



ALTIUS MINING LIMITED

(ASX: **AYM**)

3 August 2012

Pro-Rata Non-Renounceable Rights Issue Offer Information

As announced to the market on 2 August 2012, the Altius Mining Limited (**Altius** or the **Company**) is undertaking a fully underwritten pro-rata non-renounceable rights issue on a 1-for-1 basis to raise approximately \$5.19 million.

This Announcement sets out:

- 1 **Contact details for the Offer**
- 2 **Key dates for the Offer**
- 3 **General information in relation to the Offer**
- 4 **Information in relation to rights and rights trading**
- 5 **The purpose and effect of the Offer**
- 6 **Investment and business risks**
- 7 **Treatment of ineligible shareholders**
- 8 **Additional information relevant to the Offer**

1 Contact details for the Offer
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For further information on your entitlement please contact the share registry on 1300 348 495 (within Australia) or +61 3 9415 4006 (outside Australia) from 8.30am to 5.00pm (Melbourne time) Monday to Friday.

If you have any queries or questions in relation to the details of the Company's pro-rata non-renounceable rights issue (the **Offer**), you should contact the Assistant Company Secretary of Altius as follows:

Sophie Karzis

Assistant Company Secretary

T. 03 9665 0460

F. 03 9650 5571

M. 0409 540 827

E. sk@ccounsel.com.au

2 Key dates for the Offer

EVENT	DESCRIPTION	PROPOSED DATE (2012)
Announcement date of Rights Issue	The Offer will be announced to the Australian Securities Exchange (ASX) and the market.	Thursday 2 August
Lodging of Offer Information Document and Appendix 3B with ASX	The Offer Information Document and Appendix 3B will be lodged with ASX. A letter to option holders will also be sent.	Friday 3 August
Sending of notice of the Offer to shareholders	A letter to shareholders will be sent notifying them of the Offer.	Tuesday 7 August
“Ex” date	Existing shares commence trading without the entitlement to participate in the Offer.	Wednesday 8 August
Record date	The date for determining entitlements to new shares under the Offer.	7:00pm (Melbourne time) on Tuesday 14 August
Offer Information Document despatch date	Offer Information Document will be despatched to eligible shareholders and an announcement will be made to the ASX confirming that despatch is complete.	Friday 17 August
Opening date	The Offer opens.	Friday 17 August
Closing date	The Offer closes.	5:00pm (Melbourne time) on Friday 31 August
Securities quoted on a deferred settlement basis	Deferred settlement trading commences.	Monday 3 September
Shortfall notification date	ASX is notified of any under subscription.	Wednesday 5 September
Shortfall settled	The Underwriter settles the shortfall.	Friday 7 September
Despatch date	New securities applied for under the Offer are issued and entered onto shareholders' uncertificated security holdings.	Monday 10 September
End of deferred settlement trading	Deferred settlement trading ends and normal (T+3) trading commences the next Business Day.	Monday 10 September
Normal trading commences	Normal trading commences.	Tuesday 11 September
Holding statement mail-out date	Holding statements for shares are despatched to participating shareholders.	Wednesday 12 September

Altius reserves the right, subject to the listing rules of the ASX (**Listing Rules**), the agreement of the underwriter (see section 8.4), the *Corporations Act 2001 (Cth)* (**Corporations Act**) and other applicable laws to, without notice, vary any or all of the dates of the Offer (whether or not they are key dates), including extending the Offer, closing the Offer early, accepting late applications either generally or in particular cases, or withdrawing the Offer.

3 General information in relation to the Offer

3.1 What is the structure of the Offer?

The Offer is a 1 for 1 pro-rata non-renounceable rights issue at \$0.02 per new share, to raise approximately \$5.19 million (less the costs of the Offer). It is open to shareholders who had a registered address in Australia or New Zealand on the record date of 7:00pm (Melbourne time) on Tuesday 14 August 2012.

Altius currently has 259,312,685 fully paid ordinary shares on issue. It will issue 259,312,685 new shares under the Offer (**New Shares**). After the New Shares are issued, Altius will have 518,625,370 shares on issue. Altius also has on issue 60,343,750 unlisted options to subscribe for shares. If all or some of these options are exercised prior to the record date, this will impact the maximum number of New Shares that may be issued under the Offer. However, Altius does not anticipate that any options will be exercised as the exercise price of the options is A\$0.20, which is above the Offer price.

The Offer opens on Friday 17 August 2012 and closes at 5:00pm (Melbourne time) on Friday 31 August 2012. The Offer is fully underwritten by Foxfire Capital Pty Ltd ACN 147 300 865 (**Underwriter**), a company controlled by Mr John Zee, a Director of the Company, with the result that the Offer will raise approximately \$5.19 million. Further details on the Underwriter and the terms of the underwriting are included in section 8.4.

3.2 Is this document a prospectus?

No it is not. There is no prospectus in relation to the Offer, and this document does not contain all of the information that would ordinarily be contained in a prospectus. The Offer is being made under the provisions of the Corporations Act which allow Altius to offer shares to existing shareholders after providing certain confirmations to the market. As a result, it is important that you read and understand the information on Altius which is publicly available, prior to accepting all or part of your entitlement to New Shares or applying for additional New Shares. In particular, please refer to:

- Altius' annual reports and other announcements made available at www.altiusmining.com.au or www.asx.com.au; and
- the 'cleansing notice' Altius will lodge with ASX 24 hours prior to the Offer opening, (i.e. on **Thursday 16 August 2012** based on the current timetable). A copy of the 'cleansing notice' will accompany this Offer Information Document to be despatched to all eligible shareholders.

Neither ASX nor ASIC takes any responsibility for the content of this document.

3.3 What is your entitlement under the Offer?

Your entitlement to New Shares under the Offer is set out in the Entitlement and Acceptance Form which will be sent to you on Friday 17 August 2012, and you will be entitled to one New Share for every one Altius share you held as at the record date (**Full Entitlement**).

If you have more than 1 holding of Altius shares you will receive more than 1 set of Offer documents and you will have a separate entitlement for each holding.

3.4 Can you apply for extra shares in addition to your entitlement?

Yes you can. The Entitlement and Acceptance Form will allow you to apply for New Shares in addition to your entitlement (**Shortfall Facility**). The Underwriter has discretion under its underwriting agreement with the Company to issue all, none or part of any additional New Shares you may apply for. Additional New Shares will be issued at the same time as New Shares applied for under your entitlement or at the time the Underwriter meets its obligations under the Underwriting Agreement. Subscription monies for any additional New Shares you apply for but which are not issued to you will be refunded without interest. Altius will only issue up to the aggregate number of New Shares that are offered under the Offer, therefore it may be necessary to scale-back applications for additional New Shares if applications exceed this number.

3.5 Can you apply for less than your entitlement?

Yes you can. The Entitlement and Acceptance Form will allow you to apply for less New Shares than your Full Entitlement.

3.6 What will the New Shares in Altius be?

New Shares issued under the Offer will be fully paid ordinary shares ranking equally with Altius ordinary shares currently on issue.

Altius will apply to ASX for quotation of the New Shares to be issued under the Offer. If ASX does not grant permission for the quotation of the New Shares within 3 months of the date the Offer opens, Altius will refund all application monies without interest, as soon as possible.

If you sell New Shares issued under the Offer before you receive a holding statement, you do so at your own risk.

No brokerage or stamp duty is payable on the issue of New Shares under the Offer.

3.7 Will the Altius directors be taking up any of their entitlements?

Yes they will. Each Altius director that holds shares in the Company intends to participate in the Offer.

3.8 Is the Offer being underwritten?

The Offer is fully underwritten. Further details on the Underwriter and the terms of the underwriting are included in section 8.4.

3.9 How can I participate in the Offer?

The Offer is expected to close at 5:00pm (Melbourne time) on Friday 31 August 2012.

To participate in the Offer, you can make your payment, including payment for any additional New Shares you wish to apply for, either via BPAY^{®1} or by returning your cheque, bank draft or money order payment with your completed Entitlement and Acceptance Form to Altius' share registry, Computershare Investor Services Pty Limited.

To pay by BPAY, make your payment using the Biller Code and Customer Reference Number set out in your personalised Application Form. If you have multiple holdings you will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of that holding, you

¹ [®] Registered to BPAY Pty Ltd ABN 69 079 137 518

must use the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding. You do not need to complete and return your personalised Entitlement and Acceptance Form if you pay by BPAY.

You should be aware that your own financial institution may implement earlier cut-off times for electronic payments and it is your responsibility to ensure that your payment is submitted through BPAY so that it will be received by no later than 5.00pm (Melbourne time) on the closing date of Friday 31 August 2012.

To pay by cheque, bank draft of money order, complete your personalised Entitlement and Acceptance Form and attach your payment which must be drawn on an Australian bank or an Australian branch of a financial institution and be made payable in Australian currency to '**Altius Mining Limited - Offer Account**' and should be crossed '**Not Negotiable**' and return them by no later than 5.00pm (Melbourne time) on the closing date of Friday 31 August 2012 to:

Altius Mining Limited Rights Issue

c/- Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001
AUSTRALIA

Neither Computershare nor the Company accepts any responsibility if you lodge your Entitlement and Acceptance Form and payment at any other address or by any other means.

4 Information in relation to rights and rights trading

4.1 What is non-renounceable?

The Offer is 'non-renounceable' which means that you cannot not sell or transfer your rights to apply for New Shares that you do not wish to exercise yourself. Any of your entitlement that is not accepted by you will revert to the Underwriter or lapse.

5 The purpose and effect of the Offer

5.1 What is the purpose of the Offer?

Altius is making the Offer to raise funds. After payment of the costs and expenses of the Offer, the proceeds from the Rights Issue will be used to provide working capital and to enable the Company to focus on its Australian mining projects. In particular, the Company intends to use the funds raised to focus on its projects represented by its two mining leases and one exploration permit in Queensland and its 12 exploration licences in NSW, and to enable the Company to identify and pursue further exploration opportunities.

5.2 What is the effect of the Offer on shareholder dilution and the control of Altius?

If you exercise your full entitlement under the Offer you will not be diluted. If you do not exercise your full entitlement under the Offer you will be diluted. Ineligible shareholders will have their holdings diluted by the Offer. The extent of any dilution will depend on the level of participation in the Offer and the extent to which the underwriting is called upon.

The effect of the Offer on the control of Altius will depend upon a number of factors including:

- the level of shareholder participation (including both the taking up of entitlements and applications for additional New Shares);
- which shareholders participate; and
- the extent to which the underwriting is called upon.

If every shareholder was to take up their Full Entitlement, there would be no effect on the control of Altius, as the Offer is made pro-rata and in that case there would not be any scope for any shareholder to apply for additional New Shares under the Offer and there would be no shortfall for the Underwriter (see section 8.4).

The Underwriter is not currently a shareholder of the Company, and accordingly will not be entitled to subscribe for New Shares in the capacity of a shareholder. The Underwriter is an Australian Proprietary Limited Company with an Australian Financial Service Licence (no 390210). Mr John Zee, a Director of Altius and its Company Secretary, controls the Underwriter entity, Foxfire Capital Pty Ltd.

The Underwriter will be required to underwrite the Offer to the extent of any shortfall. If no shareholder takes up any of their entitlement and no rights are exercised, the Underwriter will therefore be bound to subscribe for 259,312,685 shares at a total price of \$5,186,254. The final maximum shareholding interests of the Underwriter (in the event that the Underwriter elects to directly subscribe for these shares instead of allocating shares to sub-underwriters) upon completion of the Offer in the event that no shareholders exercise their rights will be as follows:

Current Holding	Current Percentage of Altius' Issued Capital (%)	Maximum Under Written Shares	Maximum Number Shares Acquired Under The Offer	Total Maximum Holding	Maximum Percentage of Altius' Issued Capital (%)
Nil	Nil	259,312,685	259,312,685	259,312,685	50%

The following can be said about the effect of the Offer on the control of Altius:

- currently, the Underwriter neither controls Altius nor has any shares in Altius;
- as noted above, if every shareholder was to take up their Full Entitlement, there would be no effect on the control of Altius following the Offer;
- the Offer, in the event that no shareholders exercise their rights by subscribing for New Shares in accordance with their entitlements, could result in the Underwriter acquiring a holding in Altius of 50%, giving it a significant voting power (in the event that the Underwriter elects to directly subscribe for these shares instead of allocating all or part them to sub-underwriters);
- The Underwriter has advised Altius that it does not currently intend to change its existing relationship with Altius (other than the number of shares it holds directly); and
- in addition to the shares that may be issued to the Underwriter as a result of the underwriting, the Underwriter will also receive the underwriting fee as set out in section 8.4.

6 Investment and business risks

An investment in Altius shares is subject to investment and other known and unknown risks, including possible loss of income and principal invested. Altius has implemented strategies, actions, systems and safeguards for known risks, however, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Offer price.

In any event, Altius does not guarantee any particular rate of return, the performance of Altius, the payment of any dividends, the repayment of capital from Altius, any price for Altius shares or any particular tax treatment.

6.1 General risks

General risks that may impact significantly on Altius, its performance and the price of its shares include:

- economic conditions in Australia and internationally;
- investors' sentiment and share market conditions;
- changes in fiscal and monetary policy by governments;
- changes in relevant taxation and other legal regimes;
- default of customers and suppliers;
- natural disasters; and
- availability of credit.

6.2 Business specific risks

Business specific risks that may impact significantly on Altius, its performance and the price of its shares include:

- the overall performance of management and the ability of senior management to manage business operations;
- the loss of one or more of Altius' key managers or executives;
- there is no assurance that funds expended by Altius on exploration activities at its Australia projects will result in discoveries or development prospects that will be economically viable;
- the metallurgical characteristics of mineral deposits being explored and developed by the Company may be such as to prevent commercial exploitation;
- changes to government regulations, policy (including the proposed Minerals Resource Rent Tax) and royalty regimes may have adverse impacts upon the development options available to the Company at any of its projects;
- additional funding may be required for further exploration, appraisal and development, and there is no assurance that Altius will be able to raise such funding;
- fluctuations in metal prices may adversely impact on Altius' exploration and future development;
- national and local environmental and heritage laws and regulations may impact adversely on exploration and future development at any one of its projects; and
- unexpected circumstances may arise at any time which may have such as adverse impacts on the Company's exploration and development activities.

The above risks should not be taken to be exhaustive of the risks faced by Altius or its shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of Altius and the value of its shares in the future.

7 Treatment of ineligible shareholders

Altius has decided that it is unreasonable to extend the Offer to any shareholder with a registered address outside Australia or New Zealand, having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to Altius of complying with applicable legal and regulatory requirements in such other countries.

8 Additional information relevant to the Offer

8.1 No financial product advice

This document and any document which accompanies it is not, and may not be taken to be, financial product advice or a recommendation to acquire Altius shares. They have been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision you should consider all relevant information having regard to your own objectives, financial situation and needs, and consult your stockbroker, accountant or other independent financial adviser.

8.2 Authorised and unauthorised information and representations

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this document or in any document that accompanies it, or in any release by Altius to ASX.

Any information or representation in relation to the Offer which is not contained in this document or in any document that accompanies it may not be relied upon as having been authorised by Altius or any of its officers.

8.3 No tax advice

There may be tax consequences associated with being issued New Shares under the Offer. None of Altius, its officers, employees or advisers is giving or is able to give you advice about the specific tax consequences for you. You should consult your own independent professional tax adviser.

8.4 What are the details of the underwriting arrangements?

Altius has entered into an agreement with the Underwriter, which is an entity controlled by Mr John Zee, a Director of the Company.

The Underwriter has agreed to fully underwrite the Offer.

Under the underwriting agreement entered into between the Company and the Underwriter, the Underwriter is committed to subscribe or procure subscriptions for any shortfall between the number of shares actually subscribed for under the Offer and a number of shares that if subscribed for would raise \$5,186,254 (**Underwritten Amount**)

In line with similar underwritings in offers similar to the Offer:

- Altius gives a range of traditional warranties and both positive and negative undertakings in favour of the Underwriter;

- The Underwriter has the right to deal with the Shortfall Facility to the extent of the Underwritten Amount in its absolute discretion;
- The Underwriter is required to meet its obligations under the underwriting agreement within 3 business days of receiving notification from the Company of the underwriting shortfall amount.
- an Underwriter may terminate its underwriting agreement and thereby be released from its obligations on the occurrence of certain traditional events, including if:
 - there is an event, material change or development affecting Altius or its industry which would have a material adverse effect on Altius or the Offer; and
 - an outbreak of new hostilities or significant act of terrorism occurs which involves Australia or the USA; or
 - the S&P/ASX 200 Index or S&P/ASX Small Ordinaries Index closes at least 25% below its closing level on the day before the date of the agreement and remains at or below that level for 3 consecutive trading days.
- The Underwriter will be paid an underwriting fee of 5% of the amount to be raised under the Offer; together with an administration fee of 1% of the amount to be raised under the Offer;
- Altius will be responsible for all costs of the Underwriter.

The potential impact of the underwriting arrangements on shareholder dilution and the control of Altius is explained in section 5.1.

Amounts received under the Shortfall Facility may be used to reduce the amount which would otherwise be taken up by the Underwriter.

8.5 Foreign securities laws

None of this document, any document that accompanies it, or any document that is related to any of them constitutes an offer in any jurisdiction in which or to any person to whom it would not be lawful to make such an offer. No action has been taken to register Altius shares or otherwise permit a public offering of those shares in those jurisdictions. Lodgement of the Entitlement and Acceptance Form or payment by BPAY will be taken by Altius to constitute a representation by you that there has been no breach of any such law. Eligible shareholders who are nominees, trustees or custodians should seek independent advice as to how to proceed.

The distribution of this document, any document that accompanies it, or any document that is related to any of them outside Australia may be restricted by law. In particular, this document and any document that accompanies it or any copy of any of them must not be taken into or distributed or released in the United States of America (**U.S**) or distributed or released by any U.S. person or to any person acting for the account or benefit of a U.S. person. Any person who comes into possession of this document, any document that accompanied it, or any document that is related to any of them should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws, and Altius disclaims any liability in relation to any such violation.

8.6 What discretions does Altius have?

Without limiting the other powers and discretions set out in this document, the Directors of Altius may:

- implement the Offer in the manner they think fit; and
- settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this document as they think fit, whether generally or in relation to any shareholder or any

shares, and the determination of the directors is conclusive and binding on all relevant shareholders and other persons to whom the determination relates.

8.7 What is the governing law of the Offer?

This document and the documents that accompanied it, the Offer and the contracts formed on acceptance of applications made under the Offer are governed by the law applicable in Victoria, Australia. Each person who applies for New Shares under the Offer submits to the jurisdiction of the courts of Victoria, Australia.

9 Rights Attaching to Securities

9.1 Terms and Conditions of Shares

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- At the date of the Offer, all New Shares are of the same class and rank equally in all respects. Specifically, the New Shares issued pursuant to the Offer will rank equally with existing shares on issue.
- Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- The rights attaching to the Shares may only be varied by the consent in writing of the holders of a majority of the Shares of the affected class, or with the sanction of an ordinary resolution passed at a meeting of the holders of the Shares of the affected class.
- Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - divide among the Shareholders the whole or any part of the Company's property; and
 - decide how the division is to be carried out between the Shareholders.
- Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.