

25 February 2014

ASX ANNOUNCEMENT

Mt Webber Iron Ore Project to expand to 6mtpa producing significant operating cost reductions

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

- Stage 2 development approved to double production to 6mtpa in late 2014
- Life of mine operating costs reduced from \$56 to \$49-\$51/WMT
- Altura's 30% share of production will be 1.8mtpa from late 2014, which is forecast to generate pre-tax cashflow in excess of A\$45 million per annum based on current market prices and exchange rates
- Stage 1 remains on track for first cashflows to Altura to commence during the June 2014 quarter

Altura Mining Limited (ASX: AJM) is pleased to announce that joint venture partner Atlas Iron Limited (ASX: AGO) has approved the development of Mt Webber Stage 2, which will result in production doubling at Mt Webber to 6 million tonnes per annum (mtpa). First sales and cashflows from Stage 1 remain on track for the June 2014 quarter, with the expanded production rate of 6mtpa expected to be achieved by the end of the December 2014 quarter.

Altura will receive 30% of annual production equating to 900,000 tonnes per annum of direct shipping ore (DSO) from the commencement of operations during the June 2014 quarter, increasing to 1.8 mtpa once production at Mt Webber achieves 6mtpa in late 2014.

In addition to a doubling of production, pleasingly Altura notes a material reduction in forecast Life of Mine operating costs. Life of Mine operating costs are now anticipated to be in the range of \$49 to \$51/Wet Metric Tonne (WMT) on a nominal basis, which represents a significant reduction from the \$56/WMT originally estimated for the Stage 1 project.

These extremely competitive operating costs are driven by a strip ratio of 0.3:1, the economies of scale achieved on longer haulage distances and general mining economies of scale. In addition to the mine operating costs, Altura will pay an infrastructure usage fee and a management fee to Atlas, and State Government and other royalties.

Based on current iron ore prices and A\$:US\$ exchange rates, it is anticipated that the project will generate pre-tax cashflow of more than \$45 million per annum for Altura.

Altura views the imminent commissioning at Mt Webber as transformational, delivering a significant free cash flow contrasted against Altura's current market capitalisation. The commissioning at Mt Webber, Altura's modest required capital contribution and subsequent short lead time to Stage 2 only reinforces Altura's position and ushers in an exciting new phase in Altura's development.

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 projects. The Company's main focus is coal and its holdings include two coal projects in Indonesia, and one exploration tenement in the Philippines.

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 production to commence in mid 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.

For further information, please visit www.alturamining.com or phone James Brown, Managing Director +61 7 3814 6900, or Peter Wright , Investor Relations 0404 945 189.
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