The Gorno deposit is located close to road, power, water and rail infrastructure
- The mineralisation contains elevated zinc, lead and silver grades, over a reasonable area
- The mineralisation forms a continuous and coherent zone in a favourable orientation which may allow mining with acceptable dilution (subject to robust grade control and mining processes)
- The mineralisation lies within close proximity to existing underground development drives with reasonable prospects of extraction by way of conventional underground methods
- Results from recent metallurgical testwork and previous production of saleable concentrate from conventional mineral processing confirm the mineralisation is amenable to beneficiation

- There is potential to increase and upgrade the Mineral Resource with additional drilling
- The cut-off grade adopted for reporting (1.0% Zn) provides an appropriate global head grade given the Mineral Resource may be exploited by underground mining methods and processed using flotation techniques.

Snowden Optiro concurs with this assessment.

5 NOVEMBER 2021 GORNO SCOPING STUDY

5.1 Background

In November 2021, CSA Global completed a Scoping Study on the Gorno Project (CSA Global report no. R492.2021). Based on a proposed 0.8 Mt/a standalone mining and processing operation, the Scoping Study demonstrated potentially strong financial metrics sufficient to support the decision to proceed to a Prefeasibility Study.

According to JORC 2012: *“A Scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified. It is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised”.*

Snowden Optiro concurs that sufficient detail was studied, at Scoping Study level, to construct a discounted cash flow (DCF) analysis. Although some aspects of the study would satisfy Pre-feasibility Study standards, the resultant cash flow analysis and financial metrics cannot be used for a valuation under the VALMIN Code for the purposes of this report.

The following account summarises the key input parameters and findings of the Scoping Study, together with Snowden Optiro’s comments. Much of the description here is used verbatim from that study.

5.2 Selection of extraction method

Altamin selected Maven Mining to undertake the mining component of the Concept Study. Maven considered the following key drivers in determining the appropriate mining method: safety; productivity; mechanisation; potential for sterilisation; flexibility to cater for the variance in the orebody geometry; flexibility to ensure minimum waste development; minimisation of dilution/maximise net profit per tonne; minimise cost; and use proven method and technologies.

Maven Mining selected the mining methods below based on the various distinctive orebody geometries, characteristics and the quantitative and qualitative ranking methodology presented above:

- Long-hole retreat and fill (LHRF) longitudinal mining method (moderate dipping >15° areas)
- LHT transversal mining method (shallow dipping >15°, >6 m mining height areas)
- Drift-and-fill mining for moderate (2–6 m) and shallow dipping (<15°) areas.

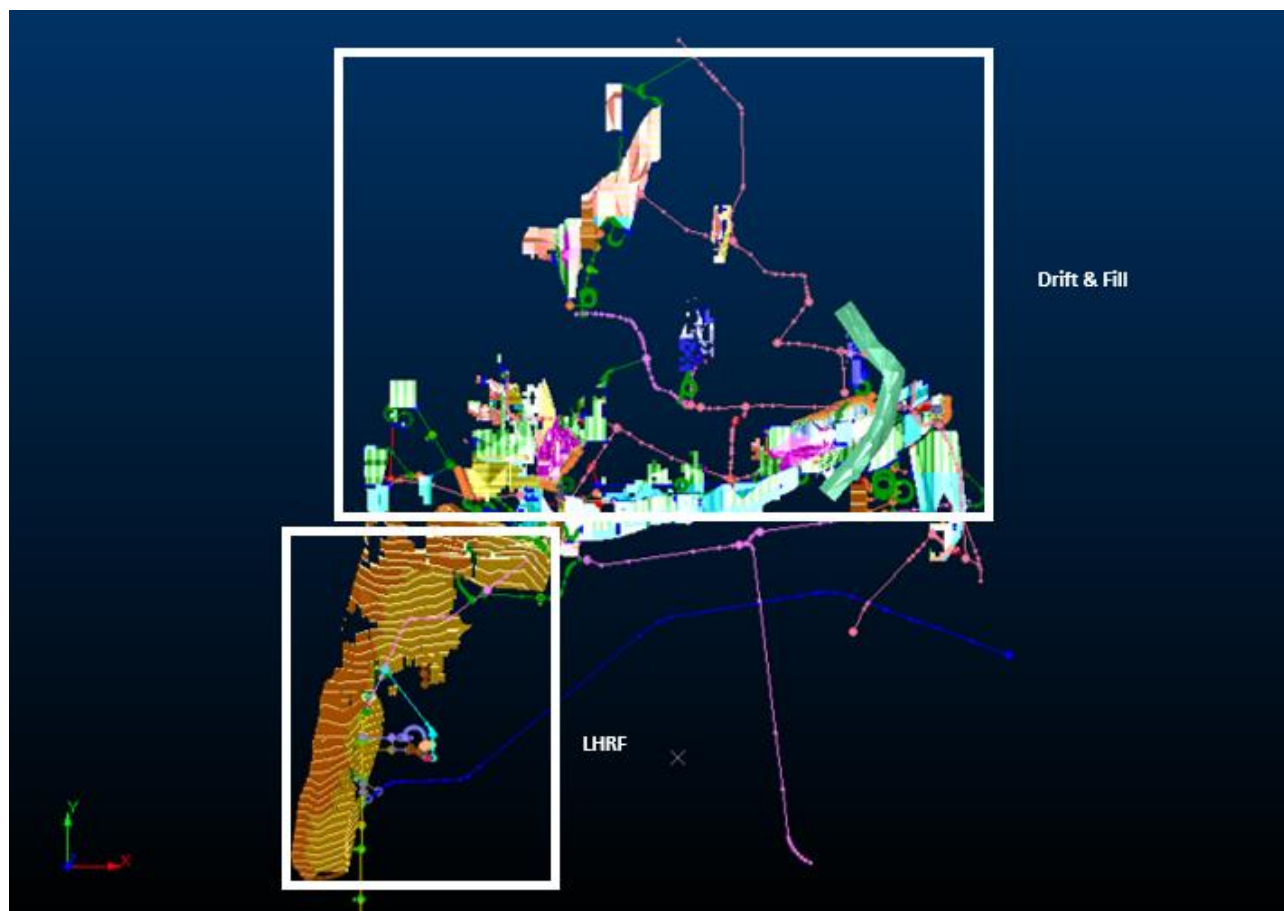
Key contributing factors for the selection was based on the following assumptions:

- Hydrogeological conditions underground will present with “wetter” and “drier” areas. Fill methods will assist in providing minimal excavations exposed to possible routes of entry for surface and groundwater inflow.
- Backfill will increase the extraction ratio of higher value material.
- Ventilation utilisation using backfill methods is more efficient and effective as leakages are blocked.
- Backfill eliminates surface tailings storage considerations.
- Backfill reduces surface subsidence considerations from an environmental and risk perspective.

Snowden Optiro is comfortable that the approach followed and three mining methods selected are technically sound and supportable.

These three mining methods form the basis for the conceptual mine design and production schedule reviewed by Snowden Optiro. These areas are shown in Figure 5.1.

Figure 5.1 Mine design by area



Source: Altamin; Snowden Optiro analysis

Snowden Optiro recognises that the Gorno zinc mine currently has well-established access from surface between 940 m LR and 1,040 m RL. The target extraction area is currently accessed via the existing Forcella level (940 m RL) from the Ca Pasi portal site area. The Forcella level (3.5 m wide x 3.5 m high) forms the primary means of ingress/egress for persons, material and equipment. In addition, the Forcella portal is the main intake airway for the project area.

A number of important existing historical excavations will form critical infrastructure components for the proposed re-establishment of the Gorno zinc mine. A number of these were visited during the site visit.

5.3 Stope design optimisation parameters

Snowden Optiro reviewed the cut-off grade spreadsheet and the scripts used to generate the zinc equivalent (ZnEq) cut-off grade. Two versions of the scripts were used. Version 1 of the script used the initial parameters assumptions to generate the Mining Stope Optimisation (MSO) model on which the MSO was performed. Version 2 of the model is aligned with the final cut-off grade calculation that used the most up to date information following several months of study work (first principles operating costs, plant capital expenditure, firm smelter terms, and metallurgical recoveries).

Comparison of the two scripts showed minor differences in some of the parameters; however, the net effect on the cut-off grade at 3.5% ZnEq is immaterial. In the spreadsheet the tab labelled "Sensitivity" illustrates how the cut-off grade varies with the input/plant feed grade, with the crossover point at 3.5% ZnEq. This was repeated for each cell in the block model with a scatterplot confirming the crossover point.

The cut-off grade calculation is based on the preliminary cost estimates derived for the MSO and are summarised below. A simplified cut-off grade equation is shown below.

$$\text{Cut-off Grade} = \text{Cost} / ((\text{Price} - \text{Selling Cost}) \times \text{Metallurgical Recovery})$$

The calculated cut-off grade off 3.5% ZnEq has been used for the MSO process.

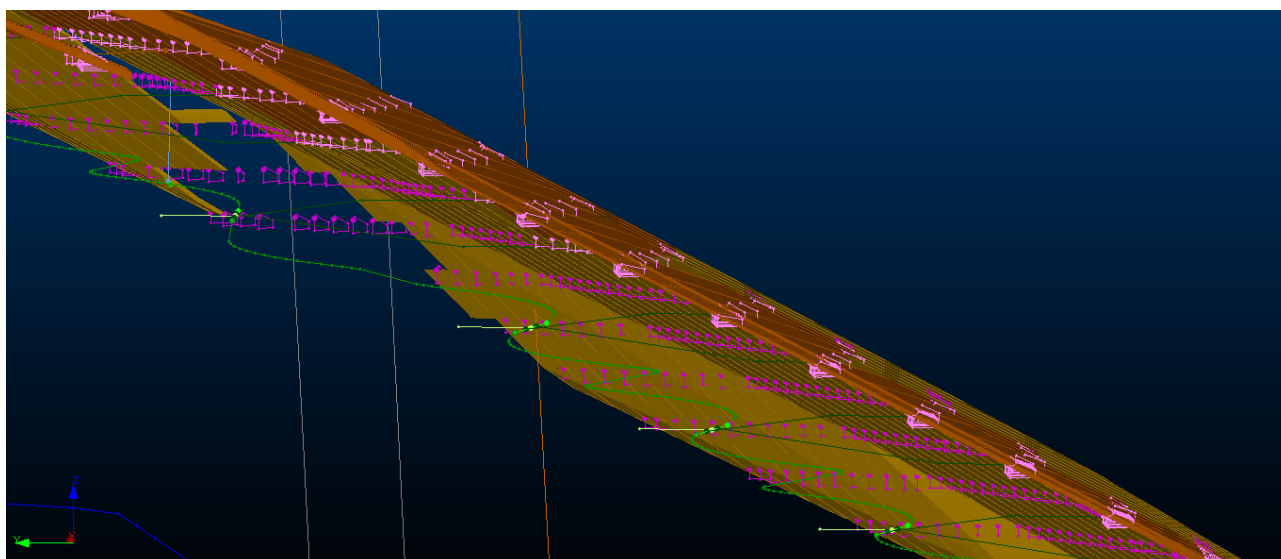
Snowden Optiro validated the parameters used in stope optimisation, which included:

- Economic parameters, including costs, metal price, discount rates inputs.
- Economic sensitivity analysis of ZnEq
- Parameters to vary include (e.g. sales price, mining cost, weight recovery)
- Confirm property boundaries have been respected
- Operating constraints, including mining and plant recovery.

Snowden Optiro confirms that the parameters have been correctly applied throughout the optimisation process. The results were used as a guide to refine the stopes to a more practical shape.

Figure 5.2 indicates the adjustments done to the original LHRF parameters. Maven Mining used them as a guide to where the stope will be created. The results from the MSO were then further refined through a manual process of adjusting the original optimised stope from the MSO to improve dilution and practicality

Figure 5.2 LHRF stope design post-MSO processing



Source: Altamin; Snowden Optiro analysis

The brown wireframe represents the final LHRF optimised stope used to calculate the resource in the mining schedule while the green and pink strings represent the decline and ore development respectively.

Snowden Optiro is comfortable that optimised stope parameters have been correctly applied throughout the optimisation process.

5.4 Operating costs

Snowden Optiro reviewed the operating costs that were estimated from zero base activity-based models and calculated per period based on the mine production schedule for the underground operation. Costs presented are real US\$ denominated and any cost components presented in local currency (Euros) were converted to real US\$ terms at the exchange rate of Euro 0.86 to 1 US\$. Operational costs are presented in the following main categories:

- Direct mining cost
- Processing cost
- On-mine cost
- Off-mine cost
- Sustaining capital cost (including environmental provision).

Concentrate transport/treatment charges are included in the off-mine costs, with deleterious element penalties being deducted from the income stream. No agency fees were considered due to the project's central location to a significant logistics and European smelter network.

5.4.1 Mining operational cost

The underground operational cost model is developed as zero-based activity based operational cost models and assumes an owner-operator underground model with mining equipment leasing approach (5% interest, 60 months repayment schedule). The activity-based model considers the following major mining activities.

Schedule quantities from the mine plan and scheduling were used to calculate operating cost cash flows on a per period basis. In addition to the variable unit rates and quantities, a fixed cost allowance has been provisioned in the mining operational costs.

Snowden Optiro reviewed the mining operational cost and found them to be reasonable.

5.4.2 Processing operational costs

The flotation processing operating costs have been derived from metallurgical testwork and Scoping Study work undertaken by various consultants as summarised in the 2018 Prefeasibility Study reported by Lycopodium Consultants as well as subsequent reviews and analysis by Holland and Holland Consulting in their 2021 study.

Operating costs are adjusted for local energy, reagent, and labour costs.

Snowden Optiro reviewed the processing operational cost and found them to be reasonable.

5.4.3 Off-mine costs

The off-mine cost includes the transport of Gorno zinc mine ore to the Bergamo rail freight facility (30.5 km) for onward transport to the port of Genoa and ultimately to the purchaser of the concentrate product. A specialist transportation contractor is assumed to fulfil the transport requirements and a unit rate of US\$0.15/t.km is based on a benchmarked contractor rate.

Waste produced from waste development activities and ore sorter rejects is assumed to be transferred underground to 600 m RL and trammed via locomotive and hoppers to the Riso Parina portal (included in operational costs). Waste will be discharged into a mobile aggregate crusher for "free-issue" transport by off-takers.

The concentrate transport, treatment and refining costs were supplied by Altamin and consist of:

- Concentrate transport cost of US\$47.75/wmt
- Zinc concentrate treatment cost of US\$156.56/wmt
- Lead/silver concentrate treatment cost of US\$130.50/wmt
- Silver refining cost of US\$1.0/oz.

Snowden Optiro reviewed these costs. The transport cost appears to be reasonable, but notes that the volatile market for treatment costs mean that these will need to be updated during the next study phase. This is not expected to materially alter the project economics.

5.4.4 Sustaining capital costs

In addition to the mining equipment replacement strategy and cost that forms part of the mine operating cost, an additional 2% sustaining capital provision has been applied to the mining operational cost for the Gorno Mine. A provision of 5% of mechanical capital cost per year is included in the processing operational cost equating to US\$0.991/t run-of-mine (ROM). Mining equipment replacement is included in operational cost; this represents majority of the sustaining capital cost provision for direct mining. The processing sustaining capital provision is estimated based on the life of mine (LOM) and new build construction.

In addition, the sustaining capital provision includes the ongoing waste development to access new areas of the mineral inventory. The sustaining capital provision for the total LOM equates to US\$42.1 million or US\$7.0/t ROM.

Snowden Optiro considers the sustaining capital provision to be appropriate.

5.4.5 Environmental provision

An environmental provision of US\$1.66/t ore (US\$10 million) has been applied for the purposed of site rehabilitation following the end of the LOM and is included in the sustaining capital provision. This is considered adequate as there will be minimal surface disturbance with no surface waste dumps or tailings deposits, and the processing plant is occupying an existing industrial site and existing buildings.

Snowden Optiro concurs with this conclusion.

5.4.6 Deductions from concentrate sales

Deductions from the sales of the zinc and lead/silver concentrates include the deleterious element penalty charges for elements within the zinc and lead/silver concentrates based on their concentration and agency fees (1.25%) deduction based on net sales revenue. The parameters used are shown in Table 5.1.

Table 5.1 Concentrate deductions costs

Concentrate deductions	LOM total (US\$ M)	US\$/t concentrate (dmt)	US\$/t ore milled	US\$/t ore mined
Zn deleterious penalty	12.7	20.2	3.2	2.1
Pb/Ag deleterious penalty	2.1	19.0	0.5	0.3
Agency fees ^(Note 1)	0.0	0.0	0.0	0.0
Total Deductions	14.8	20.0	3.8	2.4

Note 1: No agency fees are anticipated due to proximity of potential off-take smelters and advanced transportation networks available.

5.5 Mining capital costs

Capital costs for mining have been calculated from international benchmarked rates for mobilisation of equipment and construction on a Mine Services Area that includes heavy equipment workshops, store and administrative structures. The mining capital is separated into surface and underground infrastructure.

Underground mining at Gorno is assumed as an owner-operator underground operation. Mining equipment owning costs are included as a leased cost at 5% over 60 months and is included in the operational cost model. Initial development of the western ramp and establishment of the return airway system is costed in the operational cost model; however, raise-boring of the single 2.4 m diameter rock-passes and the establishment and support of the portal area has been included in the mining infrastructure capital estimate.

During the initial capital phase, a 10% mark-up has been allowed on the operating cost model for a mining contractor to establish the mine. The operating cost model for this period has been re-allocated to the initial capital phase and removed from the operating cost. All waste development activities used for Ore Reserve development purposes are re-allocated to the sustaining capital costs and removed from the operating costs.

The capital estimate for initial underground development was compared with the actual contractor mining development costs at Gorno, escalated from 2017 prices. The actual costs invoiced for Gorno compare favourably with a 10% allowance on contractor margin to the zero-based operating cost model.

The Gorno Mine surface mining infrastructure capital costs are inclusive of freight, install and cost contingency. Freight and installation is calculated at 5% of the capital purchase price.

Mining capital contingency were applied on a per item/package basis and included consideration given to base date and currency, level of understanding/technical appreciation, quotation or pro forma invoice and probability of change in quantity or pricing.

5.5.1 Other capital costs

The following capital ratios have been applied in the capital estimate for the allowance of engineering procurement and construction management (EPCM) and owner's fees:

- 0.0% capital allowance for owner's costs
- 17.5% capital fee for EPCM for the processing plant
- 10% mining contractor mark-up for the initial capital development
- 5% freight fee on mining and infrastructure related capital items
- 5% erect fee on mining and infrastructure related capital items for install/erect/offload
- 25% weighted average contingency for cost contingency on the processing plant
- 16.3% weighted average contingency for cost contingency on the mining and surface infrastructure.

Snowden Optiro has not reviewed the capital costs. There are insufficient reasonable grounds to use a DCF valuation approach, therefore Snowden Optiro do not consider it appropriate to review capital cost assumptions as it is valuing the mineral assets as in-ground mineral resources.

5.5.2 Rehabilitation and salvage

A US\$10 million provision for the rehabilitation and closure of the mine has been allowed in the sustaining capital cost estimate cash flow at the end of LOM for rehabilitation of site.

The environmental provision is based on US\$1.66/t amounting to some US\$10 million over the LOM. An appropriate salvage value of US\$10 million for residual infrastructure and equipment. It is recommended that, where appropriate, structures are procured that are of the mobile/temporary nature to ensure cost effective and rapid demobilisation of surface site infrastructure.

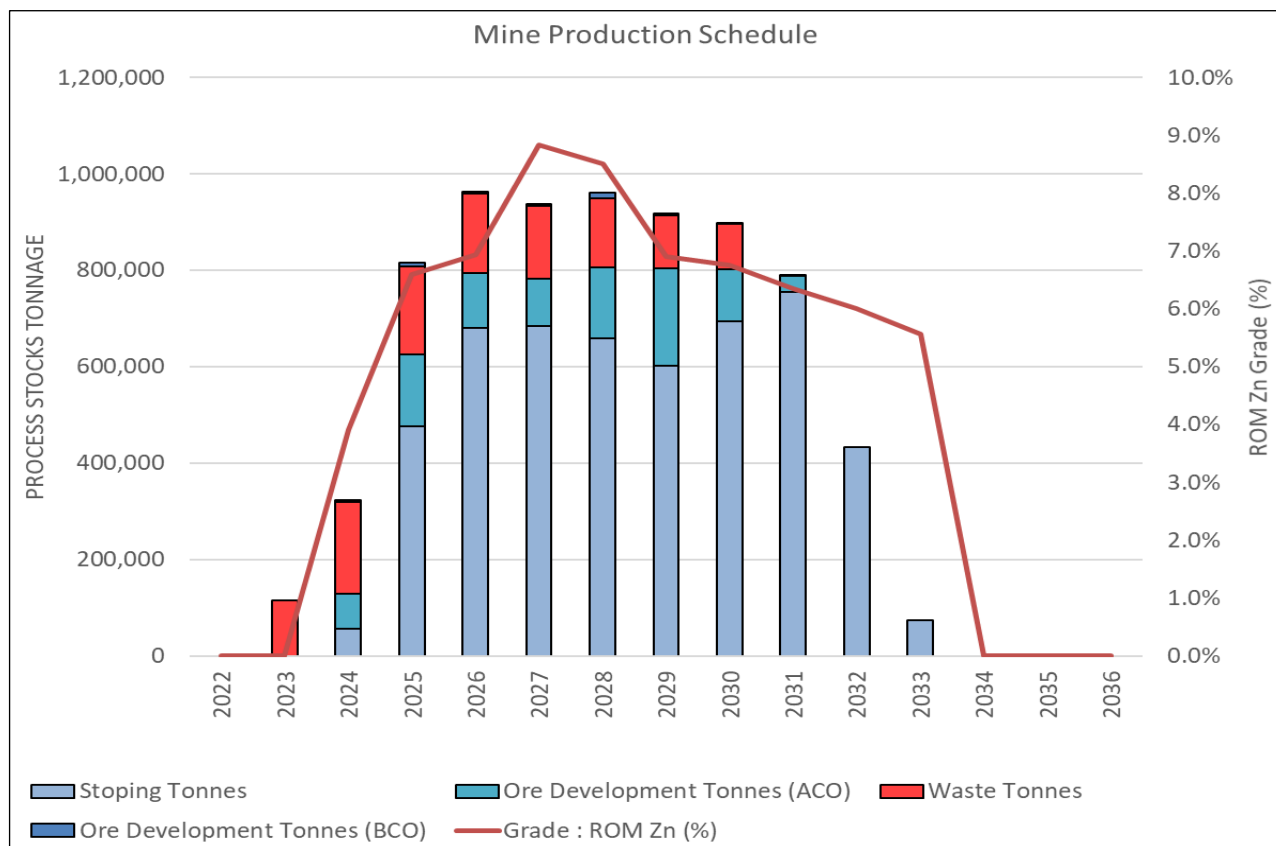
5.6 Production

Rehabilitation of the Riso Parina was planned to commence in Q1 2022 with rehabilitation of the area expected to commence in Q2 2022. It is likely that pre-project financing of an estimated €3 million is required for the complete rehabilitation of the Riso Parina area. Following rehabilitation of the Riso Parina, it has been assumed that mobilisation of the mining fleet and construction of the mining infrastructure will begin in Q2 2023, with the start of construction of the processing plant in Q1 2024.

Boxcut construction of the Zorzone Industrial Area (ZIA) portal is planned for one month to excavate and install steel reinforced concrete covers prior to backfilling in Q3 2023 (start of development of the ZIA portal begins following the start of underground blasting activities with start of underground development planned in Q2 2023).

The mine production schedule is illustrated Figure 5.3. The mine production schedule summarises the waste development and ore drive development below margin.

Figure 5.3 Underground production schedule



5.7 Processing

The metallurgical testwork program was carried out in the Grinding Solutions Limited (GSL) laboratory in Cornwall, UK, followed by a pilot plant run in the Wardell Armstrong International (WAI) facility in Cornwall, UK, supervised and directed by GSL. An additional testwork program was carried out in the ALS laboratory in Adelaide, Australia in order to optimise the flotation parameters of the GSL results.

Additional testwork was carried out in specialist facilities with respect to mineralogy, pre-concentration testwork, comminution testwork, and dewatering testwork.

The testwork was carried out on a bulk sample of 120 tonnes taken from the 940 RL representing the Zorzone black shale mineralisation. The bulk sample was screened and the +12 mm material was processed through ore sorting. The ore sorter product was mixed with the screened fines and sent for metallurgical testwork. The variability testwork was limited to drill core samples from Zorzone. The remaining deposits of Pian Bracca and Ponente have had drill core sampled for metallurgical evaluation and testwork commenced in February 2022. With the results expected in July 2022.

Based upon the metallurgical testwork, the following overall recoveries were predicted:

- Zinc in zinc concentrate – 96.0%
- Lead in lead concentrate – 74.4%
- Silver in lead concentrate – 58.9%.

The following assumptions were made regarding the ore feed:

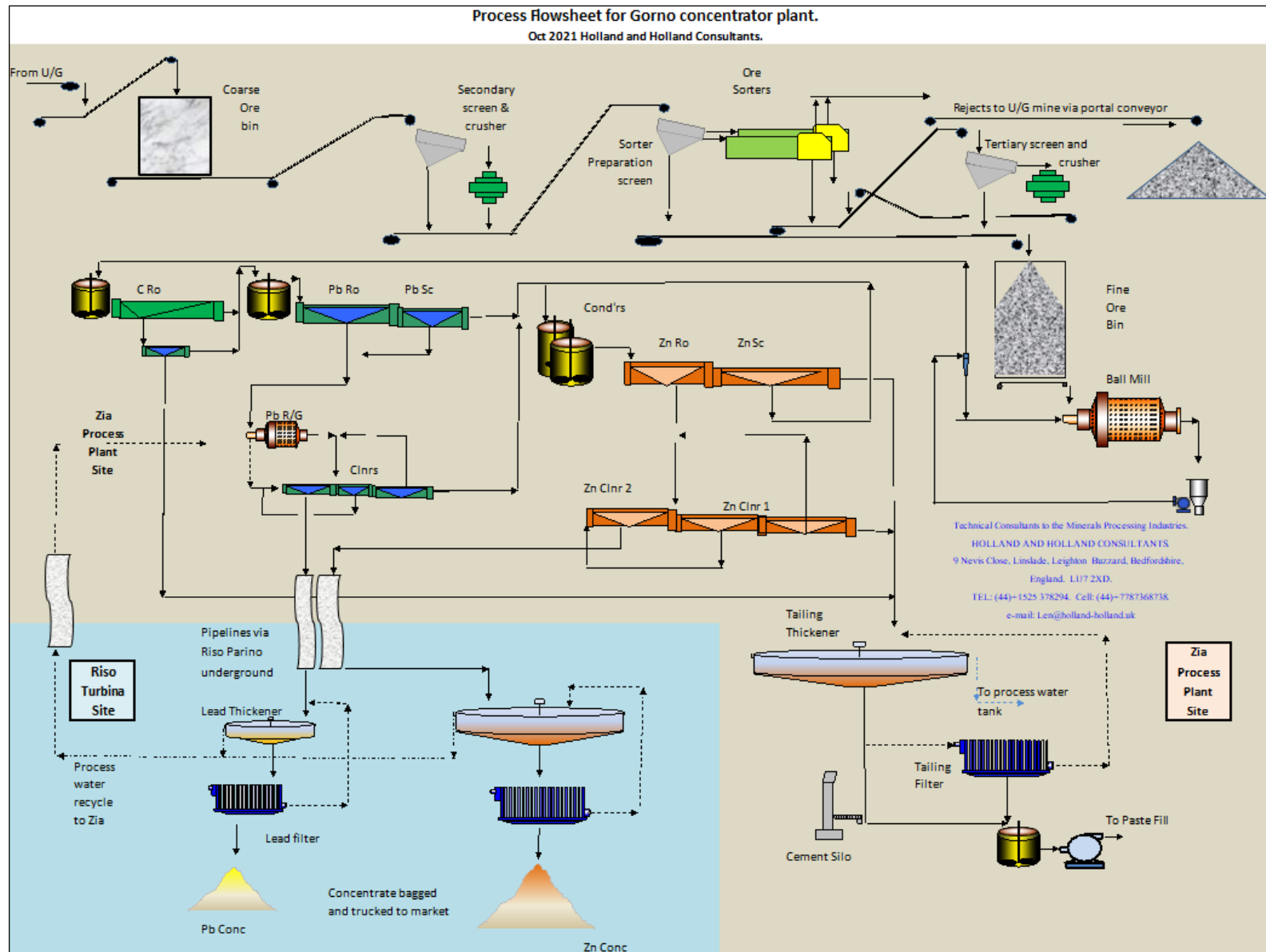
- The ROM material will be predominantly sulphide mineralisation with only minor levels of oxide mineralisation. There may be an opportunity for a trade-off study to increase the fragmentation size

to reduce the fines production during crushing and thus improve the reject portion from the ore sorting.

- The 15% waste dilution added to the bulk ROM sample (210 tonnes) prior to ore sorting testwork was representative of the ROM material to be mined in the future. Any deviation from representativeness will impact the throughput of the process plant.
- The metallurgical testwork depressed the carbonaceous shale to generate clean lead and zinc concentrates. It has been assumed the future testwork program will simplify the flowsheet and reagent scheme required for the process plant flotation circuit, by establishing a carbonaceous pre-float. However, the existing flotation residence times and reagent scheme have been used in the capital and operating cost estimates.

Snowden Optiro has undertaken a high-level review of the testwork summary and of the results and considers the proposed recovery parameters to be reasonable. The amenability of the ores to metallurgical extraction supports the reasonable prospects for extraction for the Mineral Resources. Snowden Optiro particularly notes the need for care when handling the carbonaceous material in the float circuit.

Figure 5.4 Process design flowsheet



5.8 Infrastructure and access

The Gorno Mine Project is located some 30 km north-northeast of the Italian city of Bergamo and some 9 km northwest of the town of Ponte Nossa.

The Gorno Mine is largely a “brownfields” project due to the extensive historical mining activities; however, mining ceased in the 1980s. Altamin took ownership of the mine in 2015 and has been conducting exploration activities to date. The nearest human settlement to the proposed mining is Zorzone, a modern small mountain village proximal to the existing primary access to the underground mine at the Ca Pasi portal and the proposed new portal and processing plant site located within the ZIA. The exploration program infrastructure at Ca Pasi is limited yet functional, however, upgrades to mains electrical, water, sewage and other infrastructure will be required for the operational mine.

The site is currently accessed (25 km) from the secondary single lane main sealed road (SP46/SP27) west linking the sealed regional route dual-lane SS671 toward the regional city of Bergamo (28 km). From the SP27 secondary sealed mountain roads (bidirectional single lane) accesses the village of Zorzone and Ca Pasi and ultimately the industrial site and Ca Pasi portal. The existing road route access to the ZIA and Ca Pasi sites are in good repair, however, the route is mountainous with winding/meandering profiles. The project assumes that large goods trucks/hauling vehicles should be limited to consumables to reduce pressure on these roads, hence, the Project has identified the Riso Parina as critical underground infrastructure for the transport of concentrates and waste via the 600 m RL level to the Riso Parina portal. From Riso Parina there is only approximately 3 km of single-lane main sealed road (SP46) linking to the sealed regional route dual-lane SS671 toward the regional city of Bergamo (28 km).

Alternative waste and concentrate routes from Riso Parina are currently being investigated, one of which is through the Noble Tunnel to SP46, thus bypassing Riso hamlet.

There are no waterways/canals or rail networks within close proximity to the Project area and all construction material, equipment and consumables will need to be transported via heavy truck and trailer from Ponte Nossa, Bergamo or other regional industrial hubs within northern Italy. The closest sea freight is the Port of Genoa some 230 km south-southwest of the project area, accessed by European standard highways and rail freight to Bergamo.

Zorzone town is electrified from stepped down supply from the 220 kV main distribution line located in close proximity to the town. A 35 kV overhead distribution line runs in close proximity to the mine site alongside the main sealed R444a.

Estimated surface and groundwater estimates have indicated that the project will have a positive water balance (51 m³ per hour) resulting from groundwater ingress into the underground mine. Abstraction from a stream or wellfield is not anticipated based on the measured groundwater inflows.

Mr Mullins attended a site visit between 16 and 19 May 2022. The following areas were visited:

- The main project office, situated at Via Roma 492, Oltre il Colle
- The exploration office and coreshed, situated at Ca Pasi
- Forcella Portal and underground workings situated on level 940 RL
- Ponente Portal and underground workings situated on level 1070 RL
- Cascine underground workings situated on level 1125 RL
- Zorzone Industrial Area (ZIA), the proposed plant site
- Riso Parina Portal on 550 RL, underground workings, surface infrastructure, and mining geoheritage museum
- Noble Portal

Some of these areas visited are illustrated in Figure 5.5.

Figure 5.5 Some of the areas visited during the May 2022 site visit: (A) Exploration office at Ca Pasi; (B) core logging and preparation area, situated adjacent to the exploration office; (C) Oltre Il Colle portal access on the Forcella Level (940 m RL) Forcella adit; and (D) Ponente Portal



Source: Snowden Optiro site visit, 17 May 2022

5.9 Zorzone Industrial Area

The ZIA was visited together with Erika Belotti, Regulatory Coordinator. The layout of the proposed plant facilities was inspected. The current and future layout is shown in Figure 5.6.

Figure 5.6 Current and future (in green) plant layout at the ZIA



Source: Altamin presentation, 2021

Snowden Optiro's conclusion from the ZIA site visit is that the maximum use has been made of the existing facilities, including the no longer used window frame factory. Flat space is limited and expansion potential needs to be carefully considered.

5.10 Riso Parina

The mining heritage museum and underground workings were viewed. Well developed, high-grade shale-hosted mineralisation was viewed in the Selvatici historical workings.

Figure 5.7 shows the underground workings, the orebody, the entrance to the Noble tunnel, and the waste load-out facility.

Figure 5.7 Riso Parina: (A) Entrance to historical Selvatici underground workings; (B) Shale-hosted high-grade mineralisation; (C) Entrance to Noble tunnel; (D) Waste load-out facility



Source: Snowden Optiro site visit, 17 May 2022

The underground workings at Riso Parina are well preserved, and accessible by a small train and man carriage. An operating 560 kW turbine with a 90 m head was installed in the Riso Parina tunnel in 2007 and is regularly maintained. The rock conditions are good, and apparently the tunnel can be followed to the Val Vedra workings, where the overall slight gradient in the tunnel lifts the elevation from 550 m at Riso Parina to 600 m at Val Vedra.

The Noble tunnel was not visited, but studies are being conducted to extend this tunnel about 1.5 km to the Bergamo valley for transport of waste and concentrate. This will alleviate the expected 50 plus truck transport on this section of the road, and also potentially alleviate dust and noise issues with the waste load-out facility.

5.10.1 Electrical supply

The Italian electrical grid forms part of the synchronous grid of Continental Europe and is currently the largest synchronous electrical grid (by connected power) in the world. It is interconnected as a single phase-locked 50 Hz mains frequency electricity grid that supplies over 400 million customers in 24 countries, including most of the European Union. The transmission system operators operating this grid formed the Union for the Coordination of Transmission of Electricity (UCTE), now part of the European Network of Transmission System Operators for Electricity (ENTSO-E).

The distribution of electricity within the Lombardy region is provided by the Public/Private Enterprise Electric Utility of Italy (Terna). The production of electricity within Italy is provided by numerous private enterprise electric firms (Edipower, EGL Italia, Edison, A2A, Enel, Enipower, EPH, Serene, Tirreno Power and Sorgenia to name a few).

5.10.2 Water supply

The project water management plan is central to maintaining an appropriate environmental and operational performance for the project. The principle adopted for site water management is to intercept clean water entering the mine, keep it separated from mining activities and then discharge any excess clean water not required for operations back into the nearby water courses. Water used for mining and processing will be considered dirty as well as water flowing on the ground within the operational areas. Dirty water will gravity drain or be pumped to the 600 mRL level and pipe-discharged from the Riso Parina portal to the water treatment facility near to the Turbina site.

At Ca Pasi, any groundwater collected on the surface site water will then be pumped back to the underground and either reticulated to the process water return airway water storage tanks (via the underground workings) at the ZIA processing facility or transferred to the 600 mRL level for eventual treatment. The proposed water storage facility at Ponente will have a capacity of 4,800 m³ (approximately nine days' storage at 21.5 m³ per hour net daily consumption).

5.10.3 Tailings disposal

No surface tailings storage facility is required.

The tailings disposal strategy will be managed in two phases, namely:

- Phase 1 – Ramp-up Phase, where tailings pumped to paste fill plant located at ZIA plant site, cementitious paste (5%) prepared and pumped to underground workings for deposition into stoping voids. During the ramp-up phase, sufficient new stoping voids are not available for the deposition of all the tailings produced. Known and surveyed historical stope voids located in the Pian Bracca and Ponente areas will be used for excess backfill (122.5 kt of paste fill, representing some 57% of the estimated 285 kt storage capacity).
- Phase 2 – Steady State until end of LOM, newly mined voids are largely sufficient to accept all tailings produced at the processing facility with a LOM average stope fill ratio of 96%. The last two years of the proposed LOM will require some storage (75 kt) of paste fill in historical stopes.

A total LOM tonnage of 6% of tailings will be required to be deposited in historical stopes.

5.11 Commodity pricing

At the time of authoring this report, global commodity prices have been significantly influenced by ongoing geopolitical uncertainty including a COVID-19 pandemic inducing high price volatility, particularly for zinc, the key value driver for the Gorno Project (along with lead). Such uncertainty has naturally influenced forward-looking consensus pricing, providing a wide range of potential outcomes.

The base case price assumptions considered in the CSA Global were US\$2,850/t for zinc, US\$2,100/t for lead, and US\$21/oz for silver. These follow zinc price projections published by S&P Global (October 2021) accompanied by the view that *“China’s conundrum of meeting emissions targets through power limitations has driven zinc prices higher. Curtailed refined production amid surging raw material availability and the obstructed supply chain have seen zinc prices fluctuate at historically elevated levels. We have therefore upgraded our forecast for the average LME 3M 2021 zinc price to \$2,913/t and expect a market deficit of 31,000 tonnes. Looking further ahead, we have also maintained the 2025 average zinc price at \$2,860/t”*.

5.11.1 Gorno zinc concentrate

The Gorno zinc concentrate contains over 62% Zn and has less than 1% Fe and 2% Si content. This quality is valued by most smelters as it reduces the residue generating elements, principally iron and silica. There should be robust competition for this quality from smelters, as high-grade, low-iron concentrates are scarce. It is likely that the entire zinc production could be sold within Europe to one of the three smelting groups – Nyrstar, Glencore, and Boliden. Nyrstar’s Budel plant needs high-grade, low-iron feed in order to limit residue production. Nyrstar has had difficulty finding adequate high-grade replacement tonnage since the Century mine closure in 2015. Boliden is expanding the Odda smelter in Norway and would likely need additional units. Tonnage that Glencore can source in Europe reduces the concentrate tonnage that it ships from its Australian mines. Because demand for Gorno zinc will be widespread, it is expected that Alta Zinc will be able to sell the product at a discount to benchmark treatment charges.

Gorno zinc can also be shipped to China (or elsewhere in Asia), but it is unlikely that the improved treatment charges will compensate for the extra freight charges. The option of selling to Asia remains open.

5.12 Environmental studies and permitting

The Sowden Optiro review of environmental studies and permitting was informed by data room documents, by discussion with site personnel, and through an interrogation of the Government database.

A comprehensive review of this study area for the Scoping Study was based on environmental and safety information given in the 2019 Lycopodium Prefeasibility Study report on the Gorno Zinc Project; two volumes of the EIS report by Hattusas, December 2019; the “Studio Per La Valutazione Di Incidenza” or Special Habitat Study for the EU Habitat Directive, also by Hattusas, December 2019; and on various permitting documents made available.

The review covered the legal framework and project permitting; project setting; environmental and safety management and environmental and social impact assessment; environmental and social issues; health and safety; and mine closure.

According to this review, the project held ELs and a ML for the Gorno Zinc Mine, but with the ML due to expire in January 2020, a renewal application was submitted in December 2019, and was further updated in November 2021 with the new infrastructure configuration. Additional environmental and social baseline studies, planning and design work necessary for the future development of the project were undertaken to complete the Environmental Impact Assessment (EIA) necessary for the ML renewal, prepared in consultation with relevant authorities.

The process of renewal of a ML includes the following steps:

- 1) Presentation of the application by the Company.
- 2) Public Notification.
- 3) Technical assessments on the impacts of mine and mineral processing waste.
- 4) Preparation and submission of the EIA.
- 5) Habitat Directive or – Council Directive 92/43/EEC Study.
- 6) A Regulatory Committee Meeting (Conferenza di Servizio) to convene all regulatory authorities and streamline the process.

- 7) Submission of Work Plan and Feasibility Study showing the economic potential.
- 8) Approval of the project EIA.

In addition, the Processing Plant approval requires a separate Integrated Environmental Authorisation (IEA) based on the EIA, together with minor permits for land zoning, water use authorisation, felling of trees, and installation of pressurised vessels.

After preliminary assessment to determine whether the application is complete and meets minimum standards, a Regulatory Committee meeting is organised within 30 days. The timescale required to obtain approvals is within a statutory nominated limit of 90 days from lodgement of the application but depends on the quality of documentation provided and additional information may be requested.

The Italian Environmental Code provides for project assessment through the Integrated Pollution Prevention and Control (IPPC – a European Directive) and the IEA process. Although the IPPC may not be required for the granting of a ML, it is required for the permitting of the Processing Plant. The siting of the new project processing facility triggers the EIA approvals process for the environmental permits required to operate the Processing Plant. The IEA required for the plant takes account of the submitted EIA and the project environmental and social management plan with management plans for control of emissions to air, water and soil, as well as provisions concerning energy use, waste flows and accident prevention.

The EIA procedure must end with a reasoned judgment within 90 days of the announcement being published in the press, except in cases where there has been an interruption or suspension such as request for additional documentation, but cannot be completed before 45 days, necessary to guarantee the participation of the public.

Given the proximity of the project to the Orobic Bergamasche National Park, an additional independent environmental study, called a “Valutazione di Incidenza Ambientale” (VIC) is required, under European Community Directive (92/43/EEC), Habitat Directive for Sites of Community Importance (SCI), Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). This is a systematic assessment of the environmental effects of the land use, related plans and programs as applied to regional and local development.

According to the 2019 Prefeasibility Study, the VIC for the Gorno Project was completed in April 2017, based on the early findings of the EIA.

The project has apparently established successful formal relationships with the local municipalities and permitting authorities, demonstrated by the earlier fast tracking of the exploration decline development. There are ongoing discussions with the Gorno municipality, who are said to be supportive of the project.

In addition, the Processing Plant approval requires a separate IEA, based on the EIA, together with minor permits for land zoning, water use authorisation, felling of trees, and installation of pressurised vessels.

The Ministry of Ecological Transition Technical Commission for Environmental Impact Assessment - EIA and SEA (April 2021) detailed the areas that Altamin needed to address, based on Altamin’s updated EIS. They noted that the “documentation submitted lacked the level of detail required to conduct an adequate environmental compatibility assessment of the project illustrated” and requested additional documentation, studies and clarification addressing all areas of the EIS.

The Monica ML at Gorno has not yet been renewed. Renewal was dependent on acceptance of the updated environmental impact assessment (EIA). On the 8 June 2022 Altamin announced to the ASX that following the statutory review of the Company’s application for renewal and extension of the Gorno Project’s Monica Mining Licence (MML), the Ministry of Ecological Transition and the Ministry of Culture have published online a negative Decree in relation to the environmental impact assessment, or EIA.

Preliminary analysis indicates that the negative Decree arises partly because of opinions raised by stakeholders in relation to the Project’s configuration and production rate, which was materially changed from the initial renewal submitted in 2019 to reflect the Scoping Study completed in 2021. The initial application was lodged at the time to prevent the existing ML from expiring and therefore prior to the significant 2021 Gorno Mineral Resource update and Scoping Study.

According to Ministry certain technical aspects in the ML renewal application were not yet sufficiently detailed or the impacts analysed to a level that would ordinarily be addressed in a Definitive Feasibility Study (DFS). These requirements include more detailed visual impact, traffic and noise assessment; the water cycle of the project being assessed through the creation of a detailed hydrogeological model and for underground blasting to be assessed to determine if there will be material surface impacts

Snowden Optiro concludes that:

- The project is situated in an area of scenic beauty, with well-established small communities connected by narrow, well-maintained, roads that wind up and down the steep landscapes. Many of the houses are unoccupied (about two in three, anecdotally) with the houses often being used for summer vacations.
- The project team is well aware of the issues facing them and claims good community support for the project. However, the large number of issues raised will require significant effort to address.
- Snowden Optiro has reviewed the ISPRA document (machine translated), and notes that additional information, clarification and detail has been requested across all areas of the EIS, but also notes that there do not appear to be any areas that would stop the project.
- The rejection of the EIS as announced to the ASX on the 8 June 2022 means that a significant amount of work will need to be done in the areas of concern, to DFS level.
- Altamin has determined an approach to the permitting which would align re-submissions with the proposed DFS. However, they consider the delay to the investment decision to be no less than 6 months and not more than 18 months.
- Snowden Optiro considers there to be a **medium risk of further delay** to the investment decision, and this risk has been reflected in the selection of the comparable transaction resource multiple, that is used in the valuation.

6 PUNTA CORNA AND BALME

Altamin's Punta Corna Cobalt Project in Piedmont, Italy, historically mined for cobalt, nickel, copper and silver, is an active exploration project with outcropping mineralisation. The project is located in the Italian Alps at an elevation of approximately 2,800 m with access limited by the steep terrain (Figure 6.1).

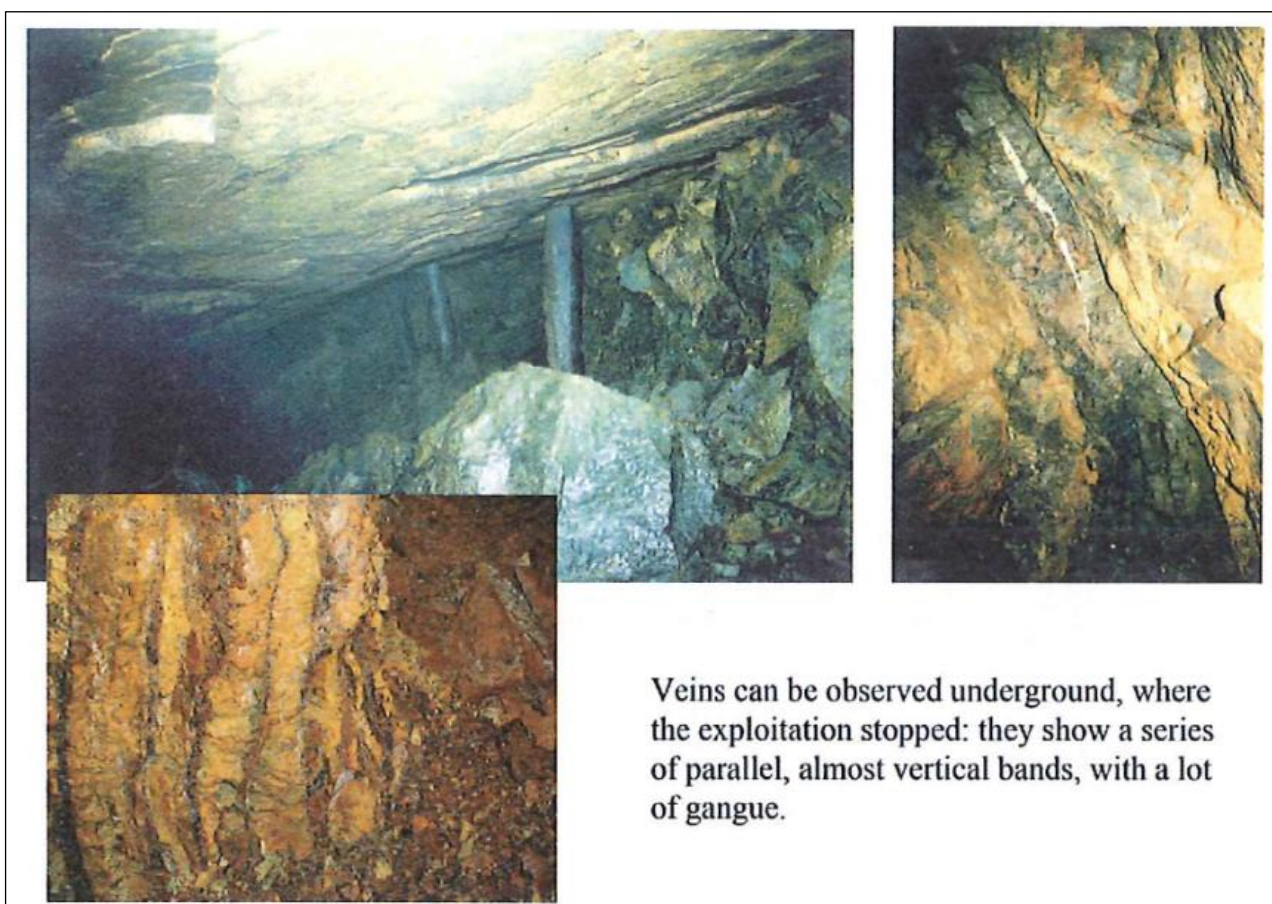
Figure 6.1 Location and topography of the Punta Corna licence



Source: Altamin

The target in this area consists of a hydrothermal system of multiple veins (seven identified in detail) hosting potentially economic concentrations of cobalt, nickel, copper and silver. There has been historical (1800s to 1900s) underground mining of these veins on a commodity-driven basis, and shafts, galleries and spoil heaps from this period are visible at surface. Some of these galleries are still open, and according to Altamin veining can be seen exposed in the walls (Figure 6.2).

Figure 6.2 Veining in abandoned galleries on the Punta Corna licence



Veins can be observed underground, where the exploitation stopped: they show a series of parallel, almost vertical bands, with a lot of gangue.

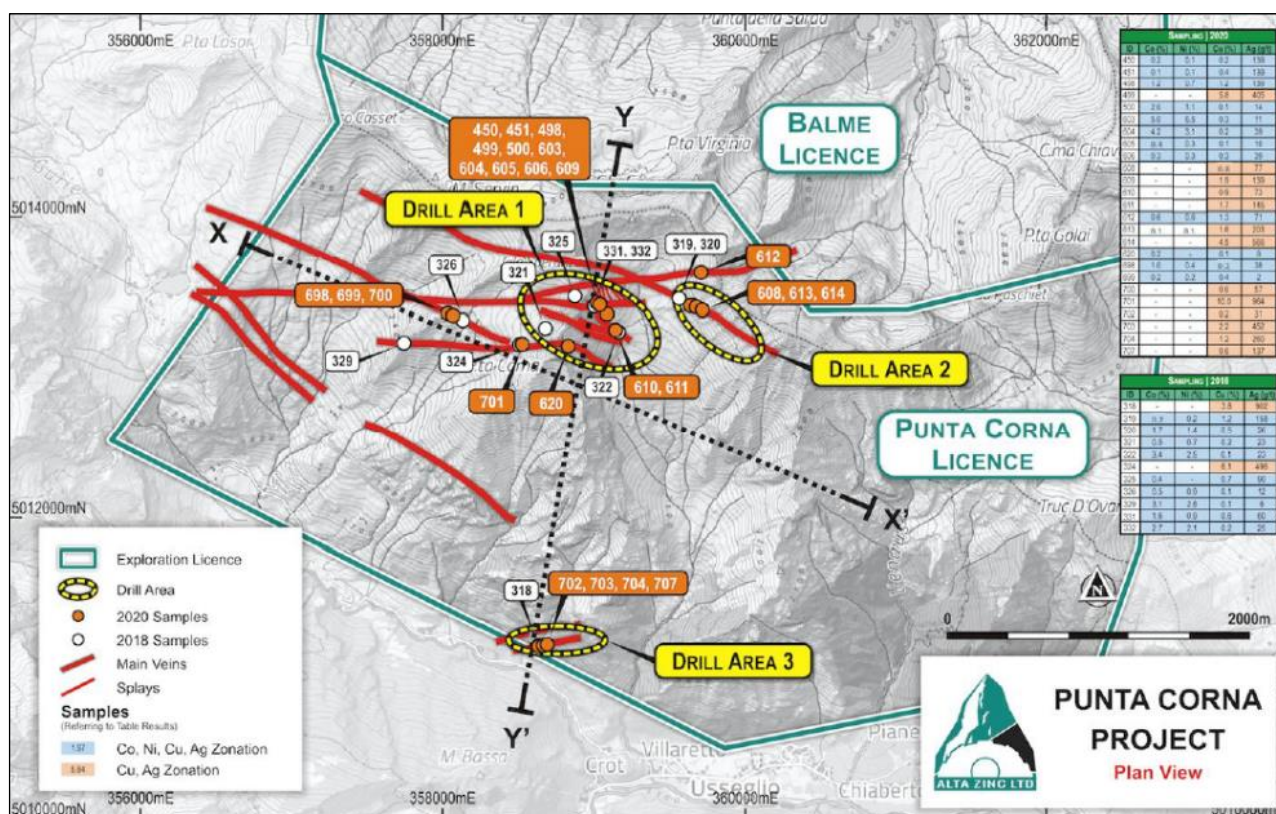
Source: Altamin

Work completed by Altamin during 2020–2021 is summarised as follows:

- Mapping and sampling of cobalt, nickel, copper and silver mineralisation highlighted seven subvertical main veins with a combined mineralised strike length of approximately 2,500 m and a vertical extent of 340 m.
- A 2021 grab sampling program confirmed mineralisation over an approximate 2 km strike length. The vein sampling returned:
 - 5.0% Co, 6.5% Ni, 0.3% Cu, 11 g/t Ag, and 5.8% Cu, and 405 g/t Ag from San Giovanni vein samples 603 and 499
 - 1.0% Co, 0.4% Ni, 0.2% Cu, and 38 g/t Ag from San Carlo vein sample 698
 - 2.2% Cu and 452 g/t Ag, 1.2% Cu, and 260 g/t Ag from Santa Barbara vein sample 703 and 704
 - 4.5% Cu and 566 g/t Ag from Speranza vein sample 614
 - 10.0% Cu and 964 g/t Ag from Bocca del Prete vein sample 701.

The location of the veins and of the sampling is shown in Figure 6.3. It should be noted that only two of the samples contained significant amounts of cobalt.

Figure 6.3 Plan map of the Punta Corna vein locations and sampling results



Source: Altamin

Altamin holds two ELs covering the area – the contiguous Balme and Punta Corna licences (Figure 6.4). The Balme licence was renewed in August 2021 for a further three years (to 2024). The Punta Corna licence is currently under renewal with an exploration drilling program currently scheduled for summer 2022 upon grant and pending funding.

The exploration program is planned to consist of 32 diamond drillholes drilled on seven pads for a total of approximately 3,750 m. The drilling program is currently out for tender and is likely to cost between €4 million and €5 million.

The map displays the Punta Corna Project area, bounded by coordinates 357500mE to 362500mE and 5012500mN to 5015000mN. It features two main exploration licences: BALME LICENCE (top right) and PUNTA CORNA LICENCE (bottom right). The map includes a legend with the following symbols:

- Exploration Licence (Solid green line)
- Previous Exploration Licence (Dashed green line)
- Drill Area (Yellow dashed circle)
- Planned Drillholes (Yellow dots)
- New Hydrothermal Veins (Pink lines)
- Potential Vein Extensions (Dashed pink lines)
- Main Hydrothermal (Mapped) (Red lines)
- Potential Veins (Aerial Photos) (Purple lines)
- Splay Veins (Thin red lines)

Key geographical features and locations labeled on the map include: Pta. Serene, Pta. Rosina, Pta. della Sorola, Pta. Vigli, Pta. Gola, Pta. Corna, Pta. Chiavessa, Pta. Gola, Pta. D'Oro, Pta. Basso, Grot. Villarete, Usseglio, Chiavenna, and Pta. Loran. Three specific drill areas are highlighted: DRILL AREA 1, DRILL AREA 2, and DRILL AREA 3. A scale bar indicates 0 to 2000m, and a north arrow is present in the bottom left corner. The logo for ALTA ZINC LTD is in the bottom right corner.

Snowden Optiro considers the Punta Corna Cobalt Project to be an early-stage exploration project with potential to produce a cobalt resource. Exploration results are currently limited to basic mapping and a few surface grab samples. Comprehensive exploration work is required to advance this project, and the exploration costs are high compared to similar project types. This is due to the challenging terrain, and due to the requirement for a remote exploration camp and helicopter support.

Snowden Optiro considers this to be a positive indicator for the successful implementation of the exploration program.

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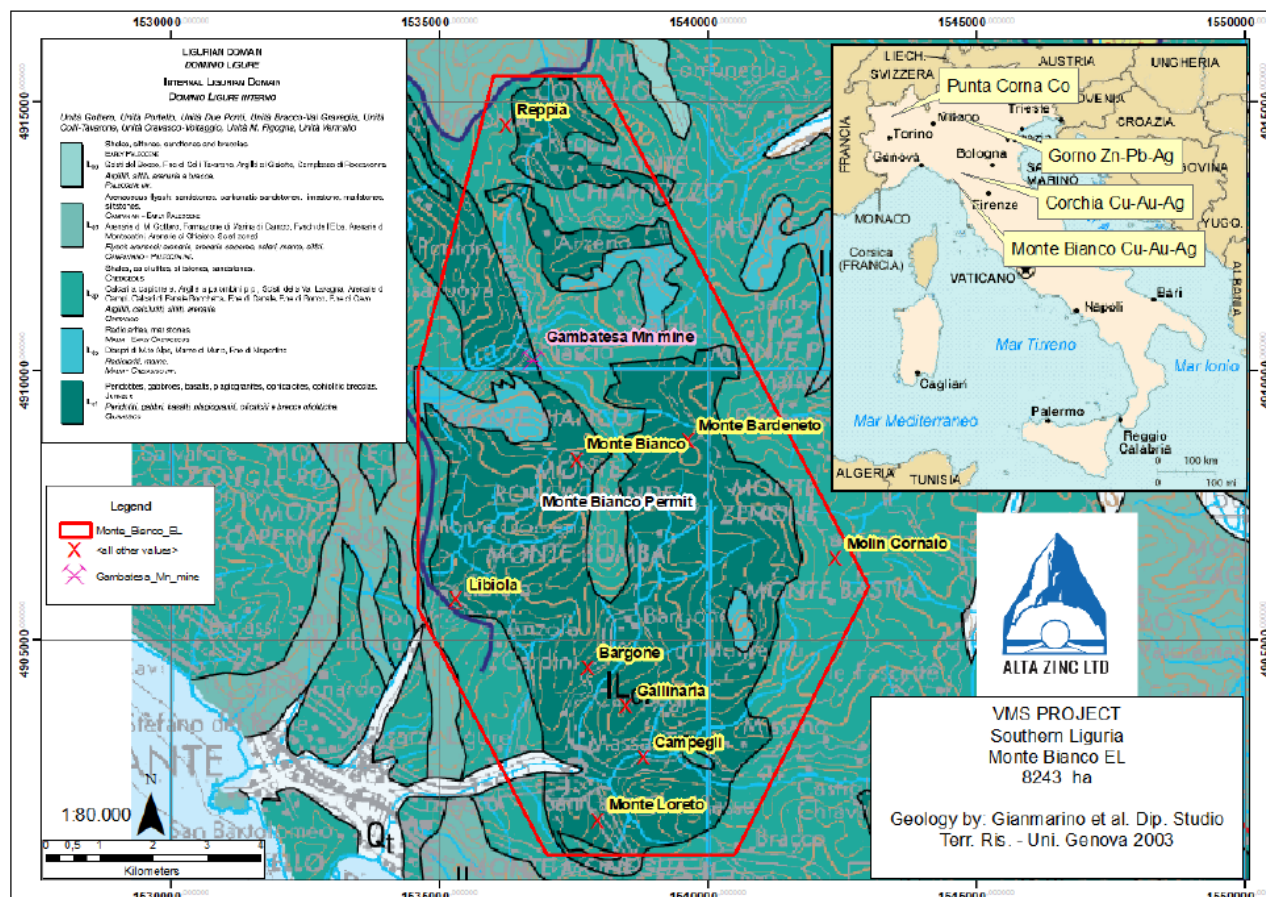
7 MONTE BIANCO AND CORCHIA

According to an ASX announcement dated 15 March 2021, Altamin has lodged EL applications over two copper-rich mining districts in Italy at:

- Monte Bianco EL (8,200 ha) – situated in the Liguria region of the Northern Apennines
- Corchia EL (3,500 ha) – situated in the Emilia Romagna region.

The Monte Bianco EL includes the Reppia area. The location of the permits is shown in Figure 7.1.

Figure 7.1 Location of Corchia, Reppia and Monte Bianco permits



Source: Altamin ASX Announcement 15 March 2021

The tenements are located in two significant copper, cobalt and manganese-rich historical mining districts in Italy. The Monte Bianco EL (8,200 ha) is in the Liguria region of the Northern Apennines and Corchia EL (3,500 ha) is in the Emilia Romagna region.

Mineralisation at both project areas is hosted in copper-rich VMS systems mined up to the early 1970s with historical production grades of approximately 7% Cu recorded from the Libiola mine and 3–5% Cu from the Corchia mine. The Gambatesa mine (situated outside the ELs) was Europe's largest manganese producer in the late 1960s.

According to Altamin, its primary focus is to determine the potential for mineral resources within these projects, which considering the historical production and geological prospectivity could result in a pipeline of quality drill targets. Currently the potential of these licences is unquantified and is classified as an early-stage exploration project.

Altamin has reported historical ore grades of representative samples within the lease areas as shown in Table 7.1.

Table 7.1 Representative compositions of sulphide ore from VMS deposits within the EL application areas

Deposit	Cu (%)	Au (g/t)	Ag (g/t)	Co (%)
Corchia EL application: Outer Liguride deposits				
Corchia	4.7	1.7	8	0.3
Corchia	0.4		106	0.1
Monte Bianco EL				
Libiola	2.5	0.3	5	
Monte Bardeneto	1.6	0.7	1	0.1
Monte Bianco 1	0.7	0.2	3	
Monte Bianco 2	0.6			
Reppia 1	2.9	0.3	1	0.2
Reppia 2	0.9	0.8	1	
Reppia 3	2.2		1	
Reppia 3	19.8	0.1	4	0.1
Ferriere	8.7	0.1	5	
Vigonzano	1.2		4	
Campegli	3.0		8	
Bocassuolo	1.9		4	
Montecreto	0.4		0	
Loreto	1.6		1	

Source: Altamin ASX announcement dated 15 March 2021

The ELs are located close to existing infrastructure (roads, centres of population, water and power) and within easy logistical reach of the hub port of Genoa. The ELs offer year-round exploration access over an extensive historical mining footprint in gently undulating relief below 1,000 m level.

Hosted within ophiolite country rocks, the mineralisation in the VMS systems consists largely of chalcopyrite with associated oxidised copper species, sphalerite, cobalt, and gold. This suite of metals is completely aligned to Altamin's strategy of becoming an Italian focused base and battery metals explorer and producer, with the location of these ELs relative to its existing projects and port of Genoa offering tremendous logistical advantages.

VMS deposits are one of the most researched deposit classes, and with their potential to form clusters of closely spaced deposits and their polymetallic ore, can be explored and brought into production with a relatively modest capital cost compared to larger but typically lower-grade porphyry systems. Snowden Optiro understands there are significant legacy environmental issues associated with the historical mining on these properties and as part of the initial assessment Altamin intends to assess the potential solutions and the commercial implications for environmental remediation.

A site visit was not conducted as these licenses were considered to be low value compared to the Gorno deposit. Snowden Optiro did not consider any additional information gained from a site visit to have a material effect on the assessed values.

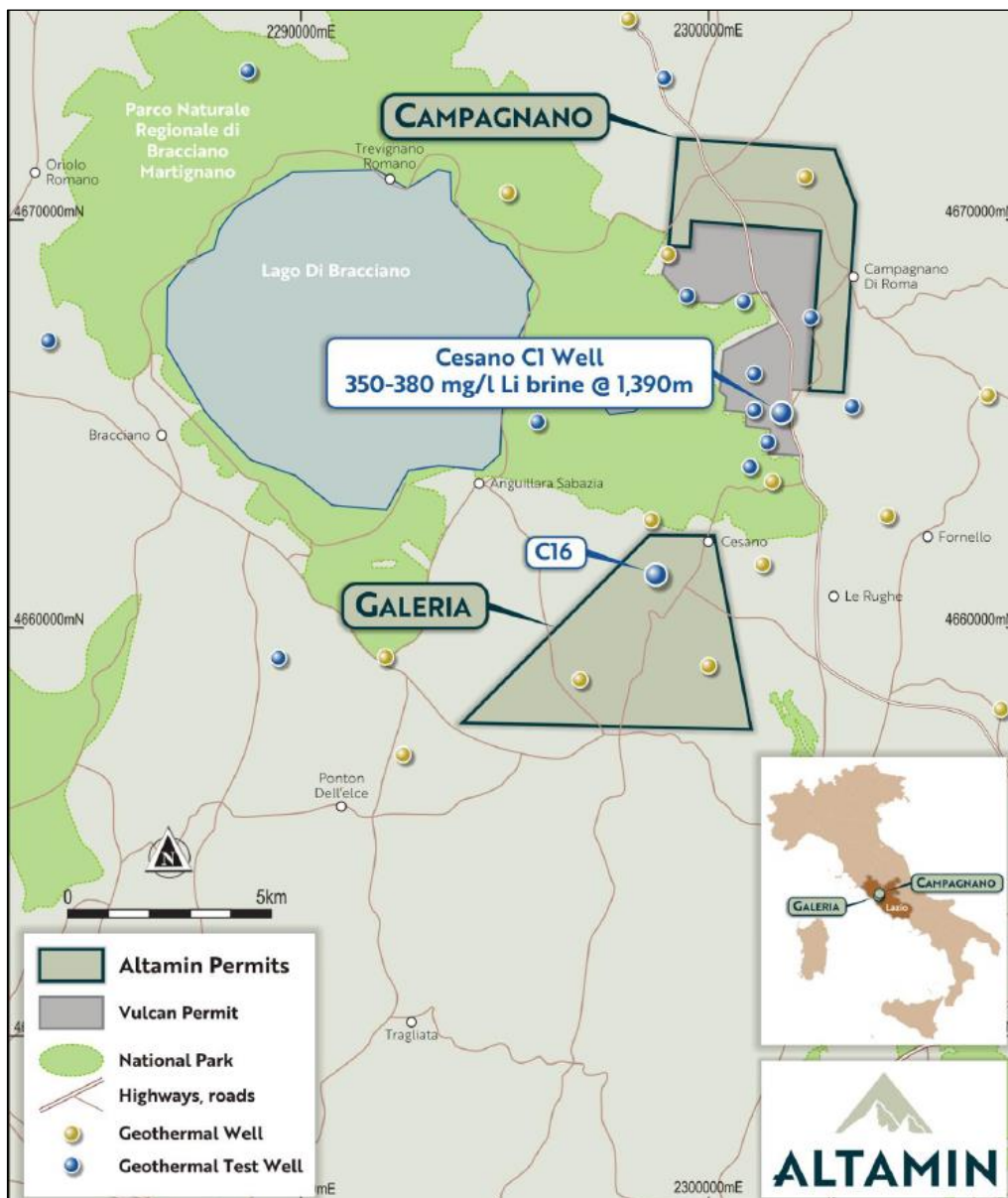
8 CAMPAGNANO AND GALERIA

Altamin has lodged applications for ELs over the Campagnano and Galeria areas prospective for lithium in brine in the Cesano district (50 km north of Rome). Initial data shows that these areas have anomalously high lithium salt values contained in groundwater at depths greater than 1,000 m and the host-rocks are known to have exceptionally high geothermal gradients, which may be advantageous to commercialise lithium extraction alongside power generation.

The project licences include:

- The Campagnano EL application, of about 1,213 ha, includes one test well and lies contiguous to, and immediately north and east of an EL granted to ASX-listed Vulcan Energy Resources (ASX: VUL) (Figure 8.1). Vulcan Energy Resources' core focus is to produce lithium from geothermal brines in the Upper Rhine Valley of Germany and its recently granted EL highlights a new prospective venture into Italy.
- The Galeria EL application, of about 2,043 ha, covers an area some 10 km to the south of Campagnano, and includes one geothermal well and two test wells.

Figure 8.1 Location of the two ELs under application, adjacent to Vulcan's granted EL, with the C1 lithium-bearing well and the prospective C16 Well



If successfully granted, the initial work program will be to obtain and assess the historical geological and technical data from the geothermal wells on the property. Further assessment of the feasibility of resampling and analysing the geothermal brines from other existing wells will also be made.

On 4 May 2022 Altamin announced to the ASX that the Regione Lazio (Lazio regional government) had published a determination that both of the EL applications are excluded from the requirement to undergo a VIA procedure (environmental impact assessment) for the scopes of work that Altamin had proposed. As a result, the Regione Lazio will now proceed with processing the applications. Assuming the applications are successful Altamin will immediately commence its work program starting with a review of all available historical information and assessment of the borehole logging.

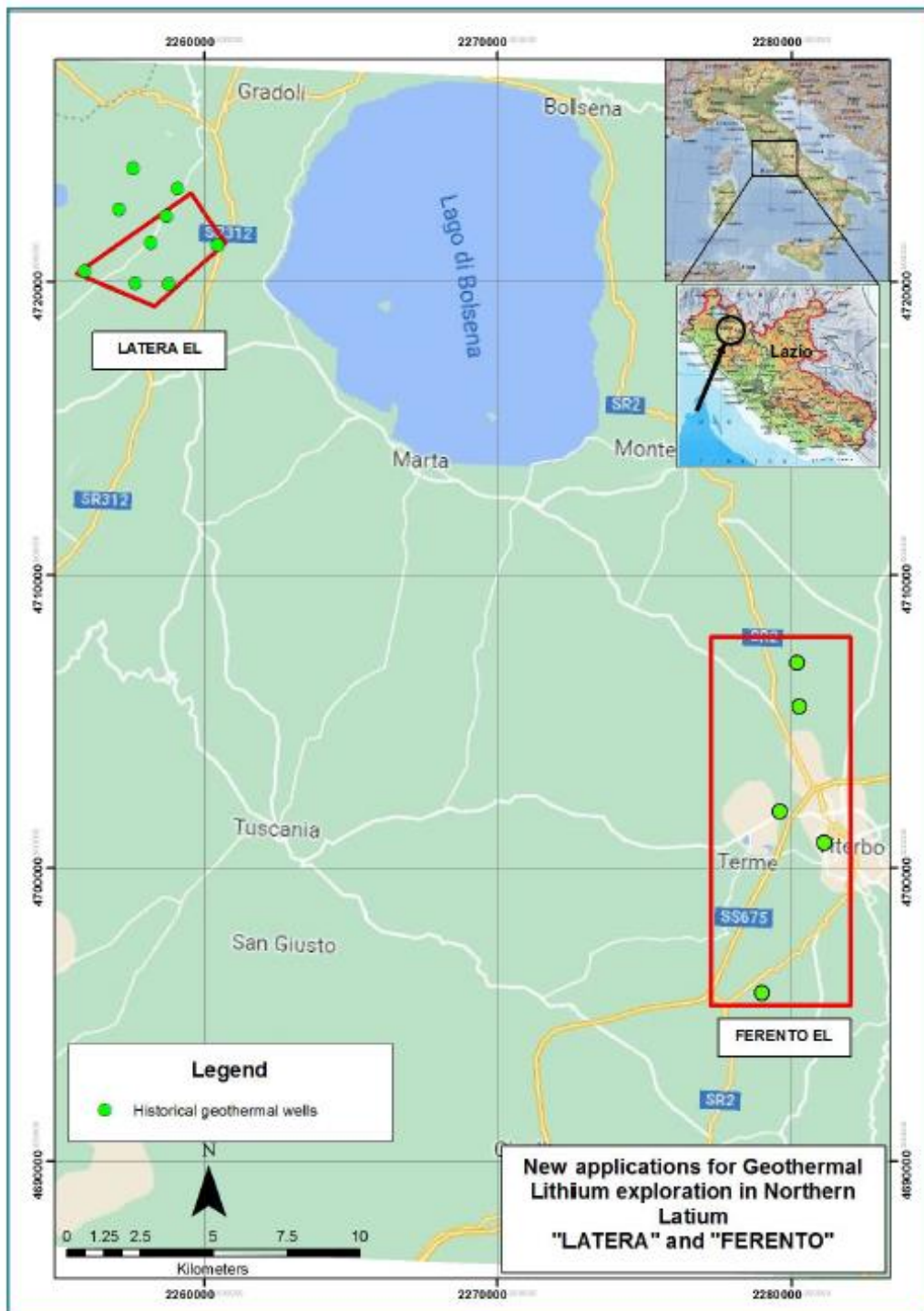
Snowden Optiro considers Campagnano and Galeria to be early-stage exploration projects, currently without demonstrated potential to extract industrial quality lithium in commercial volumes.

A site visit was not conducted as Snowden Optiro did not consider any additional information gained from a site visit to have a material effect on the assessed values.

9 LATERA AND FERENTO

Altamin has lodged applications for ELs over the Latera and Ferento areas which are prospective for lithium in brine. These areas are situated in the Cesano district, 80 km northeast of Rome. Altamin states that the areas contain high salinity brines, which are prospective for geothermal power generation. They further state that the limited historical sample data reviewed confirms the potential for lithium content in the brines. The location of the licences is shown in Figure 9.1.

Figure 9.1 Location of the Latera and Ferento Licences in Italy



Source: Altamin ASX announcement 7 June 2022

The Lazio regional government will evaluate the EIS for the proposed work programs. The work programs are similar to Campagnano and Galeria, which have both received exemptions from EIS assessment.

On 14 June 2022, Altamin advised that the license application for the Latera EL had been refused by the relevant authorities. This has been considered in the valuation assessment in Section 10.6.

10 VALUATION

10.1 Considerations

This report has been prepared in accordance with the VALMIN Code, whose purpose is to provide a set of fundamental principles, minimum requirements and supporting recommendations to assist in the preparation of relevant Public Reports on Mineral Assets. The VALMIN Code is based on international good practice as currently employed in the mineral industry but allows for professional judgement in certain instances.

The Code states that the resulting Public Reports must be reliable and should be clear, concise, effective and include all the Material information required by investors and their advisers when making investment decisions.

Mineral assets are defined in the Code as “all property including, but not limited to real property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements”.

The Code defines the value, that is fair market value, of a mineral asset as the estimated amount of money or the cash equivalent or some other consideration for which the mineral asset should change hands on the valuation date between a willing buyer and a willing seller in an arms-length transaction, wherein each party has acted knowledgeably, prudently and without compulsion.

The Code notes that the value of a mineral asset usually consists of two components: the underlying or Technical Value and the Market component which is a premium or discount relating to market, strategic or other considerations which, depending on circumstances at the time, can be either positive, negative or zero. When the Technical and Market components of value are added together the resulting value is referred to as the Market Value.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions and sentiment, commodity prices, exchange rates, political and country risk change. Other factors that can influence the valuation of a specific asset include the size of the company’s interest, whether it has sound management and the professional competence of the asset’s management. All these issues can influence the market’s perception of a mineral asset over and above its technical value.

In addition, ASIC is an independent integrated corporate, markets, financial services and consumer credit regulatory Australian Government body set up to administer the *Australian Securities and Investments Commission Act 2001* (ASIC Act), mostly under the *Corporations Act 2001*.

ASIC provides Regulatory Guidelines (RG) and Information Sheets to provide guidance to regulated entities by:

- Explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- Explaining how ASIC interprets the law
- Describing the principles underlying ASIC’s approach
- Giving practical guidance.

This report has been compiled in accordance with RG111: Content of Expert Reports, and RG112: Independence of Experts.

10.2 Valuation methods

The VALMIN Code refers to a number of valuation methodologies in common use and refers to publications hosted by the Mineral Industries Consultants Association (MICA).

10.2.1 Mineral assets with Mineral Resources and Ore Reserves

Where Mineral Resources and/or Ore Reserves have been defined, Snowden Optiro's approach is to excise them from the mineral property and to value them separately on a comparative value per resource tonne/metal unit basis or on the basis of a discounted cash flow (DCF). The value of the exploration potential of the remainder of the property can then be assessed. Where appropriate, discounts are applied to the estimated contained metal to represent uncertainty in the information.

In Snowden Optiro's opinion, a Specialist charged with the preparation of a development or production project valuation must give consideration to a range of technical issues as well as make a judgement about the "market". Key technical issues that need to be taken into account include:

- Confidence in the Mineral Resource/Ore Reserve estimate
- Metallurgical characteristics
- Difficulty and cost of extraction
- Economies of scale
- Environmental and community considerations
- Legal and permitting status
- Proximity and access to supporting infrastructure.

There are three main valuation approaches recognised by the VALMIN Code, depending on the stage of development of the project, from early exploration to development and operation.

The relationship between valuation approaches and stage of development is shown in Table 10.1.

Table 10.1 VALMIN Table 1 – The relationship between valuation approaches and stage of property development

Valuation approach	Exploration projects	Pre-Development projects	Development projects	Production projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Income-based, which is based on the notion of cash flow generation. In this Valuation Approach, the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed.

A DCF analysis determines the Technical Value of a project by approximating the value if it were developed under the prevailing economic conditions.

Once a Mineral Resource has been assessed for mining by considering revenues and operating costs, the economically viable component of the resource becomes the Ore Reserve. When this is scheduled for mining, and the capital costs and tax regime are considered, the net present value (NPV) of the project is established by discounting future annual cash flows using an appropriate discount rate.

The resulting NPV has several recognised deficiencies linked to the fact that the approach assumes a static approach to investment decision-making, however the NPV represents a fundamental approach to valuing a proposed or ongoing mining operation and is widely used within the mining industry.

Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.

When the economic viability of a mineral resource has not been determined by scoping or high-level studies, then a "rule of thumb" or comparable market value approach is typically applied. The comparable market value approach for mineral resources is a similar process as to that for exploration properties, however, a dollar value per resource tonne/metal in the ground is determined.

As no two mineral assets are the same, the Specialist must be cognisant of the quality of the assets in the comparable transactions, with specific reference to:

- Grade of the resource
- Metallurgical qualities of the resource
- Proximity to infrastructure such as an existing mill, roads, power, water, skilled workforce, equipment, etc.
- Likely operating and capital costs
- Amount of pre-strip (for open pits) or development (for underground mines) necessary
- Likely ore to waste ratio (for open pits)
- Overall confidence in the resource.

Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

10.2.2 Mineral assets in the exploration stage

When valuing an exploration or mining property, the Specialist is attempting to arrive at a value that reflects the potential of the property to yield a mineable Ore Reserve and which is, at the same time, in line with what the property will be judged to be worth when assessed by the market. Arriving at the value estimate by way of a desktop study is notoriously difficult because there are no hard and fast rules and no single industry-accepted approach.

It is obvious that on such a matter, based entirely on professional judgement, where the judgement reflects the Specialist's previous geological experience, local knowledge of the area, knowledge of the market and so on, that no two valuers are likely to have identical opinions on the merits of a particular property and therefore, their assessments of value are likely to differ – sometimes markedly.

The most commonly employed methods of exploration asset valuation are:

- MEE method (exploration based) also known as the premium or discount on costs method or the appraised value method
- Joint venture terms method (expenditure based)
- Geoscience rating methods such as the Kilburn method (potential based)
- Comparable market value method (real estate based).

It is possible to identify positive and negative aspects of each of these methods. It is notable that most valuers have a single favoured method of valuation for which they are prepared to provide a spirited defence and, at the same time present arguments for why other methods should be disregarded. The reality is that it is easy to find fault with all methods since there is a large element of subjectivity involved in arriving at a value of a tenement no matter which method is selected. It is obvious that the Specialist must be cognisant of actual transactions taking place in the industry in general to ensure that the value estimates are realistic.

In Snowden Optiro's opinion, a Specialist charged with the preparation of a tenement valuation must give consideration to a range of technical issues as well as make a judgement about the "market". Key technical issues that need to be taken into account include:

- Geological setting of the property
- Results of exploration activities on the tenement
- Evidence of mineralisation on adjacent properties
- Proximity to existing production facilities of the property.

In addition to these technical issues, the Specialist has to take particular note of the market's demand for the type of property being valued. Obviously, this depends upon professional judgement. As a rule, adjustment of the technical value by a market factor must be applied most judiciously. It is Snowden Optiro's view that an adjustment of the technical value of a mineral tenement should only be made if the technical and market values are obviously out of phase with each other.

It is Snowden Optiro's opinion that the market may pay a premium over the technical value for high quality mineral assets (i.e. assets that hold defined resources that are likely to be mined profitably in the short term or projects that are believed to have the potential to develop into mining operations in the short term even though no resources have been defined).

On the other hand exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to technical value. Deciding upon the level of discount or premium is entirely a matter of the Specialist's professional judgement. This judgement must of course take account of the commodity potential of the tenement.

There are numerous factors that affect the value, such as proximity to an established processing facility and the size of the land holding. The market in exploration tenements is affected by the size of the land holding. In Snowden Optiro's opinion, a large or consolidated tenement holding, in areas with strong exploration potential attract a premium because of its appeal to large companies.

10.2.3 Snowden Optiro's valuation methodology

It is Snowden Optiro's opinion that no single valuation approach should be used in isolation, as each approach has its own strengths and weaknesses. Where practicable, Snowden Optiro undertakes its valuations using a combination of valuation techniques in order to help form its opinion.

There are a number of recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the extent and reliability of information available in relation to the asset. The VALMIN Code classifies mineral assets according to the maturity of the asset:

- **Exploration areas** – Properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been declared.
- **Advanced exploration areas** – Properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some form of detailed geological sampling. A Mineral Resource may or may not have been estimated, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more prospects to the resource category.
- **Pre-Development projects** – Properties where Mineral Resources have been identified and their extent estimated, but where a decision to proceed with development has not been made. This includes projects at an early assessment stage, on care and maintenance or where a decision has been made not to proceed with immediate development.
- **Development projects** – Properties for which a decision has been made to proceed with development, but which are not commissioned or are not operating at design levels.
- **Operating mines** – Mineral properties that have been fully commissioned and are in production.

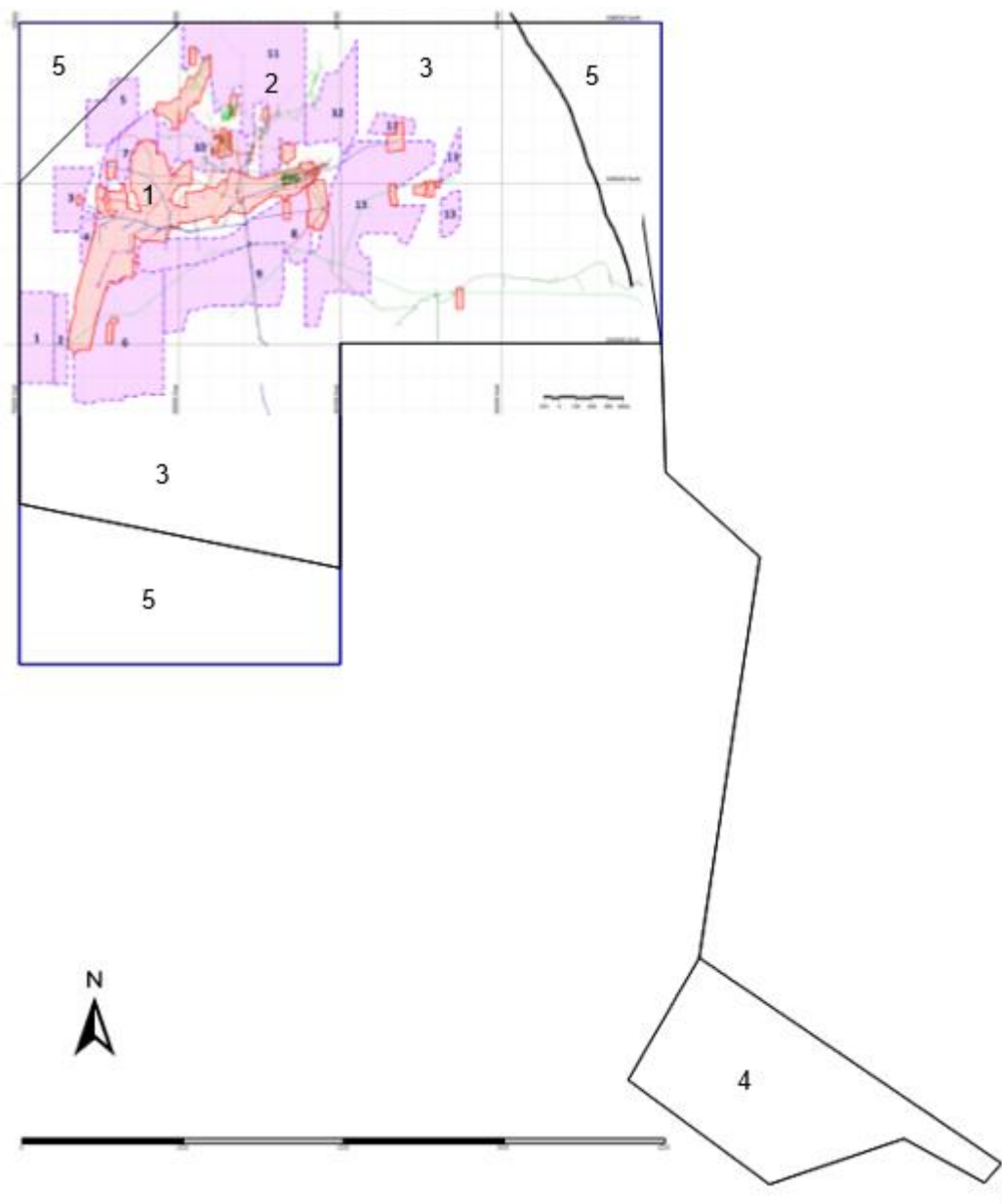
10.3 Valuation opinion – Gorno

The Gorno Project area has been subdivided into the following discrete areas for the purposes of this valuation. These areas are shown diagrammatically in Figure 10.1.

- Mineral Resources declared to the ASX and signed off in accordance with the JORC Code, and situated within the ML application (shown in red and as Area 1 in Figure 10.1)
- Exploration Targets declared to the ASX and signed off in accordance with the JORC Code and situated within the ML application (shown in purple and as Area 2 in Figure 10.1)

- Remaining extent of prospective area, situated within the ML application (shown in white as Areas 3 (Oltre il Colle) and Area 4 (Riso Parina) in Figure 10.1)
- Remaining extent situated outside the ML area, but within the EL boundary (shown in white and as Area 5 in Figure 10.1).

Figure 10.1 Gorno valuation areas; (1) Mineral Resources, in red; (2) Exploration Target areas, in purple; (3) Remaining ML Oltre il Colle; (4) Remaining licence Riso Parina area; (5) Area between the ML area and the EL boundary



Historical mining areas, not shown in the figure, have been excluded from the valuation.

10.3.1 Valuation of Mineral Resources and Exploration Targets

To determine the value of the Mineral Resources and the Exploration Targets, the market-based approach has been adopted, whereby the asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.

The following search parameters (Table 10.2) were used to find similar comparable market transactions to Gorno within the S&P Capital IQ database.

Table 10.2 Search parameters for S&P Capital IQ database

Parameter	Value
Commodity	Zinc
Geography	All geographies
Private equity deals	Include
Include only primary commodity	Include
Date range	Five years
Date	Announcement date
Transaction status	Completed
Announced transaction value	Yes

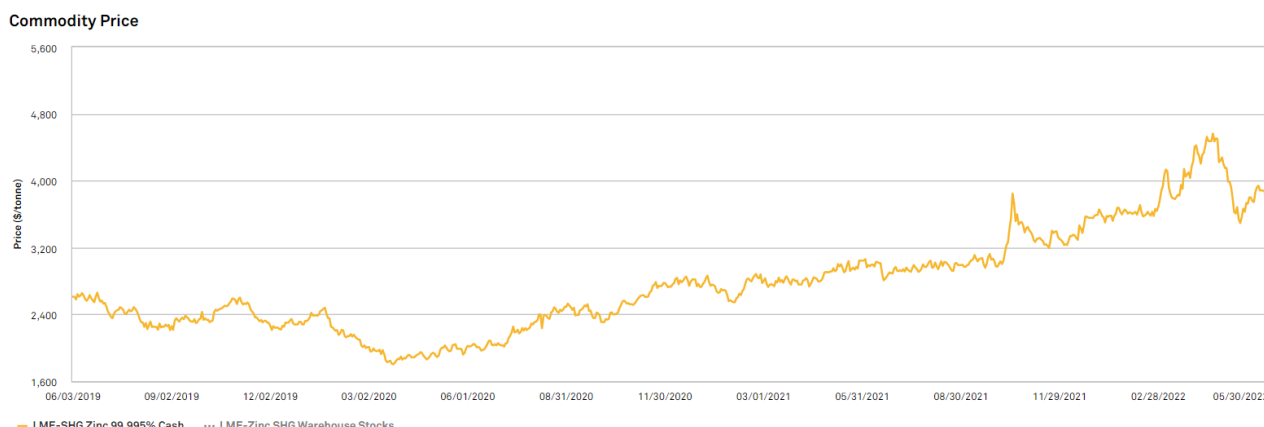
Source: S&P Capital IQ sourced on 20 May 2022

A total of 53 company transactions and 246 property transactions were extracted.

10.3.2 Metal price assumptions

A five-year horizon was chosen to ensure sufficient comparable transactions, especially with the lack of deals during COVID-19.

Over the period of transactions, the price of zinc has varied from just below US\$2,000/t to over US\$4,000/t, with much of the period trading in a range from US\$2,000/t to US\$3,500/t. The price of zinc over the past five years is shown graphically in Figure 10.2.

Figure 10.2 LME (cash) zinc price in US\$/t for June 2017 to June 2022


Source: S&P Global Market IQ, accessed on 8 June 2022

The Altamin base case price assumptions considered in October 2021 were US\$2,850/t for zinc, US\$2,100/t for lead, and US\$21/oz for silver. These follow zinc price projections published by S&P Global (October 2021).

Since October 2021, the price has increased and has averaged over US\$3,500 from then to June 2022. In the third week of May 2022, the price of zinc on the London Metal Exchange (LME) ended down 1.5% at US\$2,854 and closed the quarter down 12% – still well above its historical average and well above the price used by Altamin. The average of the past 30 days has been US\$3,748/t, or US\$1.70/lb.

The average price of the selected transactions has been US\$2,822/t, or US\$1.28/lb.

During the five-year period of the transactions, the lead price has traded in a range from US\$1,600/t to US\$2,500/t, and is currently trading at US\$2,115/t, marginally above the value used by Altamin in October 2021. The average of the past 30 days has been US\$2,137/t, or US\$0.97/lb.

Figure 10.3 LME (cash) lead price in US\$/t for June 2017 to June 2022



Source: S&P Global Market IQ, accessed on 8 June 2022

Similarly, the silver price in US\$/oz is shown in Figure 10.4.

Figure 10.4 LME (cash) silver price in \$/oz for June 2017 to June 2022



Source: S&P Global Market IQ, accessed on 8 June 2022

Table 10.3 shows the average of the 30 days to 10 June which has been used to adjust the ZnEq tonnage for the comparative transactions. The relative prices are shown in Table 10.3. This is a relative adjustment, and no transaction price adjustment has been undertaken. With the increase in the Zn price over the past 9 months this must represent an upside to the current valuation.

Table 10.3 Prices used

	Zinc		Lead		Silver
	US\$/lb	US\$/t	US\$/lb	US\$/t	US\$/oz
Gorno Scoping Study	1.29	2,850	0.95	2,100	21
Average of Comparative Transactions	1.28	2,822	1.03	2,271	20
Average Price for 30 Days to 10 June 2022	1.70	3,748	0.97	2,137	22

Source: S&P Market IQ. Slight rounding may occur

In the population of 53 S&P company deals, 13 date from 2017, 13 from 2018, 11 from 2019, five from 2020, nine from 2021, and two from 2022.

10.3.3 Valuation of Gorno Mineral Resources

From the population of 53 transactions, a total of 11 similar transactions were chosen. These were selected on the following criteria:

- Within five years of May 2022

- Zinc is the primary commodity, with lead and silver (and possibly others) as by-products
- Existence of historical mining
- Underground mining (one is open cast)
- Pre-development, development, or operating mines
- The consideration paid was adjusted to reflect 100% terms.

Metal prices used in the acquisitions were obtained by accessing individual company details in the S&P Global Market IQ.

Zinc equivalents were calculated using the differential price between zinc, lead and silver, in US\$/t. The calculation of the Gorno Mineral Resources zinc equivalent tonnes is shown in Table 10.4.

Table 10.4 Zinc equivalent calculation for Gorno

Category	Tonnes		Zn		Pb		Ag	Total ZnEq
	(kt)	%	kt	%	kt	g/t	koz	kt
Total Resources	7,790	6.8	528	1.8	137	32	8,040	
Price			3,748		2,137		22	
Zinc Equivalent Factor			1.00		0.57		0.0055	
Zinc Equivalent Kilo Tonnes			528		78		44	650

The unweighted average price was calculated for the comparative transactions, and averaged US\$2,822/t for zinc, US\$2,271/t for lead, and US\$20/oz for silver. These were adjusted for the current price used.

The amount of zinc and lead, in tonnes, and silver, in million ounces, for each transaction, was given by S&P Global Market IQ, together with the corresponding price. The metal contents were converted to ZnEq, using the prices prevailing at the time of the transaction.

The metal contents were converted to adjusted ZnEq, using the following prices: US\$3,748/t for zinc, US\$2,137/t for lead, and US\$22/oz for silver.

The ZnEq tonnes are slightly lower than the ZnEq calculated at the lower Zn price, due to the higher Zn contribution to the equivalence calculation.

A further adjustment was made to the transaction price, to largely account for the Zn price differential. This was calculated on an average transaction basis, for the zinc, lead and silver price. The revenue as calculated at the individual prices (Table 10.5)

Table 10.5 Price differential calculations

Price US\$/t	Revenue US\$	Price US\$/t	Revenue US\$	% Incr/Decr
2,822	1,489,956,864	3,748	1,978,848,960	133%
2,271	288,383,726	2,138	271,584,674	94%
20	160,920,000	22	177,012,000	110%
Total	1,939,260,590		2,427,445,634	125%

The average transaction price uplift applied was thus 25%.

The transactions selected for valuation comparison are shown in Table 10.6.

The ZnEq and transaction adjusted and unadjusted transaction values per ZnEq are shown in Table 10.7. The weighted (by ZnEq tonnes) average transaction value is US\$57.10/t, vs the unadjusted value of US\$55.82/t. The adjusted multiple of US\$57.10 is further adjusted by transaction average versus spot price and the resultant of US\$71.47/t is applied to the zinc equivalent tonnes of 585 tonnes as shown in Table 10.7.

Table 10.6 Transactions selected for valuation comparison

Project location	Target (and projects)	Buyer	Share	Consideration paid (US\$M)	Date	Counterparty	Underground/ Open cast	Deposit or mine
Australia	Heron Resources (Woodlawn)	Develop Global	100%	166.88	11 May 2022	Heron Resources	Underground	Operating mine
Bolivia	Glencore (Sinchi Wayra and Sociedad Minera Ilapa)	Santa Cruz Mining	100%	110.00	12 Oct 2021	Sociedad Minera Ilapa SA	Underground	Operating mine
Peru	Tinka Resource (Incl Ayawilca Project, Peru)	Nexa (Luxembourg)	9%	6.24	13 Oct 2021	Tinka Resources	Underground	Project
Peru	El Mochito Mine (Ascendant Resources)	Kirunugu Corp.	100%	26.10	17 Apr 2020	Acendant Resources	Underground	Operating mine
Brazil	Aripuana (Karmin Exploration)	Votorantim Metals Canada Inc.	100%	68.28	26 Aug 2019	Aripuana (Karmin Exploration)	Underground	Operating mine
Turkey	Yenzipar Project	Investor group	56%	43.88	30 Sep 2018	Aldridge Minerals Inc	Underground	Feasibility completed
USA	Hermosa Project	South32	83%	1,302.35	17 Jun 2018	Arizona Mining	Open cast	Prefeasibility
Nigeria	Imperial/ Tawny	Noble Resources	17%	2.80	22 Dec 2017	Symbol Mining	Underground	Operating mine
Canada	Pine Point Mining	Osisko Metals	100%	23.45	16 Dec 2017	Pine Point Mining	Underground	Feasibility, Prefeasibility, and Target
China	Yunnan Tin Group (Holding) Company Limited	Capital Management Limited	16%	331.68	25 Oct 2017	Kunming and Ze Investment Centre (Limited Partnership)		Operating mines + plants
Peru	Volcan Compañía Minera S.A.A.	Glencore Plc	20%	956.38	13 Oct 2017	Volcan Shareholders	Underground	Operating mines + projects

Source: S&P Global Market IQ, accessed on 22 May 2022

Table 10.7 Comparable resource market transactions

Project Location	Target (& Projects)	Deposit or Mine	Zinc (t)	Zn Price US\$/lb	Lead (t)	Pb Price US\$/lb	Silver (oz)	Ag Price (\$/oz)	Total Inventory Value	ZnEq Tonne	\$/t (Zn eq) (Total)	Adjusted ZnEq Tonne ¹	Adj ZnEq \$/t ²	Adj ZnEq \$/t ³
Australia	Heron Resources (Woodlawn)	Operating Mine	685,000	1.26	309,000	0.95	22,050,000	23.88	6,178,150	2,236	74.64	2,172	76.85	96.19
Bolivia	Glencore (Sinchi Wayra and Sociedad Minera Ilapa)	Operating Mine	1,007,250	1.10	155,970	0.88	76,745,000	24.21	4,597,499	1,900	57.90	1,690	65.09	81.47
Peru	Tinka Resource (Incl Ayawilca Project ,Peru)	Project	292,900	1.12	10,820	0.90	5,832,050	24.76	908,400	367	16.98	351	17.80	22.28
Peru	El Mochito Mine (Ascendant Resources)	Operating Mine	646,369	1.10	201,848	0.95	16,100,000	18.49	2,283,764	944	27.66	914	28.55	35.74
Brazil	Aripuana (Karmin Exploration)	Operating Mine	598,918	1.22	218,336	1.14	18,000,000	16.75	3,243,886	1,209	56.46	1,171	58.31	72.99
Turkey	Yenzipar Project	Feasibility Completed	249,840	1.38	170,866	1.13	17,004,600	18.48	2,522,958	831	52.80	863	50.86	63.66
USA	Hermosa Project	Pre-Feasibility	5,453,757	1.38	4,897,590	1.13	497,000,000	18.48	37,917,575	12,489	104.28	12,738	102.24	127.98
Nigeria	Imperial/Tawny	Operating Mine	4,545	1.28	911	0.98			14,736	5	534.15	2,800.00	1.00	1.25
Canada	Pine Point Mining	Feasibility, Prefeasibility and Target	1,549,790	1.35	461,749	1.11	5,411,000	18.07	5,820,145	1,962	11.95	1,930	12.15	15.21
China	Yunnan Tin Group Company Limited	Operating Mines + factories	469,627	1.26					2,275,016	820	404.26	470	706.26	884.06
Peru	Volcan Compañía Minera S.A.A.	Operating Mines + Projects	1,821,805	1.20	543,690	0.92	164,288,219	18.33	9,773,669	3,702	258.33	2,970	322.06	403.13
	Total/Average		12,779,801	1.24	6,969,869	1.01	822,430,869	20.16	75,535,798	26,466	145.40	28,067	131.01	164.00
	Total/Average (selected)		8,934,034	1.22	5,964,430	1.01	652,731,650	20.72	70,133,648	19,976	55.82	19,899	57.10	71.47

Notes: Source: S&P Global Market IQ, accessed on 22 May 2022; Snowden Optiro analysis

1. ZnEq tonnes adjusted for metal prices between the transaction date and the 30 day average price to 10 June 2022
2. \$/t per ZnEq calculated on the adjusted ZnEq tonnes
3. \$/t per ZnEq adjusted for the average price differential between the transaction and the 30 day average price to 10 June 2022
4. ZnEq may not be exact due to additional by-product revenues
5. The highlighted transactions have been excluded from the transactions

The following were the reasons for the excluded transactions:

- Imperial – too small compared to the peer group, and because of age (2017)
- Pine Point – considered to be a transaction low outlier, and because of age (2017)
- Yunnan Tin – lead and silver not reported; includes smelters, and because of age (2017)
- Volcan – largely a silver play, and because of age (2017)

The ZnEq Mineral Resource of 650 kt at Gorno has been discounted by 10% for resource uncertainty. The mid valuation was varied by +/- 10 %, resulting in a range of US\$38 million to US\$46 million and a preferred value of US\$42 million. This is shown graphically in Table 10.8.

Table 10.8 Gorno valuation of Mineral Resources

Area	In Situ ZnEq kt	10% Discount ZnEq kt	Valuation Multiplier US\$/t	Low Value US\$M	High Value US\$M	Preferred Value US\$M
Gorno Mineral Resources	650	585	71.5	38	46	42

10.3.4 Valuation of Gorno Exploration Targets

The valuation of the Exploration Target mineralisation has been done on a comparable transaction basis using the same comparative population applied to the Mineral Resource valuation. The mineralisation considered in the valuation is reported in a range with the tonnage already discounted by 70%. The range of tonnes and grades have been converted to ZnEq at US\$3,748/t for zinc and US\$2,137/t for lead. As a conservative approach, due to the low confidence in the Exploration Targets, silver has been ignored.

The ZnEq Mineral Resource of 2,360 kt at Gorno has been discounted by 90% for resource uncertainty, to yield 236 ktonnes ZnEq. The 236 kt of ZnEq was multiplied by the valuation multiplier of US\$71.5/t to produce a preferred valuation of US\$17 million. This was varied by +/- 50% (to reflect the resource uncertainty) resulting in a range of US\$8 million to US\$25 million. This is shown graphically in Table 10.9.

Table 10.9 Gorno valuation of Exploration Targets

Area	In Situ ZnEq kt	90% Discount	Valuation Multiplier US\$/t	Low Value US\$M	High Value US\$M	Preferred Value US\$M
Gorno Exploration Targets	2360	236	71.5	8	25	17

10.3.5 Valuation of Gorno exploration hectares

The additional Areas 3, 4 and 5 shown in Figure 10.1 do not have any reported Mineral Resources or Exploration Targets. These areas have high exploration potential and have been valued on a comparable transaction basis for exploration properties.

A five-year history of comparable transactions was sourced from S&P Market IQ, resulting in a population of 246 property deals.

Property transactions have been used to value the remaining prospective area at Gorno. The property transactions investigated were confined to Europe and Africa and are shown in Table 10.10.

Table 10.10 Comparative property transactions considered

Completion date	Target	Buyer	Seller	% Acquired	Primary commodity	Country/Region	Continent	Earn-in?	Announced transaction value (US\$ M)	Adjusted transaction value (US\$ M)
N/A	Kroussou project	Apollo Minerals Limited	Trek Metals Limited	20.00	Zinc	Gabon	Africa	No	0.18	0.90
30 Sep 2021	Star project	Siege Mining Ltd.	Galileo Resources Plc	95.00	Zinc	Zambia	Africa	No	0.75	0.79
N/A	Masa Valverde project	Atalaya Mining plc	Undisclosed seller	100.00	Zinc	Spain	Europe	No	1.66	1.66
N/A	Kroussou Project	Apollo Minerals Limited	Trek Metals Limited	80.00	Zinc	Gabon	Africa	Yes	0.00	0.00
1 Aug 2019	Hollycross project	Zinc of Ireland NL	Private investor - Mr. Thomas Corr	100.00	Zinc	Ireland	USA	No	0.02	0.02
	Novalles-Udias project	Variscan Mines Limited	Investor group	100.00	Zinc	Spain	Europe	No	1.90	1.90
	Guajaraz project	Variscan Mines Limited	Investor group	100.00	Zinc	Spain	Europe	No	1.14	1.14
N/A	Oxberg and Naverberg projects	Alicanto Minerals Limited	Vendors of Zaffer (Australia) Pty Ltd.	100.00	Zinc	Sweden	Europe	No	0.74	0.74
26 Jul 2019	Three exploration projects	BMEEx Limited	Adventus Mining Corporation	100.00	Zinc	Ireland	Europe	No	0.38	0.38
N/A	Lagoa Salgad project	Ascendant Resources Inc.	TH Crestgate GmbH	46.75	Zinc	Portugal	Europe	Yes	6.05	12.95
22 Jun 2018	Lagoa Salgada project	Ascendant Resources Inc.	TH Crestgate GmbH	21.25	Zinc	Portugal	Europe	No	2.29	10.80
N/A	Kaoko project	Cazaly Resources Limited	Investor group	95.00	Zinc	Namibia	Africa	Yes	1.39	1.46
13 Jun 2018	Berg Aukas project	Weatherly International Plc	East China Mineral Exploration and Development Bureau	65.00	Zinc	Namibia	Africa	No	0.60	0.92
27 Apr 2018	Kroussou project	Trek Metals Limited	Battery Minerals Limited	100.00	Zinc	Gabon	Africa	No	2.94	2.94
8 Sep 2017	Stonepark licences	Group Eleven Resources Corp.	Teck Resources Limited	76.56	Zinc	Ireland	Europe	No	1.76	2.30
4 Sep 2017	Star Zinc project	Galileo Resources Plc	BMR Group Plc	51.00	Zinc	Zambia	Africa	No	0.59	1.16
4 Sep 2017	Star Zinc project	Enviro Processing Limited	Bushbuck Resources Limited	100.00	Zinc	Zambia	Africa	No	1.00	1.00

Where available, the transaction value was divided by the area in hectares, to arrive at a US\$/ha value. The \$/ha value varied from US\$400/ha to US\$900/ha, with a mean of US\$650/ha.

This range of \$/ha values was applied to the hectareage for the three different areas, as shown in Table 10.11.

Table 10.11 Hectares, US\$/ha and value (US\$ M) for Gorno Areas 3, 4 and 5

Area	Location	ha	US\$/ha / Value (US\$ M)		
			400	850	900
Area 3	Oltre il Colle	201	0.1	0.2	0.2
Area 4	Riso Parina	142	0.1	0.1	0.1
Area 5	Cime	204	0.1	0.2	0.2

Source: Snowden Optiro analysis

10.4 Valuation results – Punta Corna and Balme

A total of 222 property transactions with primary cobalt were reviewed from S&P Capital IQ Pro, from May 2013 to May 2022. Transactions prior to 2018, less than US\$100k, and < 50% of the value were excluded, resulting in 39 transactions which were further analysed. The average property transaction was US\$1.86 million.

Selected transactions were analysed on a \$/ha basis, resulting in a transaction value of about \$1000/ha, which has been adjusted based on the transactions analysed. The ranges have been determined by varying the \$/ha value by 50 %, appropriate to the level of uncertainty around these licences. The valuation, on a \$/ha comparison basis, for Balme (1,550 ha) has a low of US\$0.8 million, a high of US\$2.4 million, and a mean of US\$1.6 million. The valuation, on a \$/ha comparison basis, for Punta Corna (1,429 ha) has a low of US\$0.7 million, a high of US\$2.2 million, and a mean of US\$1.5 million. This is shown graphically in Table 10.12.

Table 10.12 Valuation of Balme and Punta Corna ELs

Licence	ha	Value \$/ha	Low Value US\$/ha	High Value US\$/ha	Preferred Value US\$/ha
Balme	1,550	1,024	0.8	2.4	1.6
Punta Corna	1,429	1,024	0.7	2.2	1.5

The check valuation has been conducted using a Multiple of Exploration Expenditure (MEE) method (as shown in Chapter 11).

10.5 Valuation results – Campagnano and Galeria

Geothermal lithium plants are starting to be developed to use hot lithium brine to create both electricity and lithium in an environmentally friendly way, with net zero carbon emissions. Key geothermal brine locations globally are the Upper Rhine Valley in Germany, the Salton Sea in California USA, and Cornwall in England.

Vulcan Energy Resources (ASX : VUL) aims to produce the world's first, premium, battery-quality lithium chemicals with zero carbon footprint, by harnessing renewable geothermal energy to drive lithium production, without using evaporation ponds, mining or fossil fuels from their combined deep geothermal and lithium brine resource, situated in the Upper Rhine Valley of Germany.

A prospectus for the admission to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was issued on 11 February 2022.

Vulcan has declared Ore Reserves and Mineral Resources, and has completed a Pre-feasibility study.

Vulcan has received an EL licence in the area of Altamin's applications, for 11,500 ha.

Controlled Thermal Resources (CTR) has formed a strategic investment and commercial collaboration with General Motors (GM) to supply the manufacturer with sustainably produced lithium from the company's Hell's Kitchen Lithium and Power development, located in the Salton Sea Geothermal Field in Imperial, California.

No transaction costs have been given for GM's investment.

CTR has declared Inferred Resources and has completed a NI 43-101 Preliminary Economic Assessment (PEA).

Cornish Lithium Ltd is developing a lithium extraction pilot plant at their Geothermal Waters Test Facility at United Downs, together with Geothermal Engineering Limited (GEL). On April 13 Cornish Lithium entered into an agreement with GEL to acquire its 10% shareholding in GeoCubed such that GeoCubed is now a wholly-owned subsidiary of Cornish Lithium.

The transaction costs were not found.

Cornish Lithium has not declared Mineral Resources.

From a valuation perspective, the lithium brine ELs have a positive value, although being a new resource type (lithium in brines are well established – it is the combination of deep brines associated with geothermal energy that makes this resource type different) there is insufficient comparable transactions on which to base a valuation.

Snowden Optiro considers that comparison with hard rock lithium deposits is not appropriate.

Accordingly, eight 2022 transactions have been studied to arrive at a low value of US\$400/h, a high value of US\$900/ha, and a preferred value of US\$650/ha.

The resultant valuation is shown in Table 10.13.

Table 10.13 Valuation of Compagnano and Galeria EL applications.

EL	ha	Low US \$/ha	High US\$/ha	Preferred US\$/ha	Low Value US\$M	High Value US\$M	Mid Value US\$M
Compagnano	1,213	400	900	650	0.5	1.1	0.8
Galeria	2,043	400	900	650	0.8	1.8	1.3
Total	3,256	400	900	650	1.3	2.9	2.1

10.6 Valuation results – Latera and Ferento

These licences are situated 30 km north of Campagnano and Galeria, and are also situated within the area in Italy with a high geothermal gradient. Historical information indicates that the area is underlain by high salinity brines with a high mineral content.

Information supplied by Altamin confirmed that the application for the Latera EL was refused by the relevant authorities, and hence no value has been ascribed to Latera.

As the Lazio regional government is currently evaluating the EIS of the proposed EL work programs, these ELs have been valued at 50% of the \$/h values used for Campagnano and Galeria. The 50% discount is a subjective factor.

Table 10.14 Valuation of Latera and Ferento EL applications.

EL	ha	Low US\$/ha	High US\$/ha	Preferred US\$/ha	Low Value US\$M	High Value US\$M	Mid Value US\$M
Latera	913	-	-	-	0.0	0.0	0.0
Ferento	5,983	200	450	325	1.2	2.7	1.9
Total	6,896	200	450	325	1.2	2.7	1.9

10.7 Valuation results – Monte Bianco, Reppia and Corchia

No value has been ascribed to these lease applications as the leases are yet to be approved by the regional authorities of Liguria and Emilia Romagna.

10.8 Overall valuation opinion

Snowden Optiro's opinion of the market value of Altamin's mineral assets as of 10 June 2022 (the Valuation Date) is in the range of US\$50 million to US\$82 million with a preferred value of US\$66 million.

The valuation results are summarised in Table 10.15.

Table 10.15 Altamin mineral assets valuation summary as at 10 June 2022

Project	Region	Commodity	Permit status	Project development status	Value (US\$M)		
					Low	High	Preferred
Gorno – Monica ML	Lombardy	Zn/Pb/Ag	Renewal under application	Project development	37.6	46.0	41.8
Gorno – Monica ML	Lombardy	Zn/Pb/Ag	Renewal under application	Advanced exploration	8.4	25.3	16.9
Gorno – Monica ML Val Vedra and Arera	Lombardy	Zn/Pb/Ag	Renewal under application	Exploration	0.1	0.2	0.2
Gorno – Monica ML Fortuna	Lombardy	Zn/Pb/Ag	Renewal under application	Exploration	0.1	0.1	0.1
Gorno – Cime EL – Outside Mining Lease Application	Lombardy	Zn/Pb/Ag	Granted to 5 Jul 2023 & renewable for 3 years to 5 Jul 2026	Exploration drilling	0.1	0.2	0.2
Subtotal Gorno					46.3	71.8	59.2
Punta Corna EL	Piedmont	Co/Ni/Cu/Ag	Renewal application for 3–4 yrs expected from Jun 2022	Exploration drilling	0.7	2.2	1.5
Balme EL	Piedmont	Co/Ni/Cu/Ag	Granted to 27 May 2024	Exploration	0.8	2.4	1.6
Monte Bianco	Liguria	Cu/Co/Au/Mn	EIA granted, EL pending	Exploration & Environmental Assessment	0.0	0.0	0.0
Corchia	Emilia Romagna	Cu/Co/Au	EIA granted, EL pending	Environmental & Exploration Assessment	0.0	0.0	0.0
Campagnano	Lazio	Li	EIA Exclusion granted, EL expected during Jun 2022	Data Assessment & Exploration	0.5	1.1	0.8
Galeria	Lazio	Li	EIA Exclusion granted, EL expected during Jun 2022	Data Assessment & Exploration	0.8	1.8	1.3
Latera	Lazio	Li	EL and EIA lodged and declined	Data Assessment & Exploration	0.0	0.0	0.0
Ferento	Lazio	Li	EL and EIA lodged	Data Assessment & Exploration	1.2	2.7	1.9
Subtotal Other					4.0	10.2	7.1
TOTALS					50.3	82.0	66.3

Source: Altamin; Snowden Optiro analysis

11 CHECK VALUATION BASED ON HISTORICAL EXPENDITURE

VALMIN requires a second valuation is required as a check on the primary valuation. The Multiple of Exploration Expenditure (MEE) method has been chosen, consisting of three parts (van der Merwe, 2017):

- 1) Establish a Cost Base of reasonable and relevant exploration expenditure
- 2) Determine a relevant adjustment factor (PEM).
- 3) Combine the Cost Base and the PEM to derive a Value for the particular asset.

The PEM is based on the principle that a buyer will pay no more than the cost to obtain an asset of equal value. What premium (or discount) would a buyer likely assign to a specific exploration effort, given the outcome of that effort? In other words, what perceived return has been delivered on the investment (exploration)?

PEM values greater than one will reflect that the exploration work increased the potential (perceived value or desirability) of the asset, while a value less than one should be considered if the exploration has diminished the potential of the asset.

Lawrence and Dewar (1999) analysed 106 valuations that used the MEE method and found that PEMs varied between 0 and 5, with the preferred valuation ranging between 0.5 and 3. Other authors have reported PEMs as high as 50, although this is unusual.

A total of €17.2 million has been spent at Gorno since 2015. This has been converted to US\$ at \$1.1/€. No adjustment for year of expenditure has been made, and the resultant US\$ expenditure used as the Cost Basis is \$18.7 million.

Exploration activities at Gorno have resulted in the estimation and reporting of Mineral Resources and of Exploration Targets, with further highly prospective areas still to be drilled. The proposed PEMs range from 2 (low) to 4 (high), with the preferred PEM of 3. The resultant valuation and justification are shown in Table 11.1.

Table 11.1 Gorno alternative valuation based on MEE

Activity	Quality	Result	Cost (US\$)	PEM (low)	PEM (high)	Value (US\$ M)		
						Low	High	Preferred
A total of 23,896.5 m has been drilled and 4,927 assays. 78.9 m has been sampled, 96 assays taken at 34 sites.	The Mineral Resources and Exploration Targets have been reported to the SX in accordance with the JORC Code and the ASX Listings Rules.	JORC Indicated and Inferred Resource of 7.79 Mt grading 6.8% Zn, 1.8% Pb and 32 g/t Ag. Exploration Target of between 17.4 Mt and 22 Mt, grading at between 8.5% Zn and 10.4% Zn, 1.9% Pb and 2.4% Pb, and 10 g/t Ag and 23 g/t Ag.	18.7	2	4	37.4	74.8	56.1

Source: Altamin, Snowden Optiro analysis

Similarly, the historical exploration expenditure for the Punta Corna Project has been assessed for a PEM, and the resultant valuation, combined with Gorno, is shown in Table 10.15.

Table 11.2 Check valuation for Altamin mineral assets using the MEE method

Altamin asset	Cost (US\$)	PEM (low)	PEM (high)	Value (\$ M)		
				Low	High	Preferred
Gorno Zinc Project	18.7	2	4	37.4	74.8	56.1
Punta Corna Cobalt Project	0.2	2	3	0.3	0.7	0.5
Total	18.9			37.7	75.5	56.6

The check valuation for Altamin's Mineral assets is US\$57 million, 15 % lower than the preferred valuation at US\$66 million.

12 REASONABLENESS TEST

The VALMIN Code requires that a reasonableness test be conducted to ensure that the assessment is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

A reasonableness test means the Practitioner must:

- Perform an impartial assessment to determine if the overall Valuation Approach, Valuation Method and Valuation, or Technical Assessment used is reasonable. Such a test will serve to identify Technical Assessments and Valuations that may be out of line with industry standards and norms.
- Meet the Reasonable Grounds requirement.
- Make a positive statement that the inputs, assumptions, Valuation Approaches, Valuation Methods and Technical Assessment or Valuation meet the Reasonable Grounds Requirement; and not disclaim liability for the Valuation Approach, Valuation Method and Valuation, or Technical.

12.1 Impartial

The independence of the authors has been established, and neither the lead author nor the contributing authors have any vested interest, beneficial or otherwise, in the outcome of this valuation.

12.2 Rational

The valuation has been based either on published information, which Altamin has reported to the ASX, or on information which is contained in the Altamin data room. The S&P Market IQ database has been used to extract metal prices and comparative transactions. Company websites have been accessed to view details of individual transactions.

12.3 Realistic

The preferred valuation of US\$66 million lies between the current market capitalisation of the company of about US\$26 million, and the discounted cash flow NPV from the Scoping Study of US\$211 million. The estimated valuation is more than double the value that the market currently places on the assets, which means that the assets could be undervalued, or that a significant market discount is being placed on the risks to development of the Gorno project. This may be because Altamin has yet to publish Ore Reserves through the successful completion of a minimum of a Prefeasibility Study, and due to the environmental concerns around the ML application.

The higher valuation is justified by the following:

- The Gorno Scoping Study has shown the technical viability of the project. The Mineral Resources and Exploration Targets have been appropriately estimated and declared according to ASX listings rules. Snowden Optiro considers there to be high exploration potential in the Gorno region.
- The Company has acquired EL's in geographically prospective areas for Li in geothermal brines and in cobalt, two commodities on the United Nations Economic Commission for Europe (UNECE) critical raw materials (CRM) list. The CRMs combine raw materials of high importance to the EU economy and of high risk associated with their supply, and are considered to be crucial to Europe's economy.

12.4 Logical

The valuation has been built up logically from certain information – Mineral Resources, Exploration Targets, licence hectareage, and comparative market transactions. Certain subjective assumptions have been made, such as the discounts applied to the Gorno Mineral Resources (10%), the Gorno Exploration Targets (90%), the PEMs used for the check valuation at Gorno and at Punta Corna, and the 50% discount applied to the Ferento EL.

13 SIGNATURE



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- Altamin ASX Announcement (8 February 2021): Punta Corna Delivers Further High-Grade Cobalt, Nickel, Copper & Silver Results
- Altamin ASX Announcement (15 March 2021): Alta Expands Exploration Pipeline into Copper and Manganese Mining Districts
- Altamin ASX Announcement (20 August 2021): Punta Corna Cobalt Project Multiple Veins Discovered & License Renewal
- Altamin ASX Announcement (8 September 2021): Exploration Target Outlines Upside at Gorno
- Altamin ASX Announcement (14 February 2022): New Lithium in Brine Geothermal Applications
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- Altamin ASX Announcement (10 May 2022): Altamin Board Intends to Recommend Shareholders Reject VBS Takeover Offer
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The following electronic files were presented for review:

- The drillhole database
- Topography digital terrain model (DTM)
- Lithology wireframes
- Mineralogy wireframes
- Oxidation wireframes
- Fault wireframes
- Stopes, shafts and development wireframes
- MRE block model and exploration zone block model.
- Various mine planning files

The following websites were accessed:

<https://www.altamin.com.au/>

<https://va.mite.gov.it/en-GB/Oggetti/Documentazione/7332/10605>

S&P Global Market IQ

https://ec.europa.eu/growth/sectors/raw-materials/areas-specific-interest/critical-raw-materials_en

15 ABBREVIATIONS

Abbreviation	Description
€	Euro(s)
°	degrees
°C	degrees Celsius
A\$	Australian dollar(s)
Ag	silver
AIG	Australian Institute of Geoscientists
Altamin	Altamin Limited
ASIC	Australian Securities and Investments Commission
ASIC Act	Australian Securities and Investments Commission Act 2001
ASX	Australian Securities Exchange
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
BDO	BDO Corporate Finance (WA) Pty Ltd
CMB	Calcare Metallifero Bergamasco
Co	cobalt
CSA Global	CSA Global Pty Ltd
Cu	copper
DCF	discounted cash flow
dmt	dry metric tonne(s)
DTM	digital terrain model
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EL	exploration licence
ENI	Ente Nazionale Idrocarburi
ENTSO-E	European Network of Transmission System Operators for Electricity (ENTSO-E)
EPCM	engineering procurement and construction management
Fe	iron
g/t	grams per tonne
GSL	Grinding Solutions Limited
GSL	Geological Society of London
GSSA	Geological Society of South Africa
ha	hectare(s)
Hz	hertz
IEA	Integrated Environmental Authorisation
IPCC	Integrated Pollution Prevention Control
km	kilometre(s)
kt	thousand tonnes
kV	kilovolt(s)
kW	kilowatt(s)
LHRF	long-hole retreat and fill
Li	lithium
LME	London Metal Exchange
LOM	life of mine
M	million(s)
m	metre(s)
m ³	cubic metre(s)

Abbreviation	Description
MEE	multiple(s) of exploration expenditure
MICA	Mineral Industries Consultants Association
ML	mining licence
mm	millimetres
Mn	manganese
Moz	million ounces
MRE	Mineral Resource estimate
MSO	Mining Stope Optimisation
Mt	million tonnes
Mt/a	million tonnes per annum
MVT	Mississippi Valley Type
Ni	nickel
NPV	net present value
oz	ounce(s)
Pb	lead
PEM	prospectivity enhancement multiplier(s)
QAQC	quality assurance/quality control
RG	Regulatory Guideline(s)
ROM	run of mine
SAC	Special Area of Conservation
SAIMM	Southern African Institute of Mining and Metallurgy
SAMIM	Società Azionaria Minerario-Metallurgica
SAMREC	South African Mineral Resource (code)
SAMVAL	South African Mineral Asset Valuation (code)
SCI	Sites of Community Importance
Si	silica
SIA	Studio Impact Ambientale
SPA	Special Protection Areas
t	tonne(s)
t/m ³	tonnes per cubic metre
UCTE	Union for the Coordination of Transmission of Electricity
US\$	United States dollar(s)
VBS	VBS Exchange Pty Ltd
VIC	Valutazione di Incidenza Ambientale
VMS	volcanogenic massive sulphide
WAI	Wardell Armstrong International
wmt	wet metric tonne(s)
ZIA	Zorzone Industrial Area
Zn	zinc
ZnEq	zinc equivalent