

29 January 2016

QUARTERLY ACTIVITIES REPORT December 2015

Highlights

Lithium

- Significant milestones achieved on the Feasibility Study during the quarter.
- Excellent results from the Heavy Liquid Separation test work with lithium oxide (Li₂O) grades up to 7.79% with a spodumene content of up to 97%.
- All metallurgical test work completed.
- All Environmental studies complete.
- Design of processing plant commenced.
- Discussions continued with potential offtake partners and investors as part of a marketing campaign predominantly focussed in North Asia.

Coal

- Operations continued to focus in the lower strip ratio Pit 37 Extension.
- During the quarter 120,205 tonnes of coal sold – Altura share 40,068 tonnes.

Corporate

- Singapore listing process temporarily put on hold due to the current condition of the commodity market.
- Sale of Tanami tenements has been completed with requisite approvals obtained during the quarter.

LITHIUM

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

During the December quarter, Altura continued to progress the feasibility study process for its world class hard rock lithium project located in the Pilbara region of Western Australia.

The following significant milestones for the feasibility study have been achieved over the past 3 months:

- Heavy Liquid Separation testwork on composite diamond drillhole samples has generated positive results (see below).
- All Metallurgical Test work complete.
- Design of processing plant commenced.
- All Environmental studies complete.

Results of Heavy Liquid Separation (HLS) Test Work Program

In November 2015 Altura announced the results of HLS testwork conducted by Midas METS Engineering on composites from four (4) diamond drill holes PD004, PD005, PD006 and PD007. The testwork generated produced remarkable results with lithium oxide (Li₂O) grades up to 7.79% with a spodumene content of up to 97%.

A high grade composite (HGC) and a low grade composite (LGC) were created from the four drill holes. The composites were homogenised before samples were split out and crushed to -10.0 mm, -6.0 mm and -3.35 mm, screened at 0.5 mm and subjected to heavy liquid separation (HLS). Summary results from the HLS tests show that high purity (90-97%) spodumene concentrates were obtained at these coarse sizes (see Table 1).

Table 1 – Heavy Liquid Separation Concentrate Streams

Heavy Liquid Separation	Li ₂ O Grade (%)	Spodumene Content (%)
HGC 3.35 mm concentrate	7.54	93.9
HGC 6.0 mm concentrate	7.30	90.9
HGC 10.0 mm concentrate	7.34	91.4
LGC 3.35 mm concentrate	7.69	95.8
LGC 6.0 mm concentrate	7.79	97.0
LGC 10.0 mm concentrate	7.36	91.7

Following the encouraging HLS results, dynamic dense media separation (DMS) test work was performed on the Pilgangoora composites. The ore was crushed to -3.35 mm and screened at 0.5 mm to remove the fine fraction from the DMS feed. The ore was run through a dense media cyclone at specific gravities of 2.7 and 3.0.

The concentrate stream was retreated by the dense media cyclone at a specific gravity of 3.0. The two stage DMS cyclone achieved a cleaner concentrate stream containing 6.89% lithium (86% spodumene).

Table 2 – Dense Media Cyclone Products Summary

2 Stage DMS Cyclone	Mass (%)	Li₂O Grade (%)
Clean Concentrate SG > 3.0	8.59	6.89
Cleaner Recycle SG < 3.0	2.85	6.12
Middlings SG > 2.7	20.19	3.14
Tailings SG < 2.7	68.36	0.24

For further details, please refer to the ASX announcement on 2 November 2015.

Feasibility Study Update

In addition to the above milestones, Altura is pleased to report the following developments in the feasibility study process:

- All Feasibility Study Metallurgical test work complete.
- Tender awarded for design of crushing and beneficiation plant.
- PFS Mining Study – results to be released in early February 2016.
- Short Range Endemic (SRE) Fauna Study complete.
- Subterranean Fauna Study completed.
- Waste rock and tailings characterisation testing is progressing well.
- Surface and ground water assessments complete.
- Continued discussions and meetings with potential off take partners and investors.
- Geotechnical assessment for pit design complete.
- Progression of discussions with pastoral lease holders.
- Quotation received for onsite laboratory.
- Commencement of logistics planning, including road and port solutions.

LITHIUM CORPORATION (Nevada, USA & British Columbia, Canada - ~10% AJM)

During October 2015 the Company commenced the trenching program at its BC Sugar flake graphite prospect in British Columbia in order to map and sample the Weather Station showing.

Previous sampling in the area of the Weather Station showing has indicated that coarse flake graphite mineralization exists over a considerable stratigraphic width, but the sporadic nature of outcrop locally has made it difficult to determine how mineralized the zone truly is.

The trenching program extended along an existing trail for 524 feet (160 metres) and went very well. The program defined a zone of weathered graphitic gneiss approximately 30 metres, in width, with a higher grade core that is approximately 20 metres in width.

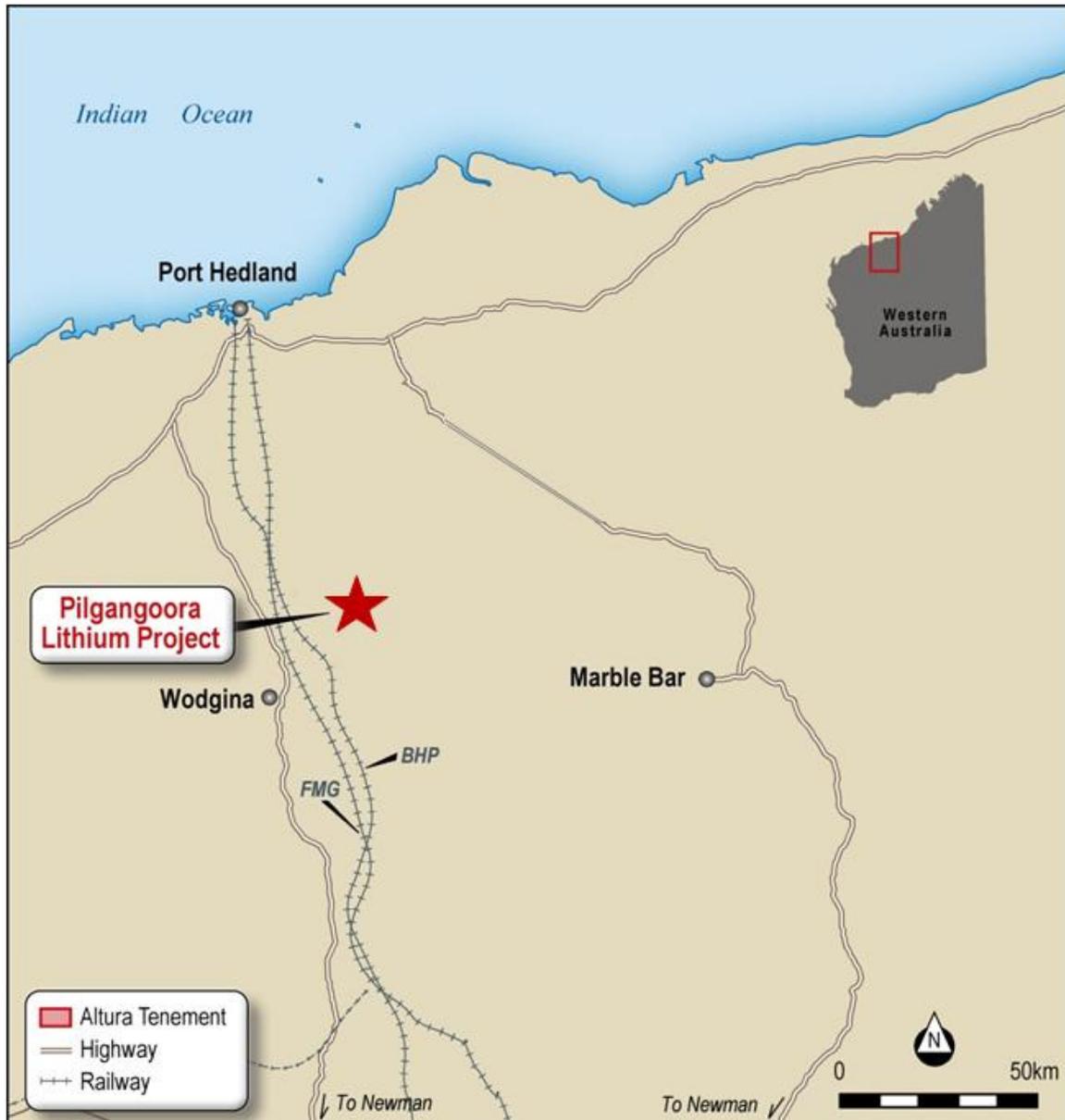
Samples from the program have been sent to the laboratory, and the company is awaiting initial results before determining what further studies to conduct on the mineralized material extracted during the program.

In November 2015 Lithium Corporation announced that it arranged a non-brokered private placement of up to 4,000,000 units for gross proceeds of US\$100,000. Each unit consists of (1) one Common Share at US\$0.025 and (1) one Common Share Purchase Warrant, exercisable at a price of US\$0.05 within 1 year of the closing of the financing, or US\$0.075 if exercised between the first and second anniversaries of the closing of the financing.

Proceeds of the financing are to be used for test work for material excavated during the trenching program at the BC Sugar Flake Graphite project, updating the 43-101 compliant report on its Fish Lake Valley Lithium Brine property, and for general and administrative purposes.

Please refer to the Lithium Corporation website for further information.

Location Map – Pilgangoora Lithium



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:

	Dec 2015 Quarter Tonnes	Dec 2014 Quarter Tonnes	6 months to Dec 2015 Tonnes	6 months to Dec 2014 Tonnes
Saleable coal production (100% terms)	123,219	360,317	180,214	640,509
Coal sold (100% terms)	120,205	385,903	241,897	703,723
Saleable coal production (Altura 33⅓% share)	41,073	120,106	60,071	213,503
Coal sold (Altura 33⅓% share)	40,068	128,634	80,632	234,574

Production at Delta Coal during the 3 months to December 2015 remained below the annual target of 1.5Mt with contracting capacity well below plan. The Company has continued negotiations with its current contractors in an effort to increase tonnage and reduce mining costs. Reductions in the delivered fuel price has provided some respite however further cost cuts are being investigated to allow for sustaining operations in the challenging thermal coal market.

The mine continues to focus on cost reductions and efficiency gains in order to offset historically low coal prices and provide a positive platform to maximise the extraction of the mine's considerable coal resources.

Coal demand remained strong during the quarter with a major international commodity trading group taking all saleable coal and indicated they have further capacity should the production return to the desired levels. Coal is currently being sold into both China and Philippine thermal markets with the focus on a longer term contract(s) into the latter market.

As previously reported Delta Coal had completed a revised Life of Mine (LOM) plan based on the new mining contractor rates and potentially new mining reserve areas. The work has been undertaken by external Australian based mining consultants; with the updated Coal Resources and Reserve estimates to be released in the near future.

The December quarter average coal price received was US\$35.84 (equated to FOB basis) per tonne which was below the US\$36.90 reported in the previous quarter with coal sales ranging from 4,400 kcal /kg to 4,800 kcal/kg (GAR).

During the December quarter the mine operations experienced only 2 rainfall affected days for a total of 29 millimetres which is significantly lower than any other reported period and well below historical seasonal averages.

Coal Pricing

The Indonesian Coal Reference Price or HBA for December 2015 was US\$53.51 per tonne representing an 8% decrease to the US\$58.21 price for September 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

Work conducted during the period was focussed toward the completion of pre-requisite works as prescribed in 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).

Aside from the preparation work required to gain formal issue of the Borrow and use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan) for the SPK tenement, Altura continued to monitor the process in order to have granted a secondary parallel forestry permit application for an adjacent area held by Suryaraya Cahaya Cemerlang (SCC).

Additional focus was directed to the review of the existing JORC compliant coal resource estimate at the combined Tabalong Coal Project. The revised estimate will be released in the near future upon final sign-off by the applicable Competent Person.

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

SINGAPORE LISTING OF INDONESIAN COAL ASSETS

During the quarter, Altura and its partners 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**).

Subsequent to the end of the quarter, it was agreed between the shareholder group and its Issue Manager and Underwriter that the listing process be temporarily put on hold. This decision was based on the challenging commodity market and investor interest in the coal sector. If the market does improve then the substantial work completed to date will allow for a fast tracking of the listing.

The shareholder group will consider various options which may include private equity participation in order to develop the assets or alternatively a process to dispose of the Indonesian coal assets.

SALE OF TANAMI TENEMENTS (Northern Territory)

Altura has previously reported 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 (see ASX release on 29 June 2015).

Altura is please to advise that during the December quarter, the requisite approvals from the Central Land Council were obtained and that settlement of the agreement has been completed.

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

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	10%
	ELA 26627	10%
	EL 26628	10%
	EL 29828	10%
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%

During the quarter Altura reduced its interest in the following tenements from 100% to 10%:

Location	Tenement	Interest
Tanami, Northern Territory	ELA 26626	10%
	ELA 26627	10%
	EL 26628	10%
	EL 29828	10%

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:** Completion of Feasibility studies 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 Shooobridge NT.
- **Base/Precious Metals:** Exploration stage for lead, copper, zinc, gold and silver prospects - Shooobridge NT, Pilbara WA, Tanami NT.

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