



**ASX ANNOUNCEMENT** | 26 July 2021

## Quarterly Activities Report June 2021

### Key Points

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- **In-principal agreement executed for strategic lithium brine project in the United States of America**
- **Binding Terms Sheet executed for project level interest in a highly prospective Western Australian Pilbara hard-rock spodumene tenement package.**
- **Historical Compliance and reporting progressed, with a clear pathway to full compliance leading to re-quoting on the ASX**
- **Key personnel changes to reset the Company, ready for restart**

### Overview

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Altura Mining Limited (**ASX:AJM** “Altura” or “the Company”) is pleased to report on activities conducted during the June 2021 Quarter.

Altura’s first full quarter under returned control to the Directors was focussed principally on resetting the business and preparing for a new phase of growth and development. Strategic agreements were struck to allow Altura to recommence longstanding exploration and development work in Western Australia’s Pilbara region, and in the case of Fish Lake Valley in the USA, transition of a strategic investment into an active project interest.

Altura remains focussed on the lithium industry and is a firm believer in the global decarbonisation effort through a green energy revolution. The supply of lithium chemicals and precursor materials into the lithium-ion battery and broader electric vehicle supply chain represents a significant growth opportunity for Altura as it secures and develops lithium raw materials located in Tier one mining jurisdictions.

Corporate compliance and lodgement of outstanding reports was also undertaken in parallel with project development efforts. All compliance actions are focussed on Altura being reinstated for quotation with the ASX.

### Exploration and Project Development

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#### **Fish Lake Valley (Altura earn-in option for 60-100%)**

During the quarter, Altura executed a letter of intent with Lithium Corporation to earn an interest over Lithium Corporation’s Fish Lake Valley (FLV) lithium brine project in Nevada, USA

(refer to ASX Announcement *Altura negotiates earn in options for Nevada lithium brine project* released 3 May 2021).

The FLV Project is located in Esmeralda County, 30 kilometres from the Californian border, and is located 35 kilometres west northwest from Albermarle's producing and currently expanding Silver Peak lithium brine operation. Geologically FLV shares both structural and stratigraphic affinities with Silver Peak, which is currently the only operation of its kind in North America.

Following the execution of the letter of intent Altura, with assistance from its US-based lawyers and consultants, has been completing due diligence activities. Subsequent to the end of the quarter, an extension of the due diligence period was agreed by both parties to allow further consideration of the increased claim area that Lithium Corporation has been building over recent months at FLV (refer to ASX Announcement *Corporate Activities Update and Pathway Forward* released 7 July 2021).

Sample material from Fish Lake was also provided to a testing facility to conduct a preliminary assessment of suitability for direct lithium extraction.

#### **Pilbara Lithium Portfolio (Altura earn-in option for 51%)**

During the quarter, Altura re-established an Earn-in Agreement with Sayona Mining Limited ("Sayona" ASX:SYA). The agreement was on similar terms to a previous agreement with Sayona, which was terminated on the appointment of receivers and managers in October 2020 (refer to ASX Announcement *Altura re-establishes earn in agreement with Sayona for Pilbara lithium assets* released 2 June 2021).

The tenement package subject to the Earn-in Agreement consists of 1,095 square kilometres of highly prospective ground.

In particular, the Mallina Lithium Project has been identified as a high priority target following drilling and exploration work previously undertaken by Sayona and significant sampling, mapping and study work completed by Altura over the past two years.

As part of fast-tracking work on Mallina, Altura has initiated discussions with a number of geophysical service providers and commenced planning work packages to further develop its understanding of the ground.

#### **Lithium Market Update**

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A range of market factors influenced the price of spodumene concentrate and lithium chemicals during the quarter. Supply tightness reduced inventory levels and demand increases within China and broader North Asian markets all supported price increases.

The quarter started with lithium carbonate holding a price premium over lithium hydroxide (for China domestic supply) with the price resurgence for carbonate assessed as being driven by an increased uptake of LFP battery technology for the China domestic market. Throughout

the quarter the price differentiators of carbonate and hydroxide eased and in early June, hydroxide re-established its previously held price premium. Independent market analysts Benchmark Mineral Intelligence reported Battey grade lithium chemicals (hydroxide and carbonate) across Asian, European and North American markets, in the range of USD\$10,000-USD\$14,900 per tonne, with Spodumene reportedly USD\$600/dry metric tonne, basis 6% Li<sub>2</sub>O, FOB Australia. It is noted by numerous industry analysts that the lack of spot material is limiting the availability of comprehensive pricing data, with pricing for sales under long-term contracts not being disclosed to the market as freely as spot trade.

In early June the United States Federal Consortium for Advanced Batteries issued a National Blueprint for Lithium Batteries 2021-2030<sup>1</sup> (Blueprint). The US Secretary for Energy reinforced the Biden Administration's agenda to address climate change and to build a clean energy economy, and domestic supply chains for lithium batteries. The Blueprint's overarching goals align with Altura's efforts to develop hard-rock spodumene assets in the Pilbara and lithium-brine/chemical assets in the USA.

## **Sustainability**

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### **Health and Safety**

There were no injuries or safety incidents during the quarter.

### **Environment**

There were no environmental issues or breaches during the quarter.

### **Community**

There was no local community engagement during the quarter.

## **Corporate**

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### **Historical Compliance**

Throughout the quarter Altura focussed on the preparation and issue of a range of historical compliance and continuous disclosure reports and releases. Specifically, Altura issued:

- September 2020 quarterly activities report (16 April 2021);
- December 2020 quarterly activities report (16 May 2021);
- Financial Year 2019/2020 Annual Report (27 May 2021); and
- March 2021 quarterly activities report (21 June 2021).

These compliance and disclosure reports are part of the Company's efforts to meet ASX requirements and allow a re-quoting of Altura's shares.

Altura's only remaining historical compliance action is the Financial Year 2019/2020 Annual General Meeting (19/20 AGM). The 19/20 AGM Notice of Meeting will be issued in due course.

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<sup>1</sup> Available at <https://www.energy.gov/eere/vehicles/articles/national-blueprint-lithium-batteries>

## Financial Commentary

After acceptance and funding of the Altura Mining Limited (AJM) Deed of Company Arrangement (DOCA) in March, Altura understands that payments to AJM creditors was affected in July 2021. Full and final details are yet to be provided to Altura by the Trustee of the Creditors Trust but will be reported in the September quarterly activities report.

As part of the cash outflows during the quarter, payments of AUD\$746K were made against negotiated settlements (Appendix 5B 1.2 (e)).

Cash and cash equivalents on 30 June 2021 were \$0.381M.

## Personnel

During the quarter, a number of changes were made to the Board of Directors and Office holders. Specific changes were as follows:

- Resignation of Executive Director, Mr Paul Mantell (8 April 2021);
- Resignation of Company Secretary, Mr Damon Cox (16 April 2021);
- Appointment of Chief Executive Officer, Mr Alex Cheeseman (16 April 2021);
- Appointment of Company Secretary, Mr John Lewis (16 April 2021); and
- Resignation of Non-Executive Director, Mr Xiaoyu Dai (28 May 2021).

## Other Disclosure

As disclosed under item 3.5 and 7 in the Appendix 5B the Company has entered into a loan agreement provided by the Directors, for a total consideration of \$3.453M, the proceeds of which were to be used to fund the AJM DOCA and provide working capital.

## Outlook

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Altura will continue to focus on the finalisation of its due diligence efforts on both the Pilbara (hard-rock) and American (lithium brine) Projects. Altura will also continue negotiations in and seek to reach operative level agreement for its Earn-in rights on both Projects. Work programs for both projects are being developed with the aim of commencing exploration in the near future.

The Company continues to pursue future funding options for working capital including potential asset sales, once confirmed the market will be advised accordingly.

## Contact

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Investors / Shareholders / Media

**Alex Cheeseman**

Chief Executive Officer

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

## Additional Information

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**About Altura Mining Limited** Altura is an exploration and resource development company focused on lithium and battery minerals. Altura is currently evaluating several development opportunities, strategically located, in Tier 1 mining jurisdictions in both Australia and the United States of America. Altura will secure and develop raw materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.

Altura's immediate focus is to meet its compliance requirements to be reinstated for quotation by the ASX, and then deliver value for Shareholders.

**Forward Looking Statements and Important Notice** This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although Altura believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved where matter lay beyond the control of Altura and its Officers. Forward looking statements may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

## 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")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	24	49,001
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	(33,734)
	(d) staff costs	(244)	(7,727)
	(e) administration and corporate costs	(932)	(7,549)
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	-	(5,984)
	• Royalty receipts received from sale of iron ore at Mt Webber	1	7
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,151)</b>	<b>(5,263)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(696)
	(d) exploration & evaluation	(80)	(300)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	202,401
	(b) tenements	-	-
	(c) property, plant and equipment	-	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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(80)</b>	<b>201,423</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	529	7,163
3.6	Repayment of borrowings	-	(204,436)
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)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>529</b>	<b>(198,145)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(702)</b>	<b>(1,985)</b>
4.1	Cash and cash equivalents at beginning of period	1,075	2,308
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,151)	(5,263)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(80)	201,423

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	529	(198,145)
4.5	Effect of movement in exchange rates on cash held	8	58
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>381</b>	<b>381</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	381	1,075
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>381</b>	<b>1,075</b>

**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



<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities <sup>(i)</sup>	3,453	3,453
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) <sup>(ii)</sup>	50,000	-
7.4 <b>Total financing facilities</b>	53,453	3,453
7.5 <b>Unused financing facilities available at quarter end</b>	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.		
<div><div>(i) Altura has executed an unsecured facility with related entities to fund the Deed of Company Arrangement and initial working capital requirements. The facility term is for one year with an interest rate of 8% pa. The facility can be converted into shares at the option the lender whilst meeting the appropriate regulatory approvals.</div><div>(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 for those shares. The maturity date of the facility is March 2023 and the unsecured facility has a zero interest rate. Post entering into the DOCA, Altura commenced negotiations with LDA regarding amending or terminating the agreement, however at the quarter ended 30 June 2021, the agreement and facility was still available in full.</div></div>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,151)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(80)
8.3 Total relevant incoming / (outgoings) (item 8.1 + item 8.2)	(1,231)
8.4 Cash and cash equivalents at quarter end (item 4.6)	381
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)	50,381
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	40.9

*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.

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

Answer: N/A.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

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

Date: 26 July 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.