

REMUNERATION AND NOMINATION COMMITTEE CHARTER

ALTONA MINING LIMITED ("COMPANY")

1. INTRODUCTION

The Board of Altona Mining Limited ("Altona" or the "Company") has established a Remuneration & Nomination Committee ("Committee") to assist the Board in fulfilling its responsibilities in relation to assessing and managing the Company's remuneration policies to ensure that remuneration is sufficient and reasonable and that its relationship to performance is clear and to assist the Board in assessing the composition of the Board to ensure that the Board has an appropriate mix of skills and experience to properly fulfil its responsibilities.

The Board supports the Corporate Governance Principles and Recommendations 2nd Edition developed by the ASX Corporate Governance Council (the "Principles").

The Committee has no decision making responsibility, but makes recommendations to the Board of Directors.

2. COMPOSITION

The Committee shall be structured so that it:

- a) consists of a majority of independent directors;
- b) is chaired by an independent director; and
- c) has at least 3 members.

From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

3. OPERATIONS

The Committee shall meet at least twice per year or as required.

Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to the meetings of the Board. However, a quorum for the purposes of a Committee meeting shall be no less than two Committee members.

The Committee Secretary, shall be appointed by the Committee in conjunction with the Chairman, shall draw up an agenda for meetings, which shall be circulated to each member of the Committee and attendees, at least three working days prior to each meeting.

The Committee Secretary will prepare the Minutes of the Committee meetings, which shall be presented to the next Board of Directors meeting.

As necessary or desirable, the Committee shall invite Senior Executives and Management to be present at meetings, or portions thereof.

4. ROLE

The role of the Committee is reviewing and making appropriate recommendations to the Board in relation to:

- a) the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives;
- b) senior executive's remuneration and incentives based on advice sought from the Managing Director;
- c) superannuation arrangements;
- d) the remuneration framework for non-executive directors;

- e) remuneration policies that are appropriate to the organisation with respect to its size, peers and market conditions;
- f) the necessary and desirable competencies of directors;
- g) review of Board succession plans;
- h) the development of a process for evaluation of the performance of the Board, its committees and directors; and
- i) the appointment and re-election of directors.

5. RESPONSIBILITIES

The key responsibilities of the Committee include:

Remuneration function

- a) undertaking an annual review of market conditions, economic factors, industry trends, remuneration statistics and trends, and peer remuneration practices to set the framework for the determination of organisational wide remuneration policies;
- b) ensuring that a formalised annual performance appraisal and remuneration review process is in place and carried out each year across the Company;
- c) reviewing the remuneration of the Managing Director and, where appropriate, in conjunction with the Managing Director, Senior Executives on a regular basis and recommending remuneration to the Board for approval;
- d) reviewing the remuneration of Non-Executive Directors on a regular basis and recommending remuneration to the Board for approval;
- e) reviewing remuneration recommendations for Management put forward by the Managing Director; and
- f) making recommendations to the Board with respect to the Company's equity based performance incentive plans and cash based performance incentive plans.

Nomination function

- a) reviewing induction procedures on a regular basis to ensure that they are appropriate to allow new directors to participate at the earliest opportunity;
- b) reviewing succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- c) making recommendations to the Board on the appropriate size and composition of the Board; and
- d) making recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

6. REPORTING & PERFORMANCE

The Committee shall review its performance on an annual basis and shall report to the Board as to the exercise of the responsibilities set out in this Charter.

7. AUTHORITY

In carrying out its responsibilities, the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- a) obtain independent professional advice in the satisfaction of its duties at the reasonable cost of the Company; and
- b) have such direct access to the resources of the Company, as it may reasonably require, including Senior Executives and Management and external auditors.

The Committee may, if it deems appropriate, hold private meetings with advisers and Senior Executives and Management Personnel.

8. CHARTER REVIEW

The Committee shall review this Charter within annually.