



Ref:AOH0108/EH-cb

10 February 2011

The Manager, Listings
Australian Securities Exchange
Company Announcements Office

Via ASX Online

Dear Sir/Madam

Altona Mining Limited 2010 Notice of General Meeting Mailing

Attached is the Notice of Meeting and Explanatory Memorandum for Altona Mining Limited's ("Altona"), which was dispatched to shareholder on 10 February 2011 and is available on the Altona website www.altonamining.com. The General Meeting will be held on Friday 11 March 2011 at the Rydges Hotel, corner of Hay and King Streets in Perth, Western Australia.

Yours Faithfully

A handwritten signature in blue ink that reads "Eric Hughes". The signature is written in a cursive style.

Eric Hughes
Company Secretary



ABN 35 090 468 018

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

11 March 2011

Time of Meeting

2.30pm (Perth time)

Place of Meeting

Rydges Hotel (corner Hay & King Street) Perth, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

ALTONA MINING LIMITED

ABN 35 090 468 018

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Altona Mining Limited ABN 35 090 468 018 ("Company") will be held at 2.30pm on 11 March 2011 at Rydges Hotel (corner Hay & King Street), Perth, Western Australia for the purpose of transacting the following business referred to in this Notice of General Meeting.

AGENDA

ITEMS OF BUSINESS

Resolution 1 - Ratification of issue of Shares

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue of 51,508,258 Shares (at an issue price of \$0.31 each) on 11 February 2011 to the persons and on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 - Proposed Issue of Shares

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of 76,187,227 Shares at an issue price of \$0.31 per Share to the persons and on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 - Approval for issue of Shares to Tulla Resources Group Pty Ltd

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth) and for all other purposes, the Company approves the issue of 18,800,000 Shares at an issue price of \$0.31 per Share, being part of the proposed issue of Shares the subject of Resolution 2, to Tulla Resources Group Pty Ltd, an entity controlled by Kevin Maloney (a Director of the Company) on the terms set out in the Explanatory Memorandum which forms part of this Notice of Meeting."

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 3 by Kevin Maloney and any associate of his associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Kevin Maloney or an associate of Kevin Maloney.

Resolution 4 - Proposed Issue of Share Rights

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of 50,000 Share Rights to Ann Nahajski (or her nominee) for nil consideration on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 - Proposed Issue of Shares to Converting Note holders


“That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 39,630,682 Shares at a deemed issue price of \$0.352 cents per Share to Converting Note holders on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board



Eric Hughes
Company Secretary

Dated: 9 February 2011

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any Resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be lodged by 2.30pm (Perth time) on 9 March 2011. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:
Ground Floor, 1 Altona St, West Perth, WA, 6005; or
 - by faxing a completed proxy form to +61 (08) 9486 8700.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2.30pm (Perth time) on 9 March 2011. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm on 9 March 2011.

PROXY FORM - ALTONA MINING LIMITED ABN 35 090 468 018

Appointment of Proxy

If appointing a proxy to attend the General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We _____ of _____ being a shareholder/shareholders of Altona Mining Limited pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting to be held at the Ground Floor, 1 Altona St, West Perth and at any adjournment of that Meeting.

This proxy is to be used in respect of _____% of the ordinary shares I/we hold.

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and votes cast by the Chair of the meeting for that resolution other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, then if the Chair has an interest in the resolution other than as member, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution. The Chair intends to vote 100% of all open proxies in favour of each Resolution.

Voting directions to your proxy – please mark to indicate your directions

RESOLUTION	For	Against	Abstain *
1. Ratification of issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval for Issue of Shares to Tulla Resources Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Proposed Issue of Share Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Proposed Issue of Shares to Converting Note holders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director

Director/ Company Secretary

Dated this _____ day of _____ 2011

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the Shareholder is present at the General Meeting.
2. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
6. If a representative of a company Shareholder is to attend the Meeting, a properly executed original (or certified copy) of evidence of appointment. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment to including any authority under which it is signed.
7. If a representative as power of attorney of a Shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate power of attorney under which they have been authorised should be produced for admission to the General Meeting.

8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary this form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

This Proxy Form (and any power of attorney under which it is signed) must be received at the address below not later than 2.30pm on 9 March 2011 (48 hours before the commencement of the Meeting).

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Hand deliveries: Ground Floor, 1 Altona St, West Perth

Postal address: PO Box 1466, West Perth WA 6872

Fax number: +61 (08) 9486 8700

ALTONA MINING LIMITED

ABN 35 090 468 018

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of Altona Mining Limited ("**Altona**" or the "**Company**").

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

BACKGROUND

RESOLUTIONS 1 - 3

On 31 January 2011, Altona announced an underwritten capital raising pursuant to an offer of new Shares by way of:

- (a) a placement of 51,508,258 Shares to institutional investors at an issue price of \$0.31 per Share determined by way of an institutional bookbuild conducted on 1 February 2011 ("**Placement**");
- (b) an additional placement of 76,187,227 Shares to institutional investors at an issue price of \$0.31 per Share determined by way of an institutional bookbuild conducted on 1 February 2011 and conditional on shareholder approval ("**Conditional Placement**"); and
- (c) a pro-rata offer of Shares comprising:
 - (i) an accelerated non-renounceable institutional entitlement offer; and
 - (ii) a non-renounceable retail entitlement offer,("Entitlement Offer").

((a)-(c) together, the "**Offer**")

The Offer is fully underwritten by Credit Suisse (Australia) Limited ("**Underwriter**").

It is proposed (subject to the passing of Resolution 3) Tulla Resources Group Pty Ltd, an entity controlled by Kevin Maloney (a Director of the Company), will apply for 18,800,000 Shares in the Conditional Placement at an issue price of \$0.31 per Share.

The funds of \$70 million (before costs) raised under the Offer will be used to fund the development of the Outokumpu Project, evaluation of exploration projects and working capital.

RESOLUTION 1 - RATIFICATION OF ISSUE OF SHARES UNDER THE PLACEMENT

Shares under the Placement will be issued to successful institutional applicants under the institutional bookbuild on or about 11 February 2011.

As the issue of these Shares will take place prior to the date of the General Meeting on 11 March 2011, the Company is seeking a ratification of the issue of shares under the Placement for the purposes of ASX Listing Rule 7.4.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 51,508,258 Shares were issued and allotted;
- (b) the Shares were issued at an issue price of \$0.31 each;
- (c) the shares were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to institutional and sophisticated investors, all of which were unrelated parties of the Company; and
- (e) funds raised from the issue were used to fund the development of the Outokumpu Project, evaluation of exploration projects and working capital.

RESOLUTION 2 - PROPOSED ISSUE OF SHARES

As noted above, Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

As also noted above, on 31 January 2011 Altona announced a Conditional Placement of 76,187,227 Shares to institutional and sophisticated investors at an issue price of \$0.31 per Share determined by way of an institutional bookbuild, subject to shareholder approval.

The Conditional Placement is the subject of this Resolution 2 and Shareholder approval is sought for its completion.

Approval of this Resolution 2 will result in the Company receiving gross proceeds of approximately \$23.6 million, and from which issue costs will be deducted.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 76,187,227;

- (b) the Company will allot and issue the Shares no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Shares will be allotted and issued on 15 March 2011;
- (d) the Shares will be issued at an issue price of \$0.31 each;
- (e) the Shares will be issued and allotted to institutional and sophisticated investors none of whom are related parties of the Company;
- (f) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (g) the purpose of the issue will be to fund the development of the Outokumpu Project, evaluation of exploration projects and working capital.

RESOLUTION 3 - APPROVAL FOR ISSUE OF SHARES TO TULLA RESOURCES GROUP PTY LTD

Resolution 3 seeks Shareholder approval to allow Tulla Resources Group Pty Ltd, an entity controlled by Kevin Maloney, the Company's Non-Executive Chairman to participate in the Conditional Placement by applying for 18,800,000 Shares at an issue price of \$0.31 per Share ("**Director Placement**"). The Shares applied for under the Director Placement ("**Director Placement Shares**") will be in addition to those applied for by Tulla Resources Group Pty Ltd pursuant to the Entitlement Offer.

Tulla Resources Group Pty Ltd has entered into a subscription agreement with the Company. The subscription agreement provides that completion of the Director Placement is conditional on the approval of Resolution 2 and this Resolution 3.

This Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes.

If Shareholder approval is obtained under Listing Rule 10.11 for this resolution, separate approval is not required under Listing Rule 7.1.

(a) Chapter 2E approval

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a "related party" of the public company unless either:

- the giving of the financial benefit falls within one of the nomination exceptions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each of the directors is considered to be a "related party" of the Company. Accordingly, any Shares issued to Tulla Resources Group Pty Ltd pursuant to the Director Placement the subject of this Resolution 3 is a financial benefit requiring Shareholder approval.

For the purposes of section 219 of the Corporations Act the following information is provided to Shareholders.

- i. **The related parties to whom the proposed resolution would permit financial benefits to be given**

Kevin Maloney is a related party of the Company to whom the proposed Resolution 3 would permit the financial benefit to be given.

ii. The nature of the financial benefit

A financial benefit to Kevin Maloney may arise through the potential difference between the issue price of the Shares pursuant to the Director Placement and the price of the Company's Shares on ASX, which is subject to fluctuation and may rise or fall. Tulla Resources Group Pty Ltd may acquire Shares at a discount to the market value of the Shares on the date of issue.

The following table outlines the value of the potential financial benefit to Mr Maloney from the acquisition of Shares by Tulla Resources Group Pty Ltd pursuant to the Director Placement:

Director	Cost of Shares pursuant to the Director Placement (number of Shares x issue price)	Potential market value of Director Placement Shares on 1 February 2011 (number of Director Placement Shares x market price)	Financial benefit (potential market value - cost of Director Placement Shares)
Kevin Maloney ¹	\$5,828,000	\$7,332,000	\$1,504,000

1. Held by Tulla Resources Group Pty Ltd, an entity controlled by Mr Maloney.

Note: The financial benefit may increase or decrease depending on the price of the Shares as traded on ASX and will depend on the market value of the Shares on the date of issue of the Shares pursuant to the Director Placement.

The closing price of the Shares the day before the date of the announcement of the Offer was \$0.39. The closing price of the Company's Shares on ASX on 28 January 2011 (being the last trading day prior to submitting this notice to ASIC) was \$0.39.

iii. Directors' recommendation about the proposed resolution and interest in the outcome of the proposed resolution

All the Directors were available to make a recommendation.

Dr Alistair Cowden, Mr Heikki Solin, Ms Fiona Harris, Mr Peter Ingram and Mr Jason Brewer (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3 for the following reasons:

- (a) Mr Maloney, who controls Tulla Resources Group Pty Ltd is a highly regarded investor in the marketplace and the Director Placement is an endorsement of the Company by an investor of his standing; and
- (b) Mr Maloney is well positioned, given the success of recent corporate transactions that he has been associated with to participate in the Director Placement and provide financial support to the Company.

Mr Kevin Maloney declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution

as it relates to the proposed issue of Shares to Tulla Resources Group Pty Ltd, an entity controlled by him.

iv. Other information that is reasonably required by members to make a decision and that is known to the Company or its Directors

Acquisition of Shares pursuant to Director Placement

If Resolution 3 is approved by Shareholders, Tulla Resources Group Pty Ltd will be permitted to apply for 18,800,000 Shares at an issue price of \$0.31 per Share.

Quotation

The Shares issued to Tulla Resources Group Pty Ltd pursuant to the Director Placement will be quoted on ASX.

Related parties' existing interests

Kevin Maloney's existing interests in the Company are set out in the table on page 6.

Dilution effect of transaction on existing shareholders' interests

If Resolution 3 is approved by Shareholders and 18,800,000 Shares are issued to Tulla Resources Group Pty Ltd pursuant to the Director Placement it will result in the dilution of existing Shareholders as not all Shareholders will have the opportunity to participate. The dilution to existing Shareholders as a result of the Director Placement will be approximately 4.1% based upon the total number of Shares on issue post the Offer. It is the Company's intention that the Shares issued pursuant to the Director Placement will still be issued if Resolution 3 is not approved, which would result in the same dilution to existing Shareholders contemplated by the Director Placement.

Through Tulla Resources Group Pty Ltd's participation in the Director Placement, Mr Maloney's relevant interest in Altona Shares would increase from 4.8% to 7.5%. This is based on Mr Maloney's confirmation to the Company that Tulla Resources Group Pty Ltd will take up its full entitlement under the Entitlement Offer.

Trading history

In the 12 month period before the date of this Notice of Meeting, the highest price of Altona shares was \$0.48 on 7 January 2011 and the lowest price was \$0.089 on 15 June 2010.

Current issued capital

Altona presently has 306,412,859 quoted shares on issue (post the Placement and institutional component of the Entitlement Offer, but prior to the retail component of the Entitlement Offer and Conditional Placement) and the following unquoted options, share rights:

Code	Number	Exercise Price	Expiry Date
AOHAO	100,000	\$1.50	12/03/2012
AOHAQ	80,000	\$1.50	5/09/2011
AOHAU	500,000	\$1.50	27/12/2012
AOHAW	500,000	\$1.50	16/12/2013
AOHAY	365,000	\$1.50	30/06/2013
	2,500,000	\$0.44	18/11/2013

Altona also has on issue 13,950 Converting Notes and 9,000,000 share rights expiring on 5 August 2013.

Impact of passing Resolution 3 on Mr Maloney's voting power in Altona

The impact of passing Resolution 3 on Mr Maloney's voting power in Altona is set out in the following table:

Existing interest (% of Altona Shares on issue ¹)	Interest after receiving entitlement under Entitlement Offer (% of Altona Shares on issue ²)	Interest after receiving entitlement and Director Placement Shares (% of Altona Shares on issue ²)
11,820,000 (3.9%)	16,548,000 (3.5%)	35,348,000 (7.5%)

1. Post the Placement and institutional component of the Entitlement Offer, but prior to the retail component of the Entitlement Offer and Conditional Placement.
2. Post Entitlement Offer, Placement and Conditional Placement

Note: Mr Maloney also has an interest in 500,000 options in Altona exercisable at \$0.44 each on or before 18 November 2013. It is assumed these Options are not exercised for the purpose of these calculations.

Valuation of potential financial benefit

The value of the financial benefit to Mr Maloney is the difference between the potential market value of the Shares he subscribes for pursuant to the Director Placement and the cost of the Shares he subscribes for pursuant to Director Placement.

A calculation of the financial benefit using an assumed Share price based on the Share price on ASX on 28 January 2011 (being the last trading day prior to submitting this notice to ASIC) is set out in the table on page 4 of this Explanatory Memorandum. As noted above, the financial benefit may increase or decrease depending on the price of the Shares as traded on ASX and will depend on the Market Value of the Shares on the date of issue of the Shares pursuant to the Director Placement.

Salaries and fees

Details of Kevin Maloney's base salary and fees per annum (including superannuation), as applicable, and the total financial benefit to be received by him in the current period as a result of the receipt of the assumed financial benefit are as follows:

Director	Base salary/fee 1 July 2010 to 31 January 2011 (\$)	Base salary/fee 1 February 2011 to 30 June 2011 (\$)	Financial benefit pursuant to Director Placement (\$)	Total Financial Benefit (\$)
Kevin Maloney	\$50,867	\$36,333	\$1,504,000	\$1,591,200

Other information

Shareholders are referred to information disclosed for the purposes of Listing Rule 10.13 below. Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a

decision in relation to the financial benefits contemplated by the proposed Resolutions.

(b) ASX Listing Rule 10.11 approval

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party.

For the purposes of Listing Rule 10.11, Tulla Resources Group Pty Ltd is considered to be a "related party" of the Company as it is controlled Mr Maloney. Accordingly, the issue of Shares to Tulla Resources Group Pty Ltd pursuant to the Director Placement the subject of this Resolution 3 requires Shareholder approval. For the purposes of Listing Rule 10.13, the following information is provided to Shareholders:

- i. the Shares under the Director Placement will be issued to Tulla Resources Group Pty Ltd, an entity controlled by Kevin Maloney who is a director of the Company;
- ii. the maximum number of securities to be issued to Tulla Resources Group Pty Ltd under the Director Placement is 18,800,000;
- iii. the Shares will be issued on 15 March 2011;
- iv. the issue price of the Shares will be \$0.31. The Shares to be issued will be fully paid ordinary shares;
- v. a voting exclusion statement is set out under Resolution 3 in the Notice of Meeting; and
- vi. the intended use of the funds raised to fund the development of the Outokumpu Project, evaluation of exploration projects and working capital.

RESOLUTION 4 - PROPOSED ISSUE OF SHARE RIGHTS

Resolution 4 seeks shareholder approval for the issue of a maximum of 50,000 Share Rights to Ann Nahajski (or her nominee(s)), the Company's public relations officer, for nil consideration.

Each Share Right is exercisable into one Share in the Company. No amount will be payable upon the exercise of a Share Right and is automatically considered to be exercised once vested, with the Company obliged to issue the Shares upon vesting. The Share Rights will vest upon the satisfaction of the applicable performance hurdles at the relevant test date (or in other circumstances outside of the control of the Share Right holder). In the event that the performance hurdles are not met, the Share Rights will not vest and as a result, no new Shares will be issued. The full terms and conditions of Share Rights are outlined in the Awards Plan approved by shareholders on 6 August 2010. The Share Rights the subject of this resolution are not being issued pursuant to the Awards Plan but will be subject to the rules of that plan.

The Company has determined that the applicable performance hurdles to be achieved by 1 July 2012 in order for the Share Rights the subject of this Resolution 4 to vest to Ann Nahajski (or her nominee(s)) are:

- (a) the creation of an annual investor relations strategy for the Company; and

- (b) a satisfactory annual assessment of implementation and results of the 2011 investor relations strategy for the Company.

As noted above, Listing Rule 7.1 requires Shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Share Rights to be granted is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Share Rights the Company can issue is 50,000;
- (b) the Company will issue the Share Rights no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Share Rights will be allotted and issued on one date;
- (d) the Share Rights will be issued to Ann Nahajski, the Company's public relations officer (or her nominee(s)). Ann Nahajski is not a related party of the Company;
- (e) the Share Rights will be issued on the terms and conditions outlined in the Awards Plan; and
- (f) no funds will be raised from the issue of the Share Rights.

RESOLUTION 5 - PROPOSED ISSUE OF SHARES TO CONVERTING NOTE HOLDERS

Altona currently has on issue 13,950 Converting Notes. On 31 January 2011, Altona announced that in addition to the Offer, it was making an additional offer to all holders of Converting Notes to convert the Converting Notes into Shares at a price of \$0.352 per Share. This price represents a theoretic entitlements issue price based on the 5 day volume weighted average price up to and including Friday 28 January 2011 of 40 cents per share and includes the impact of the Placement and Conditional Placement at the underwritten floor price of \$0.31 per share.

The total face value of the Converting Notes is \$13.9 million and if all Converting Notes are converted, the Company will issue 39,630,682 Shares.

As noted above, Listing Rule 7.1 requires shareholder approval to the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 39,630,682;
- (b) the Company will allot and issue the Shares no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Shares will be allotted and issued on 15 March 2011;
- (d) the Shares will be issued at an issue price of \$0.352 each;
- (e) the Shares will be issued and allotted to holders of Converting Notes;

- (f) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (g) no funds will be raised from the issue of the Shares.

GLOSSARY

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

"**Awards Plan**" means the Universal Resources Limited (the Company's former name) Awards Plan approved by Shareholders on 6 August 2010.

"**Board**" means the board of Directors of the Company.

"**Company**" means Altona Mining Limited ABN 35 090 468 018.

"**Conditional Placement**" means a placement of 76,187,227 Shares to institutional investors at an issue price of \$0.31 per Share determined by way of an institutional bookbuild conducted on 1 February 2011 and conditional on Shareholder approval.

"**Constitution**" means the constitution of the Company.

"**Converting Note**" means 10% converting notes expiring on 30 June 2011 each with a face value of \$1,000.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Director**" means a director of the Company.

"**Entitlement Offer**" means a pro-rate offer of Shares comprising an accelerated non-renounceable institutional entitlement offer and a non-renounceable retail entitlement offer.

"**Listing Rules**" means the Listing Rules of the ASX.

"**Meeting**" means the General meeting the subject of the Notice.

"**Notice**" means the notice of General meeting which accompanies this Explanatory Memorandum.

"**Placement**" means a placement of 51,508,258 Shares to institutional investors at an issue price of \$0.31 per Share determined by way of an institutional bookbuild conducted on 1 February 2011;

"**Resolution**" means a resolution proposed pursuant to the Notice.

"**Share**" means a fully paid ordinary share in the Company.

"**Share Right**" means an option to receive a Share on terms set out in the Awards Plan for the relevant performance period and subject to satisfaction of the applicable hurdles determined by the Board from time to time.

"**Shareholder**" means a holder of Shares.

"**Underwriter**" means Credit Suisse (Australia) Limited.