14 May 2012 **ASX: AOH, FSE: A2O**

LITTLE EVA: A NEW LARGE SCALE COPPER DEVELOPMENT

- **Positive Definitive ('Bankable') Feasibility Study managed by GR Engineering Services**
- **11 year life with reserves of 375,000 tonnes of copper (827 million lbs) and 205,000 ounces of gold for A$2.97 billion revenue.**
- **Annual production* of 38,800 tonnes of copper per annum and 17,200 ounces of gold per annum in concentrates (41,400 tonnes copper equivalent**)**
- **NPV of A$252 million, IRR of 22% and a 3 year payback**
- **Simple low risk processing plant and infrastructure with a modest capital cost of A$181 million (total project capital $320 million)**
- **Average EBITDA of A$135 million for first 5 years at a cash cost of US$1.73/lb copper**
- **Altona's combined annual production profile is potentially 47,000 tonnes of copper and 25,000 ounces of gold**

Management Comments

Altona Managing Director, Alistair Cowden, said;

'We are delighted to announce the results of the Little Eva Definitive Feasibility Study following the drilling success of 2011, Little Eva is clearly a significant asset. The scale of annual production of 7 million tonnes of ore for 38,800 tonnes of copper and 17,200 ounces of gold would make Little Eva one of Australia's larger base metal developments.

It is particularly pleasing that this large project can be delivered for a total capital cost, including pre-strip, of only $320 million in a technically straightforward and low risk operation. We believe the capital cost is very competitive when compared to other proposed copper projects.

The DFS envisages open pit mining of Little Eva and three smaller deposits.

We are excited that Altona is now on the brink of becoming a mid-tier copper producer as Little Eva would combine with our Finnish operations to lift Altona's annual production to approximately 47,000 tonnes of copper and 25,000 ounces of gold.'

Financing activities and potential partnering discussions will commence in earnest once the status of the option held by Xstrata to purchase 51% of Roseby has been clarified. The option expires on 30 June 2012.'

* Years 1 to 5
** See page 21 for calculation methodology

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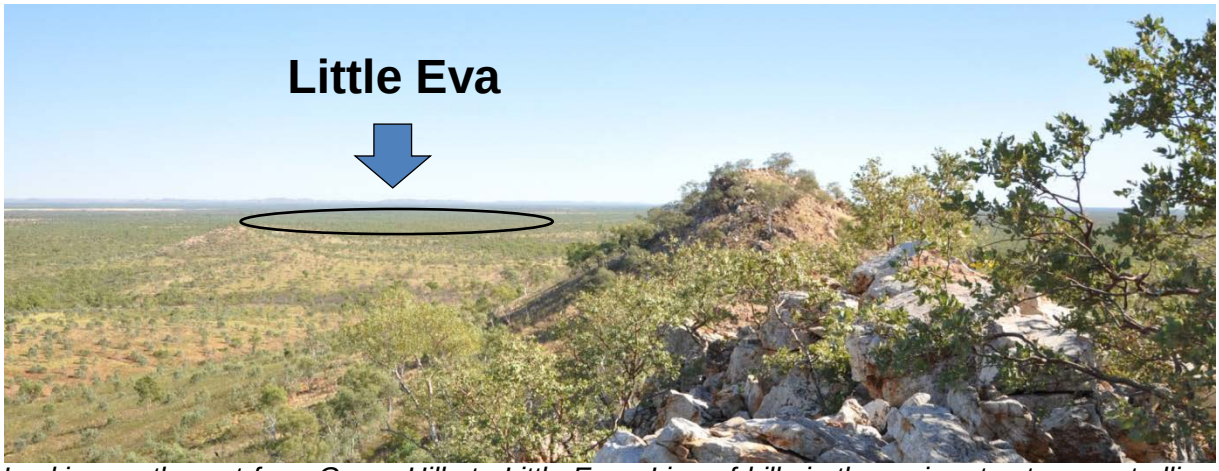
Project Overview

Copper miner, Altona Mining Limited (ASX: AOH) today announced the completion of a Definitive Feasibility Study (DFS) of its 100% owned Little Eva Copper-Gold Project, 90 kilometres north-east of Mt Isa in Queensland, Australia. The Project is 11 kilometres north of MMG's Dugald River zinc mine, currently in pre-development, and is 65 kilometres north-west of Xstrata's Ernest Henry copper-gold mine. The Little Eva Project is part of Altona's larger Roseby Project and represents the first stage of the development of the large resource inventory at Roseby.

The Roseby-Dugald mineral field has the potential to become a major mining camp with two major mines now envisaged; Altona's Little Eva copper-gold mine and MMG's Dugald River zinc mine. The field contains some 1.3 million tonnes of copper, 6.6 million tonnes of zinc, 0.5 million ounces of gold, 62 million ounces of silver and 1.0 million tonnes of lead.

The DFS was managed by GR Engineering Services (GRES) with principal sub-consultants being Optiro and Knight Piésold. Key metrics are detailed in the attached table.

The DFS envisages a large scale open pit mine at Little Eva. Ore will be processed at an adjacent 7 million tonnes per annum processing plant. The Little Eva pit has a low strip ratio of 1.8:1 (excluding pre-strip).



Looking north-west from Green Hills to Little Eva. Line of hills is the major structure controlling copper mineralisation.

Three satellite copper-gold deposits, Bedford, Lady Clayre and Ivy Ann are also planned to be treated at the plant. Further drilling on these deposits will take place this year and they will likely increase in size and are expected to contribute additional reserves.

The processing plant is technically simple resulting in the estimated capital cost to construct the processing plant and infrastructure being only $181 million. The full pre-production capital cost including pre-strip is estimated to be $320 million. It will be similar to Xstrata's nearby Ernest Henry operation and will produce 150,000 tonnes per annum of readily marketable, clean copper-gold concentrate. Metal recoveries are high at 96% copper and 85% gold and a coarse grind size of 210 microns is achievable. The mill feed averages 0.6% copper and 0.1g/t gold.

Next Steps

Permitting for the Project is well advanced, with environmental approvals in their final stages and the grant of mining leases to follow. Planning for a number of pre-development activities has commenced including; engineering, sterilisation drilling, further drilling at satellite pits, more water exploration and initial procurement activities.

The Company is considering a range of options to finance the construction of Little Eva including; a variety of debt instruments, equity, mezzanine finance from offtakers and partnership. Financing activities require clarity on the option held by Xstrata to purchase 51% of the Project. Notice to exercise this option must be received by 30 June 2012.

Expansion Opportunity

The three satellite resources have considerable potential to add to reserves and further dilling will be carried out in the current field season.

Additional Mineral Resources of 92.7 million tonnes at 0.64% copper in seven copper-only deposits at Roseby were not considered by the DFS. They contain both copper sulphide ore in fresh rock and native copper ore in overlying weathered rocks. Sulphide ores can be readily treated in the Little Eva processing plant. Native copper ores would also be able to be treated at Little Eva, but at lower recoveries (50-60%). A previous DFS estimated native copper Ore Reserves of 32.5 million tonnes at 0.69% copper at the Scanlan and Blackard deposits.

The Company is also investigating the alternative treatment route of copper recovery from native copper ore via an ammonia heap leach to achieve higher recoveries and lower operating costs.

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About Altona

Altona Mining Limited (ASX: AOH) is a Perth-based international base metals producer with a focus on copper. It has a producing mine in Finland and a major development project in Australia. The Outokumpu Project in south-east Finland commenced production in early 2012 from an underground decline mine. Planned steady state production is 8,000 tonnes per annum copper, 8,400 ounces of gold and 1,600 tonnes of zinc.

The Roseby Copper Project near Mt Isa in Queensland has a resource containing 1.27 million tonnes of copper and 0.38 million ounces of gold. The first development envisaged is the 7 million tonnes per annum Little Eva open pit copper-gold mine and concentrator. Little Eva proposed annual production is 38,800 tonnes copper and 17,000 ounces gold. A decision to proceed with the Project is expected in the second half of 2012.

LITTLE EVA PROJECT: KEY FACTS

Mineral Resources and Ore Reserves*	Tonnes (million)	Copper (%)	Gold (g/t)
Measured, Indicated and Inferred Resources	123	0.54	0.10
Proven and Probable Reserves (ROM)	59	0.59	0.09
Proven and Probable Reserves (low-grade stockpile)	15	0.18	0.06
Contained metal in Reserves		375,000(t)	205,000(oz)

Production Summary (years 1-5)	
Project life	11 years
Little Eva strip ratio (after pre-strip)	1.8:1
Little Eva strip ratio including pre-strip	2.0:1
Annual processing rate (tonnes per annum)	7,000,000
Copper recovery	96%
Gold recovery	85%
Copper in copper concentrate (tonnes per annum)	38,800
Gold in copper concentrate (ounces per annum)	17,200

Capital Costs	A$ (million)
Mining mobilisation and pre-strip	61
Processing plant and infrastructure	181
Tailings storage facility	19
Accommodation village	18
First fill, spares etc	12
Owners costs	11
Contingency	18
Total	**320**

Operating Costs	A$ (per tonne milled)
Mining	10.42
Processing	9.09
General and administration	0.62
Total onsite costs	**20.13**
Concentrate transport and sales	2.39
C1 cash cost per pound copper after credits (years 1-5)	US$1.73/lb

Project Economics	A$ (million)
Life of mine Revenues (excluding smelter charges)	2,973
Pre-tax NPV, unleveraged at 7.5% real discount rate	252
Pre-tax IRR	22%
Average annual EBITDA (year 1-5)	135
Pre-tax cashflow	827

* Resources are inclusive of Reserves.

TECHNICAL DESCRIPTION OF THE LITTLE EVA PROJECT

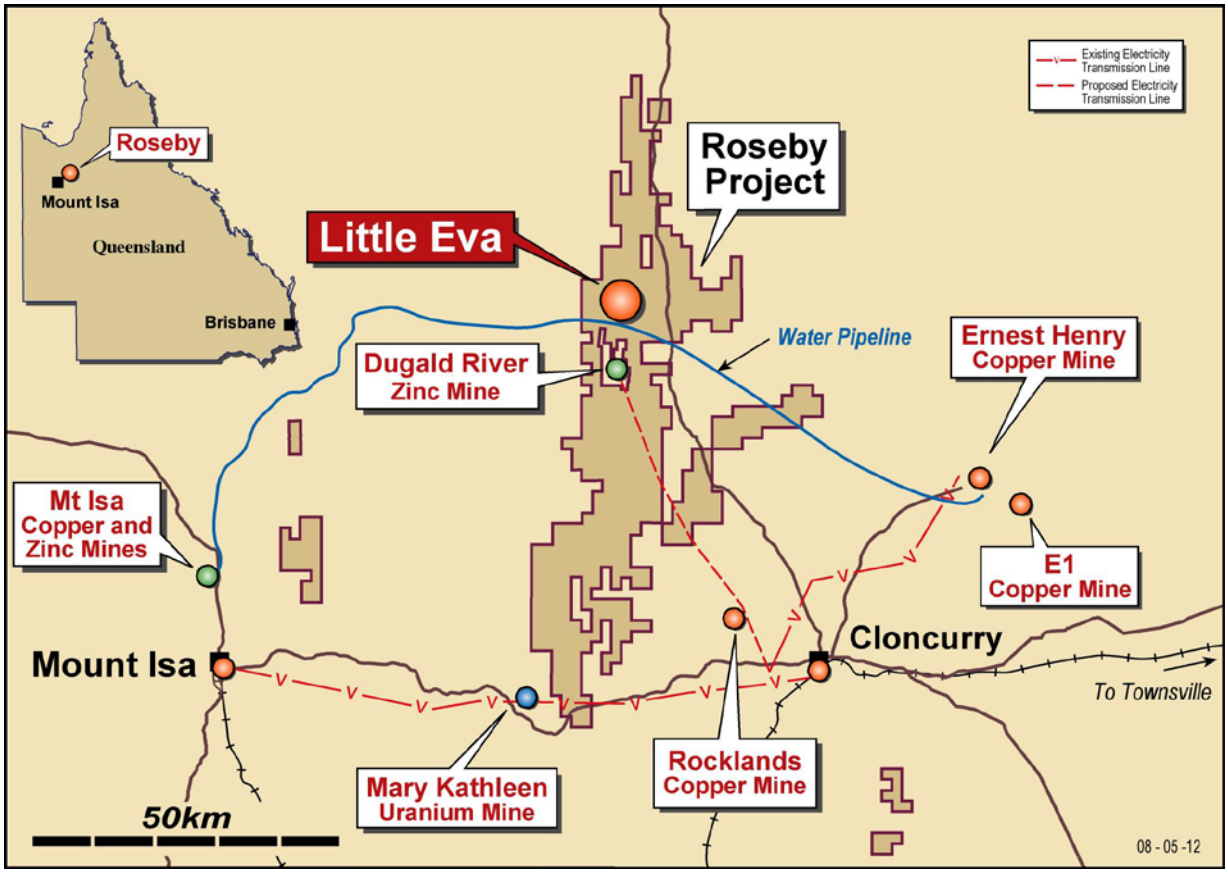
Introduction

The Little Eva Project is a low-risk large copper-gold open pit mine and processing plant similar to other current and past mines in the Mt Isa-Cloncurry area in Queensland. The Project comprises the large Little Eva open pit and three smaller satellite pits which will deliver copper-gold sulphide ore to a new 7 million tonnes per annum processing plant. Little Eva is a typical IOCG (iron-oxide copper gold) deposit similar to Ernest Henry, Osborne, Selwyn and others.

Little Eva has been the subject of feasibility studies in the past where it was envisaged to be one of three deposits to be mined. The earlier studies indicated that the processing characteristics and metal recoveries of Little Eva ore was far superior to the other deposits considered in those studies. Consequently the Little Eva deposit has been intensively drilled over the last two years and resources have increased three-fold allowing for the definition of a simple operation treating copper-gold sulphide ore.

The prior studies have provided an excellent basis for the Little Eva DFS with extensive environmental, geological, geotechnical and metallurgical data of particular use.

The Little Eva Project is the first stage of development of the larger Roseby Project. The other deposit types at Roseby are the subject of a separate study that has just commenced. Roseby is 100% owned by Altona, however Xstrata has an option to acquire 51% of the Project and this option expires on 30 June 2012.



Location of Little Eva and the Roseby Project highlighting regional infrastructure

Definitive Feasibility Study

The study was managed by GR Engineering Services (GRES) and the principal consultants and inputs are attributed as follows;

Mineral Resources:	Altona Mining audited by Optiro
Geotechnical:	George Orr and Associates
Tailings storage facility:	Knight Piésold
Mine design and Ore Reserves:	Optiro
Hydrology:	KH Morgan & Associates / Rockwater
Process design:	GRES / Ozmet
Metallurgical testwork:	GRES / ALS Ammtec Laboratories
Plant and infrastructure:	GRES
Logistics:	Gilbride Management
Environment:	MBS Environmental

The Project comprises the following components:

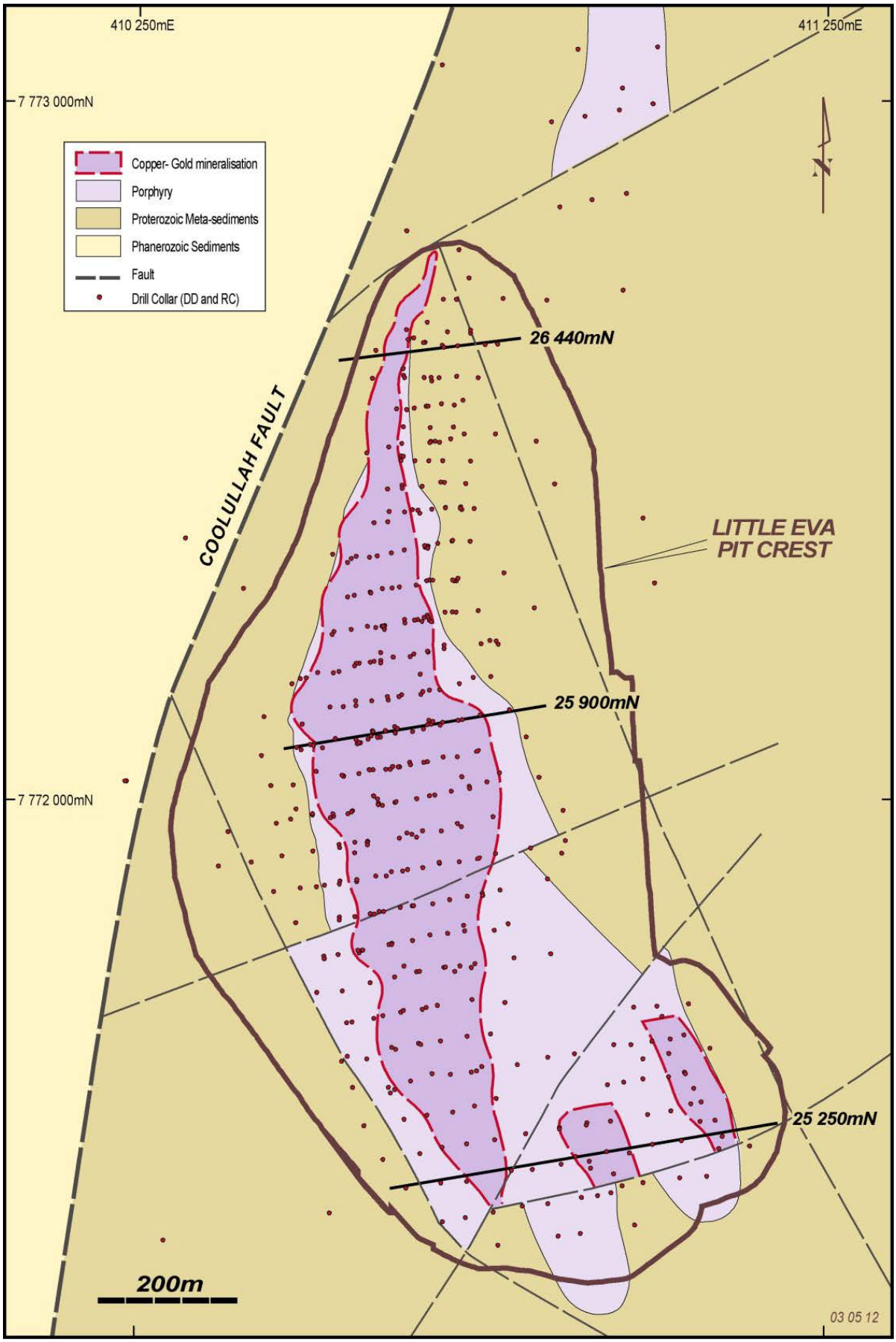
- Pre-strip of oxidised rock and refractory copper oxide mineralisation in a starter pit
- Construction of a 7 million tonnes capacity process plant
- Power via a substation at Dugald River and 33kV overland HV power line
- Open pit mining of 7-8 million tonnes per annum of ore
- Stockpile of low grade ore
- Delivery of ore to a Run-of-Mine (ROM) pad or direct tip to a primary crusher
- Single stage crushing of ROM ore
- Two stage grinding via a primary SAG (semi-autogenous grinding) mill and ball mill to 210µm
- Flotation of copper-gold concentrate
- Thickening and filtration of concentrate
- Trucking of concentrates in containers to a rail siding at Cloncurry
- Flatbed rail to Townsville port for concentrate unloading and export

Mineral Resource Estimate

The resource estimate for Little Eva is based on 7,139 metres of diamond drilling (49 holes) and 58,964 metres of reverse circulation drilling (387 holes). Mineralisation is hosted in a variably altered (albite-carbonate-hematite-magnetite) vesicular and porphyritic andesite unit. The entire unit is altered and mineralised with sulphides occurring predominantly as chalcopyrite with only minor amounts of pyrite and bornite. Sulphide minerals comprise on average only 2-3% of the rock but locally can range up to 25%.

The Little Eva deposit is 20 metres wide at its northern extremity where it dips at 70° to the east and has grades averaging 1.5-2.0% copper. The deposit thickens toward the south and in the central and southern portions the host andesite unit is near vertical with local overturning of contacts, the deposit is up to 400 metres wide and averages 0.5% copper. The deposit is some 1.3 kilometres long.

Mineralisation is terminated to the north by a fault and sparse drilling 300 metres to the north-east indicates potential for a repeat of the mineralisation. The geometry of the deposit is more complex at its southern limit and there may be potential for extensions to the south.



Plan of the geology of the Little Eva deposit with drill collars highlighting the large number of drill holes and the outline of the crest of the proposed open pit

The deposit is open below the planned pit and there is potential for underground operations below the pit, particularly in the high grade (1-2% copper) northern portion of the deposit.

Mineral Resource Estimate for the Little Eva Project

Deposit	Classification	Tonnes	Copper (%)	Gold (g/t)
Little Eva	Measured	36,260,000	0.63	0.08
	Indicated	41,390,000	0.48	0.08
	Inferred	22,620,000	0.49	0.11
	Sub-total	**100,270,000**	**0.54**	**0.09**
Ivy Ann	Indicated	5,400,000	0.60	0.08
	Inferred	2,050,000	0.49	0.06
	Sub-total	**7,450,000**	**0.57**	**0.07**
Lady Clayre	Indicated	3,590,000	0.60	0.24
	Inferred	10,410,000	0.54	0.18
	Sub-total	**14,000,000**	**0.56**	**0.20**
Bedford	Indicated	1,330,000	1.04	0.21
	Inferred	370,000	0.83	0.16
	Sub-total	**1,700,000**	**0.99**	**0.20**
	TOTAL	**123,420,000**	**0.55**	**0.10**

Contained Metal	Copper (tonnes)	Gold (ounces)
	675,000	384,000

The Resources at Little Eva were estimated by Altona and the company geologists were assisted by Optiro who also completed an audit of the final resource. The resource was constrained by 3-D models of host lithology, oxidation boundaries and domains with distinct grade characteristics. Multiple Indicator Kriging (MIK) was used to estimate recoverable grades into 25 metre by 25 metre by 10 metre panels. Best practice QA/QC procedures have been employed at Little Eva and an independent audit of data integrity and QA/QC protocols was completed in 2006.

Optiro completed independent recoverable resource estimates for the Ivy Ann, Lady Clayre and Bedford deposits. These deposits are currently scheduled to provide 8 million tonnes of feed over the life of the plant.

The resource estimate for the Little Eva deposit has been reported in an ASX release dated 19 December 2011 and estimates for the three satellite deposits were detailed in an ASX release dated 23 April 2012. The Mineral Resource for Bedford has been re-assessed and partially re-classified since the original ASX release. The Mineral Resource for Little Eva has been modified from prior disclosure by omitting oxide copper mineralisation as testwork conducted on this material as part of the DFS indicated limited potential for economic processing. No oxide mineralisation is now included in any estimate.

Mining

George, Orr & Associates conducted a full stability analysis of the planned Little Eva pit based on geotechnical analysis of 17 oriented diamond drillholes covering both the starter pit and the final

pit. Overall ground conditions are good to moderate and overall slope angles of 43 degrees, inclusive of pit ramps, have been recommended and are used in the Little Eva pit design. The eastern pit wall has the best ground conditions and therefore all access ramps have been placed on this wall.

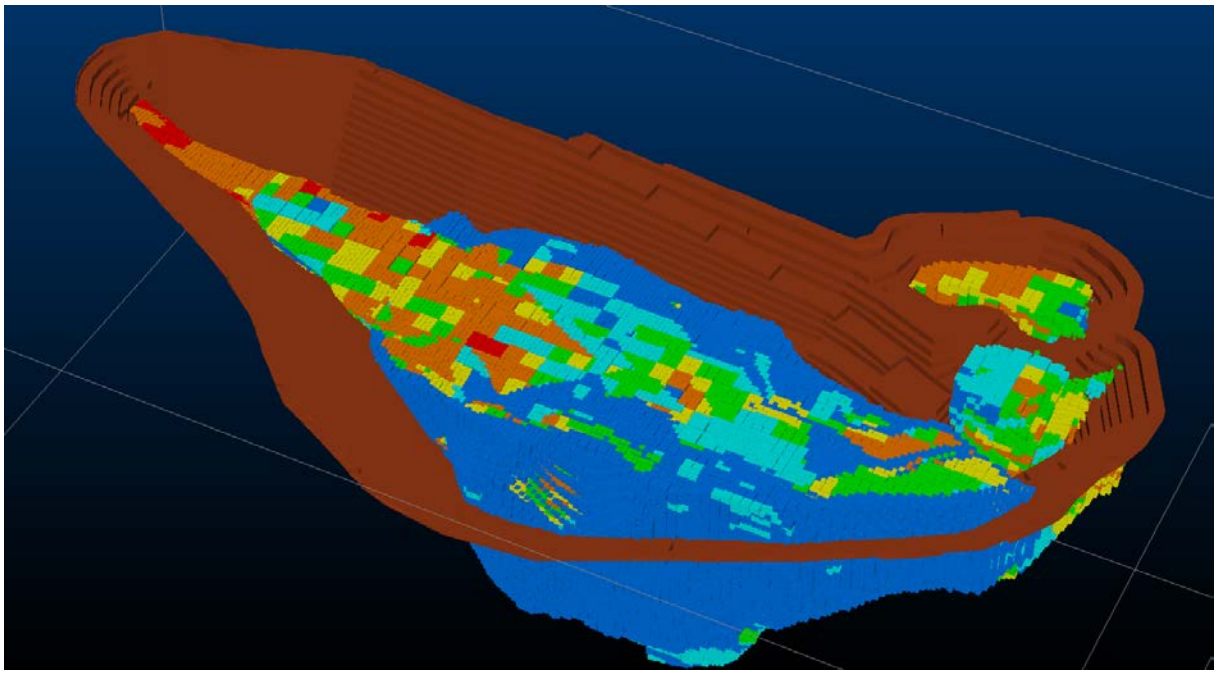
Pit optimisation was completed by Optiro. The parameters used to generate the optimised pit designs were based on mining costs obtained from market enquiry which were validated by third party benchmarking. The metallurgical recoveries used in optimisation were derived by GRES and OZMET from previous testwork and recent testwork by ALS Ammtec. Economic and other assumptions were supplied by Altona.

The mining dilution factor assumed was 6% and an ore loss factor of 4% was applied. These reflect the large scale 'bulk' nature of the deposit. Waste was assumed to have a grade equivalent to the marginal cut-off grade.

The degree of selectivity in mining varies in differing domains of the deposit and modelling is based upon a minimum mining unit of 6.25 metres x 6.25 metres x 5 metres. The opportunity exists to increase selectivity and grade and thus reduce unit costs once ore is exposed and mining commences.

The mine design includes a 30 metre wide dual lane in-pit haul road at a 10% gradient on the eastern wall of the pit. The pit is approximately 1,300 metres long, 600 metres wide and 240 metres deep.

The mining strategy involves a 13.4 million tonnes pre-strip of a starter pit. After pre-strip the pit will have a strip ratio of 1.8:1. To sustain a 7 million tonnes per annum production rate stripping is planned to continue at elevated rates for 18 months after the commencement of production. The pit requires one further pushback towards the end of mine life to reach its design depth of 240 metres. A graphical illustration of the pit is given in the figure below.



3D perspective of the shape of the Little Eva open pit in year 9 of operation with the block model shown schematically and colour coded for copper grade

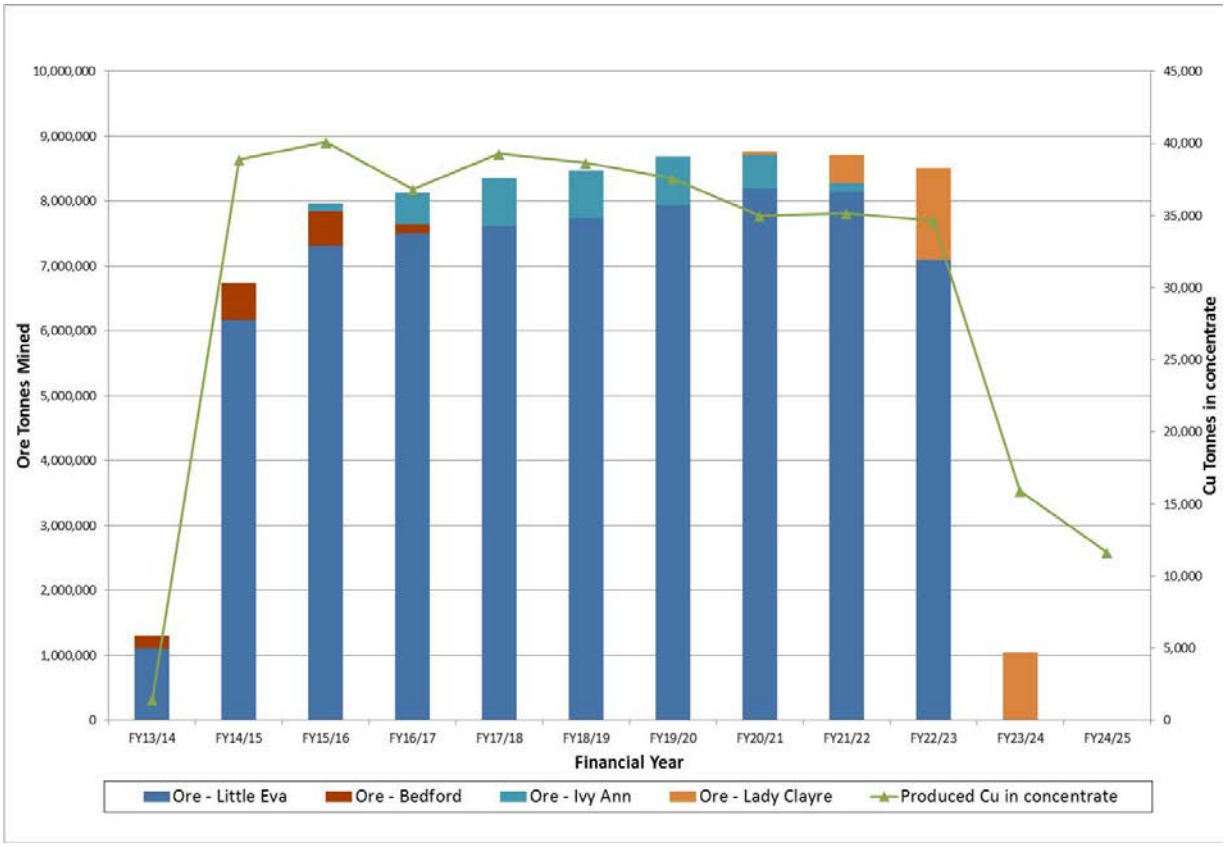
Mining will be carried out using conventional drill and blast rigs with backhoe excavation being undertaken by diesel excavators and dump truck haulage. The planned mining fleet includes two 250 tonne excavators and sixteen 140 tonne trucks.

Mine waste will be transported to a dump adjacent to the pit and it is envisaged that the dump will be an integral part of the tailings storage facility. Waste will also be used to construct a flood protection bund around the pit and process plant infrastructure. The bund will re-direct Cabbage Tree Creek away from the pit.

The ore will be delivered to the ROM pad where there is the capability to direct feed to the crusher.

Current market pricing was sought for contract mining services and this is reflected in the mining unit rates used in the financial analysis. In order to maximise cost effectiveness, Altona intends to directly lease the majority of the mine equipment and to provide the fuel and explosives to the fleet which will be operated and maintained by the mining contractor.

The mining schedule to achieve a steady feed rate of 7 million tonnes per annum of approximately 0.6% copper feed to the processing plant whilst stockpiling low grade material for later treatment. The mining and copper in concentrate schedule is shown in the chart below.



Optimisation of the satellite deposits was completed utilising the same inputs as Little Eva. However, it was assumed that fixed costs were covered by the Little Eva operation and the cost of haulage to the mill was added. Metallurgical testwork on these deposits indicate that recoveries are not materially different from Little Eva. Scheduling of ore extraction from the

deposits was set at approximately 750,000tpa taking into account the size of the pits and the rate of bench advance. Marginal ore was not transported to the Little Eva mill.

Satellite deposits were not modelled to the same level of detail as Little Eva as their contribution is small and it is expected that the deposits will grow after completion of this years drilling campaign. This will require new optimisations and designs.

It is assumed that the three satellite pits will be mined starting from the first year of production and at a rate of 0.5 to 1 million tonnes per annum in the order Bedford, Lady Clayre and Ivy Ann. Bedford and Lady Clayre lie within current mining lease applications and a new application is being prepared for Ivy Ann.

Ore Reserves

The Little Eva Project Ore Reserve is reported according to the JORC Code as follows:

Reserve Classification	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Little Eva					
Proved	31,200,000	0.64	0.08	198,200	84,700
Probable	22.200,000	0.50	0.09	109,900	62,600
Ivy Ann					
Probable	3,500,000	0.60	0.08	21,000	9,000
Lady Clayre					
Probable	1,000,000	0.58	0.27	5,800	8,700
Bedford					
Probable	1,430,000	0.87	0.20	12,400	9,200
Total Proved and Probable Reserves (excl. stockpiles)	**59,300,000**	**0.59**	**0.09**	**347,300**	**174,200**
Little Eva Low Grade Stockpile					
Probable	15,400,000	0.18	0.06	28,100	30,900

Contained Metal Including Stockpile	Copper (tonnes)	Gold (ounces)
	375,000	205,000

The Ore Reserve estimate is included within the resource estimate given above. Ore Reserves for Little Eva were estimated by Optiro. Ore Reserves for Ivy Ann, Bedford and Lady Clayre were estimated by Altona based on Optiro's mining inventory.

There are some 1.9 million tonnes at 0.47% copper and 0.19g/t gold of inferred resources at Lady Clayre that are included in the mining schedule later in the Project life. These tonnes are not included in the Ore Reserve Statement. Altona expects that infill and extension drilling this year should see conversion to Reserves.

Metallurgical Testwork and Process Design

A metallurgical and mineralogical classification of the deposit reflects the geological domains used in resource modelling. In this context, a review of extensive prior testwork was undertaken

to ensure the representativeness of samples from each domain. Two additional large diameter core holes were drilled to ensure complete spatial and grade variance coverage of the deposit.

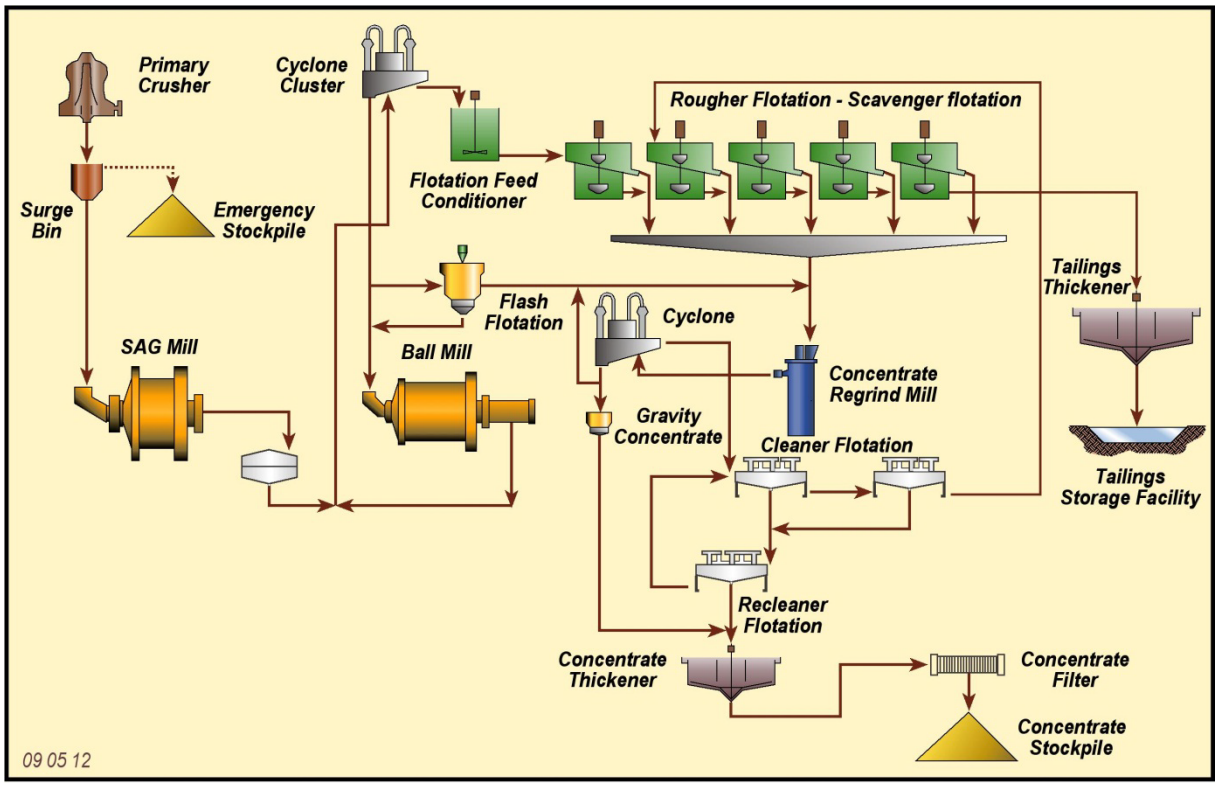
Extensive prior mineralogical and metallurgical testwork formed the basis for a further testwork programme comprising of milling, flotation, thickening and filtration to assist with process plant design and derivation of operating costs. Grinding and flotation/reagent testwork focussed on demonstrating that high copper and gold recoveries were achievable at a relatively low operating cost across all feed grades that are planned. The testwork programme for the DFS was undertaken at ALS Ammtec in Perth and was supervised by GRES.

Standard milling and flotation technology will be used to generate approximately 150,000 tonnes of copper concentrate on an annual basis.

The processing circuit is a simple one and consists of:

- Single stage gyratory crushing
- SAG and ball milling
- Flash flotation
- Flotation
- Concentrate regrind
- Concentrate thickening and filtration
- Tailings thickening and disposal

A standard flotation circuit is proposed as illustrated in the chart below.



Process flowsheet for the Little Eva plant

Testwork indicates that a 96% copper recovery will be achieved at a concentrate grade of 25% copper. Gold recovery is 85% at a concentrate grade of 4g/t.

Numerous tailing and representative waste rock samples were subject to geochemical analysis and were found to be non-acid forming due to the low levels of contained sulphur and high carbonate content. The tailings and waste will not generate acid drainage during storage and can be disposed safely using standard mining and processing practice.

The flotation optimisation tests were performed using Perth tap water. Tests conducted with site water using the selected flotation conditions confirmed equivalent recoveries. A sample of the site water was analysed before and after contact with the ore and process reagents to check for potential operational and environmental concerns.

Concentrate and process characteristics are:

Copper - Gold Concentrate	
Tonnes of concentrate (dry)	150,000pa
Moisture content	8%
Copper recovery	96%
Gold recovery	85%
Copper grade in concentrate	25%
Gold grade in concentrate	4g/t
Concentrate penalty elements	None

The concentrate will be filtered to 8% moisture and stored in a concentrate shed prior to transport to market.

Process Plant and Infrastructure

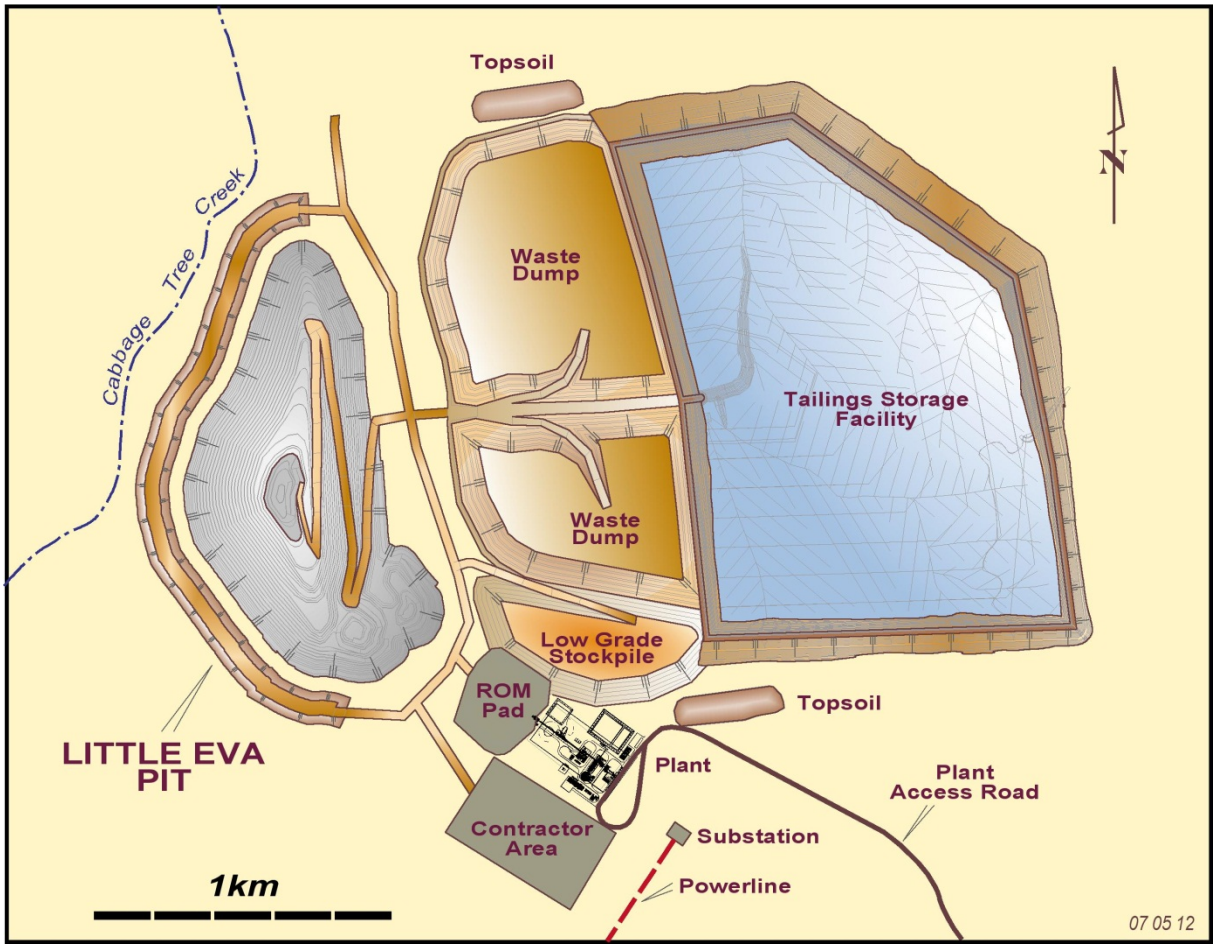
The process plant is to be located approximately 70 kilometres north-west of Cloncurry and can be accessed via a sealed highway and a site access road of approximately 12 kilometres.

A simple grinding and flotation plant will be installed adjacent to the Little Eva open pit and will be designed to process 7 million tonnes per annum of ore for a minimum period of 11 years.

Infrastructure to be installed to support the operation includes:

- Access and haul roads
- Tailings storage facility
- Surface water management bunding
- Fuel storage and dispensing
- 33kV overland HV power line (from proposed Dugald River substation)
- Plant site laboratory
- Accommodation village
- Administration facilities
- Workshop and warehousing facilities
- Borefield and water storage infrastructure
- Mining contractor infrastructure
- Explosives magazine

With 26MW of installed drives, the average power draw for the processing plant during operations will be approximately 22MW. Power for the concentrator will be supplied from grid power via a 220kV overhead power line stepped down to 33kV at a substation at MMG's Dugald River project for supply to the Little Eva plant. The DFS assumes that the proposed 220kV powerline for the Dugald River project is available to Altona for transmission of electricity. To allow for this Altona has included an infrastructure charge in its estimation of power costs.



Plan of the Little Eva minesite showing the processing plant and associated infrastructure

The tailings storage facility (TSF) is located to the east of the pit, abuts the waste dump and comprises a single cell constructed utilising open pit mine waste.

The design incorporates a basin under-drainage system to reduce seepage, increase tailings density, and improve the geotechnical stability of the TSF. Solution recovered from the decant system will be pumped back to the plant for reuse in the process circuits.

Tailings will be discharged into the TSF by sub-aerial deposition methods, using a combination of banks of spigots at regularly spaced intervals from all embankments to direct the supernatant pond to the decant towers. The active tailings beach will be regularly rotated.

Most of the Project water supply will come from pit dewatering bores with the water to be stored in a raw water dam. The remainder will be sourced from regional water supply bores. Approximately 50% of the water discharged to the tailings facility as part of the processing will be decanted and returned to the plant for reuse. There is further water supply capacity in the Lake Julius pipeline which is adjacent to the plant should the need arise.

Communications will be supplied via fibre optic cable connection to the Cloncurry exchange with the possibility of Next G and mobile phone coverage being provided by Telstra as part of its regional service delivery to the Roseby-Dugald area.

A village is to be constructed to accommodate the Project workforce. This will be a purpose built camp that will be owned and operated by Altona and/or a contractor. It will accommodate approximately 220 personnel at any one time and will be utilised for both construction and operations.

Logistics

The highway from Cloncurry to Burketown and Normanton on the Gulf of Carpentaria is a full width sealed road that passes 12 kilometres to the east of the proposed plant site. At Cloncurry, it meets the Barkly Highway from Townsville to Mt Isa.

The concentrate will be containerised and transported from site by road train to the Cloncurry rail loading facility. The containers will then be loaded onto flatbed rail cars for dispatch to the Townsville port. The rail system between Cloncurry and Townsville is well serviced with multiple trains to Townsville each week. Once at the Townsville port the containers will be unloaded directly into the ships hold.

Townsville port is a well-established international port capable of handling bulk mineral materials with over 4 million tonnes of import/export trade mineral handled annually.

All infrastructure required to operate in this manner is already in place and available to the Project. Containers will be supplied as a part of a complete concentrate load and transport logistics arrangement with a major logistics operator.

Implementation Plan

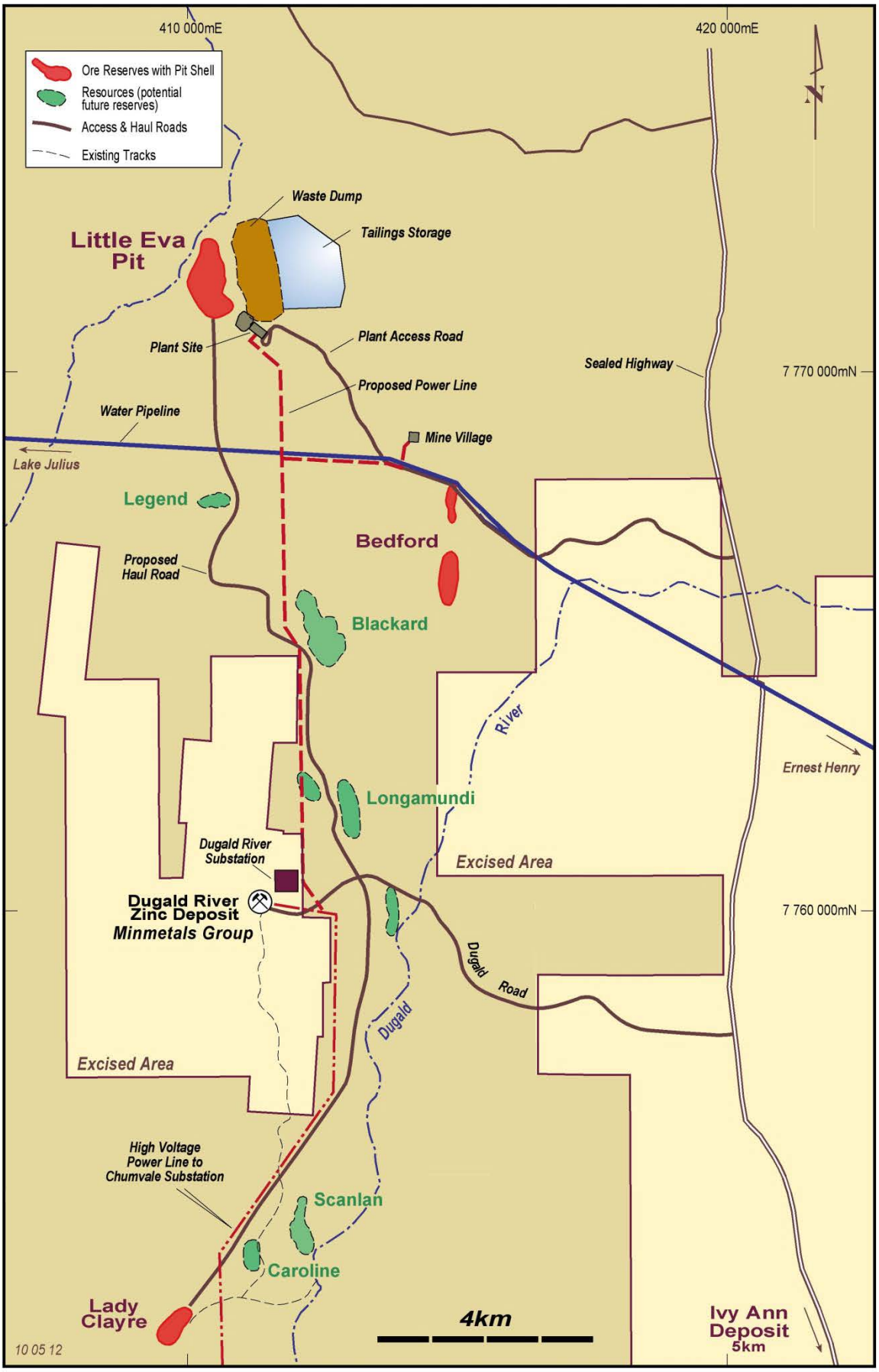
Mining

Contract mining has been selected as the preferred option for mining. This provides a degree of flexibility which will be highly beneficial during the ramp up phase of the Project. It is envisaged that Altona will be responsible for the lease of the majority of the mining fleet and for the supply of fuel and explosives.

Plant

It is proposed to deliver the process plant, associated services and site infrastructure on a turnkey project management, design and construction basis. The process plant and infrastructure would be undertaken on a guaranteed maximum price basis.

Project management, design, procurement of process equipment and project controls would be undertaken from Brisbane and Perth. All site subcontracts will be controlled from site. Site works would be performed mainly in horizontal packages by suitably qualified and capable Queensland organisations supplemented by construction expertise from the EPC (Engineering, Procurement and Construction) contractor.



Infrastructure in the Little Eva - Dugald River area showing Altona tenure

Infrastructure

The intent for all of the infrastructure components of the work that have not already been covered within the plant or mining scopes is to tender based on a lump sum, turnkey project management, design and construction basis.

Development Timetable

The key milestones for the Project assuming the completion of financing by December 2012 and clarity of the outcome of the Xstrata option are:

- Start early commitments and front end engineering and design (FEED) October 2012
- Award EPC Contract February 2013
- Start site works April 2013
- Little Eva pre-strip commencement August 2013
- Plant commissioning commencement June 2014
- First concentrate production July 2014
- Full production December 2014

Community, Permitting and Tenure

Baseline environmental monitoring of the Project area has been carried out over many years with reference data available from multiple wet seasons. A more detailed monitoring programme is now being planned and Altona intends to establish a regional monitoring regime together with MMG's Dugald River mine to assist with the capture and sharing of environmental data for the wider site area.

The Environmental Impact Study and the Environmental Management Plan (EMP) for the Project have been accepted by the Queensland Department of Environment and Resource Management (DERM).

A draft Environmental Authority is under discussion with DERM and once agreed, it will be subject to a public notification and comment period prior to being issued.

Mining Lease Applications are in place and mining leases will be granted upon the formal granting of the Environmental Authority. In order to capture any changes to the Project resulting from this DFS since the EMP was lodged 12 months ago, an updated document is being prepared for presentation to DERM.

The mine plan allows for closure and rehabilitation costs and the conditions of the Environmental Permit will include lodgement of a bond with the authorities.

The Company has an agreement with the Kalkadoon People who hold a native title area over the Project area. A deed of the type required under the Native Title Act and an ancillary agreement were signed by the Company and appropriate representatives of the Kalkadoon People on 15 June 2006. The State of Queensland executed the Section 31 Deed on 29 June 2006.

The Little Eva mining lease applications total 143 square kilometres and are situated across two pastoral land holdings. Compensation agreements relating to the mining leases have been agreed.

Operations and Workforce

The Project is expected to directly employ some 300 people during the construction phase reducing to around 240 during operations.

Most of the construction workforce will be provided by contractors from the north-west Queensland region.

During the operations phase, employment will be made up of a mixture of people living in Cloncurry commuting daily to site and fly in / fly out (FIFO) people from the regional centres which already provide personnel to the major mining centres in north-west Queensland.

Sales and Marketing

The payability of metal in concentrates, smelter treatment charges, refining charges, shipping and insurance costs for the concentrates have been estimated from Altona's market experience, industry norms and by benchmarking against recent transactions. For copper-gold concentrates it assumed that treatment charges will average US$50/t, refining charges US5¢/lb and that no penalties will be payable. Copper payability is assumed to be 96.5% and gold approximately 75% as a result of a standard 1g/t deduction.

It has been assumed that the concentrate will be shipped to Asian markets, however, until the end of 2016 it is assumed that concentrate will be delivered to the copper smelter in Mt Isa owned by Xstrata.

Capital Costs

Capital cost estimates are based on pricing from local and international equipment suppliers and local engineering and contracting firms. The Company will appoint suitably experienced engineering groups to provide management and support in implementing the Project. Capital costs exclude financing costs are detailed in the table below.

Capital Costs	**A$ (million)**
Mining mobilisation and pre-strip	61
Process plant and infrastructure	181
Tailings storage facility	19
Accommodation village	18
First fill, spares etc	12
Owners costs	11
Contingency	18
Total	**320**

The pre-strip cutback continues for 18 months after the commencement of production and is considered to be a sustaining capital cost. Life of Mine (LOM) sustaining capital requirements are given below.

Sustaining Capital Costs	A$ (million)
Mine development	85
Processing plant and infrastructure	13
Tailings	29
Rehabilitation	9
Total	**136**

Operating Costs

Operating cost estimates are based on local labour rates and quotations from local utilities, contractors and reagent suppliers and are detailed in the table below.

Operating Costs (LOM Average)	A$ (per tonne milled)
Mining	10.42
Processing	9.09
General and Administration	0.62
Total onsite costs	**20.13**
Concentrate transport and sales	2.39
C1 cash cost per pound copper after gold credits	US$1.73/lb

Project Economics

The Project will generate an average annual EBITDA of A$135 million in years 1-5 based on the sale of copper-gold concentrate. The life of mine average operating cost is A$20/t compared with estimated average revenue of A$39/t.

Key Financial Parameters	A$ (million)
Capital costs	320
Sustaining capital	136
Revenue pa *	269
EBITDA pa *	109
Pre-tax NPV unleveraged 7.5% real discount rate	252
IRR %	22%

** Life of mine average*

Metal prices and exchange rates used in this study are:

Financial Year Ending June	Copper (US$/lb)	Gold (US$/oz)	AUD:USD
Spot (11 May 2012)	3.67	1,597	1.00
2015	3.50	1,550	0.93
2016	3.40	1,450	0.91
2017	3.25	1,450	0.89
2018	3.15	1,400	0.87
2019	3.00	1,350	0.85
Long term	2.75	1,300	0.81

Sensitivities are shown below.

Project Sensitivites	NPV (A$ millions)
Copper price +/- 10%	163
Capital costs +/- 10%	33
Operating costs +/- 10%	122

Taxation and Royalties

The Company has tax losses carried forward to later income years providing they are available to it under the current taxation provisions. As at 31 December 2011 the tax losses totalled approximately A$60.4 million. There can be no assurance that such losses will be available.

Royalties of approximately A$150 million are payable over the life of the mine to the Queensland government and three private entities.

Competent Person Statements

Overview and Compilation: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed by Dr Alistair Cowden, BSc (Hons), PhD (Geology) and Dr Iain Scott PhD Min. Processing, BSc Met. (Hons) who are members of the Australian Institute of Mining and Metallurgy, are full time employees of Altona and who have sufficient experience which is relevant to the style of mineralisation and 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' (the JORC Code - 2004 Edition). Dr Alistair Cowden and Dr Iain Scott consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Little Eva Reserves: The Ore Reserve statement for Little Eva has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2004 Edition). The Ore Reserves have been compiled by Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

Satellite Deposit Reserves: The Ore Reserve statement for Bedford, Lady Clayre and Ivy Ann has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2004 Edition). The Ore Reserves have been compiled by Dr Alistair Cowden, BSc (Hons), PhD (Geology) and Dr Iain Scott PhD Min. Processing, BSc Met. (Hons) who are members of the Australasian Institute of Mining and Metallurgy. Dr Cowden and Dr Scott have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Dr Cowden and Dr Scott consent to the inclusion in the report of the matters compiled by them in the form and context in which it appears.

Metal Equivalence Calculation: This is provided to assist investors in assessing the value of polymetallic projects. The calculation of metal equivalence in resources requires 3 inputs:

- Metal prices assumed: US$8,000/t copper and US$1,600/oz gold
- Recoveries to concentrates: 96% copper and 85% gold
- A factor to reflect the potential commercial return from payable metals recovered to various concentrates: 96% copper and 80% gold

The calculation formula for metal equivalence is the sum of the product of the three inputs for each metal divided by the product of the reference metal price, recovery and the 'payability' factor. This results in one tonne of copper equating to 6.78 ounces of gold.

It is the opinion of the Company that the metal recoveries disclosed above are reasonable and that there is a reasonable potential that revenue will be achieved from recoverable metals.

Roseby Resource Estimates by Deposit

DEPOSIT	TOTAL			CONTAINED METAL		MEASURED			INDICATED			INFERRED		
	Tonnes	Grade		Copper	Gold	Tonnes	Grade		Tonne	Grade		Tonnes	Grade	
	million	Cu %	Au g/t	tonnes	ounces	million	Cu %	Au g/t	million	Cu %	Au g/t	million	Cu %	Au g/t
COPPER-GOLD DEPOSITS														
Little Eva	100.3	0.54	0.09	538,000	271,000	36.3	0.63	0.08	41.4	0.48	0.08	22.6	0.49	0.11
Ivy Ann	7.5	0.57	0.07	43,000	17,000				5.4	0.60	0.08	2.1	0.49	0.06
Lady Clayre	14.0	0.56	0.20	78,000	85,000				3.6	0.60	0.24	10.4	0.54	0.18
Bedford	1.7	0.99	0.20	17,000	11,000				1.3	1.04	0.21	0.4	0.83	0.16
Sub-total	123.4	0.55	0.10	675,000	384,000	36.3	0.63	0.08	51.7	0.52	0.09	35.5	0.51	0.13
COPPER ONLY DEPOSITS														
Blackard	46.3	0.63		291,000		26.3	0.64		17.9	0.63		2.1	0.58	
Scanlan	19.6	0.68		133,000					15.4	0.65		4.2	0.80	
Longamundi	10.4	0.66		69,000								10.4	0.66	
Legend	6.1	0.60		37,000								6.1	0.60	
Great Southern	6.0	0.61		37,000								6.0	0.61	
Caroline	3.6	0.53		19,000								3.6	0.53	
Charlie Brown	0.7	0.40		3,000								0.7	0.40	
Sub-total	92.7	0.64		589,000		26.3	0.64		33.2	0.63		33.2	0.63	
TOTAL	**216.1**	**0.59**	**0.06**	**1,264,000**	**384,000**	**62.6**	**0.63**	**0.05**	**84.9**	**0.56**	**0.06**	**68.6**	**0.57**	**0.07**

See ASX release of 26 July 2011 for full details of resource estimation methodology and attributions and ASX release of 19 December 2011 for a subsequent update. The Little Eva estimate has been reduced from the 19 December 2011 ASX release as oxide mineralisation has been removed. Studies undertaken as part of the DFS indicate that there is no current viable treatment route for this material. The Bedford estimate has been re-assessed and partially re-classified since the original ASX release.

Note: All figures may not sum exactly due to rounding.

Little Eva is reported above a 0.2% copper lower cut-off grade, all other deposits are above 0.3% lower copper cut-off grade.