

31 July 2015

QUARTERLY ACTIVITIES REPORT June 2015

Highlights

Lithium

- Following a successful capital raising Altura will now accelerate the undertaking of various studies required for the Feasibility Study process.
- Ravensgate appointed to complete independent resource review.
- Altura continues search for a strategic investment partner to develop the world class Pilgangoora project.

Coal

- During the quarter 104,230 tonnes of coal produced from the Delta Coal mine – Altura share 34,743 tonnes.
- Focus continues on contract negotiations on a reduced cost basis and lower cost mining areas.
- Two further (2) Coal Operating Contracts (COC) awarded by the Philippines Government to Altura's Philippines subsidiary company.

Corporate

- Rights Issue successfully concluded with A\$3.04 million raised following strong shareholder support.
- Further funds of A\$0.66 million raised through Share Placement.
- Intended Singapore listing process continued with positive results from independent technical reviews.
- Agreement negotiated with ABM Resources NL to sell 90% interest in four (4) tenements in Tanami region of the Northern Territory.

LITHIUM

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

Altura has previously identified a world class lithium deposit located in the Pilbara region of Western Australia. Following the completion of a project scoping study (see ASX release on 19 November 2012) the Company believes there is strong potential for the deposit to be mined and to be able to recover a highly saleable spodumene concentrate.

With the successful raising of funds during the quarter, Altura is now in a position to accelerate the undertaking of the various studies required as part of the Feasibility Study process. To this end several stages of the study are planned to run concurrently for the remainder of the 2015 calendar year.

Proposals have been received for some parts and formal contracts are planned to be awarded to successful service providers in the coming weeks.

The planned stages of the Feasibility Study are:

Geological and Resource Assessment	Marketing
Geotechnical Evaluation	Water Management
Mining	Environment
Process Plant Design	Supporting Infrastructure
Minerals Processing	Mine Closure
Capital Costing	Risk Analysis
Operating Costing	Native Title Agreements
Financial Evaluation	Pastoral Leaseholder Agreements

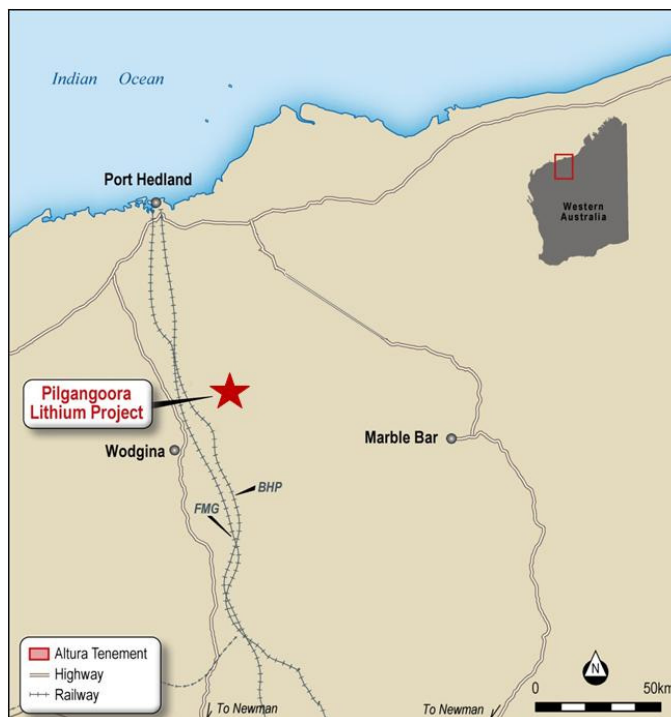
Altura is also currently preparing diamond core samples for further laboratory testing to provide additional information in order to evaluate the potential to recover more mineralised material from the overall ore feed in both the coarse and fine fractions.

The core was retained from a diamond core drilling program initiated following the completion of the 2012 Scoping Study. This additional comminution, dense media separation and flotation testing is anticipated to be completed within 3 months.

Altura has recently awarded Western Australian based consultants Ravensgate Pty Ltd with a contract to provide an independent review of the Pilgangoora geological database and update of the JORC mineral resource estimate. This work will feed into the proposed mining study and is expected to be completed in the current quarter.

Altura is continuing to identify a suitable off-take and equity partner for this project.

Location Map – Pilgangoora Lithium



LITHIUM CORPORATION (Nevada, USA & British Columbia, Canada - 15% AJM)

During the quarter Lithium Corporation conducted a geophysical program at its BC Sugar flake graphite prospect in British Columbia. The Company utilised both Ground Penetrating Radar (GPR), and GEM-2 Electromagnetic (EM) techniques in the search for larger bodies of weathered, and easily extractable gneissic rock that may host economically significant concentrations of flake graphite.

The results from the preliminary geophysical surveys at the BC Sugar flake graphite prospect in south central British Columbia were mixed due to the survey being conducted soon after the snow melt. The Ground Penetrating Survey did not prove effective as the saturated sediments near the surface attenuated or absorbed the bulk of the radar waves – both transmitted and received, the data was sub-par on four of the five lines. However, the GEM-2 electromagnetic survey did pick up the mineralized zone, exhibiting a robust, wide anomaly in the area of the Weather Station showing, where the Company has made application to the BC Ministry of Energy and Mines to trench this year. Lithium Corporation is currently evaluating the benefits of possibly expanding on the data acquired from this program.

Please refer to the Lithium Corporation website for further information.

About Lithium

Lithium (Li) is recovered from the mineral spodumene and lithium-rich brines. It is used in a range of products such as ceramics, glass, batteries and pharmaceuticals. Lithium use has expanded significantly in recent years due to increasing use in rechargeable batteries in portable electronic devices and in batteries and electric motors for hybrid and electric cars.

COAL

DELTA COAL MINE (East Kalimantan – Indonesia) Thermal Coal (33⅓% AJM)

Mine Operations

Production and sales for the quarter were as follows:

	June 2015 Quarter Tonnes	June 2014 Quarter Tonnes	12 months to June 2015 Tonnes
Saleable coal production (100% terms)	104,230	286,625	744,738
Coal sold (100% terms)	119,241	294,228	822,964
Saleable coal production (Altura 33⅓% share)	34,743	95,542	248,246
Coal sold (Altura 33⅓% share)	39,747	99,409	274,321

Production at Delta Coal during the 3 months to June 2015 was well below the previous quarter with monthly average coal production of 34,743 tonnes (monthly average March 2015 quarter of 76,208 tonnes) and significantly below the annual target of 1.5Mt. The drop in production has been caused by delays in entering new lower strip ratio mining areas and continued negotiation with Delta's contractors in order to reduce mining costs and improve on site efficiencies.

Coal production has been reduced at the Delta Coal operations as the company continues negotiations with its mining contractors in order to provide a sustainable long term solution to consistent cost effective production from the mine. The mine aims to reduce costs in order to offset reductions in coal prices with consideration to the long term extraction of the mine's considerable coal resources.

Discussions with both mining contractors are based on a 13% reduction in overburden removal rates, allocation of newer lower strip ratio mining areas and overall improvements in equipment availability and productivity. It is planned to apply minimum operational performance targets linked to the mining contracts themselves.

Coupled with the above matters Delta had a deferment of committed coal sales in May and June which forced the company to review its production in order to avoid overstocking and potential material handling problems with the product coal. Currently the mine is focussed on providing conclusion to the contract negotiations and allocation of mining areas.

During the quarter the company also engaged external Australian based mining consultants to conduct a review of the current coal resources, mining reserves and Life of Mine plan. An optimisation process has been completed and shows significant opportunity to move production into lower strip ratio and higher calorific mining deposits within the concession. This work will also form the basis for the independent technical reports as a pre-requisite for the intended Singapore listing of Delta Coal and the Tabalong Coal concessions. It is anticipated that a revised Coal Resource and Coal Reserve estimate will be completed and released during the current quarter.

During the June quarter the mine operations experienced 51 rainfall affected days for a total of 986 millimetres which was higher than the March quarter (50 rainfall affected days for a total of 868 millimetres). This sustained rainfall affected coal production with several coal inventory exposed pits becoming inaccessible for extended periods.

The June quarter average coal price received was US\$38.51 (equated to FOB basis) per tonne which is in line with the previous quarter with coal sales ranging from 4,400 kcal /kg to 4,800 kcal/kg (GAR).

Coal Pricing

The Indonesian Coal Reference Price or HBA for June 2015 was US\$59.59 per tonne representing a 12% decrease to the US\$67.76 price for March 2015. The HBA represents the Indonesian Government set benchmark pricing for coal sales and is based on GCV (GAR) 6,322 kcal/kg, Total Moisture (arb) 8.00%, Sulphur (arb) 0.80% (arb) and Ash Content (arb) 15.00%. Therefore price adjustments (based on quality) are performed in order to equate to Delta's range of coal specifications from 4,400 – 5,000 kcal/kg (GAR) products.

TABALONG COAL JOINT VENTURE (South Kalimantan – Indonesia) - 70% AJM

The Tabalong Coal Project consists of five (5) Mining Licences (IUPs) in the province of South Kalimantan on the island of Borneo. All five (5) IUPs are granted for Operation Production and Altura is seeking the necessary Forestry Land Use approvals to allow mining to proceed.

Project Approvals

Altura advised on 30 September 2014 that it had received the In-Principle Forest Area approval from the Indonesian Minister for Forestry for its 70% owned Suryaraya Permata Khatulistiwa (SPK) IUP in the northern area of the Tabalong Coal Project in South Kalimantan, Indonesia.

The initial approval area of 465.29 hectares allows for the mining pit, waste dumps, mine infrastructure and haul road with the survey and compliance documentation (including marking out of the area).

The company continued preparations to complete work program required to gain formal issue of the Borrow and use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan). Altura is also seeking the grant of a secondary parallel forestry permit application for an adjacent area held by Suryaraya Cahaya Cemerlang (SCC).

Upon conclusion of the coal asset listing process in Singapore it is anticipated that the additional funds raised will enable a fast-tracking to production at Tabalong.

PHILIPPINES

In late June Altura was advised that it had been successful in the award of a further two (2) Coal Operating Contracts (COC) to its subsidiary company, Altura Mining Philippines Inc. (AMPI).

The two contracts are for areas which were bid for in the Philippine Energy Contracting Round 4 (PECR4) held in March 2012. AMPI was previously successful with its other tender bid in the PECR4 process through the awarding of the Area 3 contract in the Catanduanes region.

The details of the two new contracts are:

➤ Coal Operating Contract No. 200 (Area 4 – Rapu-Rapu, Albay region)

This area consists of 3,000 hectares and is located immediately adjacent to the coal producing Rapu-Rapu Island on the mid-eastern seaboard.

➤ Coal Operating Contract No. 202 (Area 17 – Surigao del Sur, Bislig region)

This area consists of 7,000 hectares and is located on the south-eastern seaboard in the existing Bislig coal mining area.

The Republic of Philippines has significant coal resources of mostly sub-bituminous rank coal with the Department of Energy (DOE) reporting potential resources of 2.37 billion tonnes (December 2010). The PECR4 bidding process was aimed at the development of energy projects to meet the expanding domestic supply requirement.

Coal consumption in the Philippines reached over 18 million tonnes in 2012 with almost 12 million tonnes imported, primarily from Indonesia. The majority of coal is required to feed the country's eleven (11) existing coal fired power plants and the need is set to expand with the Philippines' plans to construct a further seven (7) coal fired power plants.

AMPI will now commence exploration activities in these two newly awarded contract areas in line with the approved work program and stakeholder consultation process.

About Coal

Coal is a plentiful natural source of energy. Thermal coal provides a reliable fuel for electricity generation with Indonesia now the world's largest exporter of thermal coal products. Higher value PCI (pulverised coal) and coking coal are used in the production of steel.

CORPORATE

CAPITAL RAISING – NON-RENOUNCEABLE RIGHTS ISSUE & PLACEMENT

During the quarter Altura conducted a Non-Renounceable Rights Issue to its shareholders, and was successful in raising approximately A\$3.04 million (out of a total of A\$3.19 million sought through the Rights Issue).

Altura was pleased to receive strong support by shareholders for their entitlement and additional shares. This high level of subscription resulted in little requirement by the sub-underwriters to meet the shortfall, who were nonetheless keen to participate in any shortfall.

Altura in conjunction with the underwriter Bizzell Capital Partners subsequently conducted a Placement to meet the additional demand from the sub-underwriters. The Placement raised a further A\$0.66 million (before issue costs) for the Company.

The new shares for both the Rights Issue and the Placement were issued at 1 cent each. For every two (2) new shares issued, there is a free attaching option exercisable at \$0.02 each with an expiry date of 30 June 2016.

The funds raised will be used for the completion of feasibility studies and progression of the mining lease towards grant at the Pilgangoora Lithium Project, and for working capital purposes.

SINGAPORE LISTING OF INDONESIAN COAL ASSETS

During the quarter, Altura has continued to progress the listing of its Indonesian coal assets on the Singapore stock exchange. These existing investments comprise:

- (a) a 33⅓% interest in the Delta coal mine in East Kalimantan, Indonesia (the **Delta Project**); and
- (b) a 70% interest in three Mining Permits (“SPK”, “SCC” and “SP”) and a 56% interest in two Mining Licences (“KM” and “MBM”) that form the Tabalong coal project in South Kalimantan, Indonesia (the **Tabalong Coal Project**).

As part of the planned listing, funds will be raised in Singapore to fund the development of the Tabalong project through to production, strengthen the balance sheet for the existing Delta mine and progress the exploration programs for both projects.

Whilst Altura will no longer have majority ownership of the Tabalong project, it will however retain a controlling interest by holding two of the five board positions, including the Chairman’s role. The process is targeting completion by September / October 2015.

The shareholder group (including Altura) has continued to complete the pre-requisite documentation required for submission to the SGX, and the group believes the process is well on track for completion however some key deliverables remain outstanding. The key remains the finalisation of the technical reports (including revised JORC Reserve and Resource estimates) after peer review and the reliance of these reports for valuation purposes. As previously mentioned in

the Delta Coal section, the process is substantially reliant on successful negotiation of contractor rates and reliable production in line with forecast. The prevailing coal market conditions have provided challenges and contributed to some revisiting of these technical reports.

SALE OF TANAMI TENEMENTS (Northern Territory)

Altura announced on 29 June 2015 that it had entered into an agreement with ABM Resources NL (ABM) to sell 90% of its right, title and interest in its four (4) tenements located in the Tanami region of the Northern Territory.

The principal terms of the agreement are:

- Altura has received a \$25,000 non-refundable option fee from ABM, who have been granted a 6-month exclusivity period.
- Altura to receive a further \$100,000 subject to the completion of due diligence and obtaining the requisite approvals.
- Altura and ABM to form an unincorporated joint venture on either the definition of a JORC resource of at least 250,000 ounces of gold, or a decision to mine a smaller resource.
- Altura to retain a free-carried interest of 10% in the tenements until the above conditions for the formation of a joint venture have been met.

The four Tanami tenements comprise two that have been granted (EL 26628 and EL 29828) and two that are in application (EL 26626 and EL 26627), and collectively comprise an area of nearly 2,000 square kilometres.

IRON ORE

MT WEBBER (Pilbara – Western Australia) – Residual Royalty Rights

Post the sale of Mt Webber to Atlas Iron, Altura retains the following residual royalty rights:

- 1% FOB sales royalty on iron ore sold from the Mt Webber production tenements (M45/1209 and M45/1197) up to the equivalent of Altura's current remaining share (8.44 million DMT), but only payable for the months in which the average CFR 62% Fe index is greater than A\$95; and
- 0.3% FOB sales royalty on iron ore sold from the undeveloped Mt Webber exploration tenements (E45/2244, E45/2268, E45/2288, E45/2312 and E45/2346), but only payable for the months in which the average CFR 62% Fe index is greater than A\$95;

As advised in the previous quarterly report, the royalty arrangements on iron ore at Mt Webber are based on Altura's proportion of the defined resource, and continue until such time as the remaining share is mined and sold with no sunset clause in effect.

Altura notes the announcement by Atlas Iron Limited on 1 July 2015 that mining operations have recommenced at the Mt Webber mine (which was the subject of the joint venture with Altura). Mining and crushing at Mt Webber had previously been suspended by Atlas in mid-April 2015.

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 45/3488	100%
	P 45/2758	100%
	M 45/1230	100%
	M 45/1231	100%
Mt Shoobridge, Northern Territory	EL 29549	100%
	MCN 60	100%
	MLN 296	100%
	MLN 544	100%
Tanami, Northern Territory	ELA 26626	100%
	ELA 26627	100%
	EL 26628	100%
	EL 29828	100%
Delta, East Kalimantan	PT Delta Ultima Coal	33⅓%
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%

The following mining tenements were acquired during the quarter:

Location	Tenement	Interest
Albay region, Philippines	COC 200 (Area 4) – Rapu-Rapu	100%
Bislig region, Philippines	COC 202 (Area 17) – Surigao del Sur	100%

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 lithium and coal projects in Australia and Indonesia, and a diverse minerals exploration portfolio. 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 the development of its 100% owned Pilgangoora Lithium Project in Australia. Altura also has interests in the producing 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:

- **Lithium:** Progressing to Feasibility stage at Pilgangoora WA, one of the world’s largest high grade deposits.
- **Coal:** a 33⅓ % interest in the Delta coal mine currently targeting production at the 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 tenements at Catanduanes, Rapu-Rapu and Surigao del Sur located on the eastern seaboard of the Philippines.
- **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, Tanami NT.

For further information, please visit www.alturamining.com or phone James Brown, Managing Director on + 61 8 9488 5100.
