

25 August 2016

## **ASX ANNOUNCEMENT**

# FIRST LONG LEAD CAPITAL ITEM SECURED FOR PILGANGOORA LITHIUM PROJECT

#### **HIGHLIGHTS**

- Significant process plant component secured ensuring long lead time components are available to complete the project construction phase on time and on budget
- Other long lead capital item opportunities have been identified with plans to secure further items in the near future
- Project remains on track for Q4 2017 production timeline

Altura Mining Limited (ASX:AJM) is pleased to provide the following update on its 100% owned Pilgangoora Lithium Project located in the Pilbara region of Western Australia. The Company has been pursuing opportunities to ensure the project is expedited in order to enter the realm of lithium oxide (spodumene) producers during Q4 2017.

As part of this process Altura, has identified opportunities to secure long lead items and infrastructure already in place to support the planned development timeframe for the Pilgangoora Lithium Project. The Company is pleased to advise that it has acquired the first significant long lead capital item that will be an integral component of the process plant.

A High Pressure Grinding Rolls (HPGR) crusher has been purchased for utilisation in the crushing unit for the process plant. This item has a long lead time of approximately 40 weeks, and Altura has been able to secure an existing new (unused) unit, therefore saving an estimated 34 weeks lead time for this item.

#### **About HPGR**

Crushing testwork utilising High Pressure Grinding Rolls (HPGR) crusher has proven this comminution technique to be considerably advantageous over cone crushing, realising superior operational availability and maintainability, and significantly improving liberation of spodumene. Testwork has confirmed wear-surface endurance to be in line with expectations, with resulting positive impact on estimated operating costs.

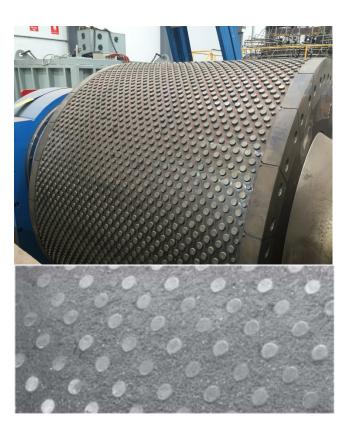
HGPR operates on the basic principle of independently powered rollers compressing feed ore under high pressure to produce crushed product (see Figure 1 overleaf).

Figure 1 – Basic Diagram of HPGR Crusher Operation



The rollers are studded, which assists in forming an autogenous layer of ore on the surface of the rolls, thereby crushing ore-on-ore, realising exceptional wear life and high comminution power efficiency (see Figure 2 below).

Figure 2 – HPGR Crusher Showing Rollers and Studs



## **Definitive Feasibility Study (DFS) Update**

Altura is aiming to deliver the DFS for its 100% owned Pilgangoora Lithium Project in the coming weeks. Whilst most components of the DFS are complete there will be an intensive peer review component prior to delivery. Although every effort is being made in order to complete the DFS by the end of August it is expected that a market release will occur in the first half of September 2016.

Altura has previously reported key outcomes of its Feasibility Study (FS) in April 2016 which included:

- A project Net Present Value (NPV) of \$382 million over an initial 14+ year mine life based on the current ore reserve estimate of 18.4 million tonnes @ 1.07%Li<sub>2</sub>O
- Life of Mine (LOM) cash cost of A\$298 per tonne of spodumene concentrate
- An attractive capital estimate of A\$129 million including deferred capital and a payback period of 1.7 years

(For further details on the FS, please refer to the ASX announcement on 11 April 2016)
(For details on the Ore Reserve estimate, please refer to Appendix A of this announcement)

The upcoming Definitive Feasibility Study (DFS) will increase the accuracy of capital expenditure and operational expenditure estimates to within a tolerance of +/-10%.

Altura continues to be well positioned to deliver the project in line with the previously disclosed achievable timeframe with key factors such as a strong balance sheet, amenable resource, defined process flow sheet, significant binding offtake and clear strategy to market. Further updates will be provided as they come to hand.

#### 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.

For further information, please visit <a href="www.alturamining.com">www.alturamining.com</a> or phone:

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#### **APPENDIX**

## Altura Pilgangoora Ore Reserve Estimate

(0.4% Li<sub>2</sub>O Cut-off Grade)

JORC Category	Ore (million tonnes)	Li₂O (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	Contained Li <sub>2</sub> O (tonnes)
Proven	-	-	-	-
Probable	18.4	1.07	1.7	198,390
Total Reserve	18.4	1.07	1.7	198,390

For further details, please refer to the ASX announcement on 11 April 2016.

#### **Competent Persons Statement**

The information in this report that relates to the Ore Reserve for the Pilgangoora lithium deposit is based on information compiled by Mr Jake Fitzsimons. Mr Fitzsimons is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Fitzsimons is a principal consultant at Orelogy Consulting Pty Ltd and has sufficient experience that is relevant to the style of mineralisation under consideration and 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 Fitzsimons 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 in included in the ASX announcement on 11 April 2016. Further, all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in those announcements continue to apply and have not materially changed.