



ASX ANNOUNCEMENT | 24 July 2018

QUARTERLY ACTIVITIES REPORT June 2018

- *Construction activities at Altura's Pilgangoora mine site continued during the quarter and are due to be completed in July*
- *Commissioning of the dry components of the process plant is complete*
- *Commissioning of the wet components of the process plant is rapidly progressing and first product is expected in July*
- *Continued commitment to safety – 817,838 hours worked on the project to 30 June 2018 with LTIFR (Lost Time Injury Frequency Rate) of 1.22*
- *Definitive Feasibility Study for Stage 2 expansion of the Project completed*
- *Upgraded Ore Reserve estimate adds minimum additional 2 years to life of mine*
- *Offtake partner Lionergy to take the first shipment of Altura spodumene concentrate*



Altura Lithium Mining Operations

Altura Mining Limited ABN 39 093 391 774

LITHIUM

ALTURA LITHIUM – Pilgangoora (Western Australia - 100% AJM)

Altura Mining Limited is pleased to report that the construction and development of the Altura Lithium Project is almost complete.

Health Safety and Environment

Total project hours worked to 30 June 2018 of 817,838 man hours with 1 LTI (Lost Time Injury) resulting in a LTIFR (Lost Time Injury Frequency Rate) of 1.22. The result is well below a general mining industry standard of 4.9* and general construction industry standard of 8.8*.

*source: www.safeworkaustralia.gov.au

Construction and Commissioning Update

Key project milestones achieved during the June quarter included the following:

- Completion of the ball mill works
- Load commissioning of the crusher and screening plant has been completed
- Crushed ore stockpile created
- Commissioning of the High Pressure Grinding Rolls (HPGR) and the Dense Media Separation (DMS) modules
- Power station now in operation, and delivering electricity to the plant for the various stages of commissioning
- Structural, mechanical and platework installation virtually completed, with only minor items outstanding
- Piping installation at processing plant nearing completion
- Completion of the water treatment plant, and the raw water pumping systems
- Completion of the pipeline from the processing plant to the tailings storage facility
- Commissioning of the flotation circuit underway
- The metallurgy laboratory facility building has been assembled on site, and is now operational with testing of samples having commenced
- Composition of the workforce is changing with the progressive handover of the plant by Civmec contractors to Altura plant operations and maintenance staff

Mining of Ore

Full scale mining operations have recommenced in the mine pits to ensure the consistent delivery of ore to the ROM pad for crushing. The ROM stocks currently exceed 150,000 tonnes of ore.

Product Storage Facility

The construction of the product storage facility to accommodate Altura's spodumene concentrate in readiness for shipment has been completed. The product storage facility, built and operated by Qube at Wedgefield in Port Hedland, closes another important link in Altura's logistics chain, ensuring that Altura can consistently and reliably load cargo for supply to its customers.



Thickener tank full of process water during wet commissioning



Ball Mill feed during commissioning

Stage 2 Definitive Feasibility Study

The results of the Stage 2 Definitive Feasibility Study (DFS) were released during the quarter (see ASX announcement on 30 April 2018) with the study focusing on the duplication of the Stage 1 process plant to produce 440,000 tonnes per annum (tpa) of 6% spodumene concentrate. *

The key outcomes of the DFS include:

- Combined Stage 1 and 2 Project Net Present Value (NPV) of \$834 million over a 13-year mine life based on an ore reserve estimate of 34.2 million tonnes
- Life of Mine (LOM) cash cost of A\$324 per tonne of spodumene concentrate
- Capital estimate of A\$118 million and a payback period of 2.3 years
- LOM revenue set of A\$4.377B with LOM EBITDA of A\$2.473B over the estimated mine life

Table 1 – Stage 2 DFS Key Results *

Description	Units	Results
Average Annual Ore Feed to Plant (LOM)	Mtpa	3.08
Total Ore Mined	Mt	34.21
Annual Spodumene Concentrate Production (6% Li ₂ O)	tonnes	440,000
Life of Mine (LOM)	years	13
Total Spodumene Concentrate Produced	Mt	4.75
LOM Strip Ratio	waste:ore	3:1
Spodumene Concentrate Average Market Price ⁽³⁾	US\$/wmt	690
Capital Cost Estimate ⁽⁵⁾	A\$M	118
Total Revenue	A\$M	4,377
Project EBITDA ⁽²⁾	A\$M	2,473
Total Cash Cost FOB / tonne product ⁽⁴⁾	A\$	324
Net Present Value (NPV) ⁽¹⁾	A\$M	834.6
Internal Rate of Return (IRR)	%	62.6
Discount Rate	%	10
Project payback period	years	2.3
Exchange Rate	AUD:USD	0.7500

1. Net Present Value (NPV) is post-tax nominal basis, at a 10% nominal discount rate

2. EBITDA is listed on a real basis

3. Price based on FOB forecast equivalent - refer to Market and Pricing section

4. Total Cash Cost FOB / tonne product are defined as all cash costs to free on board, excluding royalties, interest, tax and depreciation

5. Excluding sustaining capital

The Company has significantly de-risked the execution of the Stage 2 project by already having all major statutory approvals in place, all product for the first three years accounted for through existing offtake agreements and the personnel and contractors already in place to commence construction.

The Board of Altura has endorsed the robust findings of the Stage 2 DFS, but the primary focus will remain on the completion of Stage 1, and subsequent ramp-up towards nameplate production before making a final investment decision on Stage 2.

* The Company confirms that all the material assumptions underpinning the Stage 2 DFS continue to apply and have not materially changed.

Upgraded JORC Mineral Resource and Ore Reserve Estimates

In late May Altura released upgraded Mineral Resource and Ore Reserve estimates for its 100%-owned Pilgangoora Lithium Project (see ASX announcement on 28 May 2018). The revised estimates followed the completion of an extremely successful drill program in the Southern Ridge Deposit area conducted during the March quarter.

The Project now has an Ore Reserve estimate of 41.1 million tonnes at 1.05% Li₂O and 432,000 tonnes of contained Li₂O, which is an increase of 7.1 million tonnes over the previous estimate released on 24 October 2017 (see Table 2 below).

Importantly, since this 20% increase to the Ore Reserve estimate was completed after the release of the Stage 2 DFS, a minimum of two years has been added to the estimated mine life of the project.

The Mineral Resource estimate was also revised up to 50.5 million tonnes at 1.01% Li₂O and 512,000 tonnes of contained Li₂O, representing an increase of 3.0 million tonnes over the previous October 2017 estimate (see Table 3 below).

The Mineral Resource and Ore Reserve estimation work was completed by Cube Consulting Pty Ltd, Perth, Western Australia.

Table 2 – Revised Ore Reserve Estimate – May 2018

JORC Category	Cut-off Li ₂ O%	Tonnes (Mt)	Li ₂ O%	Fe ₂ O ₃	Li ₂ O Tonnes
Proved	0.43%	8.3	1.14	2.13	94,000
Probable	0.43%	32.8	1.03	1.90	338,000
Total	0.43%	41.1	1.05	1.95	432,000

Table 3 – Revised Mineral Resource Estimate – May 2018

JORC Category	Cut-off Li ₂ O%	Tonnes (Mt)	Li ₂ O%	Fe ₂ O ₃	Li ₂ O Tonnes
Measured	0.40%	8.7	1.12	2.14	97,000
Indicated	0.40%	38.0	1.00	1.93	380,000
Measured & Indicated	0.40%	46.7	1.02	1.97	477,000
Inferred	0.40%	3.8	0.92	1.80	35,000
Total	0.40%	50.5	1.01	1.96	512,000

As advised in the original ASX release, the Ore Reserve estimates are reported at a 0.43% Li₂O cut-off, which is above the 0.40% Li₂O cut-off reported in the Mineral Resource estimates. This cut-off is above the theoretical economic cut-off grade that has been selected to provide a +1.0% Li₂O feed grade to the process facility.

2018 Regional Exploration Program Update

Southern Ridge Deposit

As stated in the previous quarterly report, drilling was conducted on the Southern Ridge Deposit which comprised 44 holes for a total of 4,654 metres of reverse circulation (RC) drilling. An additional three resource infill holes totalling 229 metres of RC drilling were completed at the northern end of the Stage 1 mining area.

The results from the drilling program were released on 13 March 2018, 10 April 2018 and 28 May 2018.

These results were then input into the upgraded mineral resource and ore reserve estimates which were announced on 28 May 2018 (refer to the previous page).

Utara Prospect

During the June quarter Altura conducted drilling on the Utara Prospect, which is located 6.5km north of the Altura Pilgangoora mine site. Utara adjoins the tenement boundary of the Pilbara Minerals Limited's tenement which covers the Monster Deposit.

The drilling program for the Utara Prospect comprised 41 holes for a total of 3,637 metres of reverse circulation (RC) drilling. The results are currently being prepared by Intertek and are expected to be available shortly.

Cleopatra Prospect (E45/2363)

The Cleopatra Prospect was first discovered by Lynas Gold NL (Lynas) in 1992, when at the time the prospect was described as "a new style of mineralisation for the area", given that it was located outside the structural trend of nearby deposits including the former Iron Stirrup and McPhee Gold Mines.

Lynas carried out shallow RAB drilling at the Cleopatra prospect area in 1993-94 and noted that the high-grade gold mineralisation lay within a steeply-dipping northerly trending shear zone hosted by epidotic and chloritised intermediate (high-Mg) volcanics (see ASX announcement on 14 December 2017).

During the June quarter Altura completed geological mapping work on the Cleopatra Prospect, which identified several outcrops of hydrothermally altered polymict breccias and quartz stock work veins.

The veining in some outcrops is bounded by epidotic alteration and the veins display colloform banding, quartz vugs, sulphide mineralisation and/or bladed textures, all of which are indicative of hydrothermal or epithermal mineralisation.

The purpose of the mapping work is to delineate the areas to be explored using a geophysical method known as dipole-dipole Induced Polarisation survey (DDIP). This geophysical survey work is planned to be carried out in the September quarter of this year.

CORPORATE

Offtake Update

During the June quarter Altura announced that it had recently spent time in China working with the offtake partners on the product pricing, cargo sizes and delivery schedules (see ASX announcement on 18 June 2018). The discussions provided a clearer understanding of each party's obligations and expectations to allow the development of the 2018 and 2019 shipping forecasts.

From these discussions Lionergy has confirmed that it will take the first shipment of Altura spodumene concentrate. Lionergy plans to undertake large-scale lithium carbonate conversion testing with the outputs used for verification of its lithium carbonate / lithium hydroxide plant located in Inner Mongolia, China. Lionergy has also indicated it would like to receive as much as possible of the 100ktpa minimum supply allocation under the Binding Offtake Agreement (BOA) as production at Pilgangoora ramps up in H2 2018.

Potential Control Transaction

The recent China visit also included positive discussions with JRO, which is currently undergoing a re-structure plan. That process is ongoing and has yet to conclude. Altura confirms there has been no change to any of the agreements that Altura has with JRO.

Altura continues to reiterate that at this stage there is no certainty that any transaction will proceed, and if so, on what terms.

SCHEDULE OF MINING TENEMENTS

The following mining tenements were held by the Company at the end of the quarter:

Location	Tenement	Interest
Pilbara, Western Australia	E 45/2277	100%
	E 45/2287	100%
	E 45/2363	100%
	E 45/3488	100%
	E 45/4894	100%
	E 45/5136	100%
	E 45/5137	100%
	P 45/2758	100%
	M 45/1230	100%
	M 45/1231	100%
	M 45/1260	100%
	L 45/400	100%
	L 45/401	100%
	L 45/404	100%
	L 45/409	100%
	L 45/416	100%
L 45/433	100%	
L 45/448	100%	
Tanami, Northern Territory	ELA 26626	10%
	ELA 26627	10%
	EL 26628	10%
	EL 29828	10%
Delta, East Kalimantan	PT Delta Ultima Coal	33½%
Tabalong, South Kalimantan	PT Suryaraya Permata Khatulistiwa	70%
	PT Suryaraya Cahaya Cemerlang	70%
	PT Suryaraya Pusaka	70%
	PT Kodio Multicom	56%
	PT Marangkayu Bara Makarti	56%
Catanduanes, Philippines	COC 182 (Area 3) – Catanduanes	100%
Albay region, Philippines	COC 200 (Area 4) – Rapu-Rapu	100%
Bislig region, Philippines	COC 202 (Area 17) – Surigao del Sur	100%

There were no changes to the portfolio of mining tenements during the quarter.

Competent Persons Statement

The information in this report that relates to the Mineral Resource for the Pilgangoora lithium deposit is based on information compiled by Mr Stephen Barber. Mr Barber is a Member of the Australasian Institute of Mining and Metallurgy. Mr Barber is the Exploration Manager at Altura Mining Limited and has sufficient experience that is relevant to the style of mineralisation 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 Barber consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Ore Reserve for the Pilgangoora lithium deposit is based on information compiled by Mr Quinton de Klerk. Mr de Klerk is a Fellow of the Australasian Institute for Mining and Metallurgy. Mr de Klerk is a Director and Principal Consultant of Cube Consulting Propriety Limited and has sufficient experience that is relevant to the activity of ore reserve estimation 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 de Klerk consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement on 28 May 2018.

About Altura Mining Limited (ASX: AJM)

Altura is building a leading position in the independent supply of lithium raw materials, with a world-class Altura Lithium Project at Pilgangoora to become Australia's next major hard rock lithium product supplier in 2018. Altura has an experienced in-house team focussed on delivering the Altura Lithium Project into production. The project is the most advanced stage, near-term producing lithium project; coupled with solid offtake partners and a market providing substantial growth opportunities to ensure positive shareholder returns.

For further information, please visit www.alturamining.com or phone:

Company:

James Brown, Managing Director +61 (0)427 988 898
Paul Mantell, Executive Director +61 (0)418 727 460

Media:

Michael Weir / Cameron Gilenko
Citadel- MAGNUS
+61 8 6160 4900