



14 October 2021

A\$6.5M equity raising to fund project development and ASX re-quotation process

A\$6.5 million in Placement commitments received from select institutional and professional/sophisticated investors located in North America, Asia and Australia

Funds to provide a strong platform for accelerated evaluation of Mallina (Western Australia) and Fish Lake Valley (Nevada, USA) lithium projects

Funding assists the Company to work towards satisfying conditions for ASX re-quotation, targeted for completion in Q4 2021 (CY)

New shares to be issued under combination of current placement capacity and shareholder approval at upcoming Annual General Meeting

Overview

Altura Mining Limited (**ASX: AJM** "Altura" or "the Company") is pleased to announce that it has secured significant investor support for its lithium development strategy in Australia and North America. Amidst a positive battery materials backdrop, Altura's project entry pathway, via earn-in opportunities at the Mallina hard-rock lithium project in Western Australia and the Fish Lake Valley Project in North America has provided the platform for strong investor support.

The equity raise will be undertaken by way of a A\$6.5 million placement ("Placement") through the issue of new fully paid ordinary shares at an offer price of A\$0.005 per new share. Altura notes that the Company completed considerable investor sounding meetings in order to derive this offer price which is based on a number of market comparables. Upon completion of the Placement the proforma market capitalisation of Altura will be approximately A\$21 million.

In order to ensure all shareholders have the same opportunity, as Placement investors, to participate in the Company's future growth, Altura also intends to undertake an Entitlement Offer of A\$2 million, at the same issue price as the Placement, details on the offer contained over.

Altura has also agreed to appoint Canaccord Genuity (Australia) Limited ("Canaccord") in a Corporate Advisory role. Given Canaccord's prominence in supporting and providing battery materials companies access to the global equity capital markets, Altura is pleased to formalise their support.

Placement Summary

Altura has received firm commitments to raise A\$6.5 million by issuing 1,300,000,000 new fully paid ordinary shares in the Company ("New Shares") via a two-tranche Placement:

- Tranche 1 has raised A\$2.07 million via the issue of 414,565,329 New Shares pursuant to the Company's existing ASX Listing Rule 7.1 capacity; and

- Tranche 2 to raise A\$4.43 million via the issue of 885,434,671 New Shares subject to shareholder approval, which will be sought at a forthcoming Annual General Meeting (formal notice of meeting is yet to be issued).

Entitlement Offer

Shareholders will be provided the opportunity to participate in an Entitlement Offer (via a Rights Issue) under the same terms as the Placement, the Entitlement Offer will seek to raise a maximum of A\$2 million. The Entitlement Offer will be based on an offer ratio of 1 New Share for each 8.5 shares held at the record date.

Full details of the Entitlement Offer will be provided in a full form prospectus to be released in the first week of November 2021 with a view to closing in the last week of November 2021.

Re-structure Process

On 5 March 2021, in order to progress the Deed of Company Arrangement (“DOCA”), the Company entered into a Loan Agreement for \$2.95M with the proponent of the DOCA, a special purpose vehicle ACN 647 358 987 Pty Ltd (“ACN”) established by the Directors of the Company (“Proponent”). The \$2.95M was used to fund the AJM Creditor’s Trust, provide working capital to the Company and to allow the re-structure process to proceed with both project development progression and positioning the Company for satisfying the requirements for re-quotations on the ASX.

The AJM Creditors Trust remains under control of Cor Cordis as trustees and has made disbursements totalling approximately \$1.75M to satisfy the trust’s obligations. Altura expects the Creditors Trust to be formally wound up in Q4 2021.

Upcoming Annual General Meetings

Altura is planning to hold the outstanding 2020 Annual General Meeting and the current 2021 Annual General Meetings in November 2021 (final dates to be confirmed in the Notice of Meeting(s)). Given the historical changes within the Company and the current re-structure process there will be a number of resolutions at the meeting(s) that will require shareholder approval. In order to provide shareholders with as much information as possible prior to the meetings, information on some of the key resolutions for approval can be found below.

Share Issue to Related Parties

As detailed above a Loan Agreement was entered into by the Company and the Proponent of the DOCA in ACN. The loan proceeds made available to Altura have been used with the sole purpose of achieving ASX re-quotations and therefore resurrecting value for existing shareholders. Had the loan funds not been made available then Altura would most likely have been liquidated resulting in little or no value, nor opportunity for future value to existing shareholders.

The terms of the loan were in line with general commercial terms (8% per annum interest rate and a term of 12 months from date of funding (5 March 2021)). The loan is unsecured and the Proponent retains the right to convert its loan into Conversion Shares at its election and subject to Shareholder approval. The conversion price will be a discount of 40% to the issue price of Shares offered in the Placement. Should the Proponent elect to receive repayment of the loan in cash then no Conversion Shares would be issued – part redemption is an option open to the Proponent.

The Loan Agreement also contains the requirement to issue 400 million “Security Shares” to the Proponent, these shares are to be issued in recognition of the risk associated with an unsecured loan

and the uncertainty of the future of Altura at the time the funds were made available, the issue of the Security Shares will require shareholder approval at the upcoming Annual General Meeting.

Share Issue for Tranche 1 and Tranche 2

The Company intends to release the following volume of shares as follows:

- Tranche 1 to issue 414,565,329 New Shares pursuant to the Company's existing ASX Listing Rule 7.1 capacity; and
- Tranche 2 to issue 885,434,671 New Shares subject to shareholder approval at a forthcoming Annual General Meeting

Ratification will be sought for Tranche 1 and Tranche 2 Placement share issues in order to satisfy the Placement process. The A\$6.5 million raised from the Placement is key to the re-structure of the Company and its re-quotations plans.

Capital Structure

The capital structure of the Company following the issue of the Tranche 1 and Tranche 2 Placement and the Security Shares is as follows (note these are nominal at this stage):

Description	Amount
Current shares on issue – held by Existing Shareholders	2,986,243,275
Tranche 1 Shares (T1)	414,565,329
Tranche 2 Shares including Security Shares(T2)	885,434,671
Security Shares	400,000,000
Total shares on issue (post issue T1/T2)	4,686,243,275
Percent shares held by Existing Shareholders (post issue T1/T2)	64%

The above capital structure of Altura (post Placement of the T1 and T2 shares and approval of the Security Shares) will deliver a post-restructure ownership to existing Altura shareholders of approximately 64%. The Company will be well funded, debt free (excluding the convertible loan) and will have secured access to lithium raw materials in Australia and the United States of America.

Change of Company Name

In order to mark a new era in the Company's development and the push forward with a primary focus in battery materials it has been decided to seek shareholder approval to change the name of Altura Mining Limited to Morella Corporation Limited ("Morella"). The change to Morella will mark a significant emergence to the market of the Company as it re-establishes itself in the battery material development and green energy supply chain.

Re-structure Timetable

The Company has provided a formal submission to the Australian Securities Exchange (“ASX”) outlining its intended path to apply for re-quotations on the ASX. A formal response from the ASX has been received and was in line with Altura’s submission. The key milestones that remain are as follows:

- Completion of a capital raise sufficient to satisfy project expenditure and working capital requirements - completed (subject to shareholder approval for Tranche 1 and Tranche 2 share issue);
- Execution of formal earn-in agreements for Fish Lake Valley (completed) and Sayona Pilbara tenements (completion set for October 2021);
- Lodgement of a full form prospectus with Entitlement Offer (scheduled for 1 November 2021); and
- Holding Annual General Meetings for Financial Years 2020 and 2021 – both to be scheduled for November 2021 (formal notice of meeting(s) to be issued shortly).

The Company is focussed on achieving the above milestones in order to achieve re-quotations before the end of the 2021 calendar year.

The below timetable is a guide to the expected dates for key processes of the re-structure and target re-quotations. These dates are a guide and there may be some movement for processes beyond the Company’s control.

Process	Date
Issue of T1 Shares pursuant to Listing Rule 7.1	15 October 2021
Notice of Meetings for 2020 and 2021 Annual General Meetings	27 October 2021
Issue of Rights Issue Prospectus	1 November 2021
Record date for Rights Issue	4 November 2021
Closing date for Rights Issue	25 November 2021
Annual General Meetings for 2020 and 2021	30 November 2021
Rights Issue shares issued	1 December 2021
T2 Shares issued (if approved at AGM)	1 December 2021
Anticipated re-quotations on ASX	Early December 2021

Formal Earn-in Option Agreement executed with Lithium Corporation

Following the commencement of the Fish Lake Valley Earn-in under the terms of a Letter of Intent (“LOI”) (refer to ASX Announcement *Project and Corporate Update* released 18 August 2021), Altura and Lithium Corporation formally executed an Earn-in Option Agreement (“EiOA”) on 12 October 2021.

The Terms of the EiOA remain consistent with the LOI. The project area subject to the EiOA has been reduced by Altura in order to focus on the most prospective 18 Claims within Lithium Corporation’s

Fish Lake Valley Portfolio. Altura retains the option to incorporate an existing (and additional) 68 Claims into the EiOA at its sole discretion.

Consistent with the terms of the LOI, the EiOA includes the provision of share based payments to Lithium Corporation as part of the Earn-in. The issue of shares to Lithium Corporation will be put to Shareholders for approval in a resolution to be scheduled at the Annual General Meeting.

Earn-in Agreement with Sayona Mining Limited

The Company has completed an extensive technical review over Mallina and the remainder of the tenement package that is subject to the Earn-in Agreement (“EiA”) with Sayona Mining Limited (refer to ASX announcement *Altura re-establishes earn-in agreement with Sayona for Pilbara lithium assets* released 2 June 2021).

In addition to the above Sayona and Altura have amended the EiA to allow the grant of a royalty arrangement for any lithium mined from the Mallina tenement as announced by Sayona (refer to ASX announcement *Sayona acquiring Moblan Project in boost for Quebec lithium base* released 30 Sep 2021). SYA and Canada based Lithium Royalty Corp. (“LRC”) have or intend to enter formal agreements to issue a 1.5% Gross Overriding Royalty (“GOR”) to LRC for a consideration of US\$500,000.

The amendment of the EiA provides a significant boost to the evaluation of the Mallina Lithium Project as SYA has agreed to provide Altura with the US\$500,000 proceeds from the GOR toward the lithium exploration programs at Mallina. The application of these funds will provide a pathway to fast track on ground programs and a strong show of support to the Sayona-Altura partnership.

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This announcement has been authorised for release by the Board of Altura Mining Limited.

About Altura Mining Limited Altura is an exploration and resource development company focused on lithium and battery minerals. Altura is currently evaluating several development opportunities, strategically located, in Tier 1 mining jurisdictions in both Australia and the United States of America. Altura will secure and develop raw materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.

Forward Looking Statements and Important Notice This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although Altura believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved where matter lay beyond the control of Altura and its Officers. Forward looking statements may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.