



ASX ANNOUNCEMENT | 16 April 2021

### **About this Announcement**

*This Announcement is being issued retrospectively in order to meet Altura's corporate governance and ASX compliance requirements. The report was not previously issued as Altura was under control of Korda Mentha as Receivers and Managers, and/or Cor Cordis as Administrators. The report is issued with the benefit of hindsight but remains objective based on input from key Altura staff present during the reporting period. This announcement is in support of Altura's immediate primary focus of meeting its compliance requirements to be reinstated for quotation by the ASX.*

## **QUARTERLY ACTIVITIES REPORT**

### **September 2020**

#### **Key Points**

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##### **Production**

- *Altura continued to operate at commercial production levels, with quarterly production of 44,675 wet metric tonnes (wmt) of lithium concentrate.*
- *Average quarterly operating cash cost of US\$403/wmt produced (FOB basis).*

##### **Sustainability**

- *No Lost Time Injury (LTI) recorded for the quarter.*
- *National Greenhouse and Energy Reporting (NGER) completed.*

##### **Sales and Marketing**

- *Four shipments totalling 51,217 wmt (48,066 dry metric tonnes) shipped to long term offtake partners.*
- *Short term sales and long-term offtake agreement with Hunan Yongshan Lithium Co., Ltd approved by shareholders.*

##### **Corporate**

- *Negotiations to restructure the Company's balance sheet continued to progress in accordance with the previously announced standstill process.*

#### **Lithium Operations**

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##### **ALTURA LITHIUM OPERATIONS – Pilgangoora (Western Australia – 100% AJM)**

##### **Production Overview**

Altura Mining Limited ("Altura" or "the Company") continued to operate at commercial production levels and reinforced the ability to consistently deliver material and meet customers' needs. Altura's operational performance over the 12 months to 30 September 2020 has been unmatched by its peers and the Company was well positioned to capitalise on the growing demand for its high-quality lithium concentrate.

Altura produced a total of 44,675 wmt for the quarter, down slightly by 1,641 wmt from the June 2020 quarter, but in line with internal forecasts and the broader mine and processing plan. Production was

steady for July (15,800 wmt) and August (16,900 wmt) but was reduced in September (11,975 wmt) due to a combination of both treating oxide ore and extended maintenance.

Altura continued to deliver on its key focus of product quality and cost competitiveness. Unit costs for the September quarter were US\$403/wmt produced, compared with US\$369/wmt (FOB basis) in the June quarter. The unit cost increase was attributed to lower total quarterly production due to reduced production in the month of September resulting from a planned maintenance shutdown.

## **Mining**

Total material mined decreased by 13% compared to the June quarter. Mining activities decreased due to a planned reduction in movement and lower mining rate. Ore grade remained in line with expectations at 1.18% Li<sub>2</sub>O. Load and haul operations continued working night shift on a one week in three roster, in order to provide a consistent supply of fresh ore.

Mining operations continued to focus on steady delivery of ore and waste in line with the Life of Mine (LOM) plan, the strip ratio as a key indicator in cost management is 3.3:1 (waste:ore) for the 12 months to 30 September 2020 further demonstrating the robust nature of the ore body.

## **Processing**

Ore processed decreased by 4% compared to the June quarter. An average feed grade of 1.20 Li<sub>2</sub>O and Lithia recovery of 57% was recorded. Recovery was impacted by the deliberate treatment of oxide ore.

Plant utilisation for the quarter was 84%, because of planned maintenance on the High-Pressure Grinding Rolls (HPGR) and Dense Media Separation (DMS) circuits.

The treatment plant throughput rate averaged 191 dmt/h, in line with the nameplate capacity of 193 dmt/h.

The coarse product circuit performed in accordance with expectations, producing 23,903 wmt during the quarter. Fines circuit performance increased throughout the quarter with an overall increase in concentrate grade achieved through routine quality control procedures producing 20,772 wmt.

## **ROM and Product Stocks**

ROM and crushed ore stocks at the end of September totalled 538,583 wmt, with 266,862 wmt at a grade of 1.20% Li<sub>2</sub>O, providing sufficient stock to blend and feed the process plant.

Concentrate product stocks at the end of the September quarter totalled 23,858 wmt, distributed between site product stockpiles and the Wedgefield storage facility.

During the quarter, contractor Qube Bulk hauled 43,057 wmt from the mine site to the storage facility.

## **Marketing and Shipping**

Altura completed another strong quarter of shipping and sales in September 2020, selling more product than produced and delivering to customers by drawing down on inventory. Altura completed four shipments during the quarter, totalling 48,066 dmt (51,217 wmt). All sales went to long-term offtake partners.

As required under ASX listing rule 10.1, Altura's multi-year contracts with Hunan Yongshan Lithium Co., Ltd were approved by shareholders at an Extraordinary General Meeting held on 25 September 2020 <sup>1</sup>.

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<sup>1</sup> For full details refer to ASX announcement *General Meeting – Results of Resolution* issued 25 September 2020).

## Health and Safety

There was no Lost Time Injury (LTI) recorded for the quarter, with the Company also delivering a Total Recordable Injury Frequency Rate (TRIFR) of 5.81 for the 12 months to the end of September 2020.

One Restricted Work Injury has been recorded for the financial year. A total of two Lost Time Injuries have been recorded since the commencement of site activities (project construction) in March 2017. The Company maintained a strong focus on ensuring safe operating practices.

Additional health and safety practices were maintained to ensure the safety of Altura's people and key contractors during the current COVID-19 pandemic. As at 30 September 2020, there had not been any operational disruptions due to COVID-19.

## Exploration and Development

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### Soil Sampling

Soil sampling work was completed on the E45/2363 tenement and a total of 1,493 samples were collected. This work was completed over a large area that included the Cleopatra, Lucky 13 and Hazelby gold prospects. The results of this soil sampling work were expected in the December quarter.

### Water Exploration

Water exploration work commenced in the latter stage of this quarter and will conclude early in the December quarter.

## Sustainability

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### Environment

Environmental monitoring continued at site and a biofiltration program was implemented in the raw water dam to improve water quality. Monitoring results have not indicated any significant impacts on environmental values and the site maintained its 100% compliance record during the quarter.

Altura commenced a Solar Power Scoping Assessment which will review the benefits of installing solar power options for operational and camp power generation.

Altura reported 'relatively low' carbon *emissions* to the National Greenhouse Energy Reporting (NGER) Scheme as part of routine reporting requirements.

### Community

During the quarter Altura assisted Traditional Owners (Njamal) with a grant application for a feral cat control project and continued to negotiate a Heritage Protection Agreement for several of its pending exploration licence applications. Altura is committed to maintaining a strong relationship with Traditional Owners and the boarder community.

### Tailings Storage Facility

During the quarter, stage 3/4 of the Tailings Storage Facility (TSF) was commenced. This next stage of the TSF is a downstream construction, which will provide another 4.3m lift to the TSF wall or two years of storage for tailings from the fines processing plant. The stage 3/4 bulk earthworks were scheduled to be completed by the end of October, with all works due to be complete by mid-November.

## Corporate

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### Financial Commentary

Cash and cash equivalents at 30 September were \$10.0 million, inclusive of \$8.6 million of irrevocable bank letters of credit for the shipment that completed loading in the first week of October.

Operating cash costs was US\$403 wmt (FOB). The Unit cost increase is attributed to lower total quarterly production as a result of September's reduced output. Operating cash costs include mining, processing, transport, port and site based general and administration costs, but excludes royalty.

### December 2020 Quarter Outlook

The December quarter production and sales were expected to be in line with the June and September quarters, with strong interest maintained in the Altura Lithium product, inventory levels were expected to remain low based on current sales and shipping forecasts.

Operating cash costs were expected to remain in line with the previous results of US\$340 to US\$380/wmt.

Tailings Storage Facility (TSF) stage 3/4 raise completion.

### Corporate Outlook

Altura's focus remained on strengthening the balance sheet and securing lower cost debt options. The Company was engaged with several parties to pursue these options via its appointed advisors.

### Other Disclosure

As disclosed under item 6.1 in the Appendix 5B (below) the Company made payments totalling \$263,000 during the quarter to related parties and their associates comprising of Executive Director salaries, Non-Executive Director fees and superannuation.

**This announcement has been authorised for release by the Board of Altura Mining Limited.**

### **About Altura Mining Limited (ASX: AJM)**

*Altura is an exploration and development company, focussed on lithium and battery minerals. Altura is evaluating several development opportunities that will support the surging demand for battery minerals critical in enabling the global transition to green energy. Altura's primary focus is to meet its compliance requirements to be reinstated for quotation by the ASX, and then deliver value for Shareholders.*

For further information:

Alex Cheeseman, Chief Executive Officer, E: [info@alturaltd.com](mailto:info@alturaltd.com)

## APPENDIX 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTURA MINING LIMITED

ABN

39 093 391 774

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	29,186	29,186
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(22,764)	(22,764)
(d) staff costs	(3,462)	(3,462)
(e) administration and corporate costs	(1,149)	(1,149)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	723	723
1.8 Other (provide details if material)		
• Payments for government and other royalties	(2,841)	(2,841)
• Royalty receipts received from sale of iron ore at Mt Webber	5	5
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(302)</b>	<b>(302)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(696)	(696)
(d) exploration & evaluation	(220)	(220)
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(916)</b>	<b>(916)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,211	1,211
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(739)	(739)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	• Payments of lease liabilities	(133)	(133)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>339</b>	<b>339</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(879)</b>	<b>(879)</b>
4.1	Cash and cash equivalents at beginning of period	2,308	2,308
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(302)	(302)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(916)	(916)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	339	339

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,422</b>	<b>1,422</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,422	2,308
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,422</b>	<b>2,308</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
263
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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities <sup>(i)</sup>	246,014	246,014
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) <sup>(ii)</sup>	50,000	-
<b>7.4 Total financing facilities</b>	<b>296,014</b>	<b>246,014</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>50,000</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
(i) Altura has a secured loan note facility fully drawn to the facility limit of US\$174.9 million that matures in August 2023. The interest rate is 15%. The facility has been restated to reflect the closing AUD/USD foreign exchange rate at 30 September 2020 of 0.7108.		
(ii) Altura executed a Put Option Agreement with LDA Capital, LLC (LDA) in March 2020 to the value of A\$50.0m which entitles Altura to issue shares to LDA at Altura's discretion and receive funds of those shares. The maturity date is March 2023 and the unsecured facility has a zero interest rate.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(302)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(220)
8.3 Total relevant incoming / (outgoings) (item 8.1 + item 8.2)	(522)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,422
8.5 Unused finance facilities available at quarter end (item 7.5)	50,000
8.6 Total available funding (item 8.4 + item 8.5)	51,422
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>98.5</b>

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2020

Authorised by: Altura Board of Directors

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.