

18 March 2014

ASX: AOH, FSE: A2O

## ALTONA IS DEBT FREE

Altona Mining Limited (“Altona” or “the Company”) is pleased to announce today that it will repay its debt facility of US\$10 million in full effective 31 March 2014.

The debt removal was made by the payment of US\$10 million cash funded by US\$8.3 million released from the closure of the majority of the Company’s copper hedge book. The Company retains some 1,751 tonnes of copper hedged at approximately US\$3.36/lb to August 2014 providing cover for the current period of volatility in copper markets.

The Company will have approximately A\$16.5 million in cash at 31 March 2014 and will be debt free, two years ahead of schedule.

Managing Director, Dr Alistair Cowden said, “The value of our Euro dominated copper hedging has increased significantly in the last few months, driven by falling copper prices and the strong Euro. This has permitted Altona to repay its debt.

Altona has made a strategic decision that it is a stronger and lower-risk Company when not encumbered by making principal and interest payments until mid-2016. We have, however, retained near-term price protection to mitigate risk in the current volatile price environment.

We retain a strong cash balance, remain profitable at Outokumpu and can take advantage of placing new copper hedging in a measured way to mitigate any downside in copper price.”

Today’s announcement comes after the Company reduced the balance of its debt facility from US\$20.45 million to US\$10 million following the repayment of US\$5.05 million cash and US\$5.4 million released from the closure of the Company’s gold hedge book (Refer to ASX announcement dated 6 January 2014).

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## About Altona

Altona Mining Limited is a copper producer in Finland and has a major copper development project in Australia.

The Company's Outokumpu Project in south-east Finland commenced production in early 2012. The project comprises the 600,000 tonnes per annum Kylylahti underground decline mine and the Luikonlahti mill. The annual production rate averages 9,000 tonnes of copper, 9,000 ounces of gold and 1,600 tonnes of zinc with potential to expand production under consideration. Regional resources are hosted in 2 closed mines and 4 unmined resources, all within 30 kilometres of the Luikonlahti mill. Finland is a Eurozone country and has a long history of mining, an attractive corporate tax regime (20%) and no royalties.

Altona's other core asset is the Roseby Copper Project near Mt Isa in Queensland and is one of Australia's largest undeveloped copper projects. The first development envisaged is the 7 million tonnes per annum Little Eva open pit copper-gold mine and concentrator. Little Eva's proposed annual production<sup>1</sup> is 38,800 tonnes of copper and 17,000 ounces of gold for a minimum of 11 years. A Definitive Feasibility Study has been completed and the project is fully permitted. Altona is engaged in discussions with potential partners to enable the funding of this major development.

Altona Mining is listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

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<sup>1</sup>Refer to the ASX release 'Cost Review Delivers Major Upgrade to Little Eva' dated 13 March 2014 which outlines information in relation to this production target and forecast financial information derived from this production target. The release is available to be viewed at [www.altonamining.com](http://www.altonamining.com) or [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target referred to in the above-mentioned release continue to apply and have not materially changed.