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CHINESE REGULATOR SASAC APPROVES CLONCURRY PROJECT TRANSACTION

Altona Mining Limited (“Altona” or “the Company”) is a step closer to the development of a major new copper mine at its Cloncurry Project in northwest Queensland.

Altona has been advised by Sichuan Railway Investment Group (“SRIG”) that the State-owned Assets Supervision and Administration Commission of the State Council of the Sichuan Province of the People’s Republic of China (“SASAC”) has given SRIG approval to proceed with the transaction with Altona to form an incorporated joint venture (“JVCo”). JVCo intends to develop a 7 million tonne per annum mine and processing plant for an annual production of 39,000 tonnes copper and 17,000 ounces gold over an initial mine life of 13 years.

JVCo will own 100% of the Cloncurry Project. On closing, SRIG will make a cash contribution of US\$213.53 million to JVCo and will own 66% of JVCo. Altona will contribute US\$25 million to JVCo and Altona will own 34% of JVCo.

It is anticipated that JVCo will have US\$238.53 million in cash at closing which equates to A\$318 million at AUD:USD of 0.75. The cash exceeds the previous estimate for capital costs of A\$294 million (including A\$18 million contingency).

SRIG’s remaining conditions precedents to closing the transaction are:

- Approval of Sichuan Provincial Government
- Approval of Australian Foreign Investment Review Board (FIRB)
- Chinese regulatory filings

Altona’s conditions precedent to closing are to obtain all necessary third part consents to transfer ownership of Mining Licences to JVCo and to have completed that transfer by closing. Altona has obtained the majority of these consents.

Altona’s Managing Director Dr Alistair Cowden said:

“We are delighted that SASAC has approved the transaction with SRIG, this marks a major milestone for the transaction and we look forward to close of the transaction.”

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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).