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ALTONA AND SRIG EXTEND CLOSING DATE FOR CLONCURRY JV

Altona Mining Limited (“Altona” or “the Company”) wishes to provide an update on its progress in establishing a Joint Venture (“JV”) to build a new copper-gold mine at its Cloncurry Project located in northwest Queensland.

The Company has reached agreement with Sichuan Railway Investment Group (“SRIG”) to extend the last date for closing their proposed JV.

Altona announced on 2 June 2016 the terms of the JV and that all conditions precedent were to be satisfied on or before 31 October 2016. While Altona and SRIG have made excellent progress with satisfying conditions precedent, SRIG has advised that due to internal procedures within the group, the approval processes within China and the structuring of SRIG's investment in the JV in an appropriate manner, they wish to extend the closing date to 31 March 2017. The parties will make every effort to close the transaction before this date.

The parties have executed a Confirmation Letter under which SRIG acknowledges all documentation for the transaction is completed, subject to any requirements associated with obtaining the regulatory approval to enable execution to take place and SRIG has instructed its bank to issue a new US\$2 million Performance Guarantee to 31 March 2017 to support its commitment to proceed. The parties have entered into a Variation Deed of the Framework Agreement to reflect the above.

In October, Altona and the Queensland Government will be hosting meetings with senior SRIG representatives in Brisbane. The parties will discuss progress in respect of:

- satisfying the conditions precedents to closing the transaction,
- exploration activity within the proposed JV area under the agreed budget between Altona and SRIG since signing of the Framework Agreement, and
- project implementation and delivery plans.

Altona's Managing Director Dr Alistair Cowden said:

“We are satisfied with the progress made in completing the transaction with SRIG. This is a large and complex deal and will be SRIG's first involvement in a major international mine development. I remain confident our partnership with SRIG will come to fruition and the transaction will have a successful outcome.”

For full details of the Agreement between Altona and SRIG, please refer to the ASX announcement of 2 June 2016.

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About Altona

Altona Mining Limited is an ASX listed company focussed on the Cloncurry Project in Queensland, Australia. The Project has Mineral Resources containing some 1.65 million tonnes of copper and 0.41 million ounces of gold. The first development envisaged is the 7 million tonnes per annum Little Eva open pit copper-gold mine and concentrator. Altona has completed a Framework Agreement with Sichuan Railway Investment Group to fully fund and develop Little Eva. Little Eva is permitted with proposed annual production⁽¹⁾ of 38,800 tonnes of copper and 17,200 ounces of gold for a minimum of 11 years. A Definitive Feasibility Study was published in March 2014.

¹Refer to the ASX release 'Cost Review Delivers Major Upgrade to Little Eva' dated 13 March 2014 which outlines information in relation to this production target and forecast financial information derived from this production target. The release is available to be viewed at www.altonamining.com or www.asx.com.au. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target referred to in the above-mentioned release continue to apply and have not materially changed.

About SRIG

SRIG was established in 2009, is based in Chengdu in south-western China and is 100% owned by the Sichuan provincial government. The group's principal businesses are in the road, bridge and rail construction and management sectors. SRIG had total assets of US\$26.8 billion in 2014 and revenues over US\$6 billion. It has more than 20,000 employees. SRIG has signalled its intention to diversify into mining with the recent purchase for US\$78.3 million of a 60% interest in a copper development project in Eritrea by a subsidiary company.

SRIG has 24 operating subsidiaries including SRBG, listed in Shanghai which operates toll roads, bridges and hydropower stations. It has a market capitalisation of US\$3 billion. CCXI, a Moody's company, rated SRIG as AA+ with a stable outlook for a 2016 bond issue. CCXI has noted SRIG's expertise, highlighting that SRIG was the first Chinese enterprise to secure an overseas bridge construction contract (Norway).