



ASX ANNOUNCEMENT | 29 January 2018

QUARTERLY ACTIVITIES REPORT December 2017

- *Construction activities at the Altura Lithium Project at Pilgangoora continued during the quarter, and are nearing completion*
- *Project commissioning remains on schedule for Q1 2018*
- *First lithium concentrate sales remain on schedule for Q2 2018*
- *Altura set to become the first major hard-rock producer in 2018*
- *Definitive Feasibility Study for Stage 2 expansion of the Project targeted for completion in April 2018*
- *Upgraded JORC Ore Reserve and Mineral Resource estimates, including significant portions in the Proved and Measured categories*
- *Southern Ridge Deposit at Pilgangoora, which displays significant potential, to be infill drilled to improve the Project's reserve and resource estimates*
- *Regional exploration program of Altura's other Pilbara tenements to be undertaken*



Mine site works nearing completion on the Altura Lithium Project

Altura Mining Limited ABN 39 093 391 774

LITHIUM

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

Project Update

Altura Mining Limited is pleased to report that the construction and development of the Altura Lithium Project is nearing completion and remains on track for commissioning in Q1 2018 and product sales in Q2 2018, positioning the company to become the first major producer in 2018.

Key project construction developments during the December quarter included the following:

- Civil works on the project have reached practical completion, with a total of 6800m³ of concrete being poured over the last six months.
- The crushing and screening plant is largely complete, with commissioning expected once the main power plant is operational in early March.
- Dense Media Separation (DMS) modules 1 and 2 are complete from a structural and mechanical perspective, with piping works underway.
- The High Pressure Grinding Rolls (HPGR) motors and gearboxes have been installed and aligned, with work now progressing on the hydraulic system.
- Construction of the ROM Wall has been completed.
- Practical completion status has been issued on the Tailings Storage Facility (TSF).
- The Mine Operations Centre is also fully operational with both Altura and NRW employees working from the building.



Drone photo taken from above the Process Plant control room

Stage 2 Definitive Feasibility Study

On 13 November 2017 the Company announced that it had approved the immediate start of a Definitive Feasibility Study (DFS) to examine the potential doubling of production at the Altura Lithium Project to 440,000 tonnes per annum (tpa).

The Stage 2 DFS is expected to be completed in April 2018, and will leverage much of the design and other work completed in 2016 for the DFS undertaken on Stage 1 of the Project (see ASX release on 26 September 2016).

The decision followed the completion of an in-house Scoping Study, which examined several options to increase output from the initial Stage 1 nameplate output of 220,000 tpa of 6% grade lithium oxide, and utilised the knowledge of capital costs and procurement order lead times gained from the current construction of the process plant and associated mine infrastructure.

Using key criteria of net present value, anticipated time to market and minimising disruption to the current Stage 1 construction, the Scoping Study concluded that doubling production using a basic plant duplication model is the best option.

First production from the duplicated plant is expected to be achieved within 17 months after an investment decision, however by using the design and majority of parameters from the existing project, the timeframe could be brought forward with early ordering of long lead-time items.

Management have shown that the delivery of construction and meeting robust targets can be completed efficiently and effectively, and the Company is confident this can be mirrored with the expansion plans once it has been approved.

The Scoping Study showed the existing mining fleet could be utilised by introducing a night shift and 24-hour operation compared to the existing day shift roster, while mine life would remain at greater than 10 years based on the current JORC Ore Reserve estimate.

Only minor modifications to existing infrastructure will be required with the camp and water bores considered to have suitable capacity, while the power plant could be augmented with bigger generators.

It is not expected that there would be any interruptions to the Stage 1 plant operations during the Stage 2 duplication construction process.

For further information on the Scoping Study and the DFS, please refer to the ASX announcement on 13 November 2017.

Upgraded Ore Reserve and Mineral Resource Estimates

Altura announced on 24 October 2017 upgraded JORC Ore Reserve and Mineral Resource estimates for the Altura Lithium Project. These estimates were calculated after further closely spaced infill drilling conducted between May and July 2017, with significant portions of the deposit upgraded to the Proved and Measured categories.

The improved numbers have enhanced the Company's knowledge of the orebody and significantly reduced the risks commonly associated with grade control for start-up projects. The Ore Reserve and Mineral Resource estimation work was undertaken by geological and mine engineering services consultants, Cube Consulting Pty Ltd.

For further information on both the Ore Reserve and Mineral Resource estimates, please refer to the ASX announcement on 24 October 2017.

Ore Reserve Estimate – October 2017

JORC Category	Cut-off Li ₂ O%	Ore (million tonnes)	Li ₂ O (%)	Fe ₂ O ₃ (%)	Contained Li ₂ O (tonnes)
Proved	0.43%	8.1	1.14	2.16	92,000
Probable	0.43%	26.1	1.01	2.16	265,000
TOTAL	0.43%	34.2	1.04	2.16	357,000

Mineral Resource Estimate – October 2017

JORC Category	Cut-off Li ₂ O%	Ore (million tonnes)	Li ₂ O (%)	Fe ₂ O ₃ (%)	Contained Li ₂ O (tonnes)
Measured	0.43%	8.5	1.12	2.16	96,000
Indicated	0.43%	35.5	0.97	1.98	345,000
Total	0.43%	44.0	1.00	2.01	441,000
Inferred	0.43%	3.5	0.98	2.15	-

Exploration Strategy for 2018

During 2017 the Company's exploration activities were principally focussed on upgrading the lithium ore reserve and mineral resource estimates in the M45/1230 and M45/1231 tenements to build confidence ahead of project commissioning of the Altura Lithium Mine in Q1 2018.

As part of the reserve and resource estimates work, the 'Southern Ridge Deposit' area, located in the southeast corner of the M45/1231 tenement, was identified as a strategic target for more closely spaced infill drilling to improve the geological understanding and grade definition of the deposit.

Given its proximity to the main deposit, the ‘Southern Ridge Deposit’ has good potential to increase the Project’s ore reserve and mineral resource estimates, with infill drilling on this prospect to commence in January 2018.

Altura also plans to explore the potential of each of its other tenements located in the Pilbara region of Western Australia. Several targets have been identified and are set out in Table 1 below.

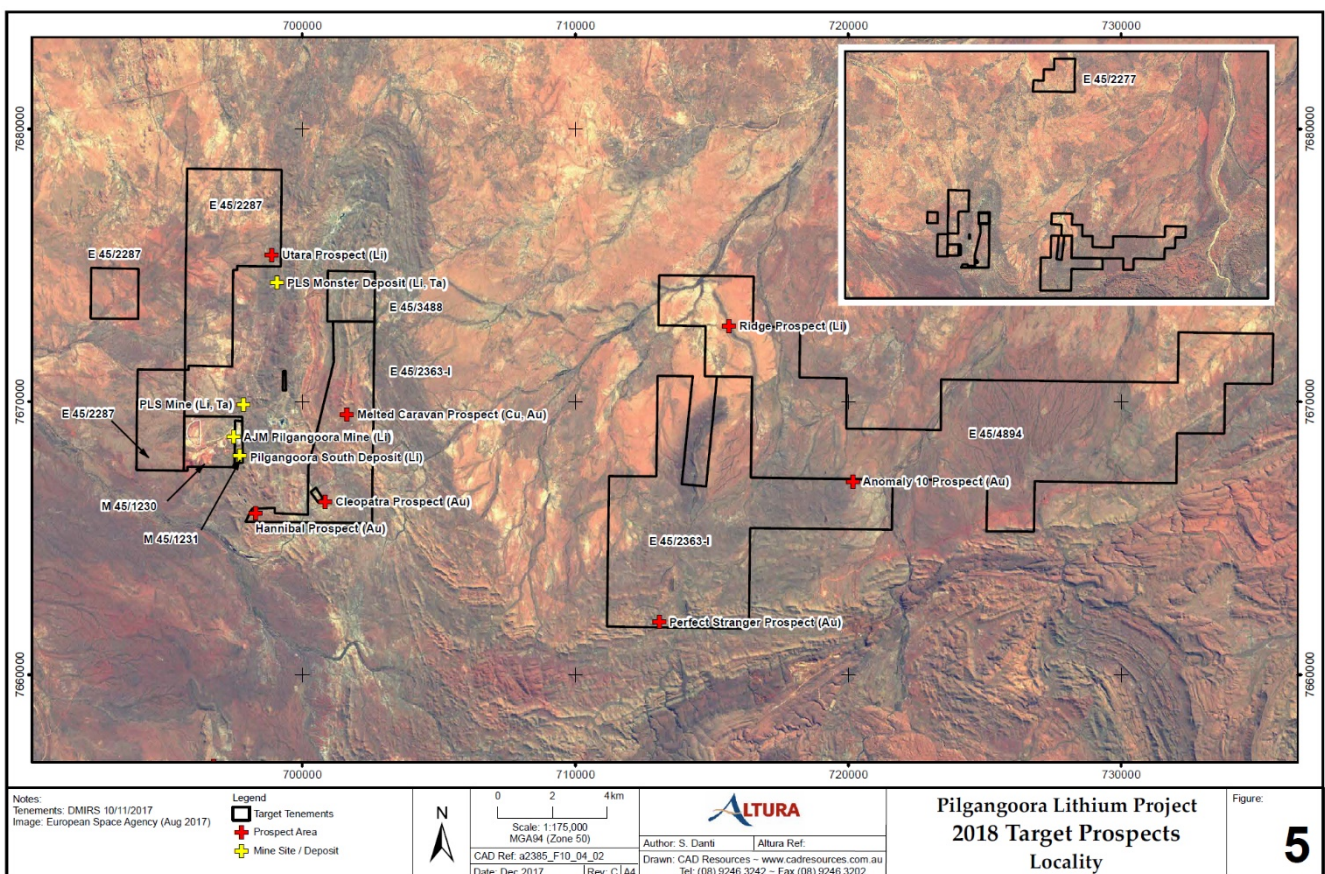
Table 1 – Altura Exploration Targets

Deposit or Prospect Name	Tenement Location	Mineralisation Target
Southern Ridge	M45/1231	Li
Utara	E45/2287	Li, Ta
Cleopatra	E45/2363-I	Au, Ag
Caravan	E45/2363-I	Cu, Au
Hannibal	E45/2363-I	Au, Ag
Anomaly 10	E45/2363-I	Au, Ag
Perfect Stranger	E45/2363-I	Au, Ag
Ridge	E45/4894 (pending application)	Li

As noted above, drilling will start with the M45/1231 tenement. This will be followed by exploration on the Utara Prospect located in the E45/2287 tenement and on the Cleopatra Prospect located in the E45/2363-I tenement.

For further details on the exploration targets and prospects, please refer to the ASX release on 14 December 2017.

Figure 1 – Regional Exploration Targets



CORPORATE

Placement

Early in the quarter Altura completed a A\$26 million (before costs) placement to international institutions and sophisticated investors (see ASX releases on 6 and 13 October 2017).

The Company plans to use the funds to progress the Stage 2 DFS, as well as for exploration activities and general working capital requirements.

SCHEDULE OF MINING TENEMENTS

The following mining tenements were held by the Company at the end of the quarter:

Location	Tenement	Interest
Pilbara, Western Australia	E 45/2277	100%
	E 45/2287	100%
	E 45/2363	100%
	E 45/3488	100%
	E 45/4894	100%
	E 45/5136	100%
	E 45/5137	100%
	P 45/2758	100%
	M 45/1230	100%
	M 45/1231	100%
	M 45/1260	100%
	L 45/400	100%
	L 45/401	100%
	L 45/404	100%
	L 45/409	100%
	L 45/416	100%
L 45/433	100%	
Tanami, Northern Territory	ELA 26626	10%
	ELA 26627	10%
	EL 26628	10%
	EL 29828	10%
Delta, East Kalimantan	PT Delta Ultima Coal	33½%
Tabalong, South Kalimantan	PT Suryaraya Permata Khatulistiwa	70%
	PT Suryaraya Cahaya Cemerlang	70%
	PT Suryaraya Pusaka	70%
	PT Kodio Multicom	56%
	PT Marangkayu Bara Makarti	56%
Catanduanes, Philippines	COC 182 (Area 3) – Catanduanes	100%
Albay region, Philippines	COC 200 (Area 4) – Rapu-Rapu	100%
Bislig region, Philippines	COC 202 (Area 17) – Surigao del Sur	100%

The following mining tenements were acquired during the quarter:

Location	Tenement	Interest
Pilbara, Western Australia	E 45/5136	100%
	E 45/5137	100%

Competent Persons Statements

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 the Senior Resource Geologist at 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 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 Pty Ltd 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement on 24 October 2017. Further, all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in that announcement continue to apply and have not materially changed.

About Altura Mining Limited (ASX: AJM)

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

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