



NOTICE OF GENERAL MEETING, EXPLANATORY MEMORANDUM AND PROXY FORM

Details of time and location of the General Meeting:

Date: Wednesday 20 August 2014

Time: 3:00pm (AWST)

Venue: Rydges Hotel
Level 1
815 Hay Street
(Corner Hay and 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
Ground Floor, 1 Altona Street, West Perth WA 6005
Telephone: +61 8 9485 2929 Facsimile: +61 8 9486 8700
Email: altona@altonamining.com
www.altonamining.com

LETTER FROM THE CHAIRMAN

14 July 2014

Dear fellow Shareholders

REALISATION OF VALUE OF THE OUTOKUMPU PROJECT

On 8 July 2014, Altona Mining Limited (**Altona** or **Company**) announced the proposed sale of the majority of its Finnish assets to Boliden Mineral AB (publ) (**Boliden**) for US\$95 million, together with adjustments for working capital, net debt and net capital expenditure during the settlement period. Based on estimates at the time, total consideration is expected to be approximately US\$100 million (A\$106 million at an exchange rate of AUD:USD of 0.94).

After settlement of the sale, and subject to shareholder approval it is the current intention of the Board that a cash payment be made to Shareholders of up to A\$80 million (\$0.15 per share), being the bulk of the proceeds from the sale. Any such payment is subject to settlement under the sale agreement and to shareholder approval. The form of the payment will be determined by the Board upon the receipt of tax advice, including the receipt of a tax ruling from the Australian Taxation Office ("ATO") of the tax impact of the payment but is likely to be a combination of an equal capital reduction, share buy back or dividend.

Shareholder approval is required to proceed with the sale, on the basis that it contemplates Altona disposing of its main undertaking, the Outokumpu Project. A general meeting is scheduled to be held on 20 August 2014.

The sale will deliver a number of benefits to our Shareholders, including but not limited to:

1. realisation of a significant cash return for the Company's Finnish assets at a price which implies a premium to the recent market price of Altona's shares;
2. cash certainty during a period of significant market and copper price volatility; and
3. the removal of the usual risks associated with mining, although the Company will retain certain tenements in Finland.

The benefits of the sale are explained in more detail in the attached Explanatory Memorandum. Your Board unanimously recommends that Shareholders vote in favour of the sale as described in Resolution 1.

Your Board (excluding Dr Cowden who has an interest in Resolution 2) also recommends that Shareholders vote in favour of Resolution 2, which deals with the vesting of Dr Alistair Cowden's Outokumpu performance share rights. Following the completion of the sale, Altona will not have operational control over the Outokumpu Project and Dr Cowden will not be able to exercise the management influence that is required to achieve the vesting criteria associated with these performance share rights.

Both resolutions require a simple majority of 50% of votes in favour to be passed. Each director will vote all shares held or controlled by him in favour of both Resolutions 1 and 2 (except for Dr Cowden with respect to Resolution 2).

Shareholder approval will be sought for the proposed capital management initiatives when Altona receives a ruling from the ATO to clarify the proportions of the cash payment paid to Shareholders as a combination of an equal capital reduction, share buy back or dividend.

Yours sincerely



Kevin Maloney
Board Chairman

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Altona Mining Limited ACN 090 468 018 (**Altona** or **Company**) will be held at 3:00pm (AWST) on Wednesday, 20 August 2014 at Rydges Hotel, Level 1, 815 Hay Street (corner of Hay and King Street), Perth, Western Australia.

An Explanatory Memorandum accompanies and forms part of this Notice of General Meeting. The Explanatory Memorandum describes the various matters to be considered in relation to the business to be conducted at the General Meeting. This Notice of General Meeting should be read in conjunction with the Explanatory Memorandum.

AGENDA

Resolution 1. Disposal of Altona's Outokumpu Project

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

"That, for the purposes of ASX Listing Rule 11.2, Article 14.2(b)(ii) of the Constitution and for all other purposes, approval is given for the sale by Vulcan Resources Pty Ltd (being a wholly owned subsidiary of the Company) of all its shares in Kuhmo Nickel Limited (owner of the Outokumpu Project in Finland through the Transferring Subsidiaries) to Boliden Mineral AB (publ) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company if Resolution 1 is passed and any of their associates.

However the Company need not disregard a vote if:

(a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the chairman of 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. Variation of the terms of 1,166,666 Performance Share Rights

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

“That, subject to and conditional upon the passing of Resolution 1, for the purposes of ASX Listing Rule 6.23.4 and for all other purposes, approval is given to amend the terms of 1,166,666 Performance Share Rights issued to Dr Alistair Cowden under the Awards Plan to enable them to vest on and with effect from completion of the Sale, as described in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by Dr Cowden and any associate of Dr Cowden. However, the Company need not disregard a vote if it is cast by a person as a 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 who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 2 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 2; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 2.*

Shareholders may also choose to direct the Chair to vote against Resolution 2 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

For the purpose of this voting exclusion statement “associate” shall have the meaning set out in Sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the of the Corporations Act and on the basis that the Company is the “designated body.” “Associate” also includes a related party of Dr Cowden.

Other Business

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

Details of the definitions and abbreviations used in this Notice of Meeting are set out in the glossary to the Explanatory Memorandum.

VOTING INSTRUCTIONS

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 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 their 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 generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 2, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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 who do not nominate the identity of their proxy, will be taken to have appointed the Chair 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 Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair 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, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to the proposed Resolutions. These rules are explained in this Notice.

To be effective, proxies must be lodged by 3:00pm (AWST) on Monday, 18 August 2014. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:

- by returning a completed Proxy Form by post using the pre-addressed envelope provided with this Notice to: Computershare, GPO Box 242, Melbourne Victoria 3001; or
- by faxing a completed Proxy Form to: (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555.

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 3:00pm (AWST) on Monday, 18 August 2014. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, 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 3:00pm (AWST) on Monday, 18 August 2014.

By order of the Board



Eric Hughes
Company Secretary

Dated: 14 July 2014

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 **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.

You should read this Explanatory Memorandum in full before making any decision in relation to the resolutions to be considered at the General Meeting.

Resolution 1. Disposal of Altona's Outokumpu Project

1. Overview

On 7 July 2014, Vulcan Resources Pty Ltd, the Company as guarantor and Boliden Mineral AB (publ) entered into a conditional Share Purchase Agreement for the sale of all the shares of Kuhmo Nickel Limited. Kuhmo is the owner of the Outokumpu Project in Finland through the Transferring Subsidiaries. In addition, Vulcan will transfer the Group Debt to Boliden under the Agreement.

The Sale, if completed, will have the effect of Altona disposing of its main undertaking, being the Outokumpu Project. Altona will retain an interest in two small projects in Finland.

ASX Listing Rule 11.2 provides that an entity is to seek the approval of its Shareholders before it disposes of its main undertaking. Article 14.2(b)(ii) of the Constitution also requires the Company to seek Shareholder approval for the disposal of its main undertaking. The Agreement is conditional on (amongst other things) the receipt of such approval.

A summary of the Outokumpu Project is included at Appendix 1 of this Explanatory Memorandum.

The key terms of the Agreement are set out in Section 2 overleaf. A more substantive summary of the Agreement is set out in Appendix 2 of this Explanatory Memorandum.

As noted below, the consideration which Vulcan is to receive under the Agreement is US\$95 million, payable in cash net of adjustments (which may ultimately be positive or negative) for net debt, working capital and net capital expenditure in accordance with the terms and conditions of the Agreement. Based on estimates at the time of the Agreement, total consideration is expected to be approximately US\$100 million. This equates to A\$106 million at a USD:AUD exchange rate of 0.94.

Completion of the Sale will result in Altona ceasing to be involved in the Outokumpu Project and most of its other Finnish operations and exploration projects. Following the Sale, it is envisaged that Altona will hold net cash of approximately A\$120 million to A\$125 million, the majority of which it considers are surplus to its requirements to maintain its remaining Australian operations.

As set out in further detail below, in the event that completion of the Sale occurs, Altona intends to return up to A\$80 million (or \$0.15 per Share in cash) to Shareholders in a combination of an equal capital reduction, share buy back or dividend. The final combination will be determined by Directors upon the receipt of a class ruling from the ATO and the capital management initiatives will be subject to the requisite Shareholder approval(s), amongst other things.

2. Key terms of the Share Purchase Agreement

A summary of the key terms of the Agreement are as follows.

2.1 Consideration

The consideration payable for the Sale Shares and the Group Debt is US\$95 million, as adjusted for:

- a) capital expenditure incurred by Kuhmo and the Transferring Subsidiaries less depreciation between the date of the Agreement and the Completion Date;
- b) the difference between cash and third party debt (excluding operating equipment leases and the Group Debt on the Completion Date); and
- c) the difference between net working capital for Kuhmo and the Transferring Subsidiaries as at the Completion Date and normalised net working capital of US\$1,480,728 (subject to verification and being the average net working capital during the 12 months preceding 31 May 2014).

At Completion, Boliden will pay Vulcan an estimated amount of the consideration minus an amount of US\$10 million which will be paid into escrow. The final consideration will be calculated after Completion based on Completion accounts and a Completion statement to be prepared by Boliden after Completion in accordance with Australian accounting standards and accounting principles applied consistently by Altona in group accounts over the past 12 months, and to be reviewed by Kuhmo's auditor. The escrow amount will be released upon the agreement or determination of the final consideration to Vulcan or Boliden depending on whether the initial cash payment made at Completion and the escrow amount is less or more than the final consideration. However, if Completion occurs before the condition described in section 2.2(f) below is satisfied regarding the transfer of the Kotalahti Claims to Kuhmo Metals Oy, an amount of US\$2 million will be retained in escrow until the Kotalahti Claims are transferred. If such transfer has not occurred within two years after the Completion Date, the retained escrow amount of US\$2 million will be paid to Boliden and the Kotalahti Claims will remain with Vulcan Kotalahti Oy.

If the final consideration is less than the amount of the initial consideration paid to Vulcan at Completion and the escrow amount, the whole of the escrow amount must be paid to Boliden and Vulcan must refund the amount by which the initial consideration payment exceeds the final purchase.

2.2 Conditions

Completion is subject to and conditional upon:

- a) the clearances and consents from the Finnish Competition and Consumer Authority required for Completion having been obtained by Boliden;
- b) the Shareholders having approved the Sale (the subject of Resolution 1);
- c) a reorganisation of the Altona group of companies being completed so that the Non-Transferring Subsidiaries remain with the Altona group after Completion;
- d) Altona and its subsidiary, Vulcan Finland (BVI) Ltd assigning all debts owed to them by Kuhmo and the Transferring Subsidiaries to Vulcan;
- e) Vulcan having delivered audited consolidated financial statements of Kuhmo, the Transferring Subsidiaries and the Non-Transferring Subsidiaries for the period ended on 30 June 2014 (**2014 Accounts**);
- f) Vulcan having taken all steps necessary for the Kotalahti Claims to Kuhmo Metals Oy;

- g) Vulcan having obtained permission from the landowners of the land covered by the Kotalahti Claims for Kuhmo Metals Oy, or any other Transferring Subsidiary, to carry out exploration activities on such land during the application process for the pending Kotalahti Claims and during the validity period of the Kotalahti Claims; and
- h) Boliden not becoming aware of any new information between the date of the Agreement and the Completion Date which constitutes or is reasonably likely to result in a Material Adverse Change (including any information related to the 2014 Accounts when compared to the interim financial statements for Kuhmo, the Transferring Subsidiaries and the Non-Transferring Subsidiaries, such as the Auditor not having issued an unqualified auditor's report for the 2014 Accounts, any material assets included in the interim financial statements having been deemed not owned by Kuhmo or any of the Transferring Subsidiaries or any liabilities not included in the interim financial statements having been deemed incurred by Kuhmo or any of the Transferring Subsidiaries).

2.3 Completion

Completion must occur following the date on which Finnish Competition and Consumer Authority approval and Shareholder approval the subject of Resolution 1 is obtained. If Completion does not take place by 31 December 2014, a party may terminate the Agreement unless the party's default has resulted in Completion not occurring.

2.4 Environmental indemnity

Vulcan agrees to indemnify Boliden, Kuhmo and each Transferring Subsidiary from all environmental liabilities, damages, costs, expenses and penalties (including remediation and clean-up costs) relating to or resulting directly or indirectly from any activities by Kuhmo Metals Oy and Kylylahti Copper Oy, or any prior owner, holder or operator on sites owned or held by them on the Completion Date, or which have been sold by them or their previous subsidiary, Vulcan SW Finland Oy. This liability extends to costs for closure and post-closure management of the sites owned, held or operated by Kuhmo Metals Oy and Kylylahti Copper Oy to the extent such costs exceed the bonds currently deposited for the closure and post-closure management of the sites.

Vulcan's liability under the environmental indemnity is not subject to any monetary limitations, except in relation to loss of profit which is subject to a limit of US\$10 million.

Vulcan's liability under the environmental indemnity terminates five years after the Completion Date, unless a claim is still being determined, in which case the liability shall terminate upon the settlement or withdrawal of that claim.

The environmental indemnity is subject to the limitations and exclusions set out in Appendix 2.

2.5 General indemnity and warranties

Vulcan indemnifies Boliden for any breach of the Agreement, including a breach of the Warranties set out in Appendix 2 and for taxes that should have been paid in relation to the period before the Completion Date. Vulcan has also provided warranties which are standard for an agreement of this nature. A summary of those warranties is included in Appendix 2.

2.6 Altona guarantee

Altona guarantees the performance of Vulcan's obligations under the Agreement, including its payment and indemnity obligations.

2.7 Option agreement

At Completion, Vulcan and Boliden must enter into an option agreement under which Boliden will have the option to access the Hautalampi Project to carry out mining in return for a 2% net smelter royalty. Alternatively, Boliden can purchase the Hautalampi Project for US\$3 million at any time. The option term is 10 years.

3. Effect of the Sale on the Company

3.1 Profit & Loss Impact

The Outokumpu Project is the Company's only source of operating revenue. The financial results of the operations were most recently reported in the Company's interim report for the half year ended 31 December 2013. Following the Sale, the Outokumpu Project will no longer make a contribution to Altona's earnings.

If the Sale is completed, the Company will retain and continue to financially support its Australian copper exploration and development at the Little Eva Project located in the Mt Isa region of Queensland. The Company will also retain two small non-producing projects in Finland.

An unaudited and summarised pro-forma Consolidated Income Statement showing the impact of the Sale on the Company's earnings for the financial period ended 31 May 2014 is set out in Appendix 3.

3.2 Statement of Financial Position

The estimated cash held by the Company will increase from A\$17 million at 31 May 2014, to approximately A\$120 million to A\$125 million following completion of the Sale.

Altona's Statement of Financial Position will be simplified with the removal of operational assets and liabilities associated with mining activities and an increase in cash resources.

Current Assets will reflect a decrease in inventories and debtors as the result of the disposal of the Outokumpu Project. In addition, available for sale financial assets will also reduce as a consequence of the group of companies being sold to Boliden. Cash will increase to reflect the transfer of the Group Debt, and the sale of the Sale Shares to Boliden.

Non Current Assets will reflect a decrease in property, plant and equipment and carried forward deferred tax assets associated with the mine.

Current and Non Current Liabilities will also reduce reflecting the removal of finance leases associated with the lease of operational equipment together with a reduction in operational creditors, provisions for staff benefits and mine closure obligations.

An unaudited and summarised pro-forma Consolidated Statement of Financial Position as at 31 May 2014 illustrating the financial position of the Company if the Sale is completed is set out in Appendix 4.

3.3 Effect on capital structure

The Sale will not affect the capital structure of the Company. For clarity, the Company will not reduce or issue any new securities as a result of the Sale.

3.4 Tax impact

It is expected that the Sale will give rise to a tax liability for Altona, however the Company expects to have sufficient tax losses to reduce the tax payable to nil.

3.5 Intentions if the Sale does not proceed

If the Sale does not complete under the terms of the Agreement, the Directors intend to continue operating the Outokumpu Project on the same basis under which it operated prior to receiving the offer from Boliden.

In such eventuality, no part of the consideration will be payable to the Company, and no cash return to Shareholders will occur.

3.6 Repayment of inter-company loans

Since Vulcan acquired the interests in Finland, it has provided working capital and construction loans to enable Kuhmo and the Transferring Subsidiaries to meet its operating and development funding needs. The Agreement envisages Vulcan assigning to Boliden the net book value of these loans in return for an equivalent cash payment which is an element of the Sale consideration being received.

4. Advantages of the Sale

The Board dedicated considerable time and attention to the proposed Sale prior to resolving to enter into the Agreement with Boliden, including forming a view on the advantages and disadvantages of the Sale for the Company and its Shareholders.

The principal matters the Directors considered are set out below, which after being taken into consideration the Directors unanimously concluded that the Sale would be in the best interests of Altona Shareholders.

4.1 Strengthened balance sheet enabling a cash return

Completion of the Sale will leave Altona in a strong financial position, with a cash balance of approximately A\$120 million to A\$125 million and no debt. The Board considers that this cash balance is surplus to its requirements to maintain its remaining Australian operations.

In the event that completion of the Sale occurs, Altona intends to return up to A\$80 million (or \$0.15 per Share in cash) to Shareholders in the form of a combination of an equal capital reduction, share buy back or dividend. The final combination will be determined by the Directors upon the receipt of a class ruling from the ATO and the capital management initiatives will be subject to any requisite shareholder approval(s), amongst other things.

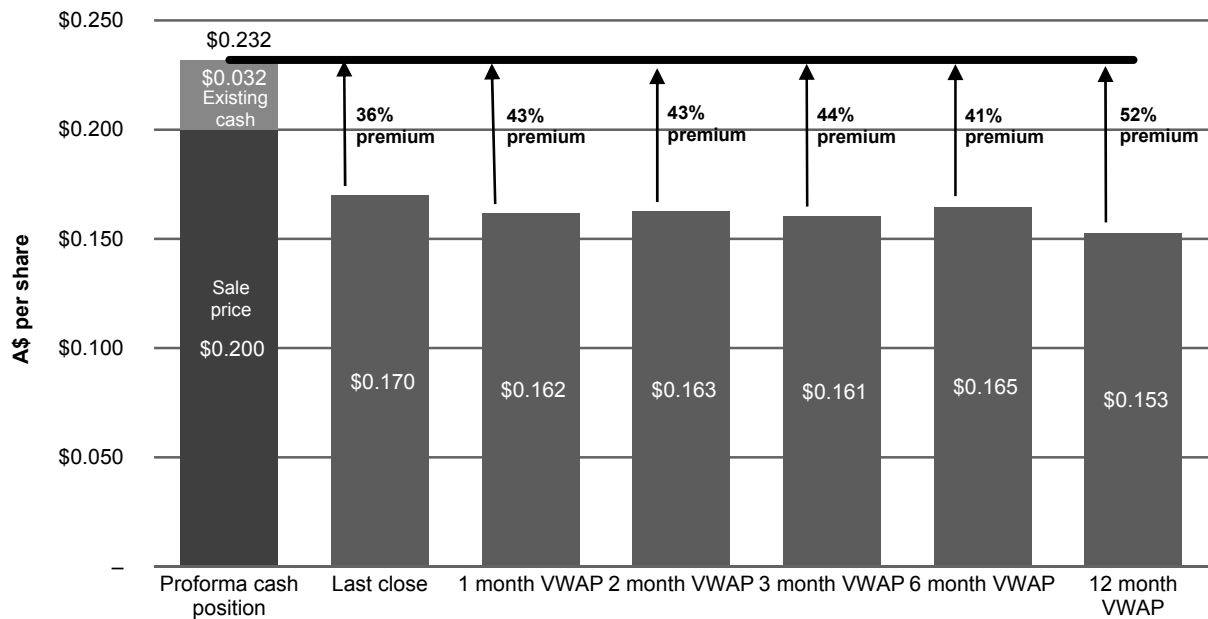
To the extent that the Company seeks to undertake capital management initiatives, it intends to seek a class ruling from the Australian Taxation Office if any of the proposed distribution would not be taxed as a dividend. An equal capital reduction or share buy back will also need to be approved by Shareholders by the passing of an ordinary resolution at a general meeting, to be held later this year.

The Company will continue to update Shareholders on its capital management initiatives.

4.2 Realisation of value at a substantial premium to market

The Sale price implies a significant premium to Altona's recent market prices. The consideration under the Agreement is US\$95 million, payable in cash net of adjustments (which may ultimately be positive or negative) for net debt, working capital and net capital expenditure in accordance with the terms and conditions of the Agreement. Based on estimates at the time of the Agreement, total consideration is expected to be approximately US\$100 million. This equates to A\$106 million at a USD:AUD exchange rate of A\$0.94. When combined with Altona's current cash position of A\$17 million as at 31 May 2014 the estimated cash position will be A\$0.23 per share after Completion. This cash position represents a premium of between 36% and 52% to recent trading in Altona Shares as summarised below. These premiums do not take into account the value of the Little Eva Project and other assets that Altona will retain following completion of the Sale and that each Shareholder will continue to retain exposure to.

The following chart shows the pro-forma cash position of Altona after settlement of the Sale (assuming final consideration is received of US\$100 million after adjustments and the USD:AUD exchange rate is 0.94) compared to Altona's Share price at various stages over the prior 12 month period.



Source: IRESS.

Note: Volume Weighted Average Prices (VWAPs) are up until and including 7 July 2014.

The value of A\$0.20 per Share implied by the Sale price (assuming final consideration is received of US\$100 million after adjustments and the USD:AUD exchange rate is 0.94), when combined with Altona's cash backing of \$0.03 per Share was considered by the Directors in the context of the implied market value ascribed to the Sale assets, Altona's cash, the Little Eva Project and other surplus assets through Altona's Share price. This factor was the material factor in the Directors determining that the Sale price is fair.

4.3 Avoids uncertainty of future cashflows from the Outokumpu Project

In addition to realising a value for the Outokumpu Project significantly in excess of that implied from recent trading levels of Altona Shares, completion of the Sale also removes Shareholders' exposure to operating and macroeconomic risks that may reduce future cashflows from the Outokumpu Project. Whilst Altona has successfully developed the Outokumpu Project into an operating asset generating positive cashflows, the future performance of the asset will be affected by a number of factors, including some beyond the control of the Company.

These risks include those associated with:

- abnormal stoppages in production or delivery due to factors such as industrial disruption, infrastructure access, environmental hazards, major equipment failure or accident; and
- unforeseen adverse geological, mining conditions or technical difficulties.

Future cashflows from the Outokumpu Project attributable to Shareholders will also be impacted by macroeconomic factors including:

- movements in global commodity prices, specifically copper, gold, zinc and silver prices; and
- movements in global currency exchange rates, specifically EUR:USD and AUD:USD rates.

Completion of the Sale reduces the exposure of Shareholders to these risks.

4.4 Creation of a near term liquidity event for Altona

The Sale creates the opportunity for Altona to monetise the value of the Outokumpu Project, primarily through the assignment of intercompany loans provided by Altona and Vulcan to Kuhmo, which will leave Altona in a net cash position of approximately A\$120 million to A\$125 million. In the absence of the Sale, the economic benefit of the Outokumpu Project will be realised by Shareholders throughout its operating life and Shareholders will retain exposure to the risks discussed in further detail in Section 4.3.

4.5 Continued exposure to the Altona team and remaining assets

In addition to the consideration received from Boliden for the Sale (if successfully implemented), Shareholders will continue to hold Shares in Altona which, after the Sale, will:

- retain key members of the current Altona team that have a proven record of asset development and operation, as well as a good understanding of the Little Eva Project;
- reduce corporate overheads to reflect the reduction in activities of the Company and to minimise cash burn;
- continue to progress the Little Eva Project. Since completing a definitive feasibility study in March 2014, Altona has continued, and will continue, to explore ways to optimise the development of the Little Eva Project in order to maximise value for Shareholders;
- retain the Hautalampi Project near Outokumpu, where Boliden has an option to either mine the Hautalampi deposit in exchange for payment of a 2% net smelter royalty or to purchase the project outright for US\$3 million. The option has a 10 year term. Altona will also retain the Sarkiniemi nickel mine;
- consider corporate or asset transactions which deliver Shareholder value; and
- retain cash of approximately A\$40-45 million after Completion Date and any cash return to advance the Little Eva Project and assess other opportunities as appropriate.

The ability of Altona to maximise the value of the Little Eva Project for Shareholders and assess and pursue any other value accretive opportunities will be enhanced through a simplified operational and corporate structure, focus on its Australian copper assets and a strong cash position after completion of the Sale.

4.6 In the event that the Sale is not approved by Shareholders, the market price of Altona may fall from current levels. Whilst the impact on Altona's Share price cannot be predicted, Shareholders should be aware that it is possible the Share price will fall to those prices prevailing prior to the announcement of the Sale.

4.7 Remaining Finnish Assets

Altona will hold its remaining Finnish assets at a minimum cost and consider opportunities to realise further value.

4.8 Low Counterparty Risk

Boliden is a Swedish publically listed company that operate mines and smelters in Sweden, Finland, Norway and Ireland. With an operating history of over 90 years, Boliden has a market capitalisation of approximately SEK25 billion (A\$4 billion) approximately 4,800 employees and a turnover of SEK 34 billion (A\$5.4 billion).

Boliden will fund its completion obligations under the Agreement from existing cash reserves and it is not dependent on further capital being raised. With existing operations in Finland, strong financial credentials and a long history as Nordic mining company, Boliden is a natural acquirer of the Outokumpu Project.

The Company considers that Boliden is a low risk counterparty and provides greater certainty to Shareholders that the Sale will be completed.

Details of Boliden's operations and public reports are available on its web site (<http://www.boliden.com>).

- 4.9 Growth opportunities for the Outokumpu Project, such as a plant to process cobalt-nickel concentrate or develop a second mine, will require funding of capital expenditure which may result in the Company acquiring debt and/or conducting a dilutive capital raising.

5. Disadvantages of the Sale

The Board is of the view that the proposed Sale has few potential disadvantages. The principal disadvantages are set out below:

5.1 Principal Asset Sale

The Sale involves the Company selling a principal asset, which may not be consistent with the investment objectives of all Shareholders. The Company has regarded itself as a producer and has developed a range of skills to support this status. On completion of the Sale, the Company will return to being an exploration company albeit with an advanced exploration project being the Little Eva Project.

5.2 Outokumpu Project

The Outokumpu Project is located in a very prospective mineralised region of Finland. The Company and its Shareholders would no longer have exposure to the potential upside of the Outokumpu Project specifically and the region more generally, albeit Altona will retain some residual exploration ground.

5.3 Rehabilitation Liabilities

As a consequence of having to provide a guarantee to Boliden with respect to certain warranties and indemnities which Vulcan has had to provide to Boliden as part of the Sale documentation, Altona retains a residual exposure to the Sale assets. Altona and its subsidiaries also retain an interest in several non-operating projects in Finland, which have residual rehabilitation liabilities. Bonds in place for these assets amount to €250,000 (A\$360,000). Further, Vulcan has provided indemnities in relation to environmental liabilities, damages, costs, expenses and penalties (including remediation and clean-up costs) relating to any activities by Kuhmo Metals Oy and Kylylahti Copper Oy, or any prior owner, holder or operator on sites owned or held by them on the Completion Date, or which have been sold by them or their previous subsidiary, Vulcan SW Finland Oy.

The Board considers that these risks do not outweigh the benefits of the Sale.

5.4 Little Eva Project

There is a risk the Company may not be able to progress the Little Eva Project in a value accretive manner for Shareholders, or locate and complete the acquisition of other suitable investment opportunities within a reasonable time.

- 5.5 Trading in the Company's shares may become less liquid.

6. Directors' interests

No Director will receive a payment or benefit of any kind as a result of the Sale, other than as security holder of the Company or as contemplated by Resolution 2.

The interests of each Director (and / or their associate(s)) in Shares as at the date of this Notice is:

Director	Shares Held Directly	Shares Held Indirectly	Total
Kevin Maloney		35,348,000	35,348,000
Alistair Cowden ¹	2,107,143	7,903,817	10,010,960
Peter Ingram		1,219,662	1,219,662
Steve Scudamore		200,000	200,000
Paul Hallam		100,000	100,000

1. Dr Cowden also holds 4,666,667 Performance Share Rights granted pursuant to the Altona Mining Limited Awards Plan 2010, which are subject to certain vesting criteria. 1,166,666 Performance Share Rights are the subject of the approval sought pursuant to Resolution 2, which if obtained will result in these Performance Share Rights vesting and Dr Cowden (or his nominees) being issued with a further 1,166,666 Shares, for a total holding of 11,177,626 Shares.

7. Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Each Director that is eligible to vote on Resolution 1 intends to vote all Shares which they control in favour of Resolution 1.

In making the recommendation the Directors considered the advantages and disadvantages of the Sale, including those factors discussed in this Explanatory Memorandum. The Directors also considered whether there were alternatives which would produce a more favourable outcome for Shareholders. The Sale and these alternatives (if any) were assessed against a number of criteria, including:

- the value delivered to the Company and to the Shareholders; and
- the level of certainty, and the likely timing of, any alternative being effectively executed and completed.

The Directors concluded that, the Sale represents a favourable outcome for Shareholders.

8. Other Information

Other than as set out in this Notice of Meeting and information previously disclosed to Shareholders, there is no information known to Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 1.

Resolution 2. Variation of the terms of 1,166,666 Performance Share Rights

1. Overview

The Company's Managing Director, Dr Alistair Cowden (and / or his nominees) has been granted 4,666,667 Performance Share Rights pursuant to the Awards Plan and following the receipt of Shareholder approval obtained on 21 November 2012. These Performance Share Rights are subject to a range of service and performance based vesting criteria.

1,166,666 Performance Share Rights (**Outokumpu Performance Share Rights**) granted to Dr Cowden are subject to vesting criteria (set out in Section 3 herein) that relate directly to the achievement of operational outcomes in relation to the Outokumpu Project (**Outokumpu Vesting Criteria**). Resolution 2 seeks Shareholder approval for the variation of the terms of the Outokumpu Performance Share Rights to remove the Outokumpu Vesting Criteria which will enable the Outokumpu Performance Share Rights to vest immediately upon completion of the Sale.

Dr Cowden has been instrumental in all aspects of the Outokumpu Project, from conception of the project in 2004 through to full-scale production. More specifically, Dr Cowden has been significantly involved in:

- negotiations of the commercial transactions which saw the acquisition of the Luikonlahti mill and Kylylahti mine;
- completion of positive feasibility studies on the Outokumpu Project;
- securing debt and equity finance for the construction of the Outokumpu Project;
- over two years of profitable production with low operating costs;
- raising awareness and improving the safety culture at its operations, resulting in no major incidents;
- developing best practice systems and recruiting high calibre management to ensure the longevity and sustainability of its operations;
- increasing resource and reserves to replace production, extending the Outokumpu Project's mine life, and enabling a production rate greater than 550,000 tonnes per annum since its inception;
- management of key stakeholder relationships in the Finnish mining industry, government and community;
- realising the early repayment of the Company's loan facility whilst maintaining a strong balance sheet; and
- negotiating the Sale with Boliden to ultimately reward Shareholders for their commitment to the Outokumpu Project.

Following the completion of the Sale (the subject of Resolution 1), Altona will not have operational control over the Outokumpu Project and Dr Cowden will not be able to exercise the management influence that is required to achieve the Outokumpu Vesting Criteria in relation to the Outokumpu Performance Share Rights. The Outokumpu Performance Share Rights were granted to Dr Cowden in order to incentivise him in relation to the operational performance of the Outokumpu Project and the Sale was not contemplated at the time of their grant under the terms and conditions of the Awards Plan or in formulating the Outokumpu Vesting Criteria.

2. Directors' Recommendation

The Directors (other than Dr Cowden who has an interest in the outcome of Resolution 2) recommend that Shareholders vote in favour of Resolution 2 which will enable the Outokumpu Performance Share Rights to vest immediately upon completion of the Sale (the subject of Resolution 1), with all other terms and conditions of the Performance Share Rights remaining the same. The Directors make this recommendation in recognition of:

- a) the Outokumpu Vesting Criteria no longer being appropriate in light of the Sale;
- b) the extent to which the Outokumpu Vesting Criteria have been met to date and were likely to be met going forward; and
- c) Dr Cowden's contribution to the Sale and the associated liquidity event that it will deliver to the Company and ultimately to Shareholders, should it be completed.

Under Listing Rule 6.23.4, the Company is prohibited from amending the terms of the Outokumpu Performance Share Rights unless Shareholder approval is obtained in relation to the proposed amendments. Accordingly, the Company is seeking Shareholder approval for the purposes of Listing Rule 6.23.4.

Permission is not being sought from Shareholders to change the terms and conditions of the Performance Share Rights that are not subject to the Outokumpu Vesting Criteria.

3. Outokumpu Vesting Criteria

The Outokumpu Vesting Criteria that currently apply to the Outokumpu Performance Share Rights are set out below.

2012 Award

Number of Outokumpu Performance Share Rights Awarded	Performance Hurdles	Scaling (pro rata between cut in and cut out points)	% Able to be Vested	Test Date
416,666	Increase in Outokumpu Ore Reserves to replace production and enable a production rate greater than 550,000tpa.	Less than current reserves 120% of current reserves 140% of current reserves 150% of current reserves	0% 25% 50% 100%	Any time between 01/07/12 and 01/07/15

It is currently the case (i.e. prior to the removal of the Outokumpu Vesting Criteria) that in addition to achieving the performance hurdles set out in the table above, for any of these 416,666 Outokumpu Performance Share Rights to vest, Dr Cowden will need to be the Managing Director at the relevant milestone date, being 1 July 2015.

It should be noted that the performance hurdles have been substantially met as production at the Outokumpu Project now exceeds 550,000 tonnes per annum, Outokumpu ore reserves have increased to more than replacement of production and are 50% above June 2012 levels before mine depletion.

2013 Award

Number of Outokumpu Performance Share Rights Awarded	Performance Hurdle	Test Date
750,000	Board approved scoping study for expansion of operations with a ten year mine life at 750,000t per annum at acceptable grades.	Any time between 01/07/13 and 01/07/16

In addition to achieving the performance hurdles set out in the table above, for any of these 750,000 Outokumpu Performance Share Rights to vest, it is currently the case (i.e. prior to the removal of the Outokumpu Vesting Criteria) that Dr Cowden will need to be the Managing Director at the relevant milestone date, being 1 July 2016.

It should be noted that a Board approved scoping study has not yet been completed and will not be completed should the Sale proceed, rendering this performance hurdle incapable of being achieved.

4. Corporations Act considerations

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act states that Shareholder approval is not needed to give a financial benefit that is remuneration to be given to a related party of a public company and to give the remuneration would be reasonable given:

- a) the circumstances of the public company giving the remuneration; and
- b) the related party's circumstances (including the responsibilities involved in the office or employment).

It is the view of the current Directors that the exceptions set out in Section 211 of the Corporations Act apply in the current circumstances, as the Board (excluding Dr Cowden) has formed the view that the variation of the terms of the Outokumpu Performance Share Rights form part of the reasonable remuneration of Dr Cowden for the reasons set out in Section 1 of the Explanatory Memorandum to Resolution 2. Accordingly Shareholder approval is not sought for the variation of the terms of the Outokumpu Performance Share Rights under the Corporations Act.

GLOSSARY

In this Explanatory Memorandum and Notice of General Meeting, the following terms have the following meaning unless the context otherwise requires:

Accounting Standards: Has the meaning given to that term in the Corporations Act.

Agreement: The share purchase agreement dated 7 July 2014 between Altona, Vulcan and Boliden.

ASX: ASX Limited (ABN 98 008 624 691) or as the context requires, the financial market known as the Australian Securities Exchange operated by it.

Altona or Company: Altona Mining Limited (ABN 35 090 468 018) and its wholly owned subsidiaries.

ATO: Australian Taxation Office.

Awards Plan: Altona Mining Limited Awards Plan 2010.

AWST: Australian Western Standard Time.

Board: Altona Board of Directors.

Boliden: Boliden Mineral AB (publ).

Closely Related Party: Has the meaning given to that term in the Corporations Act.

Completion: Completion of the Sale.

Completion Date: The date of Completion.

Computershare: Computershare Investor Services Pty Limited is Altona's share registry service provider.

Constitution: Constitution of the Company.

Corporations Act: *Corporations Act 2001* (Cth).

Directors: Directors of the Company.

Explanatory Memorandum: Information attached to the Notice of General Meeting, which provides information to Shareholders about the resolutions contained in the Notice of General Meeting.

Group Debt: The intercompany loans owed to Vulcan by the Transferring Subsidiaries at Completion.

Key Management Personnel: Has the meaning given to that term in the Accounting Standards.

Kotalahti Claims: Means the permits, licences and claims held by Vulcan Kotalahti Oy.

Kuhmo: Kuhmo Nickel Limited, a company duly incorporated and validly existing under the laws of England and Wales.

Kuhmo Group: Kuhmo and the Transferring Subsidiaries.

Material Adverse Change: Has the meaning given to that term set out in Appendix 2.

Meeting: The General Meeting the subject of the Notice.

Non-Transferring Subsidiaries: Vulcan Hautalampi Oy and Vulcan Kotalahti Oy.

Notice or Notice of General Meeting: The Notice of General Meeting which accompanies this Explanatory Memorandum.

Outokumpu Project: The Outokumpu Copper Project located in Finland and comprising the Kylylahti mine and Luikonlahti concentrator.

Performance Share Right: Right to receive a Share for nil consideration in accordance with the terms of the Awards Plan.

Restricted Voter: Key Management Personnel and their Closely Related Parties.

Sale: The sale of all of the issued shares in Kuhmo and the transfer of the Group Debt to Boliden.

Sale Shares: All the issued shares in Kuhmo.

Share: Fully paid ordinary share in the capital of the Company.

Shareholder: A holder of a Share.

Transferring Subsidiaries: The following subsidiaries of Kuhmo:

- a) Kylylahti Copper Oy, a company duly incorporated and validly existing under the laws of Finland
- b) Vulcan Exploration BV, a company duly incorporated and validly existing under the laws of the Netherlands
- c) Kuhmo Metals Oy, a company duly incorporated and validly existing under the laws of Finland

APPENDIX 1

Overview of Altona's Finnish Assets

Altona's assets in Finland include:

- the Outokumpu Project which comprises the Kylylahti underground copper-gold-zinc mine and the Luikonlahti concentrator;
- Outokumpu regional resources; and
- Kuhmo Nickel.

Altona commenced development of the Outokumpu Project in November 2010 with first production achieved in January 2012. Outokumpu produces copper-gold and zinc concentrates for sale in Finland and also stores a low-grade cobalt-nickel concentrate on site. Finland is a Eurozone country and has a long history of mining, an attractive corporate tax regime (20%) and no royalties.

Altona has 225 employees and contractors in Finland.

The Outokumpu Project

The Outokumpu Project is 100% owned by Altona through its subsidiary, Kuhmo Nickel Limited and is situated within Finland's premier mining district some 400 kilometres north-east of Helsinki. The area has 100 years of mining history with three major base metal mines in the area producing from 1914 to 1989.

The project comprises the 600,000 tonne per annum Kylylahti copper-gold-zinc underground mine with ore trucked 43 kilometres on public roads to Altona's Luikonlahti processing plant. Annual production averages 9,000-10,000 tonnes of copper, 9,000-10,000 ounces of gold and 1,600-1,800 tonnes of zinc. Year to date copper metal production of 7,223 tonnes to 31 March 2014 is on track to meet guidance of 9,000-10,000 tonnes.

Geology

The geology of Kylylahti is well defined and understood with excellent reconciliation of reserves to production which provides confidence in the resource and reserve models (see Tables 1 and 2). There is an opportunity to extend the resource at depth to support extensions in mine life.

Kylylahti mine

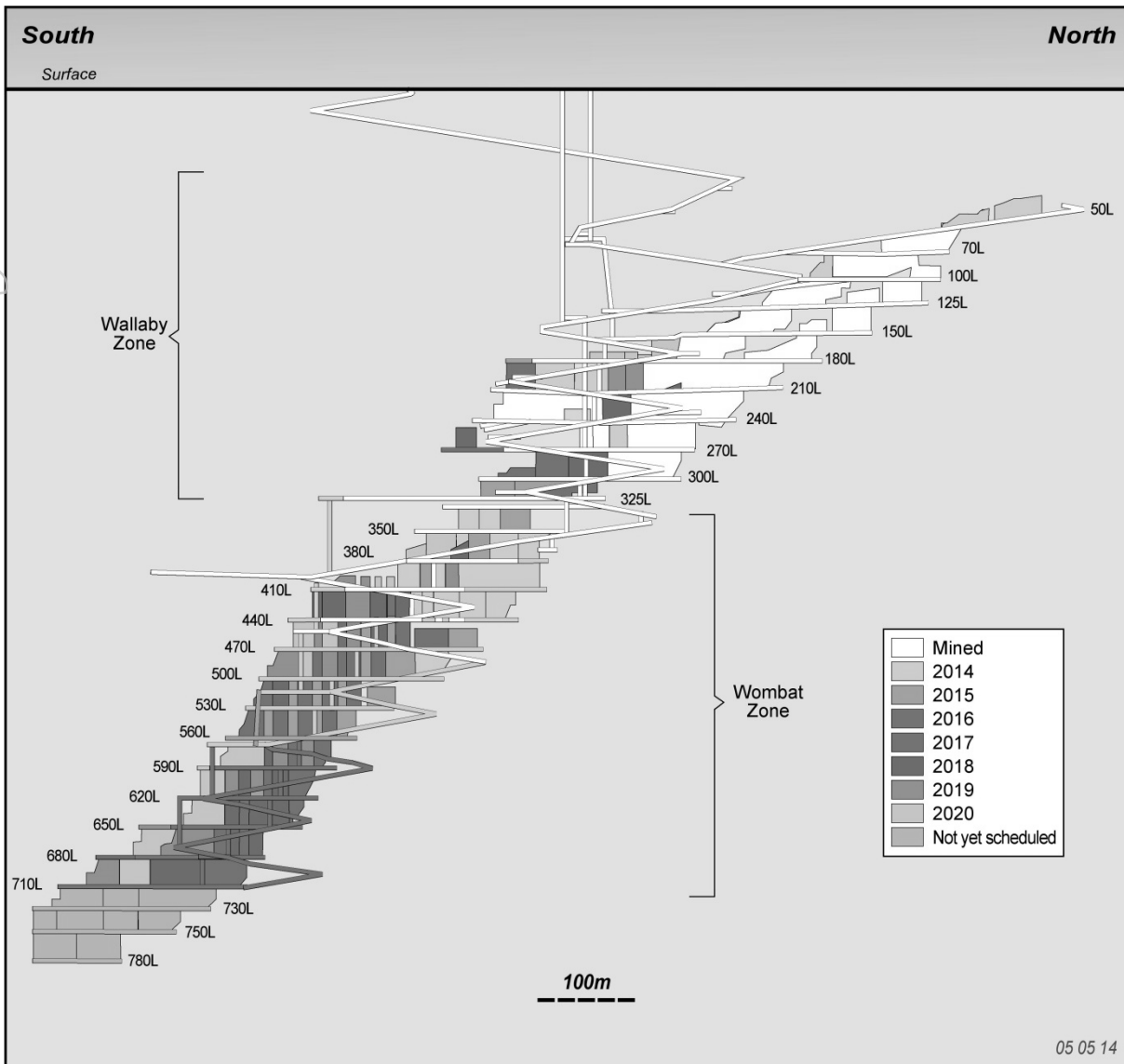
Access to the Kylylahti mine is via a 5.5 metre by 5.5 metre decline tunnel named the Vesanto Decline after Jarmo Vesanto, the Manager of our operations in Finland until February 2014. Mining is via long-hole open stoping with voids being filled by a mixture of waste rock and cemented waste rock. Ore is transported to surface by modified road trucks to a ROM pad where road trucks transport the ore to the Luikonlahti mill for processing. Decline development, ore and waste mucking and haulage is undertaken by contractors whereas mining ore drives and level development is undertaken by Altona.

As at 31 May 2014, the mine decline is 610 metres below surface and is expected to reach its currently planned final depth of 800 metres in 2017.

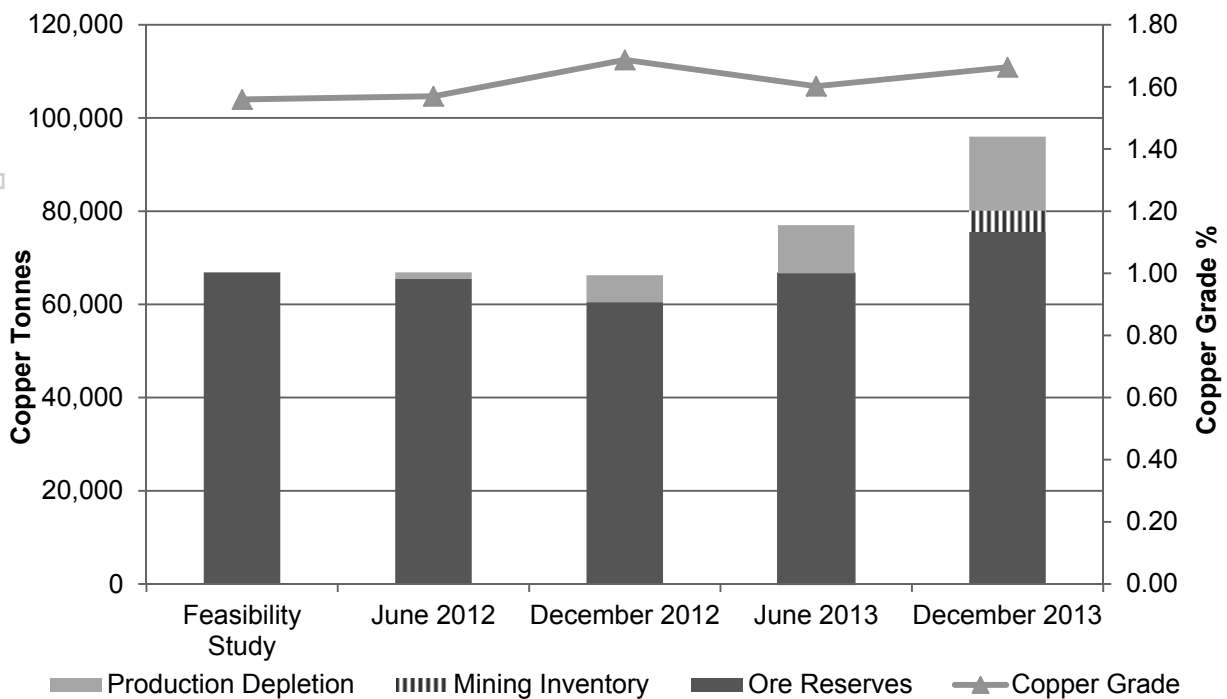
A programme of deep drilling in 2013 resulted in the extension of resources, and consequently increases to reserves and to mine life to 7.5 years. Mine life is similar to that when production commenced but now is at a higher production rate of 600,000-650,000 tonnes per annum.

The target is to further extend resources to a depth of at least 1.1 kilometres below surface. Success in the target zone below the lower limits of resources could significantly extend resources.

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Longitudinal section of the Kylylahti mine showing the mine plan



The graph on the previous page illustrates the evolution in reserves and cumulative production at Kylylahti since the commencement of production.

There is a continuous effort to drill the deposit in advance of mine development and stoping. This has seen a consistent theme of under estimation of the volumes high-grade massive ore and over estimation of low-grade disseminated ore. This has contributed to the increase in resources and reserves after accounting for depletion by mining.

Luikonlahti mill

The Luikonlahti plant was constructed in 1968 to process ore from the adjacent Luikonlahti copper-gold-zinc deposit which was virtually identical in grade and metallurgical characteristics to the Kylylahti deposit. The mill was comprehensively refurbished by Altona during the second half of 2011 with commissioning commencing in January 2012 and design throughput and recoveries being routinely achieved by 30 June 2012.

The plant is configured as a primary rod mill and two secondary pebble mills. Valuable metals occur in sulphide minerals which are easily recovered by flotation into two products; a copper-gold concentrate and a zinc concentrate. Daily deliveries of copper-gold concentrate are made to Boliden's copper smelter at Harjavalta on the south-west coast of Finland and delivers zinc concentrate to Boliden at Kokkola as production allows. Copper concentrates are regularly delivered without incident or penalty. Zinc concentrates incur modest penalties for low grades and iron and cobalt content. The simple logistics chain is a key advantage of the operation.

The nameplate capacity of the Luikonlahti mill is 550,000 tonnes per annum and it has frequently achieved an annualised production rate of 600,000-650,000 tonnes per annum. It is expected that higher production levels of 600,000-650,000 tonnes per annum from financial year 2014/2015 onwards will be sustained. This throughput was chosen to maximise mine life and avoid any step change in equipment and staffing at the mine or in capital expenditure requirements at the mill. Metallurgical performance has been excellent since start up.

The Luikonlahti mill produces a low grade cobalt-nickel-copper concentrate together with a cobalt-nickel bearing sulphur concentrate for storage in a lined storage dam pending sale or further processing. 450,000 tonnes of combined cobalt-nickel and sulphur concentrate have been produced to date.

Production guidance

Production for the full year is expected to meet the guidance range of 9,000-10,000 tonnes of copper and 9,000-10,000 ounces of gold. The C1 cash cost for the twelve months to 30 June 2014 is likely to be slightly above the guidance range of US\$1.60-US\$1.75 per pound.

Production Guidance for 2013 / 2014

Ore tonnes	600,000-650,000 tonnes
Copper grade	1.50-1.65%
Gold grade	0.60-0.70g/t
Copper metal in concentrate	9,000-10,000 tonnes
Gold in concentrate	9,000-10,000 ounces
Zinc metal in concentrate	1,600-1,800 tonnes
C1 cash costs per pound payable copper (after credits)	US\$1.60-1.75/lb copper

Production Statistics

Production statistics as of the quarter ending 31 March 2014 the Outokumpu Project include:

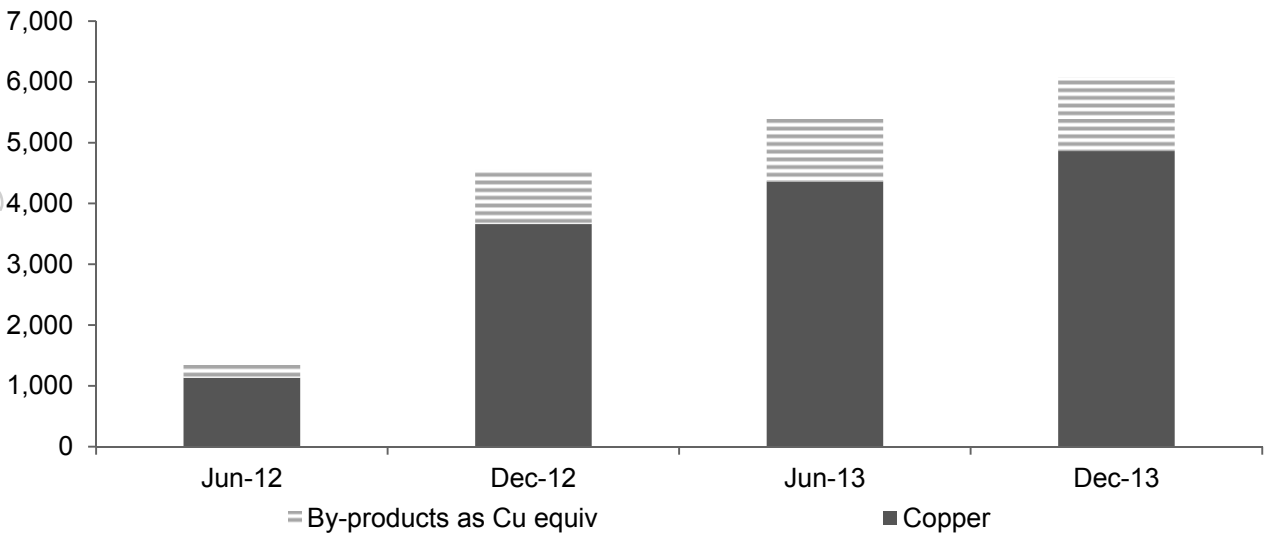
Production Statistics	Metric	Quarter to 31/03/14	Quarter to 31/12/2013	Year to Date
Ore mined	Tonnes	159,393	166,901	494,291
	Copper (%)	1.62	1.48	1.65
	Gold (g/t)	0.61	0.65	0.67
	Zinc (%)	0.63	0.66	0.70
Ore milled	Tonnes	166,313	166,110	495,239
	Copper (%)	1.56	1.41	1.58
	Gold (g/t)	0.58	0.62	0.64
	Zinc (%)	0.67	0.69	0.72
Recovery	Copper (%)	92.5	91.6	92.3
	Gold (%)	76.8	72.0	75.5
	Zinc (%)	45.6	48.2	49.5
Contained metal in concentrates	Copper (t)	2,401	2,145	7,223
	Gold (oz)	2,391	2,363	7,688
	Zinc (t)	508	561	1,757
	Silver (oz)	17,379	16,257	55,027
Copper equivalent	Tonnes	2,838	2,698	8,917
Sales				
Copper concentrate delivered	Tonnes	11,438	10,814	34,247
Contained metal	Copper (t)	2,359	2,184	7,226
	Gold (oz)	2,197	2,427	7,517
	Silver (oz)	15,689	15,937	54,814
Zinc concentrate delivered	Tonnes	1,134	1,182	3,640
Contained metal	Zinc (t)	534	584	1,718
Realised price*				
Copper	USD/lb	3.36	3.33	3.25
Gold	USD/oz	1,265	1,361	1,377
Silver	USD/oz	19.94	19.89	21.11
Zinc	USD/lb	0.86	0.84	0.83
Revenues**				
Copper	USD millions	15.63	15.16	48.36
Gold	USD millions	2.31	2.81	8.29
Zinc	USD millions	0.84	0.90	2.58
Silver	USD millions	0.09	0.11	0.46
Total	USD millions	18.87	18.98	59.69

* Realised price includes all realised and unrealised short and long-term hedge gains and losses (except gain from close-out of gold hedge). Amounts may be subject to provisional pricing adjustments which are mitigated by quotational period hedging.

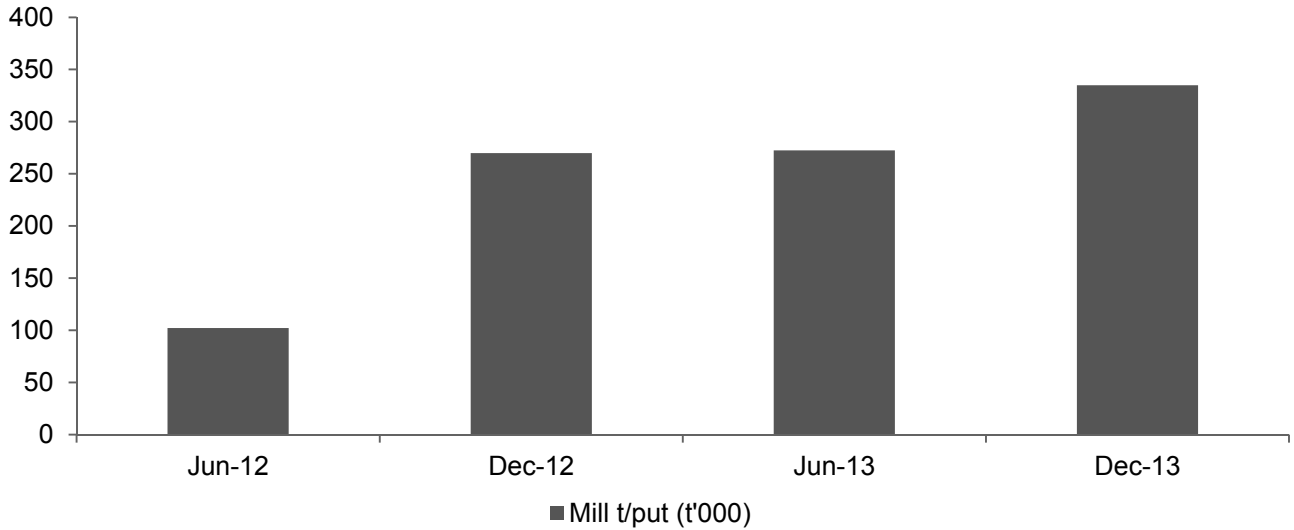
** Revenues are before treatment and refining charges.

Production statistics for the Outokumpu Project since inception are shown graphically below:

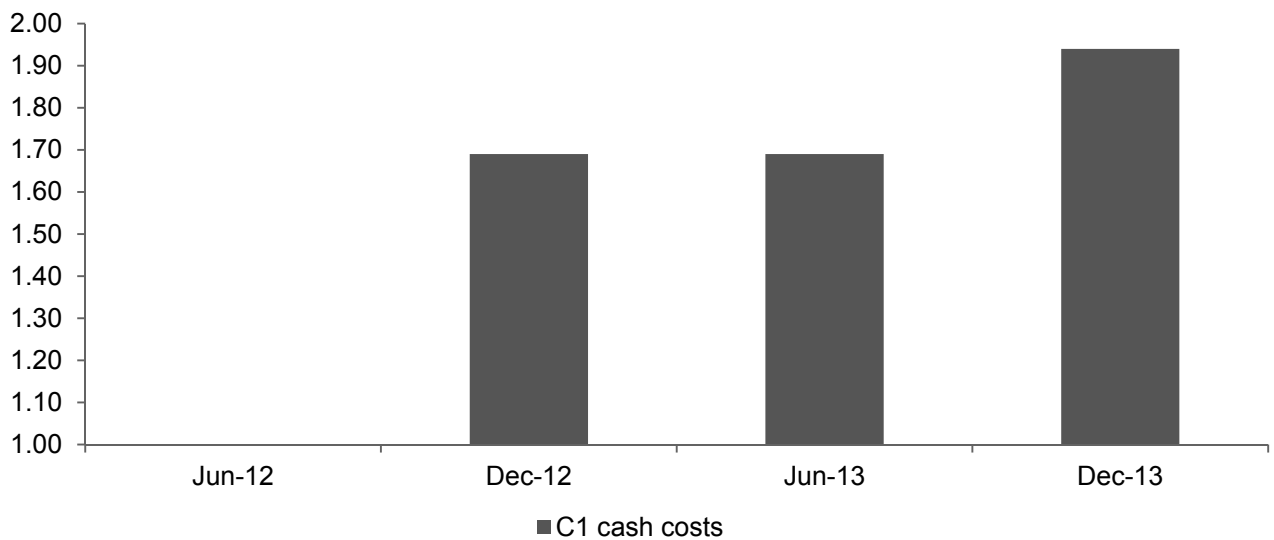
Copper Production (Eq Tonnes) for Six Month Periods



Mill Throughput (Thousand Tonnes) for Six Months Period



C1 Cash Costs (US\$/lb) for Six Month Periods



Safety

As at June 2014, there have been no major safety incidents at the Outokumpu Project. This is testament to the efforts of all personnel who have actively participated in Altona's continuous improvement program to enhance the safety culture.

Community and Environment

The Finnish operations are located in the municipalities of Polvijärvi and Kaavi in south-eastern Finland. During the last few years Altona has built good relationships with these communities. Most of the Project's employees and contractors live locally and are active in their community. A number of sponsorship programmes have been developed which target children and young people with a special emphasis on sports, culture and education. In addition, Altona's policy is to contribute to projects which are considered to be valuable for the entire community, such as the rehabilitation of Lake Polvijärvi.

The Outokumpu Project operates under a number of Finnish statutes governing environmental matters and has a number of permits relating to the mine and mill. All environmental and regulatory permits have been obtained and monitoring programs are in place to ensure compliance. As at June 2014, all permit conditions have been complied with and there have been no material reportable incidents.

Outokumpu Regional Tenements

The Outokumpu regional tenements consists of a number of resources, predominantly copper and nickel, in the region surrounding Outokumpu. Regional resources are hosted in 2 closed mines and 4 unmined resources, all within 30 kilometres of the Luikonlahti mill.

Kuhmo Nickel

The Kuhmo Nickel tenements lie 400 kilometres north of Outokumpu. The Kuhmo Nickel Project is 95% owned by Altona with the remaining 5% being a free carried interest held by Dragon Mining Oy. See Table 4 for the Kuhmo Mineral Resources Estimates.

Ore Reserves and Mineral Resource Estimates

Table 1: Kylylahti Mine Mineral Resource Estimates

	Tonnes (m)	Cu (%)	Au (g/t)	Zn (%)	Co (%)	Ni (%)
Measured	1.20	1.19	0.48	0.56	0.22	0.19
Indicated	7.20	1.35	0.77	0.53	0.24	0.23
Inferred	0.50	1.38	1.71	0.54	0.27	0.24
Total	8.80	1.33	0.78	0.54	0.24	0.22
Contained metal (tonnes)	-	117,480	222,600oz	47,400	21,350	19,680

See ASX release dated 26 March 2014 JORC 2012 Compliance. Mineral Resources are inclusive of Ore Reserves.

Table 2: Kylylahti Mine Ore Reserve Estimates

	Tonnes (m)	Cu (%)	Au (g/t)	Zn (%)	Cu (t)	Au (oz)
Proven	0.57	1.43	0.66	0.66	8,100	12,000
Probable	3.98	1.70	0.86	0.61	67,600	110,000
Total	4.55	1.66	0.83	0.62	75,651	122,000
Mining Inventory	0.20	1.75	0.54	0.63	4,475	4,415

See ASX release dated 7 May 2014 for JORC 2012 Compliance. Mineral Resources are inclusive of Ore Reserves.

Table 3: Outokumpu Mineral Resource Estimates

Deposit	Classification	Tonnes (m)	Cu (%)	Au (g/t)	Zn (%)	Co (%)	Ni (%)
Kylylahti	Measured	1.20	1.19	0.48	0.56	0.22	0.19
	Indicated	7.20	1.35	0.77	0.53	0.24	0.23
	Inferred	0.50	1.38	1.71	0.54	0.27	0.24
	Sub-total	8.80	1.33	0.78	0.54	0.24	0.22
Saramaki	Inferred	3.40	0.71	-	0.63	0.09	0.05
Vuonos	Inferred	0.76	1.76	-	1.33	0.14	-
Hautalampi	Measured	1.03	0.47	-	0.06	0.13	0.47
	Indicated	1.23	0.30	-	0.07	0.11	0.42
	Inferred	0.90	0.30	-	0.10	0.10	0.40
	Sub-total Hautalampi	3.16	0.36	-	0.07	0.11	0.43
Riihilahti	Indicated	0.14	1.69	-	-	0.04	0.16
Valkeisenranta	Indicated	1.54	0.29	-	-	0.03	0.71
Sarkiniemi	Indicated	0.10	0.35	-	-	0.05	0.70
Total		17.94	0.97	0.39	0.45	0.16	0.26

See Vulcan ASX release of 16 November 2009 at www.altonamining.com for JORC 2004 compliance for deposits other than Kylylahti and see JORC disclosure overleaf.

Table 4: Kuhmo Mineral Resources Estimates

Location	Classification	Tonnes (m)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)
Vaara	Indicated	2.62	0.49	0.04	0.01	0.11	0.28
	Inferred	0.14	0.45	0.04	0.01	0.10	0.24
	Sub-total	2.76	0.49	0.04	0.01	0.11	0.27
Peura-aho	Indicated	0.40	0.63	0.29	0.04	0.28	0.62
	Inferred	0.09	0.48	0.23	0.03	0.21	0.42
	Sub-total	0.49	0.60	0.27	0.04	0.27	0.58
Hietaharju	Indicated	0.85	0.85	0.44	0.06	0.53	1.25
	Inferred	0.24	0.59	0.27	0.04	0.34	0.89
	Sub-total	1.09	0.80	0.40	0.05	0.49	1.17
Sika-Aho	Inferred	0.17	0.66	0.01	-	-	-
Arola	Inferred	1.50	0.46	-	-	-	-
Total		6.01	0.55	Contained nickel 33,200 tonnes			

See Vulcan ASX release of 23 October 2009 at www.altonamining.com. See JORC disclosure overleaf.

JORC Disclosures

Responsibility for entire release: The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information previously disclosed to the market and approved by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG. Dr Cowden is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Cowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Production target: Altona confirms that all the material assumptions underpinning the production target in the ASX release of 7 May 2014 "*Reserves increased at the Kylylahti Mine, Finland*" continue to apply and have not materially changed.

Kylylahti Mine Mineral Resources and Ore Reserves: The following ASX releases are available for review on the Altona website at www.altonamining.com:

- Mineral Resources – 26 March 2014 "*Kylylahti Resource increased*"
- Ore Reserves - 7 May 2014 "*Reserves increased at the Kylylahti Mine, Finland*"

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements above and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

Outokumpu (other than Kylylahti) and Kuhmo Mineral Resources: This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Copper equivalence: When used, copper equivalence refers to copper in concentrate, not resources or reserves, or drill results. The copper equivalent grade is calculated by factoring the copper grade by Revenue from all products (Cu, Au, Zn, Ag)/ Revenue from copper.

APPENDIX 2

Summary of Share Purchase Agreement

The Agreement sets out the terms upon which Vulcan is to sell all of the Sale Shares in order to effect the transfer of Kuhmo and Kylylahti Copper Oy, Vulcan Exploration BV and Kuhmo Metals Oy (together the **Transferring Subsidiaries**) to Boliden (**Sale**), and upon which Altona will guarantee the performance of Vulcan's obligations.

The key terms of the Agreement are as follows:

- (a) **(Acquisition of Sale Shares and Group Debt)**: Boliden will acquire the Sale Shares and the debts owing by Kuhmo and the Transferring Subsidiaries to Vulcan (inclusive of the Group Debt which will be assigned to Vulcan before Completion) at Completion.
- (b) **(Consideration)**: the consideration payable for the Sale Shares and the Group Debt is US\$95 million, as adjusted for:
 - (i) capital expenditure incurred by Kuhmo and the Transferring Subsidiaries less depreciation between the date of the Agreement and the Completion Date;
 - (ii) the difference between cash and third party debt (excluding operating equipment leases and the Group Debt on the Completion Date); and
 - (iii) the difference between net working capital for Kuhmo and the Transferring Subsidiaries as at the Completion Date and normalised net working capital of US\$1,480,728 (subject to verification, being the average net working capital during the 12 months preceding 31 May 2014).

At Completion, Boliden will pay Vulcan an estimated amount of the consideration minus an amount of US\$10 million which will be paid into escrow. The final consideration will be calculated after Completion based on Completion accounts and a Completion statement to be prepared by Boliden after Completion in accordance with Australian accounting standards and accounting principles applied consistently by Altona in group accounts over the past 12 months, and to be reviewed by Kuhmo's auditor. The escrow amount will be released upon the agreement or determination of the final consideration to Vulcan or Boliden depending on whether the initial cash payment made at Completion and the escrow amount is less or more than the final consideration.

- (c) **(Conditions Precedent)**: Completion of the Sale is subject to and conditional upon:
 - (i) the clearances and consents from the Finnish Competition and Consumer Authority required for Completion of the Sale having been obtained by Boliden;
 - (ii) the Shareholders having approved the Sale;
 - (iii) a reorganisation of the Altona group being completed so that the Non-Transferring Subsidiaries remain with the Altona group after Completion of the Sale;
 - (iv) Altona and Vulcan Finland (BVI) Ltd assigning all debts owed to them by Kuhmo and the Transferring Subsidiaries to Vulcan;
 - (v) Vulcan having delivered audited consolidated financial statements of Kuhmo, the Transferring Subsidiaries and the Non-Transferring Subsidiaries for the 2014 accounts;
 - (vi) Vulcan Kotalahti Oy transferring all of its permits, licenses and Kotalahti Claims to Kuhmo;

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- (vii) Vulcan having obtained permission from the landowners of the land covered by the Kotalahti Claims for Kuhmo, or any other Transferring Subsidiary, to carry out exploration activities on such land during the application process for the pending Kotalahti Claims and during the validity period of the Kotalahti Claims; and
 - (viii) Boliden not becoming aware of any new information between the date of the Agreement and the Completion Date which constitutes or is reasonably likely to result in a Material Adverse Change (including any information related to the 2014 accounts when compared to the interim financial statements for Kuhmo, the Transferring Subsidiaries and the Non-Transferring Subsidiaries, such as the Auditor not having issued an unqualified auditor's report for the 2014 Accounts, any material assets included in the interim financial statements having been deemed not owned by Kuhmo or any of the Transferring Subsidiaries or any liabilities not included in the interim financial statements having been deemed incurred by Kuhmo or any of the Transferring Subsidiaries).

A **Material Adverse Change** is any occurrence, change or effect that is materially adverse to value of the business, assets, liabilities, financial condition or the results of operation of Kuhmo and the Transferring Subsidiaries taken as a whole caused by or resulting from any company specific event, *provided, however*, that in no event shall any change, whether wholly or partly, arising from or relating to:

- (A) the public announcement or pendency of the sale and purchase of the Sale Shares;
- (B) any action contemplated by the Agreement or taken by either Vulcan, Kuhmo or the Transferring Subsidiaries at the request or direction of Boliden;
- (C) any national or international political or social conditions;
- (D) any conditions affecting the economy of the world or any geographic area, or any industry or market in which Kylylahti Copper Oy and Kuhmo Metals Oy operate, including any changes in, interest rates, copper commodity prices, currency exchange rates or credit spreads;
- (E) matters or events that Boliden at the date of entering into the Agreement knows to result in an event that would constitute a Material Adverse Change;
- (F) any specific action undertaken by Vulcan, Kuhmo or any Transferring Subsidiary for which Boliden has given its prior separate written consent; and
- (G) material changes in applicable laws;

be deemed to constitute a Material Adverse Change or be taken into account in determining whether or not a Material Adverse Change has occurred.

- (d) **(Completion):** Completion must occur following the date on which Finnish Competition and Consumer Authority approval and Shareholder approval the subject of Resolution 1 is obtained. If Completion does not take place by 31 December 2014, a party may terminate the Agreement unless the party's default has resulted in Completion not occurring.
- (e) **(Replacement of Guarantees):** At Completion, Boliden must provide a replacement guarantee to Polar Mining in relation to guarantees provided by Vulcan to Polar Mining Oy in respect of:
 - (i) the obligations of each of Kuhmo Metals Oy and Kylylahti Copper Oy under a Sale and Purchase Agreement between Vulcan and Polar Mining Oy dated 2 December 2004 (as assigned to Kuhmo Metals Oy and Kylylahti Copper Oy) in relation to the acquisition of the Kylylahti project, the Tornio project and Kuhmo-Suomussalmi project; and

- (ii) the obligations of Kylylahti Copper Oy under a royalty deed (as assigned by Vulcan to Kylylahti Copper Oy), for the payment of a royalty of 1 euro per tonne of talc bearing ore produced from the Kylylahti project,

on and with effect from the Completion Date and a release from Polar Mining Oy of Vulcan in relation to the guarantees. Boliden must indemnify Vulcan for any liability incurred under the guarantees in relation to the period after Completion if such a release cannot be obtained.

- (f) **(Option Agreement):** At Completion, Vulcan and Boliden must enter into an option agreement under which Boliden will have the option to access the Hautalampi Project to carry out mining in return for a 2% net smelter royalty. Alternatively, Boliden can purchase the Hautalampi Project for US\$3 million at any time. The option term is 10 years.
- (g) **(Environmental Indemnity):** Vulcan agrees to indemnify Boliden, Kuhmo and each Transferring Subsidiary from all environmental liabilities, damages, costs, expenses and penalties (including remediation and clean-up costs) relating to or resulting directly or indirectly from any activities by Kuhmo Metals Oy and Kylylahti Copper Oy, or any prior owner, holder or operator on sites owned or held by them on the Completion Date, or which have been sold by them or their previous subsidiary, Vulcan SW Finland Oy. This liability extends to costs for closure and post-closure management of the sites owned, held or operated by Kuhmo Metals Oy and Kylylahti Copper Oy to the extent such costs exceed the bonds currently deposited for the closure and post-closure management of the sites.

Vulcan's liability under the environmental indemnity is not subject to any monetary limitations, except in relation to loss of profit which is subject to a limit of US\$10 million.

Vulcan's liability under the environmental indemnity terminates five years after the Completion Date, unless a claim is still being determined, in which case the liability shall terminate upon the settlement or withdrawal of that claim.

Vulcan's liability under the environmental indemnities is subject to the following limitations and exclusions:

- (i) if the loss would not have arisen but for any act or omission after the Completion Date by Boliden, Kuhmo, a Transferring Subsidiary or an affiliated company of Boliden (subject to certain exceptions);
- (ii) if the loss results from an act or omission by Vulcan, the Company or a Transferring Subsidiary before Completion with the approval or at the request of Boliden (subject to certain exceptions);
- (iii) if the loss results from changes in, or interpretation of, the applicable laws having a retrospective effect;
- (iv) Boliden, the Company and the Transferring Subsidiaries must take all reasonable action to mitigate any loss.

These limitations on liability do not apply in the case of fraud, misconduct or gross negligence.

- (h) **(Tax Indemnity)** Subject to certain limitations and exclusions, Vulcan agrees to indemnify Kuhmo and each Transferring Subsidiary in full against and hold them harmless from any losses (including any tax, penalty, interest, cost and/or expense payable) relating to any taxes that have or should have been paid by Kuhmo or any Transferring Subsidiary on or prior to the Completion Date.

Vulcan's liability under the indemnity shall terminate with respect to each Kuhmo and Transferring Subsidiary upon the expiry of the statute of limitations applicable to the liability of the respective company for the relevant taxes, unless a claim has been made and is not settled on that date, in which case Vulcan's liability will only terminate upon the claim having been finally settled or withdrawn.

Vulcan's liability under the tax indemnity is subject to the following limitations and exclusions:

- (i) if the loss would not have arisen but for any act or omission after the Completion Date by Boliden, Kuhmo, a Transferring Subsidiary or an affiliated company of Boliden (subject to certain exceptions);
- (ii) if the loss results from an act or omission by Vulcan, the Company or a Transferring Subsidiary before Completion with the approval or at the request of Boliden (subject to certain exceptions);
- (iii) if the loss results from changes in, or interpretation of, the applicable laws having a retrospective effect unless the change was known on the Completion Date;
- (iv) if the loss arises from the Company or Transferring Subsidiary taking a tax position inconsistent to that taken before the Completion Date (subject to certain exceptions);
- (v) Boliden, the Company and the Transferring Subsidiaries must take all reasonable action to mitigate any loss;
- (vi) Vulcan is only liable for losses which are reasonably foreseeable or that result directly from the event giving rise to the claim for breach of warranty.

These limitations on liability do not apply in the case of fraud, misconduct or gross negligence.

- (i) **(General indemnity):** Vulcan indemnifies Boliden for any breach of the Agreement, including a breach of the warranties.
- (j) **(Warranties):** Vulcan has provided warranties and representations in favour of Boliden relating to Kuhmo and the Transferring Subsidiaries and their operations and assets, including in relation to:
 - (i) the incorporation, existence and solvency of Kuhmo and the Transferring Subsidiaries;
 - (ii) the power and authority of Vulcan to enter into the Agreement;
 - (iii) the proper maintenance of corporate records and the legal convening and recording of all meetings;
 - (iv) the ownership structure and issued capital of Kuhmo and the Transferring Subsidiaries;
 - (v) the 2013 and 2014 accounts of Kuhmo, the Transferring Subsidiaries and the Non-Transferring Subsidiaries and the interim financial statements for those companies as at 31 March 2014;
 - (vi) the assets of Kuhmo and the Transferring Subsidiaries;
 - (vii) the conduct of the business of Kuhmo and the Transferring Subsidiaries since the 30 June 2013;
 - (viii) no Material Adverse Change having occurred since 30 June 2013;
 - (ix) all loans, borrowings security interests and guarantees entered into by Kuhmo and the Transferring Subsidiaries;
 - (x) the validity of, and compliance with, all material agreements by Kuhmo and the Transferring Subsidiaries;
 - (xi) compliance with all applicable laws (including tax laws), regulations, judgements and orders of public authorities;

- (xii) the employees of Kuhmo and the Transferring Subsidiaries and their terms of employment, compliance with laws by Kuhmo and the Transferring Subsidiaries in relation to employment arrangements and disputes;
 - (xiii) the information or communications technology and software of Kuhmo and the Transferring Subsidiaries;
 - (xiv) any rights of ownership or occupation in relation to land or buildings held by Kuhmo and Transferring Subsidiaries;
 - (xv) any permits, licences or authorisation held by Kuhmo and the Transferring Subsidiaries;
 - (xvi) the insurance policies held by Kuhmo and the Transferring Subsidiaries;
 - (xvii) the intellectual property rights of Kuhmo and the Transferring Subsidiaries;
 - (xviii) taxation matters;
 - (xix) environmental matters;
 - (xx) litigation involving Kuhmo and Transferring Subsidiaries; and
 - (xxi) Vulcan having disclosed to Boliden all documents and information relevant to Kuhmo and the Transferring Subsidiaries of which it is aware and which is material for a person experienced in the industry in which Kuhmo and the Transferring Subsidiaries operates to know before deciding whether or not to buy the Sale Shares and that all documents and factual information made available in the disclosure materials (exclusion forecasts, budgets and projections, or expressions of intention or expectation) have been true, complete and correct copies in all material respects.
- (k) **(Warranty limitations on liability):** Vulcan's liability under the warranties (but not under the above discussed indemnities) is subject to the following key limitations and exclusions:
- (i) time limitations: 18 months from the Completion Date for claims for any breach of warranty, except for:
 - (A) tax matters whereby a claim may be made at any time before expiry of the statute of limitations relating to the claim; and
 - (B) environmental matters whereby a claim may be made within 5 years after the Completion Date;
 - (ii) monetary limitations: Vulcan's aggregate total liability for claims for a breach of warranty is US\$25 million. Vulcan will not be liable for any claims or losses unless and until the aggregate amount, finally agreed or determined to be payable in respect of all claims or losses exceeds US\$600,000 in which event Vulcan shall be liable for the entire amount of losses (also below the threshold). No individual claim or loss which is less than US\$50,000 shall be taken into account for the purposes of the threshold.
 - (iii) Boliden, the Company and the Transferring Subsidiaries must take all reasonable action to mitigate any loss;
 - (iv) no claim is indemnifiable if the loss and cause is fairly disclosed (as that term is defined in the Agreement);

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- (v) if the loss would not have arisen but for any act or omission after the Completion Date by Boliden, Kuhmo, a Transferring Subsidiary or an affiliated company of Boliden (subject to certain exceptions);
 - (vi) if the loss results from changes in, or interpretation of, the applicable laws having a retrospective effect, unless the change relates to a tax law unless the change which was known on the Completion Date;
 - (vii) if and to the extent Boliden, the Company or Transferring Subsidiary has recovered any amount in respect of that loss from a third party and such amount equals the entire loss;
 - (viii) if the loss results from an act or omission by Vulcan, the Company or a Transferring Subsidiary before Completion with the approval or at the request of Boliden;
 - (ix) if the liability is a contingent under the liability becomes an actual liability;
 - (x) if the loss arises from the Company or Transferring Subsidiary taking a tax position inconsistent to that taken before the Completion Date unless it is required to do so to comply with a tax law (subject to certain exceptions);
 - (xi) if the Company or a Transferring Subsidiary has been sold or Boliden is no longer the economic beneficiary of the Company or Transferring Subsidiary; or
 - (xii) Vulcan is only liable for losses which are reasonably foreseeable or that result directly from a breach of warranty. Thus Vulcan's liability may also include liability for foreseeable loss of profit as it has not been categorically excluded from the scope of damages that the seller may have to compensate. The same may be the situation with respect to possible other foreseeable indirect damages which are not expressly excluded from the scope of liabilities.

These limitations do not apply to any breach of warranty relating to the Sale Shares, the issued capital of the Company or a Transferring Subsidiary or in the event of fraud, intentional misconduct or gross negligence. Under Finnish law limitations of liability are not effective in the event of intentional misconduct or gross negligence.

- (l) **(Altona Guarantee):** Altona guarantees the performance of Vulcan's obligations under the Agreement, including its payment and indemnity obligations.
- (m) **(Restraint):** For a period of two (2) years from the Completion Date, Vulcan and its affiliated companies are restrained from engaging directly or indirectly in any capacity, business or undertaking which competes with the business of the Transferring Subsidiaries in Finland as conducted as at the Completion Date. This is subject to Boliden providing their written approval. This does not apply to any activity Vulcan may undertake with respect to Hautalampi and Kotalahti or any mining or exploration tenement belonging to either of these companies as at the date of the Agreement. Breach and failure to remedy within thirty (30) days shall result in Vulcan paying Boliden US\$1 million liquidated damages.

For a period of four (4) years from the Completion Date, Vulcan and its affiliated companies are prevented from employing any employee, executive or director of Kuhmo or the Transferring Subsidiaries. This does not apply if an employee, executive or director of Kuhmo approaches Vulcan in response to a publically advertised position. Breach, and failure to remedy within thirty (30) days, requires Vulcan to pay Boliden liquidated damages in the amount of US\$1 million.

APPENDIX 3

Pro-forma Consolidated Income Statement for the Period to 31 May 2014 (Unaudited)

	Note	Actual 31 May 2014 A\$'000	Adjustments A\$'000	Pro-forma 31 May 2014 A\$'000
Revenue	1	77,976	(77,976)	-
Cost of sales	1	(59,987)	59,987	-
Gross profit		17,989	(17,989)	-
Other income	1	119	(82)	37
Exploration and evaluation expense	1	(2,946)	377	(2,569)
Administration expense	1	(6,995)	3,161	(3,834)
Results from operating activities		8,167	(14,533)	(6,366)
Finance income	1	15,662	(15,558)	105
Finance expense	1	(1,533)	1,299	(234)
Net finance income/(expense)		14,130	(14,259)	(129)
Profit/(loss) before income tax from continuing operations		22,297	(28,792)	(6,495)
Income tax expense	1	(9,626)	9,626	-
Profit/(loss) for the period for continuing operations		12,671	(19,166)	(6,495)
Gain recognised on disposal, net of tax	2	-	28,207	28,207
Profit from discontinued operation, net of tax	1	-	19,166	19,166
		-	47,373	47,373
Profit after tax for the period		12,671	28,207	40,878

Note:

- Profit from discontinued operation represents the profit attributable to Altona from the Finnish operations for the 11 months to 31 May 2014. The amounts are based on Altona's unaudited consolidated management accounts for the period to 31 May 2014.
- The gain recognised on disposal represents the estimated profit after tax based on estimated sales proceeds of US\$95 million plus working capital and capital expenditure adjustments. The profit is calculated based on the estimated sales proceeds less the carrying value of related assets and liabilities as at 31 May 2014. The amounts are based on Altona's unaudited consolidated management accounts for the period to 31 May 2014.

APPENDIX 4

Pro-forma Consolidated Statement of Financial Position as at 31 May 2014 (Unaudited)

	Note	Actual 31 May 2014 A\$'000	Adjustments A\$'000	Pro-forma 31 May 2014 A\$'000
Current assets				
Cash and cash equivalents	1	17,061	108,050	125,111
Trade and other receivables	2	11,234	(11,231)	3
Inventories	2	4,681	(4,681)	-
Available-for-sale financial assets	2	418	(346)	72
Other assets	2	649	(382)	267
Total current assets		34,043	91,410	125,453
Non-current assets				
Property, plant and equipment	2	84,592	(84,183)	409
Exploration and evaluation assets		15,208	-	15,208
Deferred tax assets, net	2	4,557	(4,557)	-
Other assets	2	2,281	(1,808)	473
Total non-current assets		106,638	(90,548)	16,090
Total assets		140,681	862	141,543
Current liabilities				
Trade and other payables	2	10,177	(10,040)	137
Derivative financial instruments	2	393	(393)	-
Interest-bearing liabilities	2	553	(553)	-
Provisions	2	1,893	(1,529)	364
Total current liabilities		13,016	(12,515)	501
Non-current liabilities				
Trade and other payables	2	531	(531)	-
Interest-bearing liabilities	2	2,561	(2,561)	-
Provisions	2	4,007	(3,641)	366
Total non-current liabilities		7,099	(6,733)	366
Total liabilities		20,115	(19,248)	867
Net assets		120,566	20,110	140,676
Equity				
Contributed equity		158,290	-	158,290
Reserves		13,501	(8,097)	5,402
Accumulated losses		(51,225)	28,207	(23,018)
Total equity		120,566	20,110	140,676

Note:

1. Cash consideration represents the estimated sales proceeds in Australian Dollars had the sale occurred on 31 May 2014.
2. Amounts represent the book value of assets to be disposed as at 31 May 2014. The amounts are based on Altona's unaudited consolidated management accounts as at 31 May 2014.

ALTONA MINING LIMITED

ABN 35 090 468 018

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(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 3:00pm (AWST) Monday, 18 August 2014

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 or abstain as they choose (to the extent permitted by law). 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 help tab, "Printable 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 your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

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

IND

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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Altona Mining Limited to be held at Rydges Hotel, Level 1, corner of Hay and King Street, Perth, Western Australia on Wednesday, 20 August 2014 at 3:00pm (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2 below.

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.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Disposal of Altona's Outokumpu Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2 Variation of the terms of 1,166,666 Performance Share Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / / _____

AOH

1 8 4 5 9 4 A

Computershare +