

30 July 2012

QUARTERLY ACTIVITIES REPORT June 2012

Highlights

Coal

- PT Suryaraya Permata Khatulistiwa IUP (mining permit) placed on the Clear and Clean register.
- Substantial due diligence completed to allow acquisition of 2 further IUPs with combined Tabalong tenements to cover 17,000 hectares of high value coal targets.
- Forestry Land Use Permit approvals progressing to allow mining to commence.
- Tabalong Coal Project targeting construction in Q4 2012 for first coal in Q1 2013.

Iron Ore

- Mt Webber DSO Project feasibility on track for completion in Q3 2012.
- All drilling complete for Ore Reserve and Mineral Resource estimate revision.

Lithium

- RC drill program continued with 39 drill holes and 4,396 metres of drilling by Altura in-house drill team.
- Drilling continues to intersect shallow, thick and high grade lithium mineralised zones.
- Stage 1 detailed metallurgical testing completed.
- Mineral Resource estimate revision on target for Q3 2012.

COAL

TABALONG COAL JOINT VENTURE (South Kalimantan – Indonesia) Thermal Coal (70% AJM)

Altura's strategy for building an international coal business will commence with the development of the Tabalong Coal Project in Indonesia. Altura has focussed on developing and expanding its coal holdings in the Tabalong Regency in South Kalimantan.

The Tabalong Coal JV was formed in March 2012 and covers three (3) Mining Permits or IUPs covering 7,661 hectares. The IUPs currently subject to the joint venture are held by PT Suryaraya Permata Khatulistiwa (SPK), PT Suryaraya Cahaya Cemerlang (SCC) and PT Suryaraya Pusaka (SP) with all tenements considered prospective for high grade thermal, PCI and metallurgical coals (see Figure 1).

Mining Development

The initial mining development will commence in SPK the most northern IUP and progress south into SCC and potentially east to SP as coal resources are defined. Coal will be mined from SPK and hauled some 110 kilometres to a port site on the Barito River. Coal will be loaded on barges and transported down the Barito River to an offshore anchorage point for vessel loading.

Third party use of 55 kilometres of haul road, crushing plant and barge loading facility is currently being negotiated. Successful completion of these negotiations will substantially reduce start up capital and development lead time.

Altura is aiming to commence construction of the mine during Q4 2012 with first coal production in Q1 2013 subject to receipt of statutory approvals. Initial coal production will be at a rate of 500,000 tonnes per annum (tpa) ramping up to 1,500,000 tpa.

Permit Status

The Government of Indonesia has introduced a "Clear and Clean" status for IUPs, and the granting of this status confirms that the relevant IUP has no "overlapping" conflict with other IUP holders along with declaring that the IUP has been issued and maintained in accordance with the law.

Altura received conformation on 7 May 2012 that SPK was added to the Clear and Clean Register. The addition of SCC and SP to the register is expected in the near future. Significant progress was made during the quarter to change the ownership structure of SPK, SCC and SP. The changes are necessary to reflect the establishment of the joint venture between Altura (70%) and PT Unitas Jaya Investama (UJI).

Forestry Permits (Pinjam Pakai) are still being sought for SPK, SCC and SRP. It is likely that SPK will be issued with the Forestry Permit in Q3 2012 with SCC and SP shortly after that. There is a significant backlog of Forestry Permitting in Indonesia as a result of the rapidly growing mining sector and the introduction of the new mining law, and therefore the exact timing for the issue of Forestry Permits cannot be accurately forecast.

Acquisitions

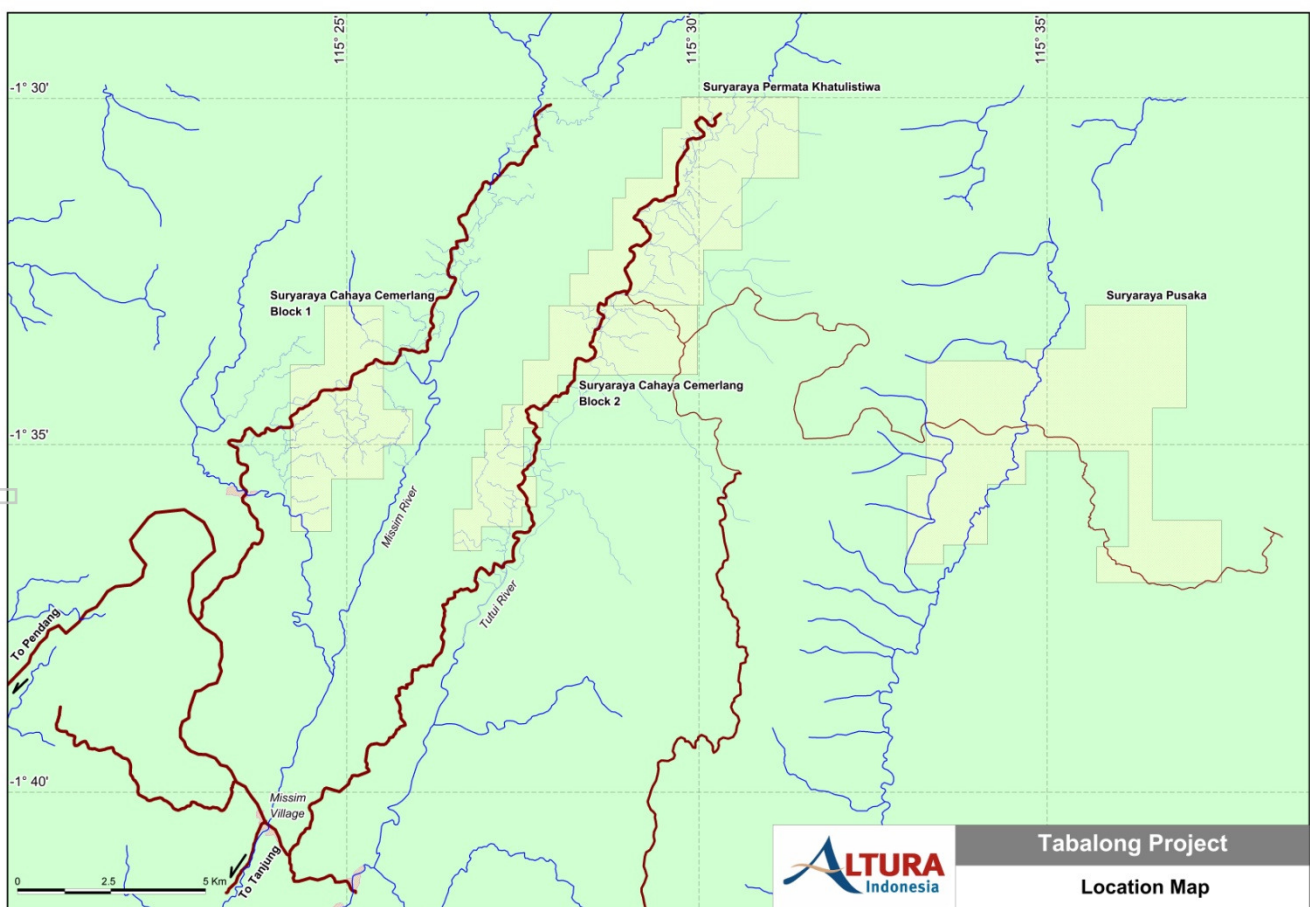
The Tabalong Coal JV has entered into an agreement to acquire a further two (2) IUPs located near the existing Tabalong IUPs. The parties have an agreement in principle and will enter into a formal Shareholders Agreement upon successful completion of the due diligence process. Currently both parties are working to complete the transaction and are reviewing the relevant agreements necessary to complete the transaction.

Completion of the acquisitions will permit the Altura controlled Tabalong Coal Project JV (70% Altura) to acquire 80% of each project with the vendors to retain the remaining 20%. The addition of these two new IUPs will result in the expanded Tabalong Coal Project JV comprising five (5) IUPs, and will more than double the area under tenement to 17,000 hectares of high value coal targets.

Exploration

Exploration during the quarter focussed on the eastern most IUP (SP) with a desktop review of existing data completed and dispatch of a field team to verify geological information. Altura plans on launching a drill program aimed at proving up additional coal resources upon completion of the field program. Forestry Permits will be required before any drilling can commence but is expected to be underway in late Q4 2012 or early Q1 2013.

Figure 1 – Tabalong Coal Project JV – Tenement Plan



About the Tabalong Coal Project

The Tabalong Coal Project consists of three (3) Mining Licences (IUPs) and an agreement in principle signed to acquire an additional two (2) IUPs in the province of South Kalimantan on the island of Borneo. Currently three (3) IUPs are granted for Operation Production and Altura is seeking the necessary Forestry Land Use approvals to allow mining to proceed. The additional two (2) IUPs are granted for Exploration with Altura planning to fast track Operation Production approval upon completion of the exploration phase.

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.

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IRON ORE

MT WEBBER (Pilbara – Western Australia) 30% Altura Mining Limited, 70% Atlas Iron Limited

Resource Definition Drilling

During the quarter 26 Reverse Circulation (RC) holes were completed on the Mt Webber joint venture tenements for a total of 1,134 metres. The drilling was conducted on the Fender and Ibanez deposits (9 holes) and a further 17 reconnaissance holes on an exploration prospect adjacent to Fender known as MW7. The exploration drilling at MW7 encountered little in the way of iron enrichment, and no further activity is planned at this location.

The extensional work on the northeast Ibanez area was successful in delineating an additional zone of mineralisation which has since been incorporated into the Mt Webber resource model. Atlas recently (25 July 2012) reported a global Mineral Resource and Ore Reserve estimates including a combined Mt Webber project (Mt Webber and former Dalton's projects). An independent review and separate estimate of the Altura proportion of the Mt Webber project is being concluded and will be reported separately.

The recent round of drilling completes the current evaluation program on the joint venture tenements at Mt Webber. The Atlas Projects team are continuing feasibility work on the project. Current Feasibility and Engineering Studies being managed by Atlas support commencement of production at Mt Webber by December 2013.

Project Development

During the quarter the managing partner (Atlas) continued assessment of infrastructure options for mine access, plant layouts and haulage routes. Atlas plans to expand its Northern Pilbara Projects' production to 12Mtpa (million tonnes per annum) export rate during the course of the 2013 calendar year.

The development of Mt Webber forms a significant proportion of Atlas' proposed "Horizon 1" development of its North Pilbara DSO assets. The development plan is based upon bringing on stream a series of contributing projects in order to increase their overall production to 12 Mtpa export rate by the end of 2013.

Initial capital estimates (completed by managing partner Atlas) covering the development of Mt Webber DSO project are \$290 million. Altura's contribution to the development is estimated at \$45 million of a prorated DSO tonnage basis. Finalisation of the capital expenditure and project development is expected to be completed by the end of August 2012.

Joint Operations Agreement

On 18 July 2012 (subsequent to the end of the quarter) Altura and Atlas held its scheduled Joint Venture meeting in Brisbane. The focus of the meeting was to progress the completion of the Joint Operations Agreement (JOA) and subsequent commercial terms for the Mt Webber mine development. Discussions are ongoing.

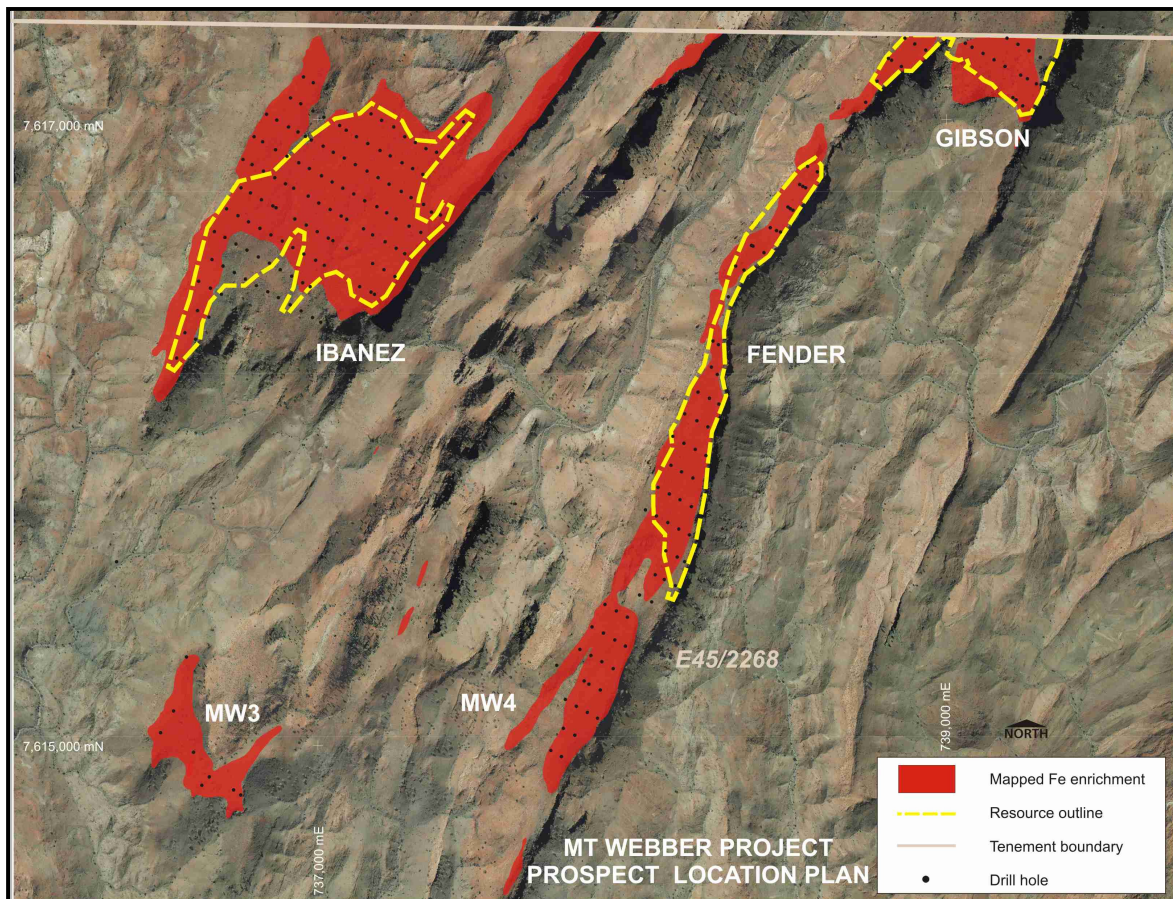
The Mt Webber DSO project is now being viewed by Atlas as a combination of the original Mt Webber project (30% Altura / 70% Atlas) and the 100% Atlas owned Dalton’s project. Atlas is currently planning a single mining development of the enlarged Mt Webber DSO project to allow greater mining flexibility and ore blending capability.

The signed JOA and associated commercial agreements will form the basis for the decision to proceed to mine by Altura. The completion of the JOA and other agreements is expected in Q4 2012 in order to facilitate project funding and construction in 2013.

About Mt Webber

The Mt Webber Iron Ore Project is located 150 kilometres south-southeast of Port Hedland in the world’s premier iron ore province, the Pilbara. Altura has a 30% interest in the Mt Webber Iron Ore DSO project (and five other Pilbara tenements that form part of the joint venture agreement) in the Pilbara. Atlas Iron is Altura’s joint venture partner for this project. Under the terms of the agreement, Altura remains the owner of the Mt Webber and other tenements, totalling 333 square kilometres.

Figure 2 – Reserve, Resource and Prospect Location, Mt Webber DSO Project



LITHIUM

PILGANGOORA (Western Australia) Lithium, Tantalum (100% AJM)

Resource extension drilling at the Pilgangoora Lithium Project continued throughout the June quarter, with the focus being on an extensive RC (Reverse Circulation) drilling program aimed at increasing the existing Mineral Resource estimate. An upgraded Mineral Resource estimate is expected to be completed in Q3 2012.

Drilling Program

The drilling program to date has identified four (4) mineralised pegmatite zones, namely C1, E1, N1 and S1 with all of the zones shown to be highly prospective (see Figure 3).

Drilling conducted during the quarter consisted of 39 RC drill holes for 4,396 metres mainly focussed on delineating the extent of the thicker mineralised pegmatite in the C1 area. Other drilling has been aimed at connecting the C1 and S1 zones and closure of the E1 and N1 zones.

Altura has continued to use its own Maxdrill 2000 drill rig and in-house crew to undertake the drilling work. The current RC drilling program will continue during the September quarter, where it is anticipated that a further 20 to 30 drill holes will be completed.

Exploration Results

Further results from the drilling program were announced to the market during the quarter (see ASX releases on 8 May 2012). The significant assay results are provided in Table 1 overleaf and show the shallow wide thickness and the high grade of the mineralised pegmatites. The drill holes for which assay results were available at the time are for holes PRC198 through to PRC213. Further results will be released as they come to hand.

Metallurgical Studies

Metallurgical studies are presently being carried out on three HQ diamond core samples, PD001, PD002 and PD003, cored from three different areas at Pilgangoora. The work is being supervised by Mineral Engineering Technical Services Pty Ltd (METS) in Perth. Nagrom Laboratories in Perth are undertaking the laboratory studies.

Table 1 – Significant RC Drilling Results for holes PRC198 through to PRC213

Hole No.	East GDA94 (m)	North GDA94 (m)	Dip/Az (Deg.)	From (m)	To (m)	Thickness (m)	Li ₂ O%
PRC198	697562	7669410	-60/270	37	46	9	1.12%
PRC199	697601	7669412	-60/270	19	28	9	1.15%
PRC204	697508	7668564	-60/270	46	76	30	1.27%
				Including 9m @ 1.40% (46m to 54m)			
				and 4m @ 2.5% (60m to 64m)			
				and 7m @ 1.53% (68 to 75m)			
PRC205	697544	7668556	-60/270	78	99	21	0.99%
				Including 4m @ 1.85% (78m to 82m)			
				and 5m @ 1.99% (78m to 99m)			
PRC206	697608	7668547	-60/270	0	18	18	1.19%
				51	61	10	1.13%
				109	124	15	0.89%
				129	148	19	1.06%
PRC207	697470	7668506	-60/270	37	61	24	1.34%
				Including 14m @ 1.50% (47m to 61m)			
				and 5m @ 2.00% (32m to 37m)			
				and 11m @ 2.00% (43m to 54m)			
PRC208	697465	7668473	-60/270	35	68	33	1.35%
				Including 12m @ 1.66% (35m to 46m)			
				and 9m @ 1.81% (55m to 64m)			
PRC210	697682	7668542	-60/270	28	46	18	1.53%
				147	175	28	1.47%
				Including 7m @ 2.05% (49m to 56m)			
PRC211	697398	7668333	-60/270	63	72	9	1.67%
PRC212	697467	7668342	-60/270	2	23	21	1.00%
PRC213	697505	7668339	-60/270	3	13	10	1.28%
				26	46	20	1.40%
				Including 12m @ 1.65% (34m to 46m)			

Holes have been either surveyed by a Registered Surveyor or a hand held Garmin GPS.

All assays by LabWest Laboratories of Malaga, Perth, WA.

All 1.0m samples have been riffle split and assayed by ICP/OES and ICP/MS.

The cut-off grade used in the reporting of the significant drill hole results is 0.4% Li₂O.

Figure 3 – Pegmatite Outlines and Drill Holes

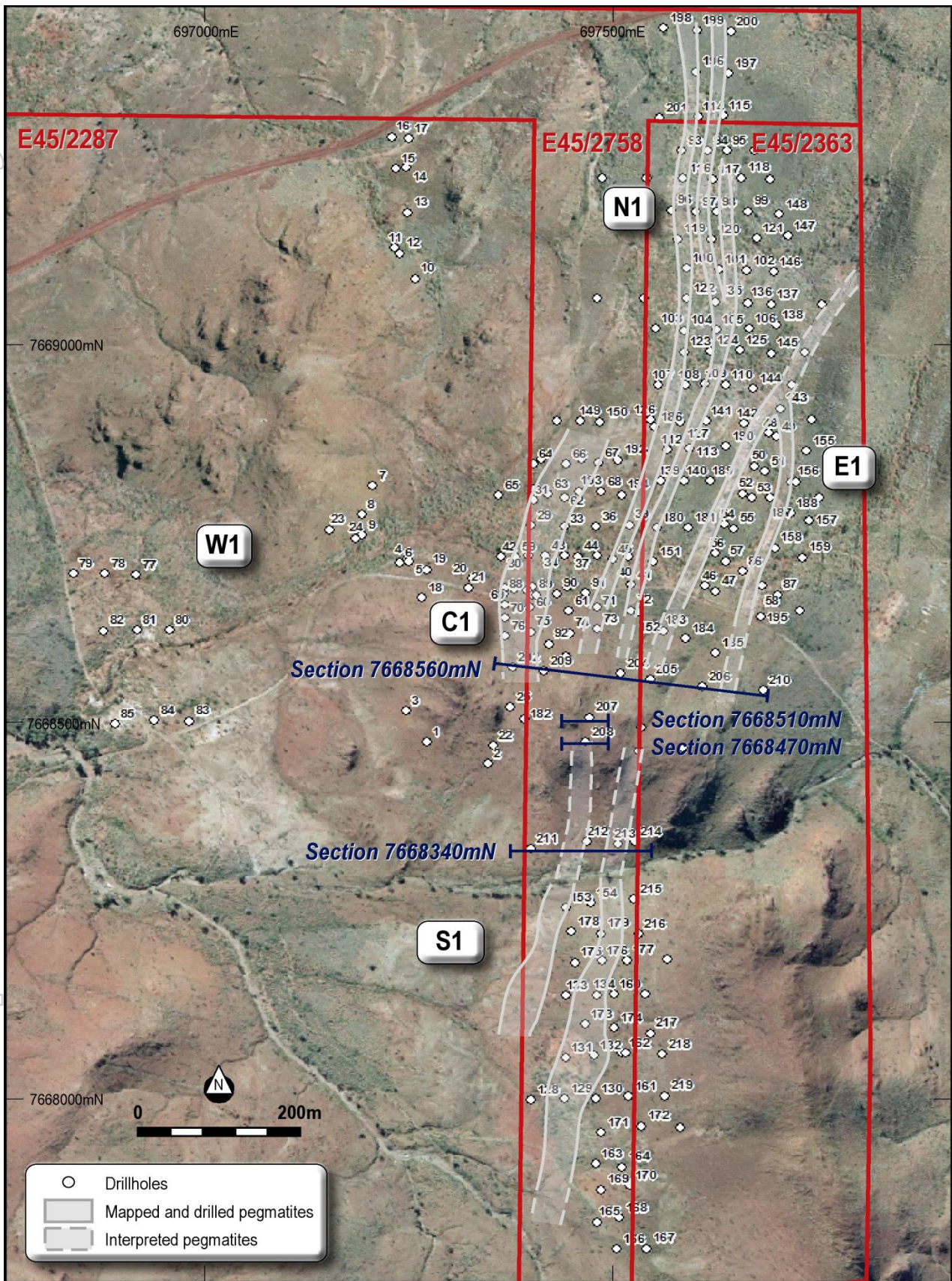
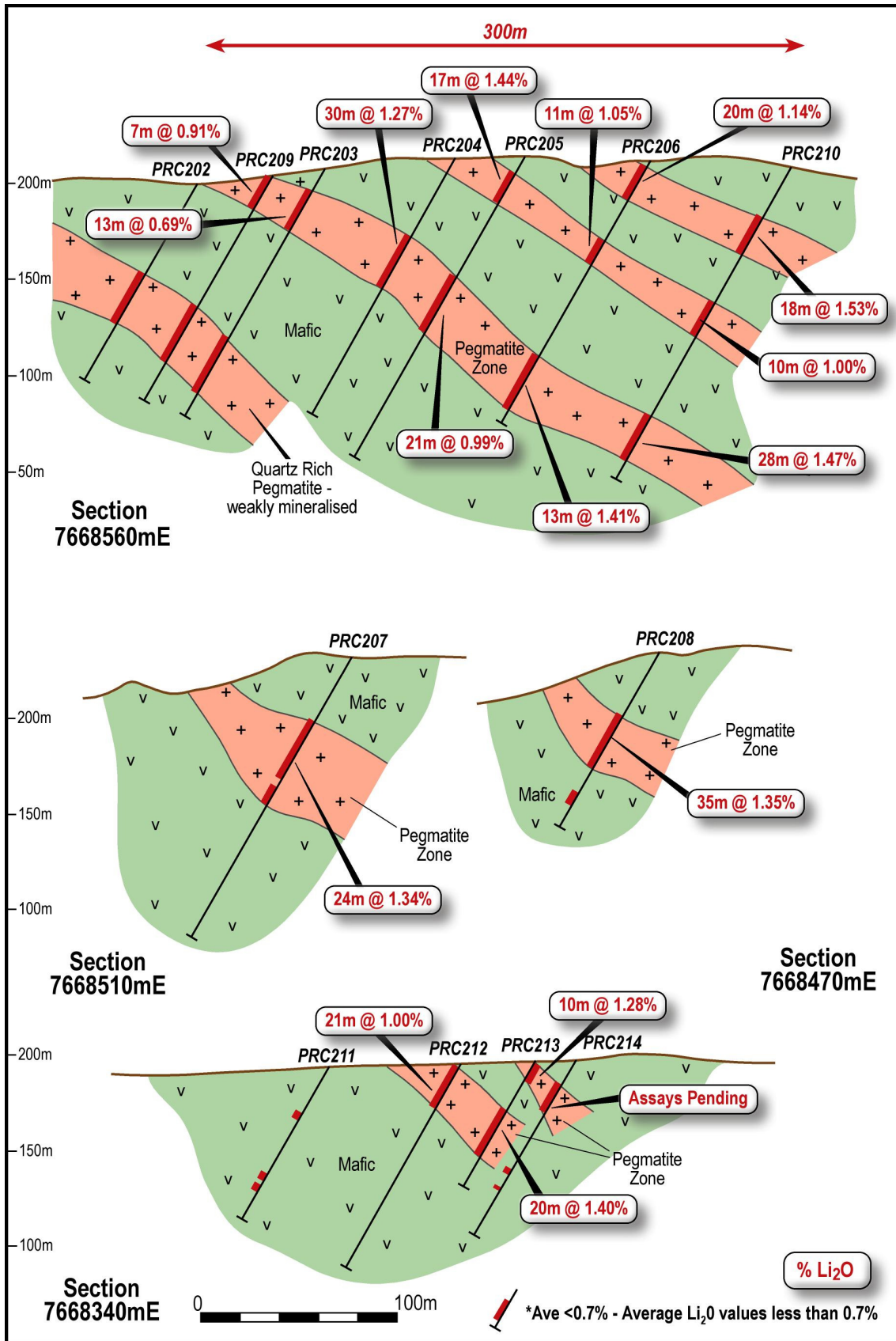


Figure 4 – Drill Sections (see Figure 3 for locations)



Section 7668560mN in Figure 4 above, which is located on the northern side of the ridge covers a distance of approximately 250 metres in an east – west orientation.

Exploration Target

Altura continues to maintain its exploration target of 18 to 25 million tonnes @ 1.3 to 1.6% Li₂O. Table 2 sets out the respective ranges of tonnes and grades for the Pilgangoora exploration targets for Areas C1, E1, N1 and S1.

Table 2 – Pilgangoora Lithium Exploration Targets

Lithium Target Area	Tonnes (Mt)	Li Grade (% Li ₂ O)
Area C1	5 – 7	1.3 – 1.5
Area E1	4 – 5	1.3 – 1.5
Area N1	4 – 5	1.3 – 1.5
Area S1	5 – 8	1.4 – 1.6
TOTAL	18 – 25	1.3 – 1.6

Note: The potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the determination of a Mineral Resource.

Resource Estimate

Altura has a current Pilgangoora Mineral Resource estimate of 13.29 million tonnes of mineralised spodumene pegmatites at 1.21% Li₂O (see Table 3 below).

Table 3 – Pilgangoora Lithium Resource Estimate

Pilgangoora Li ₂ O Resource – November 2011				
Zone	Resource	Tonnes	Li ₂ O %	Li ₂ O tonnes
C1 Area	Indicated	2,960,000	1.24	36,525
	Inferred	760,000	1.40	10,655
E1 Area	Indicated	2,130,000	1.33	28,473
	Inferred	1,260,000	1.29	16,223
N1 Area	Indicated	1,830,000	1.15	21,139
	Inferred	1,600,000	1.17	18,767
S1 Area	Indicated	-	-	-
	Inferred	2,750,000	1.06	29,149
Subtotal	Indicated	6,920,000	1.24	86,138
	Inferred	6,370,000	1.17	74,214
Total	All Resources	13,290,000	1.21	160,352

based on 0.3% Li₂O cut-off and depth limit of 100 metres

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.

About Altura Mining Limited (ASX:AJM)

*“Aggressively building independently sustainable businesses that deliver profitability, liquidity and growth in coal, iron ore and non-ferrous mining and exploration” - **The Altura Vision***

Altura is a multi-faceted miner with significant coal, iron ore and lithium projects in Indonesia and Australia, a diverse minerals exploration portfolio, and a profitable mining services arm that provides drilling, geophysical and project development services.

With experienced leadership and a strong and supportive shareholder base, Altura’s success is further underpinned by its solid suite of exploration and development projects. The Company’s main focus is coal and its key project, Tabalong Coal in Indonesia, is in the final stages of approvals before mining commences.

Key Projects and Prospects:

- **Coal:** Mine construction at Tabalong planned for this year, with production in early 2013.
- **Iron Ore:** Mt Webber DSO joint venture with Atlas Iron.
- **Lithium:** Prefeasibility at Pilgangoora WA, one of the world’s largest high grade deposits.
- **Uranium:** Exploration stage of key targets in Hayes Creek region, Mt Shoobridge NT.
- **Base/Precious Metals:** Exploration stage for lead, copper, zinc, gold and silver prospects - Shoobridge NT, Pilbara WA, Smithfield WA, Tanami NT.
- **Garnet:** Balline Mineral Sands Project WA.

COMPETENT PERSONS STATEMENT

Pilgangoora (WA)

The information in this report that relates to the Pilgangoora exploration results is based on information compiled by Mr Bryan Bourke, who is a member of the Australian Institute of Geoscientists and a full-time employee of Altura Mining Limited. Bryan Bourke has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person in terms of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code 2004 Edition). Bryan Bourke consents to the inclusion of such information in this Report in the form and context in which it appears.

For further information, please visit www.alturamining.com or phone James Brown, Managing Director or Paul Mantell, Executive Director on + 61 7 3814 6900.