



ASX ANNOUNCEMENT | 13 May 2021

About this Announcement

This Announcement is being issued retrospectively to meet Altura's corporate governance and ASX compliance requirements. The report is issued with the benefit of hindsight but remains objective based on input from key Altura staff present during the reporting period.

QUARTERLY ACTIVITIES REPORT December 2020

Key Points

Corporate

- *Altura's Senior Secured Loan Note Holders declared Altura in default of its financing covenants and on 26 October 2020, appointed Korda Mentha as Receivers and Managers and Cor Cordis as Administrators.*
- *Altura's Board of Directors were removed from exercising any control over the business and were legally prohibited from communicating with Altura employees and shareholders.*
- *Subsequent to the end of the quarter a Deed of Company Arrangement was effectuated and full control of the Company was passed back to the Directors*

Production

- *Altura operated at full capacity for the month of October, under direction of the Receivers and Managers, operations were ceased during the week commencing 9 November 2020.*
- *All production and processing infrastructure entered care and maintenance on 16 November 2020.*
- *Approximately 23,126 wet metric tonnes (wmt) of lithium concentrate was produced in the quarter.*

Sales and Marketing

- *Altura sold and shipped two cargos during the quarter, for a combined total of 33,603 wmt (31,352 dry metric tonnes (dmt)).*

Lithium Operations

ALTURA LITHIUM OPERATIONS – Pilgangoora (Western Australia – 100% AJM)

Overview

Altura Mining Limited ("Altura" or "the Company") operated at commercial production levels up to 26 October 2020, when the company's Secured Loan Note Holders declared Altura in default of its financing covenants and appointed Korda Mentha as Receivers and Managers and Cor Cordis as Administrators.

The Directors had been in detailed negotiations with the Secured Loan Note Holders, and believed, up until the appointment of Receivers, that new funding arrangements would deliver an attractive return to the Secured Loan Note Holders and a vastly superior balance sheet that would have positioned the Company for future success.

The Directors sought legal advice as to the appointment of the Receivers and Managers and the Administrators, however due to the unforeseen action by the lenders, there was insufficient time to have the appointments overturned.

The Receivers and Managers continued operations at Pilgangoora under a revised operating strategy of running-down all readily available broken stock and run-of-mine (ROM) material.

October saw a monthly production of 16,832 wmt of lithium concentrate. In November approximately 6,294 wmt of lithium concentrate was produced. Total production for the Quarter was approximately 23,126 wmt.

The Receivers and Managers ceased the processing of ore in the week commencing 9 November 2020. All concentrate material was hauled to the storage facility at Wedgefield, ready for export.

A preservation maintenance strategy was implemented, with major equipment items and processing circuits placed into care and maintenance on 16 November 2020.

ROM and Product Stocks

ROM stock and Concentrate product stock at the end of December were nil.

Marketing and Shipping

Altura completed two shipments during the quarter totalling 33,603 wmt (31,352 dmt). One shipment aboard the Franbo Logos was to a new customer, sold on a trial basis. The second and final shipment aboard the MV Asia Pearl was to long-term offtake partner Guangdong Weihua.

Altura's weighted average contract price for the two shipments completed in the quarter on a basis of SC6 grade delivered CIF to China was US\$399.74/dmt. The realised sale price (considering price adjustments for actual lithium content and/or any impurity penalties) for the two shipments was US\$392.68/dmt, CIF China. When compared against publicly released and inferred data from other independent lithium concentrate operations, Altura was achieving a clear price premium for its product.

Health and Safety

There were no Lost Time Injury (LTI) recorded for the quarter.

Exploration and Development

There was no exploration or development work undertaken.

Sustainability

Tailings Storage Facility

Worked ceased on stages 3/4 of the Tailings Storage Facility (TSF) immediately upon the appointment of Receivers and Managers. The scope of works was assessed as being approximately 95% complete.

Corporate

Financial Commentary

Cash and cash equivalents at 31 December 2020 was \$1.107M. Altura realised revenue for the final shipment in January 2021.

Personnel

From 30 October 2020 through to 16 November 2020, Altura personnel were progressively retrenched under authority of the Receivers and Managers. From 16 November 2020 to 31 December 2020, a six-person team of care and maintenance staff remained rostered at the Pilgangoora operation, with a small corporate team in the Perth main office providing sales, shipping, land management and administration support.

Corporate Outlook

At the end of the Quarter, Altura remained under control of Receivers and Managers and had Administrators appointed. The Directors continued to negotiate for the return of the Company assets during the Quarter.

The Receivers and Managers commenced a sale process for the Company's Pilgangoora Lithium Operation immediately upon their appointment and that sale process concluded in January 2021.

Subsequent to the end of the quarter a Deed of Company Arrangement funded exclusively by the Directors was effectuated, and full control of the Company was passed back to the Directors on 6 March 2021.

Other Disclosure

As disclosed under item 6.1 in the Appendix 5B (below) the Company did not make any payments during the quarter to related parties and their associates.

This announcement has been authorised for release by the Board of Altura Mining Limited.

About Altura Mining Limited (ASX: AJM)

Altura is an exploration and resource development company, focussed on lithium and battery minerals. Altura is evaluating several development opportunities that will support the surging demand for battery minerals, critical in enabling the global transition to green energy. Altura's primary focus is to meet its compliance requirements to be reinstated for quotation by the ASX, and then deliver value for Shareholders.

For further information:

Alex Cheeseman, Chief Executive Officer, E: info@alturaltd.com

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTURA MINING LIMITED

ABN

39 093 391 774

Quarter ended ("current quarter")

31 December 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 8,386 | 37,572 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production | (3,638) | (26,402) |
| (d) staff costs | (2,649) | (6,111) |
| (e) administration and corporate costs | (2,424) | (3,573) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 723 |
| 1.8 Other (provide details if material) | | |
| • Payments for government and other royalties | (1,339) | (4,180) |
| • Royalty receipts received from sale of iron ore at Mt Webber | - | 5 |
| 1.9 Net cash from / (used in) operating activities | (1,664) | (1,966) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | (696) |
| (d) exploration & evaluation | - | (220) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | 18 | 18 |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | 18 | (898) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 2,500 | 3,711 |
| 3.6 | Repayment of borrowings | (1,211) | (1,211) |
| 3.7 | Transaction costs related to loans and borrowings | - | (739) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | | |
| | • Payments of lease liabilities | - | (133) |
| 3.10 | Net cash from / (used in) financing activities | 1,289 | 1,628 |

| | | | |
|-----------|--|--------------|----------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | (357) | (1,236) |
| 4.1 | Cash and cash equivalents at beginning of period | 1,422 | 2,308 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,664) | (302) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 18 | (916) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,289 | 339 |
| 4.5 | Effect of movement in exchange rates on cash held | 42 | (7) |
| 4.6 | Cash and cash equivalents at end of period | 1,107 | 1,422 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 1,107 | 1,422 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,107 | 1,422 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities ⁽ⁱ⁾ | 227,040 | 246,014 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) ⁽ⁱⁱ⁾ | 50,000 | - |
| 7.4 Total financing facilities | 277,040 | 246,014 |
| 7.5 Unused financing facilities available at quarter end | | 50,000 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| (i) Altura has a secured loan note facility fully drawn to the facility limit of US\$174.9 million that is due to mature in August 2023. The interest rate is 15%. The facility has been restated to reflect the closing AUD/USD foreign exchange rate at 30 December 2020 of 0.7702. In October 2020 the note facility was deemed to be in default resulting in the Group being placed under external management. The facility was repaid by the sale of its subsidiary in January 2021. | | |
| (ii) Altura executed a Put Option Agreement with LDA Capital, LLC (LDA) in March 2020 to the value of A\$50.0m which entitles Altura to issue shares to LDA at Altura's discretion and receive funds of those shares. The maturity date is March 2023 and the unsecured facility has a zero interest rate. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (1,664) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant incoming / (outgoings) (item 8.1 + item 8.2) | (1,664) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 1,107 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | 50,000 |
| 8.6 Total available funding (item 8.4 + item 8.5) | 51,107 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 30.7 |

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8

If item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

| |
|-------------|
| Answer: N/A |
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| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> |
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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 13 May 2021

Authorised by: Altura Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.