HIGHLIGHTS

Lithium

- Mining Proposal and Project Management Plan approved by the WA Department of Mines and Petroleum paving the way for construction of the mine to commence
- Mining contract awarded to NRW Holdings Limited
- Construction of the mine underway with the commencement of site works for mine infrastructure
- Purchase of accommodation village completed – Camp now recommissioned and operating
- Revised Ore Reserve estimate of 30.1 million tonnes @1.04% Li₂O (an increase of 9.8 million tonnes over the previous estimate)
- Revised Indicated Mineral Resource estimate of 40.3 million tonnes @1.00% Li₂O

Corporate

- A number of indicative funding proposals for the Pilgangoora Lithium Project currently being evaluated
- Share Placement with J&R Optimum now completed with total proceeds of A$41.6 million received (before issue costs)
- Appointment of a new non-executive director, Mr Zhao Tong
- Altura added to the list of companies that comprise the ASX All Ordinaries Index during the quarter
ALTURA LITHIUM – Pilgangoora (Western Australia - 100% AJM)

During the March 2017 quarter, Altura achieved the following significant project milestones as it brings its world class Pilgangoora Lithium Project closer to production:

- Approval by the WA Department of Mines and Petroleum (DMP) of the Mining Proposal and the Project Management Plan paving the way for construction of the mine to commence
- Mining contract awarded to NRW Holdings Limited (NRW)
- Construction of the mine infrastructure commenced on 13 March 2017
- Completion of the purchase and recommissioning of former Rail Camp 2 from Roy Hill Infrastructure, and re-occupied since early February 2017
- Revised Ore Reserve estimate of 30.1 million tonnes @1.04% Li2O (an increase of 9.8 million tonnes over the previous estimate)
- Revised Indicated Mineral Resource estimate of 40.3 million tonnes @1.00% Li2O

Mining Proposal Approval

Altura received DMP approval on 21 February 2017 of the Mining Proposal and associated Mine Closure Plan for its wholly owned Pilgangoora Lithium Project.

In addition, the DMP has granted approval of the Project Management Plan which constitutes the final formal approval from the State Mining Engineer to commence mining operations.

The Mining Proposal, the Project Management Plan, the Mine Closure Plan and Native Vegetation Clearing Permit (issued in November 2016) comprise the final key environmental approvals that were required to allow works to commence on site which represents a significant development milestone for the Pilgangoora Project.

These approvals are for the two (2) Mining Leases and associated Miscellaneous Licences that cover the planned mining, processing and waste facilities and haul roads (see Figure 7 overleaf).

Mining Contract Awarded to NRW

Altura announced on 14 February 2017 that NRW had been awarded a five-year contract to perform mining, drilling and blasting services, as well as construction of mining infrastructure prior to mining commencing.

The scope of the work for the contract comprises:

- Construction of the mine infrastructure required for the works, including the Tailings Storage Facility (TSF) and Run of Mine (ROM) Area
- Development of mine haul roads
- Drill and blast services
- Load and haul production, mining of ore and overburden
Commencement of Construction of Mine Infrastructure

Following the receipt of the final DMP approvals, NRW mobilised some equipment to the Pilgangoora mine site to allow bulk earthworks to commence on Monday 13 March 2017.

Since the work commenced on site, the following mine infrastructure works have been undertaken:
- Clearing of the process plant site, ROM pad, NRW workshop, tails dam and the haul truck park-up area
- Removal of top soil and relocation to a stockpile for future mine site rehabilitation
- New access road into the mine site has been opened
- Pegging of pit has been completed
- Temporary construction offices setup, and full communications across the site
- Turkeys Nest with HDPE Liner installed and fully fenced, including 3 bores fitted out with headworks

Figure 1 – Process Plant Area being Cleared

Purchase of Mine Site Accommodation Completed / Camp Recommissioned and Operating

In January 2017 Altura completed the necessary approvals to enable the final transfer of ownership of an existing 324 room camp from Roy Hill. The camp, located just 20 km from the Pilgangoora mine site, was subsequently recommissioned and has been occupied since early February by Altura’s initial mining and construction workforce and third party contractors.
Figure 2 – Temporary Offices (left) with ROM and Process Plant site (middle)

Figure 3 – Turkeys Nest - Site Office and Process Plant Site (background)
Process Plant Design Update

Under the guidance of Altura’s experienced Processing Manager and Process Engineer, the contracted design engineers DRA have been making significant progress with the detail design of the Process Plant. The overall design is 70% complete, with key components such as the civil package being substantially further advanced as these will be the first plant construction works to commence on site in May 2017.

Altura’s approach is to combine its in-house spodumene processing experience with DRA’s proven design capability during the detail design stage to minimise commissioning time and to ensure a quick ramp up to full production and delivery to market.

Further optimisation with DRA is aimed at identifying and eliminating design constraints, confirming processing plant robustness in terms of processing capacity and flexibility, and ensuring that the processing plant will be able to deal with changing customer requirements.

During the quarter, the Altura design team also spent significant time at the DRA main design and drafting offices in Johannesburg to monitor design development and provide guidance in key areas. In addition, the team recently visited major equipment suppliers in China to conduct quality inspections during the manufacture process on critical pieces of equipment including crushers and the ball mill (see Figures 5 & 6 overleaf).

The team, accompanied by Altura’s offtake partners, also visited lithium conversion plants, to ensure that Altura’s spodumene product will conform to end users’ requirements and drivers.
Figure 5 – Main frame of Jaw Crusher being manufactured at the Weir Factory outside Shanghai

Figure 6 – Part of the Altura Ball Mill being manufactured by Citic in Luoyang, China
Procurement Update

The Altura Contracts and Procurement team has continued to place contracts for the process plant equipment such that it will arrive in Australia to be free issued to the construction contractor building the process plant (soon to be awarded).

Of the forty (40) packages that comprise all of the machinery and equipment necessary to build the process plant, contracts have been signed for twenty five (25) of the packages, with the remaining fifteen (15) minor packages all in advanced stages of negotiation. Packages have been let in order of priority relating to the lead times of each piece of equipment to ensure that the development schedule set by the project team can be achieved.

Revised Ore Reserve Estimate

Altura announced on 30 January 2017 a revised Ore Reserve estimate of 30.1 Mt @1.04% Li₂O (see Table 1 below). The estimate is classified entirely as a Probable Ore Reserve and the latest estimate represents an increase of 9.8 million tonnes on the previous estimate (see previous ASX release on 22 September 2016).

This increase relates to additional deep drill hole data and improved confidence in the drilling and sampling data following the completion of a closely spaced infill drilling program conducted between June and October 2016. The Mineral Resource and Ore Reserve estimation work was undertaken by Cube Consulting Pty Ltd (“Cube”).

<table>
<thead>
<tr>
<th>JORC Category</th>
<th>Ore (million tonnes)</th>
<th>Li₂O (%)</th>
<th>Fe₂O₃ (%)</th>
<th>Contained Li₂O (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Probable</td>
<td>30.1</td>
<td>1.04</td>
<td>2.16</td>
<td>313,000</td>
</tr>
<tr>
<td>Total Reserve</td>
<td>30.1</td>
<td>1.04</td>
<td>2.16</td>
<td>313,000</td>
</tr>
</tbody>
</table>

For further details on the ore reserve estimate, please refer to the ASX announcement on 30 January 2017.

Revised Mineral Resource Estimate

A revised Mineral Resource estimate (see Table 2 overleaf) was also prepared by Cube in conjunction with the revised Ore Reserve estimate. The revised estimate includes an upgraded Indicated Mineral Resource of 40.3 Mt @1.00% Li₂O, which is an increase on the previous Indicated Mineral Resource (30.6 Mt @1.04% Li₂O reported on 22 September 2016).

In addition, the revised Inferred Mineral Resource estimate of 2.3 million tonnes at 0.90% Li₂O is lower than the previously reported 8.6 million tonnes at 0.95% Li₂O (see previous ASX Release on 22 September 2016) due to the improved confidence in the data following the recent infill drilling program.
Table 2 – Altura Pilgangoora Mineral Resource Estimate
(0.43% Li₂O Cut-off Grade)

<table>
<thead>
<tr>
<th>JORC Category</th>
<th>Ore (million tonnes)</th>
<th>Li₂O% (%)</th>
<th>Fe₂O₃ (%)</th>
<th>Li₂O (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indicated</td>
<td>40.3</td>
<td>1.00</td>
<td>2.20</td>
<td>403,000</td>
</tr>
<tr>
<td>Inferred</td>
<td>2.3</td>
<td>0.90</td>
<td>2.50</td>
<td>-</td>
</tr>
</tbody>
</table>

For further details on the mineral resource estimate, please refer to the ASX announcement on 30 January 2017.

Figure 7 – Altura Pilgangoora Lithium Project Location

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

Previously the Company reported that mining operations were suspended pending the outcome of legal cases between Delta Coal and its mining contractors. The case(s) were based on the mining contractors seeking payment for mining services rendered to the coal mine, however Delta Coal has lodged a counter claim for breach of contract pertaining to a sustained period of below contract performance resulting in higher than contracted waste removal costs and lower than contracted coal delivery tonnes.

Altura, as a one-third shareholder of Delta coal, has now been informed that the courts have appointed an independent “curator” to oversee and manage the mining business, and the Company understands that this process is similar to the appointment of a corporate administrator. Currently there is still no resolution as to how the mine will be operated and what will be the outcome of the legal cases.

COAL ASSETS DIVESTMENT

The Company has also previously stated its intention to divest its interests in both the Delta and Tabalong coal assets, and continues to pursue a number of options for sale of the coal assets with various information being made available to a number of parties under confidentiality deed arrangements.

The legal and technical due diligence process for the sale of Tabalong continues with parties that have executed confidentiality deeds.

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

PROJECT FUNDING

Altura has previously informed the market of its intention to seek funding for its flagship Pilgangoora Lithium Project based predominantly on a debt facility. The process continued during the March 2017 quarter and the Company has received a number of indicative funding proposals that are currently being evaluated by Management and its’ advisors, for presentation to the Board of Directors for consideration.

Thereafter, and subject to satisfactory completion of due diligence by the preferred financer, satisfaction of any outstanding conditions and finalisation of legal documentation, it is intended that funding will be in place to allow for construction of the project to be delivered within timelines previously notified to the market.

Altura is also simultaneously working with its offtake partners to finalise binding offtake arrangements that will provide clarity to the funding partners.

Altura will inform the market when the funding process is complete, and until the process is concluded the Company will continue to work within its current cash reserves to maintain the project delivery timeline.

SHARE PLACEMENT WITH J&R OPTIMUM

In late January 2017 Altura received funds of approximately $41.6 million (before costs) from J&R Optimum under the Share Placement announced on 8 November 2016.

During the quarter Altura issued 306 million fully paid ordinary shares to J&R Optimum which comprised 123 million shares under Tranche 1 and 183 million shares under Tranche 2. The shares are subject to a six (6) month voluntary escrow period.

Following the completion of the Share Placement, J&R Optimum now has a 19.85% shareholding in Altura.

NEW DIRECTOR

Under the terms of its Subscription and Cooperation Agreement with Altura, J&R Optimum is entitled to appoint a director to the Altura board, provided that their relevant interest in Altura shares does not reduce below 15 per cent. In March, the Company announced that Mr Zhao Tong had been appointed a non-executive director.

Mr Tong has over 25 years experience in the international trade of metals and minerals, and has worked for China Shaanxi Metals and Minerals International Trade Co., Ltd. Mr Tong has been the Director of the Lithium Division of J&R Optimum since October 2016.

The appointment of Mr Tong is welcomed by the Board of Directors of Altura and provides the Company with both a direct link to a large Chinese based battery producer as well as an experienced lithium industry expert.

RELOCATION OF CORPORATE HEAD OFFICE

Altura announced on 7 March 2017 that it had relocated its corporate head office to Level 2, 23 Barrack Street, Perth, Western Australia. The move follows an increase in the number of staff employed by the Company on the Pilgangoora project team.
ALL ORDINARIES INDEX

Effective from the start of trading on Monday 20 March 2017, Altura Mining Limited was added to the list of companies that comprise the ASX All Ordinaries Index.

This change places Altura in the top 500 companies listed on the ASX, and reflects the company’s growing market capitalisation.

ROYALTY FROM ATLAS IRON

Continuing strong iron ore prices during the March 2017 quarter resulted in Altura again being eligible to receive a royalty for iron ore sold from Mt Webber during the quarter, and Altura has raised an invoice to Atlas Iron for a royalty of A$311,000 plus GST for the March 2017 quarter.
## SCHEDULE OF MINING TENEMENTS

The following mining tenements were held by the Company at the end of the quarter:

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenement</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilbara, Western Australia</td>
<td>E 45/2277</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>E 45/2287</td>
<td>100%</td>
</tr>
<tr>
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<td>E 45/2383</td>
<td>100%</td>
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<tr>
<td></td>
<td>E 45/3488</td>
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<tr>
<td></td>
<td>E 45/4894</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>P 45/2758</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>M 45/1230</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>M 45/1231</td>
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</tr>
<tr>
<td></td>
<td>L 45/400</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>L 45/401</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>L 45/404</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>L 45/409</td>
<td>100%</td>
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<tr>
<td></td>
<td>L 45/416</td>
<td>100%</td>
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<tr>
<td></td>
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<td>EL 26628</td>
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</tr>
<tr>
<td></td>
<td>EL 29828</td>
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<tr>
<td></td>
<td>PT Delta Ultima Coal</td>
<td>33.3%</td>
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<tr>
<td></td>
<td>PT Suryaraya Permata Khatulistiwa</td>
<td>70%</td>
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<td></td>
<td>PT Suryaraya Cahaya Cemelang</td>
<td>70%</td>
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<td></td>
<td>PT Suryaraya Pusaka</td>
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<tr>
<td></td>
<td>PT Kodio Multicom</td>
<td>56%</td>
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<td></td>
<td>PT Marangkayu Bara Makarti</td>
<td>56%</td>
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<td></td>
<td>COC 182 (Area 3) – Catanduanes</td>
<td>100%</td>
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<tr>
<td></td>
<td>COC 200 (Area 4) – Rapu-Rapu</td>
<td>100%</td>
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<tr>
<td></td>
<td>COC 202 (Area 17) – Surigao del Sur</td>
<td>100%</td>
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</table>

The following mining tenement was acquired during the quarter:

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<th>Location</th>
<th>Tenement</th>
<th>Interest</th>
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<tbody>
<tr>
<td>Pilbara, Western Australia</td>
<td>E 45/4894</td>
<td>100%</td>
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The following mining tenement was relinquished during the quarter:

<table>
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<tr>
<th>Location</th>
<th>Tenement</th>
<th>Interest</th>
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</thead>
<tbody>
<tr>
<td>Pilbara, Western Australia</td>
<td>L 45/392</td>
<td>100%</td>
</tr>
</tbody>
</table>
Competent Persons Statements

Mineral Resource and Ore Reserve Estimates

The information in this report that relates to the Mineral Resource for the Pilgangoora lithium deposit is based on information compiled by Mr Stephen Barber. Mr Barber is a Member of the Australasian Institute of Mining and Metallurgy. Mr Barber is a Consultant Geologist to Altura Mining Limited 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 Barber is a former employee of PT Altura Indonesia. Mr Barber consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Ore Reserve for the Pilgangoora lithium deposit is based on information compiled by Mr Quinton de Klerk. Mr de Klerk is a Fellow of the Australasian Institute for Mining and Metallurgy. Mr de Klerk is a Director and Principal Consultant of Cube Consulting Pty Ltd and has sufficient experience that is relevant to the activity of ore reserve 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 de Klerk consents 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 included in the ASX announcement on 30 January 2017. Further, all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in that announcement continue to apply and have not materially changed.

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 2018. Altura has an experienced in-house team focussed on delivering the Pilgangoora project into production. The project is the most advanced stage, near term producing lithium project; coupled with solid offtake partners and a market providing substantial growth opportunities to ensure positive shareholder returns.

For further information, please visit www.alturamining.com or phone:

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Paul Mantell, Executive Director on +61 (0)418 727 460