



ASX ANNOUNCEMENT | 28 July 2017

ALTURA COMPLETES US\$110 MILLION SENIOR SECURED DEBT FACILITY

Funds raised will allow completion of construction and commissioning of Altura's lithium operation at Pilgangoora in Western Australia

- *Senior secured loan notes issue to raise a total of US\$110 million*
- *Leading US and Swiss based investment management groups to provide the loan note facility package*
- *Strong interest from international institutions to provide funding to support the Pilgangoora Lithium Project development*
- *Funding to be provided in two (2) tranches with Tranche 1 (approximately US\$33 million) settlement scheduled on or before 4 August 2017 and Tranche 2 (US\$77 million) scheduled to settle on or before 27 September 2017*
- *Project commissioning on track for Q1 2018*

Altura Mining Limited (ASX: AJM) is pleased to advise that it has entered into a Loan Note Subscription Agreement (LNSA) with leading US and Swiss based investment management groups, Magy LLC, Pala Investments Limited and CarVal Investors LLC to raise US\$110 million. The Company was advised by Jett Capital Advisors LLC and Liquidity Finance LP.

The Project is well advanced, having commenced earthworks and construction in March 2017 and the funds raised will be directed towards completion of construction, commissioning and then commencement of production and sales.

Altura announced on 10th July 2017 that it had entered into 5 year binding offtake agreements for a minimum of 200,000 tonnes per annum of spodumene to be produced from the mine providing certainty for both investors and the financiers in the ability of the project to generate substantial near term cashflows.

The completion of the LNSA follows an extensive due diligence process and validates the work completed by the Altura team and development partners. The Project has an extensive mine life and forecasts exceptional returns delivered via substantial offtake partnerships, low cost operations and product pricing. Pilgangoora is set to become a globally significant lithium product delivery contributor in a buoyant market with attractive compounding annual growth rates and expanding product use applications.

The key terms of the transaction are set out in Annexure A to this announcement.

In addition, further information about the Loan Note Holders and the Company's advisors are set out in Annexure B to this announcement.

About Altura Mining Limited (ASX: AJM)

Altura is building a leading position in the independent supply of lithium raw materials, with a world class lithium project at Pilgangoora ready to set the platform and be the first new hard rock lithium product supplier in 2018. Altura has an experienced in house team focussed on delivering the Pilgangoora project into production. The project is the most advanced stage, near term producing lithium project; coupled with solid offtake partners and a market providing substantial growth opportunities to ensure positive shareholder returns.

For further information, please visit www.alturamining.com or phone:

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Annexure A – Key Terms

Issuer:	Altura Lithium Operations Pty Ltd (ALO)
Guarantor:	Altura Mining Limited (AJM)
Arranger:	Magy LLC
Loan Note Holders:	Magy LLC - US\$50 million Pala Investments Limited - US\$30 million Related entities of CarVal Investors LLC (CarVal Investors) - US\$30 million
Issue Amount:	US\$110 million (before costs of the Issue ¹)
Use of proceeds:	The net proceeds of the Issue Amount will be applied to the completion of construction, commissioning and then commencement of production and sales operations at the Project.
Termination Date (Maturity):	3 years after the date of the Initial Utilisation (described below).
Interest:	14% pa for 18 months from the date of the Initial Utilisation (described below); 15% pa thereafter.
Utilisation:	Tranche 1 - US\$33 million (Initial Utilisation) no later than 5 business days from date of execution of LNSA. Tranche 2 - US\$77 million no later than 60 days from date of execution of LNSA.
Fees	The Loan Note Holders are entitled to a structuring fee to be capitalized against the principal amount owing under the facility.
AJM Shares	On 28 July 2017 AJM will issue a total of 72,644,513 fully paid ordinary AJM shares (AJM Shares) to the Loan Note Holders in proportion to their contribution to the Issue Amount. AJM will issue a total of 72,644,513 warrants convertible into AJM Shares to the Loan Note Holders in proportion to their contribution to the Issue Amount.
AJM Warrants	Warrants may be exercised within 5 years of the Initial Utilisation. The exercise price for the Warrants is the closing AJM Share price less 30% on the date of the Initial Utilisation. Issue of the Warrants is subject to AJM: <ul style="list-style-type: none"> having obtained the approval of its shareholders for the issue of the Warrants for the purposes of ASX Listing Rule 7.1; or otherwise having sufficient placement capacity to issue the Warrants without shareholder approval under ASX Listing Rule 7.1. AJM must use its reasonable endeavours and take required steps to ensure that the conditions to issue of the Warrants are met, including if necessary seeking shareholder approval at AJM's annual general meeting in November 2017.
Security:	Senior secured against all of ALO's assets (including project tenements), shares in ALO, AJM's Australian bank accounts and certain AJM receivables

Conditions precedent:	<p>Tranche 1 – standard conditions to draw down outstanding, expected to be satisfied on 28 July 2017</p> <p>Tranche 2</p> <ul style="list-style-type: none"> • execution of various consent agreements with Altura's major contractors and offtake partners²; and • execution of deed poll covenants in favour of certain native title parties.
Repayment Schedule:	<p>Interest payments due each 6 months from the Utilisation Date of the relevant Loan Note, with the total amounts owing due at Maturity. The first interest period for Loan Notes issued in Tranche 2 will end when the interest period for the Loan Notes issued in Tranche 1 ends.</p>
Early Redemption:	<p>Early redemption of the Loan Notes may occur at any time following from the end of a 12 month period beginning on the date the Loan Notes are issued under Tranche 2 provided that the aggregate amount of the Loan Notes to be redeemed at that time must be equal to or more than US\$25 million. Prior to the end of that 12 month period, voluntary early redemption is subject to a make whole payment in favour of the Loan Note Holders.</p>
Covenants	<p>Customary positive and negative, and financial, covenants and undertakings and events of default for secured project funding of this nature.</p>

¹ Issue costs include a fee equal to 6.5% of the total loan amount to the Loan Note Holders.

² As noted in AJM's announcement to the ASX on 10 July 2017 with respect to the J&R Optimum Energy and Lionergy offtake agreements, those agreements are conditional on AJM obtaining financing for the development of the Project by 31 August 2017 (or such later date as notified by AJM to those parties). Accordingly, the satisfaction of the conditions to Tranche 2 described in the 'Conditions precedent' section of this announcement, including the tripartite agreements with J&R Optimum Energy and Lionergy, and consequent completion of Tranche 2 funding will comprise satisfaction of that financing condition for the purposes of both offtake agreements.

Annexure B – Further information about the Loan Note Holders and the Company advisors

About Magy LLC

Magy LLC is controlled by Castlake, L.P., a global private investment firm managing private funds with more than \$10 billion in assets on behalf of endowments, foundations, public and private pension plans, private funds, family offices, insurance companies and sovereign wealth funds. Castlake is a relationship-oriented, preferred liquidity provider in complex, small-to-mid-size, asset-based opportunities.

About Pala Investments

Pala is an investment company focused exclusively on the mining sector, backed by a team of accomplished professionals and a track record of success. Pala was founded in 2006 and, since its inception, has invested in over 100 companies in 25 countries across six continents. Deep relationships in the mining, investment, and advisory world allow Pala to assist its partners in developing business connections, raising finance, delivering transactions, and strengthening management.

About CarVal Investors

CarVal Investors was founded in 1987. As a value investor, CarVal grew rapidly and established a firm foundation in the wake of the United States' financial crisis of the early 1990's. In the years that followed, CarVal expanded to Europe, Asia and Latin America as investment opportunities developed from ever-changing credit market cycles.

In 2006, CarVal Investors became an independent subsidiary of Cargill, allowing the firm to expand more broadly as a fund manager. Today, with an experienced senior team of investment professionals and dedicated operations, tax and legal teams across the globe, CarVal Investors is a leading alternative investment fund manager.

Company advisors

The transaction was initiated and supported by New York based financial advisor Jett Capital Advisors LLC (Jett) and Liquidity Finance LP (Liquidity) of Connecticut. Jett is an independent investment bank based in New York focused on serving middle market and emerging natural resources and technology companies. Liquidity is a boutique fixed income broker dealer focused on global credit products with offices in Stamford CT, London UK, and Dubai.