19 February 2016

ASX ANNOUNCEMENT

PILGANGOORA LITHIUM MINING STUDY

SUPPLEMENTARY INFORMATION

Altura Mining Limited (ASX: AJM) is pleased to provide the following information in relation to its announcement "Pilgangoora Lithium Update: Independent Mining Study Demonstrates Robust Financial Returns and 19 Year Mine Life" released on 11 February 2016.

Clarification

Altura wishes to clarify that the information in the announcement relates to a mining study that has been completed to a prefeasibility study level, and that the mining study is not a full project prefeasibility study.

Any references to a "mining preliminary feasibility study" or a "pre-feasibility mining study" should be read as a "mining study".

The results of the mining study will nonetheless be a significant input to a full project feasibility study which is currently being prepared and is expected to be delivered by the end of March 2016.

As noted in the previous announcement, Altura has commissioned Orelogy to further develop the scope of the current mining study to a "definitive feasibility level" with completion also expected by the end of March 2016.

Additional Material Assumptions Relating to the Production Target

Mineralisation

The Pilgangoora pegmatites have been shown by drilling to extend down dip for up to 200 metres depth and they are open below this depth. The local structural evidence would indicate that the regional north to northeast faulting and shearing are the overriding structural controls for the emplacement of the pegmatite dykes. Also known to be one of the controls for the pegmatite mineralisation is the distance from the granite source, which at Pilgangoora is interpreted to be the Carlindi Granite Complex located immediately to the west of Pilgangoora and some 2-3km from the greenstone – granite contact.

The inherent lithium grade reported within each dyke is relatively consistent over the area drilled. No significantly high grade localised lithium concentrations were observed. The spodumene distribution within each dyke is therefore thought to be relatively homogeneous. (Hyland.S, Pilgangoora Mineral Resource Estimate, Aug 2015).

Pit Optimisation

A pit optimisation study has been undertaken by Orelogy (utilising WHITTLE ™ software) in order to identify and quantify potential mining inventories and to create pit shells that can then utilised as a basis for design and LOM scheduling purposes to determine the overall potential for advancing the project to higher study levels.

The 2012 scoping study conducted by METS did not include a pit optimisation and assumed all mineralisation above 0.8% Li_2O would be recoverable though open pit mining methods. Therefore an initial pit optimisation was undertaken using high level assumptions and disregarding tenement boundaries in order to identify the maximum potential pit limit.

The optimisation parameters were based around a plant processing rate of 830Ktpa in line with the 2012 Scoping Study. A 1.0Mtpa process rate was expected to have similar fixed and variable operating costs. In order to evaluate the economic potential of the total resource, the pit optimization was generated using Measured, Indicated and Inferred resources.

The parameters used were based on comparable benchmarks, deposit specific metallurgical test work and cost estimates based on the deposit geological characteristics.

Mining Method

It was assumed that mining will be undertaken by Altura as an owner mining model employing selective mining methods utilising 130t hydraulic excavators, 90t rigid body dump trucks and drill and blast coupled to a ROM stockpile. A conventional production support fleet will be used to support load & haul operations.

Other key mining assumptions were, 6m bench height, 102mm diameter blast holes, approximate burden spacing of 3.5m x 4.0 respectively, average penetration rate of 25m/operating hour.

Overheads and Ore Mining Costs

Based on experience and the Orelogy database for similar projects, the following parameters and assumptions were used to define the additional mining costs:

- Mining overheads including staff, consumables, IT, equipment hire and consultants services
- Grade control was based on 1m sampling on a 10m x 10m pattern using a dedicated contract rig with a provision of an extra 5% being redrilled
- Crusher feed using a Cat 980 FEL tramming an average 100m
- An allowance of 10% for rehandle from remote stockpiles using Cat 980 FEL and 50t dump trucks
- Provisions for pit dewatering based on sump pumps within the pit

Processing Method

The plant consists of a four stage crushing circuit producing a -3.35mm product from ROM ore at a rate of 1Mtpa. The crushing plant runs day and nights shift providing feed to a crushed ore stockpile and/or crushed ore bin which feeds the beneficiation plant on a continuous basis.

The beneficiation plant consists firstly of a reflux classifier for mica removal then a three stage Dense Media Separation (DMS) circuit. Secondary DMS floats are sent to a classification cyclone before being fed into a ball mill for milling to 106 microns in preparation for the flotation circuit. The flotation circuit is a three stage process followed by concentration thickener and filtering.

Coarse and fine products are stockpiled separately on site before being combined for road transportation to Port Hedland Port.

The mining study has determined that the plant would produce recovered spodumene @6% Li_2O over the life of the mine.

Proportions of Mineral Resources Underpinning the Production Target

Further, the previous announcement included a revised mineral resource estimate and referred to the levels of inferred mineralisation in the mill feed for the plant. The table below sets outs the relevant proportions of indicated mineral resources and inferred mineral resources that underpin the production target.

Altura Pilgangoora Lithium

Mineral Resource Estimate & Production Target Percentages

JORC Category	Cut-off Li_2O (%)	Tonnes (Mt)	Li_2O (%)	Contained Li_2O (tonnes)	Production target (Mt)	Proportion of mineral resources underpinning the production target
Measured	0.40	-	-	-	-	-
Indicated	0.40	26.70	1.05	280,000	17.73	93.7%
Inferred	0.40	9.00	1.02	92,000	1.19	6.3%
Totals	0.40	35.70	1.05	372,000	18.92	100.0%

For further information on the mineral resource estimate, please refer to the ASX announcement of 11 February 2016.

Competent Persons Statement

The information in this report that relates to the Mineral Resource for the Pilgangoora lithium deposit is based on information compiled by Mr Stephen Hyland and Mr Bryan Bourke. Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Bourke is a Member of the Australian Institute of Geoscientists. Mr Hyland is a principal consultant at Ravensgate and has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity of mineral resource estimation to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourke is the Exploration Manager of Altura Mining Limited and has had sufficient experience that is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hyland and Mr Bourke consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in included in the Pilgangoora Lithium Project Mining Study announcement to the ASX on 11 February 2016. Further, all material assumptions and technical parameters underpinning the resource estimates in that announcement continue to apply and have not materially changed.

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 interests; with the main focus being the development of its 100% owned Pilgangoora Lithium project in Australia. Altura also has interests in the producing Delta Coal project and the Tabalong Coal project in Indonesia. With experienced leadership and a strong and supportive shareholder base, Altura's success is further underpinned by its solid suite of development projects.

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.*

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