



ASX ANNOUNCEMENT | 19 April 2021

LETTER TO SHAREHOLDERS

Dear Shareholder,

As you may now be aware Altura Mining Limited (ASX:AJM) ("Altura" or "the Company") is no longer under Receivership or external Administration and control of the Company has been returned to the Board of Directors. Your Directors are now again free to communicate directly with shareholders.

It has been a very difficult time for all since the events of 26 October 2020 that were initiated by the former Senior Secured Loan Note Holders ("Note Holders") of Altura. Their actions resulted in the initiation of the Receivership and Administration process. A brief outline of the events is below.

Altura was advised on the 26 October 2020 that its Note Holders had appointed Richard Tucker and John Bumbak of Korda Mentha as Receivers and Managers of the Company and had also appointed Cor Cordis as Administrators. The Board of Altura considered this an extremely disappointing outcome and a short-sighted move by the Loan Note Holders.

Positive progress had been made in the weeks leading up to the 26 October 2020 towards a recapitalisation that would have resulted in a significant paydown of the existing debt and exposure to potential upside for both the Note Holders and equity shareholders. Under the recapitalisation proposal, the Note Holders would not have had any part of the monies owing to them compromised.

The Note Holders, who had previously been supportive and had provided a debt standstill agreement until 31 October 2020, had agreed in principle to the recapitalisation plan. Altura's management team and Board of Directors had no reason to consider any other course of action other than the recapitalisation process that had been in development for some months.

The Note Holders removed their support late on Sunday, 25 October 2020, without any explanation or notice to the Company. Indeed, draft documentation to affect the recapitalisation process was largely, if not fully, agreed between the Company and the Note Holders as of Sunday, 25 October 2020.

The recapitalisation plan was underpinned by a proposed substantial equity raising, supported by an existing offtake partner, a major player in the international lithium market. Furthermore, the raising was to be fully underwritten by a credible and well-known participant in the Australian equity market on normal industry terms. The Note Holders were to receive repayment of a significant portion of debt and attractive terms to convert a small portion of debt to equity. There was also a high likelihood that any remaining debt would have been repaid earlier than the August 2023 maturity date.

The Board and all its key advisers were confident that the proposed recapitalisation plan would have resulted in a satisfactory outcome for all stakeholders. The Board was shocked and disappointed by the behaviour of the Note Holders and their treatment of the Company, its staff and shareholders.

Since the initiation of the Receivership process the Directors of Altura have been actively working on a course of action that would result in returning the Company to the shareholders. This process has involved the Directors funding a proposal to the creditors of Altura Mining Limited (as at 26 October 2020) whereby they would be paid up to 100% of their outstanding debts. The Board's proposed Deed of Company

Arrangement (DOCA) for Altura Mining Limited was accepted on 5 March 2020. The actions of the Board resulted in the return of control of the company to the directors and the provision of sufficient funding to recommence corporate operations. The immediate focus is working with the ASX to have the Company's suspension lifted and its shares requoted on the ASX and able to be traded. The alternative to the Board's DOCA was most likely the liquidation of Altura with very little or no value to shareholders.

In order to allow any submission to the ASX for re-quotation there remains significant corporate work including release of 30 June 2020 Annual and 31 December 2020 Half Year Accounts, 30 June 2020 Annual Report, Quarterly Activities and Cashflow Reports and holding an Annual General Meeting. The task to complete and issue these retrospective compliance requirements has already commenced.

We are fortunate to retain the support of some key Altura team members even after their employment was terminated by the Receivers. As announced last week we have appointed Alex Cheeseman as the new Chief Executive Officer of Altura and expect to confirm further key appointments in the very near future. Like any progressive company it is vital to have continuity of role custodians with an aligned view of what is required in order to deliver value to shareholders.

Our team have commenced evaluation of various project options and are formulating our plan to move forward in the rebuilding of the Company. The Company is reviewing pre-existing project opportunities both in Australia and Internationally and retaining a focus on the battery materials sector. During our time as a key supplier of battery materials from 2018 - 2020 we have developed strong relationships with significant global industry participants throughout the entire supply chain, many of which have reinforced their support for Altura in rebuilding the Company.

Your Board understands the disappointment felt by shareholders at the actions taken by the former debt holders which resulted in the loss of our key lithium asset. As shareholders ourselves we were all personally affected. We will however look forward and focus on recovering value for shareholders and sincerely hope you are all able to remain with us and support in the re-birth of what we hope will again become a great Australian company.

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:

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