

Ref:AOH0090/EH-cb

31 January 2011

Australian Stock Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

**ALTONA MINING LIMITED - INDICATIVE NOTICE OF ISSUE OF SHARES
PURSUANT TO ENTITLEMENT OFFER AND INSTITUTIONAL PLACEMENT**

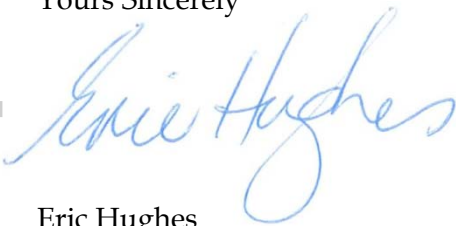
Altona Mining Limited ('Altona') today announced an A\$70 million equity raising to be completed by the way of an accelerated non-renounceable Entitlement Offer and Institutional Share Placement.

The issue is fully underwritten by Credit Suisse (Australia) Limited.

The enclosed "New Share Announcement", sets out the expected number of shares that will be issued under this equity raising.

Proceeds from the equity raising will be used to fund the development of the Outokumpu Project, the optimisation of the Roseby Detailed Feasibility Study, a major drilling effort at Roseby, exploration projects and working capitals.

Yours Sincerely



Eric Hughes
Company Secretary

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New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

ALTONA MINING LIMITED

ABN

35 090 468 018

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to approximately 98,110,967 shares pursuant to the Entitlement Offer announced by AOH on 31 January 2011

Up to approximately 51,508,258 shares pursuant to the Placement announced by AOH on 31 January 2011

Up to approximately 76,187,227 shares pursuant to the Conditional Placement announced by AOH on 31 January 2011 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. Ranking equally in all respects to existing ordinary shares</p>				
<p>5 Issue price or consideration</p>	<p>\$0.31 per share under the Entitlement Offer. The issue price under the Placement will be determined under a bookbuild but will not be less than \$0.31 per Share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the Entitlement Offer and Placement is to raise funds to be applied towards:</p> <ul style="list-style-type: none"> • capital expenditure for the development of the Outokumpu project, including contingency; • Outokumpu working capital / overrun allowance; and • Roseby Project and Finnish exploration • corporate and general working capital and costs of the issue. 				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>10 February 2011 (Institutional component of Entitlement Offer and Placement)</p> <p>9 March 2011 (Retail component of Entitlement Offer)</p> <p>15 March 2011 (Conditional Placement – subject to shareholder approval)</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1568 1069 1612">Number</th> <th data-bbox="1069 1568 1364 1612">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1612 1069 1832">471,083,869 (after Entitlement Offer, Placement and Conditional Placement)</td> <td data-bbox="1069 1612 1364 1832">Fully paid shares</td> </tr> </tbody> </table>	Number	⁺ Class	471,083,869 (after Entitlement Offer, Placement and Conditional Placement)	Fully paid shares
Number	⁺ Class				
471,083,869 (after Entitlement Offer, Placement and Conditional Placement)	Fully paid shares				

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	100,000	Options (Employee) expiring 12 March 2012, ex \$1.50. (AOHAO)
		80,000	Options (Employee) expiring 5 September 2011, ex \$1.50. (AOHAQ)
		500,000	Options (Employee) expiring 27 December 2012, ex \$1.50. (AOHAU)
		500,000	Options (Employee) expiring 16 December 2013, ex \$1.50. (AOHAW)
		365,000	Options (Employee) expiring 30 June 2013, ex \$1.50. (AOHAY)
		9,000,000	Share Rights issued pursuant to approved employee Award Plan (AOHAK)
		13,950	10% converting notes expiring 30 June 2011 (AOHAM)
		2,500,000	Options (Non-Executive Director) expiring 18 November 2013, exercise price \$0.44
		10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-Renounceable
13	Ratio in which the +securities will be offered	2 new shares for every 5 existing shares held on the Record Date

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14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	5.00pm (Perth time) 3 February 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable as the Company has only one register
17	Policy for deciding entitlements in relation to fractions	Any fractional entitlement will be rounded up to the nearest whole number
18	<p>Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<ul style="list-style-type: none">• USA• France• Malaysia• Papua New Guinea• Canada• Macau• Saudi Arabia• Philippines• Thailand• India• Netherlands• United Arab Emirates• Israel
19	Closing date for receipt of acceptances or renunciations	25 February 2011

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20	Names of any underwriters	Credit Suisse (Australia) Pty Limited
21	Amount of any underwriting fee or commission	The Underwriter will receive 1.0% of the funds received from the Entitlement Offer, Placement and Conditional Placement.
22	Names of any brokers to the issue	Credit Suisse (Australia) Pty Limited is Sole Lead Manager and Underwriter. Bell Potter Securities Limited , Foster Stockbroking Pty Ltd, and Pareto Private Equity ASA are Co-Lead Managers
23	Fee or commission payable to the broker to the issue	The Underwriter will receive a management fee of 3.0% and selling fee of 1.0% of the funds received from the Entitlement Offer, Placement and Conditional Placement and a discretionary fee of 0.5% of the funds received from the Entitlement Offer, Placement and Conditional Placement payable at the election of the Company.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus is being prepared. A Retail Entitlement Offer Booklet and Entitlement and Acceptance form will be sent to Eligible Retail Shareholders on 8 February 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	The Company has received a waiver from Appendix 7A of the Listing Rules therefore is not required to send notice to option holders.
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i>	N/A

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of their entitlements through a
broker and accept for the balance?

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

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42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%;"> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> <tr> <td style="height: 60px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 31 January 2011

(Company secretary)

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Print name: Eric Hughes.

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