

30 June 2017

ASX: AOH, FSE: A2O

CLONCURRY COPPER PROJECT TRANSACTION STATUS

Altona Mining Limited (“Altona” or “the Company” - http://www.commodity-tv.net/c/search_adv/?v=297551) has agreed, subject to conditions, with Sichuan Railway Investment Group Co., Ltd (“SRIG”) for SRIG to fund the Cloncurry Copper Project in northwest Queensland through its Hong Kong subsidiary, China Sichuan International Investment Limited (“CSII”).

The approval of the transaction by the Australian Foreign Investment Review Board (“FIRB”) is a condition precedent to execution of a Subscription Deed. FIRB approval was received on 11 May 2017.

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 executing a Subscription Deed.

SRIG have advised that before SASAC can complete its approval process, SASAC requires advice of regulatory amendments from the Sichuan Provincial Government.

A tragic landslide occurred on 24 June 2017 in Sichuan Province which resulted in a major loss of life. Senior SRIG staff and Provincial Government officials have been called to the site of the landslide and this has delayed the Project approval process from being completed. CSII has advised Altona that it expects to receive formal approval from SASAC by mid July.

As all approvals must be received prior to execution of the Subscription Deed, the delay to the receipt of formal approval from SASAC is such that the parties have agreed that the last date for execution of the Subscription Deed will be extended from 30 June 2017 to 21 July 2017. The last date for closing of the transaction will also be extended from 31 July 2017 to 11 August 2017.

The parties have made good progress towards finalising the Conditions Precedent to closing the transaction and Altona has completed most of its Conditions Precedent.

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About Altona and the Cloncurry Copper Project

Altona Mining Limited (“Altona”) is an ASX listed company focussed on the Cloncurry Copper Project (“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. The Definitive Feasibility Study was refreshed in March 2014.

Altona has agreed, subject to conditions, with Sichuan Railway Investment Group Co., Ltd (“SRIG”) for SRIG and Altona to jointly fund and develop a major new mine at the 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 Project 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\$32.6 billion in 2015, revenues of US\$5.6 billion and is rated AAA. 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 (SRBG). SRBG is rated AA and has US\$4.4 billion annual revenue. The other shareholders are also state owned enterprises from the Province of Sichuan. Sichuan Huashi Group Co. Ltd is a construction company rated AA+ and has US\$7.2 billion annual revenue and has 20% of CSII. Chengdu XingCheng Investment Co. Ltd is a land development company rated AAA and has US\$0.6 billion annual revenue also has 20% of CSII.

The Project will be 100% owned by an incorporated joint venture company; Roseby Copper Pty Limited (“RCPL”). On closing of the transaction, CSII will make a cash contribution of US\$213.53 million to purchase shares in RCPL and will own 66%. RCPL 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.

RCPL will have approximately US\$235.5 million in cash at closing. The cash exceeds the capital cost estimate of A\$281 million (including an A\$18 million contingency).

¹*Refer to the information attached to the ASX release 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.*



Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden, BSc (Hons), PhD, MAusIMM, MAIG. Dr Cowden is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Cowden consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.