30 January 2017

ASX ANNOUNCEMENT

PILGANGOORA LITHIUM PROJECT

MINERAL RESOURCE AND ORE RESERVE UPDATE

HIGHLIGHTS:

- Revised Ore Reserve estimate of **30.1 million tonnes at 1.04% Li_2O and 313,000 tonnes of contained Li_2O**
- Represents an increase of **9.8 million tonnes** or **48%** on the previous Ore Reserve estimate released on 22 September 2016
- Revised Indicated Mineral Resource estimate of **40.3 million tonnes at 1.00% Li_2O and 403,000 tonnes of contained Li_2O**
- Represents an increase of **9.7 million tonnes** or **32%** on the previous Indicated Mineral Resource estimate released on 22 September 2016
- **75% conversion** of the Mineral Resource estimate to Ore Reserves

Altura Mining Limited (Altura, ASX:AJM) is pleased to report increases to both its Mineral Resource and Ore Reserve estimates for its 100% owned Pilgangoora Lithium Project. This increase relates to additional deep drill hole data and improved confidence in the drilling and sampling data following the completion of a closely spaced infill drilling program from June until October 2016. The Mineral Resource and Ore Reserve estimation work was completed by Cube Consulting Pty Ltd (Cube), Perth, Western Australia.

Altura's 100% owned Pilgangoora Lithium has a revised Indicated Mineral Resource estimate of **40.3 million tonnes at 1.00% Li_2O and 403,000 tonnes of contained Li_2O** representing an increase to the previous estimate of 30.6 million tonnes at 1.04% Li_2O (see ASX release 22 September 2016).The revised Inferred Mineral Resource estimate of 2.3 million tonnes at 0.90% Li_2O is lower than the previously reported 8.6 million tonnes at 0.95% Li_2O (see ASX Release 22 September 2016) due to the improved confidence in the data following the recent infill drilling program. The revised Ore Reserve estimate of **30.1 million tonnes at 1.04% Li_2O and 313,000 tonnes of contained Li_2O** represents an increase of 48% over the previous ore reserve estimate of 20.3 million tonnes at 1.06% Li_2O (see ASX release 22 September 2016).

The increase in the Indicated Mineral Resource is a result of upgrading material previously classified as being part of the Inferred Mineral Resource plus the addition of new Indicated Mineral Resource material. This improved confidence has resulted in a **conversion of 75%** of the Indicated Mineral Resource estimate to Ore Reserves.

Altura announced as part of its Definitive Feasibility Study or DFS (see ASX release 26 September 2016) that it is focussed on developing a single mining operation at Pilgangoora with an annualised ore throughput rate of 1.54 Mtpa to produce an average annual production level of 219,000 tonnes of 6% Li_2O spodumene concentrate for supply to the rapidly expanding chemical market for battery feedstock.

JORC Mineral Resource Estimate

Cube was commissioned by Altura to complete a revised geological wireframe model and resource estimation update based upon all drilling data completed within the Pilgangoora lithium deposit up to and including the end of October 2016.

This revised Mineral Resource estimate is in line with Industry best practice standards and robust geostatistics and reported according to the guidelines set by the JORC Code, 2012 Edition. Altura had previously released a Mineral Resource estimate completed by Western Australian based geological consultant Hyland Geological and Mining Consultant (see ASX release 22 September 2016).

The revised Mineral Resource is based on a cut-off grade of 0.43% Li_2O is set out in Table 1.

Table 1 – Altura Pilgangoora Mineral Resource (0.43% Li_2O Cut-off Grade)

JORC Category	Cut-off Li_2O%	Tonnes (Mt)	Li_2O%	Fe_2O_3	Li_2O Tonnes
Measured	0.43%	-	-	-	-
Indicated	0.43%	40.3	1.00	2.20	403,000
Inferred	0.43%	2.3	0.90	2.50	-

The Competent Person (CP), Mr Stephen Barber, made numerous visits to Altura's Pilgangoora Lithium Project site during the field exploration program completed from June until October 2016. During his time on site he was responsible for the coordination of the drilling program, management and validation of the drilling database, and also provided assistance to the logging and sampling of the RC holes when required.

The principal sources of information used by Cube in this Mineral Resource estimate were provided by Altura. Through discussions with the Company's personnel, Cube has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, validity and completeness of the technical data. The principal source of information was provided by Mr Stephen Barber, a consultant geologist to Altura. Such data included general project description documentation, drilling databases (including collar survey, assay plus geological logging), topographic and mapping information, bulk density data, metallurgical test work results and previous pegmatite interpretation model wireframes.

The geology of the intrusive pegmatite system is relatively simple. Confidence in the geological interpretation is high as infill drilling and the introduction of deeper drilling within the deposit area has confirmed the size and position of the previously interpreted pegmatite lodes. The distribution of Li_2O and other attributes estimated within the pegmatite bodies is more complex. Cube believes that the geological continuity and volume controls are well established where the drilling is at a nominal 40m x 40m hole spacing. The data used to establish the geological wireframe model consisted of surface outcrop mapping, and down hole geological logging of primarily RC drill chips.

Mineralisation is contained within 13 individual pegmatite intrusive lodes hosted in mafic (basalt) and ultramafic (peridotite) units, which occur as a set of stacked lodes in a north-northeast (NNE) trending zone, dipping 25-40°ESE. There are a number of sub-parallel weakly mineralised or barren pegmatites immediately to the west of the deposit and there is a zone of granite and schist units located about 1,000 metres from the main deposit area. These external areas were intersected in sterilisation drill holes. The collar positions of the drill holes completed in 2016 and those completed in 2010-13 are shown in Figure 1 and a number of cross sections within the main deposit area are shown in Figure 2.

Figure 1 – Pilgangoora Lithium Project Geological and Drill Hole Plan

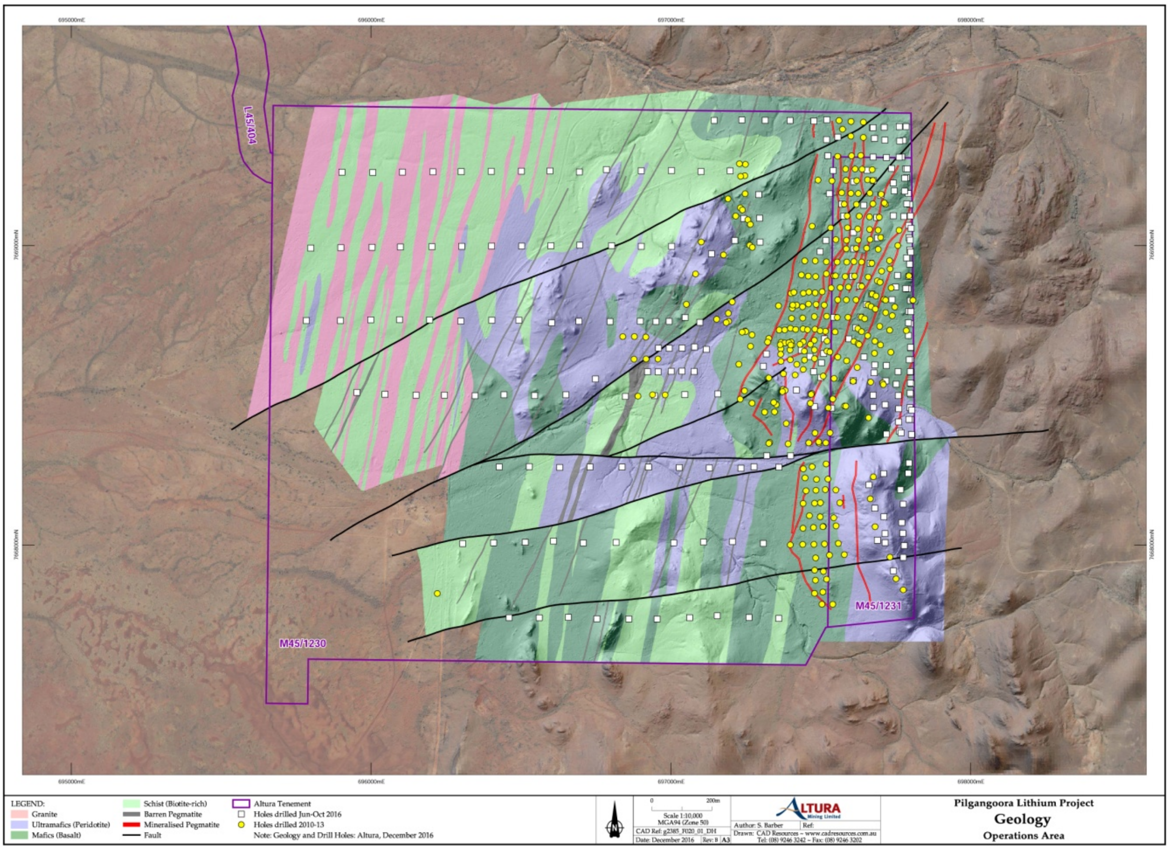
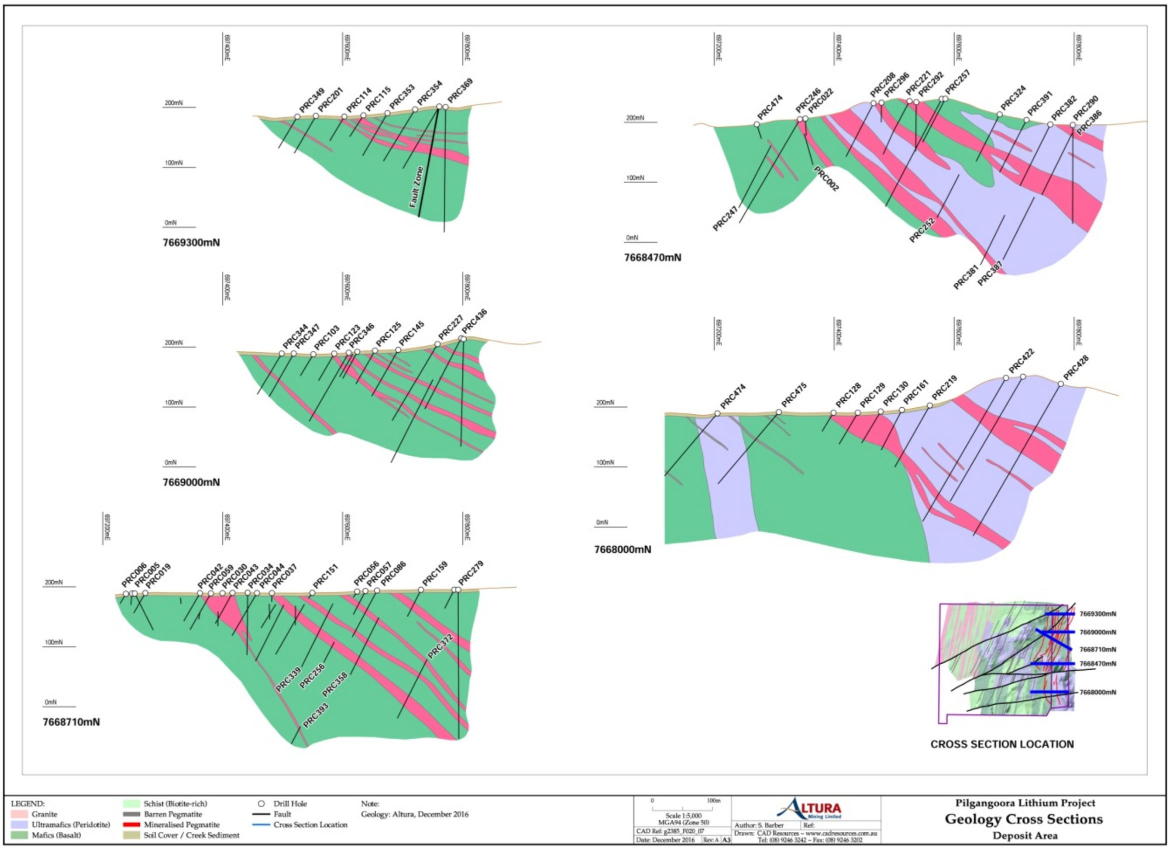


Figure 2 – Geological Cross Section Views



See Figures 3 and 4 to view cross sections of the mineralised pegmatites. The pegmatite lodes extend over 1600m north/south, outcropping over an area 550m (east-west) wide and extending from surface to a maximum of 450m below the topographical surface. Mineralisation is present at surface for some lodes with most mineralised lodes starting from within 10m of surface.

Figure 3 – Cross Section 7669100mN +/-20m (+1% Li_2O shown in red within pegmatite lode outlines)

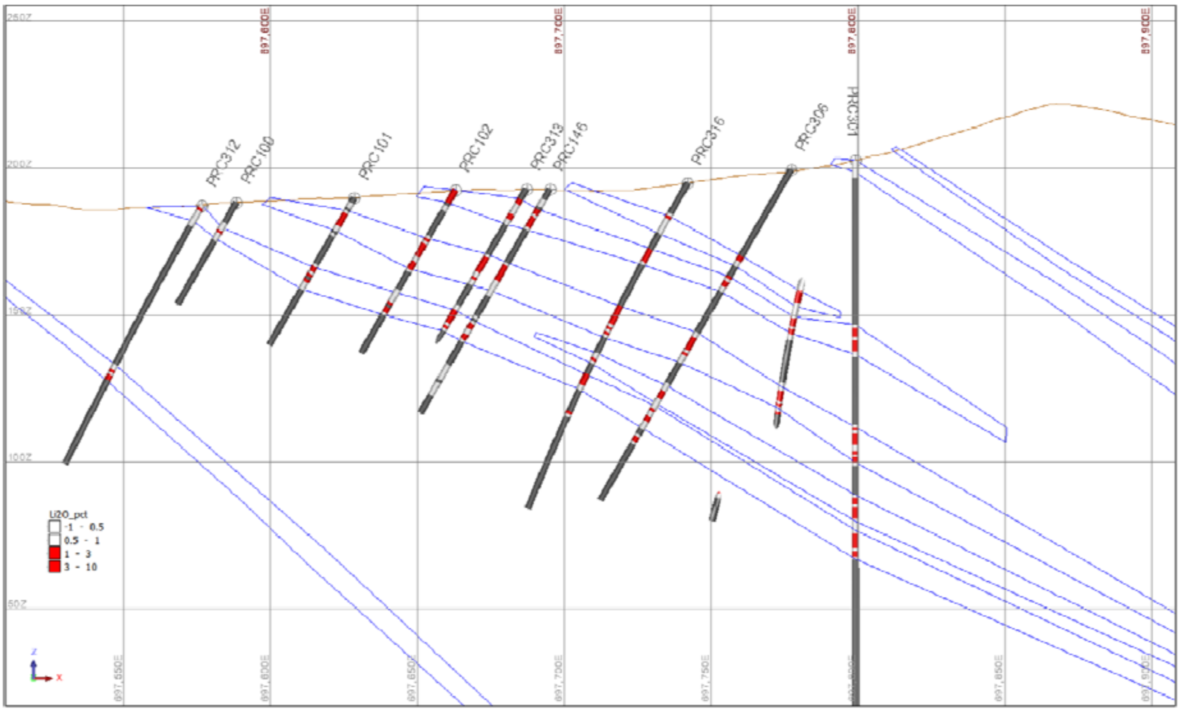
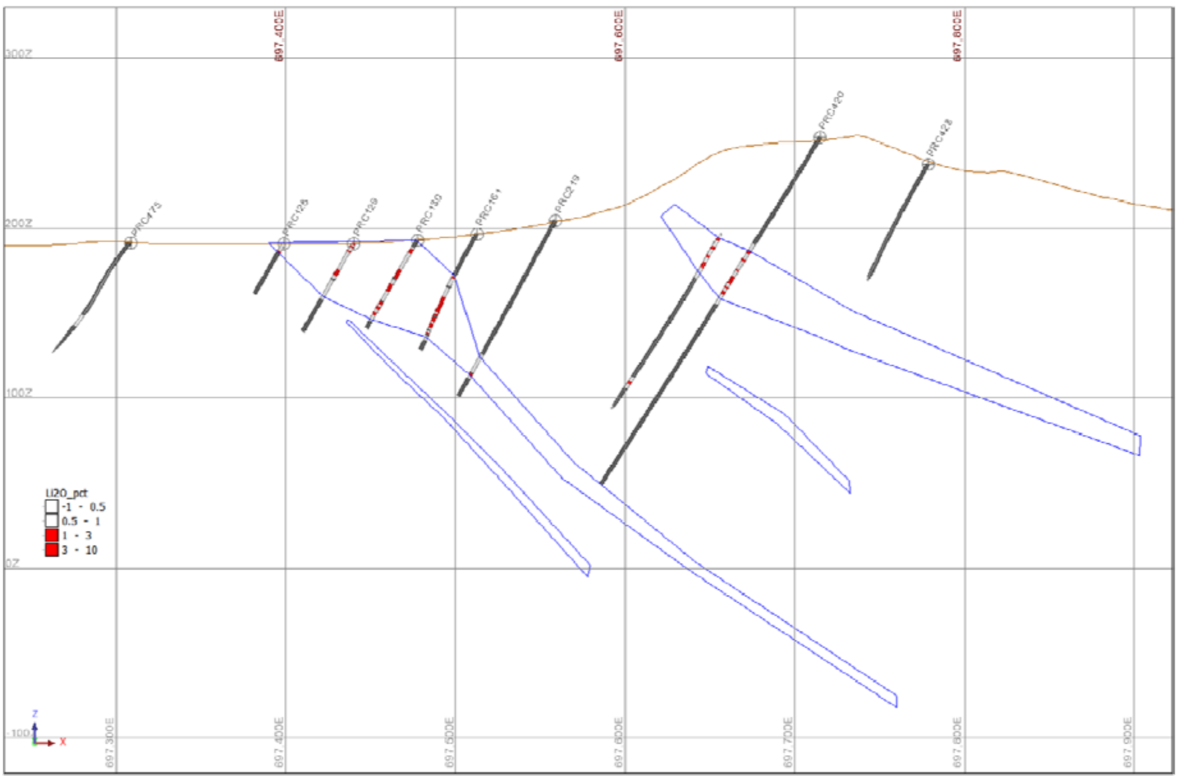
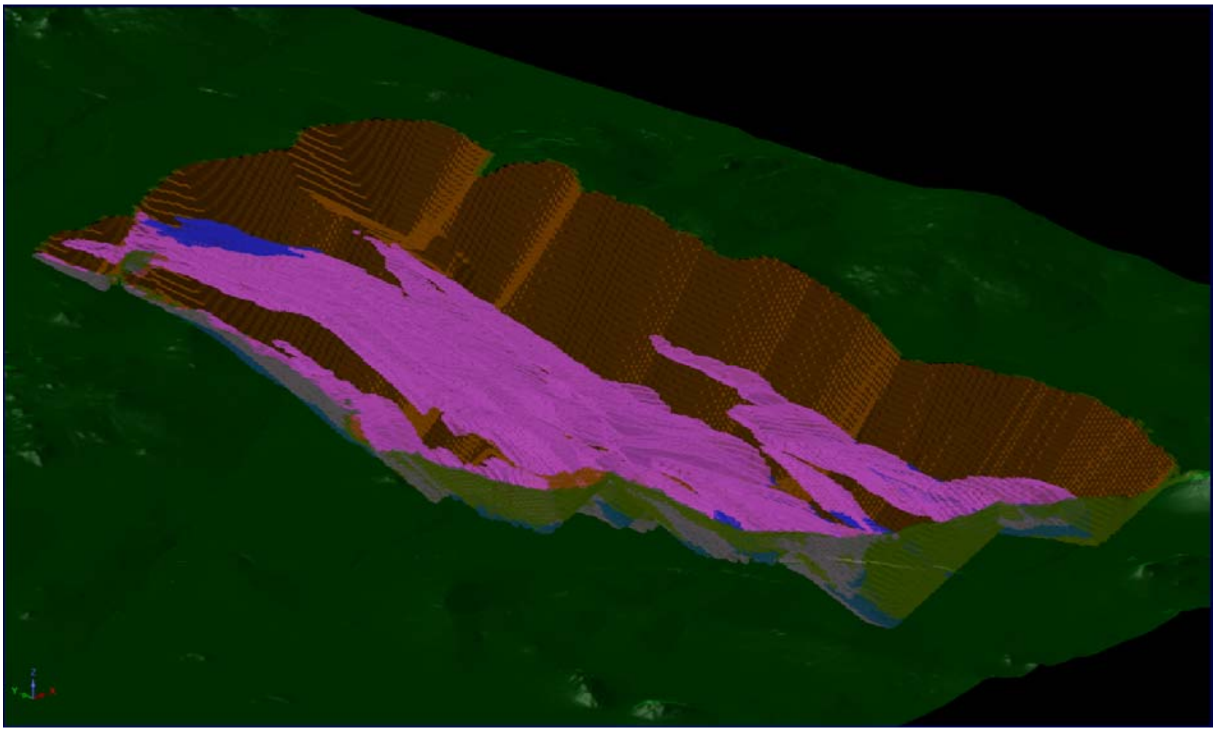


Figure 4 – Cross Section 7668000mN +/-20m (+1% Li_2O shown in red within pegmatite lode outlines)



The Mineral Resources reported have been limited to those estimated blocks within the optimised pit shell. Figure 5 below shows the extent of the Indicated Mineral Resource (pink) and the Inferred Mineral Resource (blue) within the optimised pit shell.

Figure 5 – Pilgangoora Mineral Resource3D Domains – December 2016



** Oblique view looking north-east- Azimuth 045°; dip -20°*

*** Pink – Indicated Mineral Resource classification; Blue – Inferred Mineral Resource classification*

JORC Ore Reserve Estimate

Cube was commissioned by Altura to complete a revised ore reserve estimation update on its 100% owned Pilgangoora Lithium Project. The revised Ore Reserve Estimate for Altura's 100% owned Pilgangoora Lithium Project totals **30.1Mt at 1.04% Li_2O** and is classified entirely as a Probable Ore Reserve estimate (see Table 2 below).

Table 2 – Altura Pilgangoora Ore Reserve Estimate (0.43% Li_2O Cut-off Grade)

JORC Category	Cut-off Li_2O%	Tonnes (Mt)	Li_2O%	Fe_2O_3	Li_2O Tonnes
Proven	0.43%	-	-	-	-
Probable	0.43%	30.1	1.04	2.16	313,000
Total	0.43%	30.1	1.04	2.16	313,000

This revised Ore Reserve estimate is in line with Industry best practice standards and reported according to the guidelines set by the JORC Code, 2012 Edition. Altura had previously released an Ore Reserve estimate completed by Western Australian based mining consultants Orelogy Consulting Pty Ltd (Orelogy) (see ASX release 22 September 2016).

A site visit was attended by the CP, Mr Quinton de Klerk from Cube, in January 2017. During this site visit the CP was able to meet with key operational personnel, view the proposed infrastructure sites, the pit location relative to the natural terrain as well as the mining camp and surrounding general infrastructure and regional setting.

The resource model used as the basis for this Ore Reserves update was also compiled by Cube, based on the latest available drilling information. The model was estimated by Localised Uniform Conditioning (LUC) methods with an assumption of mining selectivity dimensions of 5mEW x 10mNS x 3mRL. The Mineral Resources reported are inclusive of the Ore Reserves reported here.

The Ore Reserves are reported at a 0.43% Li_2O cut-off, in line with the reporting of the Mineral Resources. This cut-off which is above the theoretical economic cut-off has been selected to provide a +1.0% Li_2O feed grade to the process facility.

Cube carried out open pit optimisation utilising Whittle4X® software on the Indicated Resource material only. See Figure 6 for a cross section (7668500N) view within the proposed open pit. Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport and sales cost estimates, and revenue projections to form the basis for pit designs and subsequent mining and processing schedules. See Figure 7 which shows the proposed Site Layout in relation to the completed drill holes.

A material departure from Feasibility Study (FS) (see ASX release 11 April 2016) on which the previous Ore Reserves were based, is that these Ore Reserves have been reported under the assumption that mining may take place on the adjacent Pilbara Minerals tenement to the East in order to facilitate accessing of deeper Ore Reserves on the Altura tenement.

This assumption is supported by a Memorandum of Understanding (MoU) between the two parties which outlines a mutual understanding to this effect. There is clear and reasonable expectation that mining across the tenement will be able to take place. The mining on the Pilbara Minerals side of the tenement boundary has been dealt with on a conservative basis in the estimation of these Ore Reserves, in that all mining costs are assumed to be paid by Altura.

Furthermore no economic value has been allocated to potential Ore Reserves on the Pilbara Minerals tenement, which are therefore also excluded from the reporting of the Ore Reserves.

Figure 6 – Cross Section (7668500N) View within the Proposed Pit

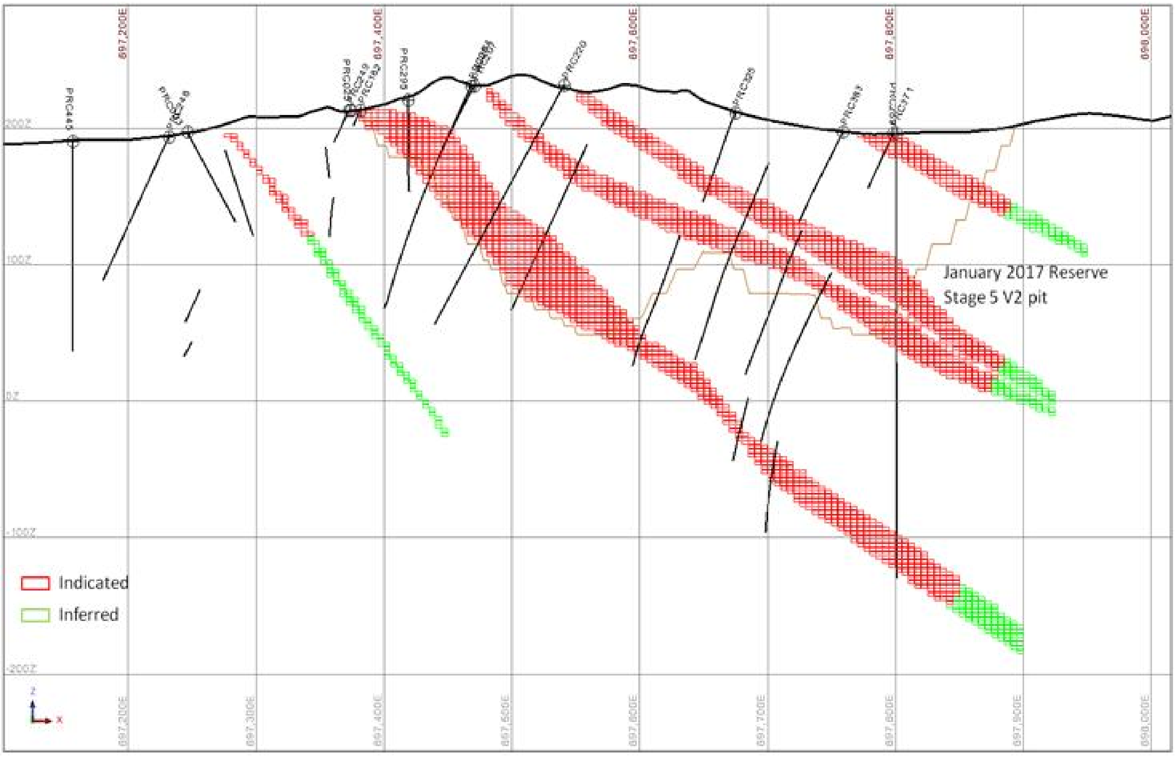
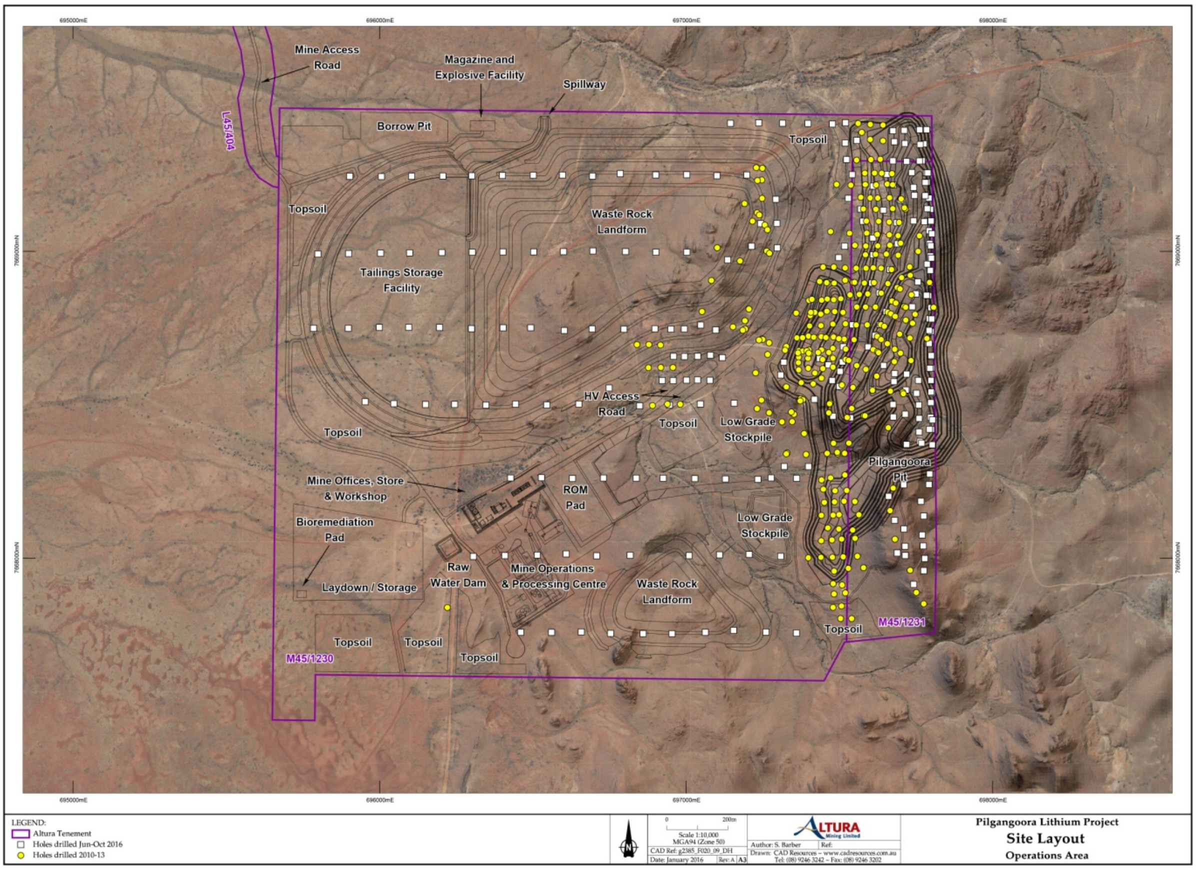


Figure 7 – Plan View of Proposed Site Layout in Relation to Completed Drilling



ASX Additional Information - Material Assumptions

Mineral Resource Estimate (Summary Information Required by Listing Rule 5.8.1)

Geology and Geological Interpretation

Altura's Pilgangoora Lithium Project occurs at the southern end of a zone of pegmatite intrusive dykes within the synformal Pilgangoora greenstone belt. The pegmatites are hosted within amphibolites which have a mafic and ultramafic volcanic origin. A total of 13 mineralised pegmatites have been identified and these occur as a set of stacked lodes generally striking 010-030ºNNE and dipping 25-40ºESE. The dykes generally range from 8-14m thick however there are areas where the pegmatites form lenticular pods and are much thicker (up to 64m).

Based upon the completed drilling, the pegmatites appear to be confined to a NNE trending corridor which is approximately 1600 metres long (north to south), 550 metres wide (east to west) and 450m deep. Mineralisation is present at surface for some lodes with most mineralised lodes starting from within 10m of surface.

The mineralised pegmatites are located approximately 1km east of a granite contact. There are several barren pegmatites located in the zone between the granite contact and the mineralised pegmatite zone. The granite contact and barren pegmatites were identified via sterilisation drilling carried out for the proposed infrastructure and waste dump areas.

The reason for this structural and or geological control within the deposit area is not fully understood however the distance from the granite contact is such that mineralisation in the pegmatite is confined to lithium and rubidium (almost wholly reporting in spodumene and muscovite respectively) with relatively low values for tin and tantalum or other associated minerals.

Sampling and Sub-sampling Techniques

The Pilgangoora deposit was sampled by collecting outcrop rock chips; plus samples were collected from reverse circulation or RC (chip) and diamond drilling or DD (core). Drilling for assay samples was undertaken on a regular spaced grid (over average 40m x 40m). All potential ore intervals and their contacts into barren wall rock were sampled.

RC drill hole samples were collected in one metre (1m) intervals from the beginning to end of each hole. Each 1m sample was split directly using a rig-mounted riffle splitter and then collected into a uniquely numbered calico bag. The remaining material for each 1m interval was collected directly off the cyclone into a numbered plastic bag and kept near the drill site for geological logging.

DD used a HQ diameter triple tube core barrel; the core was removed from the tube and then transferred to 4x1m HQ core trays. The core was marked up and logged in the core trays. Sample lengths were determined by the geologist, based upon the nature and location of the mineralisation logged in the core. Half core sample cut from mineralised zones was sent for assay analysis.

Mineralisation was initially determined visually and confirmed by geological logging and geochemical assaying.

RC samples were normally dry. If water was present, it was expelled (if possible) from the hole before sample was collected. RC samples for 1m intervals were split using a riffle splitter mounted on each RC rig to provide a 1/8th sample. The split samples were stored in numbered calico sample bags. The sample numbers used in each drill hole were recorded by the Rig Geologist.

Diamond core was ½ or ¼ cut (for check sampling and metallurgical purposes) with sampling from the same side where possible.

Sample preparation for both RC chips and DD core, required that the whole sample was crushed to 2mm, then rotary divided and a 500g (approximate) sample was pulverised to -75 microns. A 0.2g split was then sent directly to a microwave-assisted dissolution. HF acid MAD's are performed in sealed vessels at temperatures up to

200°C and pressures up to 20 Bar. Digests were controlled with respect to microwave power, vessel temperature and vessel pressure to achieve reproducible digestion conditions across a wide range of sample materials.

Random duplicate samples for analyses were taken from most of the pegmatite intersections. The range between the original and duplicate sample data was on average 10-15%. Laboratory also inserted its own check samples in each assay batch.

The drill sample sizes were considered appropriate to represent the spodumene mineralisation, based on the average size of spodumene crystals (up to 50cm) and the thickness and overall consistency of mineralisation within the pegmatite hosts.

Drilling Techniques and Hole Spacing

Drilling from 2010-13, included both RC (chip) and DD (core). This work was undertaken using Altura Mining's PRD2000 multipurpose rig rated at 1120 cfm @ 350psi. The RC drilling used a 5.2"" (132mm) face sampling hammer, the diamond drilling used HQ (63.5mm internal) coring. The RC holes were sampled from the surface. DD holes were pre-collared to 3m and then coring commenced. No core orientation was undertaken.

A staged series of drilling programs commencing in August 2010 and extending through to March 2013 covered a majority of the pegmatite field with 290 drill holes. There were 282 RC holes (including four water bore holes) totalling 24,649m and eight diamond core drill holes totalling 1,387.9m completed during that period.

In April 2016, DD was carried out by DDH1, who supplied a Sandvik UDR 1200 (PQ3 size core; 85mm core diameter) truck mounted rig. The purpose of this DD work was to 'twin' previously drilled RC holes and validate the thickness of the intersected pegmatites. No core orientation was undertaken and this drilling work comprised of 9 holes, totalling 854 metres.

From June until October 2016, RC drilling was undertaken with four RC drill rigs. Strike Drilling supplied a truck mounted rig SD02/ KWL700 (143mm hammer bit). Mt Magnet Drilling (MMD) supplied a RC450 Hydco track mounted rig (146mm hammer bit); MMD DR24/UDR259 track mounted rig (140mm hammer bit); and MMD MP1300 multipurpose truck mounted rig (146mm hammer bit). When required all the RC rigs utilised auxiliary compressors for additional air pressure.

A total of 246 RC holes were completed from June-October 2016, totalling 41,070m. A total of 139 RC holes (25,233m) were drilled in the main deposit area and 107 RC sterilisation holes (15,837m) were completed within the areas designated for infrastructure, waste dumps, tailings storage facility and other associated surface installations.

RC holes were drilled on a nominally spaced 40m x 40m grid pattern covering the strike extent of the Pilgangoora pegmatite zone. The grid pattern is considered an adequate spacing for establishing geological and grade continuity both along strike and down dip. From outcrop mapping and costean exposures, the pegmatite dykes exhibit consistency over distances exceeding 40m and data acquired from drill holes at this spacing is considered adequate for the definition of the Inferred and Indicated categories of the JORC code. No sample compositing has been applied within the resource area.

Sample Analysis Method

Initial samples up until June 2011 were dispatched to Ultra Trace Laboratories in Perth. All subsequent sample submissions up to October 2016 were sent to LabWest in Perth. Both laboratories are NATA (National Association of Testing Authorities, Australia) certified.

Li (ppm), Al_2O_3%, CaO%, Fe_2O_3%, K_2O%, MgO%, MnO%, Na_2O%, P_2O_5%, SO_3% and TiO_2% were assayed using microwave assisted HF acid digest with an ICP-OES finish, while Be (ppm), Cs (ppm), Nb (ppm), Rb (ppm), Sn (ppm), Ta (ppm), Th (ppm) U (ppm) and W (ppm) were digested with an ICP-MS finish. This technique is considered an effective for whole rock determination.

The Certified Reference Materials (CRM) rate used by LabWest was 2 in every 24 samples and 7 CRM's (2 lithium ores, 1 rock, 1 soil, 3 pegmatites) were used. Internal lab splits (post-crushing) were done on 1 in 40 samples and pulp repeats were inserted at the rate of 1 in 24 samples. LabWest randomly inserted in-house standards to check their internal QC sampling. Random, blind re-submission of pulps from LabWest to an external lab (Ultra Trace) for check assaying was carried out.

Field duplicates were randomly inserted by the drilling offsider when mineralised pegmatites were intersected. The position of each duplicate sample was logged by the Rig Geologist. The general practice was to include a duplicate sample in every intersected pegmatite. These duplicates were anomalous to laboratory personnel.

The QC samples (field duplicates) plus lab splits and lab internal standards have indicated the assaying shows acceptable levels of accuracy and precision.

No geophysical tools, spectrometers or hand-held XRF instruments were used in determining any of the assay data included in this resource.

Mineral Tenement and Land Tenure Status

The deposit lies within E45/2287, P45/2758 and E45/2363 which are owned 100% by Altura Exploration Pty Ltd. The Altura tenements are covered by M45/1230 and M45/1231, which were granted on 26 August 2016. All tenements covering the deposit are in good standing and there is no known impediment to obtaining a licence to operate.

Estimation Methodology

This Mineral Resource Estimate (MRE) is a result of a recent (2016) infill drilling campaign by Altura which included several vertical holes along the eastern tenement boundary to confirm down-dip pegmatite continuity at depth immediately below this boundary. This phase of drilling was completed between June and October 2016. A revised interpretation closely based on previous work has been undertaken by Cube to include the all the recent information.

Cube has used 3DM wireframes to constrain the pegmatite lodes. All grade data within each of the pegmatite geological units has been used in the estimations. Estimation of Li_2O%, Fe_2O_3%, MnO% and Rb ppm has been undertaken.

Drill intervals falling within the wire framed pegmatite lodes were coded in the database. Composites of each grade value were then generated using the Surpac "best-fit" method. On the basis of sample size, local grade variability, selectivity assumption (5mEW x 10mNS x 3mRL) and selected estimation methodology, Cube have chosen to use 1m down hole composites for this estimation. This composite size allows maximum resolution for modelling of local grade variability while still allowing for robust characterisation of the spatial structure (ie. the variograms).

Due to the nature of the mineralisation no estimation domains were found to contain extreme outlier grade values. However, some minor grade capping was implemented for certain domains to mitigate risk – this is not considered to be material to the estimate. Based on the statistical characteristics of the key grade items and the proposed use of the resulting block model Cube decided to undertake grade estimation using the non-linear Localised Uniform Conditioning ("LUC") method, which is capable of providing small block estimates (5mEW x 10mNS x 3mRL) from relatively wide spaced data (in this case nominally 40mEW x 40mNS x 1mDownhole).

The LUC estimates for each grade item estimated were implemented using the Isatis® software package before being transferred into a Surpac™ block model.

No consideration has been made with respect to any by-products.

Statistical analysis shows that the four variables being estimated are not sufficiently well correlated for the use of multivariate estimation methods and so each variable was estimated independently.

Block size for grade estimation was chosen in consultation with Altura and with due regard to data spacing, ore body geometry, and practical mining considerations. The estimation panel size used was 8mEW x 15mNS x 10mRL. An SMU block size of 5mEW x 10mNS x 3mRL was chosen (no rotation) for use in the localisation process. This SMU block size conforms to the proposed mining flitch height and is elongated in the same general direction (north-south axis) as the trend of the lodes. The data spacing would be considered too wide for such a small block size if conventional linear estimation methods were used. However, Cube has used the LUC method, which is intended specifically for estimating the grade distribution of smaller blocks using relatively wide spaced data points.

The LUC models were validated by comparing global declustered composite data to the estimates per estimation domain, on a semi-local basis by the use of swath plots and finally by visual cross-sectional and 3D observations of the modelled block grades against the informing drill data.

Resource Classification

The geological model and continuity of the pegmatite lodes is currently well understood due to the surface mapping and drill hole testing. The stability of the interpretation with the introduction of infill drilling supports a moderate to high confidence in the estimated tonnage.

Grade continuity is less well understood and variability within each pegmatite lode and between individual pegmatite lodes occurs. Confidence in the estimated grade continuity is a direct function of information density and is characterised by geostatistical modelling parameters.

The geostatistical characteristics of the mineralisation (Li_2O grade distribution) can be summarised as moderately low relative nugget (15-35%) and maximum ranges of between 45 and 95m. Equal proportions of the variance are distributed between the first and second structures of the variogram models.

The deposit is drilled tested at a variable spacing ranging from 20m x 20m (N x E) at near surface central portions to 40m x 80m at the peripheral and deeper parts. There is a reasonable expectation that locally estimated grades may vary when closer spaced data is available (grade control mining drill hole data for example). For this reason, no Measured Mineral Resource estimates have been reported.

The MRE has been classified as Indicated or Inferred on the basis of a number of summary estimation quality parameters including the average distance from informing composite data and the theoretical slope of regression (true to estimated blocks) parameter.

Estimated pegmatite with an average distance from composite data of 60m or less has been classified as Indicated. This results in the Indicated blocks having an average distance of 34m to composite data globally, and an average global slope of regression of 0.34. Estimated pegmatite classified as Inferred has an average distance to composite data of 90m and a slope of regression of 0.04.

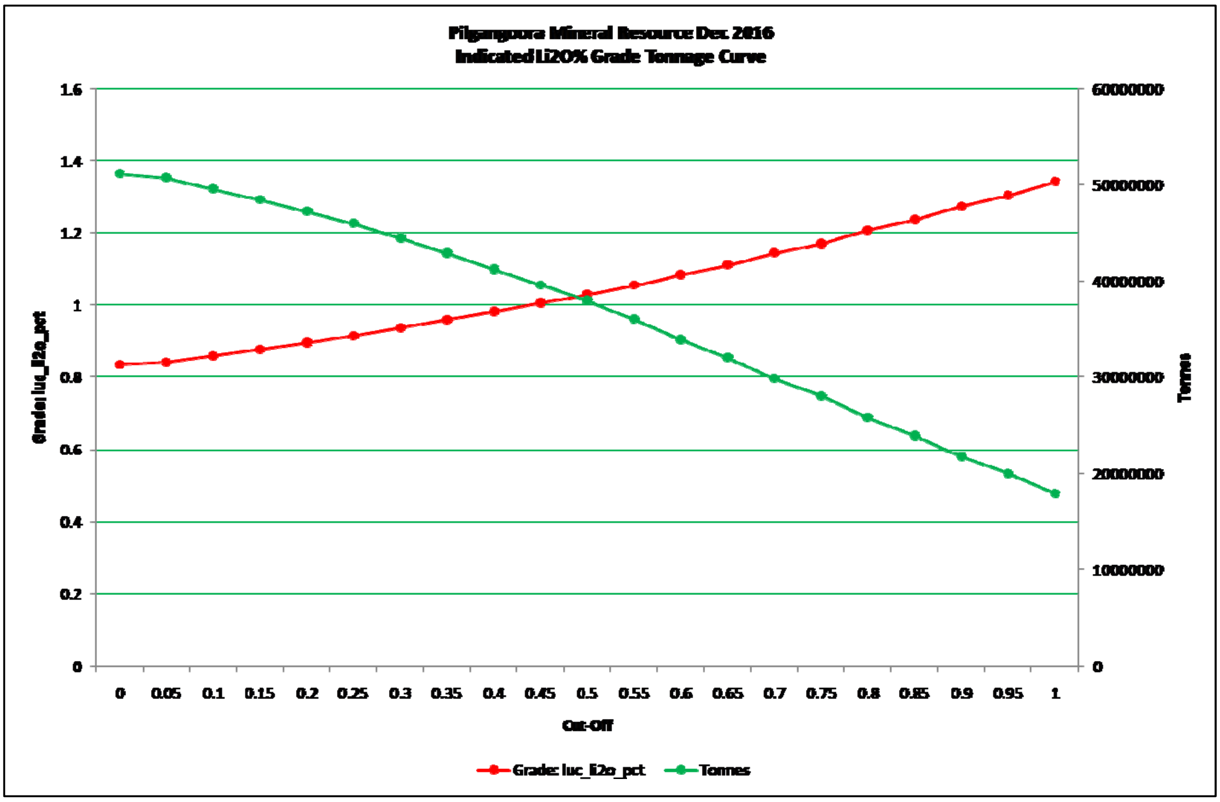
The reported Mineral Resources have been limited at depth using a "reasonable expectations" optimisation shell generated using 1.5 x the 2016 DFS update base price for lithium carbonate. This optimisation imposes a depth limit on the estimated Mineral Resource of -77mRL which is approximately 320m below the topographical surface.

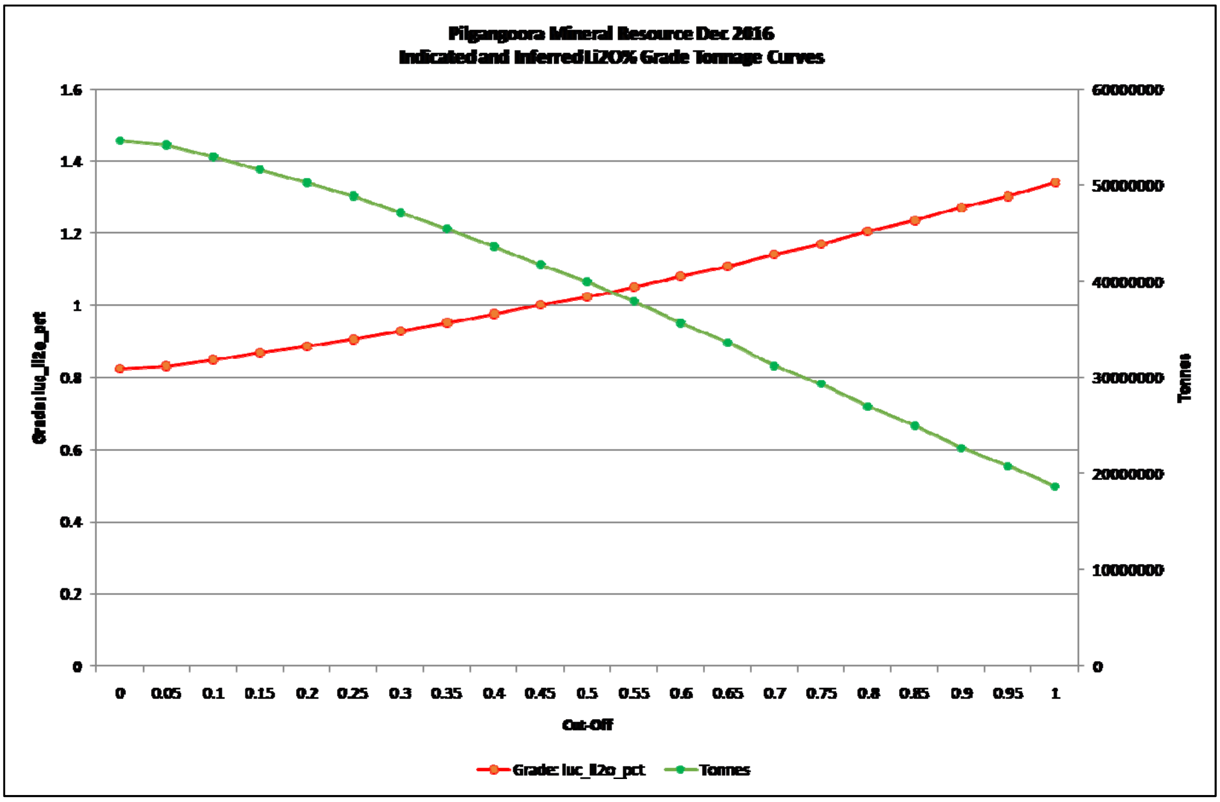
The Mineral Resource estimate appropriately reflects the view of the Competent Person.

Cut-off Grade

The selection of mineralised domains has used geological factors only, represented by a logged pegmatite interpretation. No grade cut-off was used to determine the mineralised volume.

The Mineral Resource has been reported above a 0.43% Li_2O cut-off to appropriately reflect the tonnes and grade of estimated blocks that will meet the proposed beneficiation process. The proposed beneficiation process requires a feed grade of a consistent 1.00% Li_2O within a relatively small tolerance. The tonnes and grade of the deposit are relatively insensitive to cut-offs in the range 0.3 to 0.5% Li_2O as shown in the grade tonnage curve of the deposit (see below).





Mining and Metallurgical Methods and Parameters and other modifying factors

Future mining or mineral extraction at the Pilgangoora deposit will be open cut mining. This MRE has been undertaken on the assumption of open pit mining methods, the choice of SMU size (5mEW x 10mNS x 3mRL) was based on the scale of mining equipment proposed for use.

A determination of the reasonable prospects for eventual economic extraction by open pit mining methods has been made by determining an optimal pit shell based on 1.5 x base price ($US8,000/t SignumBOX forecast Jan 2016) used for the 2016 DFS update study. This inflation of the base price is considered within reasonable possible future fluctuations of the lithium carbonate price based on recent and past trends. The Mineral Resources reported have been limited to those estimated blocks within the optimised pit shell.

The Mineral Resources have been reported on the assumption that the open pit mine operation will not be influenced by the geographical position of the eastern tenement boundary. This potential limit has been removed because of a MOU between Altura and the current owners of the neighbouring tenement (Pilbara Minerals Ltd). This MOU has allowed the sharing of data and access and is assumed to allow the development of the open pit operations across the boundary to allow Altura full access to all Altura Mineral Resources extending up to the boundary (see ASX release 25 August 2016).

Altura completed metallurgical studies for a 2012 Scoping study and established that a >6% Li_2O spodumene concentrate can be produced using well tested and conventional gravity and dense media separation (DMS) techniques. This work was completed using HQ size diamond core from representative drill holes located in different locations of the pegmatite resource.

Altura has since completed 5 additional representative HQ diamond and 9 PQ size diamond holes in the pegmatite resource and during the latter part of 2015 and in 2016 detailed metallurgical studies on HQ diamond core and a 5000kg bulk sample from the PQ core were carried out. This work closed out the future work items from the Feasibility Study, optimised and improved the process flow sheet, and explored the variability of the ore body. The test work included materials handling, HLS, liberation, mica removal, DMS, grind size, flotation, thickening, filtration, and tailings rheological investigations.

Ore Reserve Estimate (Summary Information Required by Listing Rule 5.9.1)

Material Assumptions

The material assumptions which support the Ore Reserve Estimate, the Production Targets and the forecast financial information derived from the Production Targets are disclosed in the body of the announcement and outlined in the ASX Additional Information – Material Assumptions section, with the exception of commercially sensitive information.

The mining costs used by Cube in the calculation of the Ore Reserve Estimate were based on the physicals derived from the LOM schedule developed by Orelogy, mining costs obtained from mining contractors with experience in WA hard rock operations and current diesel fuel prices and an owner cost component developed by Orelogy with input from Altura.

Criteria Used for the Classification of Ore Reserves

Ore Reserves were calculated only on the Indicated portion of the Mineral Resource Estimate. The Ore Reserves are reported at a 0.43% Li_2O cut-off, in line with the reporting of the Mineral Resources. This cut-off which is above the theoretical economic cut-off has been selected to provide a +1.0% Li_2O feed grade to the process facility.

A material departure from the FS on which the previous Ore Reserves were based, is that these Ore Reserves have been reported under the assumption that mining may take place on the Pilbara Minerals tenement in order to facilitate accessing of deeper Ore Reserves on the Altura tenement. This assumption is supported by a

Memorandum of Understanding (MoU) between the two parties which outlines a mutual understanding to this effect. There is clear and reasonable expectation that mining across the tenement will be able to take place.

A Whittle4X™ pit optimisation, including sensitivity analysis, was completed. Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport and sales cost estimates, and revenue projections to form the basis for pit designs and subsequent mining and processing schedules.

The Ore Reserve Estimate has been classified as Probable based on guidelines specified in the 2012 JORC code. The Mineral Resources in this report are reported inclusive of Ore Reserves.

Mining Method and Assumptions

A conventional open pit mine method was chosen as the basis of the FS. Ore is exposed at surface requiring minimal pre-stripping and pre-production mining activities. The updated resource model is a recoverable resource estimate, taking into account estimation of dilution and ore losses in the estimation based on a selective mining unit and as such no further factors of mining dilution or ore losses have been applied in the estimation of the Ore Reserves.

Major modifying factors include: 0.43% Li_2O cut-off grade; ore production rate of 1.54Mtpa; 80% recovery of Li_2O as 6% Spodumene concentrate; Gross price of A$717.33/t Conc.; overall processing cost of A$18.93/t ore; and waste mining cost at surface of A$2.64/t mined.

Processing Method and Assumptions

The process flow sheet was developed by DRA based on metallurgical test work by NAGROM and ALS undertaken in 2016. Comminution test work indicates rock of moderate hardness, resistant to failure by compression and highly abrasive. Beneficiation test work has indicated a process route to produce coarse and fine fractions of Spodumene concentrate at 6% Li_2O.

The pegmatite ore is planned to be processed using crushing and screening including HPGR, followed by upflow classifier and dense media separation (DMS). The coarse DMS concentrate product will go directly to final product while the fine fraction will be combined with the DMS middling fraction and processed through another circuit using grinding and flotation to produce a fine flotation concentrate that will also go to final product.

All technologies proposed are proven and well tested with easily sourced components. Samples used for metallurgical test work were sourced from 9 holes distributed evenly across the deposit to derive an average recovery of 80% as used in the pit optimisation.

Potential deleterious elements have been observed at low concentration in the test work samples (e.g. Iron averaging 0.8% Fe_2O_3 in head grade to approximately 1.1% Fe_2O_3 in float concentrate post Magsep and 0.08% in DMS concentrate post Magsep).

The Ore Reserve has been produced based on a 6% Li_2O Spodumene Concentrate.

Cut-off Grades

The Ore Reserves are reported at a 0.43% Li_2O cut-off, in line with the reporting of the Mineral Resources. This cut-off which is above the theoretical economic cut-off has been selected to provide a +1.0% Li_2O feed grade to the process facility.

Estimation Methodology

Please refer to the discussion on this item as set out in the previous section which deals with the summary information required by LR 5.8.1 for mineral resource estimates.

Infrastructure

The Project is located in the West Pilbara region of Western Australia where good infrastructure is available for mining projects. A sealed highway provides access from Port Hedland to within 20km of the Project area. The last stretch of access road will require upgrading for the traffic load. Water requirements for processing can be serviced from the total implied water resources within the mine area, as per the license application, of 32 L/s.

Power will be produced on site using diesel generators. Product will be shipped via Port Hedland located 90km to the north. The site will operate on a fly-in fly-out basis with a village constructed to house operations personnel whilst on site.

Economic

The economic analysis is based on cash flows driven by the production schedule. The cash flow projections include:

- Initial and sustaining capital estimates
- Mining, processing and concentrate logistics costs to the customer based on FOB pricing
- Revenue estimates based on concentrate pricing adjusted for fees, charges and royalties
- Closure costs
- Company tax estimates
- A 10% discount factor

The Mining DFS released in September 2016 showed a positive NPV.

Spodumene pricing was based on forecasts from the March 2016 Deutsche Bank Lithium market report.

Spodumene revenue factors were:

- Variable head grade averaging 1.06% Li_2O over 16 years of the mine life
- Processing recoveries applied at 80%.
- Spodumene price of US$530/t for 6% Li_2O content
- Exchange rate of 0.75 AUD:USD
- Transportation charge of A$33.78/wet tonne
- Port charge of A$4.52/wet tonne
- State royalty of 5%
- Native title royalty of 1%
- Marketing and grade variability penalty of 4.3%.

Other Non-Mining Modifying Factors

No material naturally occurring risks have been identified. The Company has granted mining leases for M45/1230 and M45/1231 covering sufficient area for the open pit, plant and other infrastructure. A Mining Proposal was first lodged with the Department of Mining & Petroleum on 14 September 2016. Additional information was requested by the Department and a revised Mining Proposal was re-submitted on 20 December 2016. There are no apparent impediments to obtaining all government approvals required for the project.

The Company has signed Native Title and Landholder Agreements in place.

The height of the waste rock dump is higher than that included in the Mining Proposal; this will not affect the mining operation for more than 10 years, thereby providing time to gain approval for additional waste dump height or an alternative storage location.

Road access is currently contingent on an agreement with the adjacent tenement holder, Pilbara Minerals, to develop the access road jointly. Additional capital may be required to develop the access road if Pilbara Minerals does not proceed with this course of action.

The Lithium market will continue to grow driven by the use of lithium in larger batteries for electric cars (>60%) and energy storage systems. There are currently 24 projects under development based on recovery of spodumene from pegmatites. Altura is well advanced in development of the Project and is able to capitalise on projected shortfalls in demand. Metallurgical test work and chemical analysis of the spodumene concentrate has shown that it is suitable for the Lithium battery market.

The Company has signed a Binding Offtake Agreement (BOA) for a minimum of 100,000tpa and an MOU for offtake for 100,000 tonnes minimum to 150,000 tonnes maximum of concentrate with leading Chinese battery producers. The BOA and MOU and discussion with alternative third parties have been taken into account in the selection of plant size.

Competent Persons Statement

The information in this report that relates to the Mineral Resource for the Pilgangoora lithium deposit is based on information compiled by Mr Stephen Barber. Mr Barber is a Member of the Australasian Institute of Mining and Metallurgy. Mr Barber is a Consultant Geologist to Altura Mining Limited and has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity of mineral resource estimation to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barber is a former employee of PT Altura Indonesia. Mr Barber consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Ore Reserve for the Pilgangoora lithium deposit is based on information compiled by Mr Quinton de Klerk. Mr de Klerk is a Fellow of the Australasian Institute for Mining and Metallurgy. Mr de Klerk is a Director and Principal Consultant of Cube Consulting Propriety Limited and has sufficient experience that is relevant to the activity of ore reserve estimation to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr de Klerk consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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 2017. The Altura team has a track record of delivering mining projects with Pilgangoora the most advanced stage, near term producing lithium project; 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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JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The Pilgangoora deposit was sampled by collecting outcrop rock chips; plus samples were collected from reverse circulation or RC (chip) and diamond drilling or DD (core). • Drilling for assay samples was undertaken on a regular spaced grid (over average 40m x 40m). All potential ore intervals and their contacts into barren wall rock were sampled. • RC drill hole samples were collected in one metre (1m) intervals from the beginning to end of each hole. Each 1m sample was split directly using a rig-mounted riffle splitter and then collected into a uniquely numbered calico bag. The remaining material for each 1m interval was collected directly off the cyclone into a numbered plastic bag and kept near the drill site for geological logging. • DD used a HQ diameter triple tube core barrel; the core was removed from the tube and then transferred to 4x1m HQ core trays. The core was marked up and logged in the core trays. Sample lengths were determined by the geologist, based upon the nature and location of the mineralisation logged in the core. Half core sample cut from mineralised zones was sent for assay analysis. • Mineralisation was initially determined visually and confirmed by geological logging and geochemical assaying.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling from 2010-13, included both RC (chip) and DD (core). This work was undertaken using Altura Mining's PRD2000 multipurpose rig rated at 1120 cfm @ 350psi. The RC drilling used a 5.2"" (132mm) face sampling hammer, the diamond drilling used HQ (63.5mm internal) coring. The RC holes were sampled from the surface. DD holes were pre-collared to 3m and then coring commenced. No core orientation was undertaken. • In April 2016, DD was carried out by DDH1, who supplied a Sandvik UDR 1200 (PQ3 size core; 85mm core diameter) truck mounted rig. No core orientation was undertaken. • In June-October 2016, RC drilling was undertaken with four RC drill rigs. Strike Drilling supplied a truck mounted rig SD02/ KWL700 (143mm hammer bit). Mt Magnet Drilling (MMD) supplied a RC450 Hydco track mounted rig (146mm hammer bit); MMD DR24/UDR259 track mounted rig (140mm hammer bit); and MMD MP1300 multipurpose truck mounted rig (146mm hammer bit). When required all the RC rigs utilised auxiliary compressors for additional air pressure.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No direct recovery measurements of RC samples were performed. Sample recovery at the rig is visually estimated and recorded for loss per sample interval. • Representative drill chips for each 2m interval were collected by the Rig Geologist. • RC sample recovery was maximised by stopping drilling at the metre interval and air-flushing the cyclone contents through the splitter to maximise recovery. • HQ core was recovered in nominal 3m drill runs

Criteria	JORC Code explanation	Commentary
		(or intervals) and marked by the drillers core block. The core was later marked by the Rig Geologist in 1m intervals and the drill core recovery was measured. • Diamond drilling was targeted at maximum core recovery of greater than or equal to 95%. • The assay results of duplicate RC and twinned diamond drill hole samples do not show a sample bias which may have been caused by the preferential loss/gain of fine/coarse material within the mineralised pegmatites.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC and DD holes were logged by Rig Geologists. • Representative drill chips for each 2m interval in the RC holes were collected by the Rig Geologist. The drill chips from these 2m intervals were dry and wet sieved and then lithologically logged. The RC logging undertaken on the 2m intervals documented the lithology, colour, texture, alteration and mineralisation of each interval using Altura Mining's standardised logging codes. • A representative sample for each 2m interval was placed in chip trays for future reference. • The DD logging undertaken on the core intervals documented the lithology, colour, texture, alteration and mineralisation of each interval using Altura Mining's standardised logging codes. Geological contacts (or boundaries) were accurately logged. A representative sample was placed in core trays for future reference. • All DD holes were measured for rock-quality designation or RQD and structural data (for example, joints, faults/fractures and natural breaks) was measured and logged. • The RC and DD logging was considered quantitative in nature. • All of the chip and core trays were photographed (full length of each hole) for future reference purposes. • All recovered RC and DD intersections were logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were normally dry. If water was present, it was expelled (if possible) from the hole before sample was collected. • RC samples for 1m intervals were split using a riffle splitter mounted on each RC rig to provide a 1/8th sample. • The split samples were stored in numbered calico sample bags. The sample numbers used in each drill hole were recorded by the Rig Geologist. • Diamond core was ½ or ¼ cut (for check sampling and metallurgical purposes) with sampling from the same side where possible. • Sample preparation for both RC chips and DD core, required that the whole sample was crushed to 2mm, then rotary divided and a 500g (approximate) sample was pulverised to -75 microns. A 0.2g split was then sent directly to a microwave-assisted dissolution. HF acid MAD's are performed in sealed vessels at temperatures up to 200°C and pressures up to 20 Bar.Digests were controlled with respect to microwave power, vessel temperature and vessel pressure to achieve reproducible digestion conditions across a wide range of sample materials. • Random duplicate samples for analyses were taken from most of the pegmatite intersections. The range between the original and duplicate sample data was on average 10-15%. • LabWest also inserted its own check samples in

Criteria	JORC Code explanation	Commentary
		each assay batch. • The drill sample sizes were considered appropriate to represent the spodumene mineralisation, based on the average size of spodumene crystals (up to 50cm) and the thickness and overall consistency of mineralisation within the pegmatite hosts.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Initial samples up until June 2011 were dispatched to Ultra Trace Laboratories in Perth. • All subsequent sample submissions up to October 2016 were sent to LabWest in Perth. • Both laboratories are NATA (National Association of Testing Authorities, Australia) certified. • Li (ppm), Al_2O_3%, CaO%, Fe_2O_3%, K_2O%, MgO%, MnO%, Na_2O%, P_2O_5%, SO_3% and TiO_2% were assayed using microwave assisted HF acid digest with an ICP-OES finish, while Be (ppm), Cs (ppm), Nb (ppm), Rb (ppm), Sn (ppm), Ta (ppm), Th (ppm) U (ppm) and W (ppm) were digested with an ICP-MS finish. This technique is considered an effective for whole rock determination. • The Certified Reference Materials (CRM) rate used by LabWest was 2 in every 24 samples and 7 CRM's (2 lithium ores, 1 rock, 1 soil, 3 pegmatites) were used. Internal lab splits (post-crushing) were done on 1 in 40 samples and pulp repeats were inserted at the rate of 1 in 24 samples. LabWest randomly inserted in-house standards to check their internal QC sampling. • Random, blind re-submission of pulps from LabWest to an external lab (Ultra Trace) for check assaying was carried out. • Field duplicates were randomly inserted by the drilling offsider when mineralised pegmatites were intersected. The position of each duplicate sample was logged by the Rig Geologist. The general practice was to include a duplicate sample in every intersected pegmatite. These duplicates were anomalous to laboratory personnel. • The QC samples (field duplicates) plus lab splits and lab internal standards have indicated the assaying shows acceptable levels of accuracy and precision. • No geophysical tools, spectrometers or hand-held XRF instruments were used in determining any of the assay data included in this resource.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Drill hole geological and geotechnical logging was undertaken on site by qualified Rig Geologists during the various drill programs in 2010-13 and 2016. All completed RC and DD holes were logged. • A complete dataset of lithology logs plus photos of the chip trays and the diamond core have been examined and confirm the observed pegmatite mineralisation intervals correspond with the assay data. • A large selection of the RC chips and DD core was also viewed on site at Pilgangoora. • Some significant intersections from the 2010-13 RC programs were twinned by a nine hole DD program in April 2016 to confirm the thickness of the pegmatite intersections. This information was used as a check in the November-December 2016 resource estimation work. • Assay data was provided by both laboratories as certified data files. • All survey, lithology and assay data was entered into Excel spreadsheets that were exported to Datashed. Data validation and cross-checking is

Criteria	JORC Code explanation	Commentary
		conducted using an automated verification function. • Lithium assay data were initially recorded as Li (ppm). It is standard industry practice to present lithium results as Li_2O%. This is done by applying a conversion factor – the Li (ppm) was divided by 10,000 and that result was then multiplied by 2.153 to calculate the Li_2O%.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars were surveyed by Heyhoe Surveys, Geraldton, WA using a Trimble R6 RTK GPS system with an accuracy of +/- 0.02m in the horizontal and +/- 0.03m in the vertical relative to control station Pilg1. Pilg1 was established by R6 RTK GPS using SSM KM3 Marble Bar38 (horizontal) and SSM R610 (vertical). • Grid co-ordinates are Map Grid of Australia (MGA) and GDA94 Zone 50. AHD elevations use the Ausgeoid98 Geodic model. • The nature of the topography is such that the current number of survey points and their accuracy is considered adequate for the topographic control used for the completed exploration work and resource/ reserve estimation work. • Down hole surveys were completed on selected RC holes and their twinned DD holes over the extent of the Pilgangoora resource area. The 2010-13 surveys were completed by Down Hole Surveys of Perth, WA using a GyroSmart tool. The 2016 down hole surveys were completed using a Reflex Ez-Shot camera.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• RC holes were drilled on a nominally spaced 40m x 40m grid pattern covering the strike extent of the Pilgangoora pegmatite zone. • The grid pattern is considered an adequate spacing for establishing geological and grade continuity both along strike and down dip. From outcrop mapping and costean exposures, the pegmatite dykes exhibit consistency over distances exceeding 40m and data acquired from drill holes at this spacing is considered adequate for the definition of resource and reserve estimations in accordance with the JORC code. • No sample compositing has been applied within the resource area.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The strike of the pegmatite dykes is between 010^{-} 030^{o}NNE and the general dip is 25-40^{o}ESE. Most of the RC holes were drilled at -60^{o} dips on azimuths between 270^{o} and 300^{o}, which enabled accurate measurement of the true width of the mineralisation and unbiased sampling. • A set of vertical RC holes were drilled along the eastern tenement boundary plus in some other isolated areas. These holes also achieved unbiased sampling. • All ore zones occur inside the pegmatites and such zones tend to be relatively homogeneous within individual pegmatites.
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody for sampling procedures and sample analysis was managed by the Rig Geologists and Field Technicians during the various drilling campaigns. • Sample material was geologically logged and the numbered calico sample bags were then collected from designated pegmatite intervals. These intervals were determined by the Rig Geologist either at the time of drilling or at the completion of a drill hole. • Three to four calico sample bags were placed in larger bags for sample transport and then stored

Criteria	JORC Code explanation	Commentary
		on site temporarily while a sample batch (for a number of drill holes) was prepared. The total number of samples was checked on site by site personnel prior to being transportation to Port Hedland. • Initial samples were delivered by Toll-Ipec to Ultra Trace in Cannington, Perth and later samples were delivered by Regal Transport to LabWest in Malaga, Perth. Staff from both laboratories checked the sample bags and totals for each sample batch before commencing sample preparation. • Remaining DD core and RC chip samples collected for the drill hole library and are stored in secure facilities on site. • Assay pulps for all assayed samples are retained in permanent storage by Altura.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling techniques used in 2010-13 and a thorough drill hole data review was undertaken by Ravensgate in September 2015 and then by Hyland Geological and Mining Consultants (HGMC) in August 2016. • The sampling methods used in the period from June to October 2016 complied with industry standards.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The deposit lies within E45/2287, P45/2758 and E45/2363 which are owned 100% by Altura Exploration Pty Ltd. The Altura tenements are covered by M45/1230 and M45/1231, which were granted on 26 August 2016. • All tenements covering the deposit are in good standing and there is no known impediment to obtaining a license to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been no exploration for lithium completed on this ground by other parties.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Altura's Pilgangoora lithium project occurs at the southern end of a structurally controlled zone of pegmatite intrusive dykes within the synformal Pilgangoora greenstone belt. The pegmatite dykes are hosted within amphibolites which have a mafic and ultramafic volcanic origin. • A total of 13 mineralised pegmatites have been identified and these generally strike 010-030°NNE and dip 25-40°ESE. The dykes range in thickness from 1-64m and are usually 8-14m thick. • The mineralised pegmatites are within a north-northeast (NNE) trending zone which is approximately 1600m long, 550m wide and up to 450m deep. • The mineralised pegmatites are located approximately 1km east of a granite contact. There are several barren pegmatites located in the zone between the granite contact and the mineralised pegmatite zone. Note – the granite contact and barren pegmatites were identified via sterilisation drilling carried out for proposed infrastructure and waste dump areas. • Significant mineralisation in each of the

Criteria	JORC Code explanation	Commentary
		pegmatites is confined to lithium and rubidium (almost wholly reporting in spodumene and muscovite respectively) with relatively low values for tin and tantalum or other associated minerals.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Significant results were last reported in the stipulated format in an ASX announcement released on 21/11/2016. • Drilling results were also reported to the ASX on 02/03/2011, 15/03/2011, 09/05/2011, 16/06/2011, 05/07/2011, 03/08/2011, 21/11/2011, 08/05/2012, 03/10/2012, 22/06/2015 and 22/09/2016. • A staged series of drilling programs commencing in August 2010 and extending through to March 2013 covered a majority of the pegmatite field with 290 drill holes. There were 282 RC holes (including four water bore holes) totalling 24,649m and eight diamond core drill holes totalling 1,387.9m completed during that period. • In April 2016, DD work comprised of 9 holes totalling 854m. • A total of 246 RC holes were completed from June-October 2016, totalling 41,070m. A total of 139 RC holes (25,233m) were drilled in the main deposit area and 107 RC sterilisation holes (15,837m) were completed within the areas designated for infrastructure, waste dumps, tailings storage facility and other associated surface installations.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• There has been no weighting or averaging techniques used on samples or assays prior to reporting Exploration Results. • There has been no cutting of high grade intercepts as the nature of spodumene distribution in pegmatite lenses and the evidence of continuity from drill assay results is sufficient to accept higher grade values that are consistent between the intercepts. • No metal equivalent values are reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill holes were drilled at right angles (300°) or slightly oblique (270°) to the strike of the pegmatite dykes. In the Northern, Central and Southern areas the grid base line was oriented due north. In the eastern area initial drilling was on a 030°orientated grid; this orientation was also used in later drilling, including the drilling completed in 2016. • Most drill holes were angled at -60° and some vertical (-90°) holes were also drilled. The mineralised dykes regularly dip around 35° (range between 25-40°); reported thicknesses are about 10-15% greater than true thickness. • Calculated true widths were not reported however are correctly accounted for in 3D modelling.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A copy of the pegmatite subcrops, interpreted faults and drill hole locations is shown in Figure 1 of this announcement. • A set of three cross sections within the deposit showing drill hole intercepts in relation to the interpreted pegmatite outlines are shown in Figures 2-4 of this announcement. • An oblique view of the Mineral Resource 3D

Criteria	JORC Code explanation	Commentary
		domains is shown in Figure 5 of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Balanced reporting of intersection results has been provided in all previous announcements.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Preliminary metallurgical studies show that a spodumene concentrate grading over 6% Li_2O can be produced. • 283 density measurements have been completed on diamond drill core. • RQD measurements and preliminary hardness tests. • Assays to date have not indicated any potential deleterious or contaminating substances.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Closely spaced 'grade control' drilling of pegmatites will take place at commencement of mining works. • The assay results of this drilling will be compared with the exploration drilling results to quantify the lithium grades.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Lithology data was logged in the field pro-forma spread sheets. • Lab submission sheets were digitally recorded in the same way. • Assay data was received from the laboratory in an electronic format and are imported directly into Datashed, a standard database system, which completed interval checks to ensure there were no data overlaps or duplicates. • All data was validated by the Altura Supervising Geologist and geological management prior to transmission to Cube Consulting Pty Ltd (Cube), in Perth, Western Australia, who completed the Mineral Resource Estimate (MRE) work in November-December 2016. • Any errors recorded from the various validation processes were manually checked and correlated back to the original database. If necessary, field checks were made to confirm validation issues.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person Stephen Barber made numerous visits to Altura's Pilgangoora Lithium Project site during the recent field exploration program completed from July until October 2016. • During his time on site he was responsible for the coordination of the drilling program, management and validation of the drilling database, plus he also provided assistance to the logging and sampling of the RC holes when required.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on*	• The geology of the intrusive pegmatite system is relatively simple. Confidence in the geological interpretation is high as infill drilling and the introduction of deeper drilling has confirmed the size and position of the previously interpreted pegmatite lodes.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation. • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The distribution of Li_2O and other attributes estimated within the pegmatite bodies is more complex. Cube believes that the geological continuity and volume controls are well established where the drilling is at a nominal 40m x 40m hole spacing. • The data used to establish the geological model consisted of surface outcrop mapping, and down hole geological logging of primarily RC drill chips. • Alternative geological models of the pegmatite bodies may in places be possible especially where drill data is more widely spaced. Cube would not expect a material effect on volume or grade resulting from such alternative interpretations. • Geology has been the primary basis for the interpretation of the mineralised volume which is based solely on the logged rock type 'pegmatite'. • Within the simple geometry of the geological pegmatite units the grades of estimated attributes vary due to geochemical factors, the geothermal gradient and fluid circulation pathways which determine the depositional concentration of Li_2O and other attributed estimated within the pegmatite volume.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Mineralisation is contained within 13 individual pegmatite intrusive lodes which occur as a set of stacked lodes generally striking 010-030°NNE and dipping 25-40°ESE. The pegmatite lodes extend over 1600m north/south, extending from surface to a maximum of 450m below the topographical surface, and outcropping over an area 550m (east-west) wide. Mineralisation is present at surface for some lodes with most mineralised lodes starting from within 10m of surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• This MRE is a result of a recent (2016) infill drilling campaign by Altura which included several vertical holes along the eastern tenement boundary to confirm down-dip pegmatite continuity at depth immediately below this boundary. This phase of drilling was completed between June and October 2016. A revised interpretation closely based on previous work has been undertaken by Cube to include the all the recent information. • Cube has used 3DM wireframes to constrain the pegmatite lodes. All grade data within each of the pegmatite geological units has been used in the estimations. Estimation of Li2O%, Fe2O3%, MnO% and Rb ppm has been undertaken. • Drill intervals falling within the wire framed pegmatite lodes were coded in the database. Composites of each grade value were then generated using the Surpac "best-fit" method. On the basis of sample size, local grade variability, selectivity assumption (5mEW x 10mNS x 3mRL) and selected estimation methodology, Cube have chosen to use 1m down hole composites for this estimation because this maximum resolution for modelling of local grade variability while still allowing for robust characterisation of the spatial structure (ie. the variograms). • Due to the nature of the mineralisation no

Criteria	JORC Code explanation	Commentary
		estimation domains were found to contain extreme outlier grade values. However, some minor grade capping was implemented for certain domains to mitigate risk – this is not considered to be material to the estimate. Based on the statistical characteristics of the key grade items and the proposed use of the resulting block model Cube decided to undertake grade estimation using the non-linear Localised Uniform Conditioning ("LUC") method, which is capable of providing small block estimates (5mEW x 10mNS x 3mRL) from relatively wide spaced data (in this case nominally 40mEW x 40mNS x 1mDownhole). • The LUC estimates for each grade item estimated were implemented using the Isatis® software package before being transferred into a Surpac™ block model. • No consideration has been made with respect to by-products. • Statistical analysis shows that the four variables being estimated are not sufficiently well correlated for the use of multivariate estimation methods and so each variable was estimated independently. • Block size for grade estimation was chosen in consultation with Altura and with due regard to data spacing, orebody geometry, and practical mining considerations. The estimation panel size used was 8mEW x 15mNS x 10mRL. An SMU block size of 5mEW x 10mNS x 3mRL was chosen (no rotation) for use in the localisation process. This SMU block size conforms to the proposed mining flitch height and is elongated in the same general direction (north-south axis) as the trend of the lodes. While the data spacing would be considered too wide for such a small block size if conventional linear estimation methods were used. However, Cube has used the LUC method, which is intended specifically for estimating the grade distribution of smaller blocks using relatively wide spaced data points. • The LUC models were validated by comparing global declustered composite data to the estimates per estimation domain, on a semi-local basis by the use of swath plots and finally by visual cross-sectional and 3D observations of the modelled block grades against the informing drill data.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages were based on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The selection of mineralised domains has used geological factors only, represented by a logged pegmatite interpretation. No grade cut-off was used to determine the mineralised volume. • The Mineral Resource has been reported above a 0.43%Li2O cut-off to appropriately reflect the tonnes and grade of estimated blocks that will meet the proposed beneficiation process. The proposed beneficiation process requires a feed grade of a consistent 1.00% Li2O within a relatively small tolerance. The tonnes and grade of the deposit are relatively insensitive to cut-offs in the range 0.3 to 0.5%Li2O as shown

Criteria	JORC Code explanation	Commentary
		in the grade tonnage curve of the deposit.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• This MRE has been undertaken on the assumption of open pit mining methods, the choice of SMU size (5mEW x 10mNS x 3mRL) was based on the scale of mining equipment proposed for use. • A determination of the reasonable prospects for eventual economic extraction by open pit mining methods has been made by determining an optimal pit shell based on 1.5 x base price ($US8,000/t SignumBOX forecast Jan 2016) used for the 2016 DFS update study. This inflation of the base price is considered within reasonable possible future fluctuations of the lithium carbonate price based on recent and past trends. The Mineral Resources reported have been limited to those estimated blocks within the optimised pit shell. • The Mineral Resources have been reported on the assumption that the open pit mine operation will not be influenced by the geographical position of the eastern tenement boundary. This potential limit has been removed because of a MOU between Altura and the current owners of the neighbouring tenement (Pilbara Minerals Ltd). This MOU has allowed the sharing of data and access and is assumed to allow the development of the open pit operations across the boundary to allow Altura full access to all Altura Mineral Resources extending up to the boundary. Information relating to this MOU was reported to the ASX on 25/08/2016.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The selection of the 13 mineralised domains estimated has made no assumptions or predictions regarding metallurgical amenability. The metallurgical test work undertaken by Altura for the DFS 2016 has confirmed to a high level of confidence the amenability of the ore to beneficiation.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made regarding possible waste and process residue disposal options. • There are currently no known material environmental issues concerning the extraction or disposal of waste or tailings materials.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates*	• In total 283 bulk density measurements were carried out using the Archimedes Method on 100.7 representative linear metres from pegmatite dyke and waste rock material acquired from eight DD holes. The DD holes were collared at representative locations distributed throughout the pegmatite lodes. The DD core results provide a source of competent rock bulk density data for material below 4m to a depth of over 100m. There is very little oxide or transitional weathered rock

Criteria	JORC Code explanation	Commentary
	used in the evaluation process of the different materials.	within the project area with pegmatite dykes frequently outcropping. • On balance Cube believe that there is sufficient data to allow the assignment of average values to the MRE block model but not enough to allow a spatially representative estimation of bulk density. Cube has used assumed bulk density values based on an interpreted weathering surface separating fresh from weathered material.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The geological model and continuity of the pegmatite lodes is currently well understood due to the surface mapping and drill hole testing. The stability of the interpretation with the introduction of infill drilling supports a moderate to high confidence in the estimated tonnage. • Grade continuity is less well understood and variability within each pegmatite lode and between individual pegmatite lodes occurs. Confidence in the estimated grade continuity is a direct function of information density and is characterised by geostatistical modelling parameters. • The geostatistical characteristics of the mineralisation (Li_2O grade distribution) can be summarised as moderately low relative nugget (15-35%) and maximum ranges of between 45 and 95m. Equal proportions of the variance are distributed between the first and second structures of the variogram models. • The deposit is drilled tested at a variable spacing ranging from 20m x 20m (N x E) at near surface central portions to 40m x 80m at the peripheral and deeper parts. There is a reasonable expectation that locally estimated grades may vary when closer spaced data is available (grade control mining drill hole data for example). For this reason, no Measured Mineral Resource estimates have been reported. • The MRE has been classified as Indicated or Inferred on the basis of a number of summary estimation quality parameters including the average distance from informing composite data and the theoretical slope of regression (true to estimated blocks) parameter. • Estimated pegmatite with an average distance from composite data of 60m or less has been classified as Indicated. This results in the Indicated blocks having an average distance of 34m to composite data globally, and an average global slope of regression of 0.34. Estimated pegmatite classified as Inferred has an average distance to composite data of 90m and a slope of regression of 0.04. • The reported Mineral Resources have been limited at depth using a "reasonable expectations" optimisation shell generated using 1.5 x the 2016 DFS update base price for lithium carbonate. This optimisation imposes a depth limit on the estimated Mineral Resource of -77mRL which is approximately 320m below the topographical surface. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No independent audits or reviews have been undertaken on the November-December 2016 MRE.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the classification and reporting of the Mineral Resource in accordance with the guidelines of the 2012 JORC Code. • No statistical or geostatistical studies have been undertaken to quantify the relative accuracy of the estimate. • The material factors relevant to the confidence limits implied in the classification include the sample data density represented in the block model attribute as average distance to composite data and the summary parameter of estimation quality "slope of regression of true to estimated blocks". In general blocks estimated by composite data within 60m average distance have been classified as Indicated. Blocks estimated with more distal composite data within the applied depth limit are classified as Inferred. • The Indicated Mineral Resources globally have been estimated with data that is on average within 35m of the block well within the ranges of modelled variograms. Those Mineral Resources classified as Inferred have been estimated with data that is on average within 90m of the block, at the maximum range of the modelled variograms. • Due to the Altura drilling located at the eastern lease boundary, testing the deeper parts of the pegmatite lodes there is minimal extension of the estimation past data in the Inferred Resources. • The introduction of close spaced grade control drilling will vary the estimated SMU block grades, the variations within the Indicated Mineral Resource are expected to have a low impact on the economic viability of the project over a medium term. • The block model estimate is a local resource estimate which has a block size chosen at the expected "SMU" selection size. The localisation method used results in a model consisting of SMU sized blocks with a unique grade assigned suitable for technical and economic evaluation. • There is no production data available at the deposit, as mining is yet to commence.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The resource model used as the basis for this Ore Reserves update was compiled by Cube Consulting, based on the latest available drilling information. The model was estimated by Localised Uniform Conditioning methods with an assumption of mining selectivity dimensions of 5mEW x 10mNS x 3mRL. The resource model estimation is discussed in detail in Section 3 of this Table. • The mineral Resources reported are inclusive of the Ore Reserves reported here.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• A site visit was attended by the Competent Person (CP) Mr Quinton de Klerk in January 2017. During this site visit the CP was able to

Criteria	JORC Code explanation	Commentary
	• *If no site visits have been undertaken indicate why this is the case.*	meet with key operational personnel, view the proposed infrastructure sites, the pit location relative to the natural terrain as well as the mining camp and surrounding general infrastructure and regional setting.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore* • *Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• A Feasibility Study (FS) was completed in 2016 and forms the basis of the majority of assumptions in this update. The Feasibility Study (2016) was accompanied by a maiden Ore Reserve estimate, and the estimate reported here is an update of those reported Ore Reserves. • Key changes to the basis of this estimate compared to the maiden Ore Reserves include: o the updated Mineral Resource; o the inclusion of mining across the Eastern tenement boundary; and, o the processing throughput increase from 1.4 Mtpa to 1.54 Mtpa
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The Ore Reserves are reported at a 0.43% Li_2O cut-off, in line with the reporting of the Mineral Resources. This cut-off which is above the theoretical economic cut-off has been selected to provide a +1.0% Li_2O feed grade to the process facility.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The following processes followed are in line with those reported in the previous Ore Reserves estimate and are sourced from the Feasibility Study (2016): • A Whittle4XTM pit optimisation was completed. Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport and sales cost estimates, and revenue projections to form the basis for pit designs and subsequent mining and processing schedules. • A conventional open pit mine method was chosen as the basis of the DFS. Ore is exposed at surface requiring minimal pre-stripping and pre-production mining activities. • A small scale mining fleet, utilising 200t excavators matched with 140t rear dump trucks, was selected using contract mining services. • Inter-ramp slope angles of 58° were used based on geotechnical guidance provided by Peter O'Brien and Assocs. Orelogy derived a ramp width of 24m based on the selected truck size. The resulting overall slope angles on the final pit range from 45° to 58° in fresh rock and 29° to 46° in oxide material. • An allowance for grade control was made based on a dedicated RC exploration drilling program and 2m sampling interval. • Major assumptions for pit optimisation include: 0.4% Li2O cut-off grade; ore production rate of 1.4Mtpa; 80% recovery of Li2O as 6% Spodumene concentrate; Gross price of A$716.94/t Conc.; Selling cost of A$101.47 ; overall processing cost of A$19.56/t ore; and waste mining cost at surface of A$2.64/t mined. • Mine design criteria, used for detailed pit design, include: • 6m blast bench height mined in 3 x 2m flitches; • minimum mining width of 38m applied

Criteria	JORC Code explanation	Commentary
		between cutbacks and 16m at the base of stages; • ramp width of 24m and 10% gradient suited to the 140t dump trucks. • Mining Infrastructure was limited to ROM pad, haul roads, workshops and other buildings for a Contract mining operation. • Major modifying factors include: 0.43% Li2O cut-off grade; ore production rate of 1.54Mtpa; 80% recovery of Li_2O as 6% Spodumene concentrate; Gross price of A$717.33/t Conc.; Selling cost of A$99.50 ; overall processing cost of A$18.93/t ore; and waste mining cost at surface of A$2.64/t mined. • The updated resource model is a recoverable resource estimate, taking into account estimation of dilution and ore losses in the estimation based on a selective mining unit and as such no further factors of mining dilution or ore losses have been applied in the estimation of the Ore Reserves.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The core assumptions and results of the metallurgical process and recovery have been sourced from the FS and the following comments are un-changed from those stated in the previous estimate: • The process flow sheet was developed by DRA based on metallurgical test work by NAGROM and ALS undertaken in 2016. • Comminution test work indicates rock of moderate hardness, resistant to failure by compression and highly abrasive. • Beneficiation test work has indicated a process route to produce coarse and fine fractions of Spodumene concentrate at 6% Li2O. • The pegmatite ore is planned to be processed using crushing and screening including HPGR, followed by upflow classifier and dense media separation (DMS). The coarse DMS concentrate product will go directly to final product while the fine fraction will be combined with the DMS middling fraction and processed through another circuit using grinding and flotation to produce a fine flotation concentrate that will also go to final product. • All technologies proposed are proven and well tested with easily sourced components. • Samples used for metallurgical test work were sourced from 9 holes distributed evenly across the deposit to derive an average recovery of 80% as used in the pit optimisation. • Potential deleterious elements have been observed at low concentration in the test work samples (e.g. Iron averaging 0.8% Fe2O3 in head grade to approximately 1.1% Fe2O3 in float concentrate post Magsep and 0.08% in DMS concentrate post Magsep). • The Ore Reserve has been produced based on a 6% Li2O Spodumene Concentrate.
Environmental	• *The status of studies of potential environmental*	• The following comments relating to this section

Criteria	JORC Code explanation	Commentary
	impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	are similar to those stated in the previous Ore Reserve, with an update on fibrous material. Site visits and environmental studies were completed over the Project areas and a search of the Department of Environmental Regulation database for threatened ecological communities has not identified any threatened species in the Project area. Level 2 Flora and Level 2 Fauna surveys have been conducted. There were no environmental triggers that would necessitate a referral to the EPA. • Geochemical testing of waste rock indicates that the waste rock is generally benign in nature and there are not expected to be any environmental impacts from long term waste rock storage. • Current geochemical testing of tailings indicates that the process residues are neutralising. • In early drilling from 2010 through to early 2013 – there were no reported occurrences of fibrous material during this drilling. In 2016 much more intensive and broader spaced drilling was carried out and intermittent intersections of fibrous material were recorded. The Perth laboratory of SGS Environmental were provided with a sample of the fibrous material and it was identified as Chrysotile.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The Project is located in the West Pilbara region of Western Australia where good infrastructure is available for mining projects. • A sealed highway provides access from Port Hedland to within 20km of the Project area. The last stretch of access road will require upgrading for the traffic load. • Water requirements for processing can be serviced from the total implied water resources within the mine area, as per the license application, of 32 L/s. • Power will be produced on site using diesel generators. • Product will be shipped via Port Hedland located 90km to the north. • The site will operate on a fly-in fly-out basis with a village constructed to house operations personnel whilst on site.

Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.*
	• *The methodology used to estimate operating costs.*
	• *Allowances made for the content of deleterious elements.*
	• *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.*
	• *The source of exchange rates used in the study.*
	• *Derivation of transportation charges.*
	• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*
	• *The allowances made for royalties payable, both Government and private.*
		• No material changes have been applied to the costs associated with the estimation of the Ore Reserves and as such the following commentary, based on the FS is unchanged from the previous Ore Reserve statement.
		• Project Capital was derived on the following basis:
		  • The overall plant layout and equipment sizing was prepared with sufficient detail to permit an assessment of the engineering quantities for the majority of the facilities for concrete, steelwork, and mechanical items. The layouts enabled preliminary estimates of quantities to be taken for all areas.
		  • Unit rates for labour and materials were obtained from quotations from fabricators and contractors experienced in the scale and type of work in the region.
		  • Fixed and firm pricing was obtained for major items of equipment. Budget pricing was obtained from reputable suppliers for minor items of equipment with the exception of low value items which were costed from DRA's database of recent

Criteria	JORC Code explanation	Commentary
		project costs. • A number of items were costed by outside consultants under the control of the Company. These included the port, external access roads, Tailings Storage Facility (TSF), water reticulation and environmental / social costs. • The Company provided costs for Owners team and other related indirect expenses. • Contingency has been applied to account for the accuracy of the estimate. • Mining capital costs include site establishment costs and mobilisation of the Contract mining fleet and pre-production costs. The contract mining operation has no mining fleet capital expenditure as these costs are incorporated in the contract mining costs. Pre-production includes clearing and stockpiling of topsoil. • Process Plant Operating costs were compiled by Altura and DRA using first principal estimation and industry experience for projects of a similar size and nature. • Manning level and pay rates were derived by Altura to suit the proposed process plant and scale of operation for the Western Australia location. • Consumables pricing were sourced from vendor quotes where applicable • Flotation reagent consumption was based on metallurgical test work, the production schedule and factored from similar operations. • Crushing and grinding energy and consumables were derived from the comminution test work at ALS Laboratory and vendor quotes. • Mine operating expenditure was based on mining volumes and other physicals applied to the Contract unit rates supplied during the Tender process undertaken by the Company. The Owners team for Mine Management and Technical services was based on personnel levels required to manage the operation and the Hays 2016 salary guide. • Due to the low concentration of Fe and Mn in the Pegmatite ore, no allowance was made for deleterious elements. • Exchange rates were provided by the Company based on the rate at time of publication however it is consistent with exchange data over the last 12 months. • Transport and port charges were derived from quotations by reputable suppliers. • Allowances were made for marketing and grade variability in the revenue factors. • Allowances were made for state government royalties, Native title agreements and Pastoral agreements in the revenue factors

Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.*
	• *he derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*
		• Spodumene pricing was based on forecasts from the March 2016 Deutsche Bank Lithium market report.
		• Spodumene revenue factors were:
		  • Variable head grade averaging 1.06% Li_2O over 16 years of the mine life
		  • Processing recoveries applied at 80%.
		  • Spodumene price of US$538/t for 6% Li_2O content

Criteria	JORC Code explanation	Commentary
		• Exchange rate of 0.75 AUD:USD • Transportation chargeof A$33.78/wet tonne • Port charge of A$4.52/wet tonne • State royalty of 5% • Native title royalty of 1% • Marketing and grade variability penalty of 4.3%

Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*
	• *A customer and competitor analysis along with the identification of likely market windows for the product.*
	• *Price and volume forecasts and the basis for these forecasts.*
	• *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*
		• The following comments relating to this section are un-changed from those stated in the previous Ore Reserve:
		  • The market assessment was based on the March 2016 Deutsche Bank Lithium market report.
		  • The Lithium market will continue to grow driven by the use of lithium in larger batteries for electric cars (>60%) and energy storage systems.
		  • There are currently 24 projects under development based on recovery of Spodumene from pegmatites. Altura is well advanced in development of the Project and is able to capitalise on projected shortfalls in demand.
		  • Metallurgical test work and chemical analysis of the Spodumene concentrate has shown that it is suitable for the Lithium battery market.
		  • The Company has signed a Binding Offtake Agreement (BOA) for a minimum of 100,000tpa and a MOU for offtake of 100,000 tonnes minimum to 150,000 tonnes maximum of concentrate with leading Chinese battery producers.
		  • The MOU and discussion with alternative third parties has been taken into account in the selection of plant size.

Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• Economic analysis undertaken as part of the FS demonstrated economic viability. This is further supported by the actions and commitments by Altura to progress the project into production. • The fundamentals of this updated Ore Reserve estimate give no reason to expect less favourable economic outcomes than estimated in the FS and as such the economic viability has been confirmed.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Stakeholder support has been strong during property acquisition and through the permitting process. Agreements are in place with Landholders and Native Title parties.

Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:*
	• *Any identified material naturally occurring risks.*
	• *The status of material legal agreements and marketing arrangements.*
	• *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*
		• With the exception of the discussion on the tenement boundary, the following discussion points are unchanged from those reported previously:
		  • No material naturally occurring risks have been identified.
		  • The Company has granted mining leases for M45/1230 and M45/1231 covering sufficient area for the open pit, plant and other infrastructure. A Mining Proposal was submitted to the Department of Mining & Petroleum on 14 September 2016. There no apparent impediments to obtaining all government approvals required for the project.
		  • The Company has signed Native Title and Landholder Agreements in place.
		  • The height of the waste rock dump is higher than that included in the Mining

Criteria	JORC Code explanation	Commentary
		Proposal; this will not affect the mining operation for more than 10 years, thereby providing time to gain approval for additional waste dump height or an alternative storage location. • Road access is currently contingent on an agreement with the adjacent tenement holder, Pilbara Minerals, to develop the access road jointly. Additional capital may be required to develop the access road if Pilbara Minerals do not proceed with this course of action. • A material departure from FS on which the previous Ore Reserves were based, is that these Ore Reserves have been reported under the assumption that mining may take place on the Pilbara Minerals tenement in order to facilitate accessing of deeper Ore Reserves on the Altura tenement. This assumption is supported by a Memorandum of Understanding (MOU) between the two parties which outlines a mutual understanding to this effect. There is clear and reasonable expectation that mining across the tenement will be able to take place. • The mining on the Pilbara Minerals side of the tenement boundary has been dealt with on a conservative basis in the estimation of these Ore Reserves, in that all mining costs are assumed to be paid by Altura. Furthermore no economic value has been allocated to potential Ore Reserves on the Pilbara Minerals tenement, which are therefore also excluded from the reporting of the Ore Reserves.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Probable Ore Reserves were determined from Indicated Resource material as per the guidelines. As there is no Measured resource material, there are no Proven Ore Reserves
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No external reviews or audits have been undertaken on the Ore Reserves
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The following commentary based on the previous FS and Ore Reserves estimate remains valid for the Ore Reserves stated here: • The Ore Reserve is the outcome of the DFS that has taken into account geological, metallurgical, geotechnical, process engineering and mining engineering considerations. It has a nominal accuracy of + 15% / -10%. • The Project has a NPV which makes it robust in terms of cost variations. It is sensitive to price variations for Spodumene, and mining recovery of the ore from within the pit. • All estimates are based on local costs in Australian dollars. • There are no known undisclosed areas of uncertainty. • There has been no production to date, so no comparison or reconciliation of data can be made. Standard Industry practices have been used in the estimation process • In the opinion of the Competent Person, the material costs and modifying factors used in the generation of the Ore Reserves are reasonable.