

31. Januar 2014

ÜBER ALTONA

Altona Mining Limited (ASX: AOH) ist ein internationaler Basismetallproduzent und konzentriert sich auf Kupfer.

Das Unternehmen hat zwei Hauptvorkommen:

Das Outokumpu Projekt im Südosten Finnlands umfasst eine Untertage- mine mit Verarbeitungsanlage. Die Produktion startete 2012 und liegt bei durchschnittlich 9.000 t p.a. Kupfer, 9.000 Unzen Gold/ p.a. und 1.600 t p.a. Zink.

Das Roseby Kupferprojekt nahe Mt. Isa in Queensland mit einer Resource von 1,52 Mio. t Kupfer und 0,38 Mio. Unzen Gold. Es wurde eine Definitive Machbarkeitsstudie für eine 7 Mio. t Kupfer-Gold Tagebauminerale und einen Konzentrator auf Little Eva erstellt.

Ausgeg. Aktien: 532.234.704
Ausgeg. Optionen: -
Ausgeg. Aktienrechte: 13.803.729
Barmittel: 20,2 Mio. AUD

Marktkapitalisierung
@ 18 Cents/Aktie 96 Mio. AUD

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Outokumpu Kupferproduktion voll im Plan und trifft erhöhte Planziele

DEZEMBER QUARTALSPRODUKTION

Kupferkonzentrat	2.145 Tonnen
Gold im Konzentrat	2.363 Unzen
Kupfer äquivalent	2.698 Tonnen
C1 Betriebskosten	2,13 USD/ Pfund Kupfer

PRODUKTION IM JAHRESVERGLEICH

Kupferkonzentrat (YTD) von 4.822 Tonnen mit C1 Betriebskosten 1,71 USD/Pfund, innerhalb des Zielbereiches von 1,60-1,75 USD/Pfund

- **Produktion** – Die Produktion im Dezemberquartal auf dem Outokumpu Projekt war stabil. Die bisherige Jahreskupferproduktion liegt bei 4.822 Tonnen und liegt somit voll im Plan um die erhöhten Produktionsziele zu erfüllen.
- **Kosten** – Die bisherigen C1 Betriebskosten im Jahr liegen bei 1,71 USD/Pfund und im Plan. Die höheren C1 Betriebskosten mit 2,13 USD/Pfund Kupfer im abgelaufenen Quartal wurden durch Instandhaltungsaufwendungen für die Mühle und Mine sowie durch tiefere Golderlöse verursacht.
- **Cash Flow aus Betrieb** – Der operative Cash Flow lag bei 4,2 Mio. AUD nach Kapitalausgaben.
- **Schuldentilgung** - Altona leistete eine frühere Tilgung in Höhe von 10,45 Mio. USD auf die ausstehenden Darlehen. Die Tilgung konnte durch 5,4 Mio. USD aus der Gewinnrealisierung der Auflösung des Gold-Hedgebuches und aus vorhandenen Barmitteln geleistet werden. Die Restschulden belaufen sich auf 10 Mio. USD..
- **Barmittel** – Die Barmittel liegen bei gesunden 20,2 Mio. AUD trotz der früheren Schuldentilgung in Höhe von 10,45 Mio. USD.
- **Kylylahti Erweiterungsbohrungen** – Die erste Phase der Bohrungen für die Tiefenerweiterung der Mine ist abgeschlossen und ergab spektakuläre Abschnitte mit 108 m @ 2,4% Kupfer inklusive einer hochgradigen Zone mit 58 m @ 4,2% Kupfer..
- **Little Eva Partnersuche** - Altona hat das Little Eva Projekt in China angeboten und diverse Parteien führen derzeit Bewertungen durch um ins Projekt einzusteigen.
- **Little Eva Machbarkeit** – Laufende Arbeiten um die Kostensituation der Definitiven Machbarkeitsstudie vom Mai 2012 anzupassen.

Weiter gehts im Englischen Original!
Outokumpu Operations

	Production Statistics	Metric	This Quarter	Last Quarter	Year to Date	
High volumes of production maintained into the second quarter. Year to date copper grade in line with reserve average	Ore mined	Tonnes	166,901	167,997	334,898	
		Copper (%)	1.48	1.83	1.66	
		Gold (g/t)	0.65	0.75	0.70	
		Zinc (%)	0.66	0.80	0.73	
	Ore milled	Tonnes	166,110	162,816	328,926	
		Copper (%)	1.41	1.77	1.59	
		Gold (g/t)	0.62	0.72	0.67	
		Zinc (%)	0.69	0.79	0.74	
	Recovery	Copper (%)	91.6	92.6	92.0	
		Gold (%)	72.0	77.6	74.9	
		Zinc (%)	48.2	53.6	51.3	
	Contained metal in concentrates	Copper (t)	2,145	2,677	4,822	
		Gold (oz)	2,363	2,934	5,297	
		Zinc (t)	561	688	1,249	
		Silver (oz)	16,257	21,392	37,649	
	Copper equivalent	Tonnes	2,698	3,381	6,079	
	Sales					
	Copper concentrate delivered	Tonnes	10,814	11,996	22,810	
	Contained metal	Copper (t)	2,184	2,676	4,860	
	Gold (oz)	2,427	2,938	5,365		
	Silver (oz)	15,937	21,157	37,094		
Zinc concentrate delivered	Tonnes	1,182	1,278	2,460		
Contained metal	Zinc (t)	584	609	1,193		
Realised price*						
Copper	USD/lb	3.33	3.27	3.30		
Gold	USD/oz	1,361	1,461	1,416		
Silver	USD/oz	19.89	22.23	21.43		
Zinc	USD/lb	0.84	0.80	0.82		
Revenues**						
Copper	USD millions	15.16	18.02	33.18		
Gold	USD millions	2.81	3.06	5.87		
Zinc	USD millions	0.90	0.85	1.75		
Silver	USD millions	0.11	0.24	0.35		
Total	USD millions	18.98	22.17	41.15		

* *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 improving with mill operations receiving an industry award

There was one Lost Time Incident in the quarter at the Kylylahti mine arising from a minor contusion to a miner's knee. The Medically Treated Injury Frequency Rate per one million man hours has reduced to 10 and is showing a steady improvement.

The Luikonlahti mill received the regional rescue organisation's annual Safety Culture Award in recognition of the work completed for improving safety culture at the mill. The mill has achieved 191 days without a Lost Time Incident.

Significant effort continues to be applied to safety, particularly at the Kylylahti mine, The rolling 12 months Lost Time Injury Frequency Rate remains persistently high at 13 despite best efforts to improve safety performance.

There was one minor, water leakage incident at the Kylylahti mine in December. A written notice to the local monitoring authority was issued. The environmental impact was negligible.

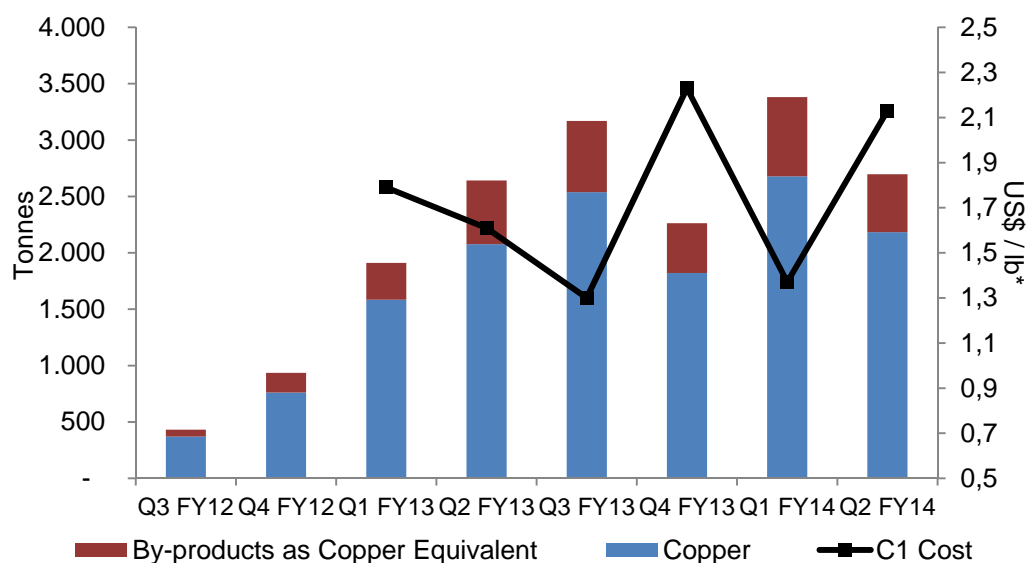
Altona has 218 employees and contractors in Finland and 12 employees in Australia.

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 iron and cobalt.

Copper and gold production levels were in line with guidance. Excellent volumes at the mine and mill were mitigated by lower than average grades. Production expressed as copper equivalent points to full year production of 11,000-12,000 tonnes copper equivalent. Copper equivalent equates revenues from byproducts with copper revenue.

Quarterly Production of Metal in Concentrate and Cash Cost by Quarter



*C1 cash cost calculated per Brook Hunt methodology. Cost data during commissioning period not meaningful.

Preparations required to mine the first transverse stopes have commenced. Transverse stoping brings better resource recovery and more flexibility in mine planning but requires more development. This will result in above average C1 cash costs for the March quarter. Grades for the March quarter are expected to remain below average but higher grades and corresponding lower cash costs are expected for the June quarter.

Year to date cash costs on track

C1 cash costs were higher in the December quarter due to a combination of lower copper head grades, the significant cost of a rod mill replacement undertaken in October and lower gold prices.

The year to date C1 cost of US\$1.71 per pound of copper is well within the revised guidance range of US\$1.60-1.75 per pound of payable copper.

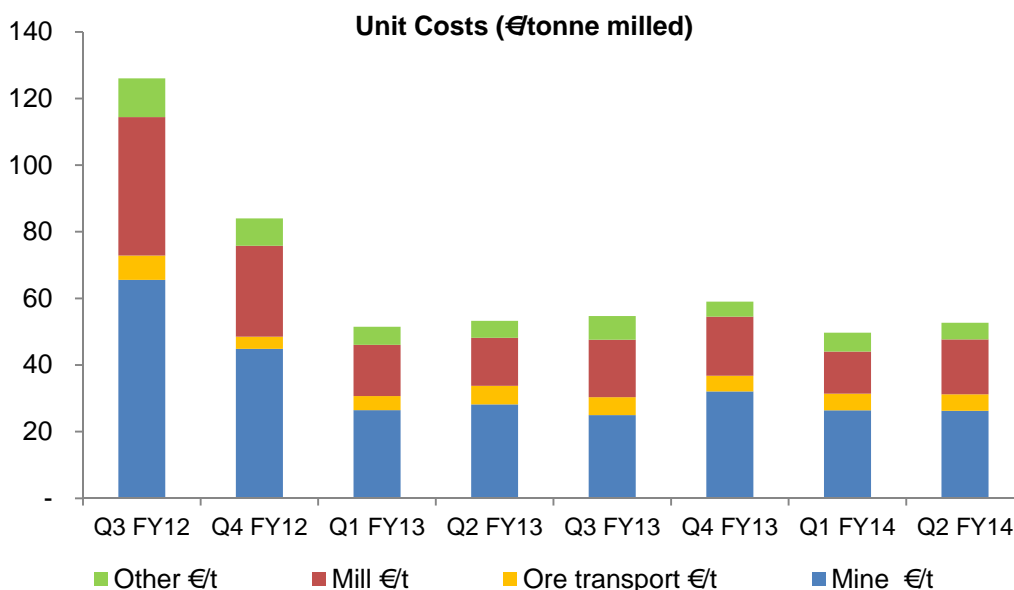
Cost Performance	This Quarter (US\$M)	This Quarter (US\$/lb)	Year to Date (US\$/lb)
Mining costs	5.93	1.30	1.13
Ore trucking costs	1.12	0.24	0.22
Site processing costs	3.71	0.81	0.63
TC/RC and transport	1.92	0.42	0.39
Other cash costs	0.58	0.12	0.12
Net gold, silver and zinc credits	(3.46)	(0.76)	(0.78)
C1 Cash cost per pound payable copper*		2.13	1.71
Capital expenditure	3.72	0.81	0.80
Financing costs	0.38	0.08	0.08
Total Expenditure (capital and operating)	13.90	3.02	2.59

Note: No royalties are payable in Finland.

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

Unit cost performance steady

Unit cost performance in the local currency (Euros) remains pleasingly consistent with the average for the quarter being €52 per tonne of ore milled.



The graph above highlights the excellent performance of the operation in quickly establishing steady state production and keeping unit costs low. There remain opportunities to improve costs and mining and processing productivity and these will be tackled in a programme of continuous improvement.

Capital expenditure at the mine for the quarter consisted of approximately US\$1.8 million of decline and level development which was similar to the previous quarter. Expenditure on ventilation, water management and electrification totalled US\$1.1 million. Discretionary spending totalled US\$0.3 million, mainly related to deep drilling.

Capital expenditure at the mill for the quarter consisted of approximately US\$0.5 million reflecting the commencement of construction of the new cobalt-nickel concentrate storage dam. The forecast total cost for Stage 1 is currently estimated to be US\$5.4 million (€4M) of which approximately US\$3.3 million will be spent this financial year. US\$0.2 million was spent on miscellaneous discretionary items.

Production Guidance

Guidance on track Production guidance for FY2014 was upgraded last quarter from 7,600 to 8,400 tonnes of copper and remains unchanged. Ore production and copper and gold volumes are expected to be at the upper end of the guidance range of 8,000 to 8,800 tonnes of copper and, dependent on grades in the June quarter, have the potential to exceed guidance. C1 costs are expected to be at the upper end of guidance.

Production Guidance for 2013/2014

Ore tonnes	570,000-625,000 tonnes
Copper grade	1.50-1.65%
Gold grade	0.60-0.70g/t
Copper metal in concentrate	8,000-8,800 tonnes
Gold in concentrate	8,400-9,200 ounces
Zinc metal in concentrate	1,600-1,800 tonnes
C1 cash costs per pound payable copper (after credits)	US\$1.60-1.75/lb copper

Capital expenditure for FY2014 has been reviewed and is expected to be at the top of the guidance previously offered of €14-16 million. Capital costs will fall significantly in FY2015 once Stage 1 of the new concentrate storage dam is completed and mine development pauses in December 2014.

Kylylahti Mine

Ore production volumes were excellent Ore production was higher than planned for the quarter. The copper grade of 1.48% was slightly below expectations due to difficulties encountered with one high grade stope late in December.

Nine stopes were completed and filled during the quarter and two new stopes were open at the end of the period. On average two to three stopes were open at any point in time.

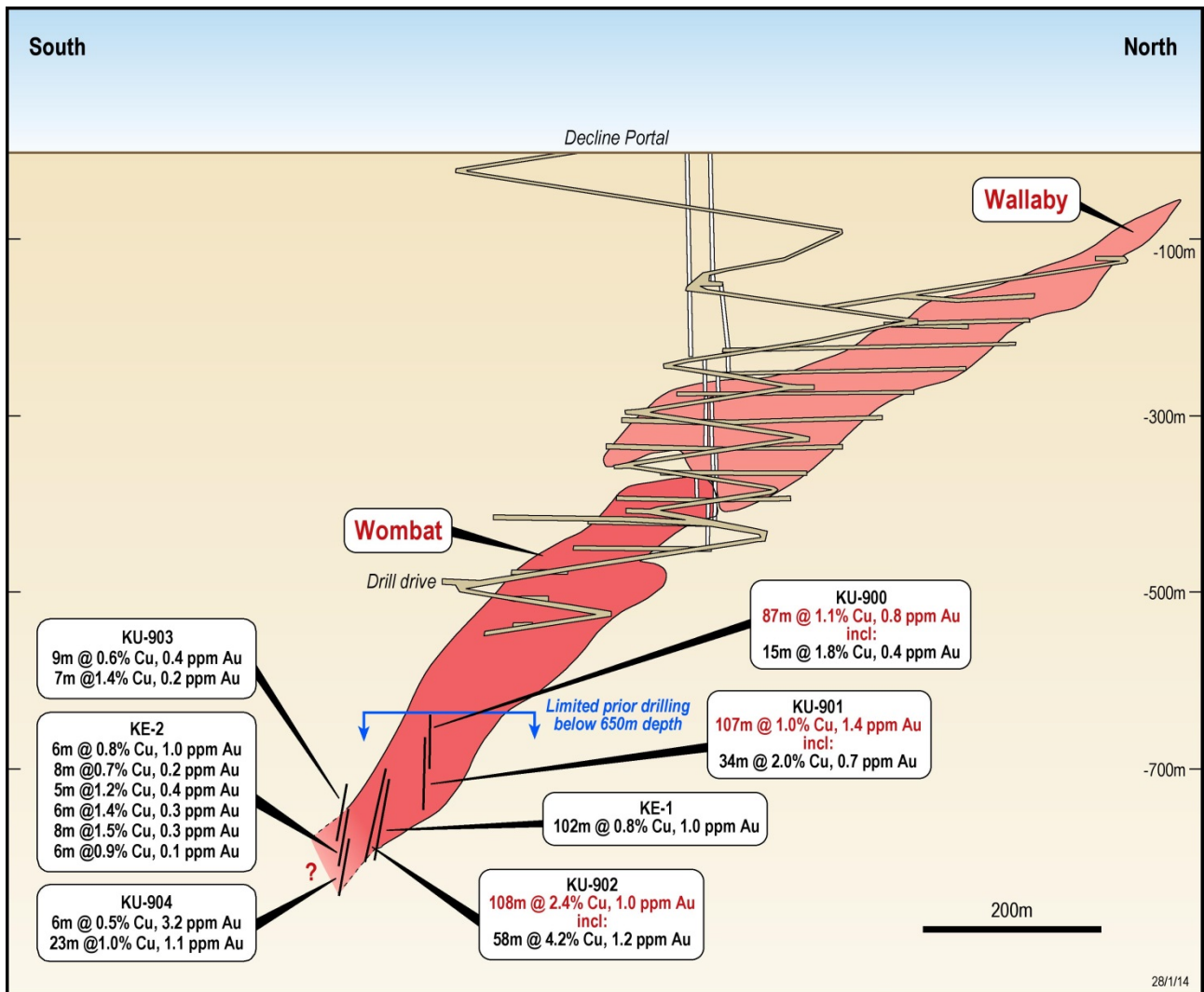
Mine is 564 metres deep

Some 1,008 metres of decline and level development and 32 metres of ventilation raises were completed in the quarter and mine development is now down to 564 metres below surface. The decline is planned to reach its final depth of 800 metres in 2016. However, given the results of deeper drilling, it is expected that mining will continue to greater depths.

Entering the lower Wombat orebody and transverse mining starts

The first stope in upper Wombat zone is expected to commence in March 2014. Transverse stoping is due to commence on the Wombat 440RL level in the June quarter. This new mining method will bring increased flexibility and certainty to stoping activities. Preparations for transverse stoping require more level development compared to longhole stoping which was used for the narrower Wallaby zone. Accordingly, additional utilisation is being made of the decline contractor's jumbo to meet the demand and additional rockbolting equipment has been contracted. Development costs will therefore be elevated in the next few quarters.

Kylylahti Resource Development and Exploration



Longitudinal section of the Kylylahti mine showing the mine plan, drill drives and deep drilling results.

First deep drilling programme complete with excellent results

The first stage of the Deep Drilling Programme was completed. A total of seven holes were drilled for a total length of 2,660 metres. Two of the holes were drilled inside reserves to improve definition within the lower Wombat zone and five of the holes were drilled as extensions below the current reserves.

The programme successfully intersected ore below the previous deepest drillhole. One intersection in hole KU-902 was the best ever drilled at the Kylylahti deposit returning 108 metres at 2.4% copper and 1g/t gold. Three holes were drilled deeper and to the south of KU-902.

Two of the holes intersected multiple thin massive sulphide zones and one intersected hanging wall copper dissemination with high gold grades and was terminated by a structure.

Tabulation of intercepts from deep drilling programme, December 2013

Hole	From (m)	Width (m)	Copper (%)	Gold (g/t)
KE-1	245	102	0.8	1.0
Including:	251	12	2.0	2.6
	263	85	0.6	0.8
KU-900	189	87	1.1	0.8
Including:	194	19	0.7	1.5
	214	9	0.5	1.0
	223	15	1.8	0.4
	252	25	1.9	0.8
KU-902	163	5	2.1	0.8
	237	108	2.4	1.0
Including:	237	5	0.2	5.1
	243	30	0.5	0.2
	287	58	4.2	1.2
KU-901	192	107	1.0	1.4
Including:	192	12	0.1	3.6
	218	17	0.6	2.0
	236	5	1.1	4.4
	250	29	0.5	0.6
	279	34	2.0	0.7
KU-903	285	8.5	0.6	0.4
	319	7.4	1.4	0.2
KE-2	285	7	0.8	1.0
	295	8	0.7	0.2
	305	5	1.2	0.4
	329	6	1.4	0.3
	351	8	1.5	0.3
	375	6	0.9	0.1
KU-904	241	6	0.5	3.2
	260	23	1.0	1.1

Drillhole intersections are reported using a 0.4% copper cut-off and a 2 metres minimum width.

** For details of drilling methodology see Table 3 on pages 9-13 of ASX Release dated 26 November 2013.*

The deeper drilling has indicated structural complexity similar to that seen in several locations in the upper part of the mine, especially in the Gap area. Experience in the Gap area highlighted that resolving structural complexity was best undertaken by detailed stope definition drilling.

A detailed structural interpretation of the lower part of the mine accompanied by downhole geophysical surveys will be undertaken prior to any further deep drilling.

More spectacular high grades from the Wombat zone

This quarter the focus of definition drilling was on the definition of the upper part of the Wombat zone in the same area where excellent results were reported last quarter. The Wombat zone has continued to deliver thicker and significantly higher grade intercepts than were anticipated in the current resource model. The better intercepts include:

Hole	From (m)	Width (m)	Copper (%)
KU-366	40.0	35.0	2.1
KU-367	60.0	37.0	1.9
KU-381	68.0	33.0	3.2
KU-385	81.0	33.0	1.9
KU-386	38.0	17.0	2.5
KU-409	74.0	14.0	3.9
KU-410	72.0	33.0	2.2
KU-411	75.0	34.0	2.8
KU-412	72.0	19.0	4.4

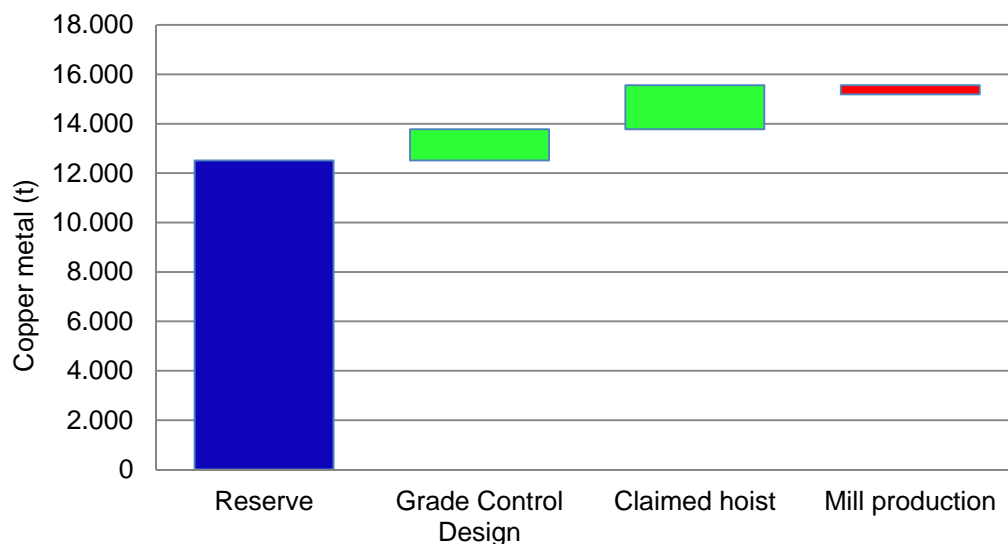
Drillhole intersections are reported using 0.4% copper cut-off and 2 metres minimum width.

When underground definition drilling is undertaken, pre-mining resource estimates are often found to be conservative. This drilling usually increases grade and tonnes of high-grade massive sulphides at the expense of low-grade disseminated ore.

Definition drilling upgrades reserves

The graph below highlights the uplift in contained metal and copper grade from the initial ore reserve as a result of grade control drilling to mine's claimed hoist.

Reconciliation of initial ore reserve model to actual mill production



The minor negative reconciliation from the mine to mill actual production is far outweighed by the positive upside realised from reserves to claimed hoist.

Hanging wall gold zone delivers high grade results

Definition drilling has also continued to target the recently identified gold-rich zones in the hangingwall of the deposit. These zones are readily accessible using the current mine infrastructure. Drill intercepts include:

Hole	From (m)	Width (m)	Copper (%)	Gold (g/t)
KU-276	93.0	5.0	0.3	4.0
KU-385	7.0	8.0	0.0	2.1
KU-385	23.0	11.0	0.3	3.9
KU-423	51.0	3.0	0.2	3.9
KU-800	14.0	5.0	0.1	3.1

Drillhole intersections are reported using a 1g/t gold cut-off and a 2 metres minimum width.

Resources and Reserves

Resources and Reserves upgrade due soon

Mineral Resources and Ore Reserves are in the process of being updated effective 31 December 2013 and will be released to the market when completed in February/March 2014.

An outlook for production and cost performance will be given once the new mine plan (reserves) is available.

Luikonlahti Mill

Plant performance exceeds design

The Luikonlahti processing plant operated at a rate controlled by ore availability and throughput matched the mine's output for the quarter. Relative to plan throughput was 6% above expectations whilst grade was 8% below.

Feedrate averaged 84tph for the quarter relative to the 69tph design. Utilisation averaged 91% which was excellent considering four days in October were lost to a scheduled rod mill replacement. Ignoring this, average daily utilisation was 94%.

The mill operated at an annualised rate of 660,000 tonnes for the quarter relative to 550,000 tonnes per annum design. This represents a 20% outperformance.

Copper and gold recoveries were in line with design recovery of 91.6% and 72%, respectively. Concentrate grade was down (20% copper relative to design 24% copper). Whilst concentrate grades previously averaged 22% copper, there is some evidence that higher feed rates achieved in this last quarter are impacting on concentrate grade. This will be rectified as part of the plant debottlenecking project in 2014.

Zinc recovery and concentrate grade of 48.2% and 47.5% zinc, respectively, were slightly below design of 50%.

Planning work has commenced on de-bottlenecking the plant to ensure a sustainable throughput of 700,000 tonnes per annum whilst maintaining or improving design metal recoveries and concentrate grades.

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

Cobalt-nickel treatment pre-feasibility study underway

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 is readily saleable to refineries.

In December 2013, Outotec was awarded a contract to complete a similar pre-feasibility study based on their atmospheric chloride leach technology. The study will comprise bench scale test work, process engineering, and estimates of both operation and capital costs at +/-35% accuracy. Samples for testwork have been sent to Outotec's Pori Research Centre, and the study is scheduled to be completed in the June quarter.

On completion of the study, Altona will select its preferred process route and determine if a full feasibility is warranted.

A permit to allow processing of up to 1 million tonnes per annum of a variety of ore sources and to operate the new concentrate dam is in the regulatory approval process. Public comment has been received and discussions held with relevant authorities. The permit is expected to be available in March 2014.

Little Eva Project

Little Eva has permits in place and a completed DFS

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 completed in May 2012.

Definitive Feasibility Study update underway

There have been a number of developments since the completion of the DFS. The most significant being the reduction in mining contract rates, engineering costs and construction costs.

GR Engineering Services have commenced a review of costings for the study and a refreshed and updated study will be available in the March quarter.

Partnering process continues

The process to sell, partner or finance the Little Eva Project continues. With the assistance of a China based investment bank, a marketing trip was undertaken in December 2013 to meet a number of private and state owned enterprises who had expressed interest in the Little Eva Project. Dialogue with these parties continues.

Resource review underway

The Little Eva deposit was discovered in the 1970s and has had drilling undertaken by a number of organisations using a variety of data capture and recording systems.

Altona has completed an extensive programme of data validation, re-logging and re-classifying prior drilling for a unified geological model. This exercise has significantly improved geological control of resource estimation and an updated resource estimate is nearing completion. Results will be available during the first quarter of this calendar year.

Roseby South Joint Venture

Chinalco Yunnan Copper Resources Ltd ("CYU") has commenced exploration activities to earn an interest in respect of the southern tenements at Roseby Project (see attached map).

CYC announced results of a reverse circulation drilling programme at the Millenium prospect which lies in part within Roseby South joint venture. The drilling confirmed historic drilling results and included 19 metres at 1.27% copper and 0.7 g/t gold and 5 metres at 1.37% copper and 0.5 g/t gold.

In addition, CYC completed initial rock chip sampling at Native Companion returning up to 26.9% copper and 2.86 g/t gold in outcropping oxide mineralisation.

Kuhmo Nickel Project

The Company has retained core tenements around defined resources and is focused on permitting these potentially mineable deposits.

Corporate

Management appointment

Mr Antti Pihko has been appointed as Managing Director, Finland effective 1 February 2014. Mr Pihko will be part of Altona's senior management team reporting directly to the Managing Director.

Mr Pihko holds a M.Sc. (Mining Engineering) and a M.Sc. (Economics). Since joining the Outokumpu Group in 1989, he has held several managerial positions in Finland and overseas in nickel, zinc, copper, ferrochrome and stainless steel businesses before taking up a position of Vice President - Kemi Mine in September 2009. Coupled with his extensive operational experience, he has held board roles with the International Chrome Development Association and the Finnish Association of Mining and Metallurgical Engineers and was past President of the Finnish Association of Extractive Resources Industry (FinnMin).

Altona's current Finland Managing Director, Mr Jarmo Vesanto, will work alongside Mr Pihko to ensure a smooth transition. Mr Vesanto will, after a period of time, focus on growth projects and more strategic matters for Altona in the greater Nordic region.

Debt

Debt reduced to US\$10 million

The Company had US\$10 million of debt with Credit Suisse at 31 December 2013. Regular principal repayments commence in March 2014. Altona also has €2.3 million of finance leases for mining equipment.

The Company made a US\$10.45 million (A\$11.05 million) early repayment of debt at the end of the quarter. The balance of the facility was reduced from US\$20.45 million to US\$10 million. The debt reduction was funded by the close out of gold hedging

(US\$5.40 million) and cash reserves (US\$5.05 million). The remaining debt will be amortised over the period to June 2016.

The repayment reflects the strong performance at the Outokumpu operations and considerably strengthens Altona's balance sheet.

Half Year Result

Altona's Half Year Results will be released to the ASX on or about 28 February. This report will be subject to review by the Company's external auditors.

Cash

**Strong cash
balance of
A\$20.2 million**

The Company has A\$20.2 million in cash after making an early debt repayment of US\$10.45 million at the end of the quarter. Receivables from concentrate sales stand at A\$10.45 million and ROM and concentrate inventories stand at A\$1.14 million at the end of the quarter. The cash balance is down from A\$25.7 million on the prior quarter reflecting the early repayment of debt.

Cash movements for the quarter are tabulated below:

	A\$ (millions)
Opening cash (1 st October)	25.73
Proceeds from concentrate sales	18.93
Proceeds from close out of gold hedge	5.71
Outokumpu operating costs	(12.36)
Sustaining capital expenditure *	(4.63)
Other capital expenditure	(0.23)
Finance costs and debt repayment	(11.57)
Roseby activities	(1.31)
Overheads/Corporate	(0.99)
Interest received and other **	0.91
Closing cash position (31st December)	20.19

* *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

The Company closed out its gold hedge book of 12,919 ounces during the quarter realising US\$5.40 million. This was applied to the reduction of debt. The Company has no gold hedging remaining but has copper and zinc hedges denominated in Euros. Deliveries into the hedge book this quarter were 967 tonnes of copper at €5,575 per tonne, 832 ounces of gold at €1,192 per ounce and 210 tonnes of zinc at €1,462 per tonne.

The schedule of outstanding metal deliveries is given below. Hedge prices have been converted to US\$ using the closing rate at the end of December 2013.

Year ended 30 June	Copper (tonnes)	Copper (US\$/t)	Zinc (tonnes)	Zinc (US\$/t)
2014	1,482	7,786	387	2,013
2015	2,946	7,786	804	2,013
2016	3,264	7,786	809	2,013
Total	7,692		2,000	

**Hedge book
has positive
value of
US\$3.7 million**

At the time of writing, the copper price was US\$7,155 per tonne and the zinc price US\$1,978 per tonne. The mark to market value of copper and zinc hedging at 31 December 2013 is US\$3.7 million.

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 recorded an accounting loss of US\$0.03 million on these hedges for the quarter.

Share Price Activity on ASX

Quarter open	0.12¢
High	0.185¢
Low	0.12¢
Quarter close	0.15¢
Average daily volume	584,935

Competent Persons Statement

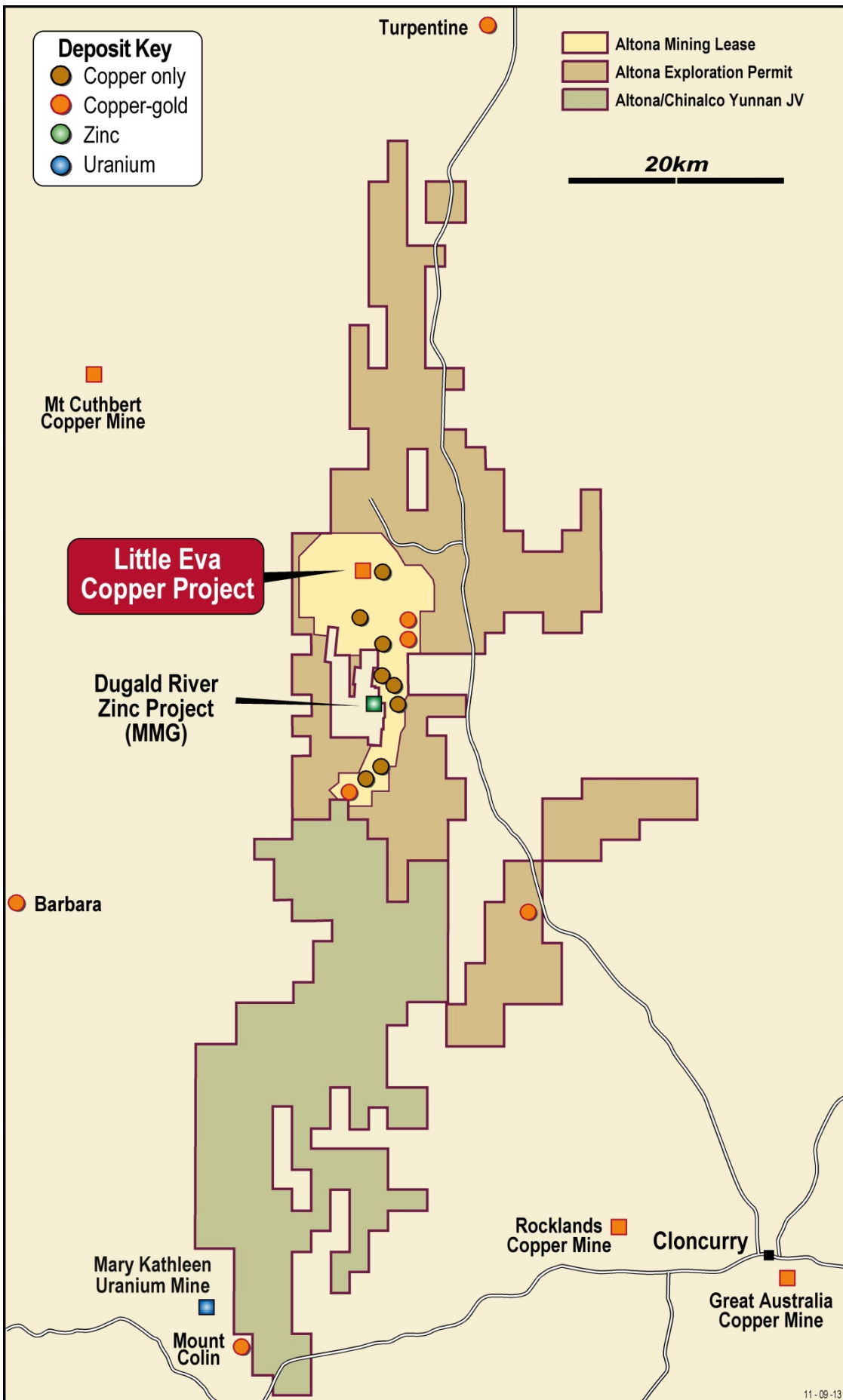
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG, Mr Jarmo Vesanto MSc, MAusIMM, Mr Jani Impola, MSc, MAusIMM and Mr Jari Juurela MSc, MAusIMM. Dr Cowden, Mr Vesanto, Mr Impola and Mr Juurela 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, Mr Vesanto, Mr Impola and Mr Juurela consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Please direct
enquiries to:**

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Altona tenement holdings in Queensland. The Little Eva Project comprises the northern tenure.

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
Copper-Gold Deposits														
Little Eva	100.3	0.54	0.09	538,000	271,000	36.3	0.63	0.08	41.4	0.48	0.08	22.6	0.49	0.11
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	123.4	0.55	0.10	675,000	384,000	36.3	0.63	0.08	51.7	0.52	0.09	35.5	0.51	0.13
Copper Only Deposits														
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	
TOTAL	260.1	0.58	0.05	1,515,000	384,000	63.2	0.65	0.05	76.7	0.55	0.06	120.1	0.56	0.04

See ASX release of 26 July 2011, 19 December 2011, 23 April 2012, 3 July 2012 and 22 August 2012 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% copper lower cut-off grade.

Table 2: Kylylahti Resource Estimate - July 2013

	Tonnes (m)	Cu (%)	Au (g/t)	Zn (%)	Co (%)	Ni (%)
Measured	1.4	1.22	0.56	0.55	0.23	0.20
Indicated	5.4	1.44	0.72	0.54	0.25	0.20
Inferred	0.9	0.64	0.59	0.36	0.17	0.25
TOTAL	7.7	1.31	0.68	0.52	0.23	0.21
Metal Tonnes		100,670	167,850oz	40,360	18,000	15,900

See ASX release dated 29 August 2013 for JORC 2012 Compliance.

Table 3: Kylylahti Ore Reserves, July 2013

	Tonnes (m)	Cu (%)	Au (g/t)	Zn (%)	Co (%)	Ni (%)
Proven Ore Reserves	0.6	1.51	0.75	0.66	0.25	0.15
Probable Ore Reserves	3.5	1.62	0.73	0.62	0.27	0.17
TOTAL	4.2	1.60	0.73	0.63	0.27	0.16
Metal Tonnes		66,700	97,700oz	26,100	11,100	6,900

See ASX release dated 29 August 2013 for JORC 2012 Compliance.

Resources are inclusive of ore reserves.

Table 4: Outokumpu Resources, July 2013

Deposit	Classification	Tonnes (m)	Cu (%)	Au g/t	Zn (%)	Co (%)	Ni (%)
Kylylahti	Measured	1.40	1.22	0.56	0.55	0.23	0.20
	Indicated	5.40	1.44	0.72	0.54	0.25	0.20
	Inferred	0.90	0.64	0.59	0.36	0.17	0.25
	Total	7.70	1.31	0.68	0.52	0.23	0.21
Saramäki	Inferred	3.40	0.71	-	0.63	0.09	0.05
Vuonos	Inferred	0.76	1.76	-	1.33	0.14	-
Hautalampi	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
	Total	3.16	0.36	-	0.07	0.11	0.43
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
TOTAL		16.79	0.93	0.31	0.44	0.16	0.26

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.

APPENDIX 5B

Mining Exploration entity quarterly report

Name of entity

ALTONA MINING LIMITED

ABN

35 090 468 018

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter (3 months) A\$'000	Year to Date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	18,929	38,691
1.2 Payments for (a) exploration and evaluation	(1,402)	(2,399)
(b) development	(3,250)	(6,172)
(c) production	(11,643)	(21,842)
(d) administration (Finland & Australia)	(1,719)	(3,961)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92	110
1.5 Interest and other costs of finance paid	(496)	(1,385)
1.6 Income taxes rebate	37	37
1.7 Other*	5,131	5,511
Net Operating Cash Flows	5,679	8,590
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,513)	(5,076)
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	-	-
Net investing cash flows	(1,513)	(5,076)
1.13 Total operating and investing cash flows (carried forward)	4,166	3,514

* Includes gain from close out of gold hedge, proceeds from sale of assets and VAT/GST received.

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	(11,051)	(11,051)
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	(11,051)	(11,051)
Net increase (decrease) in cash held	(6,885)	(7,537)
1.20 Cash at beginning of quarter/year	25,733	26,093
1.21 Exchange rate adjustments to 1.20	1,351	1,643
1.22 Cash at end of quarter	20,199	20,199

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	237
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(*)	-	10,980
3.2 Credit standby arrangements	-	-

(*) The Credit Suisse senior debt facility was fully drawn down in March 2013 as a component of the funding package to construct the Outokumpu Copper Project. The Group repaid US\$10.45 million in principle and capitalised interest during the quarter, and the remaining balance will be fully repaid by 30 June 2016.

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

	\$A'000
4.1 Evaluation/Exploration	(725)
4.2 Development	(5,925)
4.3 Production	(12,225)
4.4 Administration (Australia and Finland)	(1,556)
Total	(20,431)

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	17,234	21,250
5.2 Deposits at call	2,965	4,483
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	20,199	25,733

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	532,234,704	532,234,704	-	-
7.4 Changes during quarter - Issued	50,000	50,000	-	-
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>	13,803,729 [^]	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	50,000 [^]	-	-	-
7.10 Expired during quarter	162,020 [^] 1,000,000 options	-	-	-
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 Law or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 31 January 2014

Company Secretary

Print Name: Eric Hughes

SCHEDULE A

FINNISH MINING TENEMENTS

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

Vulcan Kotalahti's Hyvelä, Mäntymäki and Sahakoski reservation applications were cancelled due to three year quarantine period set for the area after relinquishment of Hyvelä, Mäntymäki and Sahakoski mining licenses. Sarkalahti reservation was lapsed during the period, and no claim application was submitted due to sensitive location in the lake area and small size of the resource.

As part of Kuhmo Metals' tenement package restructuring a total of 40 claims were lapsed or relinquished. The total area of tenement package is now 930 ha.

Interests in mining tenements acquired or increased during the quarter

None.

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%
7975	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

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 1-2	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%
8525/1	Sukkula 1	Kylylahti Copper Oy	100%
8525/2	Sukkula 2	Kylylahti Copper Oy	100%

ML2013:0034	Kokonvaara	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

Number	Name	Holder	Beneficial Interest Held
ML2012:0047	Saarikylä belt Vaara	Kuhmo Metals Oy	95%
ML2013:0048	Kauniinlampi	Kuhmo Metals Oy	95%
8618/1	Hakovaara	Kuhmo Metals Oy	95%
8602/1	Vaara West	Kuhmo Metals Oy	95%
	Kiannanniemi		
7922/1	Peura-aho	Kuhmo Metals Oy	95%
8618/3	Myllyaho 1	Kuhmo Metals Oy	95%
8618/4	Myllyaho 2	Kuhmo Metals Oy	95%
8745/1	Hietaharju North	Kuhmo Metals Oy	95%
	Huutoniemi		
8476/1	Huutoniemi 1	Kuhmo Metals Oy	95%
8476/2	Huutoniemi 2	Kuhmo Metals Oy	95%
8476/3	Huutoniemi 3	Kuhmo Metals Oy	95%
8476/4	Huutoniemi 4	Kuhmo Metals Oy	95%
	Moisiovaara		
ML2013:0047	Sika-aho	Kuhmo Metals Oy	95%
	Arola - Harma North		
ML2013:0003	Arola	Kuhmo Metals Oy	95%
8500/1	Korkea-aho 2	Kuhmo Metals Oy	95%
8500/2	Korkea-aho 3	Kuhmo Metals Oy	95%

KOTALAHTI AREA NICKEL

Mining Licenses

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

Claims

Number	Name	Holder	Beneficial Interest Held
8483/1	Kotalahti 1	Vulcan Kotalahti Oy	100%
8483/2	Kotalahti 2	Vulcan Kotalahti Oy	100%
8413/4	Valkeisenvuori	Vulcan Kotalahti Oy	100%
8413/6	Pölkkysoo	Vulcan Kotalahti Oy	100%
8413/9	Pölkkysoonkangas	Vulcan Kotalahti Oy	100%
8413/10	Rytkynlampi	Vulcan Kotalahti Oy	100%
8413/11	Ollinsalmi 2	Vulcan Kotalahti Oy	100%
8413/12	Valkeisenhiekkä	Vulcan Kotalahti Oy	100%

AUSTRALIAN MINING TENEMENTS

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

No changes during the quarter.

Interests in mining tenements acquired or increased during the quarter

Renewal applications for five (5) greater Roseby Project EPMs and one (1) Queensland Regional Project EPMs are currently being processed by the Queensland DNRM. Correspondence was received from the Queensland DNRM during the December Quarter approving the renewal applications for EPM12121, EPM12492, EPM12493 and EPM13249.

The area under granted EPMs within Queensland presently totals 1,477.9km².

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	Altona Mining Ltd	100%
8506	Mt Roseby	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
9056*	Pinnacle	Roseby Copper (South) Pty Ltd	100%
10266	Highway	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
10833*	Cameron	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
11004*	Ogorilla	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
11611*	Gulliver	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
12121	Gulliver East	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
12492	Queen Sally	Altona Mining Ltd / Roseby Copper Pty Ltd	100%
12493	Quamby	Roseby Copper Pty Ltd	100%
12529	Cabbage Tree	Roseby Copper Pty Ltd	100%
13249	Lilliput	Altona Mining Ltd / 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	Altona Mining Ltd	100%
14822	River Gum	Altona Mining 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 31 December 2013, 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)

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

Für die Richtigkeit der Übersetzung wird keine Haftung übernommen! Bitte englische Originalmeldung beachten!