



ASX ANNOUNCEMENT 6 March 2020

ALTURA BALANCE SHEET STRENGTH UNDERPINNED BY NEW FINANCING PACKAGE

- *Three-year extension of existing Loan Note Facility*
- *Equity raise of \$11.2 million bolsters working capital*
- *\$50 million standby equity funding secured*

Altura Mining Limited (ASX: AJM) is pleased to announce a milestone financing package totalling A\$305 million which significantly strengthens the Company's balance sheet and cements Altura as one of the key players in the global lithium market.

Altura has executed new lending agreements with its current lenders lead by Magy LLC, an investment entity of private funds managed by Castlelake, L.P., Carval, Nomura and Clearwater Capital to extend the maturity of the existing US\$161 million (A\$244 million) loan facility out to August 2023. In addition, the Company has completed an equity raise of \$11.2 million to institutional and sophisticated investors, with the Altura board also participating in the raise subject to shareholder approval.

The final part of the financial package is a standby equity commitment provided by U.S. based institutional investment group LDA Capital to provide up to an additional \$50 million in equity financing, drawn at the discretion of the Company. Material details of the funding package are set out further in this announcement.

Altura Managing Director, Mr James Brown, said the financial restructuring package would underpin the Company, allowing it to continue to be a leading supplier of lithium concentrate while navigating its way through upcoming years.

"We are pleased by the support shown by our existing lenders, their belief in the Altura Lithium Project, management and the global lithium sector," he said.

"The combined sum of the financing package gives us considerable balance sheet strength and working capital headroom so we can continue to push through this period of market weakness. As has been the case since we commenced production, our strong position in the lithium market continues to be supported by our impressive operating performance and sought-after high-quality lithium products."

Altura Mining Limited ABN 39 093 391 774

Funding package overview

Debt facility

The Company has agreed with its existing loan note holders to amend the terms of the loan notes, the key amendments are as follows.

- Extension of the maturity date by three years to August 2023.
- Deferral of the February 2020 interest payment to February 2021.
- Waiver of the EBITDA : Debt financial covenant for the 2019/20 financial year, and a waiver of the requirement to not be suspended from trading for more than 10 consecutive trading days.

In consideration of these amendments and waivers, the Company has agreed as follows:

- Payment of an amendment fee of five per cent of the aggregate principal amount of the loan notes (including any capitalised interest) as at the February 2020 interest payment date, which will be capitalised and added to the principal amount of the loan notes and become payable (together with any accrued interest) on 15 October 2020.
- Within 60 days, the payment of a waiver fee of US\$1.6 million covering the waivers referred to above.
- The Company can repay the loan at its discretion without penalty at any time.
- Other than the payments for February 2020 interest, the amendment and waiver fees detailed above, no repayments are due on the loan until its maturity in August 2023. However, the Company continues to work with its financial advisors to re-finance the debt on more favourable terms as soon as practical.
- Subject to receiving shareholder approval, the Company will issue of shares to the holders of the loan notes (or their nominees) equal to 9.9% of the Company's fully diluted capital (taking into account the equity raise referred to below).

At this stage, the Company anticipates that the payment of the February 2020 interest and the amendment and waiver fees will be made from operational cashflow.

There are no additional material changes to the original Loan Note Subscription Agreement (see ASX announcement on 28 July 2017) subsequently amended by the additional facility (see ASX announcement on 11 September 2018).

Equity raise

Equity raise of \$11.2 million completed to sophisticated investors and includes board participation. The placement of 224 million fully paid ordinary shares ("New Shares") has been conducted at a price of A\$0.05 per New Share. The Placement price represents a 9.42% discount to the 30-day volume weighted average price for Altura's shares of A\$0.055. The New Shares will rank equally with existing Altura shares.

The equity raise will be issued under the Company's existing LR 7.1 placement capacity. An amount of \$5m of the placement will be issued to Mr Allan Buckler, a director, and is therefore subject to shareholder approval, though the Company has received these funds pending that approval. The amount represents 44.6% of the equity raise. Mr Terry Smith, a substantial shareholder, is also a participant in the equity raise.

Clarksons Platou Securities AS acted as an originator and advisor for part of the equity raise.

Equity Standby Financing

The Company has executed a Put Option Agreement (POA) with U.S. based LDA Capital, LLC (LDA), which will provide flexibility to the Company in regard to supplementary access to additional equity, if required and at the Company's election. The POA entitles the Company to issue shares to LDA (the Put option) over the next 3 years at the Company's discretion and receive funds for issue of those shares under the following key terms:

- Term of 36 months.
- Put option of up to A\$50 million at Company's election.
- Put option is priced @ 90% of the 15-day VWAP of the Company's shares following the exercise by the Company or a minimum price set by the Company, whichever is higher.
- The number of shares subject to a put option for any period is a maximum of 10 times the average daily number of the Company's shares traded on ASX during the 15-day period before its exercise.
- 74.4 million unlisted options issued by the Company to LDA with a 3-year term exercisable at 150% of the 30-day VWAP of the Company's shares following re-quotation on 6 March 2020, subject to shareholder approval.
- A commitment fee of 2% (A\$1 million), which is payable by applying 25% of any proceeds from a put option towards its payment (except in relation to the first two put option exercises by the Company, in respect of which it can retain all of the put option proceeds) provided that 50% of the commitment fee is paid within six months and the balance within 12 months.

Future issues of shares under the POA are expected to be issued under the Company's LR 7.1 placement capacity. Clarksons Platou Securities AS acted as the Sole Financial Advisor for the POA.

Extraordinary General Meeting

The Company will convene an Extraordinary General Meeting as soon as practicable to seek shareholder approval for:

- The issue of equity to the holders of the loan notes (or nominees) on extension of the debt facility;
- To issue the unlisted options to LDA in accordance with the POA; and
- To issue shares to the director who participated in the equity raise.

Shipping Update

The Company has maintained dialogue with its offtake partners in China in order to manage the potential impact on the timing of Altura's shipments, with the most recent record cargo shipped in January 2020 being unloaded without impediment. Feedback to date from customers have quantified between 2 - 4 weeks delay in restarting their operations with the only current impact on Altura being the planned February 2020 cargo moving to March 2020. The Company will keep the market updated in the event of any material changes to this situation.

Authorised for release by the Board of Directors

About LDA Capital

LDA Capital is an alternative investment group based in Europe and the U.S focused on investing in the private and public markets worldwide. LDA capital provides solutions to companies seeking financing in underserved markets and in complex conditions on a global basis. Our team has executed over \$5bn in transactions across 42 countries over the last decade.

About Altura Mining Limited (ASX: AJM)

Altura is a key player in the global lithium market and is leveraging increasing demand for raw materials for manufacturing lithium ion batteries for electric vehicles and static storage uses. Altura owns and operates the world-class Altura Lithium Project at Pilgangoora in WA's Pilbara region, which has a production capacity of 220,000tpa of high-quality spodumene concentrate. The Company has completed a Definitive Feasibility Study on a potential Stage 2 expansion, with a Final Investment Decision to be taken depending on market conditions, securing funding for the expansion and entering into long-term offtake agreements with customers.

For further information:

James Brown, Managing Director (+61 8 9488 5100)

Media

Michael Weir (+61 402 347 032) / Cameron Gilenko (+61 466 984 953)

Citadel-MAGNUS