

Valuation up due to bigger plant, lower costs and higher prices

Recommendation

Strong BUY, High Risk

Price

12c

Valuation

36c

Commodity

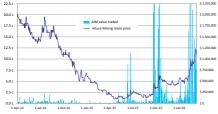
Lithium

- AJM now 36Mt of Resources for 372kt contained Li₂O, plus potential, makes 2.0Mt/yr plant our base case, for over 300kt/yr of concentrate grading above 6% in early, high grade, years.
- A bigger plant gives greater capital efficiency and lower unit operating costs.
- Li₂O concentrate prices are now much higher. Beer & Co raises the price used for valuation from \$400/t to \$450/t.
- A recent placement was made at a higher price than we expected, so less equity issued.
- All four factors, plus lower risking, drive an increase in our valuation, from 12c/share to 36c/share.

Snapshot

Market Cap	\$112m
Cash on hand (31 Dec 2015)	\$1.28m
Net Debt	(\$16.1m)
Shares on Issue	930m
52 Week High	12.5c
52 Week Low	0.9c
1 month / 6 month VWAP	8.8c / 5.7c

AJM: daily share price v. value traded



AJM originally listed as Haddington Resources (HDN.ASX) in January 2001. It produced tantalite from July 2001 until September 2005. Pilgangoora was acquired in November 2001.

Following a change in management in December 2008, the company name was changed in November 2009.

AJM has exited its 30% of the Mt Webber iron ore operations and is seeking it list its Indonesian coal on the SGX, to focus on Pilgangoora spodumene.

A feasibility Study is expected soon.

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AJM: More Resources, higher throughput

AJM announced the result of the Pre-Feasibility Study of the mining at its Pilgangoora spodumene project on 11 February, 2016. A feature of that study was the larger resource, due to higher prices allowing a lower cut-off grade. Contained Li₂O increased from 315kt to 372kt.

The larger resource, coupled with strong evidence of further mineralisation, gives Beer & Co the confidence to increase the mining inventory and make the base case a 2.0Mt/yr operation.

Higher spodumene prices

Our 1 February report showed the price for 99.5% Li2CO3 increasing from about \$8,000/t in November to \$22,000/t by February.

A contract for 2016, at US\$ 600/t for 5.5% Li2O material, was recently announced. Beer & Co has heard of \$800/t sales for higher grade product.

Beer & Co is raising the price used on our valuation, from \$400/t to \$450/t.

MOU announced, plus placement

On 22 February 2016, AJM announced a Letter of Intent to supply 100kt/yr to 150kt/yr of concentrate to Lionergy, which subscribed for a placement of \$A 3m of AJM shares at 8.1c/share, which was settled on 7 March.

On 29 February, AJM announced an MOU to supply 100kt – 150kt/yr of concentrate to Optimum Nano, which produces Lithium Ferro-Phosphate batteries and supplies systems for electric vehicles

Beer & Co risked valuation now 36c/share

Higher throughput, gives lower costs, plus higher prices, and less equity due to the higher share prices, all raise Beer & Co's risked valuation.

Beer & Co conclusions

Beer & Co raises our recommendation to Strong BUY, High Risk.

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Mining Pre-Feasibility Study

Updated Mineral Resource Estimate

On 11 February, 2016, AJM announced the results of its Mining Pre-Feasibility Study for Pilgangoora. This study updated components of AJM's November 2012 scoping study, on which Beer & Co's initiation report on AJM was based.

Figures 1 and 2 compare AJM's Mineral Resource Estimate as at 14 September 2015, with the revised Resource estimate, announced with the mining pre-feasibility study.

Figure 1: AJM's previous Resource Estimate

Resources	cut-off			Li ₂ O
Category	Li ₂ O		grade	contained
Measured	0.80 %			
Indicated	0.80 %	19.77 Mt	1.21 %	239,000 t
Inferred	0.80 %	6.29 Mt	1.20 %	76,000 t
TOTAL		26.06 Mt	1.21 %	315,000 t

Source: AJM ASX announcement, 14 September 2015

Figure 2: AJM's current Resource Estimate

Resources	cut-off			Li ₂ O
Category	Li ₂ O		grade	contained
Measured	0.40 %			
Indicated	0.40 %	26.7 Mt	1.05 %	280,000 t
Inferred	0.40 %	9.0 Mt	1.02 %	92,000 t
TOTAL		35.7 Mt	1.04 %	372,000 t

Source: AJM ASX announcement, 11 February 2016

Updated Mineral Resource Estimate due to lower cut-off grade. Comparing Figure 1 and Figure shows that

- The total volume of resources has increased from 26.06Mt to 35.7Mt;
- The total contained Li₂O has increased from 315kt to 372kt;
- The cut-off grade was reduced, form 0.8% to 0.4%; and
- The average grade has fallen from 1.21% to 1.04%.

Lower cut-off grade due to higher prices and lower costs

TOTAL

The increase in the volume of resources is due to the lower cut-off grade, rather than a review of the geology.

The lower cut-off-grade is due to a combination of

- Higher product prices; and
- Lower unit costs, as costs have generally eased since late in 2012, especially for oil and also for steel and labour / contractor rates.

Beer & Co's Mining Inventory

Figure 3 shows the Mining Inventory assumed by Beer & Co in our previous research report on AJM, and contrasts that with the mining inventory we are now using.

Figure 3 : Previous Mining Inventory									
Starter	2.5 Mt	1.60 %	40 kt						
High grade	4.0 Mt	1.35 %	54 kt						
Standard	12.5 Mt	1.20 %	150 kt						
Low grade	6.0 Mt	1.00 %	60 kt						

1.22 %

25.0 Mt Source: Beer & Co, 1 February 2016 AJM report

Figure 4 : Updated Mining Inventory									
Starter	3.0 Mt	1.70 %	51 kt						
High grade	8.0 Mt	1.30 %	104 kt						
Standard	17.0 Mt	0.95 %	162 kt						
Low grade	7.0 Mt	0.70 %	49 kt						
TOTAL	35.0 Mt	1.04 %	366 kt						

Source : Beer & Co estimates

Comparing Figure 3 with Figure 1, and Figure 2 with Figure 4, shows a very high rate of conversion. Beer & Co is giving this very high rate of conversion due to further areas of mineralisation, as evidenced by out-cropping pegmatites, that Beer & Co believes will be included in the estimate when sufficient drilling has been done.

304 kt

Beer & Co is optimistic that the increase in resources will translate to a bigger mining inventory, due to presence of significant further mineralisation.



Figure 5 shows mapped pegmatites in the Pilgangoora area. It clearly shows the structures are mostly in the tenements of Pilbara Minerals (PLS.ASX), but run through the AJM tenements in the south, and into the AJM tenement area to the north.

Figure 5: known Pegmatites

Map in development
For discussion only

Altura Mining

Pilbara Minerals

Anna Mong ASEAJA

Usua Mong ASEAJA

Wishiper ASE ASEAS

Wishiper ASE None - Private Congany

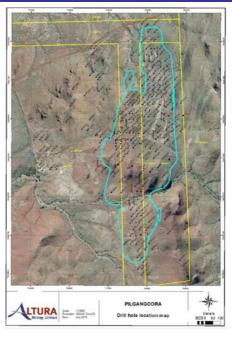
Source : Company

Figure 6 show the drilling carried out by AJM, with the outline of the area included in the resource estimate in blue.

It shows that the mineralisation continues to the north of AJM's tenement area, and the most northerly of the drilling is NOT included in the resource estimate as AJM does not have in place an agreement with PLS that would allow both parties to extract ore up to the tenement boundary.

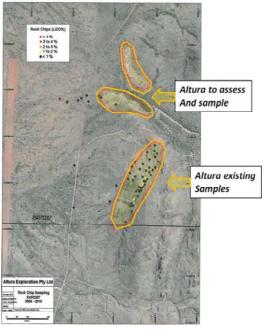
Figure 7 is an aerial photograph clearly showing out-cropping pegmatites and locations where AJM has taken some high grade samples.

Figure 6: drilling v. Resources



Source: Company

Figure 7: Sampling in the northern area



Source : Company

Our op.ex estimates have been proven to be

too high.



Capital and Operating Costs

Figure 8 compares other key data from AJM's 11 February announcement with the

estimates made by Beer & Co in our previous analysis.

It shows our estimated capital cost was lower, but our C1 cash cost estimate, in terms of AUD /t of ore, was much higher.

Figure 9 shows that AJM's Pilgangoora has significant width its ore-body, outcropping ore, and only a shallow dip.

Figure 10 shows this in more detail. Note that the pink is the area of the Indicated Resource and the blue is Inferred. It shows that Pilgangoora has multiple stacked lodes.

Figure 8: Beer & Co's estimates v AJM

	Beer & Co	AJM, 1.0Mt/yr	AJM, 2.0Mt/yr
Wate to Ore	5.1:1	2.8 : 1	2.8:1
Cash costs (C1)	\$A 43.4/t	\$A 37.36/t	\$A 34.87/t
Capital	\$A 82m	\$A 97.6m	\$A 146.7m

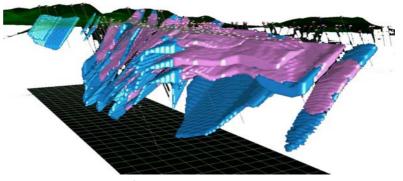
Source : AJM ASX announcement, 11 February 2016; Beer & Co estimates

Figure 9: cross section of ore body



Source: AJM presentation, February 2016

Figure 10: AJM's resource at Pilgangoora



Source : AJM presentation, February 2016

Figure 11 shows Beer & Co's revised operational outcomes for AJM's Pilgangoora project. It shows that Beer & Co has assumed that AJM's concentrate will be 6.2% Li₂O.

This is based on the advice in in AJM's 11 February advice that the plant will aim to produce a 6% Li_2O concentrate. However, AJM's 2 November 2015 announcement to the ASX on the results of their metallurgical testwork showed that concentrate produced graded around 7.5% Li_2O .

Figure 11: Beer & Co's revised projected operational outcomes for Pilgangoora

	Life of Mine	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2303-31	2031-32	2032-33	2033-34	2034-35
Ore mined	35,000 kt	1,325 kt	2,000 kt	1,675 kt									
Mining Inventory	35.0 Mt	33.7 Mt	31.7 Mt	29.7 Mt	27.7 Mt	25.7 Mt	23.7 Mt	21.7 Mt	7.7 Mt	5.7 Mt	3.7 Mt	1.7 Mt	0.0 Mt
	1.04 %	1.02 %	0.98 %	0.96 %	0.93 %	0.90 %	0.87 %	0.87 %	0.72 %	0.70 %	0.70 %	0.70 %	0.00 %
waste : ore	2.9:1	2.6:1	2.6:1	2.7:1	2.7:1	2.8:1	2.8:1	2.8:1	3.1:1	3.2:1	3.2:1	3.2:1	3.3:1
Waste moved	103,197 kt	3,460 kt	5,290 kt	5,370 kt	5,450 kt	5,530 kt	5,610 kt	5,690 kt	6,250 kt	6,330 kt	6,410 kt	6,490 kt	5,497 kt
Ore Processed	35,000 kt	1,325 kt	2,000 kt	1,675 kt									
Li2O grade	1.04 %	1.70 %	1.70 %	1.33 %	1.30 %	1.30 %	1.30 %	0.98 %	0.95 %	0.85 %	0.70 %	0.70 %	0.70 %
Recovery	79.5 %	72 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Li2O recovered	294,165 t	16,284 t	27,168 t	21,313 t	20,752 t	20,752 t	20,752 t	15,657 t	15,168 t	13,531 t	11,200 t	11,200 t	9,380 t
Conc grade	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %
Li2O concentrate	4.745 kt	262.642 t	438.194 t	343.765 t	334.710 t	334.710 t	334.710 t	252.526 t	244.645 t	218.245 t	180.645 t	180.645 t	151.290 t

Source : Beer & Co estimates



However, that announcement did not include advice on the recovery of $\rm Li_2O$ from ore to concentrate, which Figure 10 shows has been assumed by Beer & Co to be 80%

Figure 11 also shows that Beer & Co's model has a strip ratio that rises over time, for a Life of Mine average of 2.9: 1.

Figure 12 shows Beer & Co's revised costs. It shows that our calculated C1 costs is in line with the advice in AJM's 11 February announcement of C1 costs of \$34.87/t of ore processed.

Figure 12: Beer & Co's revised projected cash costs for Pilgangoora

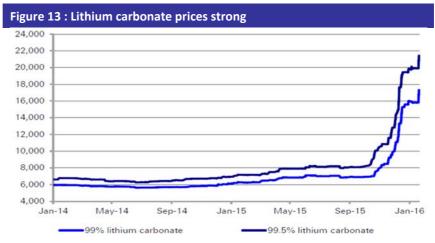
	LoM	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2303-31	2031-32	2032-33	2033-34	2034-35
Waste		\$ 7.1m	\$ 10.1m	\$ 10.4m	\$ 10.6m	\$ 10.7m	\$ 10.9m	\$ 11.0m	\$ 12.0m	\$ 12.2m	\$ 12.3m	\$ 12.5m	\$ 10.9m
volume		3,460 kt	5,290 kt	5,370 kt	5,450 kt	5,530 kt	5,610 kt	5,690 kt	6,250 kt	6,330 kt	6,410 kt	6,490 kt	5,497 kt
Strip ratio	2.9:1	2.6:1	2.6:1	2.7:1	2.7:1	2.8:1	2.8:1	2.8:1	3.1:1	3.2:1	3.2:1	3.2:1	3.3:1
AUD /t ore	\$ 5.7/t	5.3	5.0	5.2	5.3	5.4	5.4	5.5	6.0	6.1	6.2	6.2	6.5
AUD /t material	\$ 1.9/t	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0
Ore Mining		\$ 6.8m	\$ 9.6m	\$ 9.7m	\$ 9.9m	\$ 10.3m	\$ 10.4m	\$ 10.5m	\$ 11.2m	\$ 11.3m	\$ 11.4m	\$ 11.5m	\$ 10.0m
AUD /t ore	\$ 7.1/t	7.2	6.5	6.6	6.6	6.8	6.9	6.9	7.3	7.3	7.4	7.4	7.8
Processing		\$ 15.9m	\$ 22.8m	\$ 19.4m									
AUD /t ore	\$ 11.4/t	12.0	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.6
Admin & Overhead		\$ 2.8m	\$ 3.5m	\$ 3.0m									
AUD /t ore	\$ 1.8/t	2.1	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8
Concentrate Transp	oort	\$ 17.3m	\$ 28.8m	\$ 22.6m	\$ 22.0m	\$ 22.0m	\$ 22.0m	\$ 16.6m	\$ 16.1m	\$ 14.3m	\$ 11.9m	\$ 11.9m	\$ 9.9m
AUD /t ore	\$ 8.9/t	13.0	14.4	11.3	11.0	11.0	11.0	8.3	8.0	7.2	5.9	5.9	5.9
AUD /t conc		66	66	66	66	66	66	66	66	66	66	66	66
TOTAL	\$ 49m	\$ 50m	\$ 75m	\$ 69m	\$ 69m	\$ 69m	\$ 70m	\$ 64m	\$ 66m	\$ 64m	\$ 62m	\$ 62m	\$ 53m
AUD /t ore	\$ 34.9/t	\$ 40/t	\$ 39/t	\$ 36/t	\$ 36/t	\$ 36/t	\$ 36/t	\$ 34/t	\$ 35/t	\$ 34/t	\$ 33/t	\$ 33/t	\$ 34/t

Source: Beer & Co estimates

Revising our Spodumene Prices

Figure 13 comes from our 1 February report on AJM, and shows how lithium carbonate prices have increased, while Figure 14 also comes from that report and shows come response for spodumene prices.

Product prices are much stronger than we expected



Source : Asian Metals, Beer & Co

Figure 14 : Strong prices for spodumene concentrate											
USD /t	_cif \	JSA	_cif Eu	ırope	cif A	Asia					
	High	Low	High	Low	High	Low					
>7.5% Li ₂ O	772	854	740	790	725	775					
5% Li ₂ O	463	496	450	500	350	410					

Source: Industrial Minerals, February 2016



Figure 15 shows the FOB price for lithium concentrate exported from Australia in 2014 and 2015.

It shows prices increasing and support the view of prices higher than \$400/t, which Beer & Co has used in our analyses.

Figure 15 : Australian export prices

Jan - Sept	Jan - Sept	Calendar Year
2015	2014	2014
351,624 t	270,142 t	432,695 t
US\$ 494 /t	US\$ 441 /t	US\$ 431 /t

Source: Signum BOX, Port of Bunbury

A recently announced supply agreement for 2016 gives an equivalent

price of US\$ 675/t, FOB for AJM concentrate

Compared with \$400/t in Beer & Co's original valuation

On 8 March, 2016, General Mining Corporation (GMM.ASX) and Galaxy Resources (GXY.ASX) announced that their Joint venture at Mt Caitlin (WA) had announced a sales agreement for 2016. The announced agreement was

- For a total of 60kt of concentrate for 2016;
- Plus a further 120kt in 2017;
- Minimum grade of 5.5% Li₂O
- Price of US\$ 600/t FOB for 2016,
- Price for 2017 supply to be agreed during 2016 Q4; and
- 50% of 2016 order (US\$ 18m) to be paid by 31 march 2016.

Adjusting the price from 5.5% Li2O to 6.2% Li2O, without any further adjustment for the increased volume of waste material, gives a comparable value of US\$ 675/t for the purposes of this analysis.

As a result, Beer & Co is revising the spodumene concentrate price used in our analyses from \$400/t to \$450/t.

We expect that our upwardly revised value is still too low.

AJM's Spodumene Sales

On 22 February, 2016, AJM announced that it had signed a Letter of Intent to take a minimum of 100kt/yr, and up to 150kt/yr, of spodumene concentrate.

On 29 February, AJM announced an MOU for offtake with Optimum Nano, which is a Shenzhen based lithium battery and electric vehicle producing group.

Below is a link to the Optimum Nano web-site for more information.

http://www.optimumnanoenergy.com/index/&FrontColumns_navigation01-1364383333954FirstColumnId=1.html

AJM has secured product sales with an end user and a distributor

We also highlight that Optimum Nano is based in Shenzhen, while most of the lithium battery industry in China is based in the Chengdu area.

Beer & Co understands that the agreement with Optimum Nano is part of, but not all of, the agreement with Lionergy.

Beer & Co understands that while Lionergy is a very new company, its two principals have significant commercial experience, with each having over 20 years:

- One from a physical metals / material trading background;
- The other from the lithium industry in China.

The agreement with Lionergy allows for Lionergy to supply a number of consumers of spodumene that will take smaller volumes, such as 10kt – 15kt a year.



Revised Valuation

Base Case

Figure 16 shows the detail of Beer & Co's revised valuation of AJM.

Figure 16: Beer & Co's revised valuation of AJM

Beer & Co's risked, base case valuation has been raised from 12c to 36c/share

Due to range of factors,

Higher throughput

Lower op costs and

Higher product price

including

discount rate = 12.0 %		3	0 June 201	5	9-Mar-16
	risk :	100%	Product	per share	
Pilgangoora Resources	75 %	\$ 603m	\$ 452m	28.4 c	30.1 c
franking credits	45 %	\$ 105m	\$ 47m	3.0 c	3.1 c
Pilgangoora Extensions	45 %	\$ 22m	\$ 10m	0.6 c	0.7 c
franking credits	27 %	\$ 5m	\$ 1m	0.1 c	0.1 c
Indonesian Coal	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c
Mininig Services	75 %	(\$ 2m)	(\$ 2m)	(0.1c)	(0.1c)
Philippines Coal	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c
Mt Webber Iron Ore	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c
Lithium Corp	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c
Corporate	100 %	(\$ 11m)	(\$ 11m)	(0.7c)	(0.7c)
Cash / Debt	100 %	(\$ 15m)	(\$ 15m)	(1.0c)	(0.0c)
Equity raisings	100 %	\$ 44m	\$ 44m	2.8 c	2.7 с
TOTAL		\$ 751m	\$ 527m	33.2 c	35.9 c
Shares on issue	837.7m	F P O shares	197.7m	Options	
	37.0m	2015 - 16	197.7m	Ops. Ex'd	
	508.8m	later	9.1m	Perf Rights	

Source : Beer & Co estimates

Beer & Co's valuation of AJM has increased from 12c to 36c for a number of reasons, including :

- Lower operating costs overall;
- Higher throughput and consequently lower operating costs;
- Offset partly by higher capital costs; and
- Higher product prices.

Figure 16 also shows that Beer & Co expects AJM to issue a further 508.8m new shares to raise the equity required for the capital required to be invested to bring Pilgangoora into operation.

This is compares with 593.3m in our previous analysis, reflecting a lower share price at that time and hence more share to be issued, despite the higher amount of capital and hence equity to be raised.

Figure 17 shows how each of these factors has added to our valuation of AJM, noting that the conjoint impact of these factors can lead to errors in the dissection; eg. a longer mine life at lower grades has little value in the absence of lower costs (as should be expected).

Figure 17: How Beer 7 Co's valuation of AJM has increased

Original	Lower Costs	More Resources	Higher Throughput	Less Scrip	Less Risk	Higher Prices
12.1 c	13.9 c	14.1 c	26.2 c	26.8 c	28.3 c	35.9 с

Source: Beer & Co estimates

Figure 17 clearly shows that the major value drivers are:

- The increase in the rate of throughout, from 1.0Mt/yr to 2.0Mt/yr and the impact that this has on costs and cashflow; and
- The increase in product prices.



Sensitivity Analyses

Figure 18 shows the results of Beer & Co's sensitivity of our valuation to changes in

- Prices for spodumene concentrate; and
- Risk.

Figure 18 shows that at current spodumene prices, the valuation of AJM will be much higher that our current valuation.

Figure 18 : Sensitivity of Beer & Co valuation										
	US\$ 400 /t	US\$ 450 /t	US\$ 500 /t	US\$ 550 /t	US\$ 600 /t					
Base Case	28 c	36 c	44 c	51 c	59 c					
Un-Risked	44 c	48 c	58 c	69 c	79 c					

Source: Beer & Co estimates

Figure 18 also shows a significant increase in value from successful project delivery (ie. the un-risked valuation).

Conclusions

Beer & Co is raising our valuation on AJM, from 12c to 36c due to a combination of:

Lower operating costs overall;

- Higher throughput and consequently lower operating costs;
- Offset partly by higher capital costs; and
- Higher product prices.

Beer & Co believes there is further significant upside potential to our valuation from

- Higher spodumene prices, as the price used in our valuation is
- Fewer new shares being issued to raise the capital to bring the project into operation, due to a higher share price and potential interest from AJM's Chinese partners; and
- Successful project delivery.

As our valuation is now a clear multiple to the current share prices, Beer & Co is raising our recommendation to a Strong BUY, High Risk.

Beer & Co sees further upside potential to our valuation

Beer & Co raises out recommendation to a Strong BUY, High Risk



Beer& Co Res	earch															
Altura Mining (AJM.ASX)							N	March 2016								
Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21							
Section 1 - P&L										Commodity price assumption	ns					
Sales revenue	\$A m	5	5	5	179	296	233	227	227	Year ended June	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Interest revenue	\$A m	0	0	0	0	2	4	5	6	AUD/USD	0.711	0.700	0.700	0.700	0.700	0.700
Other revenue	\$A m	5	0	0	0	0	0	0	0	Spodumene, Chemical grade	450		450	450	450	450
Total Revenue	\$A m	10	5	5	180	298	237	232	233	Spodumene, Industrial grade	650	650	650	650	650	650
Cost of Goods Sold	\$A m	(4)	(5)	(5)	(58)	(84)	(78)	(78)	(78)	Mine Production / Sales, con	tained produ	ct				
Royalties	\$A m	0	0	0	(13)	(22)	(17)	(17)	(17)	Spodumene, chemical grade,		0	16,284	27,168	21,313	20,752
Corporate Costs	\$A m	(5)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	Spodumene, industrial grade, t		0	0	0	0	0
Exploration Expense	\$A m	(0)	0	0	0	0	0	0	0							
Other Operating Expenses	\$A m	(16)	(1)	0	0	0	0	0	0	Resources, Reserves and as	sumed minin	g inventory				
Total Operating Expenses	\$A m	(25)	(8)	(7)	(72)	(107)	(96)	(96)	(96)	Pilgangoora Mineral Resourc	es					
		(4.6)	(2)	(2)	107	404	444	126	427	Resources cut-off		Liž				
EBITDA Dep'cn & Amort'sn	\$A m \$A m	(16) (1)	(3)	(2) 0	107 (7)	191 (15)	141 (15)	136 (15)	137 (15)	Category Li2O Measured 0.80 %	0 Mt	grade	contained 0 t			
EBIT	\$A m	(17)	(3)	(2)	100	176	126	122	122	Indicated 0.80 %	19.77 Mt	1.21 %	239,000 t			
Interest Expense	\$A m	(0)	0	0	(7)	(8)	(6)	(5)	(3)	Inferred 0.80 %	6.29 Mt	1.21 %	76,000 t			
Other	\$A m	(13)	0	0	0	0	0	0	0	TOTAL	26.06 Mt	1.21 %	315,000 t			
Pre-Tax Profit	\$A m	(30)	(3)	(2)	93	168	119	117	119	-						
Tax Expense	\$A m	(0)	0	0	(28)	(51)	(36)	(35)	(36)	Beer & Co estimated mining	inventory, Pi	Igangoora				
NPAT	\$A m	(30)	(3)	(2)	65	118	84	82	84			Liz	20			
												grade	contained			
Section 2 - Key Data										Starter	2.5 Mt	1.60 %	40 kt			
Ordinary shares - year end	m	837.7	1,128	1,639	1,643	1,643	1,643	1,643	1,643	High grade	4.0 Mt	1.35 %	54 kt			
Fully diluted shares on issue	m	1,044.3	1,134	1,643	1,643	1,643	1,643	1,643	1,643	Standard	12.5 Mt	1.20 %	150 kt			
Weighted # shares	m	489.8	947	1,638	1,642	1,643	1,643	1,643	1,643	Low grade	6.0 Mt	1.00 %	60 kt	.		
Earnings per Share		(3.5c)	(0.3c)	(0.1c)	4.0 c	7.2 c	5.1 c	5.0 c	5.1 c	TOTAL	25.0 Mt	1.22 %	304 kt			
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c							
Section 3 - Balance Sheet										Asset based Valuation						
		-			02	227	200	202	476	d'a	-	0 1 201	-		0.14== 10	
Cash	\$A m	2	6 1	1 1	92 33	227 37	309 28	392 28	476 28	discount rate = 12.0 %	risk :	0 June 201 100%		per share	9-Mar-16	
Receivables	\$A m	2	0	0	0	0	0	28 0		Dilgongo ero Dosovreos				•	20.1.0	
Other CURRENT ASSETS	\$A m	7	7	2	124	264	337	421	504	Pilgangoora Resources	75 %	\$ 603m	\$ 452m \$ 47m	28.4 c	30.1 c	
CURRENT ASSETS	\$A m	,	,	2	124	204	33/	421	304	franking credits Pilgangoora Extensions	45 % 45 %	\$ 105m \$ 22m	\$ 47III \$ 10m	3.0 c 0.6 c	3.1 c 0.7 c	
Receivables	\$A m	2	0	0	0	0	0	0	0	franking credits	27 %	\$ 5m	\$ 1m	0.0 c	0.1 c	
P, P & E	\$A m	1	1	112	145	135	124	114	103	Indonesian Coal	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c	
Mining Properties / Exploration		15	16	16	16	16	15	15	15	Mininig Services	75 %	(\$ 2m)	(\$ 2m)	(0.1c)	(0.1c)	
Other	\$A m	21	0	0	0	0	0	0	0	Philippines Coal	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c	
NON-CURRENT ASSETS	\$A m	39	18	128	162	151	140	129	118	Mt Webber Iron Ore	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c	
TOTAL ASSETS	\$A m	46	25	130	286	415	477	550	623	Lithium Corp	75 %	\$ 0m	\$ 0m	0.0 c	0.0 c	
										Corporate	100 %	(\$ 11m)	(\$ 11m)	(0.7c)	(0.7c)	
Payables	\$A m	3	1	1	10	11	10	10	10	Cash / Debt	100 %	(\$ 15m)	(\$ 15m)	(1.0c)	(0.0c)	
Debt	\$A m	0	0	0	17	18	20	22	14	Equity raisings	100 %	\$ 44m	\$ 44m	2.8 c	2.7 c	
Other	\$A m	1	0	0	0	0	0	0	0	TOTAL		\$ 751m	\$ 527m	33.2 c	35.9 c	
CURRENT LIABILITIES	\$A m	4	1	1	27	29	29	31	23	Shares on issue	837.7m	P O share		Options		
											37.0m	2015 - 16		Ops. Ex'd		
Long Term Debt	\$A m	17	0	90	74	55	35	14	0		508.8m	later	9.1m	Perf Rights		
Other Provisions	\$A m	0	0	0	0	0	0	0	0	Financial Ratios						
	\$A m	17	0		74	55	35				2014.15	2015 16	2016 17	2017 10	2010 10	2010 20
NON-CURRENT LIABILITIES	\$A m		1	90 91	100	84		14	23	Year ended June	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
TOTAL LIABILTIES NET ASSETS	\$A m \$A m	21 26	24	39	186	331	65 412	45 505	599	Revenue \$A m EBITDA \$A m	(16)	(3)	180	298 107	237 191	232 141
NET ASSETS	JA III	20		33	100	331	412	303	333	EBIT \$A m	(17)	(3)	(2)	100	176	126
Accumulated Profit (Loss)	\$A m	(54)	(57)	(59)	6	124	208	290	373	NPAT (reported) \$A m	(30)	(3)	(2)	65	118	84
Reserves	\$A m	0	(5)	(37)	45	73	70	81	92	Adjusted EPS (cps)	(3.5c)	(0.3c)	(0.1c)	4.0 c	7.2 c	5.1 c
Contributed Equity	\$A m	79	86	134	134	134	134	134	134	EPS Growth (%)	. ,	90 %	67 %	3,688 %	81 %	(29%)
	\$A m	25	24	39	186	331	412	505	599	DPS (c)	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Minority Interest	\$A m	0	0	0	0	0	0	0	0	Dividend Yield (%)	0 %	0 %	0 %	0 %	0 %	0 %
Total Equity	\$A m	26	24	39	186	331	412	505	599	PE adj. (x) x	(0.7)	(36)	(109)	3.0	1.7	2.4
										EV / EBITDA (x) x	(2)	(42)	(158)	1.8	0.2	(0.4)
Section 4 - Cashflow										EV / EBIT (x) x	(2)	(42)	(158)	2.0	0.2	(0.4)
Net Cashflow from operations	\$A m	0	(2)	(2)	107	191	141	136	137	Gearing (%)	0 %	70 %	32 %	18 %	12 %	6 %
Net Interest Paid	\$A m	(0)	0	0	(7)	(6)	(3)	0	3	Return on Assets	(12%)	(1%)	35 %	42 %	26 %	22 %
Taxes Paid	\$A m	0	0	0	0	(27)	(31)	(24)	(25)	Return on Equity	(13%)	(5%)	35 %	36 %	20 %	16 %
Change in Working Capital	\$A m	(0)	0	0	(23)	(4)	7	0	0	EBITDA Margin (%)	(333%)	(64%)	(38%)	60 %	65 %	60 %
OPERATING CASHFLOW	\$A m	(0)	(2)	(2)	78	155	115	113	116	Interest Cover (x) x	(62.4)	n/a	n/a	14.2	22.5	19.9
			_		_	•	_			Chambaldi						
Exploration + Feasibility	\$A m	0	2	0	0	0	0	0	0	Shareholdings			Oth a ··			
Maintenace Capex	\$A m	0	0	0	4	4	4	4	4	Board & Management	45.70		Others	a i a la	120 207	15.00
Expansion Capex	\$A m	0	0	110	37	0	0	0	0	Allan Buckler 146.411m			Maxwell Sn		139.387m	15.0 %
PPE Acquisitions (Total Cape PPE Divestments		0	2	110	41 0	4 0	4 0	4 0	4 0	Paul Mantell 25.363m James Brown 20.018m	2.7 % 2.2 %		Farjoy Pty L Navibell Ser		45.336m 34.892m	4.9 %
INVESTING CASHFLOW	\$A m \$A m	0	2	110	41	4	4	4	4	James Brown 20.018m Beng Kuan 15.183m	1.6 %		TOTAL	vices Llu.	219.615m	3.8 % 23.6 %
MANEST HAG CASHLOM	эм III			110	41	4	4	+		Dennis O'Neill 10.778m	1.6 %		IUIAL		417.013111	23.0 %
Change in Equity	\$A m	0	7	48	0	0	0	0	0	TOTAL 217.754n		•				
Dividends Paid	\$A m	0	0	0	0	0	0	0	0	101BL 217./34II	. 23.4 70					
Change in Debt	\$A m	17	(17)	90	0	(17)	(18)	(20)	(22)							
FINANCING CASHFLOW	\$A m	17	(10)	138	0	(17)	(18)	(20)	(22)							
			,,			,	,,	/	. ,							
Free Cashflow	\$A m	(0)	(0)	109	118	159	119	117	120							
Net Cashflow	\$A m	17	(11)	247	118	142	101	97	98							
			. ,													



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The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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