



ASX ANNOUNCEMENT | 9 November 2018

LONG TERM OFFTAKE AGREEMENT SECURED WITH LEADING GLOBAL LITHIUM PRODUCER

- *Binding Offtake Agreement with GFL International Co., Limited (a wholly owned subsidiary of Ganfeng Lithium) a leading global battery materials producer*
- *Supply to commence in 2018; with a minimum of 70,000 tonnes per annum from 2019 until the end of 2021 with potential extensions for up to a further 10 years*
- *Variations agreed to existing offtake arrangements with Shaanxi J&R Optimum Energy*

Altura Mining Limited (ASX: AJM) ("Altura" or the "Company") is pleased to announce a new binding offtake agreement (BOA) with GFL International Co., Limited (GFL), a wholly owned subsidiary of leading global lithium producer in Ganfeng Lithium.

The new agreement provides Altura with a more diverse customer base and locks in 100% of planned production from the recently commissioned flagship Altura Lithium operation located at Pilgangoora in Western Australia.

GFL is a leading global battery materials producer that is continuing to expand both its lithium carbonate and lithium hydroxide production capacity. The new BOA further diversifies GFL's existing supplier base and provides the option to increase supply through access to 50% of the Stage 2 expansion production from the Altura Lithium operations.

Altura has also reached agreement with existing offtake partner in Shaanxi J&R Optimum Energy Co., Ltd (JRO) whereby JRO will reduce its current BOA commitment from a minimum of 100,000 tpa to a minimum of 50,000 tpa from 2019 onwards. This will provide Altura with more flexibility as JRO aims to conclude its current restructuring. Altura is also provided with an opportunity to expand its existing customer base with the removal of JRO's rights to additional tonnage produced.

Altura Managing Director James Brown said the new agreements would underpin production and should remove any offtake uncertainty.

"Ganfeng is one of the largest and most respected lithium companies in the world and an offtake agreement with them is further proof of the quality of the product we are producing from the Altura Lithium operations," he said.

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“The terms of agreement mirror the floor price component of our existing offtakes which provides us with significant security while the agreed pre-payment provides a healthy working capital buffer during the ramp-up phase.”

“The revised agreement with JRO together with the broadening of Altura’s customer base with Ganfeng’s commitment significantly addresses any implications to the offtake agreement from JRO’s restructuring activities.”

“We are producing a high-grade product that is highly sought after. We continue to field inquiries regarding offtakes which is testament to the quality of the Altura lithium concentrate and evidence there is still strong long-term global demand.”

Key Terms of BOA – GFL International Co., Limited (GFL)

- *Minimum of 70,000 dry metric tonnes (dmt) per annum of 6% grade spodumene concentrate (SC6.0) with minimum 8,000 dmt commitment in 2018;*
- *Term of BOA current to 31 December 2021 with a further 5 year extension at GFL election plus an additional 5 year extension by mutual agreement;*
- *US\$11 million pre-payment on 2019 shipped cargoes;*
- *Minimum price of US\$550 dmt (FOB equivalent) based on Li₂O content per dmt on 6% Li₂O until end of 2020;*
- *Maximum price of US\$950 dmt (FOB equivalent) until end of 2020;*
- *CIF pricing based on agreed formula incorporating published reference pricing weighted for lithium carbonate and lithium hydroxide; calculated quarterly in arrears;*
- *GFL option to purchase any additional Stage 1 spodumene concentrate produced;*
- *GFL option to increase supply via access to 50% of spodumene concentrate produced as part of Stage 2 expansion operations.*

Key Revised Terms of BOA – Shaanxi J&R Optimum Energy Co., Ltd (JRO)

- *Minimum of 50,000 dry metric tonnes (dmt) per annum of 6% grade spodumene concentrate (SC6.0) with no tonnage commitment in 2018;*
- *Removal of rights of any additional spodumene concentrate produced by Altura Lithium;*
- *Any additional spodumene concentrate will be available for purchase by JRO upon mutual agreement basis;*
- *All other key terms of existing agreement remain unchanged.*

About Ganfeng Lithium

Ganfeng is the world's third largest and China's largest lithium compounds producer and the world's largest lithium metals producer in terms of production capacity as of 31 December 2017, according to CRU. Offering five major categories of more than 40 lithium compounds and metals products which is one of the most comprehensive product ranges amongst lithium compound and metal suppliers globally.

Ganfeng has developed a vertically integrated business model, with operations covering critical stages of the value chain, including upstream lithium extraction, midstream lithium compounds and metals processing as well as downstream lithium battery production and recycling.

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, which 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 to 440,000tpa, with a Final Investment Decision due following a review of the Stage 1 operations and ramp-up to nameplate production.

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