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ALTURA SIGNS TERMS SHEET WITH ZINCIFEROUS LIMITED

- *Terms Sheet signed with Zinciferous Limited for downstream lithium processing opportunity*

Altura Mining Limited (ASX: AJM) ("Altura" or the "Company") is pleased to advise that it has signed a Cornerstone Investment Framework Agreement ("Terms Sheet") with Zinciferous Limited ("Zinciferous").

The Terms Sheet, which is non-binding, provides a potential opportunity for Altura to participate in the downstream processing of lithium in a newly constructed lithium conversion facility in China.

Zinciferous is an unlisted Australian public company which holds an option to acquire up to an 80% interest in the newly constructed Tianyuan Lithium Carbonate Plant together with certain spodumene concentrate supply and lithium chemical offtake rights.

Commenting on the signing of the Terms Sheet Altura Managing Director, James Brown, said: *"Altura welcomes the opportunity to consider a cornerstone investment which could lead to downstream processing exposure and further lithium concentrate offtakes. We continue to focus on diversifying our offtake partner base, improving production efficiency and delivering high-quality lithium concentrate into the market."*

Commenting on the signing of the Terms Sheet Zinciferous Chairman, Russell Moran, said: *"The Altura Lithium Mine has built an international reputation for high quality spodumene concentrate. We are pleased to be cultivating a relationship with Altura as we seek to commission and expand the Tianyuan lithium carbonate plant."*

Terms Sheet – Key Provisions

Under the Terms Sheet, Altura and Zinciferous have agreed to negotiate in good faith the terms of a potential Cornerstone Investment to include the following indicative provisions:

- Cornerstone Investment size expected to be up to A\$3 million;
- Cornerstone Investment to be at an issue price equal to a proposed equity capital raising to be undertaken by Zinciferous;
- Cornerstone Investment to be subject to Altura internal approvals, along with consents from third parties, including the loan note holders;
- Cornerstone Investment to be subject to due diligence by Altura to its sole satisfaction, including Zinciferous, the Tianyuan Plant and the transaction documentation; and

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- Cornerstone Investment may include a provision for Zinciferous to purchase spodumene concentrate from Altura for processing in the Tianyuan Plant on terms to be negotiated.

The Terms Sheet expires on 22 October 2019, unless extended by parties in writing. Further, the Terms Sheet does not create any joint venture or partnership between Altura and Zinciferous, and does not bind Altura to complete a Cornerstone Investment. The parties may terminate the Terms Sheet at any time, after which the parties will be released of their obligations under it without further liability.

About the Zinciferous Option

Zinciferous has entered into an agreement with Tianyuan Lithium Materials Hebei Co Ltd (“Tianyuan Lithium”) which owns 100% of the newly constructed Tianyuan Plant (“Option Agreement”).

Under the Option Agreement, Zinciferous has the right to acquire up to an 80% interest in the Tianyuan Plant together with certain spodumene concentrate supply and lithium chemicals offtake rights as follows:

- Zinciferous can earn an initial 15% equity in Tianyuan Lithium as well as a first right to 100% of the lithium chemical production from the plant by investing A\$4 million which will be used to hot commission the plant.
- Zinciferous can then increase its equity to 50% by investing a further A\$5 million for working capital and supplying 9,000 tonnes of spodumene concentrate with minimum 5.5% Li₂O.
- Zinciferous can further increase its interest to 80% by funding production expansion to a minimum of 20,000tpa lithium carbonate equivalent (LCE).

About the Tianyuan Lithium Carbonate Plant

The Tianyuan Plant was constructed in 2018 under the supervision of Foster Wheeler (Hebei) to a nameplate capacity of approximately 6,000tpa of lithium carbonate and has been permitted for expansion to 12,000tpa of lithium carbonate. It has been cold commissioned and is awaiting spodumene concentrate to be supplied for hot commissioning and the commencement of commercial production. The Tianyuan Plant is located in a State Chemical Industry Park which boasts excellent power, water and road infrastructure and is approximately 20km from Huanghua Port, one of China’s largest ports.



The 6,000tpa LCE Tianyuan Plant



Rotary Kiln at the Tianyuan Plant

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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