Quarterly Report December 2010

28 January 2011 **ASX: AOH, FSE: A2O**

ABOUT ALTONA

Altona Mining Limited (ASX: AOH) has two major copper assets and a clear strategy to build a profitable copper business producing from multiple mines in historic major copper mining camps. The immediate priority is to take the Outokumpu project in Finland into production through developing the Kylylahti mine and refurbishing the Luikonlahti processing hub. Growth will be delivered by developing other resources in the area.

The Roseby copper project near Mt Isa in Queensland is one of Australia's largest undeveloped copper projects. The Company's aim is to increase resources beyond 1Mt of contained copper and to upgrade the DFS to a production target of 40,000tpa copper. Altona will finalise permitting of Roseby in parallel with developing the Outokumpu copper project.

Cash on hand	$5.9M
Market capitalisation at 40 cents per share	A$98M
ASX:	AOH
Frankfurt:	A2O
Oslo:	ALTM
Shares on issue:	245,277,417
Options on issue:	1,545,000
Share rights on issue:	5,000,000

Altona Mining Limited
Ground Floor, 1 Altona Street
West Perth
Western Australia 6005

Tel: +61 8 9485 2929

altona@altonamining.com

BIG DRILL HITS AT ROSEBY AND MINE DEVELOPMENT UNDERWAY IN FINLAND

Operations at the Kylylahti mine are now well underway with some 90m of decline tunnelling being completed to date. Some 1600m is to be completed prior to encountering first ore in mine development in late 2011.

Detailed engineering of the Luikonlahti mill refurbishment is nearing completion with construction activity due to commence in the first quarter of 2011.

At Roseby in Queensland, 4,127m of RC drilling at the shallow Scanlan, Blackard and Legend Resources was completed. The drilling confirmed that none of the eleven deposits at Roseby have been adequately closed off, good continuity in areas of widely spaced drilling and the potential to apply lower cut-off grades to materially improve Resource tonnages.

Very thick intersections were returned at a 0.15% copper cut-off;

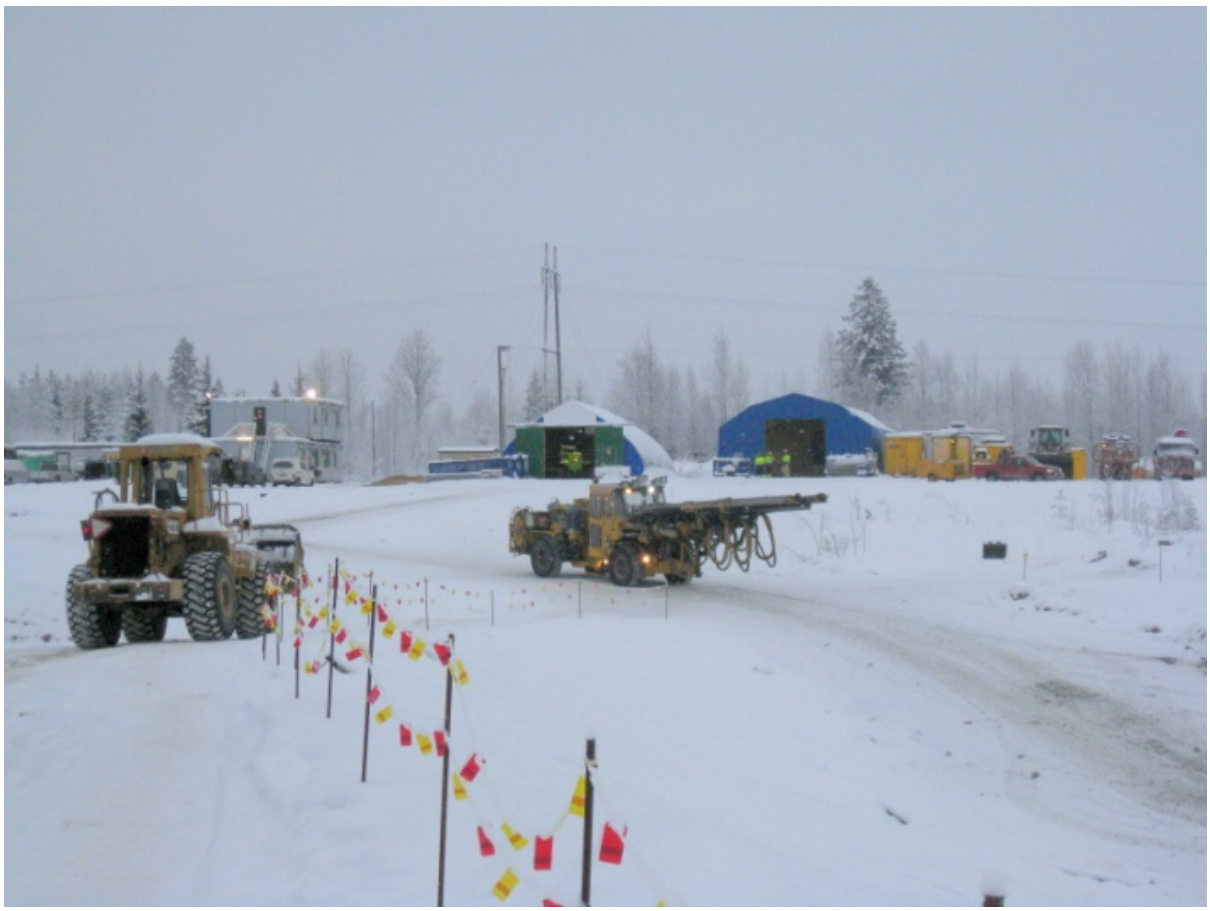
- **219m at 0.55% copper from 2m deep.**
- **139m at 0.60% copper from surface**.

Better drill intercepts at a 0.30% copper cut-off grade are:

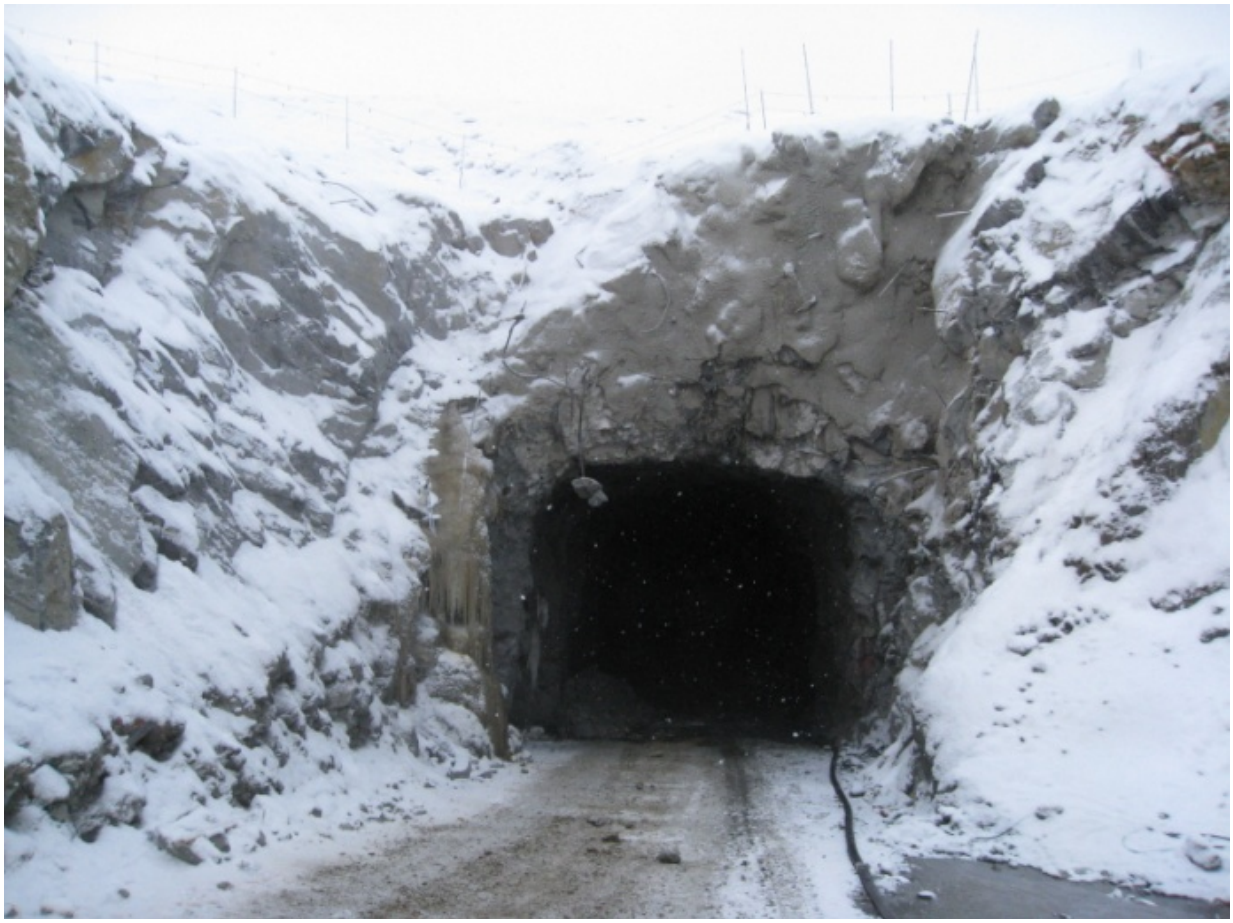
- 31m at 0.8% copper from 72m
- 34m @ 0.7% copper from 27m
- 23m @ 1.1% copper from 176m
- 43m @ 0.7% copper from 62m
- 70m @ 0.9% copper from 3m
- 93m @ 0.8% copper from 54m (*inc. 40m @ 1.3% copper)*
- 59m at 0.6% copper from 17m
- 70m @ 0.7% copper from surface
- 63m @ 0.6% copper from 22m
- 48m @ 0.6% copper from 56m
- 21m @ 1.1% copper from 88m

One intersection of **28m at 0.9% copper** from 189m (BCR879) highlighted the potential to develop a Resource in fresh rock at open pit depth below the current Blackard Resource.

Xstrata also completed 4 reconnaissance diamond drill holes testing for sulphide mineralisation below the Blackard Resource. One material intersection of **13m at 1.1% copper** was intersected 250m below previous substantive hits in fresh rock.

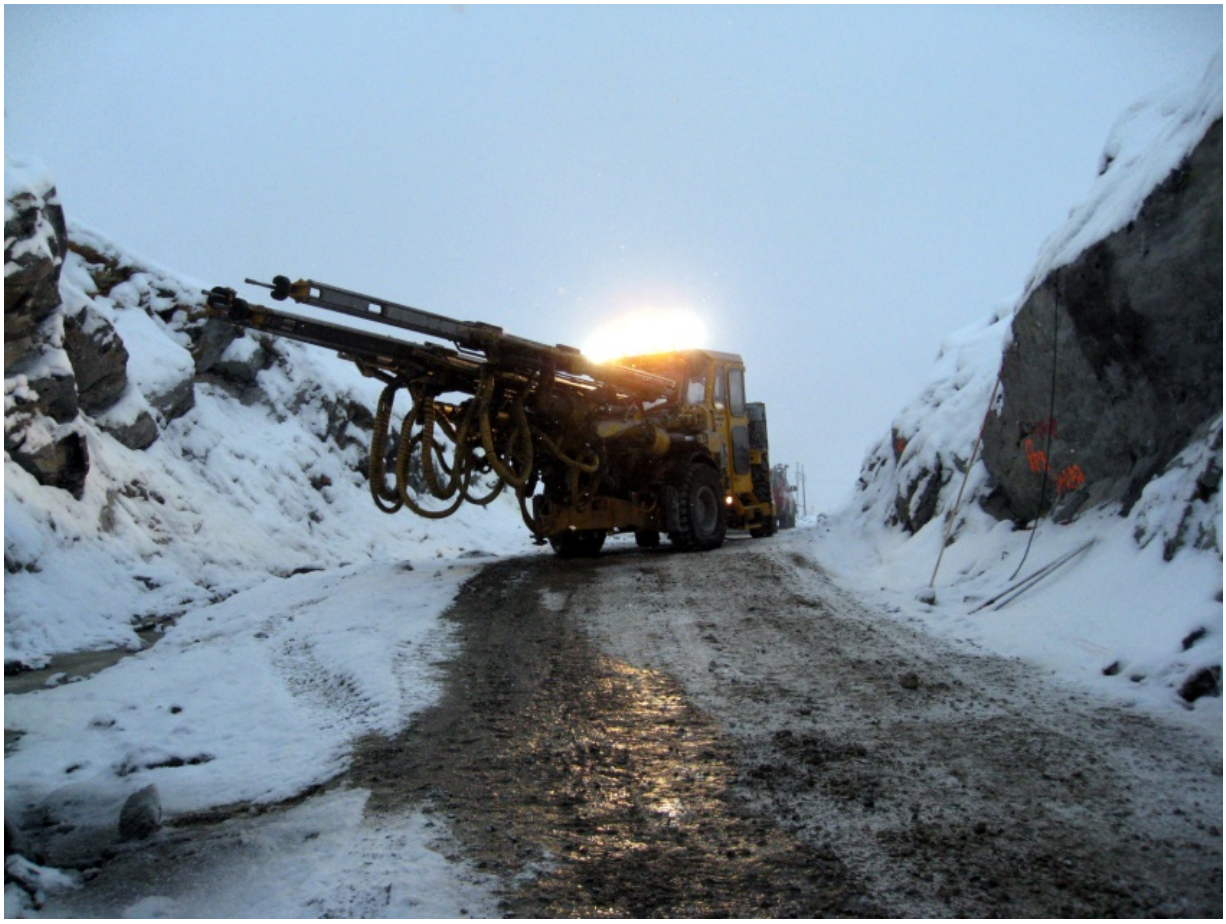


Kylylahti mine offices with Jumbo in centre



Kylylahti mine portal

Mucking the face in the Kylylahti decline



Jumbo (drilling machine) at the Kylylahti mine

Outokumpu Project

Kylylahti mine established with initial infrastructure completed

The Kylylahti mine was established this quarter.

Site works required to commence decline tunnelling operations have been completed with lay down areas for contractors constructed and both Altona and contractor offices installed. Temporary power has been established, the water discharge pipeline, sewerage and potable water services are in place and access roads have been constructed.

Further infrastructure relating to permanent power supply, water management and mine ventilation will be installed commencing in the northern spring (April – May).

Decline tunnelling commenced

The portal (or boxcut) for the decline access has been established and decline tunnelling by Finnish contractor YIT is well underway with decline advance at the time of writing being 90m from the portal entrance. Waste rock from the portal and decline is being used to construct the haul road from the decline to the Run of Mine (ROM) ore pad and to construct the ROM pad itself.

Kylylahti mine decline portal with Jumbo in background

Decline sizing finalised

It was decided to construct the decline at a 5.5m by 5.5m size as studies conducted by Atlas Copco indicated that employing trucks with a 55 tonne capacity delivered a significant cost benefit compared to the DFS plan of using modified 22 tonne road trucks. The benefit is most significant in the deeper parts of the mine. There is little capital cost impact over DFS estimates in moving to this decline size. A decision on employing larger trucks will be made prior to mining operations being established in 2012.

Activities on target despite exceptional cold weather

The unusual cold weather in Europe in December had an impact on the boxcut development with some difficulty experienced in shotcreting in temperatures around minus 30^{o}C. Poorer than expected ground conditions in the portal also slowed development. Ground conditions in the decline are now excellent. These events have had a small impact on costs, however all other activities at the mine have been completed ahead of schedule and within budget.

Increasing land ownership

All permits for the mine are in place, environmental performance bonds lodged and the majority of the underlying land is freehold 100% owned by Altona. The Polvijärvi municipality owns a small portion of the land and will receive an annual compensation fee. The Company has an option to purchase a freehold property close to the decline portal and intends to exercise this option next quarter.

Local government to improve road infrastructure

The Company has been advised that the local authorities intend to invest approximately €1.5 million to improve road safety and to upgrade the highway between the mine and the Luikonlahti mill. This road will be used to truck Kylylahti ore to the Luikonlahti mill some 42km distant.

Impact of metal prices

Current copper prices are averaging US$4.35/lb and the recent Euro:USD exchange rate is averaging €1.35 to the US dollar giving a copper price in Euro of €7,100/t. This is almost 40% higher than the copper price of €5,086/t assumed in the DFS published in August 2010. Higher metal prices have a potentially significant impact on the Kylylahti mine design and production schedule as the hanging wall boundary to stopes is determined by grade rather than a hard geological boundary. Higher revenues per tonne will result in larger stopes.

Should higher Euro denominated copper and gold prices be in place when production commences in late 2011, stope designs and development schedules will be optimised to incorporate currently marginal grade material. The current mine design will be revisited in late 2011 to determine if design changes are warranted. Such adjustments have the potential to lower operating costs and the development cost per tonne and increase Resource to Reserve conversion.

Luikonlahti mill detailed engineering near complete

Engineering work at the Luikonlahti processing plant during the quarter focussed on the detailed design, scheduling and engineering required to commence full scale refurbishment works in the first quarter of 2011. Only minor preparatory refurbishment works are being undertaken at present.

Modest increase in mill capex over DFS estimates

This detailed engineering has verified most assumptions in the DFS however a number of design changes have been made. These include: upgrades in the flotation circuit design; inclusion of a process water circuit; preference for all new electricals over refurbishment in some areas of the plant; spares for some specialist instrumentation are out of production thus new equipment is required; insufficient material is available on site for tailings pond wall construction and sand and gravel will be required to be trucked to site. These items will add approximately €3 to 4 million to the capital cost for the mill refurbishment. It is also expected that there will be an increase (10%) to total operating cost estimates. Final budget numbers will be advised in due course.

Disposal of waste sulphide concentrate

The DFS anticipated that there would be a possibility to generate additional revenue through sale of 80,000tpa waste sulphide concentrate however this has proven not to be the case and a permanent disposal solution is required rather than the temporary storage envisaged in the DFS.

The need for permanent disposal will result in minor capital and operating cost savings in the flotation circuit due to there being no requirement to produce a clean product for sale but there will be a cost for permanent disposal.

The default case is to construct a small paste plant at Luikonlahti to mix the sulphide concentrate with cement for disposal in old pits on site. The current permit envisages such disposal. This proposal is subject to completion of engineering studies currently in progress.

Cemented sulphide waste disposal may bring synergy to Kylylahti Mine

The preferred plan is to build a small paste plant at Kylylahti and backhaul waste sulphide concentrate to the minesite. The granted permit at Kylylahti allows the disposal of cemented paste (concentrate mixed with cement) in underground voids. The DFS mine plan already envisages incurring an operating cost to add cement to waste rock fill to provide for ground support in underground mine voids. Provision of a larger volume of paste/cement will provide greater flexibility, enhance ground support and potentially provide opportunity to modify mine designs to permit primary and secondary stoping.

The additional net operating and capital costs of paste infrastructure and emplacement remain incomplete pending finalisation of engineering work.

Mill under option

One of three grinding mills in the plant was removed by previous owners and a replacement has been secured through an option to purchase. It is intended to exercise the option next quarter of 2011 and commence installation of the mill.

Permit amendments in progress and on track

The Company has a granted and valid permit for mineral processing and tailings disposal at the Luikonlahti mill. All bonds have been lodged with the relevant authorities. This permit requires minor amendments relating to plant throughput, potential disposal of waste sulphide concentrate and the temporary storage of valuable cobalt-nickel concentrates.

Altona has made an application to amend the current permit and the Permitting Authority has published the application and public comment has been received. The Company is addressing these comments, amending its application where necessary. The Company expects the amendment process to be completed in the second quarter of 2011.

Staffing progressing well

Excellent progress has been made in recruiting key staff for the project with key senior people in place in each of the mining, processing, financial administration and occupational health, safety and environment areas. The focus is on operational readiness ahead of first ore scheduled to be mined in mine development in October – November 2011 and prior to the planned mill commissioning from 1 January 2012.

Roseby Copper Project

Altona RC drilling programme completed

Altona has completed some 4,127m of RC drilling at the Legend, Scanlan and Blackard deposits. The programme follows the completion of a review of all prior Resource estimates at Roseby. The drilling program was designed to address the recommendations of this review by:

- testing extensions to mineralisation where open and where there was a high potential to deliver a material improvement to tonnage; and

– aiming to improve understanding of continuity of mineralisation and the relationship between the metallic copper resources in weathered rocks and sulphide mineralisation in fresh rock beneath the deposits.

The drilling was very successful. Numerous thick intersections, at similar grades to existing resources, have highlighted the potential for strike extensions of up to 500m at each of the three deposits tested.

The drilling reinforced that none of the eleven deposits at Roseby have been adequately closed off and confirmed good continuity of Resources in areas of widely spaced drilling.

Exceptional widths of mineralisation from near surface

There is also clear potential to apply lower cut-off grades to Resources and materially improve Resource tonnages. This is illustrated by the very thick intersections which were returned when applying a 0.15% copper cut-off, for example;

- 219m at 0.55% copper from 2m deep (Blackard BCR879).
- 139m at 0.60% copper from surface (Scanlan SCR176).

Highlights of the drilling at a 0.30% copper cut-off grade are:

Blackard	BCR875:	31m @ 0.8% copper from 72m
	BCR877:	34m @ 0.7% copper from 27m
	BCR876:	23m @ 1.1% copper from 176m
	BCR878:	43m @ 0.7% copper from 62m
	BCR879:	70m @ 0.9% copper from 3m
	BCR880:	93m @ 0.8% copper from 54m
		(inc. 40m @ 1.3% copper)
	BCR881:	59m @ 0.6% copper from 17m
Scanlan	SCR176:	70m @ 0.7% copper from surface
	SCR176:	26m @ 0.9% copper from 78m
	SCR181:	63m @ 0.6% copper from 22m
Legend	BCR873:	48m @ 0.6% copper from 56m
	BCR872:	21m @ 1.1% copper from 88m

One intersection of 28m at 0.9% copper from 189m (BCR879) highlighted the potential to develop a Resource in fresh rock at open pit depth below the Blackard Resource.

Major drilling programme planned to capitalise on excellent results

The drilling illustrates the potential for significant expansion of current Resources and to lift the confidence class of Resources by in-fill drilling. Consequently, the Company has commenced planning a 25,000m RC drilling programme to commence in March 2011.

Altona has set a target of increasing the total Resource tonnage by at least 50%. Total Resources at Roseby are 132.5Mt @ 0.68% copper, 0.06g/t gold, containing 906,500 tonnes of copper and 254,500 ounces of gold in a total of 11 deposits.

Details of results are in the Tables appended.

New Resource estimates started

Resource re-estimation work has already commenced to construct new resource models for all eleven deposits at Roseby.

Xstrata drilling programme

Xstrata completed diamond drilling, soil sampling, structural studies and geophysical surveys this quarter.

Xstrata have an option over Roseby

The Roseby copper project is 100% owned by Altona. Under an agreement dated 11 March 2005, Xstrata may earn 51% of an area beneath and around the large copper resources at Roseby by expending $15 million or spending $10 million and completing a Detailed Feasibility Study by 30 June 2012.

Should Xstrata earn a 51% interest in this exploration area then it is compelled to purchase 51% of the balance of the Roseby project (copper resources, reserves and exploration tenure) for an agreed or expert valuer determined fair market value. Xstrata also have an option until 30 June 2012 to purchase 51% of the project outside the exploration area for an agreed, or expert valuer determined, fair market value.

Blackard drilling results

Xstrata completed four widely spaced reconnaissance diamond drillholes of approximately 500 to 700m length beneath the Blackard deposit to test for the presence of a mineralised system, which may be the source of the near surface secondary Blackard resource. Xstrata also completed one drillhole testing an exploration target south of the Scanlan deposit.

Drilling highly anomalous and extensive alterations below Blackard

Drillhole BCD865 is anomalous in copper with 154m at 0.23% copper from 416 to 570m (using no dilution or cut-off grade). Using a 0.3% copper cut-off and a maximum internal dilution of 4m the only significant intersection was 13m @ 1.00% copper from 543m (see Table 3).

Drillhole BCD866 intersected weak mineralisation from 365 to 444m for an intersection of 78m at 0.16% copper (no dilution or cut-off applied).

BCD867 intersected two discrete zones of weak copper sulphide mineralisation between 322 to 354m and 408 to 452m, being 32m at 0.12% copper and 44m at 0.12% copper respectively (using no dilution or cut-off grade).

Drillhole BCD868 encountered several zones of strongly brecciated schist in the uppermost 250m and alteration and weak copper mineralisation from 340m to 445m downhole.

Geological model for sulphide mineralisation emerging

The drilling by Altona and Xstrata and concurrent structural studies undertaken by Xstrata indicate that the preferred model for sulphide mineralisation in fresh rock at Blackard is for mineralisation to occur in multiple, structurally controlled but discontinuous zones of veining, brecciation and alteration which are focussed in upright (vertical) axial planar cleavage of broad open folds. That such zones of mineralisation have significant potential is indicated by a hole drilled in 2009 which returned 94m at 0.9% copper from immediately beneath the Resource in the weathered zone.

The holes drilled by Xstrata are reconnaissance or ‘wildcat’ in nature and systematic step out drilling from this shallow intercept is required to determine the size of any

potential Resource. Altona drilled two holes testing Blackard sulphides at shallower depth and returned 28m at 0.9% copper.

Environmental and permitting activity nearing completion

Discussions have been held with Queensland government agencies in Mt Isa, Brisbane and Cairns to inform the various arms of government of the Company's approach to completion of the permitting process and to the re-structure of the Company's mining and exploration tenure at Roseby.

The Company submitted an Environmental Impact Statement (EIS) to the Queensland Environmental Protection Agency (now DERM) in 2007 and this included an Environmental Management Plan (EMP) which is a pre-requisite to the grant of a mining licence. The EMP was based on the Company's 2007 DFS.

The EMP was returned to the Company in July 2008 with areas requiring further work highlighted. Subsequently the Company has completed a revised and updated DFS which was published in January 2010 and as part of that study the Company has undertaken extensive further work on environmental matters, principally those related to water management and waste characterisation. It has now completed all work on waste rock characterisation which has indicated there is little issue with potential acid formation from tailings and waste rock. The completion of this work now allows the finalisation of the revised EMP for submission to the authorities in the second quarter 2011.

Should the EMP prove acceptable to authorities then the procedure to grant mining leases can commence with potential granting of leases from the 3rd quarter of 2011.

Tenement rationalisation proceeding

Altona is conducting a process to simplify and consolidate its mining and exploration tenure. The aim is to have all of the known copper resources held in 4 mining leases and 2 Exploration Permits for Minerals (EPM's) with the tenure held in a dedicated 100% owned subsidiary (currently the tenure is 22 granted mining leases, 5 mining lease applications, 5 mineral development licences and 10 EPM's). Similarly the southern area will be consolidated into one EPM, rather than 6 as at present. This EPM will be held in a separate subsidiary company which will also hold other exploration tenure in the area.

A tax consolidation has been completed to allow the transfer of assets currently held in whole or by part in the parent company to the relevant subsidiary entity.

Financing

Finnish Government grants further 2.7M to Altona's copper project

The Government of Finland awarded a grant of A$2.8 million (€2.04 million) towards the provision of infrastructure of the Kylylahti mine site.

The grant, from the Ministry of Employment and the Economy, was supported by the European Union's European Regional Development Fund.

This grant from the Finnish government brings the total grant assistance provided to the Company to €4.32 million (A$6.0 million). A previous grant of €2.28 million (A$3.2 million) for refurbishment of the Luikonlahti mill had been awarded in July 2010.

Financing activities

Altona provided an update of progress on the financing of the Outokumpu copper project last month and indicated that a financing partner has been selected. The details

of the financing arrangements will be released to market shortly.

Credit Suisse mandated to provide US$20M senior debt

The first step in the financing is the appointment of Credit Suisse (Australia) Limited ("Credit Suisse") to act as sole lead arranger with respect to a US$20 million senior debt facility and associated hedging.

Credit Suisse is undertaking detailed due diligence on the Outokumpu copper project and final terms and credit committee approval are expected in March 2011.

Other Projects

Further divestment as part of strategy to focus on core assets

An option agreement over the Malakoff Project at Cloncurry in Queensland has been executed. Under the terms of the Option Agreement with Empire Energy Pty Ltd ("Empire"), Empire will pay a $10,000 option fee and keep the tenements in good standing to secure a 12 month option to purchase.

The option can be exercised by payment of $100,000 cash. Malakoff lies east of the Roseby Project and comprises EPM 14370 and 14415 and is prospective for uranium mineralisation. Altona will retain the rights to copper mineralisation.

Cash and Investments

The value of shares in listed companies, assuming all conditions precedent are fulfilled, is A$1.7 million as at 31 December 2010. The Company also has A$1.4 million on deposit as environmental security bonds. Cash on hand at 31 December 2011 is A$5.9 million, excluding environmental performance bonds.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG, Mr Jarmo Vesanto MSc, MAusIMM and Mr Maurice Hoyle B.Sc(Hons), FAusIMM. Dr Cowden, Mr Vesanto and Mr Hoyle are full time employees of the Company and have sufficient experience which is relevant to the style of mineralisation, the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Cowden, Mr Vesanto and Mr Hoyle have consented in writing to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Please direct enquiries to:

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

Ann Nahajski
AMN Corporate
Mob: +61 (0)400 205 433
anahajski@altonamining.com

Axino Investor & Media Relations - Germany

Wolfgang Seybold
Tel: +49 (711) 25 35 92 40
wolfgang.seybold@axino.de

Jochen Staiger
Tel: +49 (711) 25 35 49
jochen.staiger@axino.de

European Union
European Regional Development Fund

Leverage from the EU 2007-2013

Centre for Economic Development, Transport and the Environment

Table 1: Significant drill intersections at 0.3% copper cut-off grade

Deposit	Hole ID	From (m)	Length (m)	Copper (%)
Legend	BCR869	232	13	0.46
Legend	BCR870	103	8	0.37
		120	7	0.68
		133	21	0.57
		174	31	0.45
		212	8	0.34
Legend	BCR871	104	3	0.32
		128	16	0.35
		164	20	0.52
		179	5	0.59
Legend	BCR872	25	26	0.59
		60	32	0.57
Legend	BCR873	56	48	0.63
Legend	BCR874	46	20	0.55
		75	7	0.33
		88	21	1.09
		118	4	0.53
Blackard	BCR875	72	31	0.81
		108	18	0.40
Blackard	BCR876	53	7	0.53
		77	8	0.34
		130	7	0.41
		176	23	1.07
		inc	*9*	*1.68*
Blackard	BCR877	27	34	0.68
		inc	*10*	*1.26*
		189	3	0.40
		298	3	0.59
Blackard	BCR878	30	27	0.48
		62	43	0.72
		128	7	0.72
		187	11	0.69
		264	7	0.36
Blackard	BCR879	3	70	0.85
		inc	*20*	*1.16*
		82	29	0.59
		189	28	0.90
		261	18	0.52
Blackard	BCR880	54	93	0.81
		inc	*40*	*1.31*
		155	12	0.98
Blackard	BCR881	17	59	0.58
Scanlan	SCR176	0	70	0.68
		78	26	0.90
		inc	*8*	*1.30*
		124	13	0.49
		162	14	0.32
Scanlan	SCR177	3	32	0.43
		48	16	0.45
		74	3	0.41
Scanlan	SCR178	56	63	0.48
Scanlan	SCR179	12	3	0.38
		30	11	0.37
Scanlan	SCR180	31	35	0.44
		72	54	0.48
	SCR181	22	63	0.57
		104	40	0.44

Table 2: Selected significant drill intersections at 0.15% copper cut-off grades

Deposit	Hole ID	From (m)	Length (m)	Copper (%)
Legend	BCR869	214	31	0.33
Legend	BCR871	127	20	0.32
Legend	BCR872	23	69	0.52
Legend	BCR874	43	79	0.54
Blackard	BCR876	172	28	0.91
Blackard	BCR877	21	42	0.58
Blackard	BCR878	22	85	0.56
		183	23	0.43
Blackard	BCR879	2	219	0.55
Blackard	BCR880	40	129	0.71
Blackard	BCR881	4	89	0.44
Scanlan	SCR176	0	139	0.60
Scanlan	SCR177	0	82	0.35
Scanlan	SCR178	55	78	0.47
Scanlan	SCR181	11	136	0.44

Note: BCR870, BCR873, SCR179 and SCR180 have no changes to 0.30% copper mineralised intervals.

Table 3: Xstrata drill intercepts

Deposit	Hole ID	From (m)	Length (m)	Copper (%)
Blackard	BCD865	426	7	0.30
	BCD865	483	12	0.30
	BCD865	518	2	0.32
	BCD865	534	22	0.71
	inc	*543*	*13*	*1.00*
	BCD865	564	4	0.37
	BCD866	428	15	0.42
	BCD867	322	1	0.75
	BCD867	349	5	0.38
	BCD867	421	2	0.33
	BCD868	358	1	0.52
	BCD868	391	24	0.43
	BCD868	415	21	0.39
	BCD868	440	4	0.32
	BCD868	469	3	0.46
	BCD868	480	3	0.32

Note: Using a 0.3% copper cut-off and a maximum internal dilution of 4m.

Table 4: Drill collar details

Hole ID	Easting AMG	Northing AMG	Dip	Azimuth AMG	Final Depth (m)
Legend					
BCR869	410380	7767394	-60	351	247
BCR870	410613	7767485	-60	351	247
BCR871	410729	7767433	-60	351	217
BCR872	410758	7767559	-60	045	127
BCR873	410810	7767510	-60	045	151
BCR874	410880	7767480	-60	045	229
Blackard					
BCR875	412011	7766455	-60	081	151
BCR876	412063	7766108	-65	081	223
BCR877	412120	7766169	-90	0	301
BCR878	412450	7765017	-65	081	295
BCR879	412517	7764959	-60	081	307
BCR880	412500	7764910	-90	0	175
BCR881	412637	7764886	-75	081	235
Scanlan					
SCR176	412293	7755095	-75	261	211
SCR177	412249	7755072	-70	261	141
SCR178	412260	7754987	-65	261	160
SCR179	412211	7754979	-60	261	97
SCR180	412049	7753937	-70	081	251
SCR181	412206	7753815	-80	261	233
SCR182	412242	7753772	-70	211	211

APPENDIX 5B

Mining Exploration entity quarterly report

Name of entity

ALTONA MINING LIMITED

ABN	Quarter ended ("current quarter")
35 090 468 018	**31 December 2010**

Consolidated statement of cash flows

	Cash flows related to operating activities	**Current Quarter (3 months) A$'000**	**Year to Date (6 months) $A'000**
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(933)	(1,383)
	(b) development	(1,503)	(1,767)
	(c) production	-	-
	(d) administration	(1,726)	(2,834)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	83	246
1.5	Interest and other costs of finance paid	(357)	(708)
1.6	Income taxes rebate	162	162
1.6	Income taxes paid	-	-
1.7	Other	-	(65)
	Net Operating Cash Flows	(4,274)	(6,349)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(7)	(162)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Cash acquired on merging with Vulcan Resources Limited	-	-
	Net investing cash flows	(7)	(162)
1.13	Total operating and investing cash flows (carried forward)	(4,281)	(6,511)

1.13 Total operating and investing cash flows (brought forward)	(4,281)	(6,511)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of costs)	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(4,288)	(6,786)
1.20 Cash at beginning of quarter/year	10,361	12,700
1.21 Exchange rate adjustments to 1.20	(159)	(241)
1.22 **Cash at end of quarter**	5,914	5,914

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter $A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	211
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees, salaries and superannuation to the directors during the quarter ended 31 December 2010.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Mount Isa Mines Ltd (Xstrata) are undertaking various exploration activities in part of the Roseby Project as part of a potential earn-in. Deep Yellow Ltd are also undertaking exploration at the Spider Uranium Project as part of an earn-in agreement.

Financing facilities available
Add notes as necessary for an understanding of the position.

	Amount available $A'000	Amount used $A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	$A'000
4.1 Evaluation	775
4.2 Development	2,000
4.3 Production	-
4.4 Administration	1,050
Total	3,825

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
5.1 Cash on hand and at bank	1,334	3,652
5.2 Deposits at call	4,580	6,709
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,914	10,361

Changes in interests in mining tenements

See attached Schedule A.

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 **Preference securities** *(description)*	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 **Ordinary securities**	245,277,417	245,277,417	-	-
7.4 Changes during quarter - Issued	-	-	-	-
7.5 **Converting debt securities** *(description and conversion factor)*	13,950*		$1,000.00	$1000.00
7.6 Changes during quarter	-	-	-	-
7.7 **Options** *(description and conversion factor)*	80,000 100,000 500,000 365,000 500,000 2,500,000 5,000,000^	- - - - - - -	***Exercise Price*** $1.50 $1.50 $1.50 $1.50 $1.50 $0.44	***Expires*** 5 September 2011 22 March 2012 27 December 2012 30 June 2013 16 December 2013 18 November 2013 5 August 2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter	238,500 100,000	-	$1.50 $1.50	14 September 2010 16 December 2013
7.11 **Debentures** *(totals only)*	-	-	-	-
7.12 **Unsecured notes** *(totals only)*	-	-	-	-

* Maturing on 30 June 2011 at a conversion price of $1.80 or, if the share price is less than $1.80, a price equal to the volume – weighted average price that the shares have traded on the Australian Stock Exchange over the five trading days prior to maturity date.

^ Share rights issued to A Cowden under approved Employee Share Scheme on.

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

2. This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 28 January 2011

Company Secretary

Print Name: Eric Hughes

Interests in mining tenements relinquished, reduced or lapsed during the quarter

KUHMO AREA

Claims

Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
Hautalehto 1	Claim lapsed	100 %	0 %
Korkea-aho	Claim lapsed	100 %	0 %

Interests in mining tenements acquired or increased during the quarter

OUTOKUMPU AREA

Claims

Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
Kokka 6	Claim application	0 %	100%
Härmänkylä	Reservation	0 %	100%
Hoikka 1-6	Reservation application	0 %	100%
Saramäki S1-S7	Reservation application	0 %	100%
Riihi 1-2	Reservation application	0 %	100%
Kyly N1, N2	Reservation application	0 %	100%
Saramäki N1-N5	Reservation application	0 %	100%

Interests in mining tenements at end of the quarter

OUTOKUMPU AREA

Mining Licenses

No	Name	Holder
3593/1a	Kylylahti	Kylylahti Copper Oy
3593/1b	Kylylahti	Kylylahti Copper Oy
3593/1c	Kylylahti ML extension	Kylylahti Copper Oy
3593/2a	Kylylahti 2	Kylylahti Copper Oy
348/1a, 563/1a, 98/13b, 257/1a	Hautalampi	Vulcan Hautalampi Oy
7975	Riihilahti	Kylylahti Copper Oy
553/1a,2a,4a,6a-11a	Luikonlahti1-2,4,6-11	Kylylahti Copper Oy
1281/1a-2a	Petkel I+ II	Kylylahti Copper Oy
2061/1a	Petkellahti	Kylylahti Copper Oy
553/1a,2a,4a,6a-11a	Luikonlahti auxiliary areas	Kylylahti Copper Oy
553/1a,2a,4a,6a-11a	Extension	Kylylahti Copper Oy

Claims

No	Name	Holder
7799/1	Kylylahti 1	Kylylahti Copper Oy
7799/2	Kylylahti 2	Kylylahti Copper Oy
7799/3	Kylylahti 3	Kylylahti Copper Oy
7799/4	Kylylahti 4	Kylylahti Copper Oy
7914/1	Saramäki 1	Kylylahti Copper Oy
7906/1	Perttilahti 1	Kylylahti Copper Oy
7906/2	Perttilahti 2	Kylylahti Copper Oy
7906/3	Vuonos 1	Kylylahti Copper Oy
7906/4	Vuonos 2	Kylylahti Copper Oy
7906/5	Vuonos 3	Kylylahti Copper Oy
8393/1	Polvikoski 1	Kylylahti Copper Oy
8393/2	Polvikoski 2	Kylylahti Copper Oy
8393/3	Kylylahti 6	Kylylahti Copper Oy
8394/1	Saramäki 2	Kylylahti Copper Oy

8525/1	Sukkula 1	Kylylahti Copper Oy
8525/2	Sukkula 2	Kylylahti Copper Oy
7674/1	Nunnanlahti 2	Kylylahti Copper Oy
8131/1	Kokka	Kylylahti Copper Oy
8974/1	Kokka 2	Kylylahti Copper Oy
8974/2	Kokka 3	Kylylahti Copper Oy
8974/3	Kokka 4	Kylylahti Copper Oy
8974/4	Kokka 5	Kylylahti Copper Oy
9106/1	Kokka 6	Kylylahti Copper Oy
7976/1	Kokonvaara	Kylylahti Copper Oy
7976/2	Perttilahti	Kylylahti Copper Oy
8623/2	Sivakkavaara 2	Kylylahti Copper Oy
8623/3	Sivakkavaara 3	Kylylahti Copper Oy

Reservations No	**Name**	**Holder**
2010133	Hoikka 1-6	Kylylahti Copper Oy
2010134	Saramäki S1-S7	Kylylahti Copper Oy
2010135	Riihi 1-2	Kylylahti Copper Oy
2010136	Kyly N1, N2	Kylylahti Copper Oy
2010137	Saramäki N1-N5	Kylylahti Copper Oy

KUHMO JOINT VENTURE

Mining Licenses

No	**Name**	**Holder**
7014	Hietaharju	Kuhmo Metals Oy

Claims

No	**Name**	**Holder**
	Saarikylä belt	
7789	Vaara	Kuhmo Metals Oy
8049/1	Kotisuo	Kuhmo Metals Oy
8049/2	Kauniinlampi	Kuhmo Metals Oy
8049/3	Hoikkalampi	Kuhmo Metals Oy
8049/4	Rytys	Kuhmo Metals Oy
8049/5	Vaara North	Kuhmo Metals Oy
8396/1	Hoikka	Kuhmo Metals Oy
8618/1	Hakovaara	Kuhmo Metals Oy
8602/1	Vaara West	Kuhmo Metals Oy
8708/1	Vaara NE	Kuhmo Metals Oy
8708/2	Rytys SW	Kuhmo Metals Oy
8708/3	Rytys East	Kuhmo Metals Oy
8708/4	Rytys NW	Kuhmo Metals Oy
8708/5	Kauniinvaara	Kuhmo Metals Oy
	Kiannanniemi	
7922/1	Peura-aho	Kuhmo Metals Oy
8033/3	Peura-aho North	Kuhmo Metals Oy
8033/1	Peura-aho East	Kuhmo Metals Oy
8033/2	Peura-aho NE	Kuhmo Metals Oy
8033/5	Peura-aho SW	Kuhmo Metals Oy
8033/4	Peura-aho South	Kuhmo Metals Oy
8618/3	Myllyaho 1	Kuhmo Metals Oy
8618/4	Myllyaho 2	Kuhmo Metals Oy
8745/1	Hietaharju North	Kuhmo Metals Oy
8745/2	Tupakkiloma	Kuhmo Metals Oy
8745/3	Murronkumpu	Kuhmo Metals Oy
8745/4	Syrjäjoki	Kuhmo Metals Oy
8745/5	Yliniitynsuo	Kuhmo Metals Oy
8745/6	Uuransuo	Kuhmo Metals Oy

	Huutoniemi	
8476/1	Huutoniemi 1	Kuhmo Metals Oy
8476/2	Huutoniemi 2	Kuhmo Metals Oy
8476/3	Huutoniemi 3	Kuhmo Metals Oy
8476/4	Huutoniemi 4	Kuhmo Metals Oy
	Moisiovaara	
8047/4	Luokkivaara	Kuhmo Metals Oy
8055/1	Luokkipuro	Kuhmo Metals Oy
8055/2	Hyyrylainen	Kuhmo Metals Oy
8049/7	Sika-aho	Kuhmo Metals Oy
8049/8	Paatola	Kuhmo Metals Oy
8049/9	Likosuo	Kuhmo Metals Oy
8049/10	Karsikkosuo	Kuhmo Metals Oy
8049/11	Lehdonmaa	Kuhmo Metals Oy
8049/12	Harju	Kuhmo Metals Oy
8049/13	Yhteisenaho	Kuhmo Metals Oy
8049/14	Selkajarvi	Kuhmo Metals Oy
8049/15	Kaartilanvaara	Kuhmo Metals Oy
8049/16	Kaivolampi	Kuhmo Metals Oy
8049/17	Paatolaislampi	Kuhmo Metals Oy
8233/1	Kinnula	Kuhmo Metals Oy
8233/2	Kupusenkangas	Kuhmo Metals Oy
8242/6	Metsälä	Kuhmo Metals Oy
8242/4	Viima-aho	Kuhmo Metals Oy
8242/5	Rinneaho	Kuhmo Metals Oy
8242/3	Kemppaanlehto	Kuhmo Metals Oy
	Arola - Harma North	
7923/1	Arola	Kuhmo Metals Oy
8047/1	Arola South	Kuhmo Metals Oy
8047/2	Palovaara South	Kuhmo Metals Oy
8047/3	Tiikkaja-aho	Kuhmo Metals Oy
8043/1	Kelosuo South	Kuhmo Metals Oy
8049/18	Karhujarvi	Kuhmo Metals Oy
8049/19	Palovaara	Kuhmo Metals Oy
8049/20	Putkisuo	Kuhmo Metals Oy
8049/21	Kelosuo	Kuhmo Metals Oy
8049/22	Pitkaaho	Kuhmo Metals Oy
8242/2	Antinaho	Kuhmo Metals Oy
8242/1	Nyberginlehto	Kuhmo Metals Oy
8500/1	Korkea-aho 2	Kuhmo Metals Oy
8500/2	Korkea-aho 3	Kuhmo Metals Oy
8762/1	Naurissuo	Kuhmo Metals Oy
8762/2	Tiikkaja-aho 2	Kuhmo Metals Oy
	Kuhmo Area	
8055/3	Siivikkovaara	Kuhmo Metals Oy
8055/4	Niemenkyla	Kuhmo Metals Oy
8049/24	Riihilampi	Kuhmo Metals Oy

Reservations No	**Name**	**Holder**
2010112	Härmänkylä	Kuhmo Metals Oy

KOTALAHTI AREA NICKEL

Mining Licenses

No	**Name**	**Holder**
6977/1a	Särkiniemi	Vulcan Kotalahti Oy

Claims

No	Name	Holder
7739/1	Valkeisenranta	Vulcan Kotalahti Oy
7801/1	Niinimäki	Vulcan Kotalahti Oy
7770/1	Pihlajasalo	Vulcan Kotalahti Oy
7771/1	Heiskalanmäki	Vulcan Kotalahti Oy
7773/1	Vehmasjärvi	Vulcan Kotalahti Oy
8167/1	Sarkalahti	Vulcan Kotalahti Oy
8483/1	Kotalahti 1	Vulcan Kotalahti Oy
8483/2	Kotalahti 2	Vulcan Kotalahti Oy
8413/4	Valkeisenvuori	Vulcan Kotalahti Oy
8413/6	Pölkkysuo	Vulcan Kotalahti Oy
8413/9	Pölkkysuonkangas	Vulcan Kotalahti Oy
8413/10	Rytkynlampi	Vulcan Kotalahti Oy
8413/11	Ollinsalmi 2	Vulcan Kotalahti Oy
8413/12	Valkeisenhiekka	Vulcan Kotalahti Oy
8671/1	Uusi-Niinimäki 1	Vulcan Kotalahti Oy
8671/2	Uusi-Niinimäki 2	Vulcan Kotalahti Oy

PORI - VAMMALA AREA NICKEL

Mining Licenses

No	Name	Holder
4099/1a	Mäntymäki	Vulcan SW Finland Oy
2891/1a	Hyvelä	Vulcan SW Finland Oy
2928/1a	Sahakoski	Vulcan SW Finland Oy

QUEENSLAND - ROSEBY PROJECT

Mining Leases

No	Name	Holder
2581	Scanlan 1	Altona Mining Ltd / Roseby Copper Pty Ltd
2582	Scanlan 2	Altona Mining Ltd / Roseby Copper Pty Ltd
2583	Scanlan 3	Altona Mining Ltd / Roseby Copper Pty Ltd
2584	Scanlan 4	Altona Mining Ltd / Roseby Copper Pty Ltd
2585	Scanlan 5	Altona Mining Ltd / Roseby Copper Pty Ltd
2600	Dugald River 58	Altona Mining Ltd / Roseby Copper Pty Ltd
2647	Lady Clayre / Rodex 1	Altona Mining Ltd / Roseby Copper Pty Ltd
2648	Lady Clayre / Rodex 2	Altona Mining Ltd / Roseby Copper Pty Ltd
2649	Lady Clayre / Rodex 3	Altona Mining Ltd / Roseby Copper Pty Ltd
2650	Lady Clayre / Rodex 4	Altona Mining Ltd / Roseby Copper Pty Ltd
2651	Lady Clayre / Rodex 5	Altona Mining Ltd / Roseby Copper Pty Ltd
2652	Rodex 6	Altona Mining Ltd / Roseby Copper Pty Ltd
2653	Rodex 7	Altona Mining Ltd / Roseby Copper Pty Ltd
2654	Rodex 8	Altona Mining Ltd / Roseby Copper Pty Ltd
2655	Rodex 9	Altona Mining Ltd / Roseby Copper Pty Ltd
7497	Longamundi	Altona Mining Ltd / Roseby Copper Pty Ltd
90048	Longamundi 2	Altona Mining Ltd / Roseby Copper Pty Ltd
90052	Scanlan 7	Altona Mining Ltd / Roseby Copper Pty Ltd
90053	Scanlan 8	Altona Mining Ltd / Roseby Copper Pty Ltd
90054	Scanlan 9	Altona Mining Ltd / Roseby Copper Pty Ltd
90055	Caroline Revised	Altona Mining Ltd / Roseby Copper Pty Ltd
90056	Rodex 10	Altona Mining Ltd / Roseby Copper Pty Ltd
90162**	Scanlan	Altona Mining Ltd / Roseby Copper Pty Ltd
90163**	Longamundi	Altona Mining Ltd / Roseby Copper Pty Ltd
90164**	Blackard	Altona Mining Ltd / Roseby Copper Pty Ltd
90165**	Little Eva	Altona Mining Ltd / Roseby Copper Pty Ltd
90166**	Village	Altona Mining Ltd / Roseby Copper Pty Ltd

**** Under Application**

Mineral Development Licences (MDL)

No	Name	Holder
12	Little Eva	Altona Mining Ltd / Roseby Copper Pty Ltd
80	Roseby (Burke & Wills)	Altona Mining Ltd / Roseby Copper Pty Ltd
81	Bedford	Altona Mining Ltd / Roseby Copper Pty Ltd
82	Green Hills	Altona Mining Ltd / Roseby Copper Pty Ltd
83	Little Eva Ins. No 1 & 2.	Altona Mining Ltd / Roseby Copper Pty Ltd
84	Little Eva Ins. No 3	Altona Mining Ltd / Roseby Copper Pty Ltd

Exploration Permit for Minerals (EPM)

No	Name	Holder
8506	Mt Roseby	Altona Mining Ltd / Roseby Copper Pty Ltd
9056	Pinnacle	Altona Mining Ltd / Roseby Copper Pty Ltd
10266	Highway	Altona Mining Ltd / Roseby Copper Pty Ltd
10833	Cameron	Altona Mining Ltd / Roseby Copper Pty Ltd
11004	Ogorilla	Altona Mining Ltd / Roseby Copper Pty Ltd
11611	Gulliver	Altona Mining Ltd / Roseby Copper Pty Ltd
12121	Gulliver East	Altona Mining Ltd / Roseby Copper Pty Ltd
12492	Queen Sally	Altona Mining Ltd / Roseby Copper Pty Ltd
12493	Quamby	Altona Mining Ltd / Roseby Copper Pty Ltd
12529	Cabbage Tree	Altona Mining Ltd / Roseby Copper Pty Ltd
13249	Lilliput	Altona Mining Ltd / Roseby Copper Pty Ltd
14363	Bannockburn	Altona Mining Ltd
14365	Corella	Altona Mining Ltd
14535	Roseby Infill	Altona Mining Ltd / Roseby Copper Pty Ltd
14545	Murrumba	Altona Mining Ltd
14556	Coolullah	Altona Mining Ltd
14822	River Gum	Altona Mining Ltd

QUEENSLAND – REGIONAL PROJECTS
Exploration Permit for Minerals (EPM)

No	Name	Holder
8059	Cameron River	Altona Mining Ltd
9611	Happy Valley	Altona Mining Ltd
14362	Malbon Vale	Altona Mining Ltd
14366	Bushy Park	Altona Mining Ltd
14367	Spider	Altona Mining Ltd
14369	Dronfield	Altona Mining Ltd
14370	Malakoff	Altona Mining Ltd
14371	Mt. Angelay	Altona Mining Ltd
14415	Mt. Malakoff	Altona Mining Ltd

NEW SOUTH WALES – REGIONAL PROJECTS
Exploration Licences (EL)

No	Name	Holder
5692	Burra	Altona Mining Ltd / Nosebi Mining and Management Pty Ltd / Dowmill Pty Ltd