



**ALTONA**  
MINING LIMITED

**Investor Update  
Diggers & Dealers  
August 2016**

[www.altonamining.com](http://www.altonamining.com)

ACN 090 468 018

**ASX: AOH  
FSE: A20**

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# 1. WHY ALTONA?

- Track record
  - Shareholder returns, operational success and deals
- Cloncurry is a simple project
  - Standard mining and processing
  - 40ktpa copper, 13 year minimum life
- Great partner for Cloncurry
  - SRIG are financially robust contributing US\$213.5M
  - No debt required, Altona has A\$42M cash
- Project upside
  - 1.6Mt copper resource plus exploration
- Value
  - Share price does not reflect value



Black Kite soaring over Cloncurry

# Corporate Snapshot



## Major Shareholders

Perpetual:	14.6%
Board / management:	10.5%
Matchpoint / Shah:	9.8%
Morgan Stanley:	5.1%
European investors:	18.0%
Top 20:	63.1%

## Market Status

ASX code:	AOH
Share price:	A\$0.14
Shares on issue:	537M
Market capitalisation:	A\$75M
Cash (30 June 2016):	A\$42.3M
Enterprise value:	A\$32M

## Key People

Alistair Cowden:	Managing Director for 14 years, drove Finnish and SRIG deals
Eric Hughes:	CFO for 8 years
Kevin Maloney:	Chairman (7 years)
Paul Hallam:	Non-Exec Director
Steve Scudamore:	Non-Exec Director

## Shareholder Focussed

- No capital raisings for over 5 years
- Capital return and dividend of 15 cents per share in 2015 on sale of Finnish assets
- Board and management are shareholders and financially motivated for Altona to succeed



## Realise the value of the Cloncurry Project

- We have secured funding and a partnership to build a substantive copper-gold mine. Focus on production on time and budget to drive shareholder returns: share price and dividends.

## Leverage our knowledge

- We have a substantial 100% owned ground position at Cloncurry and a track record of exploration success - exploit it.

## Growth beyond Cloncurry

- We have acquired major positions (and built a mine) in base metal mining camps and created value through A\$430M\* of transactions. We are open to acquisitions and corporate deals.

\* *Sale of Finnish assets and SRIG transaction*

## 2. SICHUAN RAILWAY INVESTMENT GROUP (SRIG) TRANSACTION



SRIG built Xihoumen Bridge, 2<sup>nd</sup> biggest span in world of 1,650 metres

# Who are SRIG?



- Based in Chengdu, Sichuan Province, SW China
- State (Sichuan Province) Owned Enterprise (SOE)
- Engineering and construction business, 2014 revenue US\$6bn
- AA+ stable rating by Moodys January 2016 bond issue



President Xi Jinping with SRIG Chairman Sun Yun

Strategy to build a mining business; SRIG subsidiary recently purchased 60% of Eritrean copper project for US\$78.3M

## Transaction Details

- SRIG to contribute US\$213.5M cash
- Altona contributes US\$25M cash plus project
- Total of US\$238.5M contributed by both parties (A\$322M\*)
- Altona 34% - SRIG 66% incorporated JV
- Altona is initial manager
- Minimum 50% of surplus cash must be returned to Altona/SRIG



Anthills at the Blackard deposit

# Why it's a Great Deal



- Debt / equity alternative can destroy shareholder value
- Debt brings risk, hedging caps copper price and consumes profits
- No share issue needed as Altona's cash exceeds US\$25M contribution
- Contribution reduced by A\$2.85M spent on agreed budget to date
- Early returns as no debt to service







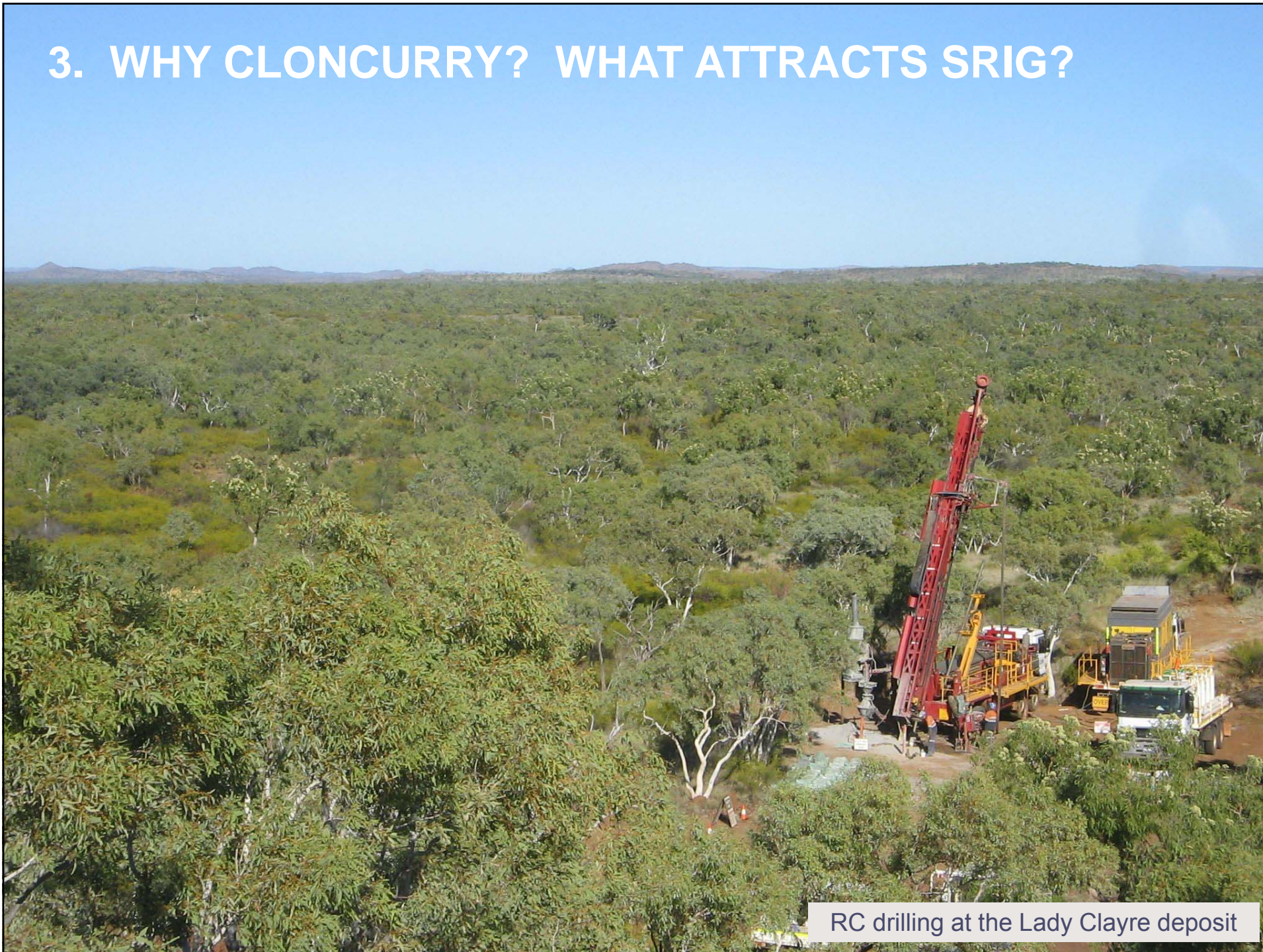
## Deal Status and Next Steps

- Major condition of Environmental Authority amendment now satisfied
- October 2016: Conditions precedent to be satisfied (regulatory approvals, asset transfers and closing)
- November 2016: Altona initial manager conducting project optimisation and value engineering
- Q2 - Q3 2017: Decision to mine, 20 months to build to first production



Doing the deal in Chengdu

### 3. WHY CLONCURRY? WHAT ATTRACTS SRIG?

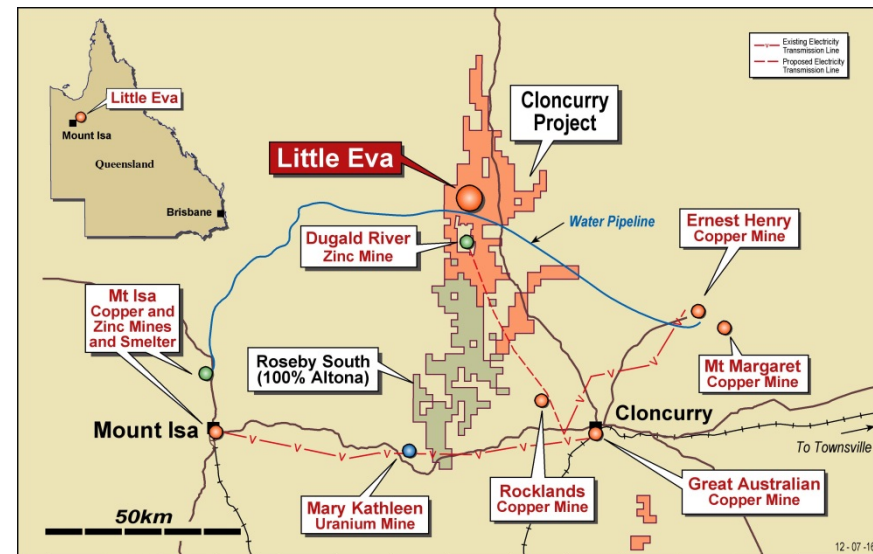
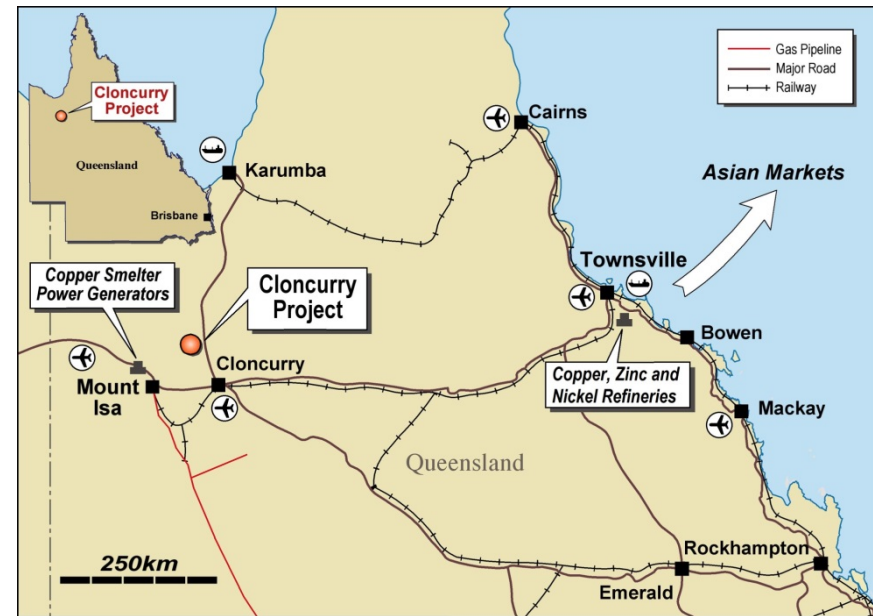


RC drilling at the Lady Clayre deposit

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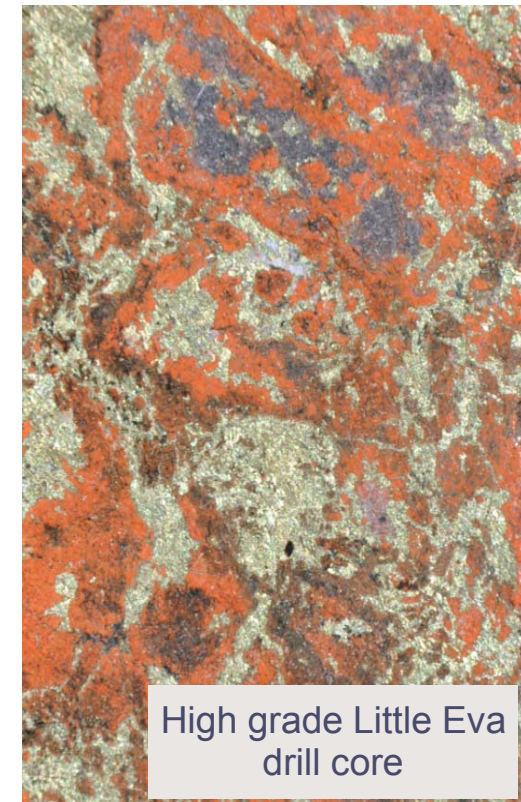
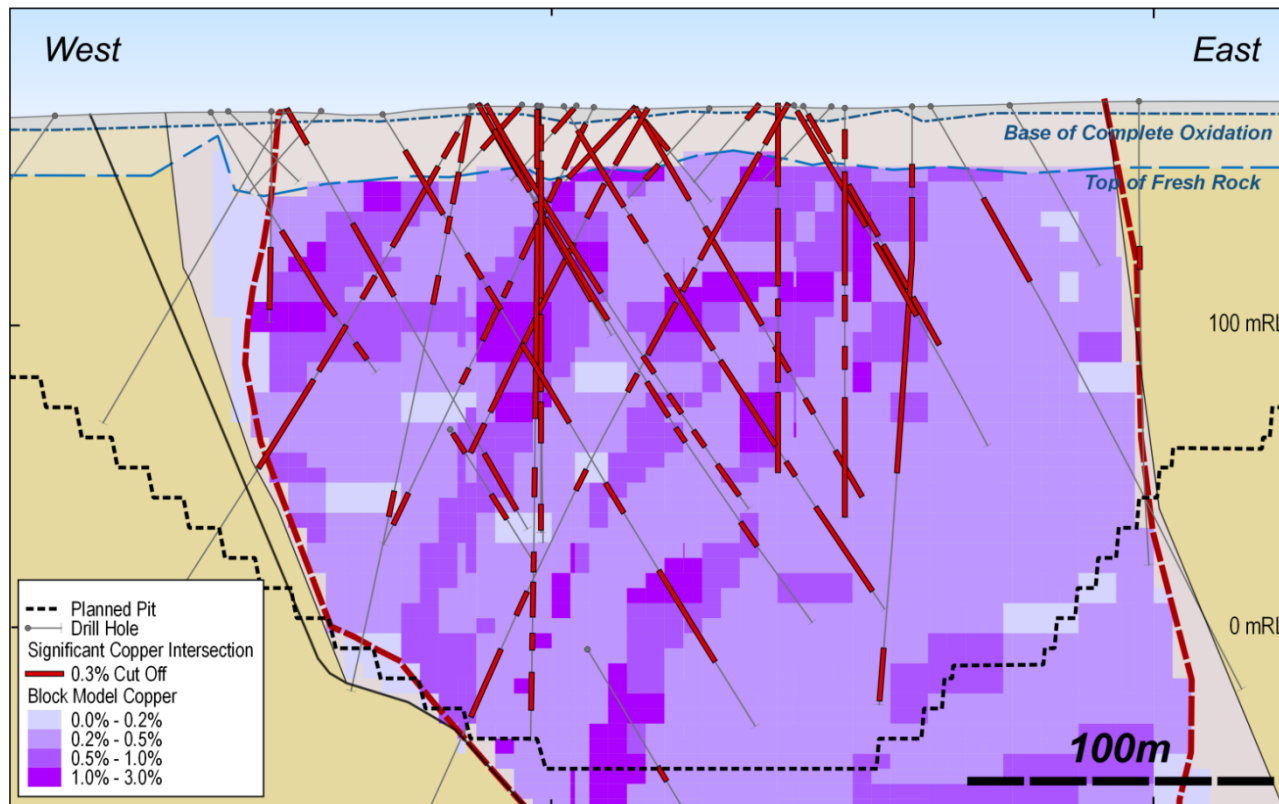
# Why Cloncurry?

- A major mining region; world scale copper, zinc, lead, silver and phosphate production
- Great regional infrastructure
  - Rail
  - Gas
  - Power
  - Workforce
- Only 7km from MMG's A\$600M Dugald River zinc mine under construction



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# Simple Geology at Little Eva



- Large bulk IOCG style deposit similar to Ernest Henry mine
- Reserves of 86Mt at 0.5% copper, 0.1g/t gold
- Contains 427,000t of copper and 205,000oz of gold

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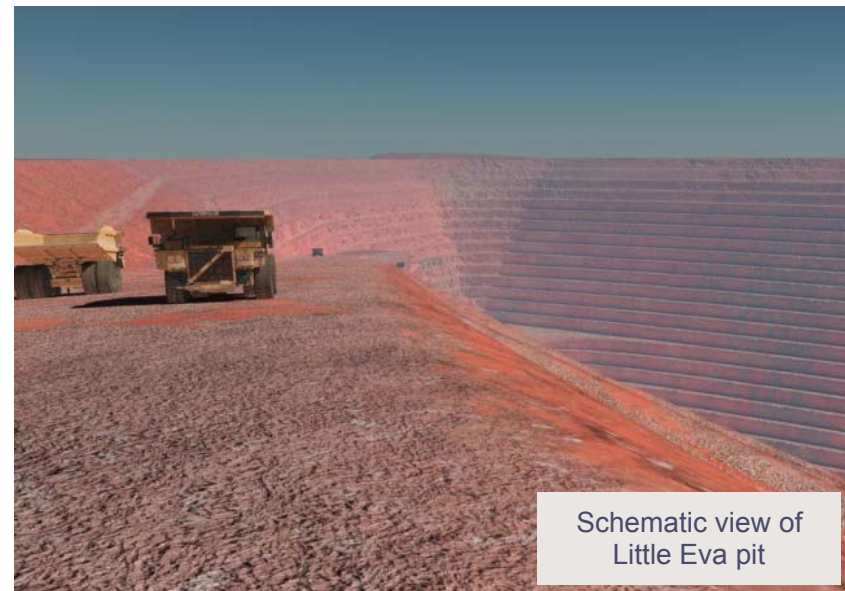
# Straightforward Project



- Standard 7Mtpa plant
- Rapid flotation with coarse grind
- 96% copper and 85% gold recoveries
- Clean 25% copper and 4g/t gold concentrate (no arsenic, uranium)
- Bulk mining by contractors
- Little Eva pit is 1.3km long, up to 370m wide, 240m deep
- Low strip ratio of 1.8:1 after pre-strip
- 80% of ore from Little Eva pit, balance from 4 other pits



Schematic view of Little Eva processing plant

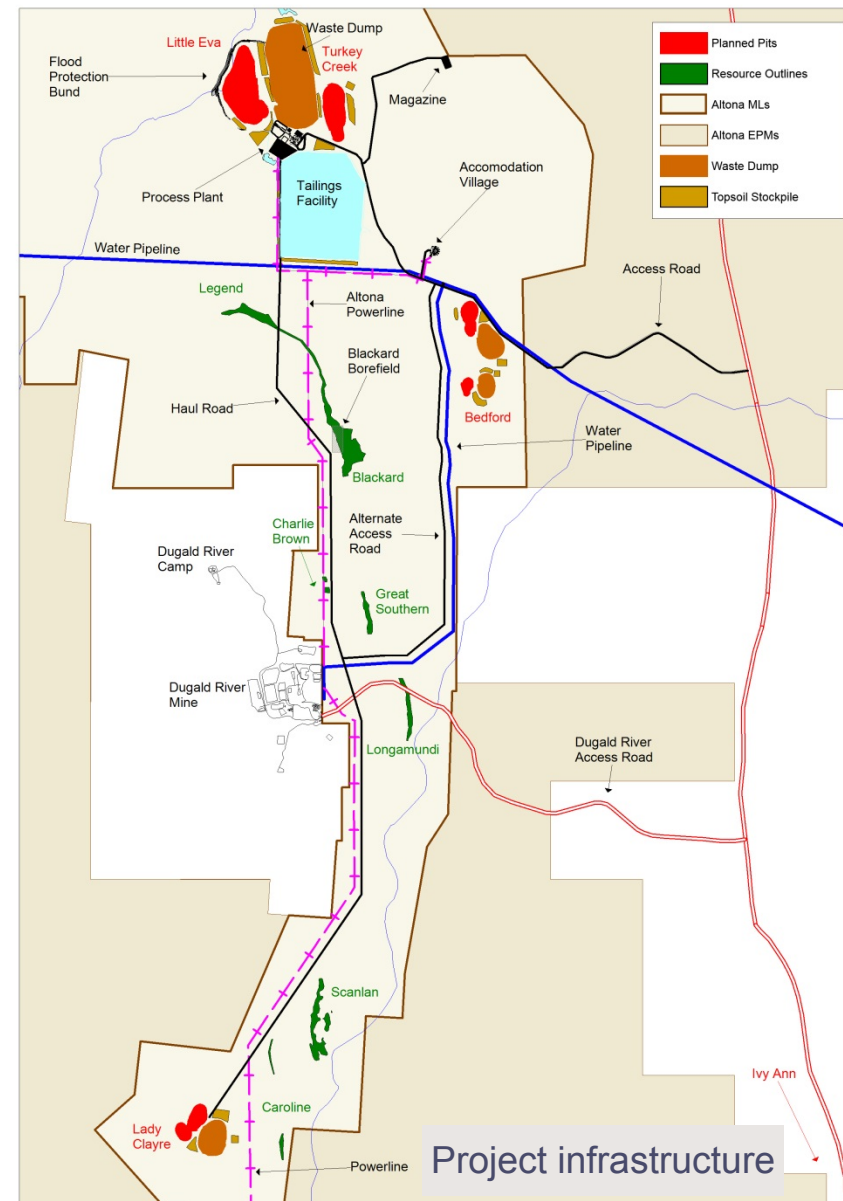


Schematic view of Little Eva pit

# Large Mine Development Ready To Go



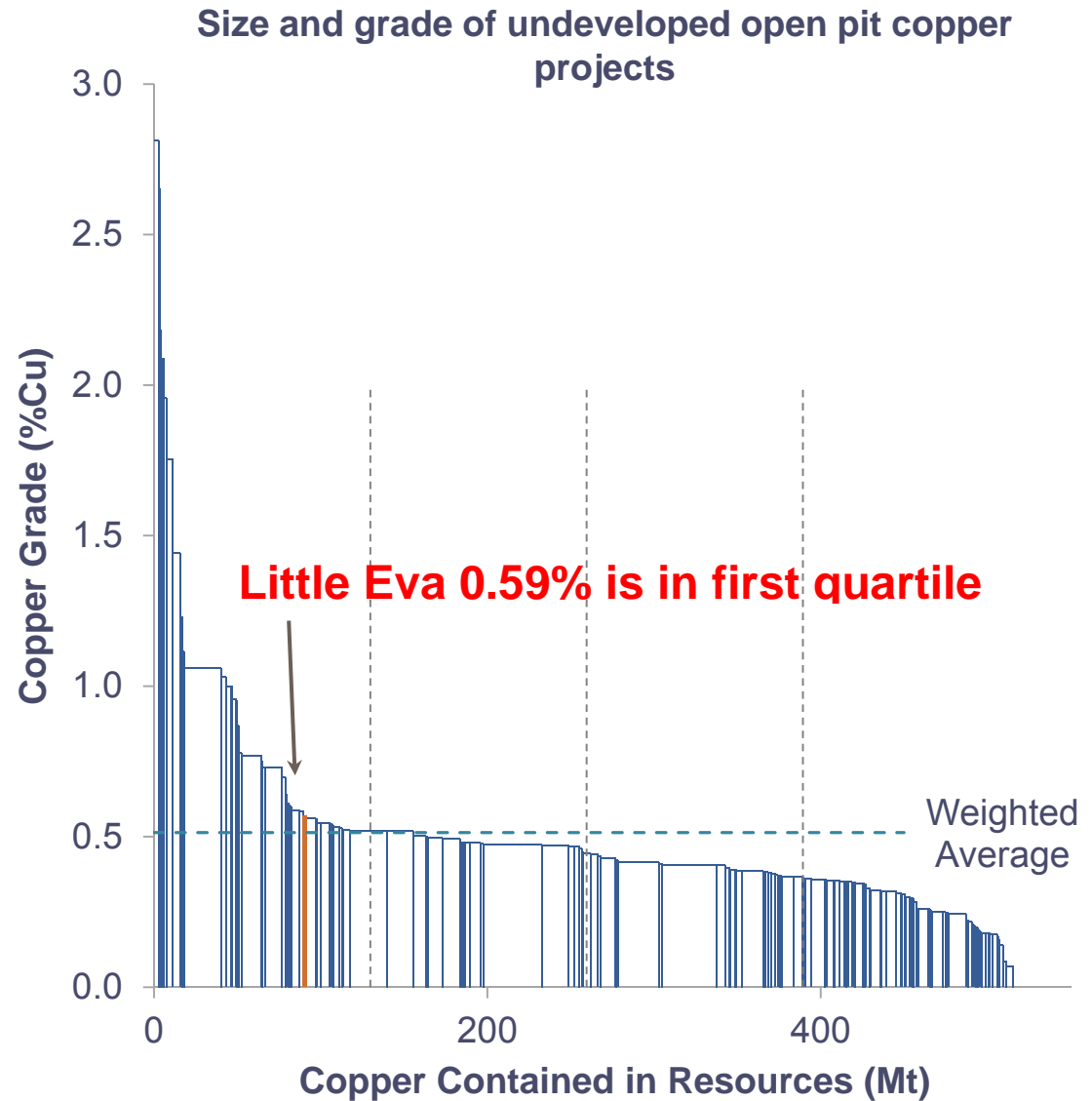
- Mining Licences granted
- Environmental Authority updated and granted
- Native title agreement complete
- Definitive Feasibility complete
- Production of 39,000tpa copper and 17,000ozpa gold
- 13 year life, optimisation at today's costs may deliver more ore
- Capital cost of A\$294M covered by A\$322M\* from transaction



# Robust Returns from 2014 DFS



- Capital and operating costs do not reflect today's lower cost environment
- EBITDA A\$117M
- NPV A\$346M
- C1 cash cost US\$1.65/lb
- All-in cash cost US\$1.96/lb
- Turkey Creek discovery will boost returns



# Resources and Exploration



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## Outstanding Resource inventory

- 287Mt at 0.6% copper, 0.04g/t gold for 1.65Mt copper and 0.4Moz gold

## Upside in Resources outside DFS

- Almost 1Mt of copper in 8 deposits not in DFS
- Prior DFS studies on these deposits
- Oxide ore not yet considered

## Exploration Upside

- Turkey Creek discovery first in area for decades
- Multiple targets in JV and 100% Altona tenure
- A\$60M past expenditure, great database



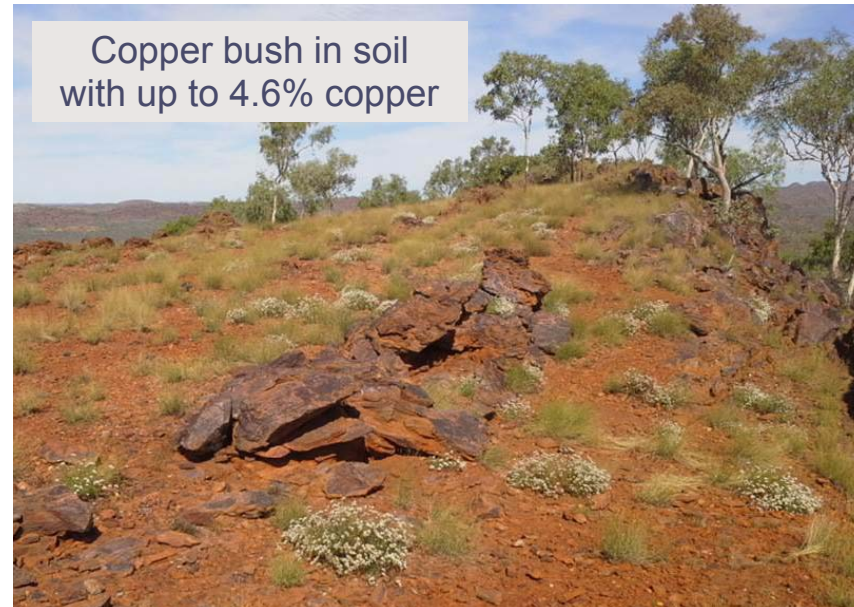
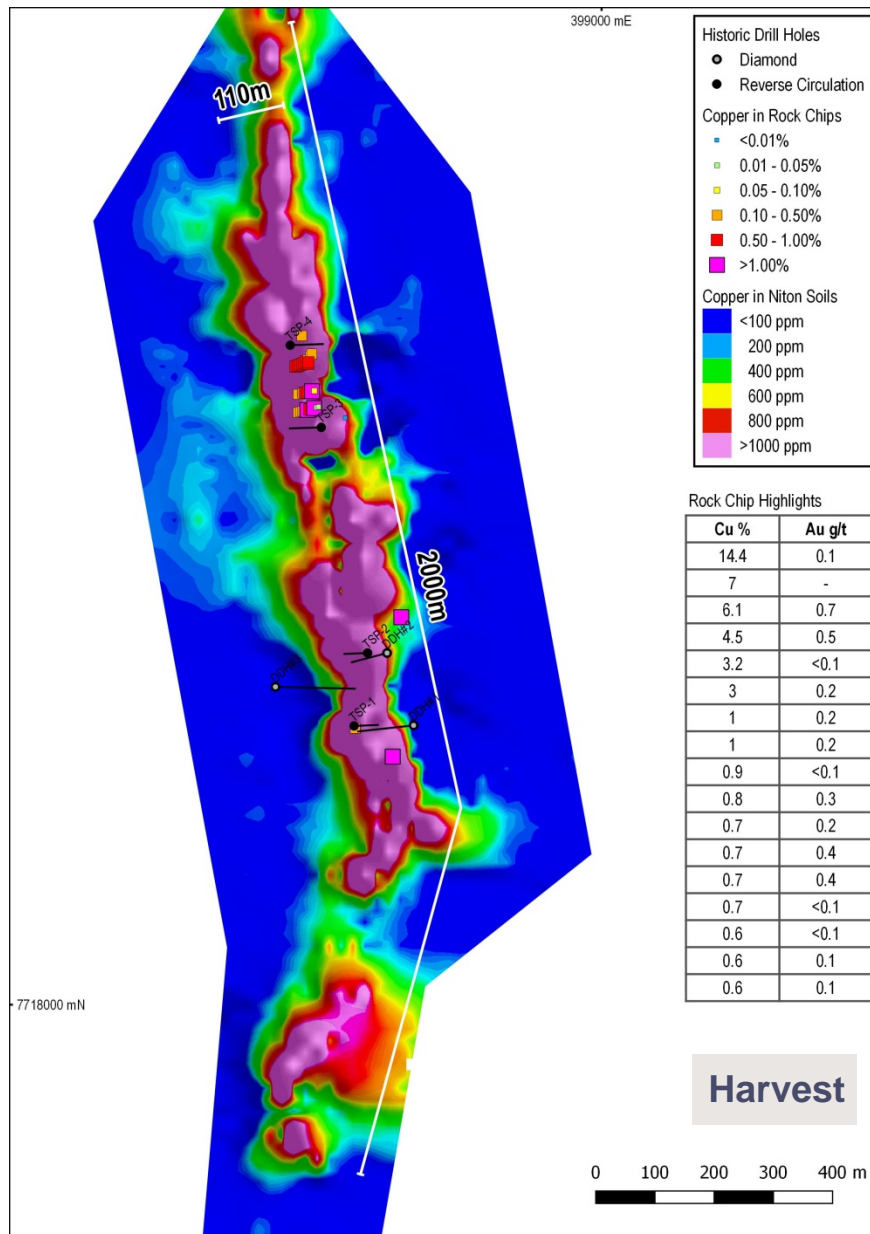
Copper flower and outcropping copper ore at Turkey Creek



# Example of New Target on 100% Altona Tenure



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## 4. VALUE AND THE NEXT STEPS



Drilling at Little Eva

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**Batteries =  
Electricity =  
Copper!**

**Market fundamentals for copper  
remain strong, demand forecast to  
overtake supply in 2018-19**

Native copper from  
drilling at Blackard



## How to Value Altona

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### On completion the JV will own:

- Project with pre-tax NPV of A\$346M\*
- EBITDA of \$117M\*

### Altona's share (34%) of cash and NPV is:

- A\$225M
- 42 cents per share

### Plus:

- Additional reserves at Turkey Creek
- Lower cost environment for construction / operation
- Exploration
- Recovering copper price

\* 2014 DFS

# Value is compelling!



## Exquisite timing

- Build at bottom of market and production into recovering market

## Undervalued and low risk

- No debt, dilution or call on shareholders. JV implies over 40 cents per share of value

## Best value in peer group

- One of few meaningful copper producer/developers on ASX

## Exploration excitement

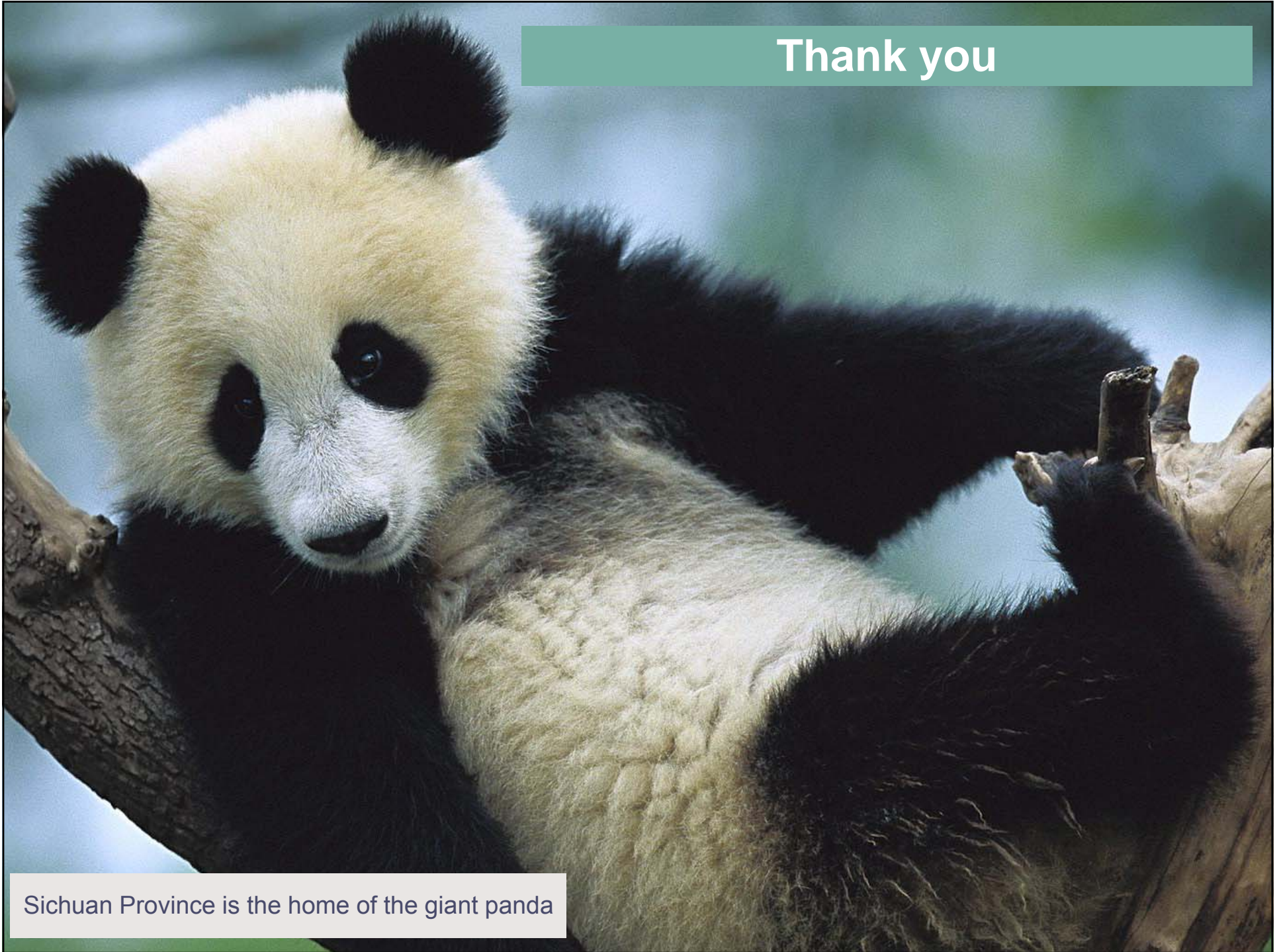
- Drilling pending on new 100% owned targets



Altona team  
at Cloncurry

Thank you

Sichuan Province is the home of the giant panda



## Appendices

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If you want to learn more about the **Little Eva Feasibility Study** please see ASX release of 13 March 2014

If you want to see the **Little Eva movie** illustrating the proposed development visit [www.altonamining.com](http://www.altonamining.com) Altona TV.

If you want more detail on the **SRIG deal** please see ASX release of 2 June 2016

If you want to learn about Altona's **sale of its Finnish assets** please see ASX announcement dated 8 July 2014

## Little Eva 2014 DFS: Key metrics



		Units
Project Life	11	Years
Throughput	7,000,000	Tonnes per annum
Average Strip Ratio	1:8:1	
Copper Grade	0.6	%
Gold Grade	0.1	g/t
Copper Production	38,800	Tonnes per annum
Gold Production	17,200	Ounces per annum
Capital Expenditure	294	A\$ millions
Life of Mine Revenue (NSR)	2,931	A\$ millions
NPV (7.5% pre-tax real)	346	A\$ millions
Internal Rate of Return	29	%
C1 Cash Cost	1.65	US\$ per pound copper
All-in Cash Cost	1.96	US\$ per pound copper
Operating Cost	21.58	A\$ per tonne milled

See ASX release dated 13 March 2014 for DFS details.



# Little Eva Development Ore Reserve Estimates



Reserve Classification	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
<b>Little Eva</b>					
Proved	31,200,000	0.64	0.08	198,200	84,700
Probable	22,200,000	0.50	0.09	109,900	62,600
<b>Turkey Creek</b>					
Probable	11,300,000	0.46	0	52,100	0
<b>Ivy Ann</b>					
Probable	3,500,000	0.60	0.08	21,000	9,000
<b>Lady Clayre</b>					
Probable	1,000,000	0.58	0.27	5,800	8,700
<b>Bedford</b>					
Probable	1,430,000	0.87	0.20	12,400	9,200
Total Proved and Probable Reserves (excl. stockpiles)	70,630,000	0.57	0.08	399,400	174,200
<b>Little Eva Low Grade Stockpile</b>					
Probable	15,400,000	0.18	0.06	28,100	30,900
<b>Contained Metal Including Stockpile</b>		<b>Copper (tonnes)</b>	<b>Gold (ounces)</b>		
		427,000	205,000		

See ASX releases dated 14 May 2012 and updated on 13 March 2014 and 21 June 2016.

# Cloncurry Project Mineral Resource Estimates



DEPOSIT	TOTAL			CONTAINED METAL		MEASURED			INDICATED			INFERRED		
	Tonnes	Grade		Copper	Gold	Tonnes	Grade		Tonnes	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>LITTLE EVA PROJECT</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
Turkey Creek	21.0	0.59	-	123,000	-	-	-	-	17.7	0.59	-	3.4	0.58	-
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	150.2	0.54	0.09	807,000	409,000	37.1	0.60	0.09	0.73	0.52	0.07	40.1	0.52	0.11
<b>OTHER 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>286.8</b>	<b>0.57</b>	<b>0.04</b>	<b>1,647,000</b>	<b>409,000</b>	<b>64.1</b>	<b>0.63</b>	<b>0.05</b>	<b>98.0</b>	<b>0.55</b>	<b>0.05</b>	<b>124.8</b>	<b>0.57</b>	<b>0.04</b>

\* 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 are classified and reported in accordance with the JORC Code 2012 edition. 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 methodology and attributions. 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 Note: All figures may not sum exactly due to rounding.

# JORC Compliance: Resources and Reserves



The information in this presentation relating to estimates of Mineral Resources and Ore Reserves is from the following reports:

ASX Release Date	Title of ASX Release	Outline of Relevance
<b>Resource Estimates</b>		
26 July 2011*	Roseby Resource passes one million tonnes of contained copper	Initial resource estimate for Little Eva deposit with 2004 JORC Table 1.
23 April 2012*	Further resource upgrades at Roseby Project	Resource estimates for Bedford, Ivy Ann and Lady Clayre deposits with relevant 2004 JORC Table 1.
14 May 2012*	Little Eva: A new large scale copper development	Little Eva Definitive Feasibility Study. Included an updated resource estimate for Little Eva due to the removal of surface oxide mineralisation from the resource estimate reported on 19 December 2011.
3 July 2012*	15% Resource Upgrade at Roseby Project	Resource estimates for the Blackard and Scanlan deposits with relevant 2004 JORC Table 1.
22 August 2012*	Further Resource Upgrade at Roseby Project	Resource estimate for the Legend deposit with 2004 JORC Table 1.
27 May 2014	JORC 2012 Resource estimate for the Little Eva deposit	Resource estimate for the little Eva deposit with 2012 JORC Table 1.
18 March 2015	Resource Estimate for the Turkey Creek deposit	Resource Estimate for the Turkey Creek deposit with 2012 JORC Table 1.
<b>Reserve Estimates</b>		
13 March 2014*	Cost review delivers major upgrade to Little Eva	Reserve estimates unchanged since ASX release of 14 May 2012.
21 June 2016	Turkey Creek - First Reserve Estimate	Turkey Creek reserves added to 2012 Reserves Estimate.

\* 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.

# JORC Compliance (continued)



The ASX releases referenced in the previous slide are on the Altona website at [www.altonamining.com](http://www.altonamining.com). The Company hedgehog 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.

**Copper equivalence:** When used, copper equivalence refers to copper in concentrate, not resources or reserves, or drill results. Revenues from gold is simply equated to copper revenue.

**Production target and forecast financial information:** Information in this presentation 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.

## Competent Person Statement and JORC Compliance

**Responsibility for entire release:** Information in this presentation 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 Mr Roland Bartsch, BSc(Hons), MSc, MAusIMM who are full time employees of the Company and who have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Dr Alistair Cowden and Mr Roland Bartsch consent to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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- **Find out more** - This presentation is being used as a presenter's aid with summary information. See Altona's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au) or [www.altonamining.com](http://www.altonamining.com), for more information. Key disclosures are, but not limited to, the disclosures listed below;
    - **Little Eva DFS** - ASX release dated 13 March 2014 disclosed the DFS outcomes and ASX release dated 14 May 2012 disclosed an update to that DFS
    - **SRIG transaction** - ASX release dated 26 June 2015 disclosed the Framework Agreement and ASX release dated 2 June 2016 disclosed the Variation to that agreement
    - **Sale of Finland**- ASX release dated 8 July 2014 disclosed the sale of Finnish assets and ASX release dated 29 January 2015 disclosed the return to shareholders
    - **Resources and Reserves** - See tabulations and commentary in the appendix to this presentation
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  - **Forward-looking statements** - Within this presentation there may be certain forward-looking statements, opinions and estimates. These are based on assumptions and contingencies which are subject to change without notice and are not guarantees of future performance. Altona assumes no obligation to update such information.
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- \* Exchange rate assumption 1 USD = 0.74AUD



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