

8 November 2016

## ASX ANNOUNCEMENT

### STRATEGIC PARTNERSHIP WITH LEADING BATTERY MANUFACTURER VIA PLACEMENT TO RAISE OVER \$40 MILLION

#### HIGHLIGHTS

- Subscription and Cooperation Agreement signed with Shaanxi J&R Optimum Energy to raise approximately \$41.6 million (before costs)
- Landmark alliance formed with one of China's leading battery producers significantly de-risks the Altura's Pilgangoora Lithium Project
- Issue price of 13.6 cents which represents a 8.8% premium to the last closing price and a 4.6% premium to the 30 day VWAP
- Shares to be issued in two tranches: an initial tranche of 123 million shares and a second tranche of 183 million shares
- Extraordinary General Meeting (EGM) to be held to approve the issue of the Tranche 2 shares, and to ratify previous placement issues of shares

Altura Mining Limited (ASX:AJM) ("Altura") is pleased to advise that it has executed a Subscription and Cooperation Agreement ("**Agreement**") with Shaanxi J&R Optimum Energy Co., Ltd ("**J&R Optimum**") to raise approximately \$41.6 million (before costs) through the issue of 306 million fully paid ordinary shares at a price of A\$0.136 per share ("**Placement**").

This capital raising of \$41.6 million initiates a strategic alliance between Altura and J&R Optimum, currently one of China's leading lithium battery producers focussed on lithium iron phosphate (LiFePO<sub>4</sub>) power battery systems for commercial and domestic applications. J&R Optimum has successfully grown its business to become one of the largest Chinese battery producers with 18 plants either in operation or under construction, located in several Chinese provinces.

J&R Optimum is listed on the Shenzhen Stock Exchange with a current market capitalisation of RMB 25 billion (equivalent to approximately A\$5 billion).

Altura's Managing Director, James Brown said the outcome of the Placement was an excellent result for both companies' future growths.

*"We welcome J&R Optimum to our share register and ultimately to the board of directors. Our groups have the same strong vision and expectation of delivering growth and excellent results for all of our respective stakeholders. This transaction significantly de-risks the Pilgangoora Lithium Project and*

*provides a strong lead to debt funding groups as Altura works towards finalising the complete financial package for the project. The alliance is also a significant acknowledgement of the high standard of work achieved by the Altura development team and consultants with the recently completed Definitive Feasibility Study."*

The Placement will provide certainty for the development of the Pilgangoora Lithium Project ahead of an anticipated completion of the debt portion of the funding for the project. Importantly, it will provide the necessary funds to allow construction of the mine to commence once the last statutory approvals have been obtained providing Altura with a timely entrance to the rapidly expanding lithium battery supply chain.

### **Placement**

The Placement with J&R Optimum will comprise two tranches: an initial tranche of 123 million shares (to raise \$16.73 million, before costs); and a second tranche of 183 million shares (to raise \$24.89 million, before costs).

The details of the Placement are:

- Tranche 1 – 123 million shares to be issued on receipt of funds from J&R Optimum within 30 business days of the signing of the Agreement
- Tranche 2 – 183 million shares to be issued on receipt of funds following shareholder approval
- Issue price of 13.6 cents per share which represents a:
  - 8.8% premium to the last closing price of 12.5 cents (on 3 November 2016)
  - 4.6% premium to the 30 day volume weighted average price (VWAP) of 13.0 cents
- The shares will be subject to a voluntary escrow period which will expire six (6) months after the issue of the Tranche 2 shares

Tranche 1 is expected to settle on or before 16 December 2016.

### **Extraordinary General Meeting (EGM)**

As noted above, the approval of shareholders in an EGM will be required for the issue of the 183 million Tranche 2 shares. Whilst the 123 million shares for Tranche 1 will be issued out of Altura's existing equity placement issue capacity, it will exhaust the remaining available placement capacity.

Altura will therefore hold an EGM by mid-December 2016 to consider the following items:

- Ratification of the previous issue of 100 million shares in the June 2016 placement;
- Ratification of the issue of the 123 million Tranche 1 shares; and
- Approval of the issue of the 183 million Tranche 2 shares;

Details of the EGM venue and time will be provided shortly.

### **Other Aspects of the Agreement**

J&R Optimum recently acquired the Optimum Nano group with whom Altura signed a non-binding Memorandum of Understanding (MOU) earlier this year for a minimum of 100,000 tonnes per annum of Lithium Spodumene Concentrate (see ASX announcement 29 February 2016).

At the conclusion of the Placement, J&R Optimum will have a 19.9% shareholding in Altura. Under the terms of the Agreement J&R Optimum will be entitled to appoint a director to the Altura board, provided that their relevant interest in Altura shares does not reduce below 15 per cent. J&R Optimum will advise Altura in due course of their intended nominee to the Board of Directors of the Company.

The Agreement also provides that upon completion of the issue of the Tranche 2 shares, J&R Optimum will then have a right to participate in any new issues of shares in Altura on the same terms and conditions as other participants in that share issue up to such additional number of equity securities sufficient to maintain their ownership percentage in Altura. The rights of J&R Optimum are subject to the maintenance of an interest of not less than 15% of Altura. The right is also subject to the granting of all required regulatory and other approvals.

### **Strategic Partnership with J&R Optimum**

Altura has also formed a strategic partnership with J&R Optimum which will provide a platform for participation in not only raw material supply but downstream processing and technology. The partnership is bolstered by the addition of the Lionergy Group who were able to facilitate the Placement process with Altura via the recently announced Letter of Intent for the provision of funding through Chinese investors.

From an Altura perspective the partnership provides a secure offtake for all production from Altura's operations with both J&R Optimum and Lionergy, the importance of which cannot be understated.

### **About Shaanxi J&R Optimum Energy**

*Established in 2005, Shaanxi J&R Optimum Energy Co. Ltd is engaged in solid condensed aerosol technology which is a more efficient, effective and innovative in combating fires in special hazard applications. In 2010, J&R become the first firefighting listed company in the China Stock Market (stock code: 300116 Shenzhen Stock Exchange).*

*The current market value of J&R Optimum is around RMB 25 billion.*

*In July 2016, J&R Optimum completed an acquisition of Shenzhen Optimum Nano Energy Co. Ltd with a price of RMB5.2 billion. Shenzhen Optimum Nano Energy Co. Ltd is one of the largest lithium battery manufacturers in China.*

*Suppliers to Shenzhen Optimum Nano Co Ltd currently plan for their lithium carbonate consumption to be over 12,000 tonnes in 2017, and by 2020 the suppliers are targeting to consume 50,000-100,000 tonnes of lithium carbonate per annum.*

*J&R Optimum is focussed on the integration of the lithium battery supply chain and securing sufficient resources to guide its sustainable development objectives. The identification of target lithium resource investments is guided by an in-house team of experienced experts for both brine and hard rock process technology providing a full range of technical consulting to the industry.*

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

*Altura is building a leading position in the independent supply of lithium raw materials, with a world class lithium project at Pilgangoora ready to set the platform and be the first new hard rock lithium product supplier in 2017. The Altura team has a track record of delivering mining projects with Pilgangoora the most advanced stage, near term producing lithium project; solid offtake partners and a market providing substantial growth opportunities to ensure positive shareholder returns.*

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