

14 February 2017

ASX: AOH, FSE: A2O

CLONCURRY PROJECT TRANSACTION UPDATE

Altona Mining Limited (“Altona” or “the Company”) and Sichuan Railway Investment Group (“SRIG”) have agreed to amend the transaction to form an incorporated joint venture (“JVCo”) at the Cloncurry Project. 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. SRIG has advised that China Sichuan International Investment Co Ltd (“CSII”), a Hong Kong company with US\$200 million issued capital (cash) will be the party investing in JVCo. CSII intend to raise further capital to support the Cloncurry investment and other opportunities.

CSII is 50% owned by SRIG and 10% owned by SRIG’s Shanghai listed subsidiary Sichuan Road and Bridge. The other shareholders are State owned enterprises of the Province of Sichuan; Sichuan Huashi Group (20%), a construction company and Chengdu XingCheng Investment Co Ltd (20%), a land development company.

CSII is the first overseas investment company formed by state-owned enterprises of Sichuan Province. The JV subscription agreement envisages that SRIG will guarantee the performance of CSII.

On closing, CSII 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.

Altona can meet its obligation to contribute US\$25 million from its A\$39.9 million cash balance at 30 December 2016. Expenditure incurred by Altona under an agreed work programme has been agreed to be increased to up to US\$3.10 million and will be offset against this obligation.

The last closing date for the execution of the Subscription Agreement is 30 June 2017 and the end date for the transaction will now be 31 July 2017. SRIG will extend the US\$2 million Performance Guarantee to 31 July 2017.

The investment in JVCo has been approved by the Chinese regulator, State-owned Asset Supervision and Administration Commission of the State Council of the Sichuan Province of the Peoples Republic of China (“SASAC”), is under consideration for approval by the Sichuan Provincial Government and application for Australian Foreign Investment Review Board approval will be made by CSII shortly.

Please direct enquiries to:

Alistair Cowden
Managing Director
Altona Mining Limited
Tel: +61 8 9485 2929
altona@altonamining.com

David Tasker
Professional Public Relations
Perth
Tel: +61 8 9388 0944
David.Tasker@ppr.com.au

Jochen Staiger
Swiss Resource Capital AG
Tel: +41 71 354 8501
js@resource-capital.ch

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).