

29 July 2015

ABOUT ALTONA

Altona Mining Limited (ASX: AOH) is an ASX listed company which recently sold its successful Outokumpu mine in Finland and is now focussed on the Cloncurry Project in Queensland, Australia.

The Cloncurry Copper Project has resources containing some 1.65Mt of copper and 0.41Moz of gold. The first development envisaged is the 7Mtpa Little Eva open pit copper-gold mine and concentrator. Altona has completed a Framework Agreement with Sichuan Railway Investment Group to fully fund and develop Little Eva. Little Eva is permitted with proposed annual production of 38,800t of copper and 17,200oz of gold for a minimum of 11 years. A Definitive Feasibility Study was published in March 2014.

Key metrics as at 30/06/2015:

Shares on issue:	534,678,592
Share rights on issue:	6,593,667
Cash:	A\$46.8M
Share price:	14 cents
Market capitalisation:	A\$75M

Altona Mining Limited

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US\$214 Million Cash Injection in to Cloncurry Project

- **Framework Agreement signed** - Altona and Sichuan Railway Investment Group ("SRIG") have agreed to form a joint venture such that SRIG will contribute US\$214 million (A\$293 million*) cash to the Cloncurry Project. SRIG are a major Chinese engineering and construction group rated as AA+ by Moodys.
- **Clear valuation for Cloncurry** - The transaction values the project at US\$105 million (A\$144 million*).
- **Minimal funding required from Altona** - Altona to contribute the project and US\$38 million cash.
- **Construction funding secured** - The Cloncurry Project will be funded to production. The joint venture will have US\$252 million (A\$345 million*) available. Given the capital cost estimate of A\$294 million, the project is well funded with a substantial allowance for working capital and overruns.
- **Incorporated JV to be formed** - SRIG to hold 60% of joint venture with Altona to hold 40%. It is intended that the joint venture will have an independent and largely Australian management team.
- **Deal secured by deposit** - SRIG to pay US\$2 million deposit. The deal is conditional upon confirmatory due diligence and regulatory approvals.
- **Cash Balance** - At 30 June 2015 Altona's cash balance was A\$46.8 million.
- **Exploration** - The Turkey Creek discovery has resulted in the Company embarking on a programme to re-evaluate existing targets and anomalies with the aim of generating new drill targets later this year.
- **Downsizing** - The company continues to re-structure to a more appropriate staff level following the disposal of its Finnish assets.

* Assumes AUD:USD of 0.73.

Cloncurry Project Joint Venture

Major joint venture announced

Altona announced on the 26 June 2015 that it has concluded a binding Framework Agreement with Sichuan Railway Investment Group ("SRIG"). The agreement is subject to certain conditions.

The parties have agreed to establish an incorporated joint venture holding Altona's Cloncurry Project located in north-west Queensland, with SRIG to contribute cash of US\$214.46 million and have a 60% interest in the joint venture. Altona will retain a 40% interest in the joint venture and is to contribute the Cloncurry Project and cash of US\$38 million.

Transaction values Cloncurry at US\$105 million prior to cash injection

The transaction values the Cloncurry Project on a pre-cash contribution basis at US\$105 million.

Altona can meet its immediate obligations under the agreement from its existing A\$47 million of cash resources.

The Cloncurry Project offers a large resource of 287 million tonnes at 0.6% copper, 0.04g/t gold for 1.65 million tonnes contained copper and 0.4 million ounces gold and is close to infrastructure.

The joint venture will seek to develop a mine at Little Eva which is situated within the Cloncurry Project. A Definitive Feasibility Study announced by Altona on 13 March 2014 for the Little Eva development anticipates the construction of a 7 million tonne per annum open-pit mine and a flotation plant capable of producing 39,000 tonnes per annum copper and 17,000 ounces gold over an initial mine life of 11 years.

Project is fully funded

The cash to be contributed by the joint venture partners of US\$252.46 million equates to A\$345 million at current exchange rates (AUD:USD 0.73) would exceed the estimated capital cost (A\$294 million) of the Little Eva mine and provides substantial allowance for working capital and overruns.

Altona's 40% equity share of annual production from the Cloncurry Project would be substantial at approximately 15-16,000 tonnes of copper and 7,000 ounces of gold (17-18,000 tonnes copper equivalent) highlighting the potential for significant cash flow attributable to Altona.

About SRIG

SRIG is a financially robust potential partner

SRIG was established in 2009, is based in Chengdu in south-western China and is 100% owned by the Sichuan provincial government. The group's principal businesses are in the road, bridge and rail construction and management sectors. SRIG had total assets of US\$26.8 billion in 2014 and revenues over US\$6 billion. It has more than 20,000 employees. SRIG has signalled its intention to diversify into other industries both within China and internationally.

SRIG has 24 operating subsidiaries including SRBG which is listed in Shanghai and which operates toll roads, bridges and hydropower stations. It has a market capitalisation of US\$3 billion.

CCXI, a Moody's company, rated SRIG as AA+ with a stable outlook for a 2014 bond issue of approximately US\$320 million. CCXI noted SRIG's expertise, highlighting that SRIG was the first Chinese enterprise to secure an overseas bridge construction contract (Norway).

Details of the Framework Agreement

Meaningful deposit highlights SRIG's commitment to completion of the deal

SRIG will pay a US\$2 million deposit to secure a 9 month exclusivity period. The deposit is refundable only in certain circumstances. A break fee of US\$2 million is also payable by Altona in certain circumstances.

SRIG will contribute funds in two tranches. The first tranche of US\$199.5 million will be paid after execution of formal documentation and satisfaction of all conditions precedent, of which the first major milestone is completion of: SRIG confirmatory due diligence and completion of formal documentation by November 2015. Subsequently the parties will seek Chinese regulatory approvals and approval from the Australian Foreign Investment Review Board (FIRB). This may take a further 3 or 4 months. The second tranche of US\$14.96 million is to be paid 12 months later.

Altona will contribute the project and a total of US\$38 million cash. This will be paid in two tranches of US\$28 million and US\$10 million matching SRIG's contributions on completion and 12 months thereafter.

Altona will be the initial manager on establishment of the joint venture and the usual commercial arrangements applying to joint-ventures will apply.

Corporate

Altona maintains a strong cash balance

Altona had A\$46.8 million of funds on deposit at 30 June 2015. This provides Altona with a strong cash position to underpin the SRIG transaction.

Cash movements for the quarter are tabulated below:

	A\$ (millions)
Opening cash (1 st April)	47.6
Exploration and evaluation	(0.4)
Corporate	(0.8)
Interest received and other	0.4
Closing cash (30 June)	46.8

Corporate includes costs associated with staff redundancies and the negotiation and documentation of the Cloncurry transaction announced on 26 June 2015 and the usual corporate overheads.

Company re-shaped post the Finnish transaction

Altona will have a small staff of 7 upon completion of its downsizing following the sale of its Finnish assets. Altona will retain sufficient expertise to pursue the SRIG transaction, manage the Cloncurry asset and maintain the public company but at minimum cost.

Share Price Activity on ASX

Quarter open	0.11¢
High	0.14¢
Low	0.10¢
Quarter close	0.14¢
Average daily volume	664,354

Cloncurry Copper Project

The Little Eva Copper-Gold Project is planned to be the first mine development at the Cloncurry Copper Project located 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 the environmental authority are in place.

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

Updating deposit models to add value

During the quarter a process of project value adding commenced; a systematic program of detailed deposit geology and resource model refinement was initiated aimed at identifying potential resource extensions and further aiding detailed mine planning.

Geological models for the Lady Clayre and Bedford deposits are being addressed first, these being part of the early Little Eva Project mine plan. New geological models of the 'Copper Only' deposits, are also being developed. Mapping, detailed soil sampling surveys and analysis of unsampled historical diamond drill core are being undertaken in support of the remodelling program.

Soil sampling results from Bedford support strong continuity in the mineralised structures beyond the currently well drilled portions of the deposit, having the potential to expand the proposed pit. Work on the Scanlan deposit is providing new understanding of the controls on the copper horizon deposits that, in addition to improving the resource model, is expected to unlock new exploration targets.

Ongoing exploration delivering encouraging new drill targets

Exploration activities by Altona continued. Testing of new targets and for potential resource extensions is being conducted. An extensive program of soil sampling was initiated; in the June quarter a total of 4,044 soil samples were collected and analysed using a Niton handheld XRF. Sampling grids have been completed across 9 target areas to date, and are ongoing.

Two new significant copper in soils geochemical exploration targets have been established at Anzac, Matchbox and Witcher some 1.5 to 20 kilometres south of Little Eva. These display copper anomalism at levels (>0.1% copper) similar to other subcropping drilled resource positions such as the Turkey Creek discovery. Additional small high amplitude and broader medium to low amplitude copper anomalies have been established within all the areas surveyed.

In areas of established resources or mineralisation, targets for potential extensions have been identified at the Little Eva, Bedford and Legend deposits.

A full report on exploration targets and activities will be provided towards the end of the field season in November 2015.

Roseby South Joint Venture

Chinalco Yunnan Copper Resources Ltd ("CYU") continued exploration activities to earn an interest in the Roseby South Project.

In June CYU commenced an extensive geophysical survey as a consequence of positive MMI soil geochemical survey and initial drill program results from work conducted by CYU in 2014.

Polymetallic anomalies were identified by the MMI soil geochemical survey associated with the Pilgrim Fault and at Native Companion. An initial six hole exploration drilling program at the Native Companion prospect identified a mineralised zone, at least 5km in strike length, highlighted by:

- An anomalous zinc zone to the north of Native Companion; and
- Strong copper mineralisation intersected in drilling (best intersection 26 metres at 0.68% copper and 0.25g/t gold from 63 metres; including 15 metres at 1.15% copper and 0.41g/t gold. Please refer to CYU ASX release of 3 December 2014.

CYU moving towards drill testing

CYU are conducting a detailed geophysical survey covering the Native Companion - Brolga area comprising 20 lines of dipole-dipole IP, totalling 67 line-km. Preliminary results for three lines have been published (please refer to CYU ASX release of 29 June 2015). The initial lines have identified chargeable and conductive anomalies associated with corridors of historical workings and zones of MMI soil geochemical anomalism.

As a consequence of these results, CYU propose more extensive drilling and further exploration activities to be undertaken to test the identified MMI anomalies and at Native Companion in 2015.

Competent Persons Statement and ASX 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. Dr Cowden 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 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 consents 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 or 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 resource from all metals (NSR) being copper, zinc, gold and silver.

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Table 1: Resource Estimates for the Cloncurry 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
COPPER GOLD DEPOSITS														
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 ^A	7.5	0.57	0.07	43,000	17,000	-	-	-	5.4	0.60	0.08	2.1	0.49	0.06
Lady Clayre ^A	14.0	0.56	0.20	78,000	85,000	-	-	-	3.6	0.60	0.24	10.4	0.54	0.18
Bedford ^A	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
COPPER ONLY DEPOSITS														
Blackard ^A	76.4	0.62		475,000	-	27.0	0.68	-	6.6	0.60	-	42.7	0.59	-
Scanlan ^A	22.2	0.65		143,000	-	-	-	-	18.4	0.65	-	3.8	0.60	-
Turkey Creek	21.0	0.59		123,000	-	-	-	-	17.7	0.59	-	3.4	0.58	-
Longamundi ^A	10.4	0.66		69,000	-	-	-	-	-	-	-	10.4	0.66	-
Legend ^A	17.4	0.54		94,000	-	-	-	-	-	-	-	17.4	0.54	-
Great Southern ^A	6.0	0.61		37,000	-	-	-	-	-	-	-	6.0	0.61	-
Caroline ^A	3.6	0.53		19,000	-	-	-	-	-	-	-	3.6	0.53	-
Charlie Brown ^A	0.7	0.40		3,000	-	-	-	-	-	-	-	0.7	0.40	-
Sub-total	157.7	0.61		963,000	-	27.0	0.68	-	42.7	0.62	-	88.1	0.59	-
TOTAL	286.8	0.57	0.04	1,647,000	409,000	64.1	0.63	0.05	98.0	0.55	0.05	124.8	0.57	0.04

^A This information was prepared and first disclosed under the JORC Code 2004 Edition. 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. All other resources classified and reported in accordance with JORC Code 2012 edition.

Note: Tonnages are dry metric tonnes and have been rounded, hence small differences may be present in the totals.

See ASX release of 23 October 2007 and 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), 22 August 2012 (Legend), 27 May 2014 (Little Eva) and 18 March 2015 (Turkey Creek) for full details of resource estimation. 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.

The ASX releases referenced in Table 1 is on the Altona website at 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.

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APPENDIX 5B

Mining Exploration entity quarterly report

Name of entity

ALTONA MINING LIMITED

ABN

35 090 468 018

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities

1.1	Receipts from product sales and related debtors	-	24,997
1.2	Payments for (a) exploration and evaluation	(360)	(3,757)
	(b) development	-	(2,918)
	(c) production	-	(14,928)
	(d) administration and corporate activities	(771)	(6,163)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	364	1,808
1.5	Interest and other costs of finance paid	(3)	(622)
1.6	Income taxes rebate	-	-
1.7	Other*	10	1,584

Current Quarter (3 months) A\$'000	Year to Date (12 months) \$A'000
-	24,997
(360)	(3,757)
-	(2,918)
-	(14,928)
(771)	(6,163)
-	-
364	1,808
(3)	(622)
-	-
10	1,584
(760)	1

Net Operating Cash Flows

Cash flows related to investing activities

1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(7)	(2,094)
1.9	Proceeds from sale of: (a) prospects	-	111,118
	(b) equity investments	33	33
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-

Net investing cash flows

1.13 Total operating and investing cash flows (carried forward)

-	-
-	-
(7)	(2,094)
-	111,118
33	33
-	-
-	-
-	-
-	-
26	109,057
(734)	109,058

* Includes VAT/GST and other income received, offset with a security deposit payment.

Cash flows related to financing activities		
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	-	(16,040)
1.19 Other**	-	(64,161)
Net financing cash flows	-	(80,201)
Net increase (decrease) in cash held	(734)	28,857
1.20 Cash at beginning of quarter/year	47,565	18,076
1.21 Exchange rate adjustments to 1.20	7	(95)
1.22 Cash at end of quarter	46,838	46,838

** Return of capital paid to shareholders on 12 February 2015.

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	190
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.

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	-	-

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

	\$A'000
4.1 Evaluation/Exploration	323
4.2 Development	-
4.3 Production	-
4.4 Administration and corporate activities	708
Total	1,031

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	310	327
5.2 Deposits at call	46,528	47,238
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	46,838	47,565

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 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 Ordinary securities	534,678,592	534,678,592	-	-
7.4 Changes during quarter - Issued	-	-	-	-
7.5 Converting debt Securities <i>(description and conversion factor)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	6,593,667 [^]	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	1,261,000 [^]	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

[^] 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 Act or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2015

Company Secretary

Print Name: Eric Hughes

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SCHEDULE A

AUSTRALIAN MINING TENEMENTS

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

None.

Interests in mining tenements acquired or increased during the quarter

None.

Interests in mining tenements at end of the quarter

The area under granted EPMs within Queensland presently totals 1252.3 km².

Cloncurry 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%

Cloncurry Project: 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%
10266	Highway	Roseby Copper 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%
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%

Regional Projects: Exploration Permit for Minerals (EPM)

Number	Name	Holder	Beneficial Interest Held
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%

Chinalco Yunnan Joint Venture (EPM)

Number	Name	Holder	Beneficial Interest Held
9056*	Pinnacle	Roseby Copper (South) 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%
14365*	Corella	Roseby Copper (South) Pty Ltd	100%
14535*	Roseby Infill	Roseby Copper (South) 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 28 March 2015, Chinalco Yunnan Copper Resources Ltd has not expended sufficient funds to earn a beneficial interest in these tenements.

Finnish Projects

Mining Licences/Mining Permits

Number	Name	Holder	Beneficial Interest Held
K7802	Huatalampi	Vulcan Hautalampu Oy	100%
KL2015:0004	Särkiniemi	Vulcan Kotalahti Oy	100%