



Capital raising builds strong platform for growth

October 2019

RESOURCES DRIVING SUPPLY TO THE BATTERY REVOLUTION

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Capital Raising Presentation



- Executive Overview
- Proposed capital structure
- Timetable
- Altura Mining – the preferred lithium investment opportunity

ASX:AJM

A\$21.5 million capital raising underpins future growth

- **2 for 13 non-renounceable pro-rata Entitlement Offer at 6c/share to raise up to A\$21.5 million (before costs)**
- **Issue price provides a ~10% discount to 5 day VWAP**
- **Confirmed acceptances from shareholders representing ~25% of the register**
- **Proceeds to be applied to:**
 - Strengthen balance sheet and provide working capital as output continues to ramp up steadily towards nameplate production rates
 - Undertake further incremental plant improvements to lift lithia recoveries and achieve higher production rates
 - Undertake regional exploration through recently acquired earn-in agreements on highly prospective Sayona exploration tenements in the Pilbara



Capital structure



| Capital Structure (15 October 2019) | |
|-------------------------------------|----------|
| Shares on Issue | 2.325 Bn |
| Share Price | A\$0.065 |
| Market Capitalisation | A\$151M |

| Major Shareholders post capital raise* | In Company (%) |
|---|----------------|
| Shanshan Forever International Co Limited | 19.4% |
| Allan Buckler (Shazo Holdings Pty Ltd) | 13.4% |
| Terry Smith | 8.0% |
| Directors^ | 17.8% |

^ excludes Shanshan nominee

| Proforma Capital Structure (post rights) | |
|--|----------|
| Shares on Issue * | 2.683 Bn |
| Share Price | A\$0.065 |
| Market Capitalisation | A\$174M |

* Assumes 100% take up of rights

CHARGING FORWARD WITH LITHIUM | ASX : AJM



Capital raising schedule



| Event | Date |
|--|-----------------------------|
| Announcement of Entitlement Offer | Thursday, 17 October 2019 |
| Ex-Date for Entitlement Offer | Wednesday, 23 October 2019 |
| Record Date to determine Entitlement to New Shares (7.00pm AEDT) | Thursday, 24 October 2019 |
| Despatch of Offer Document and Application Form | Tuesday, 29 October 2019 |
| Entitlement Offer opens | Tuesday, 29 October 2019 |
| Entitlement Offer closes (5.00pm AEDT) | Friday, 15 November 2019 |
| New Shares quoted on a deferred settlement basis | Monday, 18 November 2019 |
| Announcement of Entitlement Offer shortfall | Wednesday, 20 November 2019 |
| Issue of New Shares | Friday, 22 November 2019 |
| Despatch date of holding statements | Friday, 22 November 2019 |
| Trading of New Shares on a normal basis | Monday, 25 November 2019 |

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates. In particular, Altura reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Lithium demand
to grow
exponentially



Forecast 18% annual growth in demand

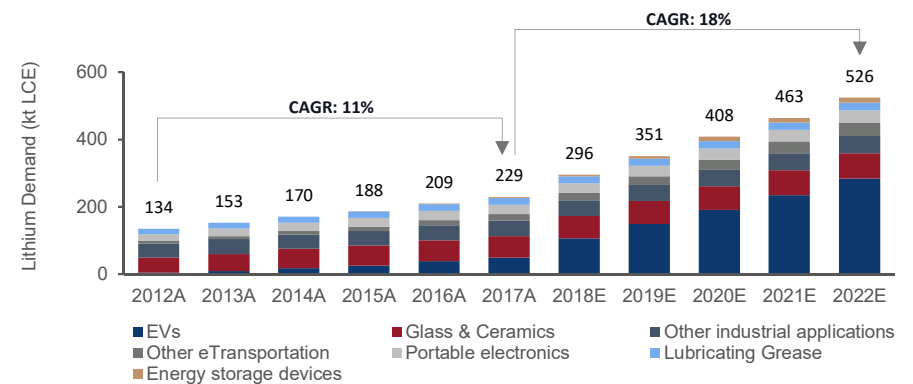


Worldwide lithium compounds and metals consumption is expected to achieve an 18% CAGR between 2017 and 2022

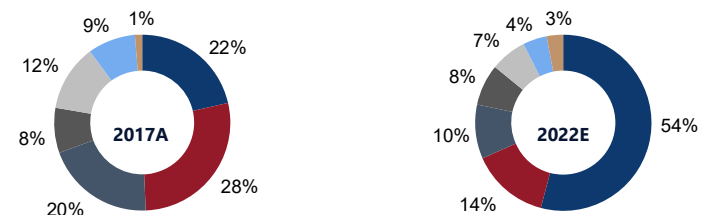
- Between 2012 and 2017, global lithium demand increased from 134kt LCE to 229kt LCE, at a CAGR of 11%. CRU forecasts growth will accelerate to 18% during 2017-2022, with global demand more than doubling to 526kt
- 93% of demand growth will be from battery applications. Electric vehicles will account for 80% of total demand growth. By 2022, lithium consumption in EVs will reach 54% of total compared to 3% in 2012
- Demand from industrial applications and portable electronics to increase at steady CAGR of 2.8% and 4.8% respectively between 2017 and 2022

Source: CRU estimates from Ganfeng IPO Documentation

Global Lithium Compounds and Metals Demand, 2012-2022 (kt LCE)



Global Lithium Compounds and Metals Demand by End Use



Lithium supply increasing to meet future demand

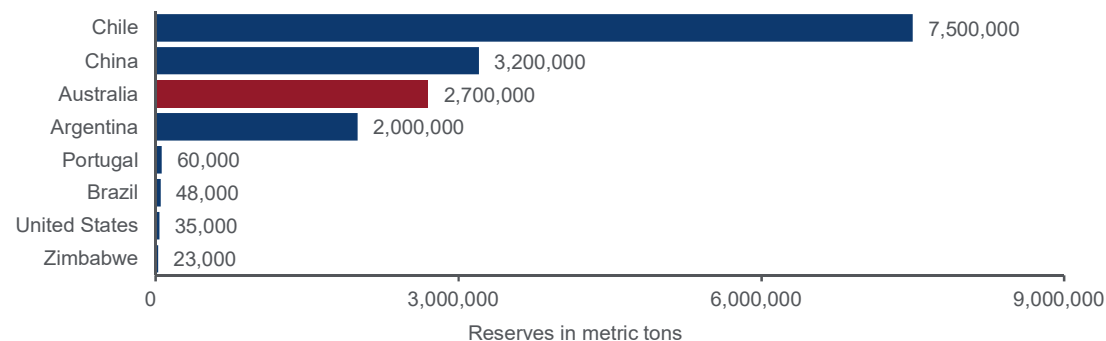


Australia, Chile and Argentina – the dominant base lithium producers

- Lithium market predominantly served by Australia, Chile and Argentina.
- Australia produces mainly spodumene. Chile and Argentina produce brines.
- About half of current global lithium production stems from WA open pit mines extracting spodumene, and concentrating the ore via beneficiation (dense media separation, flotation)
- Spodumene concentrate then sold to converters (essentially in China) to upgrade raw concentrate to carbonate and hydroxide end lithium applications
- 7.5-8 tonnes of spodumene concentrate typically required for one tonne of lithium carbonate or hydroxide

Source: Company Reports, Industry Reports, Deutsche Bank

Resources by Country, 2017



Global Lithium Supply by Country (kt LCE)

| Country | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Chile | 94 | 107 | 119 | 131 | 137 | 137 | 137 | 137 |
| Australia | 159 | 252 | 315 | 336 | 346 | 345 | 345 | 342 |
| Argentina | 37 | 38 | 59 | 83 | 106 | 136 | 153 | 173 |
| China | 37 | 42 | 45 | 47 | 48 | 50 | 50 | 55 |
| US & Mexico | 6 | 6 | 6 | 6 | 16 | 21 | 29 | 36 |
| Others | 13 | 17 | 26 | 31 | 46 | 51 | 66 | 71 |
| Total (kt LCE) | 346 | 461 | 570 | 633 | 698 | 739 | 779 | 814 |
| % Growth | 35% | 22% | 17% | 11% | 11% | 7% | 5% | 4% |

Altura Mining – the preferred lithium company



Global resource of 45 million tonnes, mine life of 25+ years



Capacity of 220,000tpa of 6% Li concentrate (SC6.0)



Commercial production March 2019, just two years after breaking ground



Production growing steadily towards nameplate. 45,848 wmt in Sept qtr



Globally-competitive cost base ~US\$365/wmt in Sept qtr 2019



Strong binding offtake agreements in place for 220kt of annual production



Producing high quality, low impurity, premium quality spodumene



Significant exploration upside



DFS completed for potential expansion to 440,000 tpa (wmt)



High quality board and management team

Large resource and reserve defined



Mineral Resource Estimate (0.30% Li₂O Cut-off Grade) – 30 June 2019 *

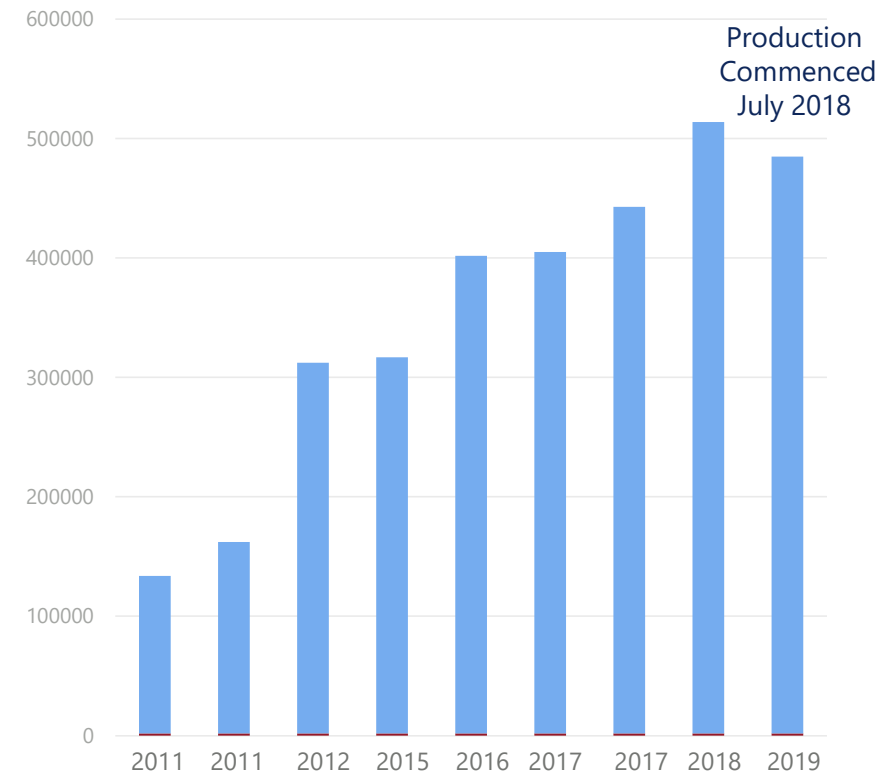
| JORC Category | Cut-off Li ₂ O% | Tonnes (Mt) | Li ₂ O% | Fe ₂ O ₃ % | Li ₂ O Tonnes |
|----------------------|----------------------------|-------------|--------------------|----------------------------------|--------------------------|
| Measured | 0.30 | 7.4 | 1.23 | 1.38 | 91,000 |
| Indicated | 0.30 | 34.2 | 1.03 | 1.29 | 353,000 |
| Measured & Indicated | 0.30 | 41.6 | 1.07 | 1.31 | 444,000 |
| Inferred | 0.30 | 4.1 | 0.95 | 1.41 | 39,000 |
| Total | 0.30 | 45.7 | 1.06 | 1.32 | 483,000 |

Ore Reserve Estimate (0.30% Li₂O Cut-off Grade) – 30 June 2019 *

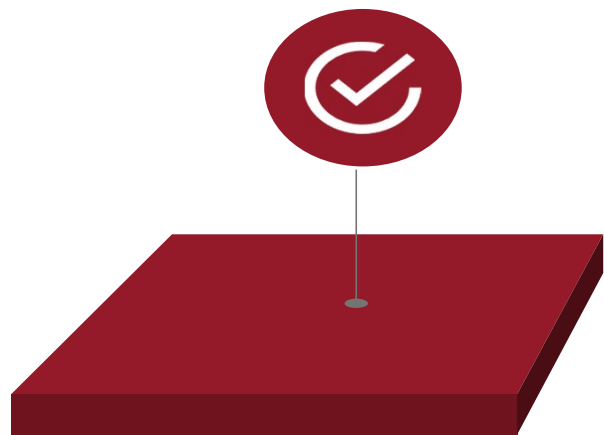
| JORC Category | Cut-off Li ₂ O% | Tonnes (Mt) | Li ₂ O% | Fe ₂ O ₃ % | Li ₂ O Tonnes |
|---------------|----------------------------|-------------|--------------------|----------------------------------|--------------------------|
| Proved | 0.30% | 7.2 | 1.22 | 1.40 | 87,000 |
| Probable | 0.30% | 30.5 | 1.05 | 1.29 | 320,000 |
| Total | 0.30% | 37.6 | 1.08 | 1.31 | 407,000 |

* Refer to ASX Announcement 9 October 2019

Resource growth (Contained Li₂O, tonnes)

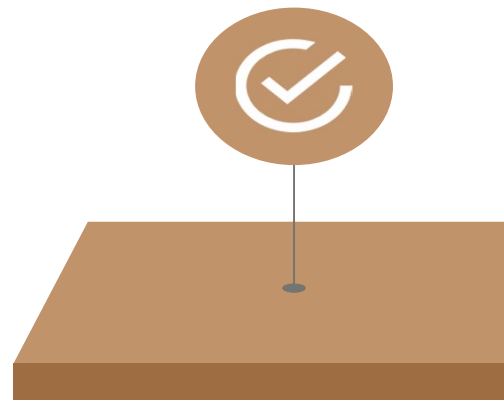


Very rapid project development



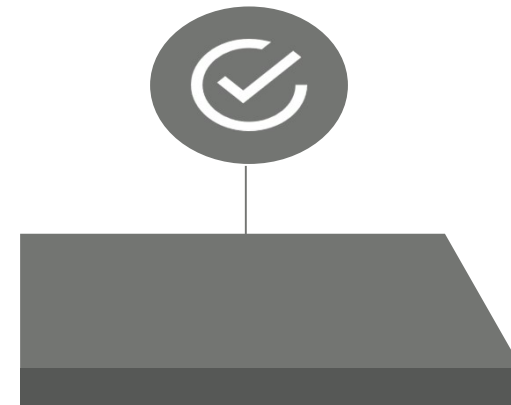
Identified the opportunity

- Battery revolution
- Aggressive development timetable
- Rapid project development



Stage 1 Development

- Ground-breaking March 2017
- First production July 2018
- First shipment October 2018



Commercial Production

- Production ramping up to nameplate 220kpt 6% spodumene
- Commercial production declared March 2019

Simple, proven project design



MINING



Simple open cut, truck and shovel operation, contracted to NRW Holdings



PROCESSING



Established processing route of crushing, grinding, dense medium separation and flotation methods



PRODUCT



Producing both coarse and fines products, favourable for downstream processing, maximising recovery



TRUCKING



Fleet of road-trains operating on established road network between mine site and warehouse



WAREHOUSE



Custom-built facility at Port Hedland. Qube contracted for trucking, storage and ship loading logistics



SHIPPING

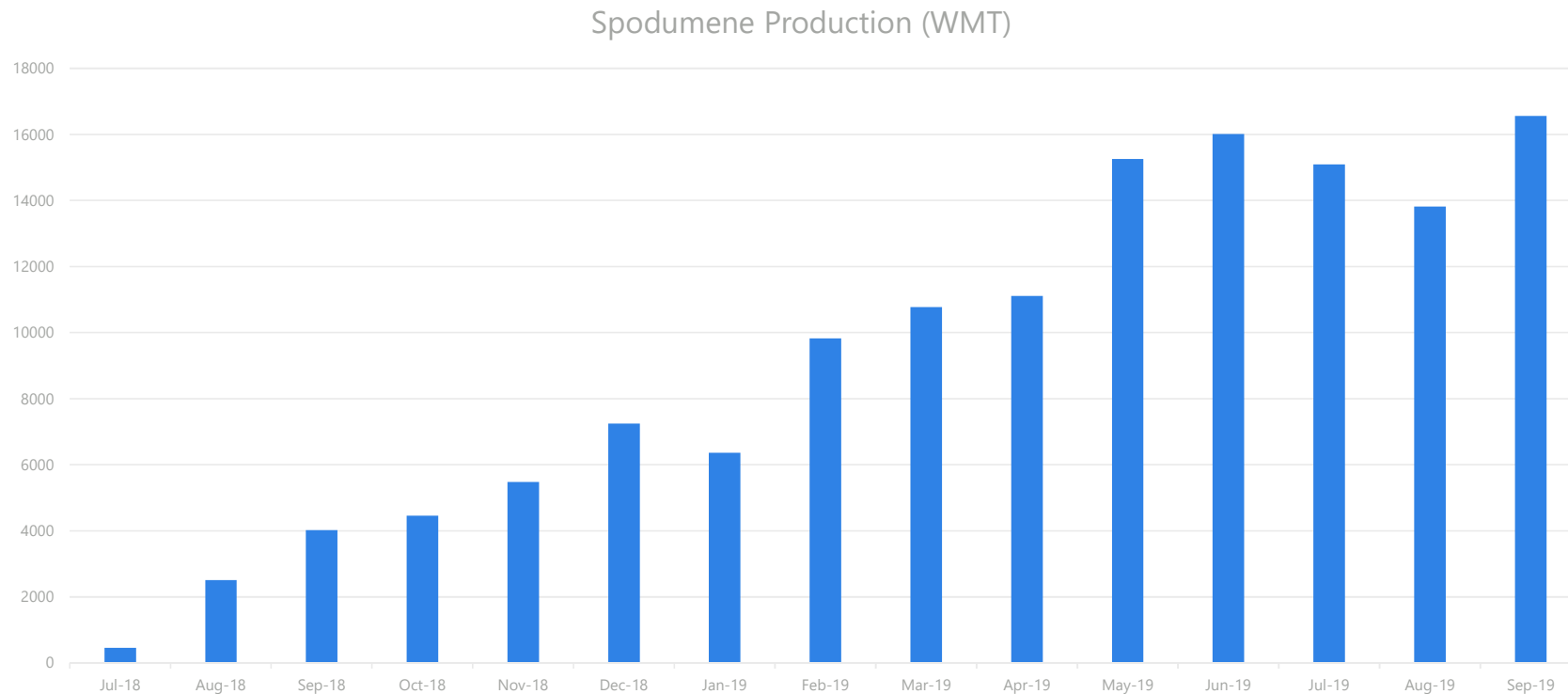


Product loaded in Port Hedland through multi-user facility on CFR/CIF basis

Production approaching nameplate



- Production increased to a record 45,484 wmt in September quarter 2019.
- September monthly production was a record of 16,562 wmt - 92% of nameplate



Physicals steadily increasing



Increased ore mined, reduced strip ratio, increased mined grade, increased ore processed = higher production

| | Units | Sept Qtr 2018 | Dec Qtr 2018 | Mar Qtr 2019 | Jun Qtr 2019 | Sept Qtr 2019 | Change % (Sept 19 vs June 19) |
|--|-------|---------------|---------------------|--------------|--------------|---------------|-------------------------------|
| Ore mined | wmt | 323,539 | 350,099 | 404,087 | 439,559 | 476,093 | 8.3 |
| Waste mined | wmt | 1,512,840 | 1,491,011 | 1,426,256 | 1,546,719 | 1,484,978 | -4.0 |
| Total material mined | bcm | 625,881 | 625,008 | 622,929 | 675,726 | 670,842 | -0.7 |
| Ore mined grade Li₂O | % | 1.21 | 1.19 | 1.16 | 1.10 | 1.18 | 7.3 |
| Ore processed | wmt | 98,135 | 256,931 | 251,200 | 337,786 | 376,530 | 11.5 |
| Lithium concentrate produced | wmt | 7,379 | 25,794 [*] | 29,627 | 42,402 | 45,484 | 7.3 |

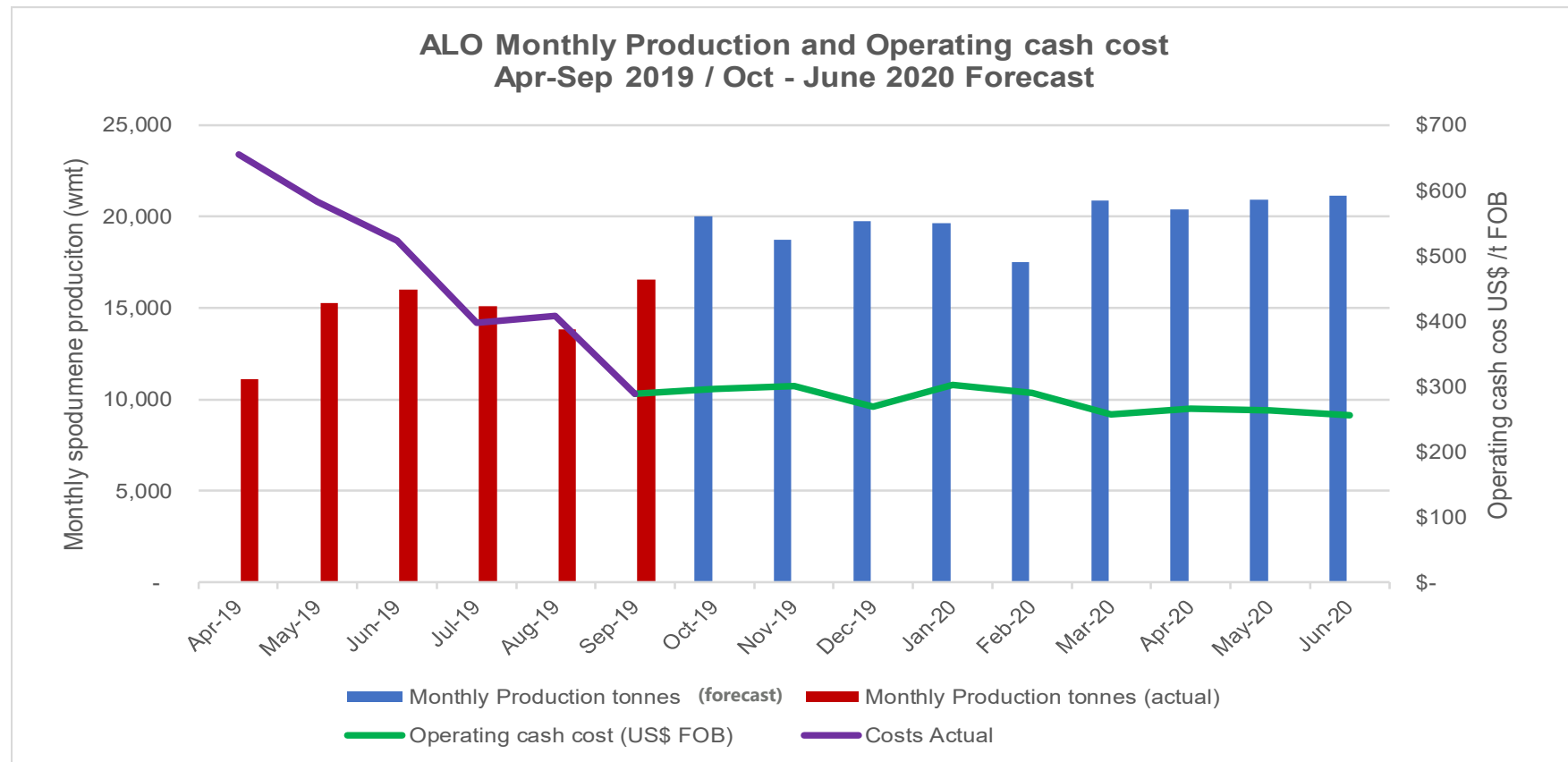
^{*} Includes low-grade material produced during commissioning. This material would require re-processing and /or blending in order to be included in saleable product

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Low cost producer



- Operating cash costs at US\$365/wmt (FOB) for Sept quarter = one of lowest cost globally . Target is US\$250/wmt



Strong binding offtake agreements in place



| Offtake Partner | Tonnage (dmt) | BOA Term / Expiry |
|-------------------|----------------|-------------------|
| Lionergy | 65,000 | Sept 2023 |
| GFL International | 70,000 | Dec 2021 |
| Shandong Ruifu | 35,000 | June 2024 |
| Guangdong Weihua | 50,000 | Dec 2024 |
| Total | 220,000 | |





- Shipping commenced October 2018
- 15 shipments to date totaling 114,646 dmt



Offtake diversification



Now 4 BOA partners with finalisation with Shanshan in process – 2 x Tier 1 offtake partners and reduced risk

| |  赣锋锂业 Ganfeng Lithium |  瑞福锂业 RUIFU LITHIUM | Lionergy |  广东威华股份有限公司 GuangDong WeiHua Corporation 股票代码: 002240 |  杉杉集团 Shanshan Group |
|--|---|---|--|--|--|
| TERM | <ul style="list-style-type: none"> Supply to commence in 2018, with off-take agreed term until December 2021 | <ul style="list-style-type: none"> 5 year term commencing in July 2019 until June 2024 | <ul style="list-style-type: none"> Minimum 5 years. term to commence in 2018 | <ul style="list-style-type: none"> BOA expires on 31st December 2024 | <ul style="list-style-type: none"> Offtake agreement currently being negotiated |
| PRICE | <ul style="list-style-type: none"> US\$550dmt <Price <US\$950dmt until end of 2020 | <ul style="list-style-type: none"> US\$550dmt <Price <US\$950dmt | <ul style="list-style-type: none"> US\$550dmt <Price <US\$950dmt for the first 3 years | <ul style="list-style-type: none"> US\$585dmt <Price <US\$695dmt for the first year US\$550dmt <Price <US\$950dmt for the second and subsequent year | |
| CONTRACT EXPIRY | <ul style="list-style-type: none"> December 2021 | <ul style="list-style-type: none"> June 2024 | <ul style="list-style-type: none"> June 2022 | <ul style="list-style-type: none"> December 2024 | |
| VOLUME | <ul style="list-style-type: none"> 70,000dmt p.a. | <ul style="list-style-type: none"> 35,000dmt p.a. | <ul style="list-style-type: none"> 65,000dmt p.a. | <ul style="list-style-type: none"> 50,000dmt p.a. | |
| GRADE | <ul style="list-style-type: none"> 6% Grade Spodumene Concentrate | <ul style="list-style-type: none"> 6% Grade Spodumene Concentrate | <ul style="list-style-type: none"> 6% Grade Spodumene Concentrate | <ul style="list-style-type: none"> 6% Grade Spodumene Concentrate | |
| OTHER COMMENTS | <ul style="list-style-type: none"> Potential 5 year extension at Ganfeng Lithium election plus an additional 5 year extension by mutual agreement Option to increase supply via access to 50% of spodumene concentrate produced as part of Stage 2 expansion operations | <ul style="list-style-type: none"> Ability for parties to negotiate potential offtake from proposed Altura Stage 2 development | <ul style="list-style-type: none"> Lionergy may buy from Seller product in excess of the Confirmed annual Quantity on terms to be agreed between the Parties at relevant time | <ul style="list-style-type: none"> First shipment schedules to load in August | |
| <ul style="list-style-type: none"> If seller delivers to buyer less than the confirmed annual quantity, then: <ul style="list-style-type: none"> Seller may seek to make up the shortfall through delivery within 3 months of the end of that contract year Seller will compensate buyer for the difference (if any) between the Price applicable to that of the shortfall and the higher price buyer pays the third party | | | | | |

Delivering a high quality Li₂O concentrate



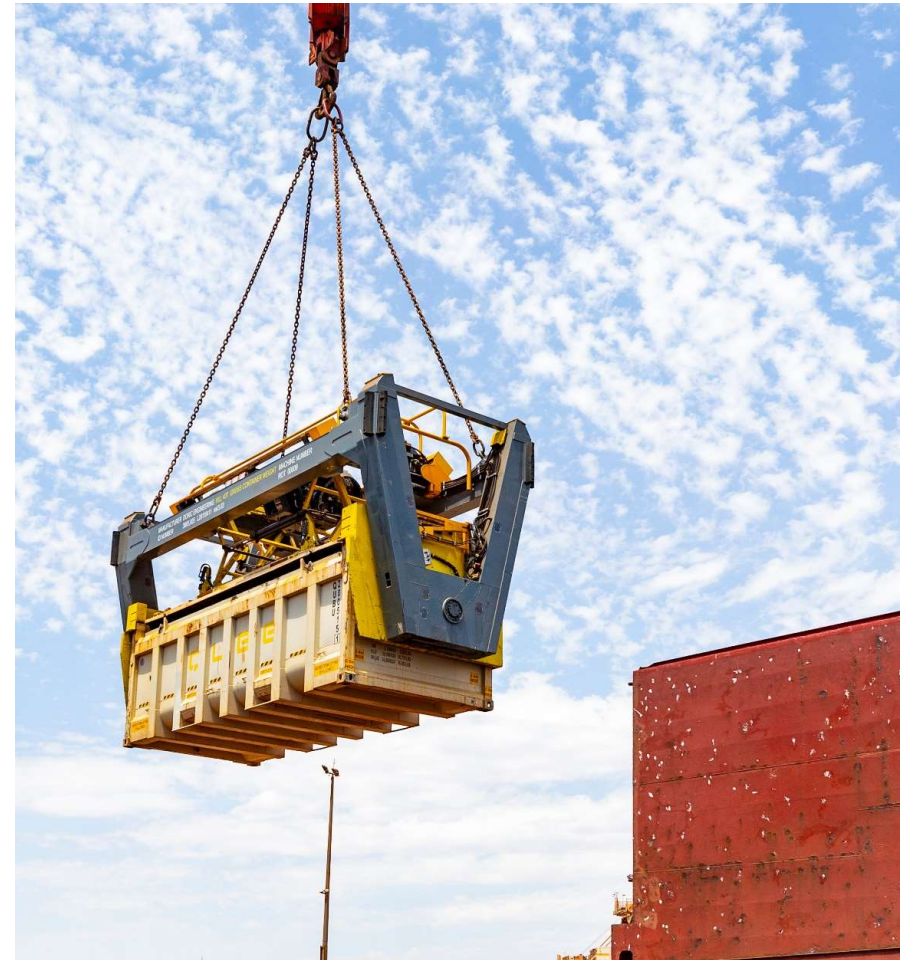
- Altura spodumene is a highly sought-after premium product
- Product continues to lift reputation with customers and among wider lithium market
- Ideally located for delivery to key markets in China and rest of Asia
- Key offtake terms include floor of US\$550 dmt (FOB equivalent) based on Li₂O content per dmt on 6% Li₂O and cap of US\$950 dmt (FOB equivalent) until end of 2020
- Sept quarter pricing steady at US\$599/dmt (CIF to mainland China basis SC6)



Preferred product specifications



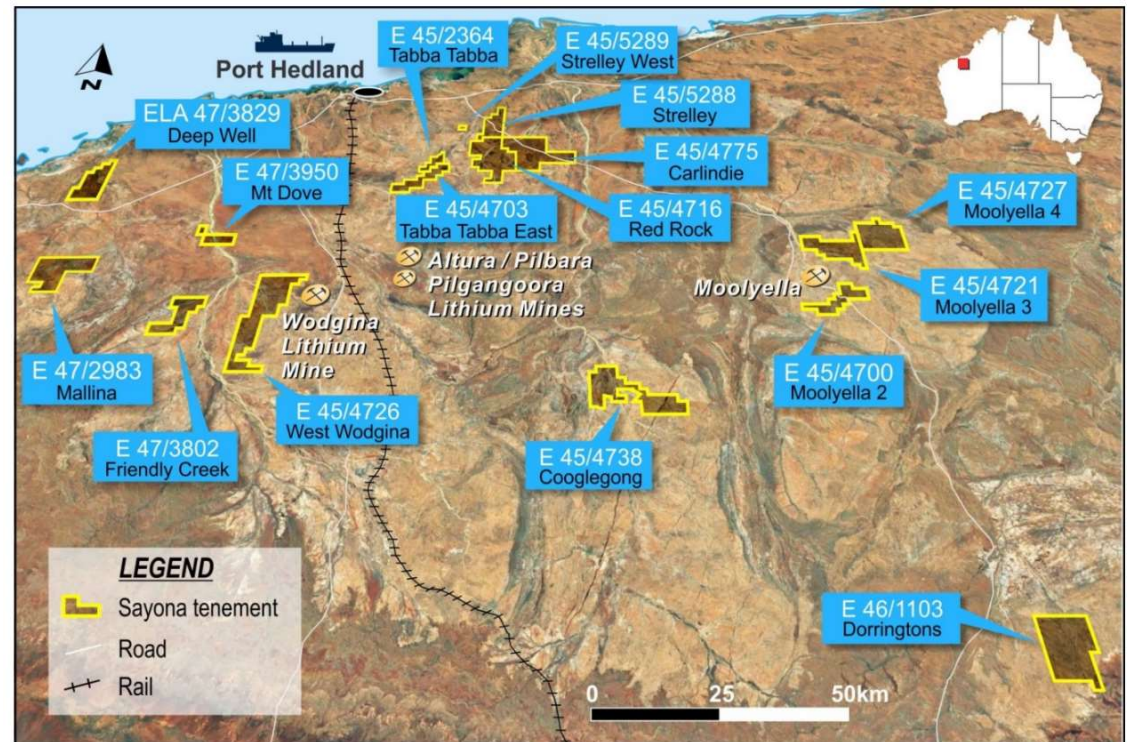
- Shipments have exceeded customer expectations with grades as high as 6.3% Li₂O
- Low levels of impurities (iron and mica) highly sought after by customers
- Favourable sizing proportion, including fines and course products, preferred for downstream processing
- Low/favourable moisture content (typically 6-8%), beneficial for material handling and downstream processing purposes



Major exploration upside



- Underexplored 16,000 hectare tenement package (only 600 hectares explored to date)
- Plus recent agreement with Sayona Mining to earn a 51% interest in its attractive Pilgangoora exploration portfolio
- Altura to spend \$1.5 million on exploration over three years to earn a 51% stake in Sayona tenements
- Sayona tenements cover 1,806 km² in the Pilgangoora and East Pilbara regions, close to the Altura operations

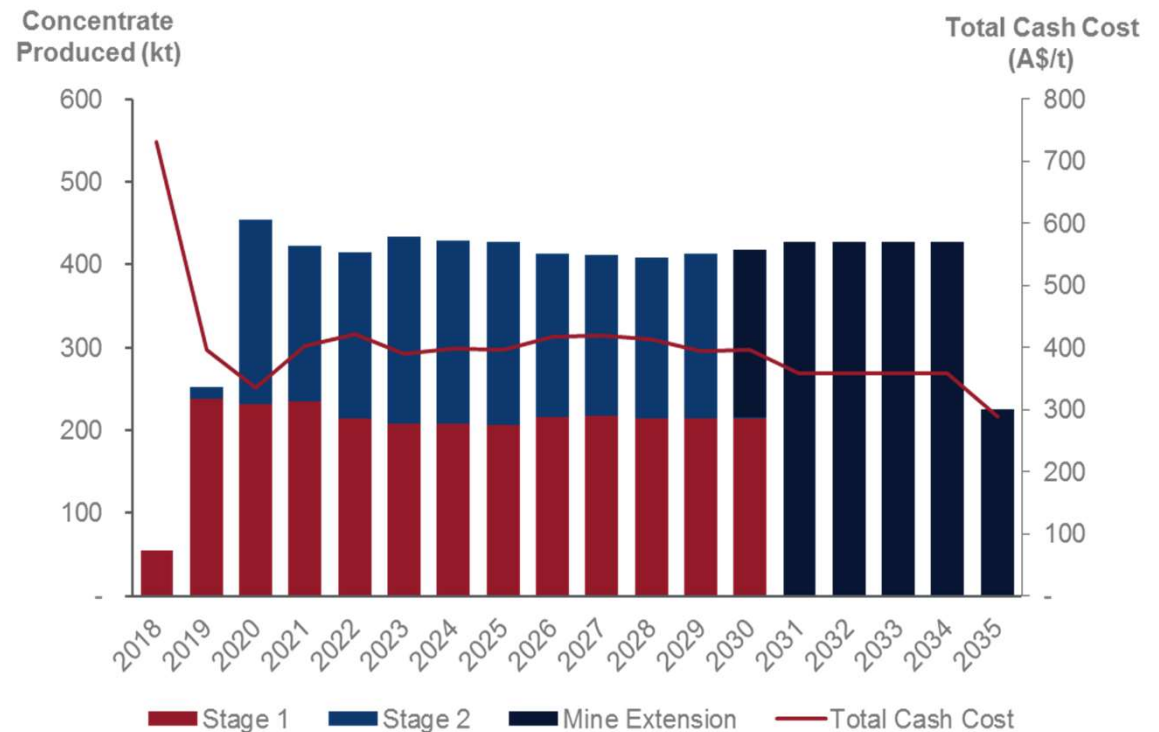


Sayona WA tenements

Potential expansion plan well advanced



- Stage 2 expansion provides a low-risk, low-cost opportunity to double production to 440,000tpa *
- Robust Definitive Feasibility Study completed April 2018*
 - NPV of A\$835m (@10% discount rate)
 - IRR of 63%
 - 2.3 year payback
- Stage 2 risk to be minimised by Stage 1 experience
- Stage 2 offtake option up to 50% held by Ganfeng Lithium, a leading global battery materials producer
- Investment decision dependent on favourable lithium market conditions



* Refer to ASX Announcement 30 April 2018. The Company confirms that all the material assumptions underpinning the Stage 2 DFS continue to apply and have not materially changed.

Leveraged capital structure



- Total loan note debt of US\$142.8 million, including capitalised interest
- Notes held by leading groups, Magy LLC (Castlelake), CarVal Investors LLC, Nomura Corporate Funding and Clearwater Capital
- Interest rate of 15%, currently being paid in cash with next payment due in February 2020
- Bullet principal repayment due August 2020
- Azure Capital advising on the refinancing, advanced discussions ongoing
- Options include US or Nordic Bonds, institutional or credit fund debt and commercial bank financing



* Refer to ASX Announcement 28 July 2017

Experienced directors



Board and Management with a history of **successful developments, strong operations and robust dividend returns**

James Brown Managing Director

Mr Brown is a Mining Engineer with extensive mining experience and operational development. Mr Brown has been Managing Director of Altura since September 2010, and previously was the Company's General Manager. Previous to his role at Altura Mr Brown spent 22 years at New Hope Corporation (ASX:NHC)

BT Kuan Non-Executive Director

Mr Kuan has been a director of Altura since November 2007 and brings a wealth of experience in logistics, specifically the development and management of bulk handling and terminal operations. Mr Kuan is a qualified mechanical engineer

Paul Mantell Executive Director

Mr Mantell is a qualified accountant and has in excess of 30 years in corporate experience in the mining and associated industries. This included 28 years at New Hope Corporation, with the last 12 years as the Company's Chief Financial Officer.

Allan Buckler Non-Executive Director

Mr Buckler holds over 40 years experience in the mining industry which includes being a former Director and Chief Operations Officer at New Hope Corporation. Mr Buckler has been directly responsible for the commercialisation of several projects which begun from resource identification all the way through to production

Xiaoyu Dai Non-Executive Director

Mr Dai has 21 years' experience in the chemicals industry, spanning various commodities, specialties and operations in China, Africa, Germany, Singapore, Japan and Korea. Since 1 July 2019 he has been the General Manager of Shanshan Forever Lithium Co., Ltd..

Dan O'Neill Non-Executive Director

As an exploration geologist and founding director of current lithium producer Orocobre Limited (ASX:ORE), Mr O'Neill brings over 30 years' experience in international mining across Australasia, Africa, Asia and North America. Mr O'Neill has served as a director of Altura since December 2008

Experienced Management Team



Board and Management with a history of **successful developments, strong operations and robust dividend returns**

Eric Kiely

GM Planning & Resource Development

Mr Kiely has over 30 years experience in the mining industry with senior roles in mine planning and technical roles, and operational time in gold, coal and iron ore. He was the GM Resource Planning and Development with Rio Tinto Iron Ore responsible for the mining technical functions including geology, geotechnical, metallurgy, hydrogeology and mine planning.

John Fraser

Operations Manager

Mr Fraser is a metallurgist with more than 30 years experience in the mining industry in Africa and Australia. He has extensive processing and operational management experience in copper, nickel, gold and mineral sands. He has spent the last 10 years working on the development of greenfield processing plant facilities, managing operational readiness, commissioning, ramp up and process optimisation.

Alex Cheeseman

General Manager Marketing

Mr Cheeseman has 20 years' experience across a range of industries and resource sectors, in both project and operation environments. He commenced with Altura managing the development project contracts and supply chain and later assumed responsibility for shipping and delivery to off-take partners. Mr Cheeseman is now focussed on marketing.

Rod Wheatley

Chief Financial Officer

Mr Wheatley is a CPA qualified accountant with 20 years experience in various senior finance roles across the mining and oil and gas industry. He has experience in a range of commodities in both Australia and internationally and across all phases of mining from exploration through to development and into production.

Damon Cox

Company Secretary

Mr Cox is a Chartered Secretary, and CPA. He has over 30 years experience in various roles including corporate governance, compliance, treasury and strategic policy advice. Mr Cox has held the role of Company Secretary with Altura since 2008.

Summary



- Capital raising to underpin future growth
- Lithium market medium term fundamentals remain strong
- Altura presents the preferred lithium investment exposure
- Large resource/reserve provides long mine life
- Established, low cost operation ramping up to full production
- Significant expansion potential
- Highly prospective exploration portfolio
- Well placed to deliver investors the rewards of the unfolding battery revolution



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 the Exploration Manager 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 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.

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 9 October 2019.

CHARGING AHEAD WITH ALTURA LITHIUM

ASX:AJM