

30 January 2013

## ABOUT ALTONA

Altona Mining Limited (ASX: AOH) is an international base metals producer with a focus on copper.

The Company has two main assets:

The Outokumpu Project in south-east Finland comprising an underground decline mine and processing plant. Production commenced in 2012 and is ramping up to design of 8,000tpa copper, 8,400ozpa of gold and 1,600tpa of zinc.

The Roseby Copper Project near Mt Isa in Queensland has a resource containing 1.52Mt of copper and 0.38Moz of gold. The first development envisaged is the 7Mtpa Little Eva open pit copper-gold mine and concentrator.

Cash on hand (31-12-2012) A\$19M

Market capitalisation (25-01-2013)  
at 24 cents per share A\$127M

**ASX:** AOH  
**Frankfurt:** A2O  
**Oslo:** ALTM

**Shares on issue:** 527,271,038  
**Options on issue:** 2,365,000  
**Share rights on issue:** 11,459,415

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## Outokumpu Production Guidance Raised and Xstrata Option over Roseby Lapses

### DECEMBER QUARTER PRODUCTION

<b>Copper in concentrates</b>	<b>2,043 tonnes</b>
<b>Gold in concentrates</b>	<b>2,292 ounces</b>
<b>C1 cash cost</b>	<b>US\$1.61/lb of payable copper</b>

- **Production record** - The December quarter copper production for the Outokumpu Project was up 28%. The full mining cycle is well established and the mill is performing at or above design. Mine production was 140,000 tonnes at 1.62% copper and 0.68 grams per tonne gold for the quarter.
- **Guidance increased** - Production guidance has been increased to 6,500-7,000 tonnes of copper and 6,500-7,000 ounces of gold for the year to 30 June 2013. Cash cost guidance remains in the range US\$1.40-1.60 per pound.
- **Low costs** - C1 cash cost of US\$1.61 per pound of payable copper sold is in line with guidance.
- **Expansion** - Studies have commenced to investigate the potential to expand production at Outokumpu by 30-50%. Results should be available towards the middle of 2013.
- **Xstrata Option** - Mt Isa Mines ("Xstrata Copper") did not exercise its option to purchase 51% of the Roseby Copper Project. Altona has commenced a process to seek a strategic transaction to permit the development of Roseby.
- **Roseby mining licence grant** - Three mining licence applications were granted at Roseby during the quarter, the project is now fully permitted.
- **Awards** - Altona was awarded the "Explorer of the Year Award" by the Queensland Government in association with the Queensland Resources Council and "Best Investor Relations by a Company" in the S&P/ASX Emerging Companies Index by the Australasian Investor Relations Association.

**Safety and People**

**Safety performance improving**

Safety at Outokumpu in the December quarter saw continuing effort being applied by management but regrettably, one lost time injury arose from a minor, grinding related eye injury. The quality of eye protection has been improved as a result of this incident. Three Medically Treated injuries occurred. The year to date Lost Time injury frequency rate and total recordable injury frequency rate (Lost Time plus Medically Treated) per one million man hours was relatively static at 16 and 35 respectively.

Improving safety at Outokumpu remains a key operational imperative for Altona and a comprehensive programme to improve safety culture continues. Safety performance in Finnish mines is generally below best practice in Australia but there are notable exceptions which report excellent safety performance. Altona aims to be equal to, or better than, the best of its Finnish peers.

The Company now has 91 employees and 84 contractors in Finland and 16 employees in Australia.

**Outokumpu Operations**

**Record quarterly production**

**Production set to exceed guidance of 6,000 tpa copper**

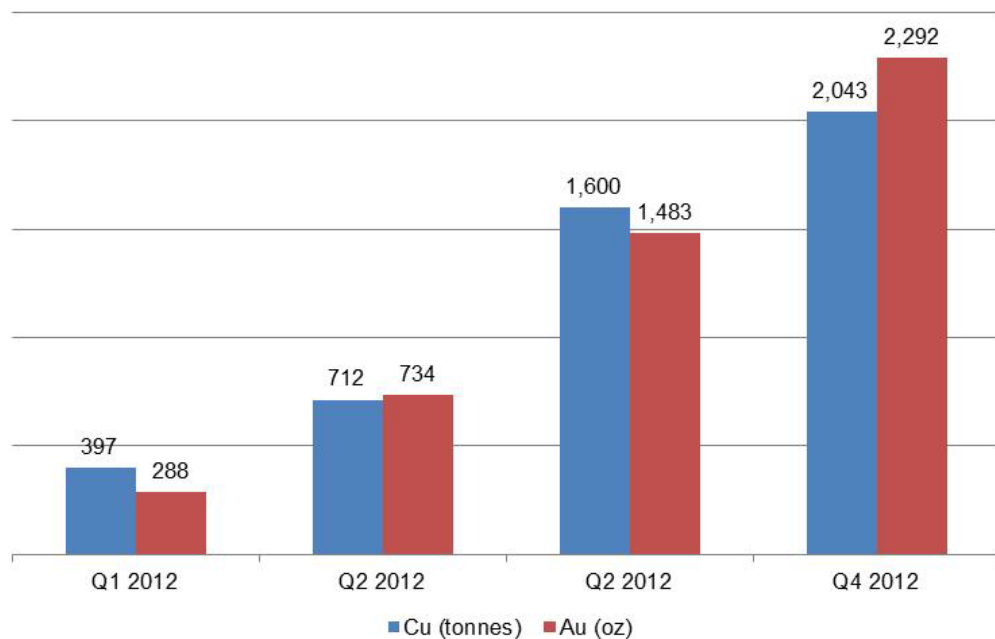
<b>Outokumpu Project Production Statistics</b>		<b>This Quarter</b>	<b>Year to Date</b>
Ore mined	Tonnes	140,005	269,806
	Copper (%)	1.62	1.60
	Gold (g/t)	0.68	0.61
	Zinc (%)	0.65	0.62
Ore milled	Tonnes	143,979	266,614
	Copper (%)	1.55	1.52
	Gold (g/t)	0.68	0.62
	Zinc (%)	0.66	0.64
Recovery	Copper (%)	91.24	90.15
	Gold (%)	73.20	70.97
	Zinc (%)	46.46	42.61
Copper concentrate produced	Tonnes	9,753	17,380
	Copper (%)	20.94	20.96
	Gold (g/t)	7.31	6.76
Zinc concentrate produced	Tonnes	917	1,546
	Zinc (%)	48.37	47.2
Contained metal in concentrates	Copper (tonnes)	2,043	3,643
	Gold (ounces)	2,292	3,775
	Zinc (tonnes)	444	730
<b>Sales</b>			
Copper concentrate delivered	Tonnes	9,785	17,303
Contained metal	Copper (tonnes)	2,026	3,610
	Gold (ounces)	2,298	3,753
Zinc concentrate delivered	Tonnes	1,252	1,791
Contained metal	Zinc (tonnes)	561	770

It was an excellent quarter for Outokumpu with production now well established and the operational team continually applying improvements as the production process and orebody become better understood. Cost performance was excellent with C1 cash costs at US\$1.61 per pound.

**Copper sales at an annualised rate of 8,100 tonnes this quarter**

Production was the highest to date with 2,043 tonnes of copper and 2,292 ounces of gold contained in concentrate. The project has attained its design throughput. Production for the six months to December was 3,643 tonnes of copper and 3,775 ounces of gold contained in concentrate, placing Outokumpu on track to exceed the production guidance for 2012/2013 offered in July 2012. For detailed mining and operating statistics please refer to the table on page 2.

**Production of Contained Metal in Concentrate by Quarter**



**Mining**

Total material mined during the quarter was a record for the operation with 140,000 tonnes of ore and 78,400 tonnes of waste mined. The increased ore productivity is primarily due to decline and level development being sufficiently advanced to permit production of ore from stoping to reach design levels.

Some four stopes were completed and filled during the quarter and two new stopes opened. Reconciliation of production to Reserve models is steadily improving. Options are being considered for improvements to fill cementation to increase fill strength when larger stopes are mined in coming years.

**Ore grades continue to perform well**

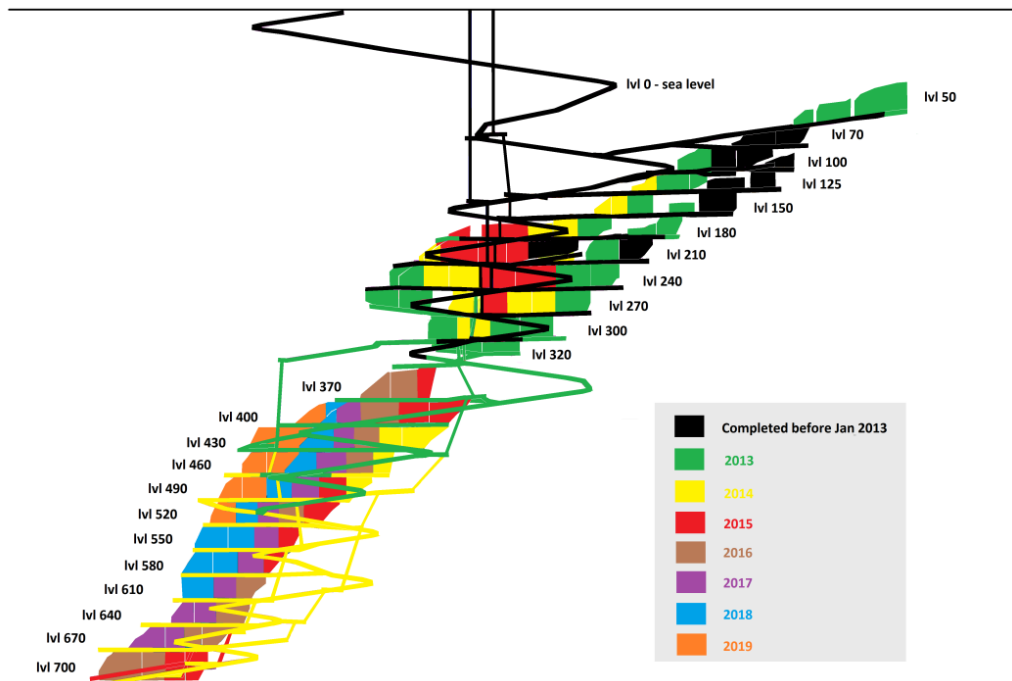
Grade was higher than the previous quarter at 1.62% copper and continues to outperform expectations due to a smaller volume of low-grade disseminated ore in the upper part of the deposit than predicted in the feasibility study model and also due to the copper grade of the massive sulphides being higher than predicted. The ore body model is being updated to incorporate new information and will be available next quarter.

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**Focus on aggressive decline development to support production**

Level development exceeded budget mainly due to a conscious decision to de-risk production volumes. Currently, a total of seven production levels are developed for production purposes which significantly helps production planning and scheduling. In the decline, due to long ventilation times and poor rock conditions in some places, advance was below budget. Some 942 metres of decline and level development was undertaken and mine development is now down to 410 metres below surface (320 level). The decline and lateral development will remain the major focus for 2013 to ensure development is sufficiently advanced to support and expand production.

Capital expenditure for the quarter included the completion of installation of ventilation and air intake heating infrastructure, decline development and internal ventilation shafts. The early onset of winter allowed the ventilation heating system to be fully commissioned and it is working well after initial teething problems.



**Longitudinal project of the Kylylahti mine showing the status of development and stoping and the mine plan**

**Processing**

The Luikonlahti processing plant continued to perform at a high level of availability, throughput and recovery this quarter. A total of 144,000 tonnes of ore were milled. Feed to the processing plant was supplemented by a drawdown of ROM stocks over Christmas.

**Recoveries meeting expectations**

Copper recovery of 91.2% for the quarter was close to design (91.5%). Copper-gold concentrate grades are in the range of 20 - 23% copper and 5 - 10 grams per tonne gold. Zinc concentrate grade of 48% and recovery of 46% is much improved and approaching design of 50% zinc grade and recovery of 50%.

The Company is very pleased with the plant's performance given that it is 44 years old. Extensive refurbishment has delivered dividends despite a more complex than normal flowsheet.

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Capital expenditure at the mill was on expansion of the concentrate storage dam. It was envisaged that the operation would produce a cobalt-nickel concentrate for storage and later sale or processing, and waste sulphur concentrate for co-disposal with cemented waste rock in the underground mine.

A re-evaluation of the economics of transportation and disposal of sulphide waste to the mine has resulted in the waste sulphur concentrate not being disposed of underground, and instead being sent to the concentrate storage dam. In addition, higher sulphur content in the mill feed combined with aggressive sulphide flotation to reduce sulphur in final tailings have resulted in a higher volume of waste sulphur concentrate being produced. These factors have combined to reduce the availability of concentrate storage.

A number of actions to address the issue are underway:

1. Further studies on options for disposal of cemented sulphur concentrate underground or in old mine workings at the mill.
2. Engineering studies on expansion of existing storage dams.
3. Studies on the location, cost and permitting of long term sulphur waste disposal dams.
4. Studies on reducing volumes of sulphur concentrate waste.
5. Marketing of sulphur concentrate.

The construction of additional dam space may have cost implications not contemplated in the original life of mine plan. Permitting requirements will have a bearing on the timing of construction which needs to commence in 2014.

#### **Resource Development and Exploration**

About 7,400 metres of underground diamond drilling was completed during the quarter. There were a number of notable intersections including a number demonstrating the potential for a new zone of gold mineralisation.

Drilling at lower levels of the Wallaby orebody intersected gold mineralisation in the hanging wall of the main copper orebody. Mineralisation relates to parallel hanging wall zones in the skarn-quartz rocks. Best intersections using a 1.0 grams per tonne gold cut-off and capping gold assays to 15 grams per tonne were:

- 6 metres at 6.1 grams per tonne gold in KU-154,
- 11 metres at 4.1 grams per tonne gold in KU-182, and
- 2 metres at 9.8 grams per tonne gold in KU-191.

Follow-up drilling designed to define tonnes, grade and continuity of the gold mineralisation is underway.

Drilling targeting the Wallaby/Wombat gap intersected the lower Wombat orebody at higher levels than expected (up to Wallaby 270-level) indicating that there is no gap between Wallaby and Wombat. Intersections in the gap highlight that Wallaby is structurally more complicated than expected.

**Studies on disposal of sulphide waste accelerated**

**New gold zone discovered in hanging wall**

## Expansion Study

**Design  
production  
achieved and a  
30-50%  
expansion  
under  
consideration**

The operation has reached 550,000 tonnes annualised production rate as envisaged in the feasibility study. Consequently attention is moving to the potential to expand production. Sufficient work should be completed by mid-2013 to confirm the technical and economic feasibility of the production expansion. There are four elements to the expansion studies.

*Kylylahti Mine:* Mine development currently operates on a 24 hour basis but production is only 5 days per week. Studies will be carried out to determine if the mine can support a full 24/7 production routine and a new mine plan prepared to support this operating regime.

*Luikonlahti Mill:* GR Engineering Services are designing and costing modifications required for the plant. It is expected that conversion of the existing rod and pebble mills to ball mills should permit a throughput of 750,000-850,000 tonnes per annum. Additional tailing, concentrate storage, flotation and thickening capacity will be required.

*Reserves:* A programme of drilling will be undertaken to extend the resource model to potential depths of 1,100 metres below surface. Drilling will be undertaken from July from a new hanging wall drive to be developed on the 320 metre level (420 metres below surface). The target is for 2-3 million tonnes of additional resources.

*Permitting:* The mill is constrained by a permit which caps production at 550,000 tonnes per annum. A new permit is in the regulatory approval process and will allow up to 1 million tonnes per annum throughput and processing of ore sourced from a number of Altona's deposits in the area. The permit is expected to be available in H2 2013.

## Sales and Costs

<b>Cost Performance</b>	<b>This Quarter (US\$M)</b>	<b>This Quarter (US\$/lb)</b>	<b>Year to Date (US\$/lb)</b>
Mining Costs	5.24	1.23	1.23
Ore trucking costs	1.04	0.25	0.22
Site processing costs	2.68	0.64	0.66
TC/RC and transport	1.41	0.33	0.34
Other cash costs	0.45	0.10	0.11
Net gold, silver and zinc credits	(3.99)	(0.94)	(0.87)
<b>C1 Cash cost per pound payable copper (US\$)</b>	<b>-</b>	<b>1.61</b>	<b>1.69</b>
Capital expenditure	3.59	0.84	1.02
Financing costs	0.37	0.09	0.08
<b>Total Expenditure (capital and operating)</b>	<b>10.79</b>	<b>2.54</b>	<b>2.79</b>

Altona makes daily deliveries of copper-gold concentrate to New Boliden's copper smelter at Harjavalta on the south-west coast of Finland and delivers zinc concentrate to New Boliden at Kokkola as production allows.

Commodity Sales	Metric	This Quarter	Year to Date
<b>Realised price</b>			
Copper	USD/lb	3.56	3.56
Gold	USD/oz	1,629	1,621
Silver	USD/oz	31.84	31.99
Zinc	USD/lb	0.49	0.48
<b>Revenues (excluding TC/RC)</b>			
Copper	USD millions	15.22	27.02
Gold	USD millions	3.22	5.16
Zinc	USD millions	0.61	0.78
Silver	USD millions	0.21	0.49
<b>Total</b>	<b>USD millions</b>	<b>19.26</b>	<b>33.45</b>

*Realised prices include deliveries into hedge positions.*

### Production Guidance and Outlook

***Production on track to exceed guidance and guidance increased***

Production guidance for the year ending 30 June 2013 was for production of between 5,000 and 6,000 tonnes of copper and 5,000 to 6,000 ounces of gold in concentrate. The Company is on track to exceed the upper level of the guidance offered in July 2012 and guidance has been increased to between 6,500 and 7,000 tonnes of copper metal and 6,500 to 7,000 ounces of gold in concentrate.

Cost guidance offered last quarter was for C1 cash costs to fall within a range of US\$1.40 to 1.60 per pound payable copper for the 2012/2013 year. Costs are expected to be at the upper end of that range.

Costs reported for the quarter ended September 2012 have been revised upwards to US\$1.79 per pound due to reallocation of certain costs.

### Little Eva Project

***Little Eva DFS details a large scale copper mine***

A Definitive Feasibility Study (DFS) on the 100% owned Little Eva Copper-Gold Project, 90 kilometres north-east of Mt Isa in Queensland, Australia was completed in May 2012. The Project is 11 kilometres north of MMG's Dugald River zinc mine, currently in pre-development. 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.

Activities during the quarter have been restricted to regional exploration activities whilst the Xstrata Copper option process was underway. The Company is reviewing the study for opportunities for optimisation and improved performance.

***All mining licences granted***

The Company has received the Environmental Authority for the Project and all of the five mining lease applications have now been granted. The Ivy Ann resource lies outside these applications.

**Roseby Exploration**

Roseby exploration during the quarter consisted of regional prospecting and sampling some 10-20 kilometres south of Little Eva. The main objective was to outline new drilling targets along the poorly explored Companion trend covering over 10 kilometres strike length of known mineralisation and strong copper indications.

Mapping and rock chip sampling delineated multiple zones of outcropping copper mineralisation grading up to several percent copper. In addition, gold values at higher rock chip grades than seen elsewhere at Roseby, grading up to several parts per million of gold are common. Results are being processed with targets being generated for follow up work in 2013.

**Corporate**

***Xstrata Copper option to acquire 51% of Roseby lapses***

Xstrata Copper's option to purchase the RFP sale option lapsed with Xstrata Copper failing to make an offer under the terms of a Heads of Agreement dated 1 March 2005. The option is a 51% interest in the majority of the Company's tenements in the Mt Isa area. The sale price at which Xstrata Copper could exercise the option was the fair market value as determined by an independent valuer.

The Roseby Project has been encumbered by the Option Agreement with Xstrata Copper since 2005 and the Company is now free of this legacy and able to deal with the asset as it wishes. The Company has received expressions of interest from a number of parties.

Altona will commence a formal process to select a partner to assist in the development and financing of the Project and explore potential corporate transactions.

Altona will also undertake an optimisation and value engineering exercise on the Little Eva Definitive Feasibility Study and investigate options for a staged development.

**Cash**

***Strong cash balance maintained as operations become cashflow positive***

The Company has A\$18.79 million in cash and €0.2 million in undrawn Finnish government grants. A\$1.65 million is also held in cash as security for environmental performance. Cash movements are tabulated below as statutory ASX exploration company quarterly reporting (Appendix 5B attached) accompanying this report does not accommodate production revenues. The cash balance remained unchanged as positive cashflow from Outokumpu was applied to capital expenditure and to Roseby.

<b>Quarterly Cashflow (December quarter)</b>	<b>A\$ (millions)</b>
Opening cash	19.74
Proceeds from concentrate sales	20.90
Payments for production costs	(10.56)
Capital expenditure at Outokumpu	(7.74)
Debt service	(0.41)
Roseby activities	(1.56)
Overheads/Corporate	(2.08)
Interest received and other (including FX impact on cash)	0.50
<b>Closing cash position</b>	<b>18.79</b>



### Debt

The Company has debt of US\$20.4 million with Credit Suisse. Principal repayments commence in March 2014.

### Hedging

The Company has copper, gold and zinc hedging denominated in Euros. The schedule of metal deliveries is given below.

### Outstanding Hedge Position

Year ended 30 June	Copper (t)	Copper (€t)	Gold (oz)	Gold (€oz)	Zinc (t)	Zinc (€t)
2013	540	5,656	1,746	1,191	402	1,479
2014	2,840	5,656	5,000	1,191	800	1,479
2015	2,946	5,656	5,000	1,191	800	1,479
2016	3,262	5,656	5,002	1,191	810	1,479
<b>Total</b>	<b>9,588</b>		<b>16,748</b>		<b>2,812</b>	

At the time of writing the copper price was €6,069 per tonne and the gold price €1,286 per ounce.

Deliveries into the hedge book this quarter were 305 tonnes of copper at €5,575 per tonne, 1,578 ounces of gold at €1,190 per ounce and 282 tonnes of zinc at €1,475 per tonne.

The Company also undertakes short-dated (3 months) hedging to secure revenue for the period (Quotational Period) between receipt of the provisional invoice and final pricing.

### Share Price Activity on ASX

Quarter open	0.285¢
High	0.295¢
Low	0.22¢
Quarter close	0.285¢
Average daily volume	416,960

### Awards

Altona was awarded the "Explorer of the Year Award" by the Queensland Government in association with the Queensland Resources Council and "Best Investor Relations by a Company" in the S&P/ASX Emerging Companies Index by the Australasian Investor Relations Association.

### 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, Mr Jani Impola, MSc, MAusIMM and Mr Jari Juurela MSc, MAusIMM. Dr Cowden, Mr Vesanto, Mr Impola and Mr Juurela 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, Mr Impola and Mr Juurela 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:**

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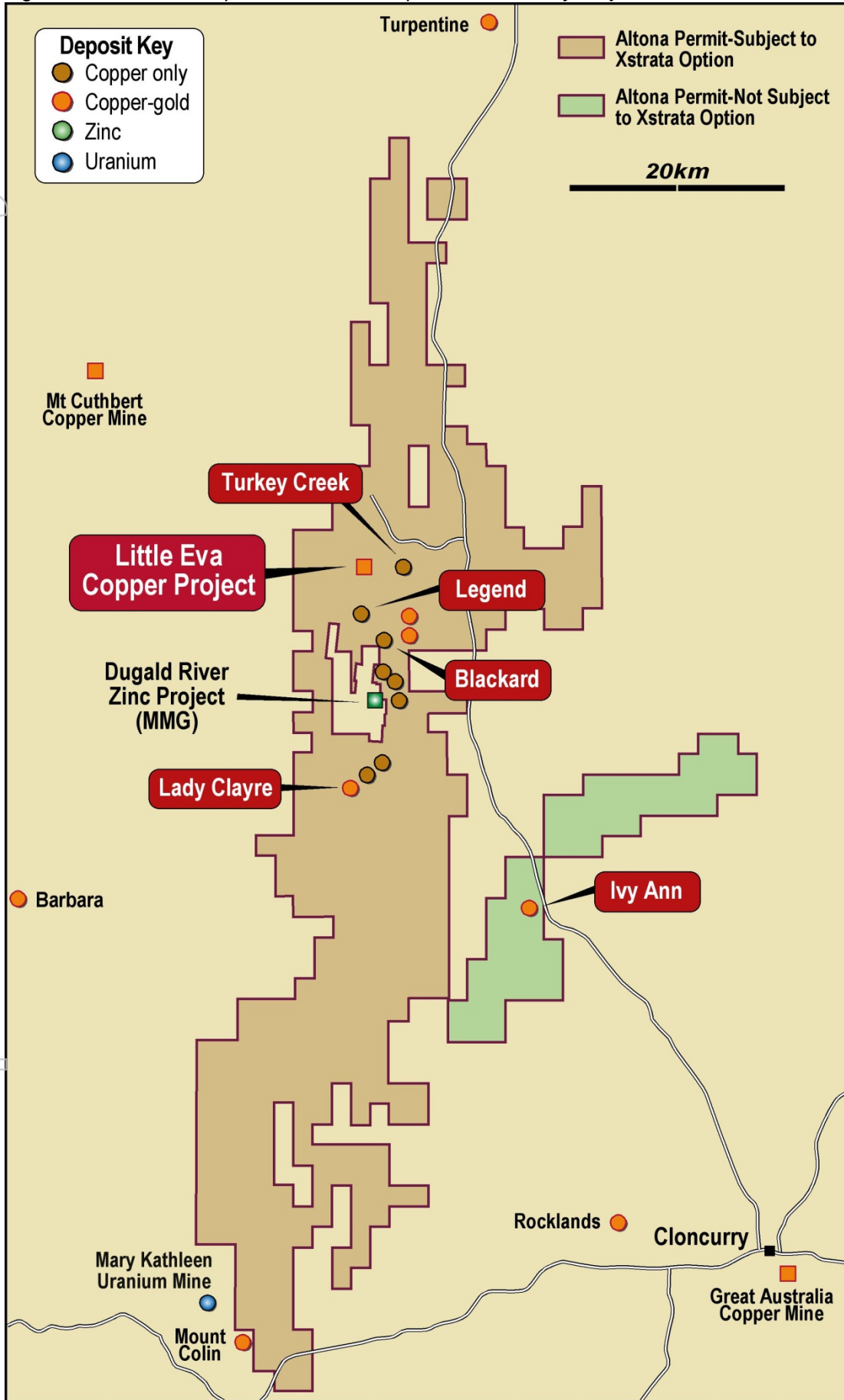
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Figure 1: Location of deposits in the central part of the Roseby Project area



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Table 1: Resource estimates for the Roseby Project

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
<b>Copper-Gold Deposits</b>														
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
<b>Copper Only Deposits</b>														
Blackard	76.4	0.62		475,000		27.0	0.68		6.6	0.60		42.7	0.59	
Scanlan	22.2	0.65		143,000					18.4	0.65		3.8	0.60	
Longamundi	10.4	0.66		69,000								10.4	0.66	
Legend	17.4	0.54		94,000								17.4	0.54	
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	136.7	0.61		840,000		27.0	0.68		25.0	0.64		84.7	0.59	
<b>TOTAL</b>	<b>260.1</b>	<b>0.58</b>	<b>0.05</b>	<b>1,515,000</b>	<b>384,000</b>	<b>63.2</b>	<b>0.65</b>	<b>0.05</b>	<b>76.7</b>	<b>0.55</b>	<b>0.06</b>	<b>120.1</b>	<b>0.56</b>	<b>0.04</b>

See ASX release of 26 July 2011, 19 December 2011, 23 April 2012, 3 July 2012 and 22 August 2012 for full details of resource estimation methodology and attributions.

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% copper lower cut-off grade.

Table 2: *Kylylahti Resource and Reserve Estimates*

	<b>Tonnes million</b>	<b>Cu (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>	<b>Zn (%)</b>	<b>Au (g/t)</b>
<b>Mineral Resources</b>						
Measured	0.50	1.50	0.27	0.18	0.54	0.59
Indicated	7.33	1.26	0.23	0.21	0.55	0.68
Inferred	0.31	0.97	0.24	0.18	0.70	0.57
<b>Total</b>	<b>8.14</b>	<b>1.27</b>	<b>0.23</b>	<b>0.20</b>	<b>0.56</b>	<b>0.67</b>
Contained metal (t)		103,100	19,100	16,500	45,250	175,000oz
<b>Ore Reserves</b>						
Probable	4.23	1.57	0.29	0.77	0.58	0.65
Contained metal (t)		66,254	12,350	7,210	24,610	88,494oz

Table 3: *Outokumpu Resource Estimates*

<b>Deposit</b>	<b>Classification</b>	<b>Tonnes million</b>	<b>Cu (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>	<b>Zn (%)</b>	<b>Au (g/t)</b>
Kylylahti	Measured	0.50	1.50	0.27	0.18	0.54	0.59
	Indicated	7.33	1.26	0.23	0.21	0.55	0.68
	Inferred	0.31	0.97	0.24	0.18	0.70	0.57
	<b>Total</b>	<b>8.14</b>	<b>1.27</b>	<b>0.23</b>	<b>0.20</b>	<b>0.56</b>	<b>0.67</b>
Saramäki	Inferred	3.40	0.71	0.09	0.05	0.63	-
Vuonos	Inferred	0.76	1.76	0.14	-	1.33	-
Hautalampi	Measured	1.03	0.47	0.13	0.47	0.06	-
	Indicated	1.23	0.30	0.11	0.42	0.07	-
	Inferred	0.90	0.30	0.10	0.40	0.10	-
	<b>Total</b>	<b>3.16</b>	<b>0.36</b>	<b>0.11</b>	<b>0.43</b>	<b>0.07</b>	-
Riihilahti	Indicated	0.14	1.69	0.04	0.16	-	-
Valkeisenranta	Indicated	1.54	0.29	0.03	0.71	-	-
Särkiniemi	Indicated	0.10	0.35	0.05	0.70	-	-
Sarkalahti	Inferred	0.19	0.33	-	1.02	-	-
<b>TOTAL</b>		<b>17.43</b>	<b>0.91</b>	<b>0.15</b>	<b>0.26</b>	<b>0.45</b>	-

APPENDIX 5B

Mining Exploration entity quarterly report

Name of entity

ALTONA MINING LIMITED

ABN

35 090 468 018

Quarter ended ("current quarter")

31 December 2012

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*	20,900	31,426
1.2 Payments for (a) exploration and evaluation	(1,557)	(3,959)
(b) development (net of grant received)	-	-
(c) production	(10,560)	(18,857)
(d) administration	(2,078)	(4,020)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	273	429
1.5 Interest and other costs of finance paid	(414)	(680)
1.6 Income taxes rebate	-	-
1.7 Other**	9	9
<b>Net Operating Cash Flows</b>	<b>6,573</b>	<b>4,348</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7,739)	(12,295)
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 Other	-	-
<b>Net investing cash flows</b>	<b>(7,739)</b>	<b>(12,295)</b>
1.13 Total operating and investing cash flows (carried forward)	(1,166)	(7,947)

\* Concentrate sales

\*\* Bonds and security deposits

<b>Cash flows related to financing activities</b>			
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	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		(1,166)	(7,947)
1.20	Cash at beginning of quarter/year	19,737	26,711
1.21	Exchange rate adjustments to 1.20	228	35
1.22	<b>Cash at end of quarter</b>	18,799	18,799

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

		<b>Current quarter \$A'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	233
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.*

**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

N/A

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

N/A

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**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(*)	-	19,379
3.2 Credit standby arrangements	-	-

(\*) The Credit Suisse debt facility of US\$20 million has been fully drawn down.

**Estimated cash outflows for next quarter (excluding any proceeds from concentrate sales and other income)**

	\$A'000
4.1 Evaluation/ Exploration	(1,764)
4.2 Development	-
4.3 Production	(8,324)
4.4 Administration	(937)
<b>Total</b>	(11,025)

**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	6,223	2,821
5.2 Deposits at call	12,576	16,916
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	18,799	19,737

**Changes in interests in mining tenements**

6.0 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 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 <b>Ordinary securities</b>	527,271,038	527,271,038	-	-
7.4 Changes during quarter - Issued	-	-	-	-
7.5 <b>Converting debt Securities</b> <i>(description and conversion factor)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<b>Exercise Price</b>	<b>Expires</b>
	365,000	-	\$1.50	30 June 2013
	2,000,000	-	\$0.44	18 November 2013
	11,459,415 <sup>^</sup>	-	-	(various)
7.8 Issued during quarter	6,247,749 <sup>^</sup>	6,247,749 <sup>^</sup>	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	500,000 options at \$1.50	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-	-	-

<sup>^</sup> Share rights issued pursuant to approved Employee Share Scheme. These Share Rights form part of the Long Term Incentive Scheme in compliance with Altona's Remuneration Policy. The Share Rights have various expiry dates and performance hurdles.

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: 30 January 2013

Company Secretary

Print Name: Eric Hughes

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**SCHEDULE A**

**FINNISH MINING TENEMENTS**

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

During the quarter four of Kylylahti Copper Oy's claims expired. Claim extension applications were submitted for three claims and one was relinquished.

Three mining license applications were cancelled for Vulcan SW Finland Oy. Equivalent reservation applications with broader coverage area were submitted instead by Vulcan Kotalahti Oy.

**Interests in mining tenements acquired or increased during the quarter**

No mining tenements were acquired during the quarter.

**Interests in mining tenements at end of the quarter**

**OUTOKUMPU AREA**

**Mining Licenses**

Number	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	Luikonlahti auxiliary areas Extension	Kylylahti Copper Oy

**Claims**

Number	Name	Holder
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
7976/1	Kokonvaara	Kylylahti Copper Oy
7976/2	Perttilahti1	Kylylahti Copper Oy
7976/3	Perttilahti2	Kylylahti Copper Oy
8623/1	Sivakkavaara 2a	Kylylahti Copper Oy
8623/2	Sivakkavaara 2b	Kylylahti Copper Oy
8623/3	Sivakkavaara 3	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

### Reservations

Number	Name	Holder
VA2011:0001	Ala-Penikka	Kylylahti Copper Oy
VA2012:0188	Miihkali	Kylylahti Copper Oy
VA2012:0189	Saramäki-South	Kylylahti Copper Oy

### KUHMO JOINT VENTURE

#### Mining Licenses

Number	Name	Holder
7014	Hietaharju	Kuhmo Metals Oy
7922	Peura-aho	Kuhmo Metals Oy

#### Claims

Number	Name	Holder
	<b>Saarikylä belt</b>	
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
	<b>Kiannaniemi</b>	
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
	<b>Huutoniemi</b>	
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

	<b>Moisiovaara</b>	
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
8956/2	Lehdonmaa South	Kuhmo Metals Oy
	<b>Arola - Harma North</b>	
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
9412/1	Tiikkaja-aho 2	Kuhmo Metals Oy
8955/1	Kelosuo East	Kuhmo Metals Oy
8955/2	Kirnulampi	Kuhmo Metals Oy
	<b>Kuhmo Area</b>	
8055/3	Siivikkovaara	Kuhmo Metals Oy
8055/4	Niemenkyla	Kuhmo Metals Oy
8049/24	Riihilampi	Kuhmo Metals Oy

**KOTALAHTI AREA NICKEL**

**Mining Licenses**

Number	Name	Holder
6977/1a	Särkiniemi	Vulcan Kotalahti Oy
7739	Valkeisenranta	Vulcan Kotalahti Oy

**Claims**

8483/1	Kotalahti 1	Vulcan Kotalahti Oy
8483/2	Kotalahti 2	Vulcan Kotalahti Oy
8413/4	Valkeisenvuori	Vulcan Kotalahti Oy
8413/6	Pölkkysoo	Vulcan Kotalahti Oy
8413/9	Pölkkysoonkangas	Vulcan Kotalahti Oy
8413/10	Rytkynlampi	Vulcan Kotalahti Oy
8413/11	Ollinsalmi 2	Vulcan Kotalahti Oy
8413/12	Valkeisenhiekkä	Vulcan Kotalahti Oy

**Reservations**

Number	Name	Holder
VA2011:0073	Sarkalahti	Vulcan Kotalahti Oy
VA2012:0145	Mäntymäki	Vulcan Kotalahti Oy
VA2012:0146	Hyvelä	Vulcan Kotalahti Oy
VA2012:0147	Sahakoski	Vulcan Kotalahti Oy

**AUSTRALIAN MINING TENEMENTS**

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

Exploration Permit for Minerals (EPM) 14415 – Mt. Malakoff was surrendered in full during the quarter.

All six Mineral Development Licences (MDLs 12, 80, 81, 82, 83 and 84), forming pre-requisite tenure to Mining Lease Applications (MLAs) 90164 and 90165, were surrendered in full during the quarter.

Mining Leases (MLs) 2581, 2582, 2583, 2584 2585, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 7497, 90048, 90052, 90053, 90055 and 90056, forming pre-requisite tenure to MLAs 90162 and 90163, were surrendered in full during the quarter.

**Interests in mining tenements acquired or increased during the quarter**

MLs 90162, 90163, 90164, 90165 and 90166 were granted during the quarter, each for a term of 25 years.

No other mining tenements (e.g. EPMs) were acquired during the quarter. Renewal applications for eight (8) greater Roseby Project EPMs are currently being processed by the Qld DNRM.

The area under granted EPMs within Queensland presently totals 1,578km<sup>2</sup>.

**Interests in mining tenements at end of the quarter**

**QUEENSLAND – ROSEBY PROJECT**

**Mining Leases (ML)**

Number	Name	Holder
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

**Exploration Permit for Minerals (EPM)**

Number	Name	Holder
8059	Cameron River	Altona Mining Ltd
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
14556	Coolullah	Altona Mining Ltd
14822	River Gum	Altona Mining Ltd
18784	Roseby East	Roseby Copper Pty Ltd
18983	Coolullah North	Roseby Copper Pty Ltd

**QUEENSLAND – REGIONAL PROJECTS**

**Exploration Permit for Minerals (EPM)**

Number	Name	Holder
9611	Happy Valley	Altona Mining Ltd
14367	Spider	Altona Mining Ltd (49%) / Deep Yellow Limited (51%)
14370	Malakoff	Altona Mining Ltd
14371	Mt. Angelay	Altona Mining Ltd

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