

Quarterly Report June 2017



26 July 2017

ABOUT ALTONA

Altona Mining Limited (ASX: AOH) is a cashed up ASX listed company with a record of shareholder returns. It is 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.

Major permits are in place with proposed annual production of 38,800t of copper and 17,200oz of gold for a minimum of 10 years. A Definitive Feasibility Study was published in March 2014.

Key metrics as at 30/06/2017:

Shares on issue: 536,975,592
Share rights on issue: 8,419,200
Cash: A\$36.2M
Share price: 13 cents
Market capitalisation: A\$70M

Altona Mining Limited

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SRIG Transaction Terminated

- SRIG transaction: On 24 July, Altona announced the termination of the agreement with Sichuan Railway Investment Group (SRIG) due to SRIG failure to sign a Subscription Deed by 21 July 2017. The termination of this arrangement now frees Altona from its exclusivity obligations with SRIG.
- Project Strategy: Altona will now commence the process of engagement with third parties to realise value from the Cloncurry Project for shareholders.
- Definitive Feasibility Study: Altona is nearing completion of a major update to prior studies on the Cloncurry Copper Project. It is hoped to release the study and the financial modelling shortly.
- Cash Balance: At 30 June 2017 Altona's cash balance was A\$36.2 million. Altona has US\$23.6 million which was purchased at an average rate of AUD:USD of 0.754.

^{*} Assumes AUD:USD of 0.754.

ASX Releases

Altona lodged four ASX releases relating to its activities since the last Quarterly Report. These announcements provide a more detailed description of activities than this report.

28/04/2017	Quarterly Reports - March 2017
11/05/2017	FIRB Approve Cloncurry Project Transaction
03/07/2017	Cloncurry Copper Project Transaction Status
24/07/207	Cloncurry Copper Project Terminated

SRIG Joint Venture Transaction Terminated

On 24 July, it was announced to the market that the agreement with Sichuan Railway Investment Group (SRIG) had been terminated. The termination arose as a result of SRIG failing to execute an agreed Subscription Deed by 21 July 2017. If the Subscription Deed had been signed, this would have provided for a close of the then proposed transaction on 11 August 2017.

Under the existing agreement with SRIG, Altona was bound by certain exclusivity clauses which prevented Altona from engaging with any other party to transact on the Cloncurry Copper Project. The termination of the agreement with SRIG has now freed Altona from these obligations and it is now free to engage with other parties in relation to the Cloncurry Project.

Altona will recommence the process of engagement with its advisors to seek an alternative transaction with a third party that delivers value to shareholders.

Corporate

Altona maintains a strong cash balance

Altona had A\$36.28 million of funds on deposit at 30 June 2017. A portion of these funds (US\$23.65 million) is retained in US dollars. The US dollar funds were retained in anticipation of meeting its obligations under the now terminated transaction with SRIG.

Cash movements for the quarter are tabulated below:

	A\$ (millions)
Opening cash (31 March 2017)	37.19
Exploration, evaluation and licence fees	(0.48)
Corporate including SRIG transaction costs	(0.17)
Staff costs	(0.22)
Exchange rate movement and other	(0.04)
Closing cash (30 June 2017)	36.28

Share Price Activity on ASX

Quarter open	15¢
High	14¢
Low	13¢
Quarter close	13¢
Average daily volume	108,043

Cloncurry Copper Project (Altona 100%)

The Cloncurry Project offers a large resource of 290 million tonnes at 0.58% copper, 0.05g/t gold for 1.65 million tonnes contained copper and 0.4 million ounces gold and is close to infrastructure. It is located 90 kilometres north-east of Mt Isa and 11 kilometres north of MMG's Dugald River zinc mine which is in construction.

Permitted project with a DFS completed

The Little Eva copper-gold development is planned to be the first development at the Cloncurry Copper Project. A Definitive Feasibility Study ("DFS") announced by Altona on 13 March 2014 for Little Eva anticipates the construction of a 7 million tonne per annum open-pit mine and flotation plant capable of annual production of 39,000 tonnes copper and 17,000 ounces gold. Mine life is estimated to be 13 years.

The project sits within granted mining licences with native title agreements and an Environmental Authority ("EA") in place.

Little Eva part of an emerging mineral field

The Dugald River zinc mine 9 kilometres from Little Eva, is currently under construction. Dugald River is owned by MMG Limited. Construction of a 110kV power-line to Dugald River is completed. Altona has had initial discussions to access the power-line for the Little Eva development.

Update to DFS

Altona, as part of ensuring its readiness for the development of the project is preparing an update and synthesis of all technical work completed since the original DFS was released in 2012. This DFS Status Report will provide a current and comprehensive view of the project and an updated financial analysis.

This Study is expected to be released to market shortly.

Roseby South Project (Altona 100%)

Exploration footprint of 3,362km²

The Company has applications for 14 Exploration Permits ("EPM's") in the region surrounding its Cloncurry Project and Roseby South. The applications cover an area of 2,005 square kilometres. Altona holds 3,362 square kilometres of exploration tenure and applications in the Mt Isa area.

The new project areas are being targeted for copper-gold (IOCG) as well as gold only and lead-zinc-silver deposit types.

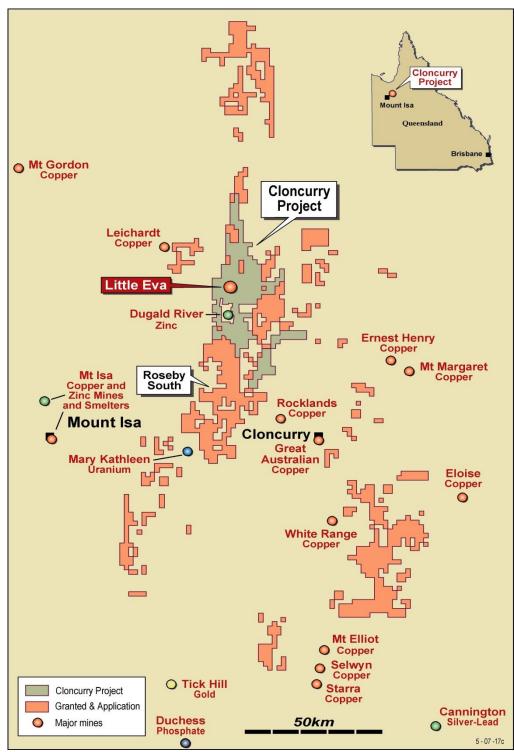


Figure 1. Tenement locations

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 and Mr Roland Bartsch, BSc(Hons), MSc, MAusIMM. Dr Cowden and Mr Bartsch 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 Mr Bartsch 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 per 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 revenues estimated from all metals (NSR) being copper, zinc, gold and silver.

Please direct enquiries to:

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Table 1: Resource Estimates for the Cloncurry Copper Project

	TOTAL		CONTAINED METAL		MEASURED		INDICATED			INFERRED				
DEPOSIT	Tannaa	Gra	ide	C	Cald	Tannaa	Gra	ade	Tanna	Gra	de	T	Grade	
	Tonnes million	Cu %	Au g/t	Copper tonnes	Gold ounces	Tonnes million	Cu %	Au g/t	Tonne million	Cu %	Au g/t	Tonnes million	Cu %	Au g/t
Deposit in Mine Plan														
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 ^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	4.8	0.80	0.21	38,000	32,000	-	-	-	2.3	0.95	0.23	2.5	0.66	0.19
Sub-total	153.3	0.54	0.09	829,000	430,000	37.1	0.60	0.09	74.0	0.52	0.07	42.2	0.53	0.11
Other 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	-
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	136.7	0.61	-	840,000	-	27.0	0.68	-	25.0	0.64		84.7	0.59	-
Total	290.0	0.58	0.05	1,668,000	430,000	64.1	0.63	0.05	99.0	0.55	0.05	126.9	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 (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.

Little Eva is reported above a 0.2% copper lower cut-off grade, all other deposits are above 0.3% lower copper cut-off.

The ASX releases referenced in Table 4 are available 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.

APPENDIX 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ABN

ALTONA MINING LIMITED

35 090 468 018

Quarter ended ("current quarter")

30 June 2017

)	Cons	solidated statement of cash flows	Current Quarter (3 months) \$A'000	Year To Date (12 months) \$A'000
)	1.	Cash flows from operating activities		
	1.1	Receipts from customers	-	-
)	1.2	Payments for		
1		(a) exploration & evaluation	(481)	(2,999)
/		(b) development	-	-
		(c) production	-	-
1		(d) staff costs	(171)	(916)
)		(e) administration and corporate costs	(219)	(1,297)
1	1.3	Dividends received (see note 3)	-	-
1	1.4	Interest received	11	158
)	1.5	Interest and other costs of finance paid	(1)	(3)
/	1.6	Income taxes paid	-	-
)	1.7	Research and development refunds	-	-
7	1.8	Other (provide details if material)	(93)	116
	1.9	Net cash from / (used in) operating activities	(769)	(4,941)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(12)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-

Cons	olidated statement of cash flows	Current Quarter (3 months) \$A'000	Year To Date (12 months) \$A'000
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(6)	(12)

	3.	Cash flows from financing activities		
	3.1	Proceeds from issues of shares	-	-
	3.2	Proceeds from issue of convertible notes	-	-
	3.3	Proceeds from exercise of share options	(3)	(3)
:	3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
) :	3.5	Proceeds from borrowings	-	-
;	3.6	Repayment of borrowings	-	-
	3.7	Transaction costs related to loans and borrowings	-	-
) :	3.8	Dividends paid	-	-
	3.9	Other (provide details if material)	-	-
	3.10	Net cash from / (used in) financing activities	(3)	(3)

١,				
	4.	Net increase / (decrease) in cash and cash equivalents for the period		
	4.1	Cash and cash equivalents at beginning of period	37,188	42,280
	4.2	Net cash from / (used in) operating activities (item 1.9 above)	(769)	(4,941)
	4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(12)
	4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
	4.5	Effect of movement in exchange rates on cash held	(127)	(1,041)
	4.6	Cash and cash equivalents at end of period	36,283	36,286

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	31,036	31,208
5.2	Call deposits	5,247	5,980
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36,283	37,188

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	155
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of executive and non-executive directors' fees, salaries and superannuation.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	206
9.2	Development	-
9.3	Production	-
9.4	Staff costs	222
9.5	Administration and corporate costs	254
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	682

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM26182 NW Qld	100% owned by Roseby Copper (South) Pty Ltd, a wholly owned sub- sidiary of Altona Mining Limited	-	100%

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 26 July 2017

(Director/Company secretary)

Print name: Eric Hughes

Notes

- 1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

SCHEDULE A

AUSTRALIAN MINING TENEMENTS

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

	Application Number	Name	Holder	Beneficial Interest
)	26281	Dooku	Roseby Copper (South) Pty Ltd	Application only
	26282	Tarkin	Roseby Copper (South) Pty Ltd	Application only

Interests in mining tenements acquired or increased during the quarter

Application Number	Name	Holder	Beneficial Interest
26565	Oola	Roseby Copper (South) Pty Ltd	Application only
26566	Bossk	Roseby Copper (South) Pty Ltd	Application only
26569	Gonk	Roseby Copper (South) Pty Ltd	Application only
26594	Taun	Roseby Copper (South) Pty Ltd	Application only
26595	Shmi	Roseby Copper (South) Pty Ltd	Application only

Interests in mining tenements at end of the quarter

All tenements held are in Queensland. The area under granted tenements within Queensland is 1,357 km² and the area under application is 2,005 km².

Mining Leases (ML) Cloncurry Copper Project

Number	Name	Holder	Beneficial
Number			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 Permits for Minerals (EPM) Cloncurry Project

Number	Name	Holder	Beneficial Interest Held
	1		
9611	Happy Valley	Roseby Copper (South) Pty Ltd	100%
14363	Bannockburn	Roseby Copper Pty Ltd	100%
14370	Malakoff	Roseby Copper (South) Pty Ltd	100%
14371	Mt. Angelay	Roseby Copper (South) Pty Ltd	100%
25757	Burke	Roseby Copper Pty Ltd	100%
25760	King	Roseby Copper Pty Ltd	100%

Exploration Permits for Minerals (EPM) Roseby South Project

Number	Name	Holder	Beneficial Interest Held
25759	Gray	Roseby Copper (South) Pty Ltd	100%
25761	Wills	Roseby Copper (South) Pty Ltd	100%
26182	Cameron Crossing	Roseby Copper (South) Pty Ltd	100%

Applications for Exploration Permits for Minerals (EPM)

Number	Name	Holder	Beneficial Interest Held			
Roseby South	Roseby South Project					
26283	Wicket	Roseby Copper (South) Pty Ltd	Application only			
Mount Isa Re	gional	•	•			
26277	Antilles	Roseby Copper (South) Pty Ltd	Application only			
26278	Fortuna	Roseby Copper (South) Pty Ltd	Application only			
26279	Malakili	Roseby Copper (South) Pty Ltd	Application only			
26280	Wedge	Roseby Copper (South) Pty Ltd	Application only			
26284	Sebulba	Roseby Copper (South) Pty Ltd	Application only			
26285	Watto	Roseby Copper (South) Pty Ltd	Application only			
26365	Rebo	Roseby Copper (South) Pty Ltd	Application only			
26367	Salacious	Roseby Copper (South) Pty Ltd	Application only			
26565	Oola	Roseby Copper (South) Pty Ltd	Application only			
26566	Bossk	Roseby Copper (South) Pty Ltd	Application only			
26569	Gonk	Roseby Copper (South) Pty Ltd	Application only			
26594	Taun	Roseby Copper (South) Pty Ltd	Application only			
26595	Shmi	Roseby Copper (South) Pty Ltd	Application only			