



ALTURA MINING LIMITED

ABN 39 093 391 774

NON-RENOUNCEABLE ENTITLEMENT OFFER

For a non-renounceable pro rata offer to Eligible Shareholders of up to approximately 357,763,462 New Shares at an issue price of \$0.06 per New Share on the basis of 2 New Shares for every 13 Existing Shares held to raise approximately \$21.5 million before issue costs

Important Notice

If you are an Eligible Shareholder, this is an important document that requires your immediate attention.

This Offer Document is not a prospectus and it does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document.

This Offer Document should be read in its entirety before deciding whether to apply for the New Shares. If after reading this Offer Document you have any questions about the New Shares being offered under this Offer Document, then you should consult your professional adviser.

The New Shares offered by this Offer Document should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notes

This Offer Document is dated 29 October 2019. The information contained in this Offer Document is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see Section 4 of this Offer Document) that could affect the performance of the Company before making an investment decision.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. In broad terms, section 708AA of the Corporations Act provides that rights issues by certain entities do not require disclosure to investors under a prospectus or other disclosure document. Accordingly, this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required under Australian law or any other law to be disclosed in a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to accept the Entitlement Offer. Announcements made by the Company to ASX are available from the website of the ASX. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Before applying for New Shares you should consider whether such an investment, and the information contained in this Offer Document, is appropriate to your particular needs, and considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances. You should consult your professional adviser without delay.

By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Entitlement Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document. Cooling-off rights do not apply to an application for New Shares and you cannot withdraw your application once it has been accepted.

Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document.

The Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, Singapore or Hong Kong. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia, New Zealand, Singapore and Hong Kong. This Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to Shareholders with a registered address in New Zealand, Singapore and Hong Kong, to the extent permitted below.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Entitlement Offer and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, *Part XIII of the Securities and Futures Act, Chapter 289 of Singapore* (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, OR TO US PERSONS

Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Future performance and forward looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Investors should note that past share price performance of the Company provides no guidance to its future share price performance.

Any forward looking statements in this Offer Document are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Document. Investors should specifically refer to the "Key Risks" in Section 4 of this Offer Document. That Section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Offer Document.

Disclaimer

This Offer Document has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Offer Document or takes responsibility for, or makes any statements, representations or undertakings in, this Offer Document. The ASX does not take any responsibility for the contents of this Offer Document.

No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer Document.

Currency

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

Time

All references to time in this Offer Document are references to Perth, Australia time, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in Section 6 of this Offer Document.

Offer Document intended to be read in conjunction with publicly available information

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest, including the announcements made by the Company on 17 October 2019.

All announcements made by the Company are available from its website www.alturamining.com or the ASX website www.asx.com.au.

Privacy

The Company and the Share Registry have already collected certain personal information from you as a Shareholder. If you complete an Application Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Enquiries

If, after reading this document, you have any questions about the Entitlement Offer, please consult your legal, financial, taxation or other professional adviser.

For further information on how to apply, contact the Share Registry via the Offer Information Line on 1300 857 499 (within Australia) or +61 1300 857 499 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday during the Offer Period.

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LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Altura Mining Limited (**Altura** or **Company**), I invite you to participate in the Company's 2 for 13 non-renounceable entitlement offer at an offer price of \$0.06 (6 cents) per New Share (**Entitlement Offer**).

The Entitlement Offer will allow you to purchase 2 New Shares at the Offer Price of 6 cents per New Share for every 13 existing Altura ordinary shares (**Existing Shares**) you owned at 7.00pm (AEDT) on Thursday, 24 October 2019 (**Record Date**).

All of the Directors who are entitled to participate under the Entitlement Offer are supporting the Offer¹.

The Offer Price of \$0.06 (6 cents) per New Share represents a discount of:

- (a) 6.25% to the last closing price (6.4 cents) before the announcement of the Entitlement Offer;
- (b) 10.04% to the 5-day VWAP and the 10-day VWAP (both 6.67 cents) prior to the announcement of the Entitlement Offer; and
- (c) 18.14% to the 30-day VWAP (7.33 cents) prior to the announcement of the Entitlement Offer.

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares of the Company already on issue.

Eligible Shareholders who wish to take up their entitlement under the Entitlement Offer in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer². Please refer to Section 3.3 of this Offer Document for further details. The Board reserves the right to allocate New Shares under the Shortfall Offer in its absolute discretion.

The proceeds of the Entitlement Offer will be used to provide funding for exploration on recently acquired, highly prospective tenements in the Pilbara, incremental capital works on the Altura lithium process plant at the Altura Lithium Project, to increase lithia recoveries, lift production and reduce unit operating costs and working capital as the operation ramps up to full production of 220,000 wet metric tonnes of spodumene concentrate and for general working capital purposes.

Your Entitlement under the Entitlement Offer is set out in the accompanying Application Form. The Closing Date for acceptances and payment is 5.00pm (AEDT) on Friday, 15 November 2019 (unless extended).

To participate, you need to ensure that your completed Application Form, together with application monies (**Application Monies**), is received by no later than the 5.00pm (AEDT) on the Closing Date OR that you have paid your Application Monies via BPAY® pursuant to the instructions that are set out on the Application Form by no later than 5.00pm (AEDT) on the Closing Date.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. You should also refer to the "Key Risk Factors" included in Section 4.

For further information on how to apply, call the Share Registry via the Offer Information Line on 1300 857 499 (within Australia) or +61 1300 857 499 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday during the Entitlement Offer Period.

On behalf of the Board I am pleased to recommend the Entitlement Offer to you and thank you for your continued support for Altura.

James Brown
Managing Director
Altura Mining Limited

¹ Please see section 1.9 for further information.

² Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

SUMMARY OF CAPITAL RAISING

Offer Ratio	2 New Shares for every 13 Existing Shares held on the Record Date
Offer Price	\$0.06 (6 cents) per New Share
Size	Approximately 357,763,462 New Shares
Gross proceeds	Approximately \$21.5 million (before costs)

KEY DATES

Event	Date
Announcement of Entitlement Offer and Cleansing Statement	Thursday, 17 October 2019
Company to send notice to option holders	Thursday, 17 October 2019
Notice to Shareholders including information required by Appendix 3B	Friday, 18 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 and announcement that dispatch completed.	Tuesday, 29 October 2019
Lodgement of the Offer Document with ASX	Tuesday, 29 October 2019
Entitlement Offer opens	Tuesday, 29 October 2019
Entitlement Offer closes (5.00pm AEDT)	Friday, 15 November 2019
New Shares under Entitlement Offer quoted on a deferred settlement basis	Monday, 18 November 2019
Announcement of Entitlement Offer shortfall	Wednesday, 20 November 2019
Issue of New Shares under Entitlement Offer	Friday, 22 November 2019
Despatch date of holding statements	Friday, 22 November 2019
Trading of New Shares issued under the Entitlement Offer 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.

1 DETAILS OF THE OFFER

1.1 Entitlement Offer

The Entitlement Offer is an offer of up to approximately 357,763,462 New Shares at the Offer Price of \$0.06 per New Share to raise up to approximately \$21.5 million before issue costs.

All Eligible Shareholders are entitled to subscribe for 2 New Shares for every 13 Existing Shares held at 7.00pm (AEDT) on Thursday, 24 October 2019 (**Record Date**). New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Application Form.

Eligible Shareholders who wish to take up their Entitlement in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer³. To participate in the Shortfall Offer Eligible Shareholders must apply at the same time as they apply for their Entitlements. Applications under the Shortfall Offer will only be satisfied to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms and conditions that are outlined in Section 1.7. The Board reserves the right to allocate New Shares under the Shortfall Offer in their absolute discretion.

Certain terms and abbreviations in this Offer Document are defined in the glossary of terms in Section 6.

1.2 No Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

1.3 Underwriting

The Offer is not underwritten.

1.4 Entitlement to participate in the Entitlement Offer

Eligible Shareholders who are on the Company's Share Register at 7.00pm (AEDT) on the Record Date are eligible to participate in the Entitlement Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

An Application Form setting out your Entitlement to New Shares accompanies this Offer Document.

1.5 Acceptances

This Offer may be accepted in whole or in part prior to 5.00pm (AEDT) on Friday, 15 November 2019 subject to the rights of the Company to extend the Entitlement Offer Period.

Instructions for accepting your Entitlement are set out in Section 3 and on the Application Form which accompanies this Offer Document.

1.6 No Trading of Entitlements

The Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Shareholders to subscribe for New Shares are not transferable and there will be no trading of Entitlements on ASX. Eligible Shareholders who choose not to take up their Entitlements will receive no benefit and their shareholding in the Company will be diluted as a result.

1.7 Shortfall Offer

ASX Listing Rule 7.11.4 and section 708AA(13)(a) of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) permit the Company to make an additional offer of the New Shares that may be comprised in any Shortfall.

Accordingly, Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer (**Shortfall Offer**).

³ Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months from the closing date of the Entitlement Offer.

It is a condition of participating in the Shortfall Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Entitlement Offer.

In addition:

- (a) the Shortfall Offer may be made available to third party investors who the Company invites to participate in the Shortfall Offer in addition to Eligible Shareholders;
- (b) there is no guarantee that any Application in the Shortfall Offer will be successful and the Directors reserve the right to allocate and satisfy Applications received under the Shortfall Offer at their sole discretion; and
- (c) the issue price of New Shares under the Shortfall Offer is the same price as the New Shares offered under the Entitlement Offer.

If you are an Eligible Shareholder and wish to subscribe for New Shares in addition to your Entitlement then you should nominate the maximum number of New Shares you wish to subscribe for on the Application Form and make corresponding payment for your full Entitlement plus the additional New Shares. Investors who the Company invite to participate in the Shortfall Offer will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

The Directors reserve their right to allot and issue New Shares under the Shortfall Offer at their discretion, having regard to the circumstances as at the close of the Entitlement Offer. Any scale back of applications for New Shares under the Shortfall Offer will be at Altura's discretion and its decision on the number of New Shares to be allocated to Eligible Shareholders will be final. No New Shares will be issued under the Shortfall Offer to a Shareholder which will result in them increasing their voting power in Altura above 20%. The Company and its advisers disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion to the maximum extent permitted by law.

The practical effect of the Shortfall Offer is that an Eligible Shareholder can potentially increase its relevant interest in Altura, but no Eligible Shareholder can increase its relevant interest to more than 20% by way of application for additional New Shares under the Shortfall Offer.

It is an express term of the Entitlement Offer that applicants for additional New Shares under the Shortfall Offer will be bound to accept a lesser number of additional New Shares allocated to them than applied for, if so allocated.

Persons who are unsuccessful in their Application under the Shortfall Offer or whose Application is only part accepted will have their excess Application Monies returned by cheque within five days of the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by Altura.

1.8 Details of substantial holders

Based on publicly available information as at the date of this Offer Document, the persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial holder	Holder's votes	Voting power (percent)
Shanshan Forever International Co., Ltd and each Shanshan Related Entity ¹	451,361,249	19.41%
AC Buckler (including Shazo Holdings Pty Ltd)	311,773,371	13.41%
MT Smith	184,807,935	7.95%

Note:

1. The Shanshan Related Entities comprise Ningbo Yongshan Trading Co., Ltd, Ningbo Shanshan Co., Ltd, Shanshan Group Co., Ltd, Shanshan Holding Co., Ltd and Mr Zheng Yonggang.

Shanshan has informed the Company that as at the date of this Offer Document, it is not able to participate in the Entitlement Offer due to Chinese regulatory constraints. Shanshan has also informed the Company that should this change, and it is able to participate in the Entitlement Offer, it will only apply for New Shares to the extent that its voting power in Altura will not exceed 20%.

On 16 October 2019, the Company entered into a conditional agreement with Katsura Holdings Pte Ltd (**Katsura**), a company controlled by Mr Buckler, a Director (**Loan Agreement**) for the provision of a \$2.8

million unsecured, interest free loan (**Loan**) for the purposes of providing funds for the Company's general working capital requirements pending receipt of funds under the Offer. Under the Loan Agreement, Katsura has agreed to procure that Mr. Buckler (and associated entities) to take up their Entitlement in full and that the Application Monies in respect of Mr Buckler's participation in the Entitlement Offer will be used to repay the Loan in full. For details on the potential impact of the Entitlement Offer on the voting power of Mr Buckler, please refer to Section 2.3. Drawdown under the Loan Agreement is conditional on the Company obtaining all necessary consents and waivers from the holders of the Senior Secured Loan Notes. Please refer to Section 4.2(c) below in this regard.

In addition, Mr MT Smith has informed the Company that as at the date of this Offer Document, he intends to take up his Entitlement in full (being 28,431,990 New Shares).

1.9 Directors' interests

Each Director's interest in the securities of the Company as at the date of this Offer Document and their Entitlement is detailed in the table below.

Director	Shares	Options	Entitlement
James Brown	30,088,301	385,000	4,628,969
Paul Mantell	35,273,084	385,000	5,426,628
Allan Buckler	311,773,371	58,466,808	47,965,134
Dan O'Neill	13,633,336	Nil	2,097,436
Beng Teik Kuan	23,000,000	1,000,000	3,538,462
Xiaoyu Dai	Nil	Nil	Nil

The following Directors (including their related entities) have confirmed their participation in the Offer to the extent set out below:

Director	Participation (New Shares)
James Brown	1,700,000
Paul Mantell	1,626,153
Allan Buckler	47,965,134*
Beng Teik Kuan	3,538,462
Dan O'Neill	83,333

* As stated in Section 1.8 above, Katsura has agreed to procure Mr Buckler (and associated entities) to take up their Entitlement in full and for the proceeds to be applied to fully repaying the Loan. For details regarding the Loan Agreement please refer to Section 1.8 above.

1.10 Allotment and Application Money

Application Money will be held in a subscription account on trust until allotment of the New Shares. If the Application Money is refundable, it will be refunded as soon as reasonably practicable unless the amount is less than \$2, in which case it will be retained by the Company or donated to a charity or charities nominated by the Company. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 5.00pm (AEDT) on Friday, 22 November 2019. Statements of holding of New Shares will be mailed after allotment occurs.

1.11 Rights and Liabilities attaching to the New Shares

The New Shares will, once issued, rank equally with Existing Shares. The rights and liabilities attaching to New Shares are set out in Altura's constitution.

1.12 ASX Quotation

Application for admission of the New Shares to official quotation on ASX has been made.

Subject to approval being granted by ASX, it is expected that quotation and trading of New Shares will commence on a deferred settlement basis on Monday, 18 November 2019.

The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.13 Issue Outside Eligible Jurisdictions

This Offer Document and accompanying Application Form does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to make the Entitlement Offer. No action has been taken to register or qualify the Shares or the Entitlement Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia, New Zealand, Singapore and Hong Kong.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

1.14 Ineligible Shareholders

The Entitlement Offer is only being extended to Eligible Shareholders in Australia, New Zealand, Singapore and Hong Kong because of the small number of and cost of extending the Offer to Shareholders other than Eligible Shareholders (**Ineligible Shareholders**). Accordingly, Ineligible Shareholders are not eligible to participate in the Entitlement Offer and the Offer Document will not be sent to them.

Entitlements that Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer will form part of the Shortfall Offer, details of which are described in Section 1.7.

Recipients may not send or otherwise distribute this Offer Document or the Application Form to any person outside Australia, New Zealand, Singapore and Hong Kong (other than to Eligible Shareholders).

It is the responsibility of any Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares under this Entitlement Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

1.15 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under the Entitlement Offer, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under the Entitlement Offer and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.16 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.17 Withdrawal

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.18 Cleansing Statement

The Company lodged a Cleansing Statement with ASX on Thursday, 17 October 2019. The Cleansing Statement may be reviewed on the websites of the Company and ASX.

1.19 Enquiries

Any queries regarding the Entitlement Offer should be directed to the Share Registry via the Entitlement Offer Information Line on 1300 857 499 (within Australia) or +61 1300 857 499 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday during the Offer Period.

You can also contact your stockbroker or professional adviser with any queries in relation to the Entitlement Offer.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Entitlement Offer is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

2. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

2.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to approximately \$21.5 million (before costs). As at 30 September 2019, the Company had a cash reserve of approximately \$1.1 million.

The Directors intend to apply the proceeds from the Entitlement Offer together with the existing cash reserves towards the following in accordance with the table set out below:

Source of funds	Amount (\$m)	% of funds
Cash reserve (as at 30 September 2019)	1.1	4.9%
Gross proceeds from the Entitlement Offer	21.5	95.1%
TOTAL	22.6	100%
Use of funds ^{1, 2}	Amount (\$m)	
Optimisation and process plant improvements	3.1	13.7%
Exploration activities	2.5	11.1%
General working capital ³	16.9	74.8%
Expenses of the Entitlement Offer	0.1	0.4%
ESTIMATED TOTAL	22.6	100%

Notes:

1. In the event that the Entitlement Offer is not fully subscribed, the funds raised will be allocated firstly towards the expenses of the Entitlement Offer and then towards optimisation and process plant improvements and working capital in the first instance.
2. In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds in the best interests of the Company.
3. General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

2.2 Effect of the Entitlement Offer on the Company's Financial Position

The effect of the Entitlement Offer (on the assumption of the Entitlement Offer being fully subscribed including under the Shortfall Offer) will be that:

- (a) cash reserves will initially increase by up to approximately \$21.4 million (after payment of costs of the Entitlement Offer); and
- (b) the number of Shares on issue will increase from 2,325,462,506 to up to 2,683,225,968.

2.3 Effect of the Entitlement Offer on Control

The Entitlement Offer is structured as a pro rata issue and if all Eligible Shareholders take up their Entitlements, the Entitlement Offer will have no effect on the control of the Company.

If Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interests of Eligible Shareholders that only take up part of their entitlement will also be diluted but to a lesser extent. The proportional interests of Ineligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

As stated in Section 1.8:

- (a) Shanshan has informed the Company that as at the date of this Offer Document, it is not able to participate in the Entitlement Offer due to Chinese regulatory constraints. Shanshan has also informed the Company that should this change, and it is able to participate in the Entitlement Offer, it will only apply for New Shares to the extent that its voting power in Altura will not exceed 20%; and
- (b) the Company has entered into the Loan Agreement with Katsura, a company controlled by Mr Buckler, for the provision of a \$2.8 million unsecured, interest free loan (**Loan**) for the purposes of providing funds for the Company's general working capital requirements. Katsura has agreed to procure that Mr. Buckler (and associated entities) to take up their Entitlement in full and that the Application Monies in respect of Mr Buckler's participation in the Entitlement Offer will be used to repay the Loan in full. Please refer to Section 1.8 above in this regard

In light of the above, no person would increase their voting power in the Company above 20% as a result of acceptance of an Entitlement. In addition, the Company will only issue New Shares to an applicant under the Shortfall Offer if the Directors are satisfied, in their discretion, that the issue of the New Shares will not result in a person's voting power in the Company increasing above 20%.

The potential effect that the issue of the New Shares under the Entitlement Offer will have on the voting power of each of those substantial shareholders is as described below. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Entitlement Offer and Shortfall Offer.

Event	Shanshan		Mr Buckler		Total
	Shares	Voting Power	Shares	Voting Power	Shares
Date of Offer Document	451,361,249	19.41%	311,773,371	13.41%	2,325,462,506
Fully subscribed	451,361,249	16.82%	359,738,505	13.41%	2,683,225,968
75% subscribed	451,361,249	17.40%	359,738,505	13.87%	2,593,785,103
50% subscribed	451,361,249	18.02%	359,738,505	14.36%	2,504,344,237
25% subscribed	451,361,249	18.69%	359,738,505	14.90%	2,414,903,372

2.4 Effect on Capital Structure

A table of changes in the capital structure of the Company as a consequence of the Entitlement Offer is set out below (assuming the Entitlement Offer is fully subscribed):

Shares	Number
Existing Shares as at the date of this Offer Document	2,325,462,506
New Shares issued pursuant to the Entitlement Offer	357,763,462
Total issued Shares	2,683,225,968
Listed Options	Number
Existing listed Options as at the date of this Offer Document ¹	148,797,979
Total issued listed Options	148,797,979
Unlisted Warrants	Number
Existing unlisted warrants as at the date of this Offer Document ¹	19,812,140
Total issued unlisted warrants	19,812,140

Notes:

1. The existing convertible securities do not carry an entitlement to participate in the Entitlement Offer.

3. HOW TO APPLY

3.1 What you may do

The number of New Shares to which you are entitled to subscribe for is shown on the accompanying Application Form.

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer Section 3.2);
- apply for additional New Shares in the Shortfall Offer (refer Section 3.3);
- subscribe for part of your Entitlement (refer Section 3.4); or
- allow all of your Entitlement to lapse (refer Section 3.5).

3.2 To subscribe for all of your Entitlement

If you wish to subscribe for **all** of your Entitlement and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Shares you are entitled to subscribe for;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by **5.00pm (AEDT) on Friday, 15 November 2019**.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **all** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than **5.00pm (AEDT) on Friday, 15 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Cash will not be accepted and no receipts will be issued.

3.3 To apply for additional New Shares in the Shortfall Offer

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares regardless of the size of their present holding, under the Shortfall Offer by completing the relevant section on the Application Form. You may only apply for additional New Shares under the Shortfall Offer if you decide to take up all of your Entitlements under the Entitlement Offer.

A single cheque or bank draft should be used for the Application Money for your Entitlement and the number of additional New Shares you wish to apply for as stated on the Application Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than **5.00pm (AEDT) on Friday, 15 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Refer to Section 1.7 for further information in respect of the Shortfall Offer.

3.4 To subscribe for part of your Entitlement

If you wish to subscribe for **part** of your Entitlement and reject the balance and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form indicating the number of New Shares you wish to take up. This will be less than your Entitlement as specified in the Application Form;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by **5.00pm (AEDT) on Friday, 15 November 2019**.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **part** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than **5.00pm (AEDT) on Friday, 15 November 2019**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

3.5 To allow your Entitlement to lapse

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement may be dealt with in accordance with Section 1.7.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

3.6 Payment

If you wish to participate in the Entitlement Offer, you need to do one of the following:

Option 1: Pay by Cheque

Please complete the enclosed Application Form and return it with your cheque made payable to “Altura Mining Limited”, drawn on an Australian financial institution and crossed “Not Negotiable” in an envelope to:

By hand	By post
Altura Mining Limited c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138	Altura Mining Limited c/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001 Australia

Your completed Application Form and cheque must be received by the Share Registry prior to the close of the Entitlement Offer at **5.00pm (AEDT) on Friday, 15 November 2019**. Shareholders will need to apply in Australian dollars and affix the appropriate postage to the envelope.

Option 2: Pay via BPAY®

To pay via BPAY® you will need to:

- (a) be an account holder with an Australian financial institution;
- (b) use the BPAY® Biller Code and your personalised customer reference number shown on your Application Form which is required to identify your shareholding; and

- (c) ensure that your payment is received by the Share Registry before **5.00pm (AEDT) on Friday, 15 November 2019**.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying via BPAY® there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

When making payment via BPAY®, please ensure that you enter the correct Biller Code and Customer Reference Number information that is shown on your personalised Application Form. The Customer Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Customer Reference Numbers. You must use the Customer Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you enter your BPAY® details incorrectly, Altura may not be able to issue you your New Shares under the Entitlement Offer.

Amounts received by Altura in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many additional New Shares as your Excess Amount will pay for in full under the Shortfall Offer.

3.7 Application Form is binding

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document and Application Form, does not prohibit you from being given the Offer Document and Application Form and that you:

- (a) agree to be bound by the terms of the Entitlement Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Application Form;
- (e) declare that you are an Eligible Shareholder resident in Australia, New Zealand, Singapore or Hong Kong;
- (f) acknowledge that the information contained in, or accompanying, the Offer Document and Application Form, is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand, Singapore or Hong Kong and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact the share registry:

Link Market Services Limited

Tel: +61 1300 857 499

or contact your stockbroker or professional adviser

4. RISK FACTORS

4.1 Overview

Activities of the Company and its controlled entities, as in any business, are subject to risks which may impact upon the Company's future performance. Potential investors should read the entire Offer Document and review announcements made by the Company to ASX (at www.asx.com.au under the code "AJM") in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

The Company's principal activity is the operation of the Altura Lithium Project and mineral exploration. Companies in this area are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors which the Company believes are most important in the context of the Company's business.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

4.2 Company specific risks

(a) Going concern

The Company's annual financial report for the financial year ended 30 June 2019 has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business. However, it includes a note at page 22 regarding the basis of preparation of its financial statements on a going concern basis, despite its net current liability position. The report states that:

"Notwithstanding the Group reporting a net loss after income tax of \$26.7 million for the year, net current asset deficiency of \$180.3 million and loan note facility of \$179.1 million due August 2020, the financial statements have been prepared on a going concern basis as the Directors believe that the Group will be able to pay its debts as and when they fall due and payable.

The Group's ability to continue as a going concern is dependent on achieving forecast production and sale and the successful refinancing of the loan note facility by the due date.

Directors are confident that the Altura Lithium Project will:

1. *Continue to successfully generate considerable cash flow sufficient to address the operating losses and achieve positive cash flows from operations. Should this not be the case the Group will be required to raise additional working capital. The Directors are confident additional working capital can be secured as required bases on the following:*
 - *the strong support of new and existing shareholders including:*
 - *in August 2019 the Group successfully raise A\$22.4 million via an equity placement*
 - *in February and March 2019, the Group successfully raise A\$38.7 million via an equity placement and securities purchase plan*
 - *supportive off-take parties as evidenced by the signing in November 2018 of a US\$11 million prepayment on future sales*
2. *Successfully refinance the loan note facility before the maturity date due to the ongoing support of the existing lenders. The Company has appointed Azure Capital to assist the Company in its facility refinancing.*

Notwithstanding the position outlined above, if production and sales cannot be achieved at forecast levels, and the loan facility cannot be successfully refinanced by the due date, there is a material uncertainty as to whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amount stated in the financial statements. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.”

(b) Future capital needs

It is envisaged that the Company's current funding requirements will be met by a combination of sources including existing cash reserves, cashflow from Stage 1 operations and the proceeds of this Entitlement Offer.

The availability and terms of funding for development stage mining assets is inherently uncertain, particularly in a commodity such as lithium with rapidly and materially changing supply and demand dynamics. There can be no assurance that funding will be available, or that, if available, the terms of such funding will be favourable to the Company. Neither the Company nor the Directors can provide any assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all). Additional equity funding will dilute existing Shareholders.

The Senior Secured Loan Notes mature in August 2020. The Company is in the process of negotiating with parties to re-finance the amount secured by these notes before this date.

If the Company is unable to obtain additional funding as required (including refinancing of the Senior Secured Loan Notes), the Company may be required to delay or indefinitely postpone production and other activities on the Company's projects and/or reduce the scope of its operations. There would also be material uncertainty regarding whether the Company would continue as a going concern.

(c) Compliance with the Senior Secured Loan Notes

The Company has issued the Senior Secured Loan Notes to various parties. Under these loan notes, the Company has ongoing obligations, including financial covenants, undertaking and events of default.

One financial covenant is that for quarterly reporting periods after 30 September 2018, the net debt to EBITDA (as defined under the facility agreements) must not exceed the ratio of 1.5:1.

The Company's ability to meet these ongoing obligations will depend on the future financial performance of the Company which can be affected by a range of economic, competitive, governmental, operating and other business factors outside the control of the Company, including the risks set out in this document.

If the Company is unable to meet these ongoing obligations and cannot obtain future waivers from loan note holders (as it has done in the past), then this may lead to amounts outstanding under the Senior Secured Loan Notes becoming immediately repayable.

Under the terms of the Senior Secured Loan Notes, the Company requires the written consent and waiver from the holders of those notes to undertake the Entitlement Offer and to borrow funds under the Loan Agreement. Based on communications to date, the Company is confident of obtaining the necessary waiver and consent in due course. However there is no assurance that the waiver and consent will be provided (and if so when) or if provided, on terms acceptable to the Company. Please see section 1.8 for further information on the Loan Agreement.

(d) Offtake risk

The Company's operations and revenues are also dependent on the counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Company's revenue could be adversely affected. The risk of non-performance or attempted renegotiations of terms by the Company's offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impact the global market for lithium products. The Company's customer offtake agreements require a minimum product specification for product grade and maximum impurity levels. If the Company is not able to achieve the required product specification to satisfy the customer offtake agreements, there is no guarantee the Company

will be able to sell its product. There is no certainty that the Company will be able to continuously meet product specifications particularly on account of the inherent risks associated with the extraction and processing of ore.

(e) **Mining risks**

The development of the Altura Lithium Project is progressing, with commercial lithium production declared in March 2019. The Company is now focusing on ramp-up and optimisation of the processing plant to achieve nameplate capacity, inclusive of production output and recoveries. Like all processing operations, the Company is exposed to normal risks and uncertainties, such as the Altura Lithium Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, potential equipment breakdown, failures and operational errors. In addition, the Company may experience practical and technical challenges with its processing plant. Any prolonged outage or shutdown due to technical problems or otherwise could substantially increase production costs or adversely impact revenue or the saleability of its product.

In mining operations such as at the Altura Lithium Project, it is necessary to remove overburden and other waste in order to access the ore. Typically, as a result, the ratio of waste removed to ore extracted – the stripping ratio – may vary during the life cycle of the mine. The stripping ratio will be higher during periods when more waste must be removed to access the ore compared when less waste is required to be removed. The geological characteristics of the pit will determine the amount of waste required to be removed in order to access ore during a period. The Company anticipates that the stripping ratio at the Altura Lithium Project will be generally consistent from year to year. However, there can be no assurance that the Company's geological calculations are correct or that stripping ratios won't be higher than predicted, which could have an adverse effect on the Company's cost of mining.

The Altura Lithium Project's operations rely on a number of key contracts for the provision of mining, haulage, port and handling services. The ability of the Company to operate efficiently will depend on the performance of counterparties with whom the Company has contracted to fulfil their obligations under the relevant agreements.

(f) **Operating risk**

In common with other enterprises in the minerals and mining industry, Altura's mineral exploration, development and mining and processing activities, including the adequate and timely delivery of supplies and consumables and the transportation of products are subject to conditions beyond Altura's control that can result in difficulties in ramp-up and operating plant and equipment, mechanical failure or plant breakdown or reduce production and sales and/or increase costs. These conditions include but are not limited to: changes in legislative requirements; market conditions; government policies; exchange rates; abnormal or severe weather or climatic conditions; natural disasters; unexpected maintenance or technical problems; key equipment failures; industrial disruption; and variations in existing and new geological conditions (including underground workings). If the Company is unable to procure the requisite quantities of supplies and consumables (such as fuel, chemicals and other critical supplies and spares) or secure adequate transportation services in time and at an acceptable prices or if there are significant disruptions to those supplies or services, this could lead to the curtailment, delay or cancellation of the Company's operations, resulting in the Company incurring significant financial costs or in a worst case scenario, result in the shutdown of the Altura Lithium Project. This will have a material adverse effect on the profitability of the Company and ultimately the value of the Company and its securities.

(g) **Lithium Concentrate Price and Exchange Rate Risks**

The Company is exposed to lithium spodumene concentrate price and exchange rate risks. Lithium spodumene concentrate prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for lithium concentrate, technological advancements, forward selling activities and other macro-economic factors. As a result, there is a risk that the long-term spodumene concentrate price could settle at a point that could materially affect the Company's financial performance in the future and its ability to comply with its obligations under the Senior Secured Loan Notes.

Furthermore, international prices of lithium are denominated in United States dollars, whereas the expenditure of the Company is in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The Company's loan note facility

maturing in August 2020 is denominated in United States dollars, which currently provides a partial reduction in the exchange rate risk.

(h) **Resource and Reserve Estimations**

Altura has made estimates of its resources and reserves based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. However, there is no guarantee that estimates will prove to be accurate. Actual mining results may materially differ from forecasts and estimates due to further findings and results not previously known or fluctuations in operating costs, exchange rates and metal prices.

(i) **Environmental Risks**

The operations of the Company are subject to State and Federal laws and regulation concerning the environment. As with most mining operations, the Company's activities are expected to have an impact on the environment. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(j) **Native Title Risks**

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(k) **Insurance and Uninsured Risks**

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(l) **Government Regulation**

The mining and processing activities of the Company are subject to various laws governing production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the mining, exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(m) **Reliance on Key Personnel**

The Company's success depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate, in the mining industry as well as the Company's ability to retain its key executives.

(n) **Competition**

The Company competes with other companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position

to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

4.3 General securities investment and market risks

(a) **Economic risk**

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

The market price of New Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the New Shares regardless of the Company's performance.

(d) **Liquidity risk**

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

(e) **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially and adversely affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

4.4 Other

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

5. ADDITIONAL INFORMATION

5.1 Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

This document contains a summary of information only which the Company does not purport to be complete. The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with the ASX.

There may be additional announcements made by Altura after the date of this Offer Document and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check the Company's website: www.alturamining.com or the ASX website: www.asx.com.au to see whether any further announcements have been made by Altura before submitting your application to take up your Entitlement.

5.2 Offer Document

This Entitlement Offer is being made pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. Accordingly, this document contains a summary of information only which the Company does not purport to be complete.

Neither this Offer Document nor the Application Form are required to be lodged or registered with ASIC. This Offer Document is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Altura. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on Altura and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Document and other announcements made available at www.asx.com.au or on the Company's website: www.alturamining.com.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on Wednesday, 17 October 2019. In addition to certain minor and technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

5.3 Information availability

Eligible Shareholders in Australia, New Zealand, Singapore or Hong Kong can obtain a copy of this Offer Document during the Entitlement Offer Period on the Company's website at www.alturamining.com. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and the other relevant information to which it refers.

The electronic version of this Offer Document will not include an Application Form. A replacement Application Form can be requested from the Share Registry during the Entitlement Offer Period between 8.30am and 5.30pm (AEDT) on Business Days by calling 1300 857 499 (within Australia) or +61 1300 857 499 (outside Australia).

5.4 Taxation

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Entitlement Offer or Shareholders applying for New Shares, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of accepting the Entitlement Offer.

6. GLOSSARY

A\$, \$ and dollars means Australian dollars, unless otherwise stated.

AEDT means Australian Eastern Daylight Time, being the time in New South Wales, Victoria and Tasmania during the period of daylight saving.

Altura Lithium Project means the Company's Pilgangoora lithium project located on mining leases M45/1230 and M45/1231 and owned by the Company's wholly owned subsidiary Altura Lithium Operations Pty Ltd.

Application means an application for New Shares pursuant to the Application Form.

Application Form means the Application Form attached to or accompanying this Offer Document.

Application Money means money received from an Eligible Shareholder in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Sub-register System.

Cleansing Statement means the notice lodged by the Company with ASX in accordance with section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer.

Closing Date means Friday, 15 November 2019, subject to the Company extending the date.

Company or **Altura** means Altura Mining Limited ABN 39 093 391 774.

Corporations Act means the *Corporations Act 2001* (Cth), including as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 in relation to the Entitlement Offer.

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at 7.00pm (AEDT) on the Record Date with a registered address in Australia, New Zealand, Singapore or Hong Kong.

Entitlement or **Right** means a Shareholder's entitlement to subscribe for New Shares offered under the Entitlement Offer.

Entitlement Offer or **Offer** means the offer to Eligible Shareholders of up to approximately 357,763,462 New Shares at an issue price of \$0.06 per New Share on the basis of 2 New Shares for every 13 Existing Shares held at the Record Date.

Entitlement Offer Period means the period commencing on Tuesday, 29 October 2019 and ending on Friday, 15 November 2019 at 5.00pm (AEDT) (subject to the Company varying these dates).

Existing Share means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

Ineligible Foreign Shareholder means a Shareholder who is not an Eligible Shareholder.

Katsura means Katsura Holdings Pte Ltd.

Listing Rules or **ASX Listing Rules** means the official listing rules of the ASX.

Loan Agreement means the loan agreement between the Company and Katsura, a party related to Mr Allan Buckler, a director of the Company, dated 16 October 2019.

New Share means a fully paid ordinary share in the capital of the Company to be issued under the Entitlement Offer.

Offer Document means this document, including any supplements or replacements to this document.

Offer Price means \$0.06 (6 cents) per New Share.

Official Quotation means official quotation on ASX.

Record Date means 7.00pm (AEDT) on Thursday, 24 October 2019.

Section means a section this Offer Document.

Senior Secured Loan Notes means the loan note subscription agreement dated 27 July 2017 and various parties, as amended pursuant to an amendment deed date 9 September 2018.

Shanshan means Shanshan Forever International Co., Ltd, together with the Shanshan Related Entities; namely Ningbo Yongshan Trading Co., Ltd, Ningbo Shanshan Co., Ltd, Shanshan Group Co., Ltd, Shanshan Holding Co., Ltd and Mr Zheng Yonggang.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Link Market Services Limited (ABN 54 083 214 537).

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under the Entitlement Offer by the Closing Date.

Shortfall Offer means the facility described in Section 1.7 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlements.

Shortfall Shares means New Shares for which successful valid Applications have not been received by the Closing Date.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

7. CORPORATE DIRECTORY

Directors

James Brown, Managing Director
Paul Mantell, Executive Director
Allan Buckler, Non-Executive Director
BT Kuan, Non-Executive Director
Dan O'Neill, Non-Executive Director
Xiaoyu Dai, Non-Executive Director

Registered Office

Altura Mining Limited
Level 2, 23 Barrack Street
PERTH WA 6000
T: +61 8 9488 5100
F: +61 8 9488 5199
Email: info@alturamining.com
Web: <http://alturamining.com>

Auditors*

PKF Hacketts Audit
Level 6, 10 Eagle Street
Brisbane, QLD 4000
T: +61 7 3839 9733

Legal adviser

Allion Partners Pty Ltd
Level 9, 863 Hay Street
Perth WA 6000

Company Secretary

Damon Cox

Share Registry*

Link Market Services Limited
Level 12, QV1 Building, 250 St George's
Terrace
Perth, Western Australia 6000
Offer Information Line: 1300 857 499
General Shareholder Enquiries: 1300 554 474

ASX Code: AJM, AJMOB

ABN: 39 093 391 774

* *This entity has not been involved in the preparation of this Offer Document. Its name is included for information purposes only.*