

11 May 2017

ASX: AOH, FSE: A2O

FIRB APPROVE CLONCURRY PROJECT TRANSACTION

Altona Mining Limited ("Altona" or "the Company") has agreed, subject to conditions, with Sichuan Railway Investment Group Co., Ltd ("SRIG") for SRIG to fund the Cloncurry Project through, China Sichuan International Investment Limited ("CSII"), its Hong Kong subsidiary.

Altona has been advised by CSII that its application to the Australian Foreign Investment Review Board ("FIRB") to permit CSII to invest in the Cloncurry Project in northwest Queensland has been approved.

FIRB approval is a major Condition Precedent to closing the transaction.

The status of the remaining approvals as advised by CSII is as follows:

The approval of the State-owned Assets Supervision and Administration Commission of the State Council of the Sichuan Province of the People's Republic of China ("SASAC") is required for SRIG, through CSII, to make the investment in the project and it is a condition precedent to completing the transaction. SRIG have advised that SASAC has completed its approval process and has forwarded SRIG's application to the Provincial Government for its approval. SASAC's formal approval is conditional on Provincial Government approval.

CSII and SRIG are required to file details of the transaction together with advice of relevant approvals with The National Development and Reform Commission of the People's Republic of China and Ministry of Commerce of the People's Republic of China. These filings will take place once the SASAC and Provincial Government approvals are complete.

Approvals must be received and other Conditions Precedent satisfied prior to execution of a Subscription Deed. Unless agreed otherwise by the parties, the last date for execution of the Subscription Deed is 30 June 2017 and the last date for closing of the transaction is 31 July 2017.

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The Cloncurry Project Transaction

Altona has agreed, subject to conditions, with SRIG for SRIG and Altona to jointly fund and develop a major new copper-gold mine at the Cloncurry Project. SRIG will provide funding through its Hong Kong subsidiary, China Sichuan International Investment Limited ("CSII"). CSII has US\$200 million issued capital (cash). CSII intend to raise further capital to support the Cloncurry investment and other opportunities.

SRIG 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\$30.5 billion in 2015 and revenues of US\$7.8 billion. It has more than 20,000 employees.

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

The Project will be 100% owned by an incorporated joint venture company; Roseby Copper Pty Ltd ("Roseby Copper"). On closing of the transaction, CSII will make a cash contribution of US\$213.53 million to purchase shares in Roseby Copper and will own 66%. Roseby Copper is currently a 100% owned subsidiary of Altona, Altona will contribute US\$25 million and will retain 34% ownership. Altona's cash contribution may be reduced by up to US\$3.1 million of its agreed expenditure on the Project since June 2015.

Roseby Copper will have approximately US\$235.5 million in cash at closing. The cash exceeds the capital cost estimate of A\$294 million (including an A\$18 million contingency).

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 1.67 million tonnes of copper and 0.43 million ounces of gold. It is envisaged that a 7 million tonnes per annum open pit copper-gold mine and concentrator will be developed at the Project. The development is permitted with proposed annual production⁽¹⁾ of 38,800 tonnes of copper and 17,200 ounces of gold for a minimum of 13 years. A Definitive Feasibility Study was published in March 2014. Altona has completed a Framework Agreement with Sichuan Railway Investment Group to fully fund and develop the Project through its Hong Kong subsidiary, China Sichuan International Investment Limited. The transaction is scheduled to close prior to 31 July 2017.

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.