



ASX ANNOUNCEMENT | 23 July 2019

## \$22 MILLION PLACEMENT SECURES NINGBO SHANSHAN AS CORNERSTONE SHAREHOLDER

- *Subscription and Cooperation Agreement signed to raise \$22.4 million*
- *Strategic partnership strengthened with one of the world's leading battery material producers*

Altura Mining Limited (ASX: AJM) ("Altura" or the "Company") is pleased to advise that it has expanded its relationship with current key shareholder Ningbo Shanshan Co. Ltd ("Shanshan") with an equity investment to raise A\$22.4 million.

The issue of 200 million fully paid ordinary shares at a price of 11.2 cents per share ("Placement") will result in Shanshan becoming Altura's single-largest shareholder with an equity interest of 19.4% and follows Shanshan's recent substantial on-market equity purchase. The issue price compares favourably to the last closing price of 11.0 cents and the 30-day VWAP of 11.53 cents.

The Placement forms the key component of a Subscription and Cooperation Agreement ("Agreement") signed with Shanshan Forever International Co., Limited ("Shanshan Forever International"). Shanshan Forever International is a wholly owned subsidiary and related body corporate of Shanshan, and is the entity through which Shanshan recently acquired an 11.83% holding in Altura (see ASX announcement on 25 June 2019).

Commenting on Shanshan increasing its shareholding Altura Managing Director, James Brown, said: *"We are extremely buoyed to have Shanshan follow its initial investment in Altura and increase its holding via this equity placement. The partnership between our groups significantly strengthens the outlook for both companies as key suppliers to growth in the global battery market. The professionalism demonstrated by Shanshan has been able to deliver an attractive outcome for both entities."*

*"Our relationship with Shanshan is strong and open and we are continuing to formalise a strategic plan of supporting each other commencing with lithium concentrate supply. These processes will be concluded in due course."*

Founded in 1989, Chinese-based Shanshan is one of the world's largest integrated suppliers of lithium-ion battery materials such as cathodes, anodes and electrolytes. The Shanghai Stock Exchange-listed Shanshan, which has a market capitalisation of approximately A\$2.5 billion employs more than 4,000 people and in 2018 reported lithium battery material revenue of approximately A\$14.5 billion.

The Placement will assist with continued development and expansion of the Altura Lithium Project, corporate costs and general working capital.

Altura Mining Limited ABN 39 093 391 774

## **Placement – Material Terms**

The key terms of the Placement are:

- Issue of 200 million shares at an issue price of 11.2 cents per share to raise \$22.4 million.
- Subscriber is Shanshan Forever International Co., Limited (a wholly owned subsidiary and related body corporate of Shanshan).
- Condition Precedent to completion of the Placement is the Subscriber obtaining regulatory approvals in the People's Republic of China and to the extent required, Altura obtaining shareholder approval under Listing Rule 7.1.

The Issue price represents a 1.8% premium to the last closing price of 11.0 cents (on Friday 19 July 2019) and 2.9% discount to the 30-day volume weighted average price (VWAP) of 11.53 cents.

## **Other Aspects of the Agreement**

Following the completion of the equity investment, Shanshan Forever International will be entitled to appoint a director to the Altura Board, provided that their relevant interest in Altura shares does not fall below 12.5 per cent for more than 30 consecutive days. Shanshan Forever International has advised Altura that it intends to nominate Mr James Tai as their nominee to the Altura Board.

The Agreement also provides that upon completion of the equity investment, Shanshan Forever International will have a right to participate in any new issues of equity securities in Altura on the same terms and conditions as other participants in that issue up to such additional number of equity securities sufficient to maintain their ownership percentage in Altura. The rights are subject to Shanshan Forever International's relevant interest in Altura shares not falling below 12.5 per cent for more than 30 consecutive days. The right is also subject to the granting of all required regulatory and other approvals.

Altura currently has sufficient capacity under Listing Rule 7.1 to issue all of the Placement shares to Shanshan. However, in the event that at the time Shanshan obtains all regulatory approvals in the People's Republic of China, Altura no longer has sufficient capacity, Altura will issue shares to Shanshan to the fullest extent permitted and then seek shareholder approval to issue the balance of the shares to Shanshan as soon as possible thereafter.

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

*Altura is a key player in the global lithium market and is leveraging increasing demand for raw materials for manufacturing lithium ion batteries for electric vehicles and static storage uses. Altura owns and operates the world-class Altura Lithium Project at Pilgangoora in WA's Pilbara region. The mine commenced production in 2018 and has a production capacity of 220,000tpa of quality spodumene concentrate. The Company has completed a Definitive Feasibility Study on a potential Stage 2 expansion, with a Final Investment Decision due following a review of the Stage 1 operations, ramp-up to nameplate production, entering into long-term offtake agreements with customers and securing funding for the expansion.*

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