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CLONCURRY PROJECT TRANSACTION ALL CHINESE APPROVALS RECEIVED

Altona Mining Limited ("Altona" or "the Company" - https://www.commodity-tv.net/c/mid,5428,Company_Updates/?v=297328) is pleased to provide a further update on the approvals required for the completion of a transaction to fund the development of a major new copper mine at its Cloncurry Project in northwest Queensland.

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

To effect the closing of the transaction, CSII have three primary conditions precedent to satisfy:

- 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")
- Approval of the Sichuan Provincial Government
- Approval of the Australian Foreign Investment Review Board ("FIRB")

The Chairman of CSII has informed Altona that it is now not required to obtain the approval of the provincial government of the Sichuan Province of the People's Republic of China to proceed with the transaction. The approval of SASAC has already been received.

CSII's remaining condition precedent is FIRB approval. CSII has met with Australian Treasury officials and plans to lodge the application for FIRB approval shortly. Unless there are requests for additional information, the statutory period for a decision from FIRB is 30 days and 10 days for notification.

Altona Managing Director, Dr Alistair Cowden said: "It is great news that all Chinese approvals required to finalise this transaction have been obtained. I look forward to updating shareholders once we have been advised on the outcome of FIRB's review of the transaction."

Altona's conditions precedent to closing are to obtain all necessary third party agreements to transfer ownership of various assets to the proposed joint venture company and to have completed transfers by closing. Altona has obtained the majority of these agreements.

Written evidence of satisfaction of Conditions Precedent is required prior to closing.

Details of the Transaction are appended to this release.

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About the Cloncurry Project Transaction

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 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 1.65 million tonnes of copper and 0.41 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.