

30 July 2014

## ABOUT ALTONA

Altona Mining Limited (ASX: AOH) is a copper producer in Finland and has a major copper development project in Queensland, Australia.

The Outokumpu Project in south-east Finland comprises an underground decline mine and processing plant. Production commenced in 2012 and averages 9,000tpa of copper, 9,000ozpa of gold and 1,600tpa of zinc.

The Little Eva Project near Mt Isa in Queensland has a resource containing 1.52Mt of copper and 0.38Moz of gold. A Definitive Feasibility Study has been completed for a 7Mtpa open pit copper-gold mine and concentrator at Little Eva.

As at 30/06/14:

**Shares on issue:** 532,234,704  
**Share rights on issue:** 14,726,749  
**Cash:** A\$18.1M

Market capitalisation  
 at 22 cents per share A\$117M  
 (As at 29/07/14)

### Altona Mining Limited

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**ASX:** AOH

**Frankfurt:** A20

**Oslo:** ALTM

## Finnish Assets Sold for US\$95 Million

### JUNE QUARTER

<b>Copper in concentrates</b>	<b>3,030 tonnes</b>
<b>Gold in concentrates</b>	<b>2,429 ounces</b>
<b>Copper equivalent</b>	<b>3,533 tonnes</b>
<b>C1 cash cost</b>	<b>US\$1.79/lb</b>

### YEAR-TO-DATE

<b>Copper in concentrates (YTD)</b>	<b>10,253 tonnes</b>
<b>C1 cash cost</b>	<b>US\$1.89/lb</b>

- **Finnish Assets sold** - Outokumpu and other Finnish assets sold for US\$95 million subject to shareholder approval. Final price at closing is subject to adjustments is estimated at US\$100 million.
- **Cash to be returned to shareholders** - Up to 15 cents per share intended to be returned to shareholders in a form to be determined after receipt of a ruling from the Australian Taxation Office.
- **Reserve upgrade at Kylilahti** - Reserves adjusted for mine depletion to 31 December 2013 increased to 97,400 tonnes of contained copper equivalent from 4.55 million tonnes of ore grading 1.66% copper, 0.83g/t gold and 0.62% zinc.
- **Production** - The June quarter copper production for the Outokumpu Project was strong. The full FY2014 copper metal production of 10,253 tonnes exceeded the upgraded guidance of 9,000-10,000 tonnes.
- **Costs** - The June quarter C1 cash cost of US\$1.79 per pound of payable copper was significantly lower than in the previous quarter (US\$2.37 per pound) due to better grade and volumes and lower mine development cost.
- **Cash** - Cash balance remains healthy at A\$18.1 million.
- **Roseby** - The company is seeking a partner or an asset sale at Roseby. A number of parties are in the dataroom and site visits were undertaken during the quarter.

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## Outokumpu Operations

	Production Statistics	Metric	This Quarter	Last Quarter	Year to Date
<b>All-time record quarter of copper production. Copper grades up this quarter, year to date copper grade in line with reserve average</b>	Ore mined	Tonnes	161,830	159,393	656,121
		Copper (%)	1.88	1.62	1.70
		Gold (g/t)	0.62	0.61	0.66
		Zinc (%)	0.72	0.63	0.70
	Ore milled	Tonnes	159,539	166,313	654,779
		Copper (%)	2.00	1.56	1.68
		Gold (g/t)	0.57	0.58	0.62
		Zinc (%)	0.72	0.67	0.72
	Recovery	Copper (%)	94.9	92.5	93.0
		Gold (%)	82.6	76.8	77.1
		Zinc (%)	48.6	45.6	49.3
	Contained metal in concentrates	Copper (t)	3,030	2,401	10,253
		Gold (oz)	2,429	2,391	10,117
		Zinc (t)	561	508	2,319
		Silver (oz)	19,631	17,379	74,658
	Copper equivalent	Tonnes	3,533	2,838	12,501
<b>Sales</b>					
Copper concentrate delivered	Tonnes	14,406	11,438	48,653	
Contained metal	Copper (t)	3,056	2,421	10,344	
	Gold (oz)	2,433	2,334	10,087	
	Silver (oz)	19,995	17,136	76,257	
Zinc concentrate delivered	Tonnes	1,071	1,134	4,711	
Contained metal	Zinc (t)	511	534	2,229	
<b>Realised price*</b>					
Copper	USD/lb	3.22	3.36	3.24	
Gold	USD/oz	1,294	1,265	1,362	
Silver	USD/oz	19.76	19.94	20.90	
Zinc	USD/lb	0.90	0.86	0.85	
<b>Revenues**</b>					
Copper	USD millions	20.52	15.63	70.09	
Gold	USD millions	2.50	2.31	11.49	
Zinc	USD millions	0.87	0.84	3.47	
Silver	USD millions	0.12	0.09	0.60	
<b>Total</b>	<b>USD millions</b>	<b>24.01</b>	<b>18.87</b>	<b>85.65</b>	

\* Realised price includes all realised and unrealised short and long-term hedge gains and losses (except gain from close-out of gold hedge). Amounts may be subject to provisional pricing adjustments which are mitigated by quotational period hedging.

\*\* Revenues are before treatment and refining charges.

**Safety, Environment and People**

**Safety performance not at satisfactory level**

There were three Lost Time Incidents in the quarter. Two of these occurred at the Kylylahti mine and were related to back and knee strains of underground miners resulting in a few days of sick leave. The third incident occurred at the Luikonlahti cobalt - nickel dam construction site where a truck tipped over and the driver hurt his ankle fortunately with no long-term consequences.

As a result of the disappointing safety performance the rolling 12 months Lost Time Injury Frequency Rate has increased to 16 from 12 in the previous quarter.

The Total Recordable Injury Frequency Rate is down 20% compared to the same time last year (calculated based on the number of injuries per 1,000,000 hours worked representing medical treatment cases, restricted work day cases and lost time injuries for employees and contractors).

Monitoring to detect asbestiform minerals in the mine is continuing and all necessary actions have been taken to ensure safe working conditions. The decline location has been relocated to the footwall of the orebody from 530 metres depth where rocks do not contain asbestiform minerals and thus avoiding a recurrence of the problem.

There were no reportable environmental incidents during the quarter.

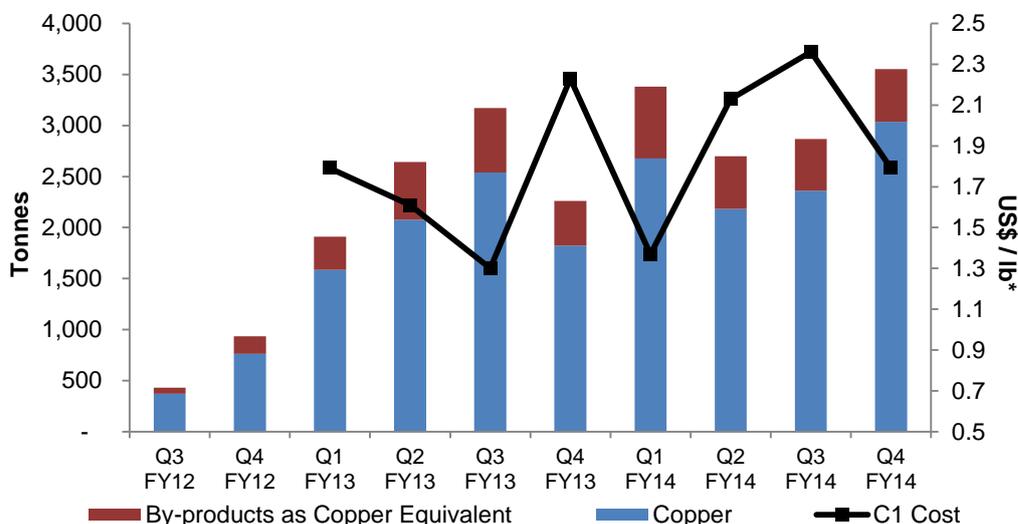
Altona has 252 employees and contractors in Finland and 12 employees in Australia.

**Production and Cost Performance**

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. Copper concentrates were delivered without incident or penalty. Zinc concentrates incur modest penalties for low grades and iron and cobalt content.

Copper and gold production levels exceeded the revised guidance. Excellent volumes were maintained at both mine and mill. Metal production continues to trend up.

**Quarterly Production of Metal in Concentrate and Cash Cost by Quarter**



\*C1 cash cost calculated per Brook Hunt methodology.

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**June quarter cash costs decreased**

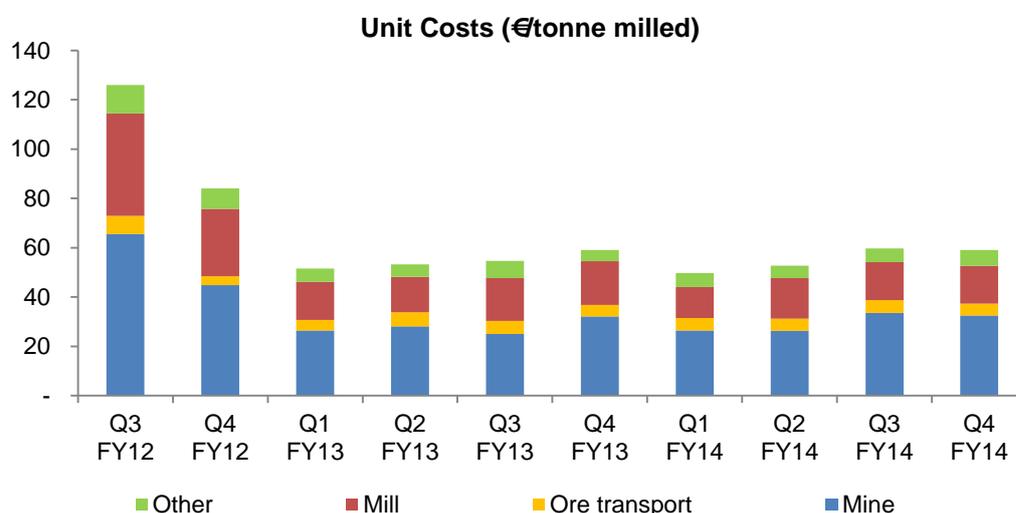
In the June quarter C1 cash costs decreased from the previous quarter due to record copper production. Copper head grade for the June quarter was above average resulting in improved cost performance as expected.

Cost Performance	This Quarter (US\$M)	This Quarter (US\$/lb)	Year to Date (US\$/lb)
Mining costs	7.16	1.11	1.21
Ore trucking costs	1.08	0.17	0.20
Site processing costs	3.41	0.53	0.61
TC/RC and transport	2.95	0.45	0.43
Other cash costs	0.68	0.11	0.12
Net gold, silver and zinc credits	(3.73)	(0.58)	(0.68)
<b>C1 Cash cost per pound payable copper*</b>		<b>1.79</b>	<b>1.89</b>
Capital expenditure	4.02	0.62	0.78
Financing costs	0.39	0.06	0.06
<b>Total Expenditure (capital and operating)</b>	<b>15.96</b>	<b>2.47</b>	<b>2.73</b>

Note: No royalties are payable in Finland.

\* Based on invoiced prices, and excluding hedge settlements (subject to finalisation of provisional pricing).

Unit cost performance in the local currency (Euros) remained slightly elevated at €59 per tonne of ore milled. Lower mine development costs, as forecast for the quarter, were offset by increased backfilling expenses associated with the higher quality cemented frock fill required by transverse stoping. A review of the backfilling methodology and costs is currently underway.



Total capital expenditure at the mine for the quarter was US\$2.4 million of which approximately US\$1.9 million was for decline and level development. This was 17% less than in the previous quarter due to reduced utilisation of contractors for mine development. Expenditure on ventilation, water management and electrification totalled US\$0.4 million. Discretionary spending of US\$0.1 million, mainly related to installation of an electricity backup connection and a second communication system for the mine.

Capital expenditure at the mill for the quarter totalled US\$1.6 million, the majority of which related to the construction of the new cobalt-nickel concentrate storage dam. The forecast total cost for Stage 1 of the dam is estimated to be US\$5.4 million (€4 million) of which approximately US\$2.8 million remains to be spent next financial year. US\$0.3 million was spent on miscellaneous discretionary items.

**Production Guidance**

Production and cost guidance for the financial year 2015 is not offered as the operations are likely to be managed by Boliden from the second quarter of the financial year. Should Altona continue to own and manage the mine, guidance would be similar to the performance for the 2014 year just completed.

**Production Comments**

***Mine production volumes were excellent***

Ore production was higher than planned for the quarter. The copper grade of 1.88% was slightly below expectations due to the sequence in which stopes were extracted.

Six stopes were completed and five were filled during the quarter. Two new stopes were in production at the end of the period. On average one to two stopes were open at any point in time.

***Mine is 605 metres deep***

Some 606 metres of decline and level development were completed in the quarter and mine development is now down to 605 metres below surface. No new vertical development (ventilation raises) were completed during the quarter. The decline is planned to reach its final depth of 800 metres in 2017. However, given the results of deeper drilling, it is expected that mining will continue to greater depths.

***Successful commencement of transverse mining at the lower Wombat orebody***

The first two transverse stopes (440ppL6 and 440ppL4) were mined without incident in the Wombat ore zone. The new mining method brings increased flexibility and certainty to stoping activities including better control of ore recovery and dilution rates. Preparations for transverse stoping require more level development compared to longhole stoping which was used for the narrower Wallaby zone.

Rock conditions in the deeper parts of the mine are good but local weaker zones have resulted in additional ground support works being required which impacts on development advance rates. During the quarter the decline contractor's new bolting jumbo commenced operations in order to meet the demand for rock support.

***Good mill performance***

The Luikonlahti processing plant operated at a rate controlled by ore availability and throughput matched the mine's output for the quarter.

Feed rate averaged 80tph for the quarter relative to the 69tph design. Utilisation averaged 92% including a five-day planned shutdown for a rod mill liner change. The mill operated at an annualised rate of 654,000 tonnes for the year just completed relative to 550,000 tonnes per annum design. This represents a 18% outperformance.

***Significant improvement in copper and gold recoveries***

Copper recovery improved significantly from design levels of 92.5% in the previous quarter to 94.9%. This was due to a higher than average copper head-grade and also the successful modification of the copper circuit. Gold recovery also improved in tandem with copper to 82.6% compared to 76.8% in the previous quarter. Design recovery is 72%. Copper-gold concentrate grade was 21% copper.

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Zinc recovery and concentrate grade of 48.6% and 47.9% zinc, respectively, were slightly below design of 50% but improved from the previous quarter. Relocation of the final zinc cleaner to a location more easily monitored and the addition of on-stream analysis to the zinc circuit assisted in its operation.

Mineralogical studies have continued to provide a better understanding of gold losses in the circuit, which is important in light of the requirement to process ore from zones of high gold and modest copper grade that have been delineated in the past year.

**Cobalt-nickel concentrate storage dam on schedule and a new environmental permit granted**

Construction of a new cobalt-nickel concentrate storage dam continued in the quarter according to the planned schedule. The dam is required to ensure capacity is available in early 2015 when the current dam will be filled.

An environmental permit to allow processing of 800,000 tonnes per annum from a variety of ore sources, and to operate the new concentrate dam, was granted in early July; the period for community appeals closes on 8 August 2014. The terms of the Permit were as expected and will allow the mill to operate according to existing plans.

**Cobalt-nickel treatment pre-feasibility study completed**

Processing cobalt-nickel concentrate to produce a commercial product has previously been examined at a pre-feasibility level utilising Xstrata Technology's Albion Process. A mixed cobalt-nickel-copper hydroxide was produced which would be readily saleable to refineries.

During the quarter Outotec completed a similar pre-feasibility study based on their atmospheric chloride leach technology. The study comprised bench scale test work, process engineering, and estimates of both operation and capital costs at +/-35% accuracy. The study confirmed technical viability of the chloride leach technology but both capital and operating cost were higher than expected.

**Resource and Reserves**

**Reserves now exceed pre-mining estimates**

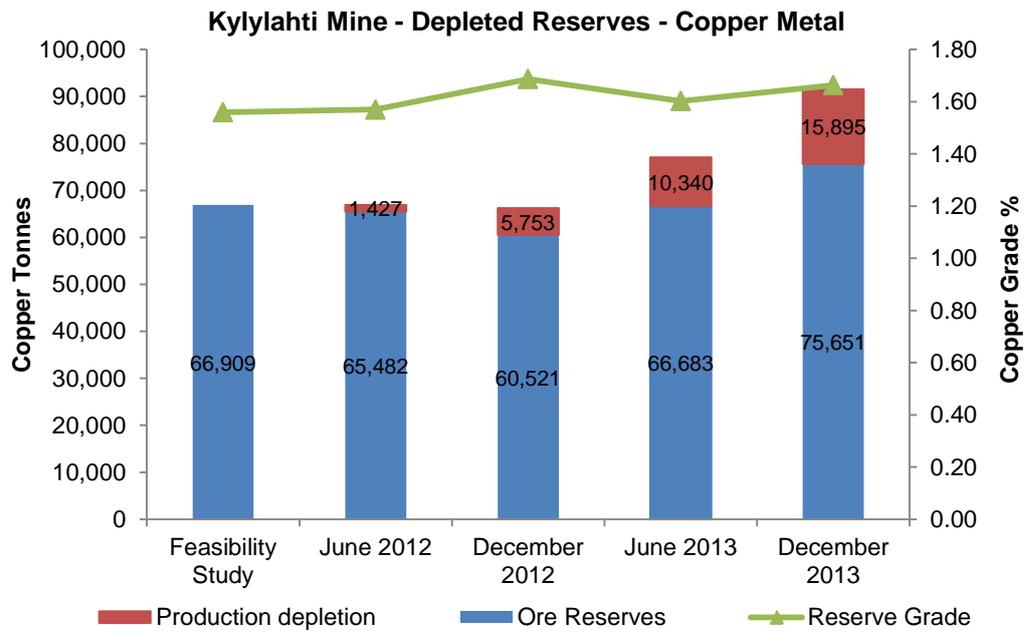
An update of Ore Reserve was released for Kylylahti during the quarter (7 May 2014). This was the regular update of Ore Reserves that Altona undertakes in conjunction with annual and half year reporting. The estimate was carried out based on the Mineral Resource estimate reported on 26 March 2014.

The Ore Reserve estimate for the Kylylahti mine reflects depletion to 31 December 2013 and highlights are:

- 4.55 million tonnes at 1.66% copper, 0.83 g/t gold and 0.62% zinc.
- Contained metal of 75,651 tonnes of copper, 121,915 ounces of gold and 28,032 tonnes of zinc.
- Contained copper is up 13% from June 2013 after mine depletion.
- The reserve estimate is higher in tonnes, grade and contained metal than the August 2010 pre-production reserve estimate.

Additions to the ore reserve have come mainly from resource extensions in the deeper parts of the mine.

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**Kylylahti Resource Development and Exploration**

**Infill drilling continues to confirm Resource models**

Definition drilling focused on mining levels 470, 500 and 530 in order to increase the certainty of short-term production and to define hanging wall gold ore shoots.

Definition drilling on the upper part of Wombat returned similar thick intersections as reported in the previous quarters; best intercepts are 20.4 metres at 4.0% copper, 66.9 metres at 1.6% copper and 25.3 metres at 2.6% copper in KU-480B, KU-20 and KU-481 respectively.

Hole	From (m)	Width (m)	Copper (%)	Gold (g/t)
KU-20	203.1	66.9	1.6	1.2
KU-480B	86.0	20.4	4.0	1.3
KU-446	70.0	13.0	2.8	0.6
KU-448	87.0	28.0	1.8	0.6
KU-506	24.0	6.3	3.1	0.7
KU-481	77.0	25.3	2.6	0.8
KU-482	42.0	58.4	1.5	1.4
KU-507	21.2	6.5	3.3	0.6

*Drillhole intersections are reported using 0.4% copper cut-off and 2 metres minimum width. Table shows the best intersections of the quarter.*

Definition drilling of the hanging wall gold shoots returned several good intersections including 15 metres at 3.9g/t gold, 8 metres at 4.6g/t gold and 7 metres at 4.1g/t gold.

Hole ID	From (m)	Width (m)	Gold (g/t)	Copper (%)
KU-484	37.0	15.0	3.9	0.1
KU-486	51.0	7.0	4.1	0.1
KU-487	15.6	7.8	4.7	0.1
KU-490	48.0	12.0	5.4	0.1
KU-489	24.0	11.0	3.1	0.2
KU-488	82.0	8.3	2.6	0.5
KU-485	46.0	17.0	2.0	0.2

*Drillhole intersections are reported using 1.0g/t gold cut-off and 2 metres minimum width. Table shows the best intersections of the quarter.*

Down hole geophysical EM surveys were completed during the quarter in order to investigate depth extensions of the Kylylahti orebody. The survey program utilised three of the deep drilling campaign Phase 1 drillholes: KE-1, KU-903 and KU-904. Interpretations on the survey results are still pending.

### Little Eva Project

The 100% owned Little Eva Copper-Gold Project is 90 kilometres north-east of Mt Isa and 11 kilometres north of MMG's \$1.2 billion Dugald River zinc mine. The project sits within granted mining licences and native title agreements and environmental authority are in place.

A Definitive Feasibility Study ("DFS") on the Little Eva Project was released in May 2012 and was updated in March 2014.

#### Partnering process continues

The process to sell, partner or finance the Little Eva Project continues. A number of parties are active in the data room, have visited site and conducted due diligence studies. Dialogue with these parties continues.

#### Resource estimate update

An update of the resource estimate for the Little Eva deposit was completed during the quarter. The estimate is based upon a new geological model derived from an extensive programme of re-logging and data validation. There has been no new drilling and there is no material change from the previous estimate which was reported on 19 December 2011.

The new estimate has increased contained copper metal by 2% and contained gold by 4% and total tonnage by 6%. Confidence in the estimate has improved with 78% of tonnage now in the Measured and Indicated categories, up from 69% in the 2011 estimate. Both estimates exclude oxide mineralisation.

The updated Little Eva resource at a 0.2% copper cut-off grade is tabulated below:

	Tonnes (million)	Copper (%)	Gold (g/t)	Contained Copper (tonnes)	Contained Gold (ounces)
Measured	37.1	0.60	0.09	222,000	112,000
Indicated	45.0	0.46	0.08	205,000	108,000
Inferred	23.9	0.50	0.10	119,000	75,000
<b>Total</b>	<b>105.9</b>	<b>0.52</b>	<b>0.09</b>	<b>546,000</b>	<b>295,000</b>

For full description of the assessment and reporting criteria used in the estimation see ASX release dated 27 May 2014.

### Roseby South Joint Venture

Chinalco Yunnan Copper Resources Ltd continued exploration activities to earn an interest in the Roseby South Project. Exploration during the quarter included orientation soil sampling at Companion and infill RC drilling at the Millenium prospect partially within the Roseby South joint venture area. Highlights included 13 metres at 0.53% copper, 0.31% cobalt and 0.24g/t gold.

### Corporate

#### **Sale of Finnish Assets to Boliden**

On 8 July 2014, Altona announced it had entered into an agreement for the sale of all of its Finnish operations and most of its exploration assets in Finland to Boliden Mineral AB (Publ) ("Boliden"), a Swedish base metal miner and smelter ("Transaction"). Boliden ([www.boliden.com](http://www.boliden.com)) currently buys all of Altona's concentrate products.

#### **The Transaction**

The consideration for the Transaction will be US\$95 million for the assets together with adjustments for working capital, net debt and net capital expenditure during the settlement period. Based upon current estimates the total consideration will be approximately US\$100 million in cash. This equates to A\$106 million at an exchange rate of AUD:USD 0.94. Closing is expected to occur on 1 October 2014. At closing US\$10 million will be held in an escrow account pending the determination of the final consideration which will be adjusted to reflect the actual movements in working capital, net debt and net capital expenditure during the settlement period.

The Transaction is conditional upon, amongst other things, the approval of Altona shareholders at a General Meeting to be held on 20 August 2014. A simple majority of those voting in person or by proxy is required to pass the resolution. The Transaction was also dependent on the approval of Finnish competition authorities. This approval has been granted.

The material terms of the agreement are set out in the ASX release of 14 July 2014.

Upon closing of the Transaction it is expected that Altona will have between A\$120 and A\$125 million in cash after all costs. It is anticipated that the Company will have sufficient tax losses to cover any tax liability arising from the Transaction.

#### **Return to Shareholders**

The Company intends to make a cash payment to shareholders of up to 15 cents per share, which equates to approximately A\$80 million in total. The form of the payment will be determined after the receipt of a public tax ruling from the Australian Taxation Office.

Should the Transaction be approved at the General Meeting, and if required, shareholders will be asked to approve the capital management initiatives proposed to be undertaken by Directors at a further General Meeting to be called after the tax ruling is received. Any cash return to shareholders is conditional on the Transaction being completed.

### Retained Assets in Finland

Altona will retain the Hautalampi Project near Outokumpu but has granted Boliden an option to either mine the Hautalampi deposit in exchange for payment of a 2% Net Smelter Royalty or to purchase the project outright for US\$3 million. The option has a 10 year term. Altona will also retain the Sarkiniemi nickel mine.

### Provisional Timetable

- 20 August 2014: General Meeting of shareholders to approve the Transaction.
- 1 October 2014: Completion of the Transaction. \*
- October - November 2014: General Meeting of shareholders to approve the return of capital. \*
- December 2014: Proposed cash distribution to shareholders. \*

\* Dates are estimates.

### Cash

**Strong cash  
balance of  
A\$18.1 million**

The Company has A\$18.1 million in cash, receivables from concentrate sales stand at A\$9.8 million and ROM and concentrate inventories stand at A\$0.7 million at the end of the quarter. The cash balance is up from A\$15.8 million in the prior quarter reflecting a positive cash flow in operating activities.

Cash movements for the quarter are tabulated below:

	A\$ (millions)
Opening cash (1 <sup>st</sup> April)	15.8
Proceeds from concentrate sales	23.1
Outokumpu operating costs	(13.3)
Sustaining capital expenditure *	(4.1)
Finance costs and debt repayment	(0.5)
Roseby activities	(0.5)
Overheads/Corporate	(1.6)
Interest received and other **	(0.8)
<b>Closing cash position (30<sup>th</sup> June)</b>	<b>18.1</b>

\* Sustaining capital includes mine decline development and tailings dam costs, etc.

\*\* Other includes exchange rate adjustments.

Please note an Appendix 5B disclosure as required by ASX for exploration entities is enclosed. The forecast cash expenditure for the next quarter is required to be presented in a form that excludes all revenues and does not reflect actual predicted cashflows.

## Hedging

Altona has the following commodity hedges in place at 30 June 2014:

Month	Copper (tonnes)	Copper (US\$/t)	Gold (ounces)	Gold (US\$/oz)
August	400	6,903	150	1,320
September	420	6,892	150	1,325
<b>Total</b>	<b>820</b>		<b>300</b>	

At the time of writing, the copper price was US\$7,125 per tonne.

The Company also undertakes short-dated (3 months) hedging to secure revenue for the period (Quotational Period) between the receipt of the provisional invoice for concentrate sales and the final pricing. Realised and unrealised gains and losses on Quotational Period hedging have been included in the realised prices per commodity shown in page 2. Altona has realised a loss of US\$0.7 million on these hedges for the quarter.

## Share Price Activity on ASX

Quarter open	0.17¢
High	0.175¢
Low	0.145¢
Quarter close	0.16¢
Average daily volume	192,684

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## Competent Persons Statement and JORC Compliance

**Competent Persons Statement:** The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden, BSc (Hons), PhD, MAusIMM, MAIG and Dr Iain Scott PhD Min. Processing, BSc Met. (Hons). Dr Cowden and Dr Scott are full time employees of the Company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Cowden and Dr 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 Project production target and forecast financial information:** Information in this release refers to a production target and the forecast financial information derived from a production target as disclosed to the market in the ASX release "Cost Review Delivers Major Upgrade to Little Eva" dated 13 March 2014, which 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.

**Copper equivalence:** When used, copper equivalent refers to copper in concentrate produced, or planned to be produced. It does not refer to metal contained within insitu resources, reserves or drill results. The copper equivalent grade is calculated by factoring the copper grade by reserve from all metals (NSR) being copper, zinc, gold and silver.

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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	105.9	0.52	0.09	546,000	295,000	37.1	0.60	0.09	45.0	0.46	0.08	23.9	0.50	0.10
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	129.1	0.53	0.10	684,000	409,000	37.1	0.60	0.09	55.3	0.49	0.09	36.7	0.51	0.12
<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>265.8</b>	<b>0.57</b>	<b>0.05</b>	<b>1,524,000</b>	<b>409,000</b>	<b>64.1</b>	<b>0.63</b>	<b>0.05</b>	<b>80.3</b>	<b>0.54</b>	<b>0.06</b>	<b>121.4</b>	<b>0.56</b>	<b>0.04</b>

See ASX release of 27 May 2014 (Little Eva), 26 July 2011\* (Longamundi, Great Southern, Caroline and Charlie Brown), 23 April 2012\* (Bedford, Ivy Ann and Lady Clayre), 03 July 2012\* (Blackard and Scanlan) and 22 August 2012\* (Legend) 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% lower copper cut-off grade.

\* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

**Table 2:** Kylylahti Resource Estimate, December 2013

	<b>Tonnes (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Zn (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>
Measured	1.2	1.19	0.48	0.56	0.22	0.19
Indicated	7.2	1.35	0.77	0.53	0.24	0.23
Inferred	0.5	1.38	1.71	0.54	0.27	0.24
<b>TOTAL</b>	<b>8.8</b>	<b>1.33</b>	<b>0.78</b>	<b>0.54</b>	<b>0.24</b>	<b>0.22</b>
Metal Tonnes		117,480	222,600oz	47,400	21,350	19,680

See ASX release dated 26 March 2014 for JORC 2012 Compliance.

**Table 3:** Kylylahti Ore Reserves, December 2013

	<b>Tonnes (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Zn (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>
Proven Ore Reserves	0.6	1.43	0.66	0.66	0.23	0.15
Probable Ore Reserves	4.0	1.70	0.86	0.61	0.27	0.16
<b>TOTAL</b>	<b>4.6</b>	<b>1.66</b>	<b>0.83</b>	<b>0.62</b>	<b>0.26</b>	<b>0.16</b>
Metal Tonnes		75,651	122,000	28,000	12,000	7,400

See ASX release dated 7<sup>th</sup> of May 2014 for JORC 2012 Compliance.

Resources are inclusive of ore reserves.

**Table 4:** Outokumpu Resources, December 2013

<b>Deposit</b>	<b>Classification</b>	<b>Tonnes (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Zn (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>
Kylylahti	Measured	1.2	1.19	0.48	0.56	0.22	0.19
	Indicated	7.2	1.35	0.77	0.53	0.24	0.23
	Inferred	0.5	1.38	1.71	0.54	0.27	0.24
	<b>TOTAL</b>	<b>8.8</b>	<b>1.33</b>	<b>0.78</b>	<b>0.54</b>	<b>0.24</b>	<b>0.22</b>
Saramäki	Inferred	3.40	0.71	-	0.63	0.09	0.05
Vuonos	Inferred	0.76	1.76	-	1.33	0.14	-
	Measured	1.03	0.47	-	0.06	0.13	0.47
	Indicated	1.23	0.30	-	0.07	0.11	0.42
	Inferred	0.90	0.30	-	0.10	0.10	0.40
	<b>Total</b>	<b>3.16</b>	<b>0.36</b>	<b>-</b>	<b>0.07</b>	<b>0.11</b>	<b>0.43</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
<b>TOTAL</b>		<b>17.94</b>	<b>0.97</b>	<b>0.39</b>	<b>0.45</b>	<b>0.16</b>	<b>0.26</b>

See Vulcan ASX Release of 16 November 2009 for JORC 2004 compliance for deposits other than Kylylahti. This release can be found on the Finland Resource and Reserve estimates page of Altona's website: [www.altonamining.com](http://www.altonamining.com). There has been no annual review of the Outokumpu area resources other than Kylylahti. Estimation for all of these deposits under the 2012 version of the JORC code is underway.

The ASX releases referenced in Tables 1 through 4 are on the Altona website at [www.altonamining.com](http://www.altonamining.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the most recent market announcement for each deposit and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

APPENDIX 5B

Mining Exploration entity quarterly report

Name of entity

ALTONA MINING LIMITED

ABN

35 090 468 018

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities

	Current Quarter (3 months) A\$'000	Year to Date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	23,063	82,174
1.2 Payments for (a) exploration and evaluation	(610)	(3,532)
(b) development **	(4,556)	(14,692)
(c) production	(12,769)	(48,487)
(d) administration (Finland & Australia)	(1,671)	(7,538)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	60	192
1.5 Interest and other costs of finance paid	(369)	(2,334)
1.6 Income taxes rebate	-	37
1.7 Other*	(912)	14,085
<b>Net Operating Cash Flows</b>	<b>2,236</b>	<b>19,905</b>

Cash flows related to investing activities

1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets **	418	(6,034)
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>418</b>	<b>(6,034)</b>
1.13 Total operating and investing cash flows (carried forward)	2,654	13,871

\* Predominantly includes gain from close out of copper, gold and zinc hedge (December 2013 and March 2014) and VAT/GST received.

\*\* Allocation error in March quarterly. YTD amount spent in relation to other fixed assets is A\$6.0 million, amount spent in current quarter is A\$0.6 million.

<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	-	(22,321)
1.18	Dividends paid	-	-
1.19	Other	-	-
<b>Net financing cash flows</b>		-	(22,321)
<b>Net increase (decrease) in cash held</b>			
		2,654	(8,450)
1.20	Cash at beginning of quarter/year	15,834	26,093
1.21	Exchange rate adjustments to 1.20	(412)	433
1.22	<b>Cash at end of quarter</b>	18,076	18,076

**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	246
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 executive and non-executive directors' fees, salaries and superannuation 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

**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(*)	-	-
3.2 Credit standby arrangements	-	-

(\*) The Credit Suisse senior debt facility was fully drawn down in March 2012 as a component of the funding package to construct the Outokumpu Copper Project. Full repayment of the facility was achieved on 31 March 2014, some two years ahead of scheduled repayment terms.

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

	\$A'000
4.1 Evaluation/Exploration	(1,009)
4.2 Development	(5,929)
4.3 Production	(11,429)
4.4 Administration (Australia and Finland)	(2,232)
<b>Total</b>	<b>(20,599)</b>

**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	17,301	14,234
5.2 Deposits at call	775	1,600
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>18,076</b>	<b>15,834</b>

**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>	532,234,704	532,234,704	-	-
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>	14,726,749 <sup>^</sup>	-	-	-
7.8 Issued during quarter	1,012,020 <sup>^</sup>	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	89,000 <sup>^</sup>	-	-	-
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 July 2014

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**

Kuhmo Metals' three claims, Hakovaara, Myllyaho 1 and Myllyaho 2 (Reg no 8618/1, 8618/3-4) expired during the quarter. Restructuring of the Kuhmo Metals' tenement package is now completed and it includes two mining licenses, five exploration permits and one claim. Four of the five exploration permits are extension applications which have been submitted for public hearing by the Mining authorities. Permits are expected to be granted within the next three months. The total area of the tenement package is now 386 hectares.

All eight Vulcan Kotalahti claims expired during the quarter. An extension application totalling 252 hectares (Exploration Permit) that covers most of the expired ground was submitted in March.

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

Perttilahti 1-2 (ML2012:0222) and Kokonvaara (ML2013:0034) exploration permit applications were consolidated into one single permit called Perttilahti (ML2012:0222) which was granted during the quarter and is valid for the next three years.

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

**OUTOKUMPU AREA**

**Mining Licenses**

Number	Name	Holder	Beneficial Interest Held
3593/1a	Kylylahti	Kylylahti Copper Oy	100%
3593/1b	Kylylahti	Kylylahti Copper Oy	100%
3593/1c	Kylylahti ML extension	Kylylahti Copper Oy	100%
3593/2a	Kylylahti 2	Kylylahti Copper Oy	100%
K7802	Hautalampi	Vulcan Hautalampi Oy	100%
KL2012:0007	Riihilahti	Kylylahti Copper Oy	100%
553/1a,2a,4a,6a-11a	Luikonlahti1-2,4,6-11	Kylylahti Copper Oy	100%
1281/1a-2a	Petkel I+ II	Kylylahti Copper Oy	100%
2061/1a	Petkellahti	Kylylahti Copper Oy	100%
553/1a,2a,4a,6a-11a	Luikonlahti auxiliary areas	Kylylahti Copper Oy	100%
KL2013:0003	Luikonlahti auxiliary areas expansion	Kylylahti Copper Oy	100%

**Claims/Exploration permits**

Number	Name	Holder	Beneficial Interest Held
ML2012:0154	Kylylahti 2-4	Kylylahti Copper Oy	100%
ML2012:0224	Saramäki 1	Kylylahti Copper Oy	100%
ML2012:0222	Perttilahti	Kylylahti Copper Oy	100%
ML2012:0223	Vuonos 1-3	Kylylahti Copper Oy	100%
ML2013:0059	Polvikoski	Kylylahti Copper Oy	100%
ML2013:0058	Kylylahti 6	Kylylahti Copper Oy	100%
ML2013:0056	Saramäki 2	Kylylahti Copper Oy	100%

ML2013:0057	Sukkula	Kylylahti Copper Oy	100%
8623/1	Sivakkavaara 2a	Kylylahti Copper Oy	100%
8623/2	Sivakkavaara 2b	Kylylahti Copper Oy	100%
8623/3	Sivakkavaara 3	Kylylahti Copper Oy	100%
8974/1	Kokka 2	Kylylahti Copper Oy	100%
8974/2	Kokka 3	Kylylahti Copper Oy	100%
8974/3	Kokka 4	Kylylahti Copper Oy	100%
8974/4	Kokka 5	Kylylahti Copper Oy	100%
9106/1	Kokka 6	Kylylahti Copper Oy	100%
ML2013:0036	Perttilahti South	Kylylahti Copper Oy	100%

**Reservations**

Number	Name	Holder	Beneficial Interest Held
VA2012:0188	Miihkali	Kylylahti Copper Oy	100%
VA2012:0189	Saramäki-South	Kylylahti Copper Oy	100%

**KUHMO JOINT VENTURE**

**Mining Licenses**

Number	Name	Holder	Beneficial Interest Held
7014	Hietaharju	Kuhmo Metals Oy	95%
7922	Peura-aho	Kuhmo Metals Oy	95%

**Claims/Exploration permits**

Number	Name	Holder	Beneficial Interest Held
ML2012:0047	Vaara	Kuhmo Metals Oy	95%
ML2013:0048	Kauniinlampi	Kuhmo Metals Oy	95%
7922/1	Peura-aho	Kuhmo Metals Oy	95%
8745/1	Hietaharju North	Kuhmo Metals Oy	95%
ML2013:0047	Sika-aho	Kuhmo Metals Oy	95%
ML2013:0003	Arola	Kuhmo Metals Oy	95%

**KOTALAHTI AREA NICKEL**

**Mining Licenses**

Number	Name	Holder	Beneficial Interest Held
6977/1a	Särkiniemi	Vulcan Kotalahti Oy	100%
7739	Valkeisenranta	Vulcan Kotalahti Oy	100%

**Exploration permits**

Number	Name	Holder	Beneficial Interest Held
ML2014:0027	Kotalahti	Vulcan Kotalahti Oy	100%

**AUSTRALIAN MINING TENEMENTS**

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

Partial relinquishments during the quarter include 45 sub block relinquishment of 89 sub blocks in EPM 10833 – Cameron and 2 sub blocks out of 5 EPM 14371 – Mt Angelay sub blocks.

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

Correspondence was received from the Queensland DNRM during the December Quarter approving the renewal application for EPM14371. Renewal applications for three Roseby Project EPMs are currently being processed by the Queensland DNRM.

The area under granted EPMs within Queensland presently totals 1,294.1km<sup>2</sup>.

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

**QUEENSLAND – ROSEBY PROJECT**

**Mining Leases (ML)**

Number	Name	Holder	Beneficial Interest Held
90162	Scanlan	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
90163	Longamundi	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
90164	Blackard	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
90165	Little Eva	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
90166	Village	Altona Mining Ltd / Roseby Copper Pty Ltd	100%

**Exploration Permit for Minerals (EPM)**

Number	Name	Holder	Beneficial Interest Held
8059	Cameron River	Roseby Copper Pty Ltd	100%
8506	Mt Roseby	Roseby Copper Pty Ltd	100%
9056*	Pinnacle	Roseby Copper (South) Pty Ltd	100%
10266	Highway	Roseby Copper Pty Ltd	100%
10833*	Cameron	Roseby Copper (South) Pty Ltd	100%
11004*	Ogorilla	Roseby Copper (South) Pty Ltd	100%
11611*	Gulliver	Roseby Copper (South) Pty Ltd	100%
12121	Gulliver East	Roseby Copper Pty Ltd	100%
12492	Queen Sally	Roseby Copper Pty Ltd	100%
12493	Quamby	Roseby Copper Pty Ltd	100%
12529	Cabbage Tree	Roseby Copper Pty Ltd	100%
13249	Lilliput	Roseby Copper Pty Ltd	100%
14363	Bannockburn	Roseby Copper Pty Ltd	100%
14365*	Corella	Roseby Copper (South) Pty Ltd	100%
14535*	Roseby Infill	Roseby Copper (South) Pty Ltd	100%
14556	Coolullah	Roseby Copper Pty Ltd	100%
14822	River Gum	Roseby Copper Pty Ltd	100%
18784	Roseby East	Roseby Copper Pty Ltd	100%
18983	Coolullah North	Roseby Copper Pty Ltd	100%

\* These tenements are subject to a Farm-in agreement with Chinalco Yunnan Copper Resources Ltd. Details of the Farm-in terms are set out in ASX announcement of 17 September 2013. At 30 June 2014, Chinalco Yunnan Copper Resources Ltd has not expended sufficient funds to earn a beneficial interest in these tenements.

**QUEENSLAND – REGIONAL PROJECTS**

**Exploration Permit for Minerals (EPM)**

<b>Number</b>	<b>Name</b>	<b>Holder</b>	<b>Beneficial Interest Held</b>
9611	Happy Valley	Roseby Copper (South) Pty Ltd	100%
14370	Malakoff	Roseby Copper (South) Pty Ltd	100%
14371	Mt. Angelay	Roseby Copper (South) Pty Ltd	100%

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