

22 February 2016

ASX ANNOUNCEMENT

LETTER OF INTENT SIGNED FOR SPODUMENE CONCENTRATE OFFTAKE SHARE PLACEMENT WITH LIONERGY LIMITED

- **Offtake Letter of Intent with China-based Lionergy Limited for a minimum of 100,000 tonnes per annum (tpa) and up to 150,000 tpa of Spodumene Concentrate (lithium mineral).**
- **Sales price to be determined referencing prevailing US dollar market spot price for Lithium Spodumene Concentrate.**
- **Lionergy Limited has also agreed to subscribe for shares in Altura by way of a AUD3,000,000 placement @ 8.1 cents per share.**
- **The parties intend to enter into discussions regarding possible further investment and financing of Altura's 100% owned Pilgangoora lithium project.**

Altura Mining Limited (ASX: AJM) ("Altura" or the "Company") is pleased to announce that it has entered into a non-binding Letter of Intent (LOI) with China based group Lionergy Limited ("Lionergy") for offtake for a minimum of 100,000 tpa and up to 150,000 tpa of Lithium Spodumene Concentrate to be produced from Altura's 100% owned Pilgangoora Lithium Project.

Lionergy has also agreed to subscribe to shares in Altura by way of a AUD3,000,000 placement @ 8.1 cents per share. The placement to Lionergy demonstrates the confidence level shown in Altura and its flagship Pilgangoora Lithium Project. Both parties are working towards further developing the relationship and conducting a China marketing program this week to showcase the project potential to downstream lithium carbonate processors.

Lionergy Limited is a China based company specialized in the Lithium industry. Its business scope covers spodumene exploration, spodumene mine development, spodumene concentrate sales and distribution, Li₂CO₃ and LiOH manufacturing and sales, Lithium metal manufacturing, cathode materials manufacturing for Li-ion batteries. This broad coverage and the integration of the lithium industry places Lionergy at the cutting edge in China's Lithium industry.

The directors and the management of Lionergy have been working in the Chinese Lithium industry for almost twenty years. They have experienced the growth in the Lithium industry in China from a very small scale to a presently booming sector. The directors of Lionergy have established a very good reputation in the Chinese Lithium industry and are well connected.

In addition, Altura and Lionergy have also agreed to enter into discussions regarding possible investment and other project funding opportunities by Lionergy and its associates in the Pilgangoora Lithium Project, for the purpose of expediting the construction of the mine and processing plant.

Letter of Intent for Spodumene Offtake (LOI)

The summary key terms of the LOI are as follows:

- Altura and Lionergy will negotiate a Spodumene Concentrate Sale and Purchase contract under which Lionergy will purchase a minimum of 100,000 tonnes and up to 150,000 tonnes of spodumene concentrate each production year from Altura's Pilgangoora Lithium Project mine for the life of mine – nominally 20 years.
- Should Lionergy elect not to purchase the full 150,000 tonnes in any one year, Altura may place tonnage in excess of Lionergy's requirements with other customers.
- Spodumene Concentrate pricing for the first 150,000 tonnes is based on the prevailing US\$ market price. Subsequent pricing will be based on published spodumene sales prices or negotiated between the parties.
- Any tonnage produced above 150,000 tonnes in a production year will be offered to Lionergy on agreed terms – neither party is bound by exclusivity in regards to other potential offtake arrangements.
- Commencement of the Spodumene Concentrate Sale and Purchase contract is conditional on Altura obtaining required regulatory approvals and a decision to proceed to mine within 3 years of date of LOI signing.
- The transactions described in the LOI are non-binding on the Parties unless and until the detailed commercial terms of any Sale and Purchase Contract for spodumene are agreed and executed.
- Both parties will exchange confidential information under the confidentiality terms of the LOI.

Placement

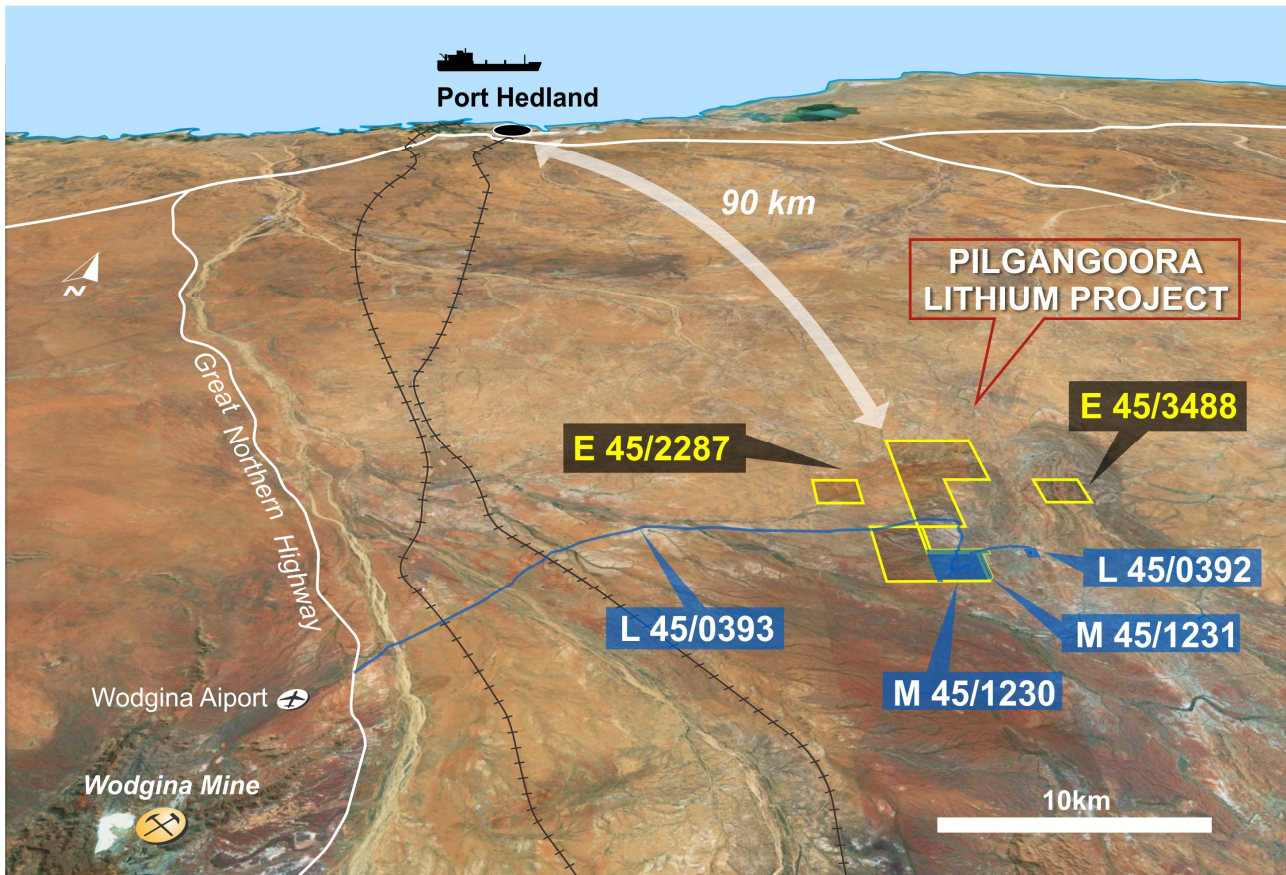
Additionally Altura is also pleased to announce that it has agreed to a private non-brokered placement with Lionergy to subscribe for a total amount of AUD3,000,000 in Altura shares, at a price of 8.1 cents per share.

The parties expect to sign a formal share subscription agreement outlining the detailed terms of the subscription in the next few days, with settlement planned to occur by Friday 4 March 2016.

The additional funds raised will primarily be directed toward the development of Altura's 100% owned Pilgangoora Lithium project, including completion of the Feasibility Study currently scheduled for completion by the end of March 2016 and acceleration of the proposed mining development.

In addition to the Lionergy placement, Altura currently has 192.5 million listed options exercisable at 2 cents before 30 June 2016. The prospective exercise of these options together with the current placement places Altura in a strong position to deliver the project studies for a decision to proceed to mine.

Altura Pilgangoora Lithium Project Location



About Lithium

Lithium (Li) is recovered from the mineral spodumene and lithium-rich brines. It is used in a range of products such as ceramics, glass, batteries and pharmaceuticals. Lithium use has expanded significantly in recent years due to increasing use in rechargeable batteries in portable electronic devices and in batteries and electric motors for hybrid and electric cars.

About Altura Mining Limited (ASX: AJM)

*“Aggressively building independently sustainable businesses that deliver profitability, liquidity and growth in coal and non-ferrous mining and exploration” - **The Altura Vision***

Altura is a multi-faceted miner with significant lithium interests; with the main focus being the development of its 100% owned Pilgangoora Lithium project in Australia. Altura also has interests in the producing Delta Coal project and the Tabalong Coal project in Indonesia. With experienced leadership and a strong and supportive shareholder base, Altura’s success is further underpinned by its solid suite of development projects.

Key Projects and Prospects:

- **Lithium:** Progressing to Feasibility stage at Pilgangoora WA, one of the world’s largest high grade deposits.
- **Coal:** a 33% interest in the Delta coal mine currently targeting production at the 1.5 million tonnes per annum rate in East Kalimantan, Indonesia.
- **Coal:** Mine construction planned at Tabalong upon receipt of final regulatory approvals.
- **Coal:** Exploration tenements at Catanduanes, Rapu-Rapu and Surigao del Sur located on the eastern seaboard of the Philippines.
- **Uranium:** Exploration stage of key targets in Hayes Creek region, Mt Shoobridge NT.
- **Base/Precious Metals:** Exploration stage for lead, copper, zinc, gold and silver prospects - Shoobridge NT, Pilbara WA, Tanami NT.

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