15 September 2017

ASX: AOH, FSE: A2O

2017 ANNUAL REPORT AND APPENDIX 4G

Altona Mining Limited is pleased to release the following documents:

- 2017 Annual Report, and
- Appendix 4G disclosure.

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About Altona and the Cloncurry Copper Project

Altona Mining Limited ("Altona") is an ASX listed company focussed on the Cloncurry Copper Project ("Project") in Queensland, Australia. The Project has Mineral Resources containing some 1.67 million tonnes of copper and 0.43 million ounces of gold. It is envisaged that a 7 million tonnes per annum open pit copper-gold mine and concentrator will be developed at the Project. The development is permitted with proposed annual production[(1)] of 39,000 tonnes of copper and 17,200 ounces of gold for a minimum of 14 years. The Definitive Feasibility Study was refreshed in July 2017.

[1]*Refer to the information attached to this ASX release 'Updated DFS Delivers Bigger and Better Cloncurry Copper Gold Project' dated 2 August 2017 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 or 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.*

ALTONA MINING LIMITED

ANNUAL REPORT 2017

Corporate Directory

Directors:
Mr Kevin Maloney
Chairman

Dr Alistair Cowden
Managing Director

Mr Paul Hallam
Non-Executive Director

Mr Steve Scudamore
Non-Executive Director

Company Secretary:
Mr Eric Hughes

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Auditor:
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Stock Exchanges:
Australian Securities Exchange Limited (ASX)
Frankfurt Stock Exchange

Company Codes:
ASX: AOH
FSE: A20

Issued Capital:
536,975,592 Fully paid ordinary shares
8,419,200 Employee share rights
(Valid 17 August 2017)

Annual Report of Directors to Shareholders and Financial Statements

Contents

This document comprises the reports required to be provided to shareholders in accordance with Section 317 of the Corporations Act 2001. The reports refer to the "Group" which consists of Altona Mining Limited ("Altona" or "the Company") and its subsidiaries.

www.altonamining.com

Company Overview and Strategy

DIRECTORS' REPORT

Principal activities

Altona is a listed mining company with a successful history of project acquisition, mine development studies, construction, project financing, commissioning, profitable operation and asset sales. During the year Altona's principal activities were exploration of its Queensland portfolio and pursuing a mechanism to finance the development of its Cloncurry Copper Project.

Delivery of strategy, likely developments and expected results

Altona's strategy is:

- Focus on copper and gold projects in Australia or low risk jurisdictions.
- Maximise the value of the Cloncurry Copper Project through seeking a partner to develop the Cloncurry Copper Project or through a corporate or asset level transaction.
- Maintain low overheads.
- Explore our 100% owned tenure.
- Once the value path for Cloncurry is clear, consider corporate transactions or acquisitions which complement Cloncurry, are within Altona's capability and deliver shareholder value.

Business environment

Altona's business and financial performance is dependent on the state of the global economy, market perception of the mining industry, world markets for copper, gold and other metals and the Australian dollar-US dollar exchange rates. Performance is also dependent upon the fiscal regime and input costs such as labour and power in Australia.

Community

Altona's activities are located in the Cloncurry region of Queensland. During the last few years Altona has maintained good relationships with the communities located in this area.

Cloncurry Copper Project

Overview

The key attributes of the Cloncurry Copper Project are:

- A standout amongst very few copper development opportunities
- Large scale, permitted, open pit mine located in a high skill and low risk jurisdiction
- Ore Reserve of 426,000 tonnes of copper and 203,900 ounces of gold
- Significant initial annual production of 39,000 tonnes of copper and 17,200 ounces of gold in concentrate
- A$1.48 billion of cashflow (pre-tax and sustaining capital) over an initial mine life of 14 years
- Development of large Little Eva open pit and 5 smaller satellite pits
- Construction of a 7 million tonnes per annum conventional flotation plant at a capital cost of A$288 million
- 150,000 tonnes per annum of clean, marketable copper-gold concentrate
- Average annual operating cashflow (pre-tax and sustaining capital) of A$141 million per annum for first 5 years at full production
- Life of Mine average cash cost of US$1.65 per pound of copper in concentrate and an all-in-cash cost of US$1.92 per pound copper in concentrate
- Opportunities identified to improve returns during project optimisation
- Opportunity exists to expand production through inclusion of copper only deposits

Sichuan Railway Investment Group Limited transaction

In June 2015, Altona entered into a Framework Agreement with Sichuan Railway and Investment Group with the purpose of forming an incorporated joint venture to finance and develop the Cloncurry Copper Project.

On 24 July, it was announced to the market that the agreement with Sichuan Railway Investment Group ("SRIG") had been terminated. The termination arose as a result of SRIG failing to execute an agreed Subscription Deed by 21 July 2017. If the Subscription Deed had been signed, this would have provided for a close of the then proposed transaction on 11 August 2017.

A condition precedent to SRIG signing the Subscription Deed was obtaining various Chinese regulatory authority approvals. Obtaining these approvals also acted as a trigger mechanism for the payment of the $US2 million Performance Guarantee in certain circumstances. As the approvals were not obtained and the Subscription Deed was not signed, SRIG did not forfeit the Performance Guarantee.

Under the agreement with SRIG, Altona was bound by certain exclusivity clauses which prevented Altona from engaging with any other party to transact on the Cloncurry Copper Project. The termination of the agreement with SRIG has now freed Altona from these obligations and it is now free to engage with other parties in relation to the Cloncurry Copper Project.

Cloncurry Copper Project Strategy

Following the termination of the proposed transaction with SRIG, Altona has determined its strategy for delivering value to shareholders. The key attributes for the Project are:

- The Cloncurry Copper Project; a 14 year life open pit mine and mill producing 39,000 tonnes per annum copper and 17,200 ounces of gold each year. The project is permitted and ready to build. The recently completed Definitive Feasibility Study ("DFS") highlighted numerous opportunities to improve the project.
- Some 0.84 million tonnes of contained copper resources in deposits adjacent to the proposed mine but not yet incorporation into the mine plan.

Cloncurry Copper Project

- A 3,785 square kilometres portfolio of exploration tenements in the Cloncurry area with scores of targets, some with existing excellent drill results, some drill ready.

There are few such large development ready projects available in Australia. Altona will consider a range of transaction structures that can deliver shareholder value.

A number of parties have executed Confidentiality Agreements and gained access to the Project dataroom and are actively assessing the opportunity.

Altona will continue exploration to maintain its tenement holding and also conduct exploration that has potential to deliver a step change to the Project.

Definitive Feasibility Study

A Definitive Feasibility Study was completed in August 2017 to provide an up to date status of the Project which consolidates and integrates all technical work of prior studies with a number of significant developments since the initial DFS in May 2012 and the update to the DFS in March 2014 that impact on costs, revenues and design. They include:

- New Resource estimates and geological/geotechnical models for the Little Eva and Bedford deposits. Please note these new estimates have not yet been used to generate new Ore Reserve estimates
- Mineral Resource and Ore Reserve estimates for the Turkey Creek deposit
- Metallurgical testwork of Turkey Creek ore
- Inclusion of the Turkey Creek deposit in mine plan
- Re-design and re-location of infrastructure and waste dumps to accommodate Turkey Creek pit
- A reduction in engineering and construction costs
- Updated cost estimates
- Updated Environmental Authority to reflect inclusion of Turkey Creek
- Changes to macro-economic assumptions

The study also identified a number of areas for improvement to be addressed in project optimisation:

- Reserve expansion through converting Inferred Resources below Little Eva pit to Indicated Resources
- RC drilling for better definition of grade control, dilution and ore loss
- Updated Little Eva Resource model
- Geotechnical model constructed indicating opportunity for improvement in mine design
- Little Eva pit optimisation and design using lower current mining costs and upgraded Resource model
- Resource upside at satellite pits
- Consideration of higher plant throughput if Reserve increase warrants expansion
- Increased water resources to support higher throughput

The study also recommends examining the opportunity of expanding production by inclusion of copper-only deposits not considered in the DFS.

Compared to the 2014 DFS, this study has delivered material improvements:

- Reserves up 14% from 375,000 tonnes copper to 426,000 tonnes copper
- Mine life up 27% from 11 years to 14 years
- Life of mine revenue up 24% from A$2.9 billion to A$3.6 billion

Cloncurry Copper Project

The Project comprises a large scale open pit mine at Little Eva and five satellite pits; Turkey Creek, Bedford North and South, Lady Clayre and Ivy Ann. Ore will be processed at a 7 million tonnes per annum processing plant adjacent to Little Eva and Turkey Creek. The Little Eva pit has a low strip ratio of 1.8:1 (excluding pre-strip). The Project has an initial 14 year life.

The Little Eva processing plant will have a technically simple crushing, grinding and flotation circuit resulting in the pre-production capital cost including pre-strip, processing plant and associated infrastructure being A$288 million. The operation will produce 150,000 tonnes per annum of readily marketable, clean copper-gold concentrate containing an average of 39,000 tonnes per annum copper and 17,200 ounces per annum gold for the first 5 years of full production. High metal recoveries of 96% copper and 85% gold are achievable at a coarse grind size of 212 microns. The mill feed grade averages 0.6% copper and 0.1g/t gold excluding marginal grade stockpiles.

Permitting for the Project is largely completed, an Environmental Authority has been received and Mining Leases ("MLs") have been granted.

Environmental Authority Amendment

The application to amend the Little Eva Project Environmental Authority to incorporate a revised mine plan with the inclusion of Turkey Creek was completed and submitted to the Department of Environment and Heritage Protection on the 30 March 2016.

For the submission, mine design and planning has been undertaken to integrate Turkey Creek into the project. A new infrastructure layout was developed including the Turkey Creek pit and waste dumps, a new Tailings Storage Facility, an improved design for the flood protection bund and diversion channel around the Little Eva pit.

The Environmental Authority amendment was approved by the Department of Environment and Heritage Protection and the final Environmental Authority was issued in July 2016.

Turkey Creek Ore Reserve Estimate

The maiden ore reserve for the Turkey Creek deposit was completed and published on the 21st June. Turkey Creek is located 1.5 kilometres east of the planned Little Eva open pit mine and within 650 metres of a planned 7 million tonnes per annum processing plant within granted MLs.

The Reserve estimate for Turkey Creek is:

11.3 million tonnes at 0.46% copper for 52,100 tonnes of contained copper.

This Ore Reserve Estimate has been made based upon the integration of Turkey Creek into the mine plan for the Little Eva development outlined in the DFS update disclosed to ASX on 2 August 2017. The Turkey Creek pit will be 1.15 kilometre long and 175 metres deep delivering free-milling sulphide ore to the planned nearby Little Eva processing plant. Mine schedules currently envisage the mining of Turkey Creek late in the project life.

The reserve is comprised entirely of sulphide ore from 25 metres to 160 metres below surface. An oxide cap ranging from surface to depths of 25 to 45 metres has not been included in the estimate as it failed to give acceptable recoveries in flotation testwork (sulphidisation).

Cloncurry Copper Project

The global ore reserve for the Cloncurry Copper Project is now:

86 million tonnes at 0.50% copper, 0.07g/t gold for 426,000 tonnes of contained copper and 204,000 ounces contained gold.

The Mineral Resources and the Ore Reserves for the Project are tabulated below.

Summary of Ore Reserves Estimates for the Cloncurry Copper Project

Reserve Classification	Tonnes	Copper (%)	Gold (g/t)	Copper (tonnes)	Gold (ounces)
Little Eva					
Proved	31,000,000	0.64	0.08	198,200	84,700
Probable	22,100,000	0.50	0.09	109,900	62,600
Turkey Creek					
Probable	11,300,000	0.46	0	52,100	0
Ivy Ann					
Probable	3,500,000	0.59	0.08	21,000	9,100
Lady Clayre					
Probable	920,000	0.56	0.27	5,100	8,100
Bedford					
Probable	1,350,000	0.85	0.20	11,600	8,500
Total Proved and Probable Reserves (excl. stockpiles)	**70,200,000**	**0.57**	**0.08**	**397,400**	**173,000**
Little Eva Low Grade Stockpile					
Probable	15,400,000	0.18	0.06	28,100	30,900
Total (including stockpile)	**85,600,000**	**0.50**	**0.07**	**426,000**	**203,900**

See ASX release dated 2 August 2017.

Little Eva and Turkey Creek are reported above a 0.16% copper lower cut-off grade, for Bedford 0.17% copper, for Lady Clayre 0.20% copper and for Ivy Ann 0.22% copper.

All data has been rounded to two significant figures. Discrepancies in summations may occur due to rounding.

Bedford Mineral Resource Estimate

A new Mineral Resource estimate for the Bedford deposit was completed. Bedford is located 6 kilometres southeast of the planned Little Eva open pit mine and processing plant and lies within granted MLs.

The new resource estimate is: 4.8 million tonnes at 0.80% copper and 0.21g/t gold for 38,000 tonnes of contained copper and 32,000 ounces contained gold.

The resource is reported at a 0.3% lower cut-off grade and is classified as indicated and inferred. A full tabulation is given in ASX release dated 2 August 2017.

The global Mineral Resource for the Cloncurry Copper Project is now:

290 million tonnes at 0.58% copper, 0.05g/t gold for 1.67 million tonnes of contained copper and 0.4 million ounces contained gold.

Cloncurry Copper Project

The Bedford Mineral Resource estimate is based on a new geological model informed by detailed surface geochemical and geological mapping. The new model was also informed by two additional diamond drill holes drilled for metallurgical samples and geotechnical studies.

The Mineral Resource reports sulphide ore only and extends from 20 metres to 140 metres below surface. An oxide cap ranging from surface to depths of 20 to 30 metres is excluded from the resource estimate.

The Bedford deposit is part of the Little Eva mine development and is scheduled to commence production in year 2 of the mine plan. The new model indicates the potential to increase Bedford ore reserves and pit optimisations are planned as part of the project optimisation.

Mineral Resource estimate for all deposits at Cloncurry

DEPOSIT	TOTAL			MEASURED			INDICATED			INFERRED		
	Million tonnes	Cu (%)	Au (g/t)	Million tonnes	Cu (%)	Au (g/t)	Million tonnes	Cu (%)	Au (g/t)	Million tonnes	Cu (%)	Au (g/t)
Deposit in Mine Plan												
Little Eva	105.9	0.52	0.09	37.1	0.60	0.09	45.0	0.46	0.08	23.9	0.50	0.10
Turkey Creek	21.0	0.59		-	-		17.7	0.59		3.4	0.58	-
Ivy Ann	7.5	0.57	0.07	-	-	-	5.4	0.60	0.08	2.1	0.49	0.06
Lady Clayre	14.0	0.56	0.20	-	-	-	3.6	0.60	0.24	10.4	0.54	0.18
Bedford	4.8	0.80	0.21	-	-	-	2.3	0.95	0.23	2.5	0.66	0.19
Sub-total	153.3	0.54	0.09	37.1	0.60	0.09	74.0	0.52	0.07	42.2	0.53	0.11
Other Deposits												
Blackard	76.4	0.62	-	27.0	0.68	-	6.6	0.60	-	42.7	0.59	-
Scanlan	22.2	0.65	-	-	-	-	18.4	0.65	-	3.8	0.60	-
Longamundi	10.4	0.66	-	-	-	-	-	-	-	10.4	0.66	-
Legend	17.4	0.54	-	-	-	-	-	-	-	17.4	0.54	-
Great Southern	6.0	0.61	-	-	-	-	-	-	-	6.0	0.61	-
Caroline	3.6	0.53	-	-	-	-	-	-	-	3.6	0.53	-
Charlie Brown	0.7	0.40	-	-	-	-	-	-	-	0.7	0.40	-
Sub-total	136.7	0.61	-	27.0	0.68	-	25.0	0.64		84.7	0.59	-
TOTAL	290.0	0.58	0.05	64.1	0.63	0.05	99.0	0.55	0.05	126.9	0.57	0.04

See ASX release dated 2 August 2017.

Little Eva is reported above a 0.2% copper lower cut-off grade, all other deposits are above 0.3% lower copper cut-off.

Resources have been reported as inclusive of Reserves.

The Company conducts regular reviews of Resource and Reserve estimates. Independent consultants are engaged to mentor and assist our employees with resource and reserve estimations. In addition, the Company undertakes internal audits as part of its internal control program.

Strategic regional tenement position

The Company at the time of writing has 14 granted Exploration Permits ("EPM") and 12 EPM applications in the region surrounding its Cloncurry Copper Project MLs. The applications cover an area of 2,027 square kilometres. In total, Altona holds 3,785 square kilometres of exploration tenure and applications in the Mt Isa-Cloncurry area.

The new project areas are being targeted for copper-gold (IOCG) as well as gold only and lead-zinc-silver deposit types.

Cloncurry Copper Project

Exploration tenure largely covers the extension of stratigraphy that hosts Altona's 1.65 million tonne contained copper Cloncurry Copper Project and MMG Limited's Dugald River mine containing 7.4 million tonnes of zinc, 1.14 million tonnes of lead and 64 million ounces of silver immediately to the north. Altona has also generated three regional exploration projects north and south of the Cloncurry Copper Project: Baluch, Essau and Samla.

Exploration has been non-systematic due to history over more than 30 years with many prior operators over a patchwork of tenure. There is an extensive database with geochemical data, geophysics and drilling being compiled.

Testing of the targets flowing from data compilation and review is being conducted. The initial stage involves collecting detailed soil sampling coverage. A powerful new approach utilising a hand held XRF, which provides an exploration edge unavailable to past explorers, is being used on the base metal targets. The tool provides an ability to collect high resolution data cheaply with fast turn-around. The approach customised by Altona's exploration team was used successfully in the recent Turkey Creek copper deposit discovery.

The campaign to expand exploration activities beyond the core Cloncurry Copper Project development are delivering results with the recent testing of the Harvest, Reaper and Hobby anomalies.

An RC drilling program to test these three large new targets (Harvest, Hobby and Reaper) was completed in October 2016.

At each prospect, large copper-in-soil anomalies greater than 1,000ppm (0.1% copper) had been defined. The anomalism is of similar size and tenor to the Little Eva and Turkey Creek deposits. Outcrop and float rock samples returned up to 14.4% copper and 0.74g/t gold at Harvest; 23.3% copper and 2.9g/t gold at Hobby; and 0.8% copper and 1.54g/t gold at Reaper.

The drill programme confirmed major mineralised zones at Reaper, Harvest and Hobby. Multiple copper-gold mineralised intercepts were recorded in the majority of drillholes; best results were from Harvest and Reaper. Better drill intercepts include:

34 metres at 0.83% copper and 0.14g/t gold in HA003; and, 13 metres at 1.13% copper and 0.13g/t gold in HA008 at Harvest.

The drill results were reported in ASX release date 29 November 2016 and targets were reported 1 August 2016 (Harvest and Hobby) and 5 September 2016 (Reaper). Please refer to these releases for more detailed drilling and prospect summaries.

Cloncurry Copper Project

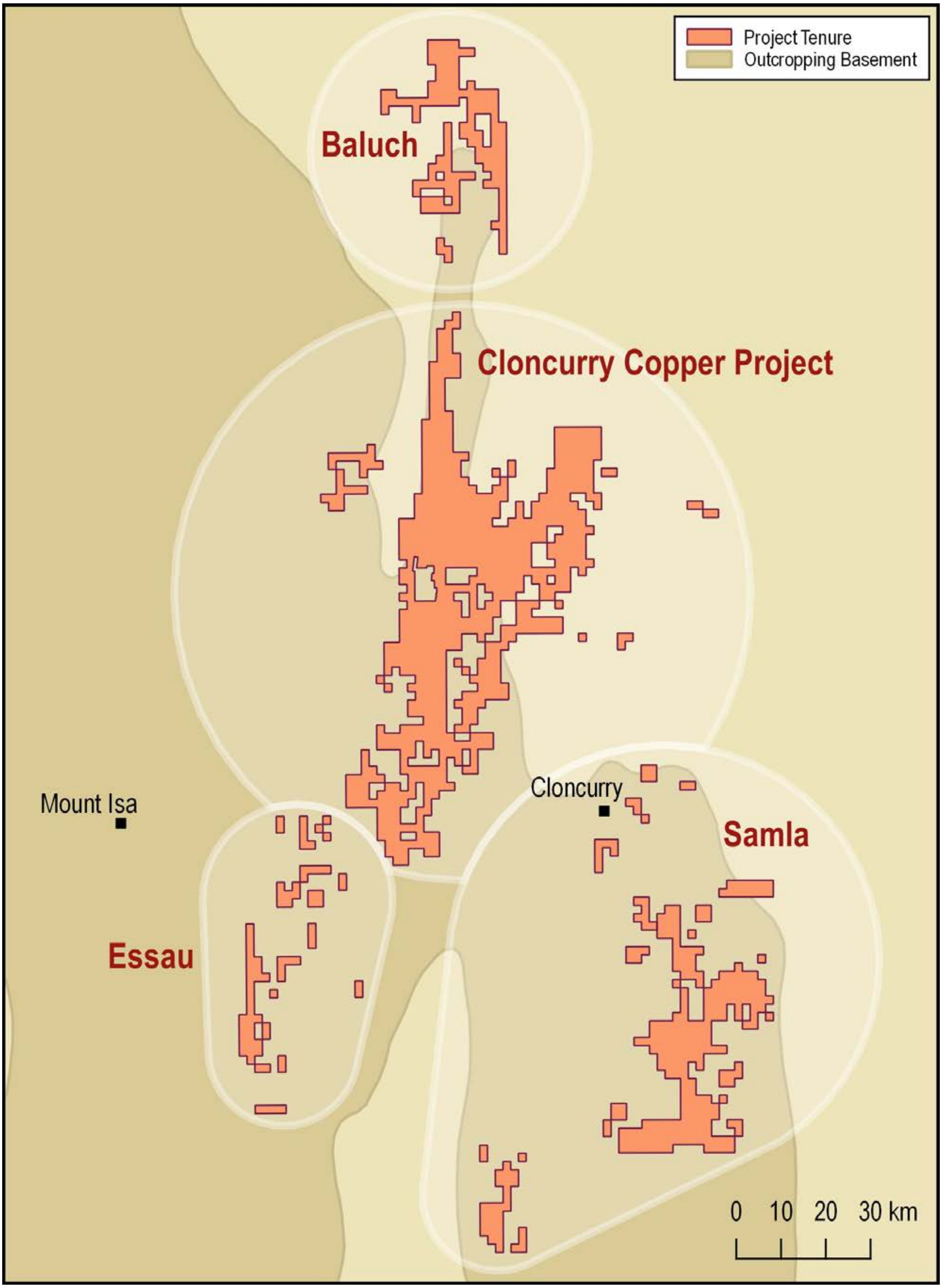


Figure 1: Altona tenure in the Cloncurry area

Cloncurry Copper Project

Environmental regulations

In Australia, the Company carried out exploration activities which are subject to extensive environmental regulation and detailed environmental management plans. During the financial year there has been no significant breach of these regulations or plans.

The Company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the Company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result. The Company is currently only exploring within Australia and consequently has only minimal energy usage.

The National Greenhouse and Energy Reporting Act 2007 require the Company to report its annual greenhouse gas emissions and energy use. The Company is not subject to the reporting requirements as this Company does not meet the current greenhouse gas thresholds.

Commentary on Financial Results

Financial Position

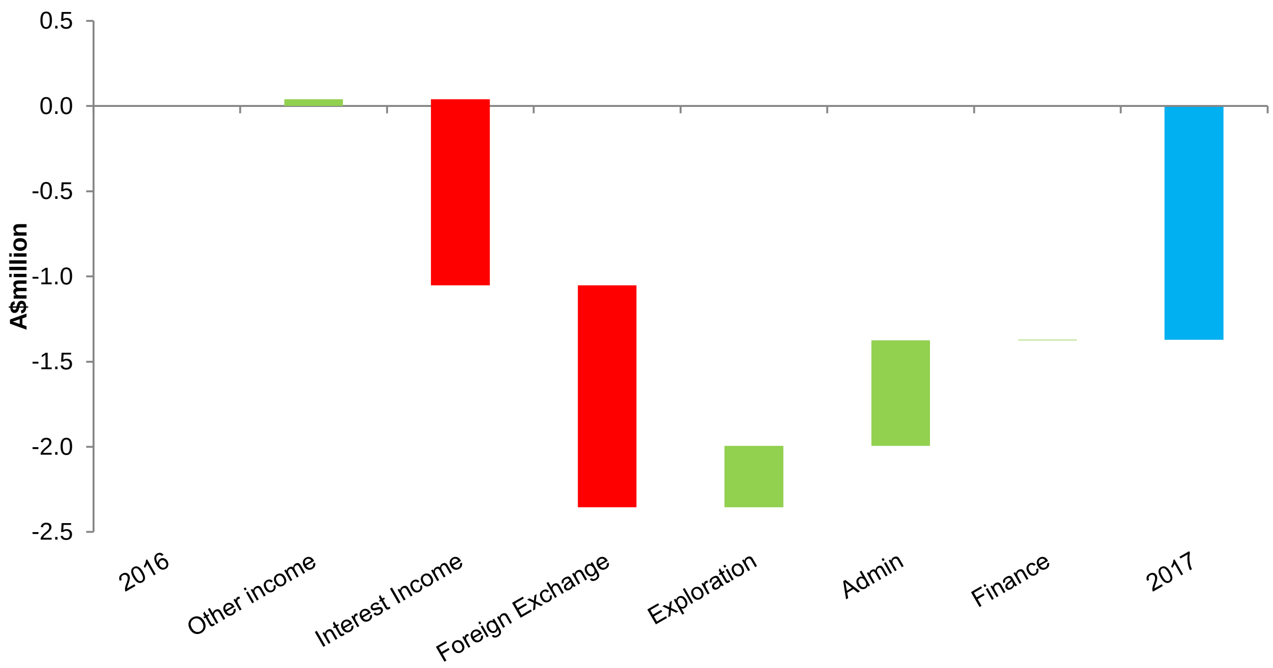
Profitability

Altona's recorded a loss after tax of $6.5 million for the year ended 30 June 2017, compared to a loss after tax of $5.1 million recorded in the year ended 30 June 2016.

The primary driver for the increase in loss is attributable to the holding of US$23.65 million cash funds. In 2016 the majority of funds were held in Australian bank deposits and earned, compared to United States bank deposits relatively higher rates of interest. In the period April through July 2016 the Company converted a significant portion of its Australian dollar cash funds into United States dollars to satisfy future obligations associated with the Cloncurry Copper Project transaction entered into with Sichuan Railway and Investment Group. This resulted in a drop in interest income earned during the current reporting period as demonstrated by the graph below. In addition, the exchange rate for converting United States funds held on deposit into equivalent Australian also dollars for reporting purposes moved from 0.7273 at 1 July 2016 to 0.7687 at 30 June 2017 giving rise to the reported exchange loss. These two factors are responsible for the increased reported loss. The Company continues to hold US$23.65 million which it purchased at an average rate of 0.7540 per Australian dollar. However, as the Company terminated the agreement with Sichuan Railway and Investment Group in July 2017, it no longer has obligations denominated in United States dollars, and will seek at an appropriate time to convert its holding of United States dollars into Australian dollars.

All other expenditures (administration and exploration) were reduced in line with the Company strategy.

Analysis of change in profit after tax in FY2016 from profit after tax in FY2017



Revenue

Altona primary source of revenue for the current period is interest income from funds placed on deposit with major Australian Financial Institutions. Interest income in the current period is significantly less than in the prior period as a significant portion of funds held by Altona were United States Dollars which is subject to low rates of interest for funds placed on deposit. In the period April through July of 2016, the Board authorised the purchase of US$23.65 million to meet Altona's subscription obligations in relation to the proposed Cloncurry Copper Project with Sichuan Railway and

Commentary on Financial Results

Investment Group. The agreement with the Sichuan Railway and Investment Group was terminated on 22 July 2017. These funds were purchased at an effective exchange rate of 0.7540 with the purpose of hedging against the volatility in Australian - United States exchange rate movements.

Assets

As a consequence of the sale of Altona's mining operations in October 2014 and the subsequent return of A$80 million of the sale proceeds to shareholders in February 2015, Altona's total assets of $51.4 million predominantly comprise cash of $36.3 million at 30 June 2017 and interests in the tenements located in Queensland.

Liabilities

Altona's Statement of Financial Position reflects nominal liabilities which is typical of a company no longer exposed to mining operations and focused on exploration activities.

Equity

As a consequence of the sale of the Finland operation and the return to shareholders of A$80 million, total equity reduced to A$61.8 million at 30 June 2015. Since that date, there have been no material transactions that have impacted on the group's Total Equity which now stands at $51 million.

Shareholder returns and delivering value

Share price performance in companies such as Altona is significantly influenced by external factors such as equity and commodity markets as well as activities undertaken by the Company.

On 24 July 2017, the Company announced it had terminated its agreement with Sichuan Railway and Investment Group in relation to forming a incorporated joint venture to develop the Cloncurry Copper Project. Altona will now actively engage with other parties to develop this project.

The share price at 30 June 2016 was A$0.13 and at close on 30 June 2017 was A$0.13. Shareholder returns for the past five years are tabulated below.

	2016-17	2015-16	2014-15	2013-14	2012-13
Profit/(loss) (A$'000)	(6,582)	(5,131)	31,421	10,128	12,647
Basic earnings per share (cents)	(1.22)	(0.96)	5.88	1.90	2.40
Dividends paid (A$'000)	-	-	16,040	-	-
Return of capital (A$'000)	-	-	64,161	-	-
Share price (A$) as at 1 July	0.130	0.140	0.160	0.135	0.240
Share price (A$) as at 30 June	0.130	0.130	0.140	0.160	0.135

Profit/loss amounts for 2012-2017 have been calculated in accordance with Australian Accounting Standards, and the Company's policy of expensing exploration expenditure.

Commentary on Financial Results

Dividends

No dividends have been paid or declared by the Company to members since the end of the previous financial year.

Subsequent events and likely developments

On 22 July 2017 the agreement to form an incorporated joint venture with Sichuan Railway and Investment Group to develop the Cloncurry Copper Project transaction was terminated.

Other than the item above, there has not been any event or circumstance since the end of the financial year that would significantly affect the operations of the Company, or the state of affairs of the Company in future periods.

Liquidity and capital resources

The principal source of liquidity as at 30 June 2017 is cash of A$36.3 million (2016: A$42.3 million) of which A$5 million is in immediately available funds and US$23.7 million is held in cash deposits. The United States Dollar funds were set aside to satisfy the Company's contribution obligations under the Cloncurry Copper Project Transaction with SRIG.

The Company has no borrowings.

Share capital

At 30 June 2017 Altona had 536,972,592 fully paid shares on issue and 8,419,200 unissued shares under share rights. During the year 2,175,000 ordinary shares were issued as a consequence of conditions relating to performance share rights being achieved. Since I July 2017, 1,380,000 performance share rights have been issued and 83,400 share rights have been cancelled. These share rights have been issued to employees in accordance with the employee incentive scheme approved at the 26 November 2015 Annual General Meeting. These employee share rights are subject to satisfaction of performance hurdles which will be tested on 1 July 2020. If the relevant performance hurdles are not satisfied, the share rights will be cancelled and will not vest as ordinary shares.

Governance

Overview of Corporate Governance

Effective corporate governance is an important element which contributes to the long term success of Altona. By its very nature, effective corporate governance must respond to changes in Altona's business activities, its operating environment and expectations placed upon it by its owners.

Altona is committed to maintaining an effective and appropriate corporate governance structure.

Over recent years, Altona has undergone some significant changes in the size and natures of activities. These include:

- the sale of its overseas mining operations,
- the return of A$80 million dollars to shareholders,
- seeking a joint venture partner for the Cloncurry Copper project,
- its retention of exploration interests to the south of the Cloncurry Copper Project, and
- a reduction in its staffing levels to manage the new business profile.

As a consequence, the Board has reviewed Altona's existing governance structures and mechanisms, simplifying, and or eliminating those that are not currently applicable to its business activities.

The Remuneration, Nomination, Audit and Risk Committees' duties and obligations set out in the various Charters have been assumed by the Board for the time being. This results in those matters normally reserved for the committees to be considered by the Board as a whole. However, Mr Scudamore (Independent Non-Executive Director) leads matters relating to Risk and Audit, whilst Mr Hallam (Independent Non-Executive Director) leads matters relating to Remuneration and Nominations. The absorption by the board of these functions results in Altona no longer complying with a number of the principles contained within ASX Corporate Governance Principles and Recommendations. Details of non-compliance with these principles are set out below.

The Board will continue to monitor the company's activities and amend its corporate governance practices such that they are appropriate.

ASX Corporate Governance Statement

Altona considers that it has substantially met the best practice recommendations contained within the ASX Corporate Governance Council Principles and Recommendations 3rd Edition during the reporting period. Any departures from particular ASX Recommendations, the reasons for doing so, and the relevant periods are highlighted in the corresponding topics addressed within this report.

Governance

Compliance with ASX Corporate Governance Principles and Recommendations 3rd Edition

ASX Corporate Governance Council Recommendations Checklist		Page Reference	Compliance
Principle 1: Lay solid foundation for management oversight			
1.1	Companies should disclose respective roles and responsibilities of its board and management particularly those reserved for the board and delegated to management.	23	Yes
1.2	Companies should undertake appropriate checks prior to appointing a person, or putting forward to security holders a candidate for election as director. Company must provide material information to security holders to decide whether or not to elect as director.	29	Yes
1.3	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	30	Yes
1.4	Company secretary should be accountable directly to the board through the Chairman on all matters to do with the proper functioning of the board.	23	Yes
1.5	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board and relevant committees of the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	17	No
1.6	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors and whether an evaluation was undertaken in the reporting period.	29	Yes
1.7	Companies should disclose the process for evaluating the performance of senior executives and whether an evaluation was undertaken in the reporting period.	29	Yes
Principle 2: Structure the board to add value			
2.1	The board should have a nomination committee that: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent director and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	18	No
2.2	Companies should disclose a board skills matrix setting out the mix of skills and diversity currently and in the future.	19	No
2.3	Companies should disclose: ▪ names of independent directors, ▪ if a director has an interest, position, association or relationship that might cause doubts about the independence of that director and the nature of interest, position, association or relationship in question and an explanation of why the board is of that opinion, and ▪ length of service of each director.	22	Yes
2.4	A majority of the company's board should be independent directors.	19	Yes
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO.	19	Yes
2.6	Companies should have a program for inducting new directors and provide appropriate professional development opportunities to develop and maintain the skills and knowledge needed.	29	Yes

Governance

	ASX Corporate Governance Council Recommendations Checklist	Page Reference	Compliance
Principle 3: Act ethically and responsibly			
3.1	Companies should establish a code of conduct for its directors, senior executives and employees and disclose the code or summary of the code.	23	Yes
Principle 4: Safeguard integrity in corporate reporting			
4.1	The board should establish an audit committee. The audit committee should be structured so that it: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent director who is not chair of the board and disclose; ▪ the charter of the committee; ▪ relevant qualifications and experience of the members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	18	No
4.2	Companies board should prior to approving the financial statements for a financial period, receive from its CEO and CFO a declaration that in their opinion, the financial records have been properly maintained and comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	27	Yes
4.3	Companies should at the AGM ensure attendance of the external auditor to answer questions from security holders relevant to the audit.	25	Yes
Principle 5: Make timely and balanced disclosure			
5.1	Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	25	Yes
Principle 6: Respect the rights of security holders			
6.1	Companies should provide information about itself and its governance to investors via its website.	19	Yes
6.2	Companies should design and implement an investor relations program to facilitate effective communication with investors.	24	Yes
6.3	Companies should disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.	25	Yes
6.4	Companies should give security holders the option to send and receive communications to the entity and its security registry electronically.	24	Yes
Principle 7: Recognise and manage risk			
7.1	The board should establish a risk committee. The risk committee should be structured so that it: ▪ has at least three members who are independent directors; ▪ is chaired by an independent director and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	18	No
7.2	A company's board or committee should review the risk management framework at least annually to satisfy itself that it is sound and disclose in each reporting period such a review has taken place	27	Yes
7.3	Company should disclose the role and structure of their internal audit function.	19	No
7.4	Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks.	26	Yes

Governance

ASX Corporate Governance Council Recommendations Checklist		Page Reference	Compliance
Principle 8: Remunerate fairly and responsibly			
8.1	The remuneration committee should be structured so that it: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent chair and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	29	No
8.2	Companies should disclose the policies and practices regarding remuneration of non-executive directors, executive directors and senior executives.	33	Yes
8.3	Companies with equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose a policy or summary of it.	32	Yes

Discussion of variance from ASX Corporate Governance Principles and Recommendations 3rd Edition

Principal and Recommendation		Explanation for Departure
Principle 1: Lay solid foundation for management oversight		
1.5	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board and relevant committees of the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them	The Board has established a policy regarding diversity. The Company strives to be an equal opportunity employer and we will not discriminate against prospective employees based on non-skill related characteristics including gender. We pride ourselves on the diversity of our staff and encourage suitably qualified young people, women, people from cultural minorities and people with disabilities to apply for positions. We aim where possible to be flexible in working arrangements and to improve the skills of our people through training and education. To achieve our strategic objectives, we need to recruit, develop and retain a talented and motivated workforce operating in a physical and cultural environment where all employees feel comfortable, included and are valued. The Company has a small number of employees (seven), three of whom identify as female. Whilst efforts will be made to identify suitably qualified female candidates and candidates from a diversity of backgrounds when seeking to fulfil positions, the Company does not believe it is meaningful, nor in the best interests of shareholders to set formal targets for female participation in such a small company.

Governance

Principal and Recommendation		Explanation for Departure
Principle 2: Structure the board to add value		
2.2	Companies should disclose a board skills matrix setting out the mix of skills and diversity currently and in the future	The Board annually reviews skills of all members against a skills matrix. The skills matrix for each Non-Executive director can be found on the Company's web page. However, as noted above in relation to Corporate Governance Principal and Recommendations 1.5, the Board does not set specific diversity targets to be achieved for its composition.
Principle 2: Structure the board to add value		
2.1	The board should have a nomination committee that: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent director and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	As a consequence of the Non-Executive Board member's number falling to 3, the Remuneration and Nomination Committee role was assumed by the board in November 2015. The Company has retained the Remuneration and Nomination Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are now considered by the board. Matters pertaining to the Nomination Charter are championed through the board by Independent Non-Executive Director Paul Hallam.
Principle 8: Remunerate fairly and responsibly		
8.1	The remuneration committee should be structured so that it: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent chair and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	
Principle 4: Safeguard integrity in corporate reporting		
4.1	The board should establish an audit committee. The audit committee should be structured so that it: ▪ has at least three members and consists of a majority of independent directors; ▪ is chaired by an independent director who is not chair of the board and disclose; ▪ the charter of the committee; ▪ relevant qualifications and experience of the members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	As a consequence of the Non-Executive Board member's number falling to 3, the Audit and Risk Committee role was assumed by the board in November 2015. The Company has retained the Audit and Risk Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are now considered by the board. Matters pertaining to the Audit and Risk Charter are championed through the board by Independent Non-Executive Director Steve Scudamore.
Principle 7: Recognise and manage risk		
7.1	The board should establish a risk committee. The risk committee should be structured so that it: ▪ has at least three members who are independent	

Principal and Recommendation		Explanation for Departure
	directors; ▪ is chaired by an independent director and disclose; ▪ the charter of the committee; ▪ disclose members of the committee; and ▪ number of times the committee met throughout the period and individual attendance of members at the meeting.	
7.3	Company should disclose the role and structure of their internal audit function.	Annually the Board considers the need to establish an independent internal audit function. The Board has determined that the size and nature of the business's activities do not currently justify the establishment of an independent audit function within the Company.

The following material is available for shareholder review in the "Corporate Governance" section of Altona's website, see www.altonamining.com:

- Assessing the Independence of Directors
- Audit and Risk Management Committee Charter
- Board Charter
- Code of Conduct
- Disclosure and Communications Policy
- Policy and Procedure for Selection and (Re)Appointment of Directors
- Policy on Compliance Procedures
- Policy on Diversity
- Procedure for the Selection, Appointment and Rotation of External Auditor
- Process for Performance Evaluation of Directors and Executives
- Remuneration and Nomination Committee Charter
- Risk Management Policy
- Shareholder Communication
- Summary of Altona's Remuneration Policy
- Trading in Company Securities

Composition of the Board

The Board comprises three Non-Executive Directors and one Executive Director. The Non-Executive Chairman is Mr Kevin Maloney. When the board considers matters contained in the Audit and Risk Committee Charter, Mr Steve Scudamore champions those matters of business. When the Board considers matters contained in the Remuneration and Nomination Committee charters, Mr Paul Hallam leads those matters of business. Dr Alistair Cowden is the Managing Director and the Company Secretary is Mr Eric Hughes.

The composition of the Board is determined using the following principles:

- A majority of independent non-executive directors.
- A majority of directors having extensive knowledge of the mining industry combined with expertise in auditing and financial reporting and risk management.
- A non-executive director as Chairman.
- Where there are sufficient directors to serve on committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities, then independent committees are established.

Governance

- Capability to enhance shareholder value and form our strategic objectives.
- A skill matrix which is disclosed on Altona web site.

The qualifications and experience of directors and officers of the Company during or since the end of the financial year are given below:

Mr Kevin Maloney (appointed 20 July 2009, Non-Executive Chairman)

Mr Maloney has had an extensive career in retail banking, finance and resources. He joined Elders Resources in 1981 after spending twenty years with the ANZ Bank. During his time at Elders Resources, Mr Maloney held numerous positions including Chief Executive Officer of Elders Resources Finance Ltd. Mr Maloney has a wealth of experience in the resources and finance industries and has been involved with a number of public companies as an executive and non-executive director.

Other directorships of listed companies held by Mr Maloney in the past three years:

Current: *HRL Holdings Limited (appointed 15 September 2014)*
THEMAC Resources Group Limited (Canadian listed entity) (appointed 2 September 2005)

Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG (appointed 19 February 2010, Managing Director)

Dr Cowden was founding Chairman of Vulcan Resources Limited in 2002 and subsequently Managing Director until the merger with Universal Resources Limited to form Altona Mining Limited in 2010 when he assumed the position of its Managing Director. Dr Cowden has held no other directorships of listed companies in the last three years.

Dr Cowden has degrees in geology from the Universities of London and Edinburgh and has spent thirty-five years in the Australian mining industry, initially with majors and in the last twenty-two years with junior companies. Dr Cowden spent six years with WMC at Kambalda in both nickel and gold mining and exploration.

Dr Cowden was part of the discovery and development teams for several large gold mines in Australia and platinum mines in Zimbabwe whilst with Delta Gold and was subsequently instrumental in the listing of a number of junior companies which made discoveries in Australia.

Mr Paul Hallam BE (Hons) Mining, FAICD, FAUSIMM (appointed 18 March 2013, Independent Non-Executive Director)

Mr Hallam is a qualified mining engineer. He has a wealth of industry experience and over twenty years' experience as a director of various publicly listed companies, government and industry bodies.

His former executive roles include Director of Operations for Fortescue Metals Group Ltd, Executive General Manager Development and Projects for Newcrest Mining Ltd, Director Victorian Operations for Alcoa and Executive General Manager Base and Precious Metals for North Ltd. Mr Hallam also held senior mine management/development roles for Battle Mountain Gold Company in Chile, Bolivia and Australia, and for Alcoa, Newmont and North Ltd in Australia in both underground and surface mining operations.

Other directorships of listed companies held by Mr Hallam in the past three years:

Current: *Gindalbie Metals Group Limited (appointed 13 December 2011)*
Sandfire Resources NL (appointed 21 May 2013)

Former: Tintina Resources Inc (Canadian listed entity) (appointed 10 October 2014, resigned 1 September 2016)
Enterprise Metals Limited (appointed 15 November 2011, resigned 13 May 2014)

Mr Steve Scudamore FCA, MA (Oxon), FAICD, SF Fin (appointed 18 March 2013, Independent Non-Executive Director)

Mr Scudamore is a Chartered Accountant. Mr Scudamore's career includes twenty eight years as a partner at international accounting and financial services firm KPMG, where he served as a member of KPMG's Global Energy and Natural Resources Group, a Member of the KPMG Australian Corporate Finance Executive and Board, and Chairman of Partners in Western Australia.

He has recently been appointed as a director on the board of Pilbara Minerals Limited and Australia Oil and Gas Limited, and also currently serves as Chairman of MDA Insurance Pty Ltd, and holds board positions on industry, government and community boards, including as a Trustee of the Western Australian Museum, Chairman of Amana Living Incorporated (formerly Anglican Homes), and a Member of Council at Curtin University. Mr Scudamore is also a senior advisor to Lazard Australia.

Other directorships of listed companies held by Mr Scudamore in the past three years:

Current: Pilbara Minerals Limited (appointed 20 July 2016)
Australis Oil and Gas Limited (appointed 30 November 2016)
Former: Aquila Resources Limited (appointed 10 December 2012, resigned 7 June 2016)

Company Secretary and Officers

Mr Eric Hughes CPA, BBus (appointed 19 February 2010, Company Secretary)

Mr Hughes is an accountant with some twenty five years' experience in both corporate, corporate secretarial and practice environments. During the last fifteen years he has been directly involved in the management of petroleum and mining companies as a senior manager, executive and non-executive director of listed companies. Mr Hughes is experienced in the evaluation, development, funding and operation of resource projects, corporate structuring, assets acquisition and disposals both in Australia and overseas.

Directors' interests

As at 19 September 2017, the direct and indirect interests of the current directors in the shares and share rights of Altona were as follows:

Directors' shares and share rights

Director	Ordinary shares	Share rights
K. Maloney	35,348,000	-
A. Cowden	12,677,626	3,856,800
P. Hallam	100,000	-
S. Scudamore	350,000	-
	48,475,626	**3,856,800**

This combined shareholding represents 8.9% of the shares on issue. There are no options on issue.

Governance

Meetings

The Board holds at least four scheduled meetings each year including a meeting dedicated to strategy. Additional meetings are held as required. The agenda for meetings is prepared by the Chairman, Managing Director and Company Secretary. Standing items include the Managing Director's report, financial reports, Chief Operating Officers report, risk management, governance and compliance. Board papers are circulated in advance. The Senior Executive are involved in board discussions and directors have other opportunities, including visits to operations, for contact with a wider group of employees.

Up until November 2015 the Board maintained two committees; a Remuneration and Nomination Committee and an Audit and Risk Management Committee. As the number of non-executive directors fell from five to four, the roles of the committees were assumed by the board until such time as reestablishment of the committees is warranted.

Tabulation of directors' meetings and attendance

Director	Board		Audit and Risk Management Committee		Remuneration and Nomination Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
K. Maloney	8	8	-	-	-	-
A. Cowden	8	8	-	-	-	-
P. Hallam	8	8	-	-	-	-
S. Scudamore	8	8	-	-	-	-

Independence

In accordance with Altona's policy on assessing the independence of directors, the Board considers the following factors to determine whether a director is independent:

- Is the Director a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company?
- Is the Director employed, or has previously been employed in an executive capacity by the Company or another group member, within three years between ceasing such employment and serving on the Board?
- Has the Director within the last three years been a principal of a material* professional advisor or a material consultant to Altona, or an employee materially associated with the service provider?
- Is the Director a material* supplier or customer of Altona, or associated directly or indirectly with a material supplier or customer?
- Does the Director have a material* contractual relationship with the Company other than as a Director?

* *The Board considers 'material' in this context, to be where any Director-related business relationship is, or is likely to represent, at least 5 percent of the Director-related business's revenue.*

As Mr Kevin Maloney's interests in Altona (6.6%) exceed 5 percent of the issued capital of the Company he does not satisfy the independence guidelines as set out above. The Board is of the opinion that Mr Maloney's interest in the Company did not restrict his ability to act in good faith, in an independent manner and in the best interests of the Company. All other Non-Executive Directors meet the independence criteria.

Governance

The role of the Board

The Board's primary role is to act on behalf of shareholders to set the Company's strategic goals and objectives and to oversee management and company performance. In particular the Board is responsible for:

- Formulating strategic direction.
- Approving and monitoring the progress of major capital expenditure, capital management initiatives, acquisitions and divestitures.
- Setting remuneration of the Senior Executive.
- Appointing, removing and creating succession policies for directors and the Managing Director.
- Monitoring management's activities in pursuing the Company's goals.
- Monitoring and reviewing the Company's risk management process.
- Approving and monitoring financial and other reporting.
- Setting the ethical tone and standards of the Company at the highest levels.

The Board delegates responsibility for operations and administration to the Managing Director and to the Senior Executive. Responsibilities are delineated by formal authority delegations.

Altona educates new directors and senior executives about its business, strategy, values, and expectations concerning performance of directors. The induction programme includes reviewing the Company's structure, strategy, operations, financial position and risk management policies.

Each Director has the right of access to all relevant information and to the Senior Executive and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Company's expense.

The Company Secretary is directly accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board.

The Company Secretary is also responsible for ensuring the Board procedures are complied with and advising the Board of governance matters. All directors have access to the Company Secretary for advice and support services as required.

Evaluating board and committee performance

The Board has established a process to evaluate its performance, operation and effectiveness. At the conclusion of each meeting the board sets aside time to review the performance of each meeting. Annually the board sets aside time to review its performance and composition. The Board also engages external advisors from time to time to conduct a review of its performance. An external advisor has not been engaged in the last 12 months to conduct a review.

Indemnification and insurance of directors, officers and auditors

During the year insurance premiums were paid to insure the directors and specified senior executives against certain liabilities arising out of their conduct while acting as a director or an officer of Altona. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Ethical standards

All directors, managers and employees are expected to act with integrity and objectivity, striving to enhance our reputation and performance. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the Code of Conduct annually and processes are in place to promote and communicate these policies.

Governance

The Company has advised each director, manager and employee that they must comply with the Company's Code of Conduct. The Code has been made available to each employee and covers the following:

- Aligning the behaviour of the Board and management with the Code of Conduct by maintaining appropriate core group values and objectives.
- Fulfilling responsibilities to shareholders by delivering shareholder value.
- Employment practices such as occupational health and safety.
- Responsibilities to the individual, such as privacy and use of privileged or confidential information.
- Compliance with legislation.
- Responsibility of the Company to the community.
- Managing actual or potential conflicts of interest.
- Corporate opportunities such as preventing directors and employees from taking improper advantage of property, information or position for personal gain.
- Procedures for reporting a breach of compliance with the Code of Conduct.

Conflict of interest

Directors must keep the Board advised of any interest that could potentially conflict with those of Altona. The Board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a director on a board matter, the director concerned is not present at the meeting whilst the item is considered. Details of director related transactions are set out in Note 15 to the financial statements.

Trading in Altona shares by directors and employees

The key elements of the policy for Trading in Company Securities by directors and employees are:

- All employees, directors, officers and key management personnel are prohibited from dealing in the Company's securities:
  - during closed periods between the close of the Company's half-year (31 December) and annual reporting (30 June) periods and the release of those results to the ASX, or
  - during prohibited periods whilst in possession of price sensitive information not yet released to the market.
- Transactions that limit economic risks related to unvested share rights or options are prohibited.
- Directors, officers and key management personnel require approval to trade from the Managing Director, in the case of officers and key management personnel; by the Board Chairman, in the case of Directors; or the Board, in the case of the Board Chairman.
- Written clearance by the Chairman is required before entering into transactions such as margin loans or share loan arrangements. Details are to be provided of intended trading in the Company's shares and subsequent confirmation of the trade.

Communication with shareholders

The Company's website contains all public disclosure made to ASX.

Every effort is made to post such information on the website as soon as possible after release on the ASX platform. Altona provides regular briefings to the market through video updates and PowerPoint presentations. Technical information relating to our activities is also posted on the site.

Governance

We encourage investors to register with us to receive electronic broadcasts of releases and video updates. Material releases are broadcast to those who have registered with us to receive electronic notifications.

Altona conducts regular briefings of shareholders and investors at conference forums, one on one meetings and all presentation materials for such briefings are lodged in advance with ASX and posted on our website.

Records of meetings with investors and analysts are maintained, including where possible details of what was discussed, the persons present at the time and location of the meeting.

The Managing Director and the Company Secretary are responsible for ensuring compliance with the ASX Listing Rule disclosures and legal requirements, and related Altona policies and procedures, authorising the release of ASX announcements and calling a trading halt as needed.

The external auditor attends the Annual General Meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with our strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are requested to vote on the appointment of directors, the aggregate remuneration of directors, the granting of options, share rights and shares to directors, the Remuneration Report and changes to the Constitution. A copy of the Company's Constitution is available to any shareholder who requests it.

Diversity

The Company strives to be an equal opportunity employer and we will not discriminate against prospective employees based on non-skill related characteristics including gender. We pride ourselves on the diversity of our staff and encourage suitably qualified young people, women, people from cultural minorities and people with disabilities to apply for positions. We aim where possible to be flexible in working arrangements and to improve the skills of our people through training and education.

To achieve our strategic objectives, we need to recruit, develop and retain a talented and motivated workforce operating in a physical and cultural environment where all employees feel comfortable, included and are valued. The Company has a small number of employees (seven), three of whom identify as female. Whilst efforts will be made to identify suitably qualified female candidates and candidates from a diversity of backgrounds when seeking to fulfil positions, the Company does not believe it is meaningful, nor in the best interests of shareholders to set formal targets for female participation nor detailed policies in a small company. The Board has established a policy regarding diversity.

Gender composition

	30 June 2017		30 June 2016	
	Female	**Male**	**Female**	**Male**
Board	-	100%	-	100%
Senior Executive	-	100%	-	100%
Whole of Company	42%	58%	38%	62%

Governance

The Senior Executive comprises the Managing Director and Chief Financial Officer as at 30 June 2017. As Altona has few employees, the percentage comparison in these circumstances is not an appropriate measure.

Sustainability Risks

Altona has considered its exposure to economic, environmental and social sustainability risks and has concluded these risks to be immaterial at this point in time.

Audit and Risk Management

How the Audit and Risk Management Committee operates

The Committee operated up until November 2015 and comprised Mr Steve Scudamore (Chairman) and Mr Paul Hallam all of whom were independent, non-executive independent directors. Subsequently to that time the board has assumed the responsibilities set out below. The following commentary is made in the context of the period up until the end of November 2015.

The Managing Director and the Chief Financial Officer declared in writing to the Board that, for the financial year ended 30 June 2017 the financial records of the Company have been properly maintained and the Company's financial reports comply with accounting standards and present a true and fair view of the Company's financial conditions and operational results. This statement is provided annually.

The responsibilities of the Committee which have been assumed by the board since November 2015 include:

- Reviewing the draft half-year and full-year financial reports and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents prior to lodgement with the ASX.
- Establishing procedures for selecting, appointing and if necessary, removing the external auditor.
- Assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit review.
- Providing advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.
- Reviewing accounting policies and significant financial reporting judgements.
- Assessing whether the financial information is consistent with committee members' information and is adequate for shareholder needs.
- Reviewing the results and findings of the auditor as to the adequacy of accounting and financial controls, and monitor the implementation of any recommendations made.
- Discussing the external audit plans, identifying any significant changes in structure, operation, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed.
- Assessing management processes for external reporting and risk management.
- Reviewing reports on the internal control framework and considering the need for an internal audit function.
- Monitoring the procedures to ensure compliance with the Corporations Act 2001, the ASX Listing Rules, other regulatory requirements in relation to financial reporting and the Company's Code of Conduct.
- Reviewing and making recommendations to the Board in relation to the Company's insurance program.
- Reviewing the performance of the external auditor on an annual basis and meets with them twice during the year without management being present.

Audit and Risk Management

Altona's approach to risk management

The Board oversees the establishment and implementation of the Company's risk management system.

Altona has implemented a risk management system which assesses, monitors and manages risks. The Managing Director has provided assurance in writing to the Board that he believes that the Company's material business risks are being managed effectively. The Managing Director and Chief Financial Officer have also provided assurance in writing to the Board that the Company's financial reporting, risk management and associated compliance and controls have been assessed and are operating effectively so far as they relate to the financial report.

Risk is a standing agenda item at each board meeting as thereby ensuring the Board regularly considers and monitors Altona's most significant risks. Management also regularly report on the risk profile to the Audit and Risk Management Committee. Risk reporting includes changes to the status of risks and actions to be undertaken with the aim of ensuring risks are identified, assessed and appropriately managed.

Material business risks may arise from such matters as government policy change, commodity price movements, exchange rate movements, price of raw materials, occupational health and safety and environment. The Board has an Oversight Group which manages risks in accordance with Altona's Financial and Commodity Risk Management and Hedging Policy. The Oversight Group comprises the Chairman of the Board, one Non-Executive Director, Managing Director and Chief Financial Officer. The Group meets as required. This group has not met since the sale of the Finland operations to Boliden on 30 September 2014.

Our mining and exploration activities in Australia are subject to environmental regulation and further comment on this is provided later in this report.

Treasury and risk management

The Group's activities expose it to a variety of treasury risks identified through our risk management process. These include liquidity risk, interest rate risk, counterparty risk and exchange rate risk. Management of material treasury risks are addressed through a policy approved and monitored by the Board.

From time to time and based on the Group's activities, volatility of interest rates and exchange rates impact upon the Group's liquidity and are assessed and managed via Altona's Financial and Commodity Risk Management and Hedging Policy. This policy requires the Board to monitor and approve hedging activities in compliance with this policy. A management committee is responsible for the implementing approved transactions.

Counterparty risk is also monitored, for example, the hedging policy limits the parties with whom the Company can contract and the type of contracts that can be entered into.

Remuneration Report

In accordance with Section 308(3C) of the Corporations Act 2001, this Remuneration Report has been audited by Deloitte and forms part of the Directors' Report. It outlines the remuneration arrangements of the Company's directors and key management personnel in accordance with the requirements of the Corporations Act 2001 and its Regulations. All amounts contained in the Remuneration Report are in Australian dollars.

Having successfully sold its mining operations in Finland and returned A$80 million of the sales proceeds to shareholders, the Company focussed on realising value from its Australian Cloncurry Copper Project. As a consequence of the change in size and complexity of the business, directors and senior executives volunteered a reduction in salaries with effect from December 2014.

However, of the 4 million senior executive Long Term Incentives (share rights) which were tested on 1 July 2016, 1 million were cancelled as they failed the respective tests of the realisation of value from the Cloncurry Copper Project before 1 July 2016.

Key management personnel

Key management personnel of the Group are defined as those persons that have either directly or indirectly, authority and responsibility for planning, directing and controlling the major activities of the Group. During the reporting period the key management personnel were:

Directors

Mr Kevin Maloney	Non-Executive Chairman
Dr Alistair Cowden	Managing Director (Executive)
Mr Paul Hallam	Non-Executive Director
Mr Stephen Scudamore	Non-Executive Director

Senior Executives

Mr Eric Hughes	Chief Financial Officer/Company Secretary

Remuneration and Nomination Committee

The Committee operated up until November 2015. Subsequently to that time the board has assumed the responsibilities set out below.

The Board establishes the appropriate skill mix, personal qualities, expertise and diversity for the Board and any active committees. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the skills deemed necessary.

The Board oversees the recruitment and induction process for new directors, the succession plan for the Board, and the selection, appointment and succession planning process for the Managing Director.

The Board is responsible for the development of a process for evaluation of its performance, and any active committees, the Managing Director and the Senior Executive. Findings from these annual performance reviews are considered by the Board. Performance reviews were completed in FY2017 in line with the Company's performance evaluation procedures.

The Board reviews the remuneration packages and application of policies applicable to the executive officers and directors of the Company. It is also responsible for setting and monitoring employee incentive plans, and policies on superannuation entitlements, retirement and termination entitlements and fringe benefits.

Remuneration Report

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. These include expectations of attendance and preparation for all board meetings, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

During the 2013-14 year the Board engaged an external consultant to conduct a review of the Board and it's Committees' performance. Findings from the review were discussed by the Committee and Board, measures put in place, and monitoring scheduled.

Remuneration Policy

The Board has a Remuneration Policy for determining the nature and amount of remuneration of key management personnel. The policy is designed to be:

- Market competitive - to attract and retain suitably qualified persons to effectively manage the operations.
- Fair and equitable - to provide reasonable compensation and ensure a level of equity and consistency.
- Performance focused - to motivate key management personnel and reward outperformance. At risk performance based remuneration may be dependent upon a project individual or the Company achieving Key Performance Indicators ("KPI's") over a short or long term timeframe.
- Ownership aligned - long term performance based remuneration is structured to encourage employees to have 'ownership' in the Company with a view to achieving the Company's long term strategic objectives by rewarding employees with the use of share rights.
- Open and fit for purpose - the policy is structured to provide the appropriate level of transparency to all stakeholders and meet relevant regulatory requirements.

Further detail on the relationship between the Remuneration Policy and the Company's performance, performance conditions, why the performance conditions were chosen and methods used in assessing whether the performance condition has been achieved are set out below.

Executive employment contracts

Altona's policy is that employment contracts for the Senior Executive are unlimited in term but capable of termination with between 3 and 6 months' notice and that the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.

On termination of employment, the Senior Executive are entitled to receive their statutory entitlements of accrued annual and long service leave together with any superannuation benefits.

Employment contracts outline the components of remuneration paid to the Senior Executive but do not prescribe how remuneration levels are modified year to year. Remuneration is reviewed each year to take into account changes in the scope of the role performed and any changes required to meet the principles of the Remuneration Policy.

The Managing Director has a contract of employment which specifies his duties and obligations and provides that the Board and Managing Director will consult and agree upon performance objectives for each financial year. The contract can be terminated either by the Company or the Managing Director providing 6 months' notice. The Board has discretion to accept a shorter notice period. The Company may also terminate the contract by making a payment in lieu of notice and paying any redundancy payments as required by law.

The Managing Director has no entitlement to termination payment in the event of removal for misconduct.

Remuneration Report

Subject to the Short Term Incentive Plan rules as amended by the Company from time to time, the Managing Director will be eligible to receive a bonus payment in respect of each financial year of his employment subject to his continuous employment through the relevant financial year, achievement of his individual key performance indicators, and market conditions.

In addition, he may receive a long term incentive grant during each year of his employment subject to the Company's Employee Awards Plan rules. At the Board's discretion, the grant may be awarded in performance share rights and/or options over the Company's shares and/or other similar securities. An award of performance share rights to the Managing Director is subject to shareholder approval.

Remuneration structure

Executive remuneration includes a mix of the following:

- Fixed remuneration
- Short term performance based incentives
- Long term performance based incentives

Performance linked remuneration comprises both short term incentives ("STIs") and long term incentives ("LTIs") which are both 'at risk' incentives. They are designed to reward key management personnel for meeting or exceeding their personal objectives or KPIs. The STI is provided in the form of cash, while the LTI is provided as share rights or options over ordinary shares of the Company under the rules of the Employee Award Plan as approved by shareholders.

The performance linked component of remuneration resulted in a reduction of the Managing Director and Senior Executives remuneration package for the 2016 year when calculated in accordance with relevant accounting standards. Whilst in 2017 it comprised between 7.7% and 8.7% of the combination of salary plus the statutory value of LTIs (not cash) to the Managing Director and the Senior Executive. Please note that statutory value does not relate to market value of any incentive available or indicate that it is capable of being realised by the executive.

Fixed remuneration

Fixed remuneration consists of base remuneration which includes any statutory or fixed charges related to employee benefits.

Fixed remuneration levels of the Senior Executive are reviewed annually by the Remuneration and Nomination Committee through a process that considers the individual's performance, Altona's performance and market conditions.

Short term incentives

Each year the Board sets the KPIs for the Managing Director and the Senior Executive. The maximum percentage of base remuneration that they may receive as a STI is pre-determined as detailed in the Company's remuneration policy.

The KPIs for the Managing Director and Senior Executive include measures relating to individual and corporate performance and are aligned to Altona's strategy and achievement of performance objectives. For the year ended 30 June 2017, the maximum percentage of base remuneration that the Senior Executive, other than the Managing Director, could receive as an STI was 30%. For the Managing Director, the maximum percentage was 40%.

No short term incentive targets were set for 2016 and 2017 other than the delivery of value from the Cloncurry Copper Project. The Board considered the performance measures to be appropriate as they aligned with the Company's strategic objectives.

Remuneration Report

At the end of the financial year the Board assesses the performance of the Managing Director and Senior Executive against the KPI's that were set at the beginning for the year. The remuneration policy provides guidelines for the board in awarding short term incentives, were a portion of the pre-determined maximum amount is awarded depending on the results achieved. In FY2017 the Board determined that no short term incentive would be awarded. The Board took an alternative approach whereby should the transaction with the Sichuan Railway and Investment Group be successfully completed a bonus may be awarded in FY2018.

Long term incentives

Altona employs LTIs as part of its remuneration structure in order to provide an incentive to attract, retain and align the interest of shareholders and the executives to whom these incentives are provided.

The maximum percentage of base remuneration that the Senior Executive may receive as an LTI and the relevant vesting criteria are pre-determined by the Board.

LTIs can include share rights or options as detailed in the Employee Awards Plan. Share rights or options are issued for no consideration and the vesting of the benefits are conditional on achieving specific measurable performance hurdles that are aligned with Altona's strategic objectives. Share rights awarded to the Managing Director and the senior executives in 2016 are subject to a Total Shareholder Return criteria of Outperforming the ASX Small Resources XSR index by 25% in the period 1 July 2015 to 30 June 2018. No share rights were awarded to the Managing Director in 2017 Share Rights awarded to the Senior Executive in 2017 are subject to a Total Shareholder Return criteria of Outperforming the ASX Small Resources XSR index by 25% in the period 1 July 2017 to 30 June 2020.

Vesting of the LTI is measured over a three year interval after the initial grant. The vesting of share rights is treated as income to the share rights holders and attracts tax in a similar manner to cash payments irrespective of the holder selling or retaining the resulting shares.

The Board considers the performance-linked structure is effective as it is linked to improvement in share price and the delivery of strategic goals set by the Board.

In November 2015, Shareholders approved the formula to calculate the number of share rights to be awarded to Dr Alistair Cowden for the year ended 30 June 2016. This resulted in 3,856,800 share rights being awarded to Dr Cowden during the period ended 30 June 2016.

The current policy of the Company is to offer LTI in the form of share rights. These rights are over ordinary shares of Altona which vest on a one-for-one basis under the Employee Awards Plan. All share rights expire on the earlier of the expiry date or termination of the individual's employment.

No options were issued or vested during the reporting period, and there are no options on issue. 3,175,000 share rights were cancelled during the year. Of the cancelled share rights, 2,175,000 vested having met their relevant performance hurdles.

Prohibition on trading

The Remuneration Policy prohibits those employees that are granted share rights from entering into arrangements that limit their exposure to losses that would result from share price decreases. The policy also requires directors, officers and key management personnel to seek approval from the Company prior to that individual buying or selling any company securities. Directors and employees are not permitted to trade during a closed period. Procedures are in place where trading during a closed period is sought in exceptional circumstances.

Remuneration Report

Non-executive director remuneration

The total remuneration available to remunerate non-executive directors as approved by shareholders at the 2012 Annual General Meeting is not to exceed $750,000 per annum. The level of actual remuneration paid is determined by reference to data on fees paid to non-executive directors of comparable companies and by taking into account the scope and extent of the Company's operations. From 1 December 2014 base fees for the reporting period were reduced from $157,500 to $90,000 per annum for the Chairman of the Board and for non-executive directors base fees were reduced from $78,750 to $60,000.

During the year, each of the Chairmen of the Audit and Risk Management Committee and Remuneration and Nomination Committee received an additional fee of $5,000 per annum.

These fees reflect the time and additional responsibilities of the Committees' Chairmen, particularly in the current legislative environment and the level of oversight and scrutiny required by shareholders. Non-executive directors are not entitled to receive retirement or termination benefits.

No options or share rights (equity remuneration) were awarded to non-executive directors during the period.

Additional disclosures relating to remuneration

Cash value of earnings realised for continuing executives

The productivity Commission, in its Report on Executive Remuneration in Australia, noted that the usefulness of remuneration reports to investors was diminished by complexity and omissions, and in particular recommended that the report should include reporting of pay actually realised by the executives named in the report. The following table shows the cash value of earnings realised by executives.

	Fixed Remuneration(1) ($)	Short Term Incentive ($)	Long Term Incentive ($)	Total ($)
Alistair Cowden - 2017	408,687	-	-	408,687
Eric Hughes - 2017	349,321	-	-	349,321

(1) Fixed Remuneration excludes minimum Superannuation Guarantee Levy required to be paid under relevant legislation.

Remuneration Report

Summary of actual cash and non-monetary benefits to key management personnel

	Salary and fees ($)	STI cash payment [1] ($)	Termination benefits ($)	Superannuation and pension contributions ($)	Other non-monetary benefits [2] ($)	Total cash and non-monetary benefits ($)
2017						
Non-Executive Directors						
K. Maloney	82,192	-	-	7,808	-	**90,000**
P. Hallam	59,361	-	-	5,639	-	**65,000**
S. Scudamore	59,361	-	-	5,639	-	**65,000**
Executive Director						
A. Cowden	380,384	-	-	19,616	8,687	**408,687**
Executives						
E. Hughes	321,956	-	-	19,616	7,749	**349,321**
Total	**903,254**	**-**	**-**	**58,318**	**16,436**	**978,008**
2016						
Non-Executive Directors						
K. Maloney	82,192	-	-	7,808	-	**90,000**
P. Ingram [2]	22,831	-	-	2,169	-	**25,000**
P. Hallam	59,361	-	-	5,639	-	**65,000**
S. Scudamore	59,361	-	-	5,639	-	**65,000**
Executive Director						
A. Cowden	435,325	-	-	19,308	8,279	**462,912**
Executives						
E. Hughes	320,892	-	-	19,308	7,341	**347,541**
Total	**979,962**	**-**	**-**	**59,871**	**15,620**	**1,055,453**

(1) Includes non-monetary benefits such as car parking, working directors' personal accident insurance, gifts received on leaving the Company, and fringe benefits tax.

(2) Resigned 26 November 2015.

Remuneration Report

The values shown in the following table are required to be calculated in accordance with Australian Accounting Standards. The Directors believe they do not provide guidance on actual remuneration received. The value shown for share rights or options is not equivalent to the value assessed by the Australian Taxation Office, or to any value that may or may not be ultimately realised. No termination benefits were received by key management personnel during 2017.

Total remuneration of key management personnel

	Total cash and non-monetary benefits ($)	Options and share rights ($)	Long service leave provision ($)	Total ($)	Value of equity compensation (%)	Performance related [(1)] (%)
2017						
Non-Executive Directors						
K. Maloney	90,000	-	-	**90,000**	-	-
P. Hallam	65,000	-	-	**65,000**	-	-
S. Scudamore	65,000	-	-	**65,000**	-	-
Executive Director						
A. Cowden	408,687	35,498	13,746	**457,931**	(2)	(2)
Executives						
E. Hughes	349,321	33,914	6,997	**390,232**	(2)	(2)
	978,008	**69,412**	**20,743**	**1,068,163**	**(2)**	**(2)**
2016						
Non-Executive Directors						
K. Maloney	90,000	-	-	**90,000**	-	-
P. Ingram [(4)]	25,000	-	-	**25,000**	-	-
P. Hallam	65,000	-	-	**65,000**	-	-
S. Scudamore	65,000	-	-	**65,000**	-	-
Executive Director						
A. Cowden [(3)]	462,912	(65,832)	11,005	**408,085**	(3)	(3)
Executives						
E. Hughes [(3)]	347,541	(29,034)	6,251	**324,758**	(3)	(3)
	1,055,453	**(94,866)**	**17,256**	**977,843**	(3)	(3)

(1) At risk performance related remuneration as a percentage of the total remuneration.

(2) The percentage has not been included as the accounting treatment renders the amount meaningless.

(3) The negative option and share rights amount represents the cancellation of LTIs relating to Dr Cowden and Mr Hughes.

(4) Resigned 26 November 2015.

Remuneration Report

Vesting profile of short term incentives to key management personnel

	Included in remuneration ($)	Vested in year (%)	Forfeited in year (%)
Executive Director			
A. Cowden	-	-	-
Executives			
E. Hughes	-	-	-

Vesting profile of share rights granted to key management personnel

					Dates at which share rights are to be tested					
	Number	Grant date	Vested in year (%)	Forfeit -ed in year (%)	Any date between 1/7/2014 & 1/07/2016	1 July 2015	1 July 2016	1 July 2017	1 July 2018	1 July 2019
Executive Director										
A. Cowden	2,250,000	01/08/2013	67%	33%	33%	-	67%	-	-	-
A. Cowden	3,856,800	27/01/2016	-	-	-	-	-	50%	50%	-
Executives										
E. Hughes	750,000	26/07/2013	67%	33%	33%	-	67%	-	-	-
E. Hughes	1,815,000	27/01/2016	-	-	-	-	-	50%	50%	-
E. Hughes	850,500	01/07/2016	-	-	-	-	-	-	50%	50%

For the Senior Executive the service and performance criteria used to determine the amount of compensation is set by the Board having regard to industry best practice and the Board's strategy. For Dr Cowden, the service and performance criteria used to determine the amount of compensation was determined by the Board in accordance with criteria approved by shareholders at a meeting on 21 November 2012.

Share rights vested or granted to key management personnel during 2017

	Number of share rights granted	Grant date	Fair value per share right at grant date(1) ($)	Expiry date	Number of share rights vested
Executive Director					
A. Cowden	-	-	-	-	-
Executives					
E. Hughes	850,500	01/07/2016	86,756	1 July 2019	-

(1)Fair value is calculated in accordance with accounting standards.

Value of share rights granted to key management personnel

	Granted in year ($)	Vested in year(1) ($)	Lapsed in year ($)
Executive Director			
A. Cowden	-	142,500	101,250
Executives			
E. Hughes	86,756	55,500	41,250

(1)These amounts are calculated in accordance with accounting standards.

Remuneration Report

Equity instruments held by key management personnel

Shareholdings

The number of shares in the Company held directly, indirectly or beneficially during the financial year by each director and the key management personnel including their personally related entities are set out below:

Name	Balance at start of year	Acquired during the year	Other changes	Balance at end of year
2017				
Directors				
K. Maloney	35,348,000	-	-	35,348,000
A. Cowden	11,177,626	1,500,000	-	12,677,626
P. Hallam	100,000	-	-	100,000
S. Scudamore	350,000	-	-	350,000
Key management personnel				
E. Hughes	3,580,000	500,000	-	4,080,000
2016				
Directors				
K. Maloney	35,348,000	-	-	35,348,000
A. Cowden	11,177,626	-	-	11,177,626
P. Ingram [1]	1,219,662	-	(1,219,662)	-
P. Hallam	100,000	-	-	100,000
S. Scudamore	200,000	150,000	-	350,000
Key management personnel				
E. Hughes	3,580,000	-	-	3,580,000

[1] *Resigned 26 November 2015.*

Option holdings

No director currently holds options in the Company.

Share right holdings

The number of share rights held by any director of the Company and key management personnel, including their personally related entities, are set out below:

Name	Balance at start of year	Granted during the year	Vested during the year	Expired during the year	Balance at end of year
2017					
Directors					
A. Cowden	6,106,800	-	(1,500,000)	(750,000)	3,856,800
Key management personnel					
E. Hughes	2,565,000	850,500	(500,000)	(250,000)	2,665,500
2016					
Directors					
A. Cowden	3,500,001	3,856,800	-	(1,250,001)	6,106,800
Key management personnel					
E. Hughes	1,380,000	1,815,000	-	(630,000)	2,565,000

No share rights were held by any other Director.

Loans to key management personnel

There were no loans to key management personnel during the current or prior financial year.

Statutory Representation

Basis for reporting

The directors present their report together with the consolidated financial statements of the Group comprising of Altona Mining Limited (the Company), and its subsidiaries for the financial year ended 30 June 2017 and the auditor's report thereon.

Non-audit services

The Company's auditor is Deloitte. No non-audit services were provided by Deloitte during the current or previous financial year.

Payments to auditors

	2017 ($)	2016 ($)
Audit and review services		
Auditors of the Company - Deloitte		
Audit and review of financial statements	44,187	46,625
Other services		
Auditors of the Company - Deloitte		
In relation to other assurance, taxation and due diligence services	-	-

Lead auditor's independence declaration

The Lead Auditor's Independence Declaration is set out on page 76 and forms part of the Directors' Report for the financial year ended 30 June 2017.

Rounding off

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Director's resolution

This report is made in accordance with a resolution of the Directors.

Mr Kevin Maloney
Chairman

Dated: 15th September 2017

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Other income		80	39
Interest income		64	1,157
Foreign exchange (loss) / gain		(1,041)	261
Exploration and evaluation expenditure	5(a)	(2,829)	(3,189)
Administration expense	5(b)	(2,853)	(3,392)
Finance expense		(3)	(7)
Loss before tax		(6,582)	(5,131)
Income tax	6(a)	-	-
Loss after tax		(6,582)	(5,131)
Loss after income tax for the year attributable to owners of the Group		**(6,582)**	**(5,131)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		268	(163)
Total other comprehensive income for the year, net of tax		268	(163)
Total comprehensive profit for the year attributable to owners of the Group		**(6,314)**	**(5,294)**
Earnings per share			
Basic loss per share (cents)	4	(1.22)	(0.96)
Diluted loss per share (cents)	4	(1.22)	(0.96)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	2017 $'000	2016 $'000
Current assets			
Cash and cash equivalents	21(a)	36,284	42,280
Trade and other receivables	7	67	120
Other assets		175	342
Total current assets		36,526	42,742
Non-current assets			
Property, plant and equipment	8	44	80
Exploration and evaluation assets	9	14,685	14,685
Security deposits		121	393
Total non-current assets		14,850	15,158
Total assets		**51,376**	**57,900**
Current liabilities			
Trade and other payables	10	150	415
Provisions	11	163	168
Total current liabilities		313	583
Non-current liabilities			
Provisions	11	165	312
Total non-current liabilities		165	312
Total liabilities		**478**	**895**
Net assets		**50,898**	**57,005**
Equity			
Contributed equity	12(a)	94,119	94,126
Reserves	13	6,054	(10,388)
Accumulated losses	14	(49,275)	(26,733)
Total equity		**50,898**	**57,005**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(2,213)	(3,131)
Payments for exploration and evaluation		(2,999)	(2,968)
Recovery of / (payments for) security deposits		148	(110)
Interest and finance costs		(3)	(7)
Other		14	(6)
Net cash used in operating activities	21(b)	(5,053)	(6,222)
Cash flows from investing activities			
Interest received		158	1,214
Payments for property, plant and equipment		(12)	(6)
Outflow from sale of subsidiary		(45)	-
Net cash from investing activities		101	1,208
Cash flows from financing activities			
Share issue Cost		(3)	-
Net cash used in financing activities		(3)	-
Net decrease in cash and cash equivalents		(4,955)	(5,014)
Cash and cash equivalents at the beginning of the financial year		42,280	46,838
Effects of exchange rate changes on cash and cash equivalents		(1,041)	456
Cash and cash equivalents at the end of the financial year	21(a)	**36,284**	**42,280**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Contributed equity $'000	Reserves $'000	Profits reserve $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2016	**94,126**	**5,652**	**(16,040)**	**(26,733)**	**57,005**
Loss for the period	-	-	-	(6,582)	(6,582)
Transfer to profits reserve			16,040	(16,040)	-
Foreign currency translation	-	268	-	-	268
Total comprehensive income	-	268	16,040	(22,622)	(6,314)
Share issue costs	(7)	-	-	-	(7)
Share based payments expense	-	214	-	-	214
Share based payments expired	-	(80)	-	80	-
At 30 June 2017	**94,119**	**6,054**	**-**	**(49,275)**	**50,898**
At 1 July 2015	**94,124**	**6,041**	**(16,040)**	**(22,346)**	**61,779**
Loss for the period	-	-	-	(5,131)	(5,131)
Foreign currency translation	-	(163)	-	-	(163)
Total comprehensive income	-	(163)	-	(5,131)	(5,294)
Share issue costs	(2)	-	-	-	(2)
Share based payments expense		204			204
Share based payments expired	-	(430)	-	430	-
Disposal of subsidiary	4	-	-	314	318
At 30 June 2016	**94,126**	**5,652**	**(16,040)**	**(26,733)**	**57,005**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements contain the consolidated financial statements for Altona Mining Limited consisting of Altona Mining Limited (Company) and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Altona Mining Limited and its subsidiaries together are referred to in these financial statements as 'the Group'. Altona Mining Limited is domiciled in Australia. All amounts are presented in Australian dollars.

1 (a) Basis of preparation of the financial statements

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Group's cash flow forecasts show that current resources are sufficient to fund the operations for the foreseeable future.

Compliance with Accounting Standards

The financial statements comprise the consolidated financial statements of the Group. The Company is primarily involved with copper exploration and evaluation of minerals in Australia. These consolidated general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations (AASBs) adopted by the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

The consolidated financial statements of Altona Mining Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements were authorised for issue by the Board of Directors on 13 September 2017.

Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain financial instruments listed below which are measured at fair value, as explained in the accounting policies listed below:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value; and
- available-for-sale financial assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Critical accounting estimates and significant judgements

The preparation of financial statements in conformity with AASBs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods if affected.

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and the subsidiaries controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1 (b) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director (chief operating decision maker) and management team. The chief operating decision maker and management team are responsible for allocating resources and assessing performance of the operating segments.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics, risk profiles and are also similar with respect to the following:

- geographical location;
- the nature of the products and services; and
- the nature of the regulatory environment.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities that cannot be directly allocated to segments.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

1 (c) Foreign currency translation

Functional and presentation currency

Each entity in the Group determines its own functional currency based on the primary economic environment and items included in the financial statements of each entity are measured using functional currency. The consolidated financial statements are presented in Australian dollars, which is Altona Mining Limited's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at a rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial statements are taken to profit and loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the profit and loss. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit and loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

The functional currency for these subsidiaries has been translated into Australian dollars for presentation purposes. The assets and liabilities of these subsidiaries are translated using the exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates for the year; and equity transactions eliminated on consolidation are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve through other comprehensive income.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve in equity.

1 (d) Finance income and expense

Finance income

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance expense

Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

1 (e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Altona Mining Limited.

1 (f) Impairment of assets

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss which is measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognised in equity is re-classified to profit and loss. Any subsequent recovery in the fair value of an impaired available-for-sale financial asset is recognised in other comprehensive income.

Non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit and loss immediately.

1 (g) Non derivative financial instruments

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial instrument when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Any bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are generally due for settlement no more than 120 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the profit and loss.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Available for sale financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity in the asset revaluation reserve. When the securities classified are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains and losses.

Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred on the date at which the Group becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are only offset with the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

1 (h) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

1 (i) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see Note 1(d)). Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income / other expenses in profit or loss. When revalued assets are sold, any related amounts included in the revaluation reserve are transferred to retained earnings.

Land and buildings

Freehold land is not depreciated.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, for the following assets:

- Buildings 5-25 years
- Machinery and mining equipment 3-15 years
- Motor vehicles 3-5 years
- Furniture and fittings 3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)). Asset depreciation methods and their useful lives are reviewed annually. Any gains or losses on disposals are determined by comparing proceeds with the carrying amount.

1 (j) Restoration and rehabilitation provision

The Group is obligated to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment and areas disturbed as a result of its exploration, mining and processing activities. Provisions for the cost of closure and rehabilitation are recognised when the Group has a present obligation and it is probable that restoration / rehabilitation costs will be incurred at a future date, which generally arises at the time the environmental disturbance occurs or the item of property, plant and equipment is acquired. When the extent of the disturbance increases over the life of an operation, the provision is increased accordingly.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating license conditions and the environment in which the mine operates. Expenditure may occur before and after closure, and can continue for a period of time dependent on the closure and rehabilitation requirements. Restoration and rehabilitation provisions are measured at the expected value of future cash flows, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability to their present value. The unwinding of the discount is recognised as a finance expense in profit and loss.

A corresponding asset is booked within Property, plant and equipment for mining assets and exploration and evaluation assets, and is depreciated on the basis of the current estimate of the useful life of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

Restoration and rehabilitation provisions are also adjusted for changes in estimates. These adjustments are accounted for prospectively by an adjustment to both the liability and asset amount. Restoration and rehabilitation provisions are remeasured at each reporting date to reflect any changes.

1 (k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

1 (l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.
A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using the Black-Scholes option pricing model. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met.

The value of share rights issued to employees is recognised as a share based payment expense with a corresponding increase in equity over the vesting period. Share rights with market vesting conditions are taken to account when determining the grant date fair value, and are not adjusted if the market vesting condition is not met.

1 (m) Provisions

The Group recognises a provision when it has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

1 (n) Financial instruments issued by the Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Where the Group has issued converting notes the Group has assessed whether there is an equity and/or liability burden by calculating the liability as the discounted value when compared to the face value of the notes.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments and are amortised over the life of the investment using the effective interest rate method.

1 (o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share takes into account the dilutive effect of all share options and rights outstanding being converted into shares.

1 (p) Exploration and evaluation expenditure

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest is written off as incurred, with the exception of acquisition costs which are capitalised. Exploration and evaluation expenditure incurred on late-stage projects (defined as in development or in production) is capitalised as incurred, provided the expenditure meets the requirements to be carried forward as described below.

Exploration expenditure is only carried forward to the extent that it is expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Any accumulated costs in relation to an abandoned area are written off in full in the profit and loss in the year in which the decision to abandon the area is made.

An annual review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of any exploration and evaluation asset may exceed its recoverable amount. Impairment indicators include:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of Mineral Resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of Mineral Resources in the specific area have not led to the discovery of commercially viable quantities of Mineral Resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

When the Directors make a decision to progress an area of interest to development, all further expenditure relating to the area of interest will be capitalised.

Notes to the Financial Statements

1 (q) Goods and services tax/Value added tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") and value added tax ("VAT"), except:

- where the amount of GST/VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables and payables. GST/VAT cash flows are shown net in the Statement of Cash Flows as an operating cash flow and reflect the net amount paid to or received from the relevant taxation authority. The gross amounts are not shown as they do not provide meaningful information for financial statement purposes.

1 (r) Comparative figures

Certain comparative figures have been adjusted to conform to changes in presentation for the current year.

1 (s) Rounding off

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated. Corporations Instrument 2016/191 replaces Class Order 98/100, which was repealed on 1 April 2016. This change in reference does not affect the information stated in the reports.

1 (t) New accounting standards and interpretations

At the date of authorisation of the financial statements certain new Australian Accounting Standards and Interpretations have been issued that are not mandatory for financial reporting years ended on 30 June 2017, as described below.

Affected standards and interpretations	Effective for annual reporting periods beginning on or after	Mandatory application date for Group
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers, AASB 2014 - 5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15, and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-10 'Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2018	30 June 2019

Affected standards and interpretations	Effective for annual reporting periods beginning on or after	Mandatory application date for Group
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018
AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	1 January 2017	30 June 2019
AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle	1 January 2017	30 June 2018
AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2017	30 June 2019

Assessment of the expected impacts of these standards and interpretations is ongoing, however it is expected that there will be no significant changes in the Group's accounting policies.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

2 (a) Impairment of assets

The Group's policy is to capitalise exploration tenement purchases, and to expense ongoing exploration and evaluation expenditure, for each area of interest, in compliance with AASB 6 'Exploration for and evaluation of Mineral Resources'. The carrying value of tenement purchases is expensed to profit and loss when it is no longer certain that the area of interest will not generate future economic benefits. Where the amount of expected future economic benefits to be generated is less than the area of interest's carrying value, the difference is accounted for as an impairment charge (see Note 1(f)). Significant judgment is applied by the Group in determining whether an area of interest will generate future economic benefits or future economic benefits in excess of its carrying value.

2 (b) Share-based payments

The Group measures the cost of equity settled transactions with eligible persons by reference to the value of equity instruments at the date at which they are granted. In the case of share options granted, the value is determined by an external valuer using a pricing model, using the assumptions detailed in Note 22.

Notes to the Financial Statements

NOTE 3 SEGMENT INFORMATION

Operating segments have been identified as mineral projects in Australia ("Australian projects") and unallocated amounts which consist mainly of corporate revenues and expenses, and those assets that cannot be allocated to the reportable segments.

Discrete financial information about each of these operating segments, operating performance and assets are reported to the Managing Director (chief operating decision maker) and management team on a monthly basis. Inter-segment revenues are not material and have not been reported below.

3 (a) Details of operating segments of the Group for the year ended 30 June 2017

	Note	Australian projects $'000	Unallocated $'000	Total $'000
Revenue				
Interest income		-	64	64
Other income		-	80	80
Total revenue		**-**	**144**	**144**
Material items of expense				
Corporate Administration		-	(2,591)	(2,591)
Exploration & evaluation		(2,829)	-	(2,829)
Depreciation & amortisation		-	(48)	(48)
Share based payments		-	(214)	(214)
Foreign exchange / net finance costs		-	(1,044)	(1,044)
Segment result before tax	3(c)	(2,829)	(3,753)	(6,582)
Income tax		-	-	-
Loss after tax as per statement of comprehensive income				**(6,582)**
Total assets as at 30 June		14,838	36,538	51,376
Capital expenditure		9	3	12
Total liabilities as at 30 June		164	314	478

Notes to the Financial Statements

3 (b) Details of operating segments of the Group for the year ended 30 June 2016

	Note	Australian projects $'000	Finnish projects $'000	Unallocated $'000	Total $'000
Revenue					
Interest income		-	-	1,157	1,157
Other income		-	-	39	39
Total revenue		**-**	**-**	**1,196**	**1,196**
Material items of expense					
Corporate Administration		-	-	(3,125)	(3,125)
Exploration & evaluation		(2,988)	-	-	(2,988)
Depreciation & amortisation		(27)	-	(63)	(90)
Share based payments		-	-	(204)	(204)
Impairment of assets		-	(174)	-	(174)
Net finance income/expense		-	-	254	254
Segment result before tax	3 (c)	(3,015)	(174)	(1,942)	(5,131)
Income tax		-	-	-	-
Loss after tax as per statement of comprehensive income					**(5,131)**
Total assets as at 30 June		15,040	72	42,788	57,900
Capital expenditure		4	-	3	7
Total liabilities as at 30 June		148	184	563	895

3 (c) A reconciliation from segment result to Earnings Before Interest and Tax ('EBIT') is provided below:

	Australian projects $'000	Finnish projects $'000	Unallocated $'000	Total $'000
30 June 2017				
Segment result	(2,829)	-	(3,753)	(6,582)
Interest income	-	-	(64)	(64)
Interest and other finance expenses	-	-	3	3
Foreign exchange gain	-	-	1,041	1,041
Segment EBIT	**(2,829)**	**-**	**(2,773)**	**(5,602)**
30 June 2016				
Segment result	(3,015)	(174)	(1,942)	(5,131)
Interest income	-	-	(1,157)	(1,157)
Interest and other finance expenses	-	-	7	7
Foreign exchange loss	-	-	(261)	(261)
Segment EBIT	**(3,015)**	**(174)**	**(3,353)**	**(6,542)**

3 (d) Unallocated assets consist of the following:

	2017 $'000	2016 $'000
Cash and cash equivalents	36,284	42,280
Property, plant and equipment	12	46
Other receivables	67	120
Other assets	175	342
	36,538	**42,788**

NOTE 4 EARNINGS PER SHARE

	Unit of measurement	2017	2016
Loss attributable to ordinary shareholders	$'000	6,582	5,131
Weighted average number of shares (basic)	'000	536,976	534,801
Dilution due to share rights on issue	'000	8,180	6,624
Weighted average number of shares (diluted)	'000	545,156	541,425
Basic loss per share - total	cents	**(1.22)**	**(0.96)**
Diluted loss per share - total	cents	**(1.22)**	**(0.96)**

NOTE 5 EXPENSES

	2017 $'000	2016 $'000
Loss before income tax from continuing operations includes the following expenses		
5 (a) Exploration and evaluation expense		
Employee benefits	1,262	1,030
Depreciation and amortisation	-	27
Landholding, contractor and supplies	1,567	1,958
Impairment expense	-	174
	2,829	**3,189**
5 (b) Administration expense		
Employee benefits	1,206	1,289
Depreciation and amortisation	48	63
Supplies and services	1,456	1,809
Rental relating to operating leases	143	231
	2,853	**3,392**

NOTE 6 INCOME TAX

The Group recognised an accounting loss of $6.58 million.

Australian tax losses of approximately $73.6 million (2016: $68.2 million) are available to Altona Mining Limited. These losses have not been recognised as assets as it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

The franking account balance at year end was nil (30 June 2016: nil). The Group operates primarily in Australia which has a corporate tax rate of 30% (2016: 30%).

	2017 $'000	2016 $'000
6 (a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Total	**-**	**-**
6 (b) Numerical reconciliation between accounting profit and income tax expense		
Loss from continuing operations before tax	(6,582)	(5,131)
	(6,582)	(5,131)
Income tax at 30%	(1,975)	(1,539)
Non-deductible expenses / non-assessable income	405	26
Tax losses not recognised	1,570	1,513
Income tax expense	**-**	**-**
6 (c) Unrecognised deferred tax assets / (liabilities) relate to the following:		
Tax losses	22,120	20,502
Other temporary differences	519	120
Exploration assets	2,655	-
Total	**25,294**	**20,622**

NOTE 7 TRADE AND OTHER RECEIVABLES

	2017 $'000	2016 $'000
Trade receivables	-	88
Other debtors (1)	67	32
	67	**120**

(1) Other debtors primarily consist of refunds due for Goods and Services Tax and Value Added Tax.

The Group does not have any significant receivables which are past due at the reporting date.

Notes to the Financial Statements

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings $'000	Plant & equipment $'000	Total $'000
2017			
Cost			
Balance at 1 July	51	1,360	**1,411**
Additions/transfers in	-	12	**12**
Disposals/transfers out	-	(231)	**(231)**
Balance at 30 June	51	1,141	**1,192**
Less: Accumulated depreciation			
Balance at 1 July	51	1,280	**1,331**
Charge for year	-	48	**48**
Disposals	-	(231)	**(231)**
Balance at 30 June	51	1,097	**1,148**
Net book value	**-**	**44**	**44**
2016			
Cost			
Balance at 1 July	51	1,353	**1,404**
Additions/transfers in	-	7	**7**
Disposals/transfers out	-	-	**-**
Balance at 30 June	51	1,360	**1,411**
Less: Accumulated depreciation			
Balance at 1 July	44	1,197	**1,241**
Charge for year	7	83	**90**
Disposals	-	-	**-**
Balance at 30 June	51	1,280	**1,331**
Net book value	**-**	**80**	**80**

Notes to the Financial Statements

NOTE 9 EXPLORATION AND EVALUATION ASSETS

The recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

	Exploration and evaluation $'000	Rehabilitation $'000	Total $'000
2017			
Cost			
Balance at 1 July	14,859	367	**15,226**
Balance at 30 June	14,859	367	**15,226**
Less: Accumulated depreciation & impairment			
Balance at 1 July	(174)	(367)	**(541)**
Balance at 30 June	(174)	(367)	**(541)**
Net book value	**14,685**	**-**	**14,685**
2016			
Cost			
Balance at 1 July	14,854	345	**15,199**
Foreign currency movement	5	22	**27**
Balance at 30 June	14,859	367	**15,226**
Less: Accumulated depreciation & impairment			
Balance at 1 July	-	(345)	**(345)**
Impairment charge	(174)	(22)	**(196)**
Balance at 30 June	(174)	(367)	**(541)**
Net book value	**14,685**	**-**	**14,685**

NOTE 10 TRADE AND OTHER PAYABLES

	2017 $'000	2016 $'000
Trade and other creditors	79	339
Accrued expenses	71	76
	150	**415**

Notes to the Financial Statements

NOTE 11 PROVISIONS

	Employee benefits $'000	Rehabilitation and restoration $'000	Total $'000
Balance at 1 July 2016	**296**	**184**	**480**
Provisions made during the year	173	-	173
Provision used during the year	(141)	-	(141)
Disposal	-	(184)	(184)
Balance at 30 June 2017	**328**	**-**	**328**
Current	163	-	163
Non-current	165	-	165
	328	**-**	**328**
Balance at 1 July 2015	**258**	**360**	**618**
Provisions made during the year	175	-	175
Provision used during the year	(137)	-	(137)
Disposal	-	(187)	(187)
Foreign currency translation	-	11	11
Balance at 30 June 2016	**296**	**184**	**480**
Current	168	-	168
Non-current	128	184	312
	296	**184**	**480**

NOTE 12 CONTRIBUTED EQUITY

The Company does not have authorised capital or par value in respect of its issued shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Details of options and share rights issued, cancelled and exercised during the year together with options and share rights outstanding at 30 June 2017 are included in Note 22 to the financial statements. Options and share rights carry no rights to dividends and no voting rights.

	Date	Number of shares	Issue price $	Value $'000
12 (a) Movements in ordinary share capital				
Balance as at 1 July 2016		**534,800,592**		**94,126**
Shares issued on vesting of share rights	1 Jul 16	2,175,000		-
Cost of listing vested performance rights		-		(7)
Balance as at 30 June 2017		**536,975,592**		**94,119**
				-
Balance as at 1 July 2015		**534,678,592**	**-**	**94,124**
Shares issued on vesting of share rights	1 Jul 15	122,000	-	-
Disposal of subsidiary		-	-	4
Cost of listing vested performance rights		-	-	(2)
Balance as at 30 June 2016		**534,800,592**	**-**	**94,126**

12 (b) Capital management

When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain an optimal structure to reduce the cost of capital and to sustain future development of the business. The Group is dependent from time to time on its ability to raise capital from the issue of new shares, obtain debt and its ability to realise value from its existing assets. The Board is responsible for capital management. This involves the use of cash flow forecasts to determine future capital management requirements. Capital management is undertaken to ensure a secure, cost-effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements. Surplus funds are invested in term deposits and cash reserve accounts available in the short term as required.

The financial liabilities of the Group at the reporting date are trade and other payables. The Group is not subject to any externally imposed capital requirements.

The following table demonstrates the Group's composition of net cash to total capital and therefore its ability to continue as a going concern and expand its operations:

	Notes	2017 $'000	2016 $'000
Cash and cash equivalents	21 (a)	36,284	42,280
Less trade & other payables	10	(150)	(415)
Net cash		36,134	41,865
Other liabilities	11	(328)	(480)
Total capital		**35,806**	**41,385**

Notes to the Financial Statements

NOTE 13 RESERVES

	Notes	2017 $'000	2016 $'000
Share based payments reserve	13 (a)	5,487	5,352
Converting notes reserve	13 (b)	581	581
Foreign currency translation reserve	13 (c)	(14)	(281)
Profits reserve	13 (d)	-	(16,040)
Total reserves		**6,054**	**(10,388)**

13 (a) Share based payments reserve

The share based payments reserve is used to record the value of equity benefits provided to directors, employees and other parties. Refer to Note 22 for further details of share based payments.

13 (b) Converting notes reserve

The converting note equity reserve records the equity portion value in relation to converting notes previously issued by the Group. The convertible notes were issued in 2006, and repaid/converted in 2010.

13 (c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

13 (d) Profits reserve

The profit reserve consists of amounts allocated from retained earnings that are preserved for possible future dividend payments.

NOTE 14 ACCUMULATED LOSSES

	2017 $'000	2016 $'000
Balance at 1 July	(26,733)	(22,346)
Profit after income tax	(6,582)	(5,131)
Adjustment – profits reserve	(16,040)	-
Adjustment – expired share rights	80	430
Adjustment - subsidiary disposal	-	314
Balance at 30 June	**(49,275)**	**(26,733)**

Notes to the Financial Statements

NOTE 15 RELATED PARTY DISCLOSURES

15 (a) Compensation of directors and other key management personnel

	2017 $	2016 $
Short-term employee benefits	913,689	995,582
Post-employment benefits	79,061	77,127
Share based payments	69,412	(94,866)
	1,062,162	**977,843**

Information regarding individual directors' and executives' compensation and equity instrument disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report.

15 (b) Transactions with related parties

No transactions with related parties occurred during the current financial year.

15 (c) Loans to key management personnel

There were no loans to key management personnel during the current or prior financial year.

NOTE 16 REMUNERATION OF AUDITORS

	2017 $	2016 $
Audit and review services		
Auditors of the Company - Deloitte		
Audit or review of the financial statements	44,187	47,250
Other services		
Auditors of the Company - Deloitte		
In relation to other assurance, taxation and due diligence services	-	-
	44,187	**47,250**

NOTE 17 CONTINGENT LIABILITIES

The Group has a liability for royalties contingent on projects advancing into production. All Australian tenements held by the Group are subject to the payment of production royalties to the respective state governments. The rate of such royalties varies depending upon the State, the minerals produced and sold and other factors.

The Group has the following contingent liabilities in respect of its Cloncurry Copper Project as follows:

- 1.50% Net Smelter Return derived from mining operations on tenements acquired from Zinifex and Lake Gold under the terms of the Roseby Acquisition Agreements.
- 0.15% to 0.22% Net Smelter Return derived from mining operations payable to the Kalkadoon people.
- 1.50% of 50% of the gross value of the proceeds derived from the sale of materials for 15 years from certain small areas within the Little Eva deposit.
- 2% Net Smelter Return derived from mining operations on EPM 8059 and EPM 9611.

- $0.50 per tonne of ore mined from EPM 13249.

Possible expenditure commitments may arise in relation to restoration and rehabilitation for exploration licenses granted, however it is impossible to quantify the impact, if any, to the Group at balance date.

As part of the sale of the Finnish Assets to Boliden in prior periods, Vulcan Resources Pty Ltd, a wholly-owned subsidiary of Altona Mining Limited, has indemnified Boliden for any breach of the Agreement, including a breach of the warranties contained in the Agreement, environmental liabilities and for any taxes that should have been paid before closing. Altona guarantees the performance of Vulcan's obligations under the Agreement, including its payment and indemnity obligations for a five year period which ends on 18 November 2019.

NOTE 18 COMMITMENTS FOR EXPENDITURE

18 (a) Lease commitments

Commitments in relation to operating leases for office premises contracted for at the reporting date but not recognised as liabilities. These are payable:

	2017 $'000	2016 $'000
Not later than one year	173	109
Later than one year but not later than five years	-	164
	173	**273**

18 (b) Mineral exploration and mining tenements

There is a requirement for minimum annual expenditure commitments to maintain exploration licenses over mineral tenements held in Australia in good standing status. Quantifiable amounts for granted tenements or those with some certainty of granting are $3.56 million (2016: $5.15 million) over the life of the tenements.

18 (c) Capital expenditure commitments

The Group has no contractual capital expenditure commitments outstanding at 30 June 2017 (2016: $nil).

18 (d) Other commitments

No other commitments exist at 30 June 2017 (2016: $nil).

18 (e) Hedge contracts

There are no short-term or long-term hedge contracts remaining at 30 June 2017 (2016: $nil).

Notes to the Financial Statements

NOTE 19 PARENT ENTITY DISCLOSURES

Statement of financial position

	2017 $'000	2016 $'000
Assets		
Current assets	36,526	42,735
Non-current assets	28,830	28,165
Total assets	65,356	70,900
Liabilities		
Current liabilities	313	52,366
Non-current liabilities	51,844	-
Total liabilities	52,157	52,366
Net assets	**13,199**	**18,534**
Equity		
Contributed equity	94,119	94,122
Accumulated losses	(86,988)	(65,481)
Reserves	6,068	(10,107)
Total parent entity equity	**13,199**	**18,534**
Results for the parent entity		
Profit/(Loss) for the period	(5,258)	(3,753)
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	**(5,258)**	**(3,753)**

NOTE 20 INVESTMENTS IN CONTROLLED ENTITIES

		Equity holding	
		2017	2016
Name of entity	**Incorporated**	**(%)**	**(%)**
Vulcan Resources Pty Ltd(1)	Australia	100%	100%
Roseby Copper Pty Ltd(1)	Australia	100%	100%
Roseby Copper (South) Pty Ltd(1)	Australia	100%	100%
Vulcan Finland (BVI) Ltd(2)	British Virgin Islands	100%	100%
Vulcan Hautalampi Oy(2) (3)	Finland	-	100%

(1) *Vulcan Resources Pty Ltd, Roseby Copper Pty Ltd and Roseby Copper (South) Pty Ltd are wholly owned subsidiaries of Altona Mining Limited and the investment is held by Altona Mining Limited.*

(2) *Vulcan Finland (BVI) Limited and Vulcan Hautalampi Oy are wholly owned subsidiaries of Vulcan Resources Pty Ltd and the investment is held by Vulcan Resources Pty Ltd.*

(3) *Vulcan Hautalampi Oy was sold in 14 September 2016 to a third party.*

The Group has no significant restrictions on its ability to access or use the assets and settle the liabilities of the group.

Notes to the Financial Statements

NOTE 21 NOTES TO CASHFLOW STATEMENT

	2017 $'000	2016 $'000
21 (a) Reconciliation of cash balances comprises:		
Cash on hand and at bank	36,284	28,280
Cash on deposit	-	14,000
Total cash and cash equivalents	**36,284**	**42,280**
21 (b) Reconciliation of profit after income tax expense:		
Profit /(loss)after income tax	(6,582)	(5,131)
Adjustments for:		
Depreciation and amortisation	48	90
Impairment of exploration and evaluation assets	-	174
Share based payment expense	214	204
Unrealised fair value (gain) / losses	-	(549)
Profit on sale of subsidiaries	(66)	(39)
Finance expenses	-	7
Interest income	(64)	(1,157)
Foreign exchange loss	1,041	288
Other	256	-
Change in assets and liabilities:		
Decrease in trade and other receivables	333	19
(Decrease) / increase in trade and other payables	(264)	10
Increase / (decrease) in provisions	31	(138)
Net cash flow from operating activities	**(5,053)**	**(6,222)**

NOTE 22 SHARE BASED PAYMENTS

22 (a) Employee Awards Plan

The Altona Mining Limited Employee Awards Plan was adopted by shareholders on 6 August 2010 and reapproved by shareholders on 26 November 2015 for the purpose of recognising the efforts of, and providing incentives to directors and employees of the Group.

Under the plan the Group may offer share rights or options in the Group to eligible persons. Directors and part-time or full-time employees are eligible persons for the purposes of the Employee Awards Plan. The directors of the Group in their absolute discretion determine the number to be offered and any performance criteria that share rights may apply. Offers made under the Employee Awards Plan must set out the number of share rights or options, the period of the offer and the exercise price (although share rights and options may not be offered to a director or associates except where approval is given by shareholders at a general meeting). The exercise price for options is determined with reference to the market value of the Group's shares at the time of resolving to make the offer.

Share rights and options are granted under the plan for no consideration, unless the directors determine otherwise.

On exercise, each share right or option is convertible to one ordinary share within 10 business days of the receipt of the exercise notice and payment of the exercise price in Australian dollars. Options will expire no later than five years from the date of allotment.

If an eligible person ceases to be an employee of the Company prior to vesting of their award, any share rights and options held by them will automatically lapse except if the person ceases to be an employee or contractor by reason of retirement at age 60 or over, permanent disability, redundancy or death, in which case the share rights vest if performance hurdles are met at the next test date and options may be exercised within three months of that event happening or such longer period as the Board determines. In the event of a change of control of the Company, the vesting period will be brought forward to the date of the change of control and awards will automatically vest.

Share rights and options issued under this Employee Awards Plan carry no dividend or voting rights.

22 (b) Valuation models used to value share rights

The assessed fair value for the purpose of the financial statements at grant date of share rights granted to the individuals is allocated equally over the period from grant date to vesting date.

For those rights that have market based vesting conditions, fair values at grant date are determined using a Binomial valuation pricing model that takes into account the exercise price, the term of the share rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the share rights. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The expected volatility assumed is commensurate with the expected term of the option being from issue date to expected exercise date. It is assumed that all volatility data remains constant over the life of the share rights.

Share rights without market based vesting conditions are valued at the share price at the date of issue.

The model inputs for share rights granted during the period ended 30 June 2017 included:

	Key Management Personnel	Employee Rights (various issues)
Grant date	11 August 2016	11 August 2016
Expiry date	1 July 2019	1 July 2019
Quantity	850,500	966,900
Exercise price	-	-
Consideration	-	-
Fair value at grant date	$0.1020	$0.145
Share price at grant date	$0.145	$0.145
Expected future volatility	60%	60%
Dividend yield	-	-
Risk-free rate	1.39%	1.39%
Maximum life (Years)	3	3

The grant of share rights is subject to the recipient meeting the vesting conditions, which can include any or all of the following: continuing employment with the Company; achieving KPI's set for each individual; achievement of Company or project milestones set by the Board; and share price performance of the Company. The Group applies a probability factor to the likelihood of meeting any non-market vesting conditions to each grant. These are reviewed and adjusted each six-month period as necessary, and are taken into account in determining the relevant expense reported in the Consolidated Statement of Comprehensive Income.

22 (c) Share rights outstanding

Unvested share rights at the end of the financial year are as follows:

Number of share rights	Vesting dates
6,601,800	1 July 2018
1,817,400	1 July 2019

22 (d) Valuation models used to value options

The assessed fair value for the purpose of the financial statements at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date.

Fair values at grant date are determined using a Monte Carlo Simulation model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the probability of rights vesting according to the vesting conditions, the expected dividend yield and the risk-free interest rate for the term of the option. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The expected volatility assumed is commensurate with the expected term of the option being from issue date to expected exercise date. It is assumed that all volatility data remains constant over the life of the options.

22 (e) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2017 ($)	2016 ($)
Share rights issued to directors and employees	214,492	204,340
Share rights expired during period	(80,016)	(430,457)
Share options issued to directors	-	-
	134,476	**(226,117)**

Negative amount relate to share rights expired as a result of director resignations and share rights expiring without meeting the vesting conditions.

NOTE 23 FINANCIAL RISK MANAGMENT

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, and trade and other payables.

The Group manages its exposure to these risks in accordance with the Group's risk management policy. The Board approves principles for overall risk management. The objective of the policy is to manage the Group's exposure to exchange rates and interest rates.

The main risks arising from the Group's financial instruments are:

- market risk (e.g. foreign currency risk and interest rate risk);
- credit risk; and
- liquidity risk.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and foreign exchange rates, and assessment of market forecasts for interest rates and foreign exchange. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board oversees the establishment, implementation and review of the Group's risk management system.

Primary responsibility for identification and control of financial risks rests with management in accordance with the Risk Management Policy approved by the Board. The Board reviews the processes for managing each of the financial risk exposures identified below, including future cash flow forecast projections.

23 (a) Market risk - foreign currency

The Group has funds on deposit in currency other than Australian dollars. These funds may be sold to purchase Australian dollars and this therefore gives rise to a foreign currency risk.

The Group entered into a Framework Agreement in June 2015. Under the agreement, the Group was required to fund US$23.6 million of obligations. In June 2016 Altona purchased US$23.6 million to satisfy these obligations. This transaction was intended to close on 11 August 2017, but was terminated on 22 July 2017. As a result, the Group retains US$23.65 million dollars at 30 June 2017.

At 30 June 2017, the Group had the following foreign currency exposure, based on notional amounts shown in Australian dollars:

	2017		**2016**	
	Euro $'000	**USD $'000**	**Euro $'000**	**USD $'000**
Cash and cash equivalents	155	23,650	148	20,216
Provisions	-	-	(123)	-
Net exposure	**155**	**23,650**	**25**	**20,216**

The following sensitivity analysis is based on judgments by management of reasonably possible movements in foreign exchange rates after consideration of the views of market commentators. A 10% movement in foreign currency exchange rates is considered to be a reasonably possible change over the course of a financial year.

At 30 June 2017, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	2017 $'000	**2016 $'000**
Post tax profit / equity higher / (lower)		
AUD / Euro +/-10%	23	11
AUD / USD +/-10%	3,077	2,726

Notes to the Financial Statements

23 (b) Market risk - price

Prior to the sale of the Group's Finland operations it was exposed to commodity price risk on concentrate sales made by the Outokumpu project. This arises from the sale of concentrates such as copper, gold and zinc which are priced on, or benchmarked to, open market exchanges. The Group aimed to lock in a proportion of commodity sales at set dates in the future to participate in favourable commodity price movements whilst minimising the downside risk of cash flows falling below average monthly operating costs.

The Group no longer has an exposure to this risk.

23 (c) Market risk - interest rate

Interest rate risk refers to the risk that the value of a financial instrument or the cash flows associated with it will fluctuate due to changes in market interest rates. The Group's exposure to interest rates at 30 June 2017 relates to the Group's cash and cash equivalents.

Cash and cash equivalents are managed on a currency basis, and a portion may be placed on term deposit for a maximum period of 6 months to take advantage of prevailing interest rates. The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.
At the balance date the Group had the following exposures to interest rate risk:

	2017 $'000	2016 $'000
Cash and cash equivalents	36,284	42,280
Net exposure	**36,284**	**42,280**

The following sensitivity analysis is based on the interest rate risk exposure in existence at the year-end. A 1% movement in interest rates is considered to be a reasonably possible change over a financial year.

If interest rates had moved by one percent, with all other variables held constant, pre-tax profit or loss and equity would have been affected as follows:

	Profit and loss		Equity	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
1% increase	363	140	-	-
1% decrease	(363)	(140)	-	-

23 (d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the financial assets of the Group.

The Group's maximum exposure to credit risk at the balance date is as follows:

	2017 $'000	2016 $'000
Cash and cash equivalents	36,284	42,280
Trade and other receivables	67	120
Security deposits	121	393
	36,472	**42,793**

In order to mitigate the credit risk relating to other financial assets, the Group trades only with recognised, credit worthy third parties, with an acceptable credit rating.

23 (e) Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Groups approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. It is the Group's policy to regularly review the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The maturities of the Group's financial liabilities are:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 to 12 months $'000	1 to 5 years $'000	More than 5 years $'000
2017						
Trade and other payables	150	323	236	85	-	-
Provisions	328	328	82	82	147	18
	478	**651**	**318**	**167**	**147**	**18**
2016						
Trade and other payables	414	687	469	54	164	-
Provisions	480	480	84	84	112	200
	894	**1,167**	**553**	**138**	**276**	**200**

23 (f) Fair values

The fair value of the Group's financial assets and liabilities approximates their carrying value as at the reporting date.

The Group has no financial instruments valued using the level 1, 2 or 3 valuation method.

There have been no transfers between any levels during the financial years ended 30 June 2017 or 2016.

Notes to the Financial Statements

NOTE 24 EVENTS OCCURRING AFTER BALANCE SHEET DATE

In June 2015 the Company announced that it had signed a Framework Agreement with a major Chinese Sichuan Province owned engineering and construction company for the acquisition of an interest in its 100% owned subsidiary Roseby Copper Pty Ltd. Roseby Copper Pty Ltd ("RCPL") is the owner of the Cloncurry Copper Project comprising a number of Mining Licenses, Exploration permits and freehold land. Contained within the perimeter of the mining lease is the Little Eva copper gold project. The project is located in northwest Queensland, Australia near the major base metal mining and smelting centre of Mt Isa.

On 22 July 2017, the agreement to form the incorporated joint venture with Sichuan Railway and Investment Group was terminated. The termination was triggered by Sichuan Railway and Investment Group being unable to obtain the necessary Chinese regulatory approvals prior to or on 21 July 2017.

NOTE 25 GROUP DETAILS

The registered office and principal place of business of Altona Mining Limited is:

Altona Mining Limited
Level 1, 2 Kings Park Road
West Perth
Western Australia 6005

Directors' Declaration

The Directors of Altona Mining Limited declare that:

1. The consolidated financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the year ended on that date.

2. The Company has included in Note 1 to the financial statements, a statement of compliance with International Financial Reporting Standards.

3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. The remuneration disclosures included in the Directors' Report (as part of audited Remuneration Report) for the year ended 30 June 2017, comply with Section 300A of the Corporations Act 2001.

5. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Kevin Maloney
Chairman

Dated at Perth on this 15th day of September 2017

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Altona Mining Limited
Level 1, 2 Kings Park Road
West Perth WA 6005

15 September 2017

Dear Board Members

Altona Mining Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Altona Mining Limited.

As lead audit partner for the audit of the financial statements of Altona Mining Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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Independent Auditor's Report to the members of Altona Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Altona Mining Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of Exploration and Evaluation Assets	
As at 30 June 2017 the Group has $14.69 (2016: $14.69m) of capitalised exploration and evaluation expenditure as disclosed in Note 9. Significant judgement is applied in determining the treatment of exploration and evaluation expenditure in accordance with Australian Accounting Standard 6 *Exploration for and Evaluation of Mineral Resources*. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether the facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited: • Obtaining a scheduled of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • Assessing whether any facts or circumstances existed to suggest impairment testing was required. We also assessed the appropriateness of the related disclosures in Note 9 to the Financial Statements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 38 of the director's report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Altona Mining Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 15 September 2017

Additional Information Required by the ASX

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The following information was applicable as at 17 August 2017.

Shareholdings

Substantial shareholders

The substantial shareholders in the Company, as disclosed in substantial shareholding notices given to the Company are:

	Date of last notice	Shareholding	% of issued capital
Perpetual Limited and subsidiaries	7 March 2014	79,291,326	14.8%
Matchpoint Investment Management	18 August 2015	52,867,362	9.8%
Tulla Resources Group Pty Limited	22 March 2011	35,348,000	6.6%

Class of shares and voting rights

At 17 August 2017, there were 4,237 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Clause 12.7 of the Company's constitution, are:

Subject to any special rights or restrictions for the time being attaching to any class of shares.

- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote, and
- on a poll every person present who is a shareholder or a proxy, attorney, or representative of a shareholder shall, in respect of each fully paid share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, excluding amounts credited, provided that amounts paid in advance of a call are ignored when calculating a true proportion.

At 17 August 2017, there were no options over any unissued ordinary shares.

At 17 August 2017, there were share rights over 8,419,200 un-issued ordinary shares. There are no voting rights attached to the un-issued ordinary shares. Voting rights will be attached to the un-issued ordinary shares when the share rights have met all vesting criteria.

On-market buy-back

There is no current on-market buy-back.

Other information

Altona is a publicly listed company limited by shares which is incorporated and domiciled in Australia.

Additional Information Required by the ASX

Distribution of securities as at 17 August 2017

Category	Ordinary shares	Share rights
1 – 1,000	391,658	-
1,001 – 5,000	3,005,045	-
5,001 – 10,000	4,716,014	-
10,001 – 100,000	43,490,918	83,400
100,001 and over	485,376,957	8,335,800
	536,975,592	**8,419,200**

There were 1,870 holders holding less than a marketable parcel of ordinary shares.

Unquoted securities

The share rights on issue were issued as part of an Employee Awards Plan and are unquoted.

Restricted securities

There were no restricted securities as at 17 August 2017.

Twenty largest holders of ordinary shares as at 17 August 2017

Holder name	Ordinary shares number	Ordinary shares %
JP Morgan Nominees Australia Limited	99,183,716	18.47
HSBC Custody Nominees (Australia) Limited	92,938,262	17.31
Citicorp Nominees Pty Limited	79,989,395	14.90
Tulla Resources Group Limited	35,348,000	6.58
Morgan Stanley Australia Securities (Nominees) Pty Limited	17,009,035	3.17
McNeil Nominees Pty Limited	15,880,457	2.96
Brachelston Pty Ltd	9,927,626	1.85
Mr Stuart Young Craig	8,330,000	1.55
Prufrock Partners Ltd	6,222,649	1.16
One Managed Invt Funds Ltd	4,805,831	0.89
Mr Eric Edward Hughes	4,080,000	0.76
Miss Jinrong Li	3,300,000	0.61
Mount Isa Mines Limited	3,000,000	0.56
Primdonn Nominees Pty Limited	3,000,000	0.56
BT Portfolio Services Limited	2,863,266	0.53
Drumfrocher Pty Ltd	2,750,000	0.51
BNP Paribas Nominees Pty Ltd	2,361,953	0.44
CS Fourth Nominees Pty Limited	2,249,863	0.42
Mrs Antoia Collopy	2,181,146	0.41
BNP Paribas Nominee Pty Ltd <IB AU Noms Retail client DRP>	2,104,040	0.39
Total	**197,525,239**	**74.03**

Additional Information Required by the ASX

Competent person statement

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

Cloncurry Resource and Reserve estimates

The information in this report relating to estimates of Mineral Resources and Ore Reserves have been extracted from the following reports:

ASX Release Date	Title of ASX Release	Outline of Relevance
Resource and Reserve Estimates		
2 August 2017	The Cloncurry Copper Project: JORC 2012 Disclosure	JORC 2012 disclosure for all Cloncurry Copper Project Resource and Reserve estimates (to be read in conjunction with the second release of the same date).
2 August 2017	Updated DFS Delivers Bigger and Better Cloncurry Copper Gold Project	Provides an update of the Cloncurry Copper Project DFS with new mine layouts and inclusion of Turkey Creek; and, additional supporting JORC 2012 disclosure Cloncurry Copper Project Reserve estimates supporting data (to be read in conjunction with the first release of the same date).

The ASX releases referenced in the previous table are on the Altona website at www.altonamining.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the most recent market announcement for each deposit and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

Additional Information Required by the ASX

Cloncurry Copper Project production target and forecast financial information

Information in this report refers to a production target and the forecast financial information derived from a production target as disclosed to the market in the ASX release Cost Review Delivers Major Upgrade to Little Eva dated 2 August 2017, which is available to be viewed at www.altonamining.com or 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.

Additional Information Required by the ASX

Tenement Schedule

Number	Name	Interest
Exploration Permit for Minerals - Granted		
EPM 9611	Happy Valley	100%
EPM 14363	Bannockburn	100%
EPM 14370	Malakoff	100%
EPM 14371	Mt. Angeley	100%
EPM 25757	Burke	100%
EPM 25759	Gray	100%
EPM 25760	King	100%
EPM 25761	Wills	100%
EPM 26182	Cameron Crossing	100%
EPM 26277	Antilles	100%
EPM 26278	Fortuna	100%
EPM 26280	Wedge	100%
EPM 26283	Wicket	100%
EPM 26365	Rebo	100%
EPM 26367	Salacious	100%
Exploration Permit for Minerals - Applications		
EPM 26569	Gonk	100%
EPM 26565	Oola	100%
EPM 26566	Bossk	100%
EPM 26595	Shmi	100%
EPM 26606	Wesell	100%
EPM 26279	Malakili	100%
EPM 26284	Sebulba	100%
EPM 26285	Watto	100%
EPM 26605	Lars	100%
EPM 26594	Taun	100%
EPM 26630	Moff	100%
Mining Leases - Granted		
ML 90162	Scanlan	100%
ML 90163	Longamundi	100%
ML 90164	Blackard	100%
ML 90165	Little Eva	100%
ML 90166	Village	100%

ALTONA MINING LIMITED

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Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Altona Mining Limited

ABN / ARBN	**Financial year ended:**
35 090 468 018	30 June 2017

Our corporate governance statement[2] for the above period above can be found at:[3]

☑	These pages of our annual report:	14 to 19
☑	This URL on our website:	http://www.altonamining.com/about/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 15 September 2017 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 15 September 2017

Name of Secretary authorising lodgement: Eric Hughes

Eric Hughes

[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement on page 15 of the 2017 Annual Report … and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☑ at http ://www.altonamining.com/static/uploads/documents/Board_Charter_3.pdf
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement on page 15 of the 2017 Annual Report ☑ at http://www.altonamining.com/static/uploads/documents/Policy_and_Procedure_for_Selection_and_Re_Appointment_of_Directors.pdf
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement on page 15 of the 2017 Annual Report ☑ at page 30 of the 2017 Annual Report
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement on page 15 of the 2017 Annual Report ☑ at [*http://www.altonamining.com/static/uploads/documents/Board_Charter_3.pdf*

Corporate Governance Council recommendation		We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...[4]
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	☑ an explanation why that is so in our Corporate Governance Statement The Company strives to be an equal opportunity employer and we will not discriminate against The Board has established a policy regarding diversity. The Company strives to be an equal opportunity employer and we will not discriminate against prospective employees based on non-skill related characteristics including gender. We pride ourselves on the diversity of our staff and encourage suitably qualified young people, women, people from cultural minorities and people with disabilities to apply for positions. We aim where possible to be flexible in working arrangements and to improve the skills of our people through training and education. To achieve our strategic objectives, we need to recruit, develop and retain a talented and motivated workforce operating in a physical and cultural environment where all employees feel comfortable, included and are valued. The Company has a small number of employees (seven), three of whom identify as female. Whilst efforts will be made to identify suitably qualified female candidates and candidates from a diversity of backgrounds when seeking to fulfil positions, the Company does not believe it is meaningful, nor in the best interests of shareholders to set formal targets for female participation in such a small company. A summary of the diversity policy can be found at: http://www.altonamining.com/static/uploads/documents/Policy_on_Diversity.pdf Altona is not a "relevant employer" under the Workplace Gender Equality Act.

[4] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

<table>
<tr><td colspan="2">Corporate Governance Council recommendation</td><td>We have followed the recommendation in full for the whole of the period above. We have disclosed …</td></tr>
<tr><td>1.6</td><td>A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td><td>… the evaluation process referred to in paragraph (a):
☑ at page 29 of the 2017 Annual Report
… and the information referred to in paragraph (b):
☑ at page 29 of the 2017 Annual Report</td></tr>
<tr><td>1.7</td><td>A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td><td>… the evaluation process referred to in paragraph (a):
☑ at page 29 of the 2017 Annual Report
… and the information referred to in paragraph (b):
☑ at page 29 of the 2017 Annual Report</td></tr>
<tr><td colspan="3">PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</td></tr>
<tr><td>2.1</td><td>The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td><td>[If the entity complies with paragraph (a):]
… the fact that we have a nomination committee that complies with paragraphs (1) and (2):
☑ at page 18 of the 2017 Annual Report
… and a copy of the charter of the committee:
☑ at http://www.altonamining.com/static/uploads/documents/Remuneration__Nomination_Committee_Charter_261114_WEB.pdf
… and the information referred to in paragraphs (4) and (5):
☑ at page 18 of the 2017 Annual Report
[If the entity complies with paragraph (b):]
As a consequence of the Non-Executive Board members numbers falling to three, the nomination and remuneration committee role was assumed by the Board in November 2015. The Company has retained the Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are considered by the Board. Matters pertaining to the Nomination and Remuneration Charter are lead through the Board by independent Non-Executive Director, Pal Hallam.:
☐ in our Corporate Governance Statement
☐ at [insert location]</td></tr>
<tr><td>2.2</td><td>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td><td>… our board skills matrix:
☑ at page 19 of the 2017 Annual Report</td></tr>
</table>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☑ at page 22 of the 2017 Annual Report … and, where applicable, the information referred to in paragraph (b): ☑ at page 22 of the 2017 Annual Report … and the length of service of each director: ☑ at pages 20 and 21 of the 2017 Annual Report
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☑ at page 19 of the 2017 Annual Report
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	… the fact that we follow this recommendation: ☑ at page 19 of the 2017 Annual Report
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	… the fact that we follow this recommendation: ☑ at pages 29 of the 2017 Annual Report
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☑ at http://www.altonamining.com/static/uploads/documents/Code_of_Conduct_1.pdf

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ at … and a copy of the charter of the committee: ☑ at http://www.altonamining.com/static/uploads/documents/Audit_and_Risk_Mngmt_Cmtee_Charter.pdf … and the information referred to in paragraphs (4) and (5): ☑ at pages 18 of the 2017 Annual Report [If the entity complies with paragraph (b):] As a consequence of the Non-Executive Board member's number falling to 3, the Audit and Risk Committee role was assumed by the board in November 2015. The Company has retained the Audit and Risk Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are now considered by the board. Matters pertaining to the Audit and Risk Charter are lead through the board by Independent Non-Executive Director Steve Scudamore. ☑ at pages 18 of the 2017 Annual Report
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	… the fact that we follow this recommendation: ☑ at pages 27 of the 2017 Annual Report
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☑ at pages 25 of the 2017 Annual Report
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summary of it: ☑ at http://www.altonamining.com/static/uploads/documents/Disclosure__Communications_Policy.pdf

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☑ at http://www.altonamining.com/about/corporate-governance
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☑ at http://www.altonamining.com/static/uploads/documents/Shareholder_Communication.pdf
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☑ at page 25 of the 2017 Annual Report
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☑ at page 24 of the 2017 Annual Report
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ at … and a copy of the charter of the committee: ☑ at http://www.altonamining.com/static/uploads/documents/Audit_and_Risk_Mngmt_Cmtee_Charter.pdf … and the information referred to in paragraphs (4) and (5): ☑ at page 18 of the 2017 Annual Report [If the entity complies with paragraph (b):] As a consequence of the Non-Executive Board member's number falling to 3, the Audit and Risk Committee role was assumed by the board in November 2015. The Company has retained the Audit and Risk Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are now considered by the board. Matters pertaining to the Audit and Risk Charter are championed through the board by Independent Non-Executive Director Steve Scudamore. satisfy (a) and the processes we employ for overseeing our risk management framework: ☑ at page 18 of the 2017 Annual Report

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☑ at page 27 of the 2017 Annual Report … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☑ at page 27 of the 2017 Annual Report

Corporate Governance Council recommendation		We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[5]
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	☑ an explanation why that is so in our Corporate Governance Statement. Annually the Board considers the need to establish an independent internal audit function. The Board has determined that the size and nature of the business's activities do not currently justify the establishment of an independent audit function within the Company.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☑ at page 26 of the 2017 Annual Report

[5] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ at page … and a copy of the charter of the committee: ☑ at http://www.altonamining.com/static/uploads/documents/Remuneration__Nomination_Committee_Charter_261114_WEB.pdf … and the information referred to in paragraphs (4) and (5): ☑ at page 29 of the 2017 Annual Report [If the entity complies with paragraph (b):] As a consequence of the Non-Executive Board member's number falling to 3, the Remuneration and Nomination Committee role was assumed by the board in November 2015. The Company has retained the Remuneration and Nomination Committee Charter. This charter complies with ASX Corporate Governance Principles. Those matters contained in the charter are now considered by the board. Matters pertaining to the Nomination Charter are championed through the board by Independent Non-Executive Director Paul Hallam. ☐ at page 29 of the 2017 Annual Report
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☑ at page 33 of the 2017 Annual Report
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☑ at page 32 of the 2017 Annual Report