

21 December 2015

ASX: AOH, FSE: A2O

## Employee Award Plan Prospectus

Attached to this announcement is a Prospectus inviting employees to participate in the Employee Award Plan that was approved by shareholders at the recent Annual General Meeting.

This prospectus was lodged with the Australian Securities and Investment Commission on 21 December 2015.

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### About Altona

Altona Mining Limited is an ASX listed company which recently sold its successful Outokumpu mine in Finland and is now focussed on the Cloncurry Project in Queensland, Australia.

The Cloncurry Copper Project has Mineral Resources containing some 1.65 million tonnes of copper and 0.41 million ounces of gold. The first development envisaged is the 7 million tonnes per annum Little Eva open pit copper-gold mine and concentrator. Altona has completed a Framework Agreement with Sichuan Railway Investment Group to fully fund and develop Little Eva. Little Eva is permitted with proposed annual production<sup>(1)</sup> of 38,800 tonnes of copper and 17,200 ounces of gold for a minimum of 11 years. A Definitive Feasibility Study was published in March 2014.

Altona Mining is listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

<sup>1</sup>Refer to the ASX release 'Cost Review Delivers Major Upgrade to Little Eva' dated 13 March 2014 which outlines information in relation to this production target and forecast financial information derived from this production target. The release is available to be viewed at [www.altonamining.com](http://www.altonamining.com) or [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target referred to in the above-mentioned release continue to apply and have not materially changed.



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## **Altona Mining Limited**

ACN 090 468 018

### Prospectus

For the offer of 6,636,800 Performance Rights to Eligible Applicants.

Only Eligible Applicants may apply for the Performance Rights under this Prospectus.

**This Offer closes at 5.00pm WST on 25 January 2016. Valid acceptances must be received before that date.**

#### **IMPORTANT NOTICE**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

The Performance Rights offered by this Prospectus should be considered speculative.

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## Corporate directory

### DIRECTORS

Kevin Maloney - Non-Executive Chairman  
Alistair Cowden - Managing Director  
Steve Scudamore - Non-Executive Director  
Paul Hallam - Non-Executive Director

### SECRETARY

Eric Hughes

### REGISTERED OFFICE

Ground Floor  
1 Altona Street  
WEST PERTH WA 6005  
Telephone: +61 8 9485 2929  
Facsimile: +61 8 9486 8700

Email: [altona@altonamining.com](mailto:altona@altonamining.com)  
Website: [www.altonamining.com](http://www.altonamining.com)

### AUDITORS\*

Deloitte  
14/240 St Georges Terrace  
PERTH WA 6000

### SHARE REGISTRY\*

Computershare Investor Services  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

### ASX CODE

AOH

\* For information purposes only. These entities have not been involved in the preparation or distribution of this Prospectus.

## Important dates\*

Event	Date*
Prospectus lodged at ASIC and ASX	21 December 2015
Opening Date	4 January 2016
Closing Date	25 January 2016
Allotment Date and lodgement of Appendix 3B	28 January 2016

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules. All dates stated in this Prospectus are references to Perth, Western Australia time.

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## Important notes

This Prospectus is dated 21 December 2015 and was lodged with the ASIC on that date. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Performance Rights will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Performance Rights issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Eligible Applicants should read this Prospectus in its entirety and seek professional advice where necessary. The Performance Rights the subject of this Prospectus should be considered speculative.

This Prospectus does not purport to contain all the information that you may require before deciding whether to participate in the Offer and does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of the Performance Rights and Shares. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

An application for Performance Rights by Eligible Applicants will only be accepted by following the instructions on the Application Form accompanying this Prospectus as described in section 1.7 of this Prospectus. The Corporations Act prohibits any person from passing an Application Form to another person unless it is accompanied by the complete and unaltered Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the Performance Rights (or the Shares to be issued upon vesting of the Performance Rights) the subject of the Offer have been, nor will be, registered under any applicable securities laws of a country of jurisdiction outside of Australia. Accordingly, subject to certain exceptions, the Performance Rights the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia, or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia.

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## **Key risks**

For a summary of the key risks associated with a further investment in the Company, please refer to section 3.

## **Key definitions**

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

## **Rounding**

All figures in tables have been rounded to two decimal places.

## **Taxation**

The acquisition and disposal of Shares or Performance Rights have tax consequences, which will differ depending on the individual circumstances and financial affairs of each Eligible Applicant. All Eligible Applicants are urged to obtain independent financial advice about the consequences of acquiring Shares or Performance Rights from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors, officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Performance Rights under this Prospectus. Eligible Applicants should consult their own professional tax advisers in regard to taxation implications of the Offer.

## **Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 3 of this Prospectus.

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## 1 Details of the Offer

### 1.1 Offer

This Prospectus provides Eligible Applicants the opportunity to apply for Performance Rights (**Offer**). The number of Performance Rights that will be made available to each Eligible Applicant is set out in their personalised Application Form. The maximum amount of Performance Rights that can be issued under this Prospectus is 6,636,800.

The Offer is only open to Company employees invited by the Company to apply for Performance Rights under the Offer (**Eligible Applicants**). Altona reserves the right to determine whether a person is an Eligible Applicant and reserves the right to reject any application which it believes comes from, or relates to, a person who is ineligible to participate in this Offer.

The Shares that will be issued upon the vesting of the Performance Rights being offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to sections 1.8 and 4.5 for further information regarding the rights and liabilities attaching to the Shares and the terms and conditions of the Performance Rights.

### 1.2 Purpose of the Offer

The purpose of the Offer is to issue selected employees of the Company that are determined by the Board to be eligible to participate in the Offer, Performance Rights pursuant to the Awards Plan.

The Awards Plan was established by the Company to assist in recognising, attracting and incentivising the Company's employees. The Awards Plan was adopted by the Company on 6 October 2010 and amended by the Directors on 22 September 2015. A copy of the Awards Plan is available on the Company's sharepoint website at <https://portal.microsoftonline.com>. Alternatively, Eligible Applicants can obtain a hard copy of this document by contacting the Company Secretary on +61 8 9485 2929 prior to the Closing Date.

Eligible Applicants will not be required to pay any money to apply for a Performance Right and do not need to pay any money to exercise a Performance Right. The Company is not seeking to raise funds by the Offer.

### 1.3 Minimum subscription

There is no minimum subscription in respect of the Offer.

### 1.4 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00am WST on 4 January 2016 and will close at 5.00pm WST on 25 January 2016 (**Closing Date**), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

### 1.5 Underwriting

The Offer is not underwritten.

## 1.6 Alternatives available to you

If you are eligible to participate in this Offer, you may:

- apply for all (and not some) of the Performance Rights set out in your personalised Application Form; or
- choose not to apply for the Performance Rights in which case you will not be granted any Performance Rights under the Offer. If you choose not to apply for Performance Rights, you are not required to take any action.

## 1.7 Applications

Your acceptance of the Offer must be made on the Application Form accompanying this Prospectus.

You may participate in the Offer by completing the personalised Application Form in accordance with the instructions on the form and remitting the completed personalised Application Form to the Company before the Closing Date.

The eligibility criteria and the number of Performance Rights made available to you have been determined by the Board. The number of Performance Rights for which you are eligible to apply for is set out in your personalised Application Form.

Your completed personalised Application Form must be delivered to:

Altona Mining Limited  
Ground Floor  
1 Altona Street  
WEST PERTH WA 6005

and received by no later than 5.00pm (WST) on the Closing Date. No payment is required by you to participate in the Offer.

### ***Taxation implications***

Eligible Applicants should obtain independent advice on the taxation implications arising out of their participation in the Offer.

### ***Inquiries***

If you have any queries, please contact the Company Secretary or your stockbroker or professional adviser.

## 1.8 Terms and conditions of the Performance Rights

The Performance Rights are governed by the Awards Plan. A summary of the terms of the Performance Rights is set out below. A summary of the Awards Plan as it applies to the Performance Rights is set out in Annexure A to this Prospectus.

<b>Nature of Performance Rights</b>	A Performance Right is a right to receive a Share on the terms set out in the Awards Plan for the relevant performance period and subject to satisfaction of the applicable hurdles. The performance period, performance hurdles and test dates for measuring the performance hurdles may be determined by the Board from time to time.
<b>Not transferable</b>	Except upon the death of a holder, a Performance Right may not be transferred, assigned or novated except with the approval of the Board.
<b>No payment</b>	An Eligible Person will not pay anything for the grant of Performance Rights and no amount will be payable by the holder of a Performance Right on the exercise of the Performance Right.
<b>Vesting</b>	<p>Performance Rights may vest in the following ways:</p> <ul style="list-style-type: none"> <li>(i) if the applicable performance hurdles are satisfied as at the relevant test date;</li> <li>(ii) if the holder ceases to be an Eligible Person because of a "specified event", the Board may determine that unvested Performance Rights will vest, in which case the Board will have regard to the contribution of the Eligible Person to the Company and the circumstance in which the Eligible Person ceased to be an Eligible Person; and</li> <li>(iii) unvested Performance Rights that have not lapsed will vest if a takeover bid (as defined in the Corporations Act) to acquire Shares becomes unconditional; at any time after a prescribed change of control event has occurred; or if a merger by way of scheme of arrangement under the Corporations Act has been approved by a Court.</li> </ul>
<b>Exercise</b>	Performance Rights may be exercised if they vest. A vested Performance Right may be exercised at any time up until 5:00pm (WST) on the date determined by the Board prior to the offer of the relevant Performance Right, subject to any restriction in the Corporations Act from time to time but in any event, no longer than 3 years from the date of grant of the Performance Right. The Company must issue new Shares to the holder upon exercise of Performance Rights which have vested.
<b>New issues</b>	Performance Rights do not confer on the holder a right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue, or otherwise.
<b>Variations of capital</b>	If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, a demerger or other distribution in specie, the Board may make one of the following adjustments as it considers appropriate, in accordance with the provisions of the Listing Rules:

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- (i) the number of Shares which may be issued upon exercise of any of the Performance Rights; or
- (ii) where Performance Rights have been exercised but no Shares have been issued following the exercise, the number of Shares, which may be issued.

#### **Lapse**

Unless otherwise determined by the Board, a Performance Right lapses on the earlier to occur of:

- (i) where performance hurdles have not been satisfied on the test date - the date the Board makes a determination that the Performance Right will lapse;
- (ii) if an Eligible Person ceases to be an Eligible Person because of a "specified reason" any Performance Rights held by the Eligible Person (or his or her permitted nominee) may be exercised within 6 months of the relevant "specified reason" event, or such longer period as the Board determines, subject to the Board determining the Performance Rights will vest. Performance Rights not exercised within the 6 months or the longer period set by the Board will automatically lapse;
- (iii) if an Eligible Person ceases to be an Eligible Person for any reason other than a "specified reason" - the date they so cease;
- (iv) the day the Board makes a determination that the Performance Rights lapse for breach, fraud or dishonesty by the holder; and
- (v) the expiry date of the Performance Rights.

#### **1.9 Allotment of Performance Rights**

The Performance Rights are expected to be allotted by no later than 28 January 2016.

#### **1.10 Quotation of Performance Rights and Shares**

Performance Rights will not be quoted on the ASX.

The Company will make an application to the ASX for Official Quotation of Shares issued on the exercise of Performance Rights, if other Shares are listed at that time, as soon as practicable after the Shares are issued.

#### **1.11 Amendment or withdrawal of Offer**

The Board may, in its absolute discretion, decide to suspend or cancel the Offer at any time before the Closing Date.

Subject to the ASX Listing Rules, the Board may also amend the terms from time to time (including after the Closing Date) provided that the amendment does not reduce the rights of a participating Eligible Applicant.

The Board's decision as to the interpretation, effect or application of the terms and the Awards Plan is final and conclusive. The Board may make further rules for the operation of the terms and the Awards Plan. Any powers or discretions that are conferred on the Board under the terms and the Awards Plan may be exercised by the Board or any person or persons appointed to act on its behalf.

### 1.12 Privacy

The Company collects information about each Eligible Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Eligible Applicant's security holding in the Company.

By submitting an Application Form, each Eligible Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Eligible Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Eligible Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

## 2 Effect of the Offer on the Company

### 2.1 Effect of the Offer

The principal effects of the Offer on the Company, assuming the Offer is fully subscribed, are as follows:

- (a) the Company will issue up to 6,636,800 Performance Rights. A lesser number of Performance Rights may be issued if not all Eligible Applicants apply to participate in the Offer; and
- (b) if each Eligible Applicant takes up their full allocation of Performance Rights under the Offer, and all the Performance Rights were to vest and were exercised, the Company would issue a maximum of 6,636,800 Shares. This represents 1.24% of the Company's current issued share capital.

### 2.2 Financial effect of the Offer

As participating Eligible Applicants do not need to pay any money to apply for Performance Rights or to exercise them, the Offer will not directly raise any funds for the Company. The Offer is not being made for the purposes of fundraising. The estimated expenses of the Offer are approximately \$28,570. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being a decrease in the Company's cash position of \$28,750.

### 2.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming the Offer is fully subscribed, is set out below.

#### Shares

	Number
Shares currently on issue	534,800,592
Shares to be issued pursuant to the Offer	Nil
<b>Shares on issue after completion of the Offer</b>	<b>534,800,592</b>

#### Performance Rights

	Number
Performance Rights currently on issue	3,925,000
New Performance Rights to be issued pursuant to the Offer	6,636,800
<b>Total Performance Rights on issue after completion of the Offer</b>	<b>10,561,800</b>

No Shares or Performance Rights are subject to escrow restrictions, either voluntary or ASX imposed.

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## 3 Risk factors

### 3.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher or lower than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Performance Rights.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

### 3.2 Risks specific to the Offer

#### Risks associated with Performance Rights

The number of Performance Rights (if any) that are eligible to vest will be determined on a vesting date determined by the Board (**Vesting Date**). At the Vesting Date, any conditions that must be satisfied before a Performance Right will vest (**Vesting Conditions**) will be tested and some or all of the Performance Rights granted to a participating Eligible Applicant may lapse if the Vesting Conditions are not satisfied. If some of the Performance Rights lapse, a participating Eligible Applicant will only be provided with the number of Shares that corresponds to the number of Performance Rights that were eligible to vest. That number may be less than the number of Shares that a participating Eligible Applicant had initially expected to receive. If, on the Vesting Date, all of the Performance Rights lapse, the Performance Rights will not be exercised and a participating Eligible Applicant will not receive any Shares. Cash will not be provided as an alternative. In certain other circumstances, the Performance Rights may lapse (ie. if you cease to be an employee of the Company). If any of these circumstances occur, you may not be provided with Shares.

### 3.3 Risks specific to the Company

#### Exploration and development risks

The business of mineral exploration, project development and mining by its nature contains elements of inherent risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;

- securing and maintaining title to tenements and compliance with the terms of those tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of the Company.

### **Operating risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- alterations to joint venture programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment;
- adverse weather conditions, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- occupational health and safety in a potentially dangerous workplace;
- industrial action, disputation or disruptions;
- unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- shortages or unavailability of manpower or appropriately skilled manpower;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and



- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals.

#### **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of:

- financial failure or default by a participant in any joint venture to which the Company is or may become a party;
- insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or
- insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

#### **Counterparty risk**

There is always a risk that, notwithstanding appropriate safeguards, a party with whom Altona has dealings may experience financial or other difficulties which may effect that party's ability to perform its obligations to Altona. The Directors are unable to predict the risk of the financial failure or default by a participant in any joint venture to which the Company may become a party or insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities. This may affect the value of, and return from, an investment in Shares or Performance Rights.

#### **Commodity prices**

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world-wide and regional supply and demand for the specific commodity, commodity trading on the futures markets, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities.

#### **Title**

The exploration licences comprising some of the tenements which the Company holds or in which it has an interest may be the subject of applications for extension in the future. If a tenement is not extended, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement.

In addition, the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part.

Access permission has been obtained in respect of some but not all of the Company's tenements. Access permission may not be granted in respect of those tenements for which the Company has not already obtained access permission.

## **Licenses and approvals**

Altona will require certain licenses and approvals to explore and develop its asset suite. Not all such approvals and licenses are currently in place. Failure to obtain, or delays in obtaining, such approvals and licenses may adversely affect Altona.

## **Infrastructure risks**

Commercialisation of Altona's resources and ore reserves will require the development of, and Altona's access to, new infrastructure including but not limited to a new power line, sufficient power capacity, rail for concentrate transport to markets. In the event that these projects proceed to development, there can be no assurance that Altona will obtain sufficient volume allocations necessary to support the development of its project suite. Further, there can be no assurance that access to rail and port facilities would be obtained on commercially or economically viable terms.

## **Additional requirements for capital and dilution**

The Company is likely to require significant capital to fund the exploration and development of its mining properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

## **Access to future funding**

Altona's projects are at a pre-development stage and will require additional drilling, evaluation and feasibility study work prior to committing to development. Should the Company proceed to develop its projects it is likely that significant capital expenditure will be required. This process will require substantial additional funding. There can be no assurance that such funding will be available on acceptable terms or at all.

## **Adverse changes to government policy & legislation**

Adverse changes in Government policy may have an adverse impact on Altona's operational performance as well as actual or potential profitability. Changes which may have an adverse impact on Altona include (but are not limited to):

- changes in taxation laws;
- the introduction of an emissions trading scheme;
- changes in the royalty regime applicable to mining companies in the Australian states in which Altona operates;
- the introduction of increased environmental legislation, including increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees;
- the introduction of increased safety legislation that may result in a heightened degree of responsibility for companies, their directors and employees; and

- changes in legislation that may impact Altona's ability to obtain the necessary approvals and permits to develop its project suite.

### **Native title**

The High Court of Australia, *the Native Title Act 1993* (Cth) and State legislation recognise Aboriginal heritage and land rights. The risks include the following:

- the Company may have to seek permits or licences to access land the subject of an Aboriginal heritage or land right claim. There is no guarantee that any such permit or licence will be granted;
- the Company may have to comply with restrictions or conditions on accessing land the subject of an Aboriginal heritage or land right claim. This may result in the Company facing unplanned expenditure or delays. Failure to comply with any conditions on the permits may result in the Company losing its title to its tenements or forfeiting its permits;
- the Company may have to pay compensation in order to settle native title claims. It is not possible to quantify the amount of compensation which may have to be paid at this stage; and
- in the event the Company discovers evidence of Aboriginal heritage on land accessed by the Company, the Company must comply with regulations prohibiting the disturbance of physical evidence of prehistoric or historical significance without statutory permission and legislation prohibiting or restricting access to Aboriginal cultural heritage or native title land. Accordingly, delays or additional costs in the exploration or production of the Company's business may be experienced. Further, the disturbance of any such land or objects may expose the Company to additional fines or other penalties.

### **Insurance coverage risk**

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

### **Claims, liability and litigation**

The risk of litigation is a general risk of Altona's business. Altona may incur costs in making payments to settle any such claims or complying with any court order which may not be adequately covered by insurance or at all. Such payment may have an adverse impact on Altona's profitability and/or financial position and may impact Altona's ability to execute its development plans in part or in full.

## **Personnel risk**

Altona requires access to appropriately skilled and qualified individuals. There can be no assurances that personnel with the appropriate skills will be available. Altona is subject to the risk of industrial action and work stoppages by employees and contractors who provide services which are necessary for the continued operation of the businesses of Altona.

## **Reliance on key personnel**

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

## **Environmental regulation risk**

The Company's operations are subject to environmental regulations in Australia. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

## **Environmental liabilities risk**

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended

to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

### **Land rehabilitation requirements**

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

## **3.4 General risks**

### **General economic risks**

Altona's funding position, financial performance and ability to execute its development strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to copper prices and currency fluctuations (see above), factors that have potential to impact Altona's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Altona's financial position and / or financial performance.

### **Securities price fluctuation**

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

### **Share market risk**

The market price of Shares could fluctuate significantly. The market price of Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Shares, and the attractiveness of alternative investments.

### **3.5 Speculative nature of investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Performance Rights offered under this Prospectus.

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## 4 Additional information

### 4.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and is subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have material effect on the Company's securities and the consequences of non-compliance.

### 4.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

### 4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Report for the Company for the year ended 30 June 2015 (being the most recent audited annual report lodged with ASIC before the date of this Prospectus); and
- (b) any continuous disclosure notices given by the Company after lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC.

### 4.4 Corporate governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2015. This can be found in the Annual Report for the Company for the financial year ended 30 June 2015.

A summary of the Company's corporate governance policies and procedures is available by accessing the Company's website at [www.altonamining.com](http://www.altonamining.com).

### 4.5 Rights attaching to Shares

The Company must issue new Shares to the holder immediately upon vesting of Performance Rights. If new Shares are issued they will be fully paid Ordinary Shares in the capital of the Company and will rank equally with existing Shares.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to Shares:

#### (a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, and a proportionate vote for every partly paid share, registered in such Shareholder's name on the Company's share register.

A poll may be demanded by the chairman of the meeting, by any five Shareholders present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the Shares of all those Shareholders having the right to vote at that meeting.



(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASTC Settlement Rules (superseded by the ASX Settlement Operating Rules). The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules (superseded by the ASX Settlement Operating Rules).

(d) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(e) Winding up rights

The Company currently only has one class of shares on issue, which all rank equally in the event of winding up. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any Shares or other securities in respect of which there is any liability.

(f) Shareholder liability

As the shares issued following the vesting and exercise of the Performance Rights offered by this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 days' written notice, specifying the intention to propose a resolution as a special resolution must be given.

(h) Listing Rules

If the Company is admitted to the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the

Listing Rules require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

#### 4.6 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

#### 4.7 Interests of Directors

##### (a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Number of Shares		Number of Performance Rights
	Direct	Indirect	Direct
Alistair Cowden	Nil	11,177,626 <sup>1</sup>	2,250,000
Steve Scudamore	Nil	350,000 <sup>2</sup>	Nil
Paul Hallam	Nil	100,000 <sup>4</sup>	Nil
Kevin Maloney	Nil	35,348,000 <sup>5</sup>	Nil

##### Notes:

- 1 11,177,626 Shares are held by Drumfrochar Pty Ltd and Brachelston Pty Ltd, companies of which Mr Alistair Cowden is a director.
- 2 350,000 Shares are held by Kentchurch Superannuation Fund of which Mr Steve Scudamore is a beneficiary.
- 4 100,000 Shares are held by the Hallam Superannuation Fund of which Mr Paul Hallam is a beneficiary.
- 5 35,348,000 Shares are held by Tulla Resources Group Pty Ltd of which Mr Kevin Maloney is a director.

All Directors may or may not purchase additional Shares prior to the Closing Date.

The Company proposes to invite Mr Alistair Cowden to apply for 3,856,800 Performance Rights under the Offer. The Company received approval to issue those Performance Rights at its Annual General Meeting held on 26 November 2015, further details of which are contained in the Company's Notice of Annual General Meeting released to ASX on 26 November 2015. It is the current intention of Mr Alistair Cowden to subscribe for all Performance Rights offered to him under this Prospectus.

##### (b) Remuneration of Directors

The Constitution provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$750,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A

Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2014 and 30 June 2015 and expected to be provided to the end of the current financial year (from 1 July 2015 to 30 June 2016) are as follows:

Director	Financial Year End	Fees/ Salaries (\$)	Superannuation (\$)	Short term incentives (\$)	Other non-monetary remuneration (\$)	Total (\$)
Alistair Cowden	2016 <sup>1</sup>	462,642	19,308	-	7,888	489,838
	2015	485,479	18,783	200,000	7,893	712,155
	2014	517,725	17,775	-	8,236	543,736
Steve Scudamore	2016 <sup>1</sup>	59,361	5,639	-	-	65,000
	2015	71,252	6,769	-	-	78,021
	2014	88,101	8,149	-	-	96,250
Paul Hallam	2016 <sup>1</sup>	59,361	5,639	-	-	65,000
	2015	71,252	6,769	-	-	78,021
	2014	88,101	8,149	-	-	96,250
Kevin Maloney	2016 <sup>1</sup>	82,192	7,808	-	-	90,000
	2015	107,877	10,248	-	-	118,125
	2014	144,165	13,335	-	-	157,500

**Notes:**

<sup>1</sup> Amounts for 2016 include remuneration paid and expected to become payable for the period from 1 July 2015 to 30 June 2016.

(c) Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

As disclosed in section 4.7(a), it is the current intention of Mr Alistair Cowden to subscribe for all Performance Rights offered to him under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services

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rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

#### 4.8 Interests of named persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds, or during the last 2 years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid, and no benefit has been given or agreed to be given, to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

#### 4.9 Related party disclosure

From time to time the Company may be party to transactions with related parties including:

- (a) employment and services arrangements;
- (b) issue of securities to Directors or entities associated with Directors; and
- (c) payment of Director's fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure made in this Prospectus does not intend to make any further disclosure of such transactions, which will either proceed on an arm's length basis or be approved by Shareholders in general meeting.

#### 4.10 Substantial holders

Based on substantial shareholder notifications at the date of this Prospectus, each of the following persons (and their associates) had the following substantial shareholdings in Shares:

Shareholder	Number of Shares held	% of issued ordinary share capital of the Company
Perpetual Limited and subsidiaries	79,238,289	14.82%*
Tulla Resources Group Pty Limited	35,348,000	6.61%*

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Matchpoint Investment Management	35,240,376	6.59%*
Morgan Stanley	26,891,502	5.05%*

\*Based on Altona's capital structure as at the date of this Prospectus.

#### 4.11 ASX waivers and ASIC relief

The Company has not obtained any waivers from the Listing Rules in relation to the Offer. The Company is not relying on any specific ASIC relief in order to conduct the Offer.

#### 4.12 Consents

There are a number of persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

#### 4.13 Expenses of the Offer

The estimated expenses of the Offer are as follows:

Expense	\$
ASIC fees	2,320
Legal expenses	26,250
<b>Total</b>	<b>28,570</b>

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## 5 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 21 December 2015



Alistair Cowden  
Managing Director  
For and on behalf of  
**Altona Mining Limited**

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## 6 Defined terms

**\$** means Australian dollars, unless otherwise stated.

**Altona** means the Company.

**Application Form** means the application form for Performance Rights under the Offer either attached to or accompanying this Prospectus.

**ASTC Settlement Rules** means the forming regime superseded by the ASX Settlement Operating Rules.

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

**Awards Plan** means the rules governing Performance Rights adopted by the Company on 6 October 2010 and amended by the Directors on 22 September 2015.

**Board** means the board of Directors.

**Casual Employee** means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with a Group Company.

**Change of Control Event** means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or majority of the Board.

**Closing Date** means 5pm WST on 25 January 2015 (unless extended).

**Company** means Altona Mining Limited (ACN 090 468 018).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Contractor** means:

- (a) an individual with whom a Group Company has entered into a contract for the provision of services under which the individual performs work for a Group Company; or
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for a Group Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company.

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

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Applicant** means an employee of the Company invited by the Company to apply for Performance Rights under the Offer.

**Eligible Person** means a person who is a:

- (a) full time or part time employee of a Group Company (including an executive director);
- (b) non-executive director of a Group Company;
- (c) Contractor; or
- (d) Casual Employee.

**Group Company** means any one of the Company or its Subsidiaries (if any) from time to time.

**Listing Rules** means the official listing rules of the ASX.

**Offer** means the offer of Performance Rights pursuant to this Prospectus.

**Official Quotation** means quotation on the Official List.

**Official List** means the official list of the ASX.

**Performance Right** means a conditional right to acquire a Share, issued under the Awards Plan.

**Prospectus** means this prospectus.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means the registered holder of a Share.

**WST** means Australian Western Standard Time.

**Vesting Condition** has the meaning given to it in section 3.2.

**Vesting Date** has the meaning given to it in section 3.2.



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## Annexure A - Summary of the Awards Plan as it applies to the Performance Rights

**Establishment and Termination of the Plan**    The Board:

- may establish and administer the Plan in accordance with the terms and conditions set out in the Rules and otherwise as it determines from time to time in its absolute discretion;
- may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate; and
- may not issue any further Performance Rights after the Plan has been terminated. However, the Rules will continue to apply to Performance Rights on issue at the date of such termination until the last of those Performance Rights lapses or is exercised.

**Purpose of Plan**    The purpose of the Plan is to assist in recognising, attracting and incentivising Company employees.

**Operation of the Plan**    The Plan operates according to the Rules which bind the Company and each Participant.

Where an Offer or Invitation is made under the Plan in reliance on the Class Order, the Board must, at the time of making the Offer or Invitation, have reasonable grounds to believe that the total number of Shares which would be issued if the Performance Rights the subject of the Offer or Invitation were exercised will not exceed 5% of the total number of Shares on issue, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

- (a) the Plan or any other employee incentive scheme covered by the Class Order; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

**(5% Limit).** For the avoidance of doubt, offers or invitations under the Plan that are not made in reliance on the Class Order or other ASIC class order or case-by-case relief are not included in the 5% Limit calculation.

The 5% Limit shall be subject to adjustment or increase as may be permitted by applicable law.

**Eligibility**    Subject to the Rules, the Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. Prior to making that determination, the Board must consider:

- (a) the seniority, position, length of service, employment record and

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contribution to Company growth of the relevant Eligible Person;

- (b) the extent (if any) of the existing participation of the Eligible Person (or any Permitted Nominee in relation to that Eligible Person) in the Plan; and
- (c) any other matters which the Board considers relevant.

The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

Subject to the Law, Listing Rules and Constitution, the Board may invite a person to participate in the Plan where the Offer or Invitation is conditional on the person becoming an Eligible Person.

### **Invitation to Participate**

#### **Invitations**

- (a) The Board may from time to time in its absolute discretion issue or cause to be issued Invitations on behalf of the Company to Eligible Persons. That Invitation will be in such form as the Board determines from time to time and will include information about the terms and number of Performance Rights which are capable of becoming exercisable, the Performance Period, Performance Hurdles, and any information required by any applicable law or the Class Order.
- (b) Invitations may be made by the Board on a differential basis to Eligible Persons, different classes of Eligible Persons or to Eligible Persons within the same class, as the case may be.

#### **Application Form**

- (a) An Eligible Person who receives an Invitation can only participate in the Plan by returning a duly completed Application Form within the time period and as otherwise specified in the Invitation.
- (b) An Eligible Person may nominate a person (who must be an Eligible Nominee) to whom the Eligible Person wishes to be granted all the Performance Rights as specified in the Invitation by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow the grant of the Performance Rights to the Eligible Person or Eligible Nominee without giving any reason for such decision.
- (c) If an Application Form is not returned within the time specified or otherwise in accordance with the requirements set out in the Invitation, the Board may nevertheless in its sole discretion treat any Application Form received from an Eligible Person (or their nominee) as being returned within the time specified and in compliance with the requirements set out in the Invitation.

#### **Participants**

Subject to the absolute discretion of the Board, following:

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- (a) receipt of a duly completed Application Form by an Eligible Person; or
- (b) the Board resolving to allow the grant of Performance Rights to an Eligible Nominee (**Permitted Nominee**) and the Permitted Nominee giving the Company a duly completed Application Form,

then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by rules of the Plan and will be granted Performance Rights subject to the Rules. On the grant of Performance Rights following receipt by the Company of an Application Form, an Eligible Person or the Permitted Nominee, as the case may be, becomes a Participant.

**Grant of Performance Rights**

**Grant**

- (a) As soon as practicable after the receipt of a duly completed Application Form, the Company will grant to each Participant the number of Performance Rights as set out in the Invitation.
- (b) A Participant will not pay anything for the grant of Performance Rights.
- (c) An Eligible Person has no entitlement to be granted any Performance Rights unless and until such Performance Rights are granted.
- (d) None of the Performance Rights will be listed for quotation on any stock exchange.

**No payment**

An Eligible Person will not pay anything for the grant of Performance Rights and no amount will be payable by the holder of a Performance Right on the exercise of the Performance Right.

**Not transferable**

Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

**Security Interest**

Subject to the clauses relating to the transfer of Performance Rights contained in the Rules, Participants will not grant any Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are either issued or transferred to that Participant, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

**New issues**

A Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights

issue or otherwise.

**Performance Hurdles** The Performance Hurdles relating to Performance Rights shall be determined by the Board in its absolute discretion from time to time.

**Vesting and Exercise of Performance Rights** **Vesting**

Performance Rights may vest in the following ways:

- (a) if the applicable Performance Hurdles are satisfied as at the relevant Test Date (at the sole discretion of the Board);
- (b) if the holder ceases to be an Eligible Person because of a Specified Reason event, the Board may determine that unvested Performance Rights will vest, in which case the Board will have regard to the contribution of the Eligible Person to the Company and the circumstance in which the Eligible Person ceased to be an Eligible Person; and
- (c) unvested Performance Rights that have not lapsed will vest if a takeover bid (as defined in the Corporations Act) to acquire Shares becomes unconditional; at any time after a prescribed Change of Control Event has occurred; or if a merger by way of scheme of arrangement under the Corporations Act has been approved by a Court.

#### **Exercise of Performance Rights**

Performance Rights may be exercised if they vest. A vested Performance Right may be exercised at any time up until 5:00pm (WST) on the date determined by the Board prior to the offer of the relevant Performance Right, subject to any restriction in the Corporations Act from time to time but in any event, no longer than 3 years from the date of grant of the Performance Right. The Company must issue new Shares to the holder upon exercise of Performance Rights which have vested.

**Lapse of Performance Rights** Unless otherwise determined by the Board, a Performance Right lapses on the earlier to occur of:

- (a) where Performance Hurdles have not been satisfied on the Test Date - the date the Board makes a determination that the Performance Right will lapse;
- (b) if an Eligible Person ceases to be an Eligible Person because of a Specified Reason or for any reason other than a Specified Reason, on the date set out in the clause entitled "Cessation of Employment or Office" (see below);
- (c) the date determined by the Board pursuant to the clause entitled "Breach, Fraud or Dishonesty" (see below); and
- (d) the expiry date of the Performance Rights.

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**Cessation of  
Employment  
or Office**

**Unvested Performance Rights**

Unless otherwise determined by the Board:

- (a) if an Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, any Unvested Performance Rights held by such Eligible Person, or if appropriate, their Permitted Nominee, any Unvested Performance Rights will automatically lapse; and
- (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, such Eligible Person, or if appropriate, their Permitted Nominee, may exercise any Unvested Performance Rights held by them within:
  - 6 months of the date of (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
  - such longer period as the Board determines,

subject to the Board, in its absolute discretion, determining the extent to which Unvested Performance Rights that have not lapsed will become Vested Performance Rights. Performance Rights the subject of this clause not exercised within the 6 months or the longer period determined by the Board, will automatically lapse.

**Board's Discretion**

In exercising its discretion regarding Unvested Performance Rights, the Board shall have regard to the contribution of the Eligible Person to the Company and the circumstances in which the Eligible Person ceased to be an Eligible Person.

**Secretary's Certificate**

A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the reason for such occurrence and the date of such occurrence.

**Death of a Participant**

Subject to the clause entitled "Unvested Performance Rights", if at any time prior to the Expiry Date of any Performance Rights a Participant dies, the deceased Participant's Legal Personal Representative may:

- (a) elect to be registered as the new holder of the deceased Participant's Performance Rights; and
- (b) whether or not the deceased Participant's Legal Personal Representative becomes so registered, participate in accordance with and subject to the rules of the Plan as if they were the holder of such Performance Rights.

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**Breach, Fraud or Dishonesty** If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company then the Board may in its absolute discretion determine that all the Participant's Performance Rights will lapse and the Board's decision will be final and binding.

**Change of Control** All of a Participant's Unvested Performance Rights that have not lapsed will become Vested Performance Rights:

- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not;
- (b) at any time after a Change of Control Event has occurred; or
- (c) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act,

and the Company will, following exercise of the Performance Rights, issue to the Participant the number of Shares in respect of which the Performance Rights that have vested.

**Capital Events** If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, a demerger or other distribution in specie, the Board may make one of the following adjustments as it considers appropriate, in accordance with the provisions of the Listing Rules:

- (a) the number of Shares which may be issued upon exercise of any of the Performance Rights; or
- (b) where Performance Rights have been exercised but no Shares have been issued following the exercise, the number of Shares, which may be issued.

**Rights of Participants** Nothing in the Plan or participation in the Plan:

- (a) confers on any Eligible Person or Participant the right to continue as an employee or officer of any Group Company;
- (b) confers on any Eligible Person the right to become or remain an Eligible Person or Participant or to participate under the Plan;
- (c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements;
- (d) affects the rights and obligations of any Eligible Person or Participant under

the terms of their office or employment with any Group Company;

- (e) affects any rights which a Group Company may have to terminate the employment or office of an Eligible Person or Participant or will be taken into account in determining an Eligible Person or Participant's termination or severance pay;
- (f) may be used to increase damages in any action brought against any Group Company in respect of any such termination; and
- (g) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person or Participant.

**Amendment,  
Termination  
and  
Suspension**

- (a) Subject to clause (b) below, the Board may at any time and from time to time by resolution alter the Plan.
- (b) Any amendment to the Plan is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme imposed by the Listing Rules.
- (c) The Board may at any time, and at its complete discretion, suspend or terminate the Plan without notice to Participants. The suspension or termination of the Plan will not affect any existing grants of Performance Rights already made under the Plan and the terms of the Plan will continue to apply to such grants.

**Powers of the  
Board**

- The Plan shall be administered by the Board who shall have the power to:
- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with the Rules;
  - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
  - (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Performance Rights at that time;
  - (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;
  - (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under the Rules;
  - (f) administer the Plan in accordance with the Rules as and to the extent

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provided in the Rules; and

- (g) make regulations for the operation of the Plan consistent with the Rules.

## **General**

### **Law, Listing Rules and the Constitution**

The Plan and all offers and issues of Performance Rights under the Plan are subject to the Law, the Listing Rules and the Constitution, each as in force from time to time.

### **Dispute**

Any disputes or differences of any nature arising under the Plan will be referred to the Board and its decision will be final and binding in all respects.

### **Governing Law**

The Plan and the rights of Eligible Persons and Participants under the Plan are governed by the laws in force in the State of Western Australia, Australia.

Each Participant and the Company irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of Western Australia, the Commonwealth of Australia and Court entitled to hear appeals from those Courts.

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**Definitions  
and  
Interpretation**

In the Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"**Application Form**" means an application form by which an Eligible Person or a Permitted Nominee can accept an Invitation or an Offer, as the case may be, in such form as the Board may approve from time to time;

"**ASIC**" means Australian Securities and Investments Commission;

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

"**Board**" means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

"**Casual Employee**" means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with a Group Company;

"**Change of Control Event**" means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board;

"**Class Order**" means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

"**Company**" means Altona Mining Limited ACN 090 468 018;

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

"**Contractor**" means:

- (a) an individual with whom a Group Company has entered into a contract for the provision of services under which the individual performs work for a Group Company; or
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for a Group Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company;

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

"**Director**" means a director of the Company from time to time but does not

include a person who is only a director by virtue of being an alternate director;

**"Eligible Nominee"** means, in respect of an Eligible Person:

- (a) an immediate family member of the Eligible Person;
- (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Person is a director of the trustee; or
- (c) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person.

**"Eligible Person"** means a person who is a:

- (a) full time or part time employee of a Group Company (including an executive director);
- (b) non-executive director of a Group Company;
- (c) Contractor; or
- (d) Casual Employee,

whom the Board determines in its absolute discretion is to participate in the Plan;

**"Expiry Date"** means, in relation to a Performance Right, the date determined by the Board prior to the offer of the relevant Performance Right, subject to any restriction in the Corporations Act from time to time but in any event no longer than 3 years from the Issue Date;

**"Group"** means the Company and its Subsidiaries (if any) from time to time and a **"Group Company"** means any one of them;

**"Holder"** means in relation to a Performance Right, the holder of the Performance Right (whether an Eligible Person or a Permitted Nominee);

**"Invitation"** means an invitation to participate in the Plan in respect of a Performance Right;

**"Issue Date"** means the date on which the Company grants a Performance Right, as the case may be;

**"Law"** means the laws of Australia;

**"Legal Personal Representative"** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

**"Listing Rules"** means the Official Listing Rules of ASX as they apply to the

Company from time to time;

"**Offer**" means an invitation to an Eligible Person made by the Company to apply for Performance Rights;

"**Participant**" means a person who holds Performance Rights issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

"**Performance Hurdles**" means the conditions relating to the performance of the Group (and the manner in which those conditions will be tested) for the purposes of determining the number of a Participant's Performance Rights which may be exercised, as set out in the Invitation;

"**Performance Period**" means the period set out in the Invitation for the purpose of determining the extent (if any) to which the Performance Hurdles have been met;

"**Performance Right**" means a right granted under the Plan to acquire a Share on the terms set out in the Plan for the relevant Performance Period, subject to the Performance Hurdles;

"**Permitted Nominee**" means an Eligible Nominee to whom the Board has permitted the issue of Performance Rights;

"**Plan**" means the Altona Mining Limited Awards Plan established in accordance with the Rules;

"**Redundancy**" means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

"**Retirement**" means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

"**Rules**" means the rules of the Plan, as amended from time to time;

"**Security Interest**" means a mortgage, charge, pledge, lien or other encumbrance of any nature;

"**Shares**" means fully paid ordinary shares in the capital of the Company;

"**Specified Reason**" means Retirement, Total and Permanent Disablement, Redundancy or death;

"**Subsidiary**" means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act.

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**"Test Date"** in relation to a Performance Right means the date at which Performance Hurdles are to be measured to determine whether that Performance Right becomes a Vested Performance Right;

**"Total and Permanent Disablement"** means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;

**"Unvested Performance Rights"** means Performance Rights which have not yet vested in accordance with the Plan; and

**"Vested Performance Rights"** means Performance Rights which are determined to have vested in accordance with the Plan.

In the Rules, unless a contrary intention appears:

- (a) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a gender includes all genders; and
- (d) an expression defined in, or given a meaning for the purposes of, the Corporations Act has the same meaning where used in the Rules.

## Application Form

### PERFORMANCE RIGHTS

This is an Application Form for \_\_\_\_\_ Performance Rights under the terms set out in the prospectus lodged by Altona Mining Limited with ASIC dated 21 December 2015 (**Prospectus**). All capitalised terms used in this Application Form have the same meaning given to those terms in the Prospectus, unless the context requires otherwise.

**The Prospectus contains important information and you should read the entire Prospectus before applying for Performance Rights. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.**

Name of Eligible Applicant \_\_\_\_\_

Postal address \_\_\_\_\_

Telephone number \_\_\_\_\_

Number of Performance Rights applied for \_\_\_\_\_

(the number applied for cannot exceed the award volume approved by the Board)

Performance Period From: \_\_\_\_\_

To: \_\_\_\_\_

Expiry Date and final date of exercise of Performance Rights: \_\_\_\_\_

Performance Hurdles to be satisfied 1. \_\_\_\_\_

\_\_\_\_\_  
(as agreed with line manager and approved by Board)

2. \_\_\_\_\_

\_\_\_\_\_  
(as agreed with line manager and approved by Board)

3. Continuous employment to \_\_\_\_\_

Test Date of Performance Hurdles \_\_\_\_\_

Please complete the above sections in conjunction with your line manager. Your completed Application Form must be delivered to:

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Altona Mining Limited  
 Ground Floor  
 1 Altona Street  
 WEST PERTH WA 6005

and received by no later than 5.00pm (WST) on the Closing Date. No payment is required by you to participate in the Offer.

By lodging this Application Form with the Company the Eligible Applicant:

1. declares that the agreements, statements, declarations and acknowledgments contained in the following paragraphs are given for the benefit of the Company;
2. applies for the number of Performance Rights specified in the Application Form or such lesser number as may be allocated by the Directors;
3. acknowledges that he/she has received a copy of the Prospectus attached to this Application Form before applying for Performance Rights, and that this Application Form is given pursuant to the Prospectus;
4. acknowledges that he/she has relied on his/her own judgement as to whether to subscribe for Performance Rights and acknowledges that he/she has made their own enquiries and investigations concerning the Company and its business and affairs;
5. acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus;
6. authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions;
7. authorises the Company to send the Eligible Applicant a substituted Application Form (if this Application Form ceases to be current);
8. declares that all details and statements made by the Eligible Applicant in this Application Form are complete and accurate;
9. agrees to be bound by the constitution of the Company and the terms of the Awards Plan;
10. represents, warrants and undertakes to the Company that the Eligible Applicant has full right and authority to sign and lodge this Application Form, to subscribe for the Performance Rights and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
11. rescinds all previous Application Forms relating to the same subject matter hereof; and
12. acknowledges that this Application Form is governed by the laws of Western Australia.

**Signed by the Eligible Applicant:**

*For Individuals*

Signed:.....

Signed:.....

Print Name:.....

Print Name:.....

Date:.....

Date:.....

*For Companies*

**SIGNED** for and on behalf of )  
 ..... )  
 by authority of its Directors in )  
 accordance with section 127 of )  
 the *Corporations Act 2001* (Cth) )

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Secretary/Director

\_\_\_\_\_  
 Print name

\_\_\_\_\_  
 Print name

Date:.....

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