



ALTIUS MINING LIMITED (ASX: AYM)

12 August 2014

High Grade Drilling Results for Altius' Forsayth Project in North Central Queensland

- High grade drill hole intersects define two targets for further drilling
- 2.2m @ 7.24 g/t Au, 0.10% Cu and 14.2 g/t Ag intersected at West Canadian.
- 3.2m @ 8.67 g/t Au, 0.24% Cu and 11.7 g/t Ag intersected at Lady Franklin.

Altius Mining Limited (**Altius** or the **Company**) has received final analytical results for 15 diamond drill holes drilled at the Company's 100% owned Forsayth Project in North Central Queensland. To date, 3806.5m have been drilled to test a number of structures that were mapped by the Shandong Team. A complete list of the drill holes with results is included in Table 1 below.

Project Area	Drill Hole	Depth From (m)	Sample_Length	Au (ppm)	Ag (ppm)	Cu (ppm)	Significant Intersections
Lady Franklin	L19ZK1						No Significant Intersection
	L27ZK2	157.7	1	1.46	1.8	65	1.00 m @ 1.46 g/t Au
	L35ZK1	71.6	1	0.82	13.3	959	
			0.9	6.25	15.2	3940	1.90 m @ 3.39 g/t Au
	L27ZK1	80	0.7	0.53	0.9	271	
			0.5	20	11.7	4230	
			1	15.05	20.1	2510	
			1	2.33	10.9	2920	3.20 m @ 8.67 g/t Au
	L35ZK2	128	1	0.73	0.8	51	
			0.7	0.54	1	45	
			0.8	2.09	6.3	221	2.50 m @ 1.11 g/t Au
	L27ZK3	47.4	1	0.54		204	
			0.6	0.37		79	
			1	1.62	2.5	39	2.60 m @ 0.92 g/t Au
Canadian	C57ZK1	73.2	0.7	16.1	38.6	2190	
			0.9	4.53	1.9	442	
			0.6	0.96	4.3	476	2.20 m @ 7.24 g/t Au
	C41ZK1	84.2	0.6	2.41	51.8		0.60 m @ 2.41 g/t Au
Goldsmiths	G17ZK1						No Significant Intersection

Table 1: Reported drill holes at Forsayth and significant analytical results for all drill holes the company has received results for to date. Note: Intercepts were calculated using a 0.5 g/t Au cut-off.

The following maps show the locations and details of all holes drilled to date for the 2014 drilling program. Drill hole details can be found in the table included in Appendix 2.

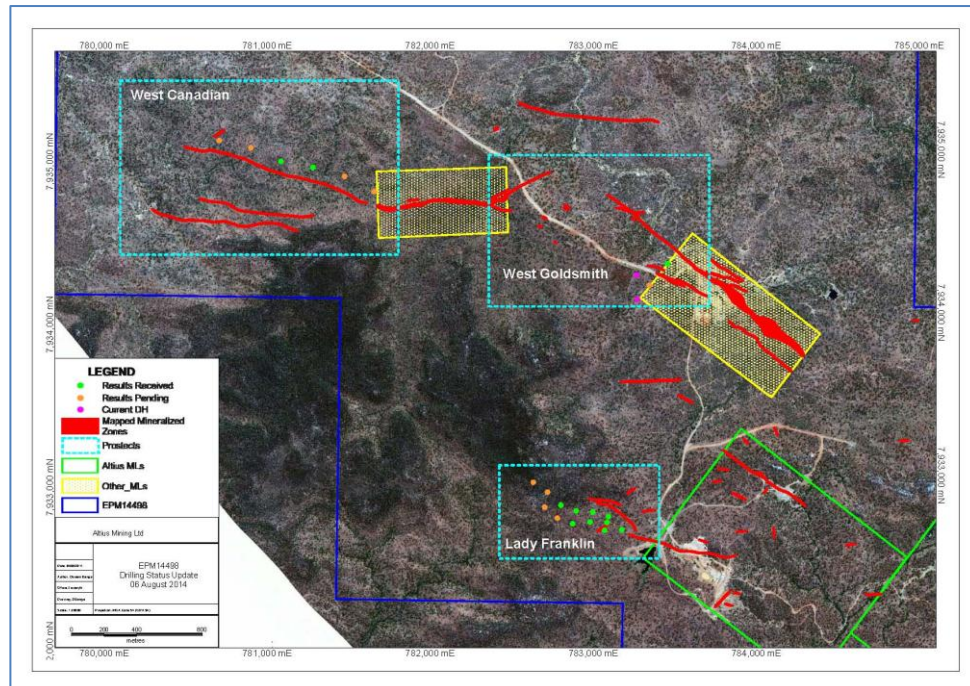


Figure 1: Overview of drilling program to date. Blue dotted lines outline the project areas corresponding to the detailed figures below.

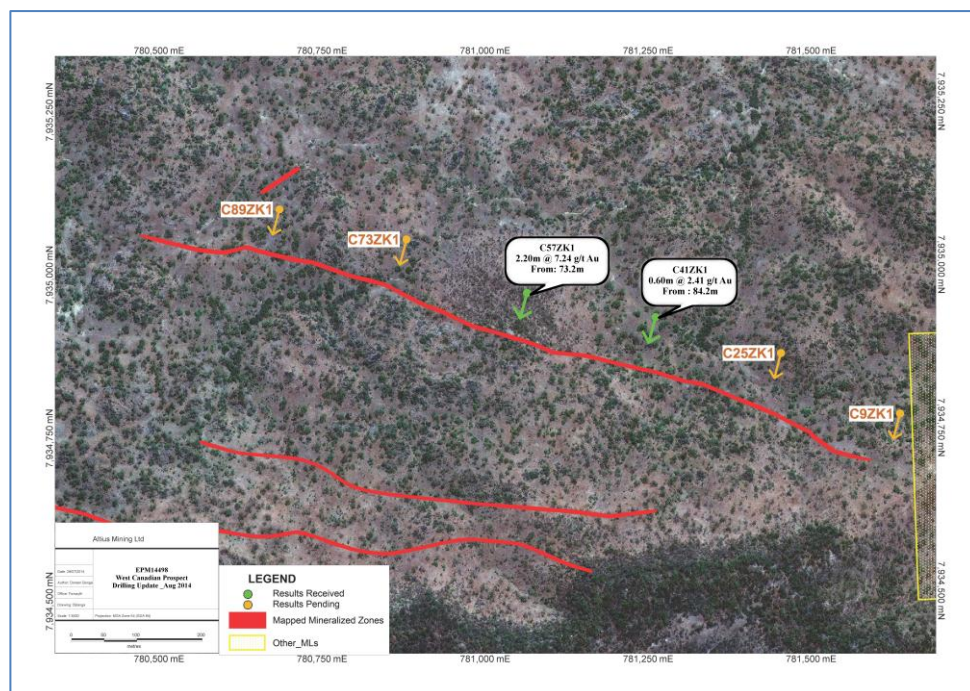


Figure 2: Drill holes in the West Canadian area

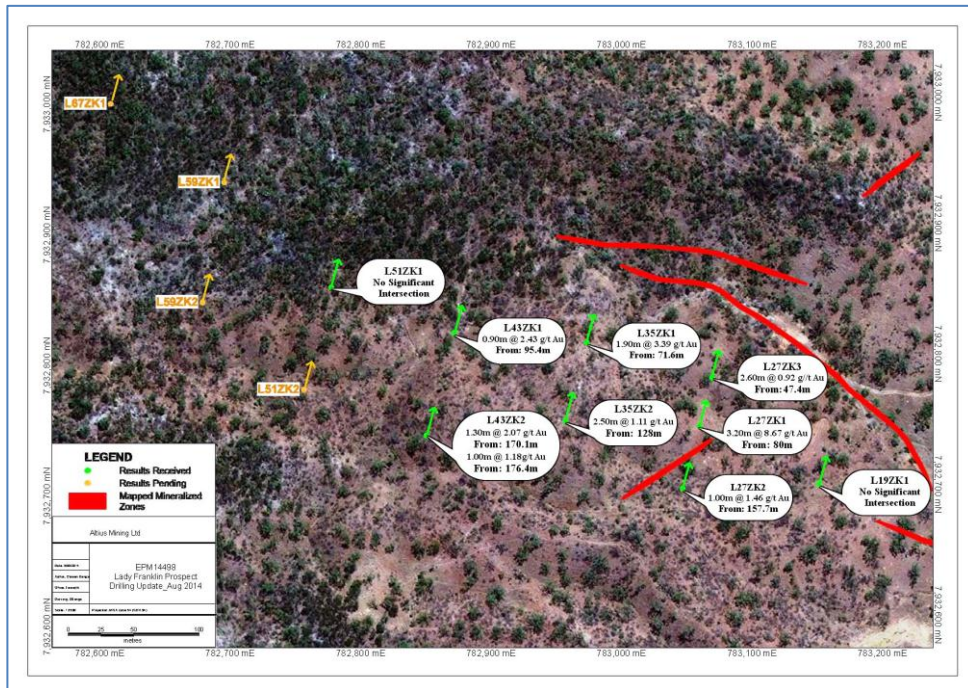


Figure 3: Drill holes in the Lady Franklin area

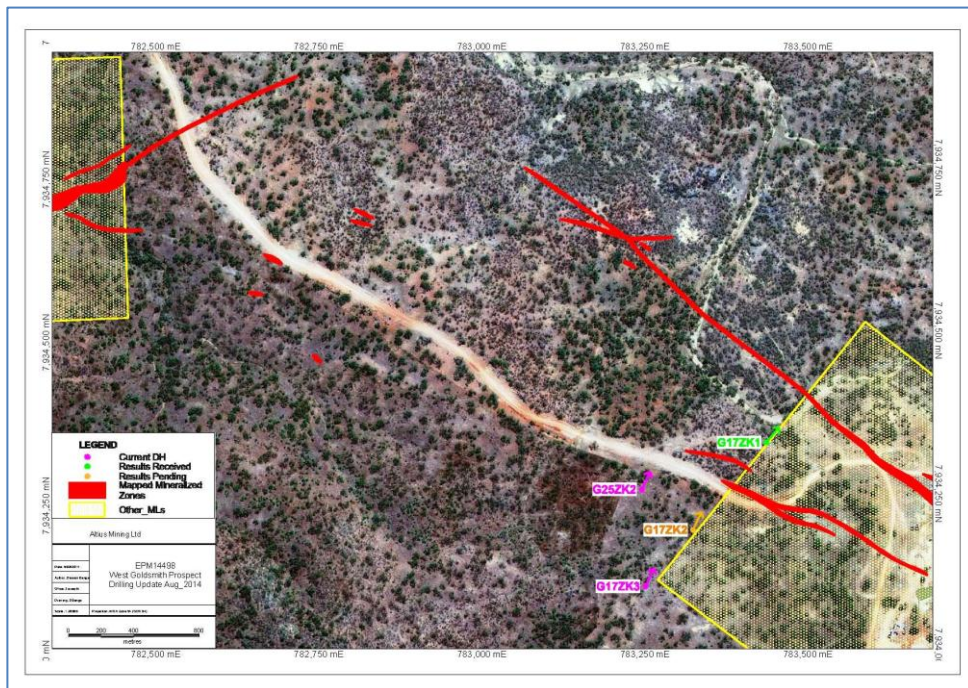


Figure 4: Drill holes in the West Goldsmiths area

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Graeme Fraser, a Competent Person who is a member of Australian Institute of Mining & Metallurgy. Mr Fraser is a full-time employee and Chief Executive Officer of Altius Mining Limited. Mr Fraser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fraser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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ABOUT ALTIUS

Altius Mining Limited (ASX code: AYM) is an emerging base and precious metal production and exploration company focused on the discovery, development and mining of its primary assets in far north Queensland (FNQ) and New South Wales (NSW). Whilst Altius is predominantly focused on the development and mining of its primary gold assets at Forsayth FNQ, the Company has also amassed substantial tenement holdings in highly prospective regions across a broad spread of commodities. Altius holds 100% interest in 8 exploration licenses in NSW, and one exploration licence and two mining licenses in FNQ respectively. Forsayth, in FNQ, is the Company's flagship project, with mining licenses and an almost complete milling, gravity and flotation circuit in place. Whilst focusing on Forsayth the Company also intends to undertake extensive exploration programmes and environmental studies to develop possible mining operations at Sofala, Karangi and the other NSW tenements.

APPENDIX 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling and assaying. Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 	<ul style="list-style-type: none"> All diamond drill core was cut with a manual core saw and sampled as half core. Due to the discrete nature of the mineralisation and alteration, geology was used to determine the intervals of core to be sampled. Sample length has not exceeded 1m but sample lengths between 0.3-1m were permitted with respect to geological contacts. The entire half core is sent to ALS (Townsville) where it is pulverised and a 50g charge fire assayed with an AAS finish for gold. Copper (Cu), Silver (Ag) and Arsenic (As) are determined using ICP - AES following four acid digest (HCl/HNO3/HClO4/HF).
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond core drilling, NQ core size
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core sample recoveries routinely measured and recorded in database. Recoveries greater than 97% are being achieved with single tube drilling. No bias generated.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Logging of geology, alteration and geotechnical aspects is completed for all drill core regardless of mineralisation. All drill core is photographed. Logging is qualitative. All drill core is photographed. The entire interval drilled has been logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> Core is halved by saw and half core is sampled.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Entire half core is crushed, split then pulverised at the laboratory prior to fire assay. This is an appropriate sample preparation technique that minimises bias. Field duplicates are regularly sampled. Half core samples are considered appropriate for the style and grain size of the mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The laboratory analysis technique involves the utilisation and preparation of the entire sample and is considered total and appropriate for samples of this nature. Fire assay is appropriate for the nature of the gold mineralisation. No Geophysical tools were employed in generating these results. Blank samples and registered Standards were inserted every 20 samples. The detection limit of ± 0.01 ppm for gold is considered sufficient for the level of assay reported.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections reported and verified by the competent person. No twinning of holes at this stage. The Company has internal data verification, data entry, and storage protocols which are adhered to. No adjustment has been made to the inputted data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drillhole locations were surveyed using DGPS. MGA95, Zone 54 Topography was surveyed using DGPS tied to registered government control points.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> Samples were collected at either 20m or 40m sample spacings along lines separated by 250m.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Drilling sampled and assayed at no more than 1m intervals down hole. No sample compositing applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Drilling orientation is orthogonal to the interpreted strike and dip of the mineralisation. No sampling bias interpreted
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples are in the possession of company personnel till delivery to the laboratory at which point the laboratory takes control as part of the chain of custody.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Internal reviews regularly completed. No external reviews conducted at this early stage.

APPENDIX 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> EPM14498 is held 100% by Altius Mining Ltd.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The following companies have all previously carried out exploration on the property but there is no existing data for work carried out on the areas currently under investigation. <ul style="list-style-type: none"> Mr B. Svirkis 1962 Assoc. Mining 1969 Gulf Minerals 1970 Forsayth Mineral 1970 Mineral Expl. NL BHP 1974 Urangesellschaft 1974-76 Australia P/L CRA Expl. P/L 1976-78 AOG Minerals 1978-79 Mr Vukotich 1980 SEREM 1981-82 HSE P/L & Assoc. 1982-83 Midapa P/L 1983-84 QMC NL 1983-85 Petrogram 1986-88 Orion Resour. NL 1987-89 Goldcopper Expl. Ltd. 1988-89 Kidston Gold Mines 1990-92 Odin Aust. P/L 1994-1996 Strike 1994 Union Mining 1996
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Intrusion related gold deposits.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> Drilling results have been weighted by interval. No high-grade cuts have been applied. See table below for drill hole locations, RL, azimuth, dip, length and interception depth.
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> 	<ul style="list-style-type: none"> Exploration results from drilling have been weighted by interval. Sub-intervals and corresponding interval grades are shown in table 1.
	<ul style="list-style-type: none"> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Lower cut-off grade of 0.5 g/t AU has been applied to significant intersections. No metal equivalents reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Drilling orientation is as close to orthogonal to the interpreted strike and dip of the mineralisation as possible.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See figures 1 to 4 for plan maps. At this early stage sectional views have not been included.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All drillholes drilled to date have been included. Those drillholes without significant gold mineralisation are reported as such.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> No other geological data that is considered meaningful or material has been omitted from this report.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> Current drilling has been completed at 200m spacings for the West Canadian area and 100m for the Lady Franklin area. These will be infilled to 100m and 50m respectively during future drilling.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

DHID	XCOLLAR_UTM	YCOLLAR_UTM	ZCOLLAR	DEPTH (m)	AZI	DIP	Depth to Intersection (m)
C41ZK1	781255.178	7934927.488	544.098	126.50	195	60	84.2
C57ZK1	781057.951	7934964.590	554.676	141.50	195	60	73.2
L19ZK1	783147.983	7932704.793	568.834	110.50	15	65	No significant intersection
L27ZK1	783056.415	7932749.248	577.889	144.40	15	65	80
L27ZK2	783043.565	7932701.399	576.528	270.40	15	80	157.7
L27ZK3	783066.252	7932786.168	578.934	86.50	15	60	47.4
L35ZK1	782969.975	7932813.177	591.388	98.40	15	60	71.6
L35ZK2	782953.768	7932753.191	600.895	149.90	15	60	128
L43ZK1	782868.383	7932820.422	582.396	126.30	15	55	95.4
L43ZK2	782847.13	7932741.901	597.183	213.40	15	60	170.1 & 176.4
G17ZK1	783429.350	7934337.941	540.588	89.50	40	80	No significant intersection
G17ZK2	783320.644	7934213.452	545.582	233.40	25	55	Results Pending
G17ZK3	783244.013	7934117.037			25	55	Results Pending
G25ZK2	783238.217	7934265.680			25	55	Results Pending
C9ZK1	781629.922	7934779.941	559.007	105.4	195	60	Results Pending
C25ZK1	781447.521	7934872.775	551.02	126.4	195	60	Results Pending
C73ZK1	780873.176	7935046.742	549.91	171.5	195	60	Results Pending
C89ZK1	780678.355	7935092.873	555.02	147.5	195	60	Results Pending
L51ZK1	782774.436	7932854.922	593.525	258.20	15	45	Results Pending
L51ZK2	782753.244	7932777.278	593.113	315.20	15	55	Results Pending
L59ZK1	782695.607	7932948.383	615.476	294.60	15	65	Results Pending
L67ZK1	782604.927	7932995.807	630.140	226.60	15	65	Results Pending
L59ZK2	782675.350	7932843.756	607.155	360.400	15	65	Results Pending