5 March 2014

ASX: AOH, FSE: A2O

ALTONA ACHIEVES SOLID HALF YEAR

RESULTS FOR H1 FY2014 (HALF YEAR ENDED 31 DECEMBER 2013)

- **Sales of A$42.6 million (up 40% on H1 FY2013)**
- **Profit before tax of A$12.4 million**
- **Debt reduced to US$10 million, gearing down from 22% to 12%**
- **Copper production 4,822 tonnes (up 32% on H1 FY2013)**
- **Gold production 5,297 ounces (up 40% on H1 FY2013)**
- **Production guidance increased to 9,000 - 10,000 tonnes of copper**

Altona Mining Limited ("Altona" or "the Company") is pleased to announce a solid profit for the six months to 31 December 2013 ("**H1 FY2014**") reflecting a period of continued production and profit growth at its Finnish operations alongside a strengthening balance sheet.

Altona Managing Director Dr Alistair Cowden said: "We are delighted to announce increasing levels of profitability. This result was achieved in an environment of weaker metal prices and unfavourable exchange rate movements. Surplus cash flow was invested in the early repayment of debt, mine development and tailings dam construction in Finland and maintaining the Little Eva Project. We have A$22 million cash today and the stronger balance sheet will help Altona grow both Outokumpu and Little Eva."

Outlook

Production from Outokumpu for the full year is expected to exceed the guidance range of 8,000-8,800 tonnes of copper and 8,400-9,200 ounces of gold. New guidance is 9,000-10,000 tonnes of copper and 9,000-10,000 ounces of gold. C1 cash cost for the twelve months to 30 June 2014 will be slightly above the guidance range of US$1.60-US$1.75 per pound.

The nameplate capacity of the Luikonlahti mill is 550,000 tonnes per annum and it has frequently achieved an annualised production rate of 600,000-650,000 tonnes per annum. Altona will assess further opportunities to sustain higher production levels at both mine and mill in 2014 such that we will target a throughput of up to or exceeding 650,000 tonnes per annum with minimal additional capital expenditure. Studies are underway to investigate opportunities to improve current levels of metal recovery.

Capital expenditure at the Outokumpu operations will continue to be incurred whilst the mine is developed to its ultimate depth, which is expected to be reached at the end of calendar year 2016. Complimentary infrastructure such as ventilation, water management, electrification and the lifting of concentrate storage and tailing facility walls will continue beyond this date, and be incurred as required to ensure the operation continues to produce at the planned rate. It is anticipated that €7-8 million of capital costs will be incurred over the six months to 30 June 2014. This level of capital expenditure will fall in future years.

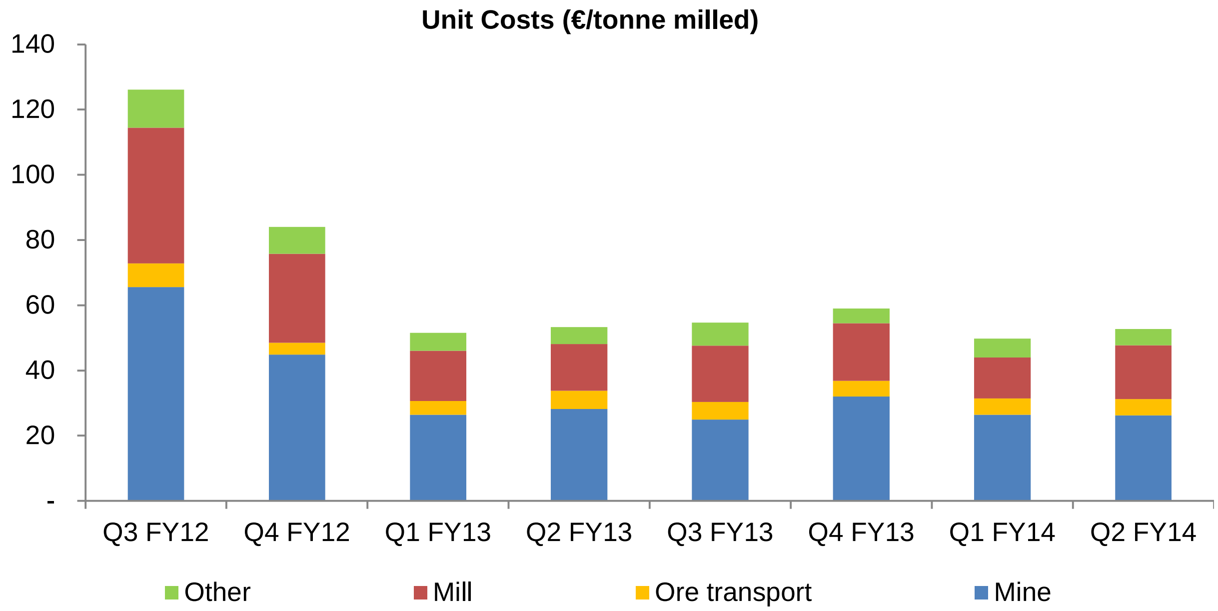
The Company is actively engaged with parties to secure a potential strategic transaction which will enable the development of the Little Eva Project near Mt Isa in Queensland. The project is fully permitted and is envisaged to produce 39,000 tonnes per annum of copper.

Outokumpu Project

Continued improvements in operations have resulted in increased volumes being mined and milled and consequently increased metal production whilst maintaining unit production costs. The operating results for each six month period since commissioning which was completed on 1 July 2012 are as follows:

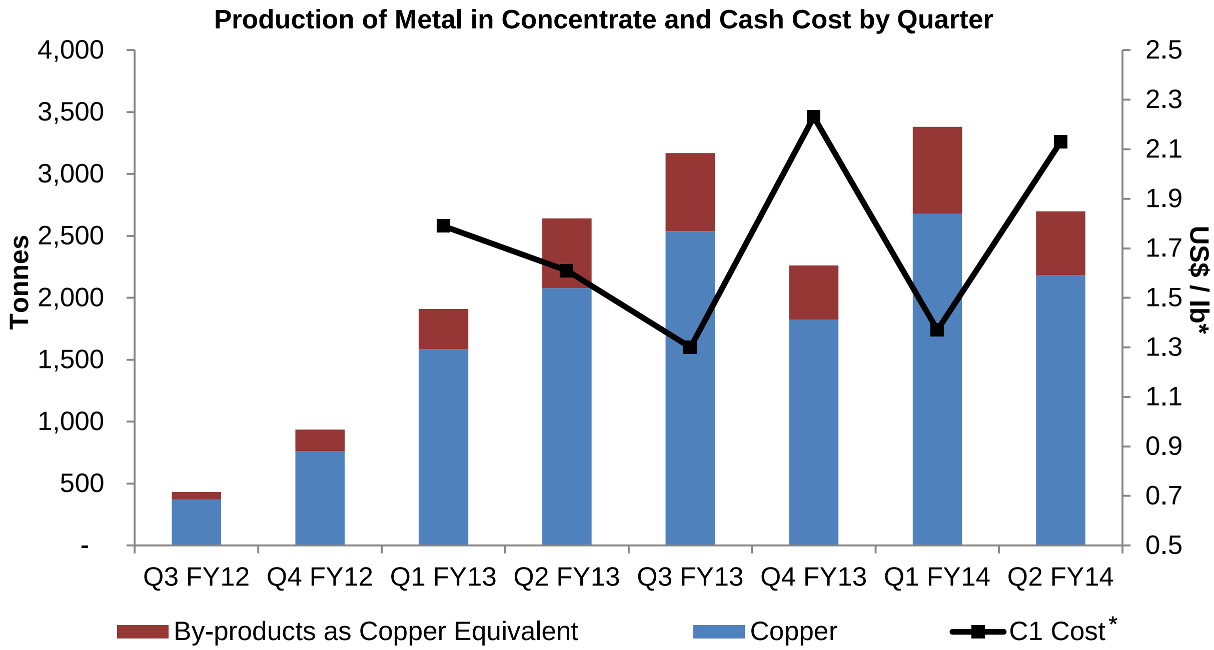
Six Months Ended		31 December 2013	30 June 2013	31 December 2012
Ore mined	tonnes	334,898	274,443	269,806
Ore milled	tonnes	328,926	276,090	266,614
Copper grade	%	1.66	1.61	1.52
Gold grade	g/t	0.70	0.61	0.62
Zinc grade	%	0.73	0.58	0.64
Copper recovery	%	92.0	91.1	90.2
Copper produced	tonnes	4,822	4,312	3,643
Gold produced	ounces	5,297	4,417	3,775
C1 cash cost	US$/lb	1.71	1.68	1.69

The unit cost of production is depicted below and indicates a pleasing trend of stable costs as volumes have increased since commissioning was completed on 1 July 2012.



Conversely, C1 cash costs are determined by reference to tonnes of payable copper sold and are a function of operating costs, copper head grade and the value of gold credits.

Year to date, C1 cash costs of US$1.71 per pound are within Altona's guidance range for the financial year ending 30 June 2014. Cash costs vary from quarter to quarter largely as a result of grade variability in the mine.



Little Eva Project

At the Little Eva Project in Queensland the major activities were as follows:

- The southern part of Altona's tenement holding which excludes the Little Eva Project was farmed out to Chinalco Yunnan Copper who is required to expend funds on the tenements prior to earning an interest in the tenements.
- Since the completion of the Little Eva Definitive Feasibility Study in May 2012, there has been a reduction in mining contract rates, engineering costs and construction costs. GR Engineering Services have commenced a review of costings which is targeted for completion in March 2014.
- An extensive programme of data validation, re-logging and reclassifying of geological data is nearing completion. This exercise has significantly improved geological control of resource estimation domains and an updated resource estimation is nearing completion.
- The process to sell, partner or finance the Little Eva Project has gained momentum with the assistance of a Chinese-based investment banker. A number of Chinese state owned and private enterprises and other parties have expressed interest in the Project and are reviewing the opportunity.

Operating Results

Six Months Ended		31 December 2013	31 December 2012	Change A$000	Change %
Key financial data					
Sales revenue	A$000	42,595	30,432	12,163	40%
EBIT*	A$000	6,435	649	5,786	892%
Hedge gain and other	A$000	5,964	337	5,627	n/m
Profit before tax	A$000	12,399	986	11,413	1,158%
Profit after tax	A$000	4,351	14,166	(9,815)	(69%)
Basic EPS **	Cents/share	0.82	2.70	(1.88)	(70%)
Operating cash flow	A$000	15,020	4,666	10,354	222%
Capital expenditure	A$000	11,204	9,167	2,037	22%
Repayment of debt	A$000	11,051	-	11,051	n/m
Cash	A$000	20,199	18,799	1,400	7%
Senior debt	A$000	10,979	19,379	(8,400)	(43%)
Lease liability	A$000	3,506	2,511	995	40%
Gearing ratio	%	12	22	n/m	(53%)
NTA / share ***	Cents/share	21.7	18.6	3.1	16%
Realised prices					
Copper	US$/lb	3.30	3.54	(0.24)	(7%)
Gold	US$/oz	1,416	1,621	(205)	(13%)
Zinc ****	US$/lb	0.82	0.47	0.35	74%
Silver	US$/oz	21.43	32.09	(10.66)	(33%)

* *Earnings before interest and tax*

** *Earnings per share*

*** *Net tangible assets per share*

**** *Low zinc price due to penalties resulting from poor quality concentrates*

n/m - not meaningful

The Outokumpu Project has been in operation for 18 months. Despite a background of decreasing commodity prices, operating revenue continues to increase with the gross operating margin for the half year being 28%. Higher throughput is the most significant contributor to the improved operating results over the comparative period.

The impact of declining commodity prices on revenue during the period has been mitigated by hedging. In December 2013, Altona took advantage of the prevailing weakness in the gold price and USD:Euro exchange rate to close out 12,919 ounces of gold hedges. The close of the gold hedge generated a cash gain of A$5.7 million which is reflected within the category "Finance Income" within the Consolidated Statement of Profit and Loss and Other Comprehensive Income. This gain has contributed to profit for the period and was an element of the funding used to make an early repayment of US$10.4 million of debt.

The profit after income tax for the half-year ended 31 December 2013 was A$4.4 million after non-cash adjustments relating to Finnish tax and tax losses.

Debt at 31 December 2013 now stands at US$10 million. The facility will be repaid in full by 30 June 2016. The realisation of the gold hedge, profitable operations and the reduction in debt have all contributed to strengthening the balance sheet which is reflected in the improved gearing and net tangible asset backing per share ratios. Altona's gearing ratio has decreased from 22% at 31 December 2012 to 12% at 31 December 2013.

Capital expenditure at Outokumpu was A$11.2 million for the six month period. Significant items of expenditure included the advance of the decline, construction of concentrate storage dams, and ventilation shafts. It is anticipated the decline will have achieved a vertical depth of 700 metres by the end of the 2014 calendar year and as such capital expenditure associated with these activities will reduce in future years.

Competent Persons Statement

Information in this ASX Release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG, Managing Director of Altona and who is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Alistair Cowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Please direct enquiries to:

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

James Harris
Professional Public Relations
Australia
Tel: +61 8 9388 0944
james.harris@ppr.com.au

Axino AG
Investor & Media Relations
Germany
Tel: +49 (711) 25 35 92 30
service@axino.de