



Ref: AOH0045

27 October 2010

The Manager, Listings
Australian Securities Exchange
Company Announcements Office

Via ASX Online

Dear Sir /Madam

Altona Mining Limited 2010 Notice of Annual General Meeting Mailing

Attached are the Notice of Meeting and Proxy Form for Altona Mining Limited's ("Altona") 2010 Annual General Meeting, which was dispatched to shareholders on 14 October 2010 and is available on the Altona website www.altonamining.com. The Annual General Meeting will be held on Thursday 18 November 2010 at the Rydges Hotel, corner of Hay and King Streets in Perth, Western Australia.

Yours faithfully

A handwritten signature in black ink, appearing to read "Ann Nahajski".

Ann Nahajski
Joint Company Secretary

Att.

ASX: AOH, FSE: A20

Altona Mining Limited ABN 35 090 468 018
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ALTONA MINING LIMITED

ABN 35 090 468 018

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

18 November 2010

Time of Meeting

3.30pm (Perth time)

Place of Meeting

Rydges Hotel, corner of Hay and King Streets, Perth, Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

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

**ALTONA MINING
LIMITED
35 090 468 018**

**NOTICE OF ANNUAL
GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Altona Mining Limited 35 090 468 018 ("Company") will be held at 3.30pm on 18 November 2010 at Rydges Hotel, corner of Hay and King Streets, Perth, Australia for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2010, together with the Directors Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 - Non Binding Resolution to adopt Remuneration Report

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

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2010 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2. Resolution 2 - Re-election of Peter Ingram as a Director

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

"That, Peter Ingram, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 3 - Election of Heikki Solin as a Director

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

"That Heikki Solin who ceases to hold office in accordance with clause 13.5 of the Company's Constitution and, being eligible, offers himself for election, be elected a Director of the Company."

4. Resolution 4 - Election of Fiona Harris as a Director

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

"That Fiona Harris who ceases to hold office in accordance with clause 13.5 of the Company's Constitution and, being eligible, offers herself for election, be elected a Director of the Company."

5. Resolution 5 - Increase in Directors' Fees

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

"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate Directors' fees payable to non-executive Directors be increased from \$300,000 per annum to \$500,000 per annum."

<p>The Company will disregard any votes cast on Resolution 5 by the non-executive Directors of the Company or any of their respective associates and will disregard any votes cast on Resolutions 6 to 10 by any person who is to receive Incentive Options under those resolutions (respectively) or any of their respective associates. However, the Company need not disregard a vote if it 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 it is cast by the person chairing the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</p>

6. Resolution 6 - Grant of Incentive Options to Fiona Harris

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rules 7.1 and 10.14 and all other purposes the Directors be and are hereby authorised to grant 500,000 Incentive Options for no consideration, each Option having an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of this Annual General Meeting and an expiry date of 18 November 2013 to Fiona Harris or her nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)"

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 6 by Fiona Harris and any associate of Fiona Harris. 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 Fiona Harris or an associate of Fiona Harris.

7. Resolution 7 - Grant of Incentive Options to Kevin Maloney

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rules 7.1 and 10.14 and all other purposes the Directors be and are hereby authorised to grant 500,000 Incentive Options for no consideration, each Option having an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of this Annual General Meeting and an expiry date of 18 November 2013 to Kevin Maloney or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)"

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 7 by Kevin Maloney and any associate of Kevin Maloney. 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.

8. Resolution 8 - Grant of Incentive Options to Peter Ingram

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rules 7.1 and 10.14 and all other purposes the Directors be and are hereby authorised to grant 500,000 Incentive Options for no consideration, each Option having an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of this Annual General Meeting and an expiry date of 18 November 2013 to Peter Ingram or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)"

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 8 by Peter Ingram and any associate of Peter Ingram. 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 Peter Ingram or an associate of Peter Ingram.

9. Resolution 9 - Grant of Incentive Options to Jason Brewer

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rules 7.1 and 10.14 and all other purposes the Directors be and are hereby authorised to grant 500,000 Incentive Options for no consideration, each Option having an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of this Annual General Meeting and an expiry date of 18 November 2013 to Jason Brewer or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)"

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 9 by Jason Brewer and any associate of Jason Brewer. 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 Jason Brewer or an associate of Jason Brewer.

10. Resolution 10 - Grant of Incentive Options to Heikki Solin

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rules 7.1 and 10.14 and all other purposes the Directors be and are hereby authorised to grant 500,000 Incentive Options for no consideration, each Option having an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of this Annual General Meeting and an expiry date of 18 November 2013 to Heikki Solin or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)"

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 10 by Heikki Solin and any associate of Heikki Solin. 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 Heikki Solin or an associate of Heikki Solin.

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

Ann M Nahajski
Joint Company Secretary

Dated: 6 October 2010

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 Annual General 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 3.30pm (Perth time) on 16 November 2010. 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 to Altona Mining Limited at Ground Floor, 1 Altona St, West Perth, WA 6005; or
 - by post using the pre-addressed envelope provided with this Notice to PO Box 1466 West Perth WA 6872; 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 3:30pm (Perth time) on 16 November 2010. 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 Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm (Perth time) on 16 November 2010.

ALTONA MINING LIMITED

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 Annual 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.

FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2010 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's 2010 Annual Report. The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2010 Annual Report and is also available on the Company's website www.altonamining.com.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

RESOLUTION 2 - RE-ELECTION OF PETER INGRAM AS A DIRECTOR

Pursuant to Clause 13.2 of the Company's Constitution, Peter Ingram, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Earlier this year Vulcan Resources Limited merged with the Company (formerly called Universal Resources Limited). Mr Ingram was the former Managing Director of the Company; Mr Ingram stepped down from this role following the implementation of the merger. As Mr Ingram is no longer Managing Director, he must retire by rotation as required

by the Company's constitution as he is currently the longest serving Director of the Company.

Peter Ingram graduated in geology from the University of Western Australia in 1965. After working for a number of international and Australian mineral exploration companies he established a successful consulting geological practice based in Perth, undertaking assignments for both major and junior client companies.

For most of the past 30 years Mr Ingram has been managing listed public exploration and mining companies, initially as joint and later sole Managing Director of the Metana Minerals NL group of companies and later as Executive Chairman of Glengarry Resources Limited and Marlborough Resources Limited and Non-Executive Director of Dragon Mining Limited.

During his career, Mr Ingram has played an important role in various industry bodies, including the Board of Management of Western Australian School of Mines, a former and founding councillor and President of the Association of Mining and Exploration Companies (AMEC) and has been appointed an Honorary Life Member of AMEC and a former and founding Director of The Australian Gold Mining Industry Council.

RESOLUTION 3 - ELECTION OF HEIKKI SOLIN AS A DIRECTOR

Resolution 3 seeks approval for the election of Heikki Solin as a Director with effect from the end of the Meeting.

As noted above, earlier this year Vulcan Resources Limited merged with the Company (formerly called Universal Resources Limited). Mr Solin was appointed to the Board on 19 February 2010.

Clause 13.5 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then

eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Solin retires from office in accordance with the requirements of clause 13.5 of the Constitution and submits himself for election in accordance with clause 13.3.

Mr Solin has over 40 years experience in the international mining industry which he has served as a corporate lawyer, marketing manager for technology, senior Vice President in charge of international mining expansion for Finland's mining major Outokumpu, and since 1995 as an independent consultant.

Mr Solin is Honorary Chairman of the Finnish-Latin American Chamber of Commerce, Past President and Honorary Member of Industrial Lawyers Association in Finland and the first President of Licensing Executives Society, Scandinavia Region. Mr Solin is also a member of The Finnish Institute of Mining and Metallurgy.

RESOLUTION 4 - ELECTION OF FIONA HARRIS AS A DIRECTOR

Resolution 4 seeks approval for the election of Fiona Harris as a Director with effect from the end of the Meeting.

As noted above, earlier this year Vulcan Resources Limited merged with the Company (formerly called Universal Resources Limited). Ms Harris was appointed to the Board on 19 February 2010.

Clause 13.5 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Harris retires from office in accordance with the requirements of clause 13.5 of the Constitution and submits herself for election in accordance with clause 13.3.

Ms Harris has been a professional non-executive director for the past 15 years. She began her career with KPMG, chartered accountants, and was a partner in their Sydney office when she left that organisation in December 1994. Ms Harris was also involved in capital raisings, due diligence, initial public offerings, capital structuring of transactions and litigation support.

Ms Harris is a member of the national board of the Australian Institute of Company Directors and was formerly Western Australian State President. She is non-executive Chairman of Barrington Consulting Group Pty Ltd, a company providing consulting services in the areas of strategic and business planning.

Ms Harris is also currently a Board Member of Territory Resources Ltd, Sundance Resources Ltd, and Perron Group Limited (& PG Holdings Ltd).

RESOLUTION 5 - INCREASE IN DIRECTORS' FEES

Resolution 5 seeks shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees paid to Directors by \$200,000 from \$300,000 per annum to an aggregate amount of \$500,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) expected growth of the Company in preparation of production and increased responsibilities for non-executive Directors;
- (b) non-executive Directors fees may need to be increased to retain Directors;
- (c) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company; and
- (d) to remunerate Directors appropriately for the expectation placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors have not been increased since

November 2006. The number of non-executive Directors has increased from 4 to 6 in the same period.

It is not intended to fully utilise the increased aggregate fees in the immediate future.

The remuneration of each Director for the year ended 30 June 2010 is detailed in the Company's 2010 Annual Report.

RESOLUTIONS 6 TO 10 - GRANT OF INCENTIVE OPTIONS TO FIONA HARRIS, KEVIN MALONEY, PETER INGRAM, JASON BREWER AND HEIKKI SOLIN

The Company proposes to grant a total of 2,500,000 Incentive Options (each with an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of the Annual General Meeting and an expiry date of 18 November 2013) to Ms Fiona Harris and Messrs Kevin Maloney, Peter Ingram, Jason Brewer and Heikki Solin ("**Participating Directors**"), or their nominees. The terms of the Incentive Options are set out in Annexure A to this Explanatory Memorandum.

The Incentive Options will vest upon occurrence of both of the following:

- (e) 12 months having passed from the date of issue of the Incentive Options; and
- (f) the closing market price of Shares traded on ASX exceeds the exercise price for 5 consecutive trading days.

The proposed grant of Incentive Options to the Participating Directors will be subject to the terms of the Company's Employee Share Option Plan ("**Plan**"). If, however, there is any inconsistency between the terms of the Options as set out in Annexure A and the Plan, the terms as set out in Annexure A prevail to the extent of the inconsistency.

The Options will be issued as follows:

Director	Number of Incentive Options
Fiona Harris, or her nominee(s)	500,000
Kevin Maloney, or his nominee(s)	500,000

Peter Ingram, or his nominee(s)	500,000
Jason Brewer, or his nominee(s)	500,000
Heikki Solin, or his nominee(s)	500,000
Total	2,500,000

The grant of Incentive Options encourages the Participating Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors consider (in the absence of the Participating Directors) that the incentives intended for the Participating Directors represented by the grant of these Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons noted above, it is proposed to grant Incentive Options to the Participating Directors notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* ("**Principles**") which states that non-executive Directors should not receive options.

The number of Incentive Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- the remuneration of the Directors;
- the Directors' desire to ensure that the remuneration offered is competitive with market standards. The Directors consider that the proposed number of Incentive Options to be granted will ensure that the Participating Directors' overall remuneration is in line with market standards; and
- the provision of incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

The exercise price of the Options is to be 30% above the volume weighted average price of

the Shares on ASX for the 5 trading days prior to the date of the Annual General Meeting.

In arriving at the estimated valuation of the Options below, an exercise price of 28.6 cents is assumed. These assumptions were used to determine the following amounts that would need to be paid to the Company by the Participating Directors in the event the Incentive Options are exercised:

Director	Amount to be paid
Fiona Harris, or her nominee(s)	\$143,000
Kevin Maloney, or his nominee(s)	\$143,000
Peter Ingram, or his nominee(s)	\$143,000
Jason Brewer, or his nominee(s)	\$143,000
Heikki Solin, or his nominee(s)	\$143,000
Total	\$715,000

The Company would therefore receive \$715,000 from the Participating Directors should all the Incentive Options be exercised, assuming an exercise price of 28.6 cents as noted above.

Related Party Transactions Generally

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:

1. the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
2. shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is considered to be a related party of the Company.

Resolutions 6 to 10 provide for the grant of Incentive Options to the Participating Directors which is a financial benefit which requires shareholder approval.

Current Holdings

Set out below are details of each of the Participating Directors' relevant interest in Shares of the Company as at the date of this Notice:

Director	Number of Shares
Fiona Harris	137,000
Kevin Maloney ¹	11,820,000
Peter Ingram ²	750,539
Jason Brewer	Nil
Heikki Solin ³	1,198,750
Total	13,906,289

Notes:

- 11,820,000 are held by Tulla Group Pty Ltd of which Mr Maloney is a director and shareholder.
- 742,529 Shares are held by Calyerup Pty Ltd <St Cecelia Super Fund A/C> of which Mr Ingram is a member. 8,010 Shares are held by Mr Ingram and Mr Maurice Hoyle as tenants in common.
- 1,027,500 Shares are held by Myllybacka Oy of which Mr Solin is a director and shareholder.

Set out below are details of each of the Participating Directors' interest in Options of the Company as at the date of this Notice:

Director	Number of Options
Fiona Harris	Nil
Kevin Maloney	Nil
Peter Ingram ¹	500,000
Jason Brewer ²	100,000
Heikki Solin	Nil
Total	600,000

Notes:

- 500,000 Options are held by Calyerup Pty Ltd <St Cecelia Super Fund A/C> of which Mr Ingram is a member.
- 100,000 Options are held by Mr Brewer's partner Claudine Maynard.

INFORMATION REQUIREMENTS

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related parties to whom the proposed resolutions would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Incentive Options will be granted to the following related parties, or their respective nominees:

Director	Number of Incentive Options
Fiona Harris, or her nominee(s)	500,000
Kevin Maloney, or his nominee(s)	500,000
Peter Ingram, or his nominee(s)	500,000
Jason Brewer, or his nominee(s)	500,000
Heikki Solin, or his nominee(s)	500,000
Total	2,500,000

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Incentive Options for no consideration to the Participating Directors as noted above.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted:

Messrs Alistair Cowden, Kevin Maloney, Peter Ingram, Jason Brewer and Heikki Solin (who have no interest in the outcome of Resolution 6) recommend that shareholders vote in favour of Resolution 6. Ms Fiona Harris declines to make a recommendation about Resolution 6 as she has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to her or her nominee(s).

Ms Fiona Harris and Messrs Alistair Cowden, Peter Ingram, Jason Brewer and Heikki Solin (who have no interest in the outcome of Resolution 7) recommend that shareholders vote in favour of Resolution 7. Mr Kevin Maloney declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that particular Resolution as it relates to the

proposed grant of Incentive Options to him or his nominee(s).

Ms Fiona Harris and Messrs Alistair Cowden, Kevin Maloney, Jason Brewer and Heikki Solin (who have no interest in the outcome of Resolution 8) recommend that shareholders vote in favour of Resolution 8. Mr Peter Ingram declines to make a recommendation about Resolution 8 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Ms Fiona Harris and Messrs Alistair Cowden, Kevin Maloney, Peter Ingram and Heikki Solin (who have no interest in the outcome of Resolution 9) recommend that shareholders vote in favour of Resolution 9. Mr Jason Brewer declines to make a recommendation about Resolution 10 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Ms Fiona Harris and Messrs Alistair Cowden, Kevin Maloney, Peter Ingram and Jason Brewer (who have no interest in the outcome of Resolution 10) recommend that shareholders vote in favour of Resolution 10. Mr Heikki Solin declines to make a recommendation about Resolution 10 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

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

The proposed ordinary Resolutions 6 to 10 would have the effect of giving power to the Directors to grant a total of 2,500,000 Incentive Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 245,277,417 listed Shares, 5,000,000 unlisted Share Rights expiring 5 August 2013, 139,500 unlisted converting notes expiring 30 June 2011 and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
100,000	\$1.50	12/03/12
80,000	\$1.50	05/09/11
500,000	\$1.50	27/12/12
500,000	\$1.50	16/12/13
365,000	\$1.50	30/6/13

If all Incentive Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the share holding of existing shareholders by 1.02%. The market price of the Company's Shares during the period of the Incentive Options will normally determine whether or not the Participating Directors exercise the Incentive Options. At the time any Incentive Options are exercised and Shares are issued pursuant to the exercise of the Incentive Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Incentive Options.

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of the Incentive Options the subject of Resolutions 6 to 10 are as follows:

Director	Fees p.a. (\$)	Value of Incentive Options (\$)	Total Financial Benefit (\$)
Fiona Harris	60,000	44,800	104,800
Kevin Maloney	80,000	44,800	124,800
Peter Ingram	50,000	44,800	94,800
Jason Brewer	50,000	44,800	94,800
Heikki Solin	60,000	44,800	104,800

The indicative Option valuation of 8.96 cents is a theoretical valuation of each option using the Black & Scholes Option Pricing Model.

Valuation of Incentive Options

The Company's advisers have valued the Incentive Options to be granted to the

Participating Directors using the Black & Scholes Model. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price	22 cents
Exercise price	28.6 cents
Risk Free Interest Rate	4.87%
Volatility	84.58%
Time (years to expiry)	3

The Company's advisers have calculated the value of each option based on the following assumptions:

1. They have based the underlying value of each share in the Company on the ASX at 12 noon of 22 cents on 30 September 2010;
2. Risk free rate of return - 4.87% (estimated, based on the risk free rate of Bonds expiring in late 2013);
3. They used a volatility of the share price of 4.87% as determined from the daily movements in share price over the last 12 months, adjusted for abnormal trading.

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to the Participating Directors is 8.96 cents per Incentive Option.

Any change in the variables applied in the Black & Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 30 September 2010:

Highest Price (cents) (1 October 2009)	Lowest Price (cents) (15 June 2010)	Latest Price (cents) (30/9/10)
24	8.9	21

Other Information

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Incentive Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Incentive Options pursuant to Resolutions 6 to 10.

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.

Listing Rule 10.14:

Listing Rule 10.14 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires shareholders to approve the issue of Incentive Options under the Plan to the Participating Directors.

For the purposes of Listing Rule 10.15, the following information is provided to shareholders with respect to Resolutions 6 to 10:

- (a) the Incentive Options will be granted to the Participating Directors, or their nominees, as noted above;
- (b) the maximum number of Incentive Options to be granted is 2,500,000;
- (c) under Resolutions 6 to 10 Options will be issued as follows:

Director	Number of Incentive Options
Fiona Harris, or her nominee(s)	500,000
Kevin Maloney, or his nominee(s)	500,000
Peter Ingram, or his	500,000

nominee(s)	
Jason Brewer, or his nominee(s)	500,000
Heikki Solin, or his nominee(s)	500,000
Total	2,500,000

- (d) the Incentive Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Incentive Options;
- (f) all Directors, or their permitted nominees, are entitled to participate in the Plan but for the purposes of Resolutions 6 to 10 at this time the Company is only seeking to grant Incentive Options to the Participating Directors;
- (g) no Directors, or their permitted nominees, have received any Incentive Options under the Plan; and
- (h) the Incentive Options will be granted on a date, being no later than 12 months after the date shareholder approval is obtained for Resolutions 6 to 10.

GLOSSARY

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2010.

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

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

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

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

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

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

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

"**Meeting**" means the annual general meeting the subject of the Notice.

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

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

ANNEXURE A

Terms and Condition of Options

To be issued to Ms Harris, Mr Maloney, Mr Ingram, Mr Brewer and Mr Solin the subject of Resolutions 6 to 10.

The options terms and conditions are as follows:

1. Each option shall be issued for no consideration.
2. Each option entitles the holder ("**Holder**") to subscribe for one fully paid ordinary share ("**Share**") in Altona Mining Limited ABN 35 090 468 018 ("**Company**").
3. Each option has an exercise price 30% above the volume weighted average price of the Shares on ASX for the 5 trading days prior to the date of the Annual General Meeting.
4. Options will expire at 3:30pm (Perth time) on 18 November 2013 ("**Expiry Date**").
5. Options will vest upon occurrence of both of the following:
 - a. 12 months having passed from the date of issue of the Incentive Options; and
 - b. the closing market price of Shares traded on ASX exceeds the exercise price for 5 consecutive trading days.
6. Options are not transferable and will not be listed for official quotation on the ASX.
7. There are no participating rights or entitlements inherent in the options and the Holder will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
8. In the event the Company proceeds with a pro rate issue (except a bonus issue) of securities to the holder of Shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with the formula Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. Options will expire as follows:
 - a. The date the Holder is disqualified from holding the office of director or officer of the Company; or
 - b. The date the Holder ceases to be a director or officer of the Company because of:
 - i. voluntary retirement;
 - ii. voluntary cessation, or
 - iii. by mutual agreement of the Company and the Holder.
11. Options are exercisable immediately following issue and ending on the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Holder to exercise all or a specified number of options accompanied by an option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the

Company during the Exercise Period. An exercise of only some options will not affect the rights of Holder to the balance of the options held.

12. On exercise of an option and subject to the Company having received the subscription monies for the Shares in cleared funds:
 - a. The Company will issue the Share within 5 Business Days of receipt of the Notice.
 - b. A Share issued on the exercise of an option shall rank equally with the existing ordinary shares of the Company in all respects.
 - c. A Share issued on the exercise of an option must not be offered for sale by the Holder unless:
 - i. the offer is made under circumstances that do not require disclosure to investors under Part 6D.2 of the Corporations Act; or
 - ii. one of the following occurs:
 - A. the Company gives ASX a notice that complies with section 708A(6) or the Corporations Act within 5 trading days of the issue of the Share;
 - B. the Company lodges a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; or
 - C. expiry of 12 months after issue of the Shares.
13. Application will be made by the Company to ASX for official quotation of the Share issued on the exercise of an option.

ALTONA MINING LIMITED

ABN 35 090 468 018

Lodge your vote:



By Mail:

Altona Mining Limited
PO Box 1466, West Perth
WA 6872 Australia

Alternatively you can fax your form to
+61 8 9486 8700

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 AOH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 3:30pm (WST) Tuesday 16 November 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the Annual Report:

www.altonamining.com

Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Your secure access information is: SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Altona Mining Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Altona Mining Limited to be held at Rydges Hotel, corner of Hay and King Streets, Perth, Australia on Thursday, 18 November 2010 at 3:30pm (WST) and at any adjournment of that meeting.

Important for Resolutions 5 and 7: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 5 and 7 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 5 and 7 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 5 and 7.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



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

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Grant of Incentive Options to Heikki Solin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Peter Ingram as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 3	Election of Heikki Solin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 4	Election of Fiona Harris as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Grant of Incentive Options to Fiona Harris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Grant of Incentive Options to Kevin Maloney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 8	Grant of Incentive Options to Peter Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 9	Grant of Incentive Options to Jason Brewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____