Altura Mining Limited: Pilgangoora Lithium Mining Study - Supplementary Information

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Perth - Altura Mining Ltd. (ASX:AJM) is pleased to provide the following information in relation to its announcement "Pilgangoora Lithium Update: Independent Mining Study Demonstrates Robust Financial Returns and 19 Year Mine Life" released on 11 February 2016.

Clarification

Altura wishes to clarify that the information in the announcement relates to a mining study that has been completed to a prefeasibility study level, and that the mining study is not a full project prefeasibility study.

Any references to a "mining preliminary feasibility study" or a "pre-feasibility mining study" should be read as a "mining study".

The results of the mining study will nonetheless be a significant input to a full project feasibility study which is currently being prepared and is expected to be delivered by the end of March 2016. As noted in the previous announcement, Altura has commissioned Orelogy to further develop the scope of the current mining study to a "definitive feasibility level" with completion also expected y the end of March 2016.

Additional Material Assumptions Relating to the Production Target

Mineralisation

The Pilgangoora pegmatites have been shown by drilling to extend down dip for up to 200 metres depth and they are open below this depth. The local structural evidence would indicate that the regional north to northeast faulting and shearing are the overriding structural controls for the emplacement of the pegmatite dykes. Also known to be one of the controls for the pegmatite mineralisation is the distance from the granite source, which at Pilgangoora is interpreted to be the Carlindi Granite Complex located immediately to the west of Pilgangoora and some 2-3km from the greenstone - granite contact.

The inherent lithium grade reported within each dyke is relatively consistent over the area drilled. No significantly high grade localised lithium concentrations were observed. The spodumene distribution within each dyke is therefore thought to be relatively homogeneous. (Hyland.S, Pilgangoora Mineral Resource Estimate, Aug 2015).

Pit Optimisation

A pit optimisation study has been undertaken by Orelogy (utilising WHITTLE(TM) software) in order to identify and quantify potential mining inventories and to create pit shells that can then utilised as a basis for design and LOM scheduling purposes to determine the overall potential for advancing the project to higher study levels.

The 2012 scoping study conducted by METS did not include a pit optimisation and assumed all mineralisation above 0.8% Li20 would be recoverable though open pit mining methods. Therefore an initial pit optimisation was undertaken using high level assumptions and disregarding tenement boundaries in order to identify the maximum potential pit limit.

The optimisation parameters were based around a plant processing rate of 830 Ktpa in line with the 2012 Scoping Study. A l.O Mtpa process rate was expected to have similar fixed and variable operating costs. In order to evaluate the economic potential of the total resource, the pit optimization was generated using Measured, Indicated and Inferred resources.

The parameters used were based on comparable benchmarks, deposit specific metallurgical test work and cost estimates based on the deposit geological characteristics.

Mining Method

It was assumed that mining will be undertaken by Altura as an owner mining model employing selective mining methods utilising 130t hydraulic excavators, 90t rigid body dump trucks and drill and blast coupled to a ROM stockpile. A conventional production support fleet will be used to support load & haul operations.

Other key mining assumptions were, 6m bench height, 102mm diameter blast holes, approximate burden spacing of 3.5m x 4.0 respectively, average penetration rate of 25m/operating hour. Overheads and Ore Mining Costs Based on experience and the Orelogy database for similar projects, the following parameters and assumptions were used to define the additional mining costs:

- Mining overheads including staff, consumables, IT, equipment hire and consultants services

- Grade control was based on l m sampling on a 10m x 10m pattern using a dedicated contract rig with a provision of an extra 5% being redrilled

- Crusher feed using a Cat 980 FEL tramming an average 100m

- An allowance of 10% for re-handle from remote stockpiles using Cat 980 FEL and 50t dump trucks

- Provisions for pit dewatering based on sump pumps within the pit

Processing Method

The plant consists of a four stage crushing circuit producing a -3.35mm product from ROM ore at a rate of l Mtpa. The crushing plant runs day and nights shift providing feed to a crushed ore stockpile and/or crushed ore bin which feeds the beneficiation plant on a continuous basis.

The beneficiation plant consists firstly of a reflux classifier for mica removal then a three stage Dense Media Separation (DMS) circuit. Secondary DMS floats are sent to a classification cyclone before being fed into a ball mill for milling to 106 microns in preparation for the flotation circuit.

The flotation circuit is a three stage process followed by concentration thickener and filtering.

Coarse and fine products are stockpiled separately on site before being combined for road transportation to Port Hedland Port.

The mining study has determined that the plant would produce recovered spodumene @6% Li2O over the life of the mine.

Proportions of Mineral Resources Underpinning the Production Target

Further, the previous announcement included a revised mineral resource estimate and referred to the levels of inferred mineralisation in the mill feed for the plant.

The table below sets outs the relevant proportions of indicated mineral resources and inferred mineral resources that underpin the production target.

Altura Pilgangoora Lithium

Mineral Resource Estimate & Production Target Percentages

JORC Category	Cut-off Li2O(%)	Tonnes (Mt)	Li20 (%)	Contained Li2O (tonnes)	Production target (Mt)
Measured	0.40				
Indicated	0.40	26.70	1.05	280,000	17.73
Inferred	0.40	9.00	1.02	92,000	1.19
Totals	0.40	35.70	1.05	372,000	18.92

For further information on the mineral resource estimate, please refer to the ASX announcement of 11

February 2016.

About Altura Mining Limited:

Altura Mining Ltd. (ASX:AJM) is a multi-faceted miner with significant lithium and coal projects in Australia and Indonesia and a diverse minerals exploration portfolio. 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 the development of its 100% owned Pilgangoora Lithium project in Australia. Altura also has interests in the producing Delta Coal project in Indonesia, and the Tabalong Coal project which is in the final stages of approvals before mining commences.

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