

24 December 2014

## ASX ANNOUNCEMENT

### Altura to Sell Mt Webber Joint Venture Stake

- Sale of Altura's interest in the Mt Webber Iron Ore project to partner Atlas Iron
- Sale consideration is equivalent to current Atlas loan amount plus interest and current operating cash calls
- Altura to maintain a conditional royalty on ore produced from Mt Webber and any future iron ore mined from the remaining joint venture tenements

Altura Mining Limited (ASX: AJM) advises it has accepted an offer to sell its stake in the Mt Webber Joint Venture to managing partner Atlas Iron Limited (ASX: AGO) (**Proposed Sale**). The Mt Webber Joint Venture covers mining lease M45/1209 (Atlas 70%, Altura 30%), and with Atlas owning the separate northern adjoining tenement M45/1197 (Atlas 100%), Altura's share is approximately 16% of the combined Mt Webber project. The sale represents Altura's 30% interest in M45/1209 and the remaining undeveloped joint venture tenements.

The Mt Webber project commenced operations in July 2014 at an annualised target production rate of 3Mtpa (Altura stake 900Ktpa), however substantial reductions in the iron ore price in 2014 has placed Altura's stake in the operation under pressure and negative cashflow.

In order to remain in the joint venture Altura would be required to fund its share of the operations via cash calls monthly in advance. The Company has considered its position and determined that the sale of the asset offers certainty to both Altura and Atlas and provides a mechanism for the full repayment of Altura's liabilities under the Atlas provided funding package.

The final sale price will comprise the balance of the Atlas loan (A\$18M) and the remaining operating cash calls and sundry items such as interest. It is expected that the total transaction consideration will be approximately A\$22M, but will be subject to reconciliation post completion of the transaction.

The key terms of the Proposed Sale are as follows:

- Cash sufficient to discharge the outstanding principal and interest under the loan from Atlas and current cash calls to be paid to Atlas as Altura's nominee;
- Entry into a royalty deed providing for a 1% FOB sales royalty on iron ore sold from within the area of M45/1209 and M45/1197 up to the equivalent of Altura's current remaining 8.44 million DMT, payable only for months in which the average CFR 62% Fe index is greater than AUD\$95;
- Transfer of all Atlas rights in E45/2287 (Pilgangoora) to Altura;

- Transfer of the M45/1231 tenement (Pilgangoora lithium) and release of Altura's obligation to pay the Consideration of \$100,000 as per a previously entered agreement with Atlas (separate to the iron ore joint venture); and
- Entry into a royalty deed providing for a 0.3% (1% on 30% on tonnage) FOB sales royalty on iron ore sold from within the area of E45/2312, E45/2268, E45/2288, E45/2244 and E45/2346 (undeveloped exploration tenements subject to the Mt Webber Joint Venture), payable only for months in which the average CFR 62% Fe index is greater than AUD\$95.

Given the comparative size of the Company's interest in the Mt Webber project, the Proposed Sale is subject to shareholder approval. The Company is preparing a notice of General Meeting to seek such shareholder approval and expects to hold the General Meeting in early February 2015.

Altura would like to thank Atlas' board, management and staff for their ongoing support and partnership over the last 5 years. Altura looks forward to maintaining the relationship as both parties continue to develop Pilbara projects.

Post the divestment of the Mt Webber project, Altura intends to direct its focus to its compelling broader portfolio of projects. These include the Delta Coal Mine, progression to production of the low capex Tabalong Coal Project and the Pilgangoora Lithium project hosting one of the sectors largest and highest grade established hard rock lithium deposits. Further market updates will be provided as the process continues.

### **About Altura Mining Limited (ASX:AJM)**

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

*Altura is a multi-faceted miner with significant coal 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 rate 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.
- **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 <a href="http://www.alturamining.com">www.alturamining.com</a> or phone James Brown, Managing Director on + 61 7 3814 6900.
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