

8 July 2013

ASX ANNOUNCEMENT

Altura to become an Iron Ore Producer

Mt Webber DSO Project to commence production in Q2 2014

Mt Webber JV DSO (Western Australia) 30% Altura / 70% Atlas Iron

- Decision to proceed to mine allows for development of this valuable iron ore project
- Production to commence at 3Mtpa with scope to increase output in the future
- Altura entitled to 30% of initial production (900,000 tonnes per annum)
- Altura's projected annual revenue stream of \$92 million at current prices and exchange rates
- Current expected mine life of 18 years at 3Mtpa with the Mt Webber Joint Venture (M45/1209) accounting for more than 10 of those years.
- Agreements in place to allow mining, transporting and sale of Altura's share of product via Atlas Iron infrastructure
- Atlas provided finance package in place to cover Altura's capital expenditure commitments

Altura Mining Limited (ASX: AJM) is pleased to announce the approval of the decision to proceed to mine the Mt Webber JV DSO project located in the Pilbara region of Western Australia. Altura and its joint venture managing partner Atlas Iron have agreed to proceed to construct and develop the DSO (direct shipping ore) mining operation with first shipments planned for Q2 2014.

The Mt Webber DSO Project will produce 3 Mtpa (million tonnes per annum) of DSO material for sale through the Port Hedland export facility in north-western Australia. The Mt Webber JV DSO project is located on mining tenement M45/1209 which is majority owned (70%) and managed by Atlas Iron Limited (ASX: AGO), a Perth based iron ore producer, with Altura holding the remaining 30% interest. Atlas also holds 100% of the northern adjoining tenement (M45/1197) and it is planned that ore will be sequentially mined from both tenements during the life of the operation.

Project Overview

The Mt Webber DSO Project will initially produce ore at a rate of 3 Mtpa which may be increased to 6 Mtpa in the future. The current expected mine life for the Mt Webber project is 18 years at 3 Mtpa (M45/1209 and M45/1197). Altura will receive 30% of annual production equating to 900,000 tonnes per annum of DSO product until its share of project reserve is exhausted.

The project will produce a target ore grade of 57.2% Fe content, however this will be reduced where economically effective to maximise tonnes sold into the market. The Mt Webber mine will be constructed and developed to production in nine (9) months to support the mine production plan and ramping up to 3 Mtpa.

The fundamentals of the Mt Webber JV DSO operation are as follows:

- Atlas will operate and manage the project
- Altura will sell all of its share of the ore mined from the Mt Webber project to Atlas
- The point of sale of ore to Atlas will be immediately prior to the run-of-mine (ROM) pad stockpile
- Altura's selling price to Atlas at the ROM pad will be based on a FOB price at Port Hedland less the costs of processing, transport, stockpiling and loading the ore post the ROM pad
- Pricing will be determined by Atlas' average cargo ore sales on a monthly basis
- Altura will pay Atlas a fee to utilise the infrastructure provided by Atlas (road, port etc.)
- Altura will pay a marketing fee to Atlas for all ore sold
- Altura will pay 30% of all direct costs in order to deliver ore to the ROM stockpile
- Altura will assume 30% of the capital costs up to the point of sale at the ROM pad

Capital cost

The total capital estimate to develop the Mt Webber mining operations is estimated at \$146 million (in 100% terms). Altura will be responsible for 30% of the direct capital cost on the joint venture tenement (M45/1209) up to the point of delivery of ore (ROM pad). Current estimates place Altura's contribution to the capital cost to be \$5 million and confined to the development up to the ROM pad.

Mine operations

The Mt Webber deposit will be mined by conventional open pit mining practices, rock breakage by drill and blast and excavation by load and haul. The mine will be operated by a mining contractor with processed ore hauled a total distance of 230 kilometres from the product pad to the port facility in Port Hedland.

Ore is to be transported from the mine to the Marble Bar-Woodstock Road (MBWR) via a new section of private haul road and then 55 kilometres along the MBWR to reach the Great Northern Highway (GNH) before trucking to the Utah Point loading facility in Port Hedland.

Life of Mine cash operating costs are ~ \$56 FOB per WMT at 3Mtpa rate for the Mt Webber Project, with haulage and handling a significant part of this cost. In addition, Altura will pay an infrastructure usage fee and a marketing fee to Atlas, and State and Native Title Royalties.

Project financing

Altura will finance its share of the capital cost through an Atlas provided finance package with repayment of the loan derived from its share of ore sales proceeds from Mt Webber. The provision of the finance package has allowed the decision to proceed to mine to be accelerated, while Altura retains the option of replacing the current financing package should it wish to do so in the future.

Figure 1 – Mt Webber DSO Project Location

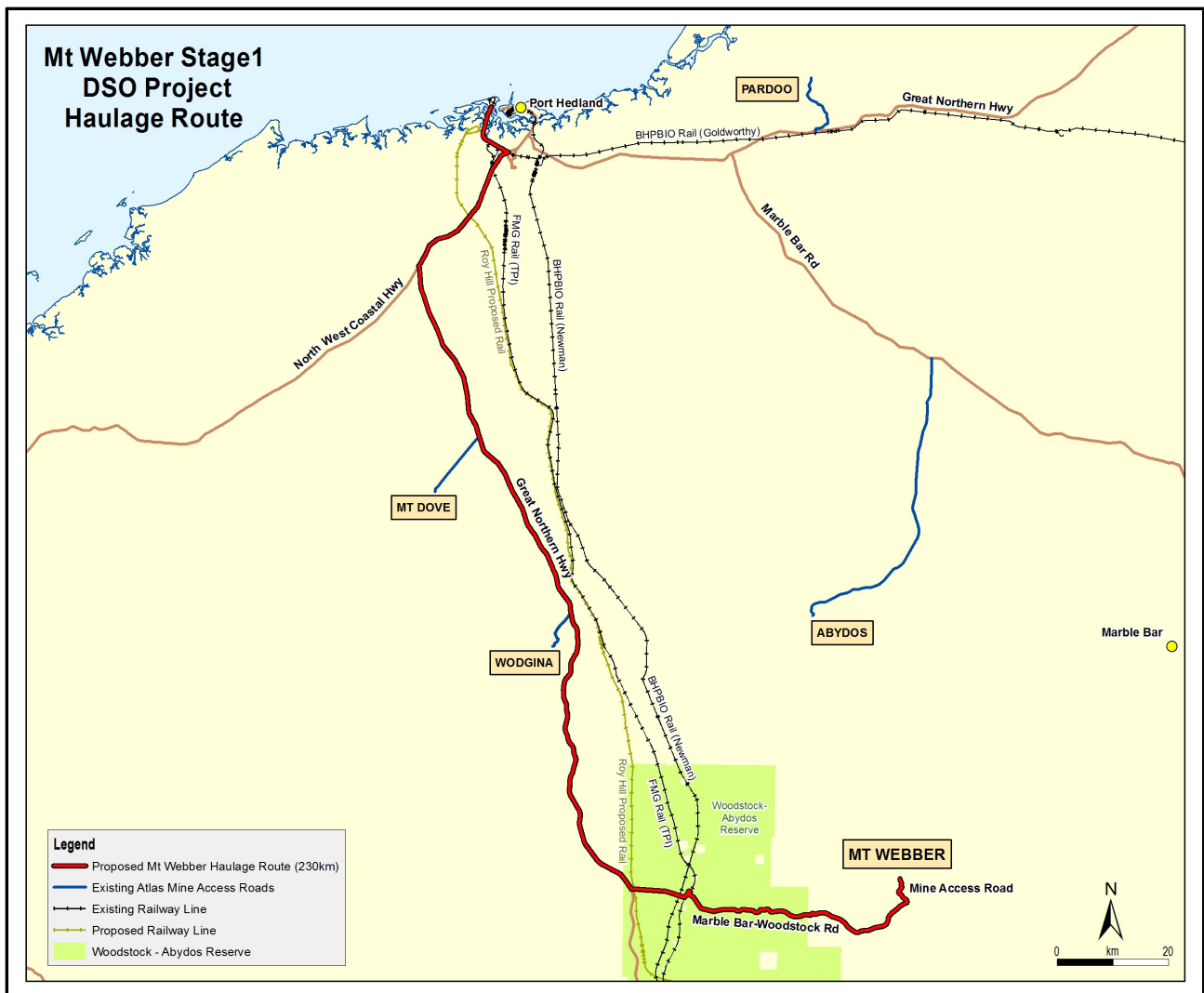
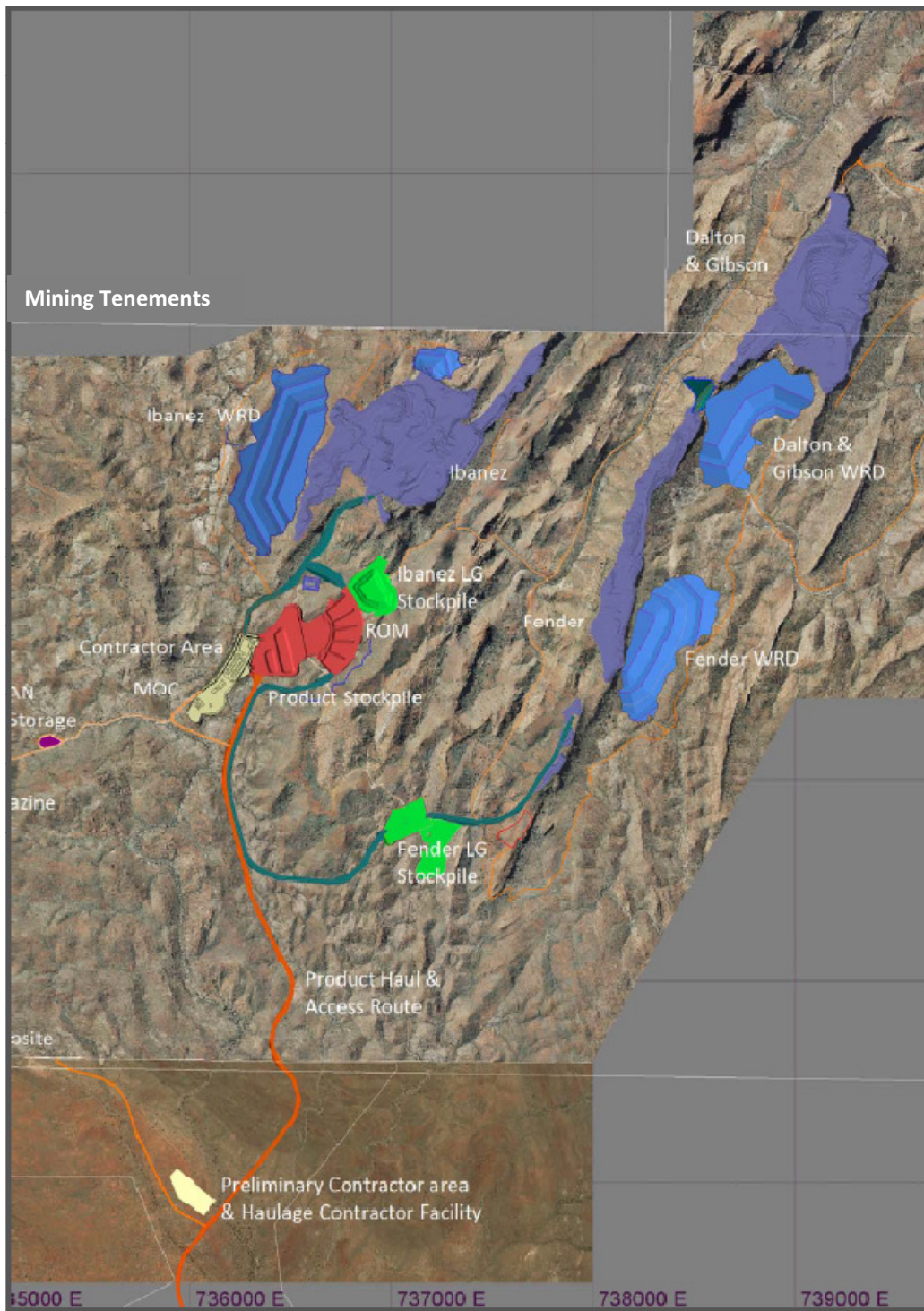


Figure 2 – Mt Webber Mine Layout



About Altura Mining Limited (ASX:AJM)

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

Altura is a multi-faceted miner with significant coal, iron ore and lithium projects in Indonesia and Australia, a diverse minerals exploration portfolio, and a profitable mining services arm that provides drilling, geophysical and project development services.

With experienced leadership and a strong and supportive shareholder base, Altura’s success is further underpinned by its solid suite of exploration and development projects. The Company’s main focus is coal production from the Delta Coal project in Indonesia, and the Tabalong Coal project which is in the final stages of approvals before mining commences.

Key Projects and Prospects:

- **Coal:** a 33⅓ % interest in the Delta coal mine currently producing 1.5 million tonnes per annum in East Kalimantan, Indonesia.
- **Coal:** Mine construction planned at Tabalong upon receipt of final regulatory approvals.
- **Coal:** Exploration tenement at Catanduanes on the eastern seaboard of the Philippines.
- **Iron Ore:** Mt Webber DSO joint venture with Atlas Iron, targeting commencement of production in 2014.
- **Lithium:** Prefeasibility at Pilgangoora WA, one of the world’s largest high grade deposits.
- **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, Smithfield WA, Tanami NT.
- **Garnet:** Balline Mineral Sands Project WA.

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