



# Altera Resources Ltd

27 October 2009

The Manager  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor  
10 Bond Street  
SYDNEY NSW 2000

Dear Sir,

## **QUARTERLY REPORT FOR THE 3 MONTHS ENDED 30 September 2009**

Altera Resources Ltd (“Altera”) is pleased to announce that it has signed an agreement to enter into a Joint Venture (“JV”) with Dragon Energy Ltd (Dragon) on its Queensland Coal Project Exploration Permits for Coal Applications (EPCAs) in the Surat/Clarence-Moreton and Bowen Basins covering an area of 5,626 km<sup>2</sup>.

The terms of the “Inglewood Coal JV” involve an expenditure of at least \$3.5 million over 3 years to earn an 85% interest. The first year’s commitment by Dragon will be \$0.5 million in exploration expenditure plus rents and environmental bonds, with second and third year expenditure commitments of \$1.5million each.

Once Dragon has earned an 85% interest, Altera has the option to sell the remaining 15% interest in the Project to Dragon for an amount as agreed between Dragon and Altera and failing an agreement an amount determined by an independent expert. Subject to the above option, Altera will retain a 15% free carried interest until decision to mine.

The commencement date of the JV will be the first date by which at least six of the EPCA’s have been granted including EPC 1664 near Toowoomba within a time period of 6 months.



ALTERA RESOURCES LIMITED

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A detailed geological review and compilation completed during the quarter by Moultrie Database and Modelling Pty. Ltd has highlighted that:

- Altera's EPCAs cover a strategic area with potential for large tonnages of thermal coal.
- A large Inventory coal tonnage has been established, from which several Exploration Targets have been estimated, totalling some 405 to 540 Million tonnes.
- Whilst these Exploration Targets are conceptual in nature, there is potential for both open cut and underground mining in each area.
- Expected product coals range from domestic to export thermal and perhaps a semi-soft coking coal.

The thirteen EPCAs comprise eight non-competing, two competing and three secondary applications. The Company advises that these applications are going through the grant process with the Queensland Department of Mines and Energy.

## **Gascoyne Base Metal Project**

The Gascoyne Base Metal Project (GBMP) is located approximately 250 km to the east of Carnarvon in the Gascoyne region of Western Australia (Figure 3). GBMP is a joint venture between Altera and ABM Resources NL, whereby Altera is earning a 65% interest in GBMP.

RC drilling completed during 2008 at the project by Altera has resulted in a potential new base metal discovery with significant results of up to 2.3% Pb and 0.9% Cu. Lead sulphide (galena) and copper sulphides (chalcopyrite) were identified in drill chips.

An Induced Polarisation (IP) survey completed to follow up the very significant RC drill results has outlined a deeper and larger chargeable zone. A review of the IP survey data and preliminary two-dimensional modelling suggests that this zone lies below 100 m depth. IP surveys over a wider area, to outline significant bodies of sulphide mineralisation were recommended by the consulting geophysicist.

An Information Memorandum was prepared during the quarter and the Company is actively seeking JV partners for this project to build on the discovery results of up to 2.3% Pb and 0.9% Cu.



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## New Projects

The company undertook detailed assessments and reviews of several significant projects during the quarter, in particular to expand upon its existing coal exploration interests.

For further information please refer to our website [www.alteraresources.com.au](http://www.alteraresources.com.au) or contact:

**Godfrey Rule**  
**Chairman**  
**Altera Resources Limited**

**Harjinder Kehal**  
**Executive Director**  
**Altera Resources Limited**

**Godfrey Rule**  
**Chairman**

**ASX CODE: AEA**

**For further information please contact us on (08) 9481 5866**

The information in this report that relates to Coal Resources or Coal Reserves is based on information compiled by Mark Biggs who is a member of the AusIMM. Mark Biggs is a full-time employee of Moultrie Database and Modelling Pty. Ltd.

Mark Biggs is a consultant geologist with over 20 years of experience in exploring for and evaluating coal deposits. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Mineral Resources and Ore Reserves'

Mark Biggs consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this Report that relates to the GBMP exploration results is based on information compiled by Harjinder Kehal who is a member of the Australasian Institute of Mining and Metallurgy. Harjinder Kehal is a Consultant Geologist with over 20 years experience as a geologist.

Harjinder Kehal has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves. Harjinder Kehal consents to the inclusion in the report of the matters based on his information in the form and context in which it is used.



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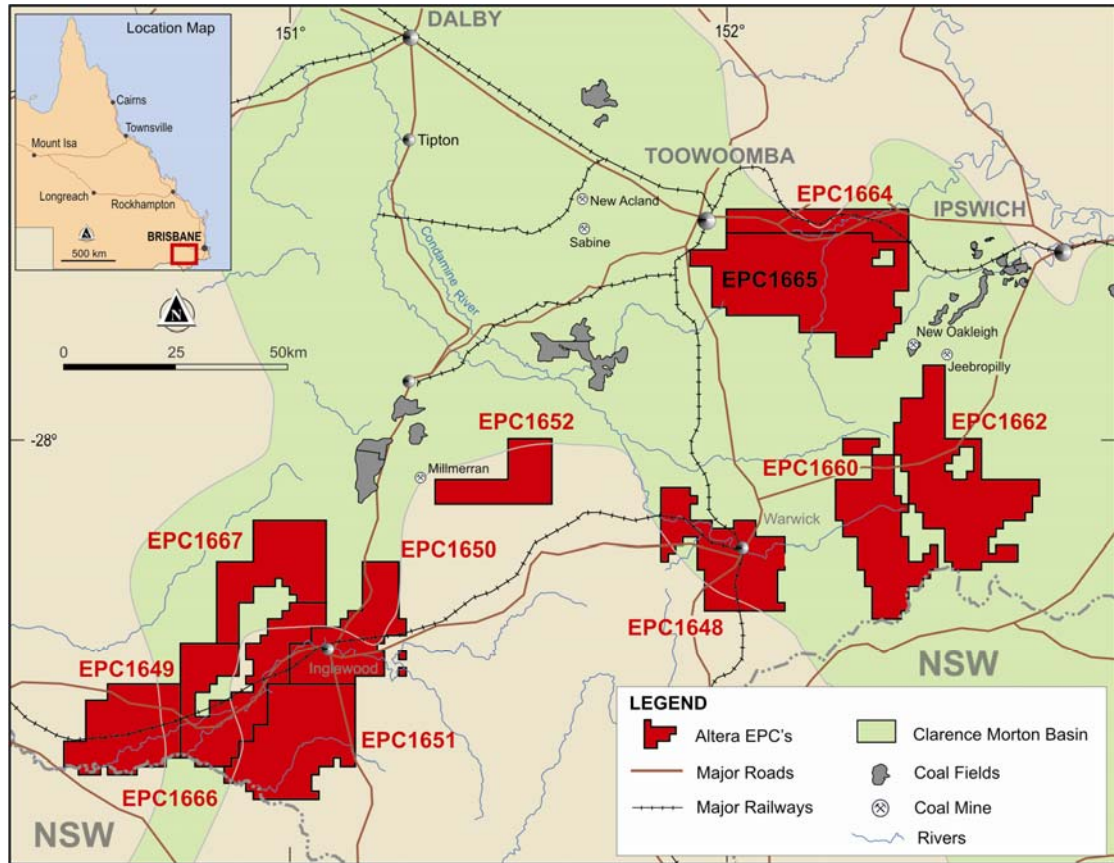


Figure 1: Exploration Permit for Coal applications – Toowoomba area, Clarence Morton Basin, Queensland



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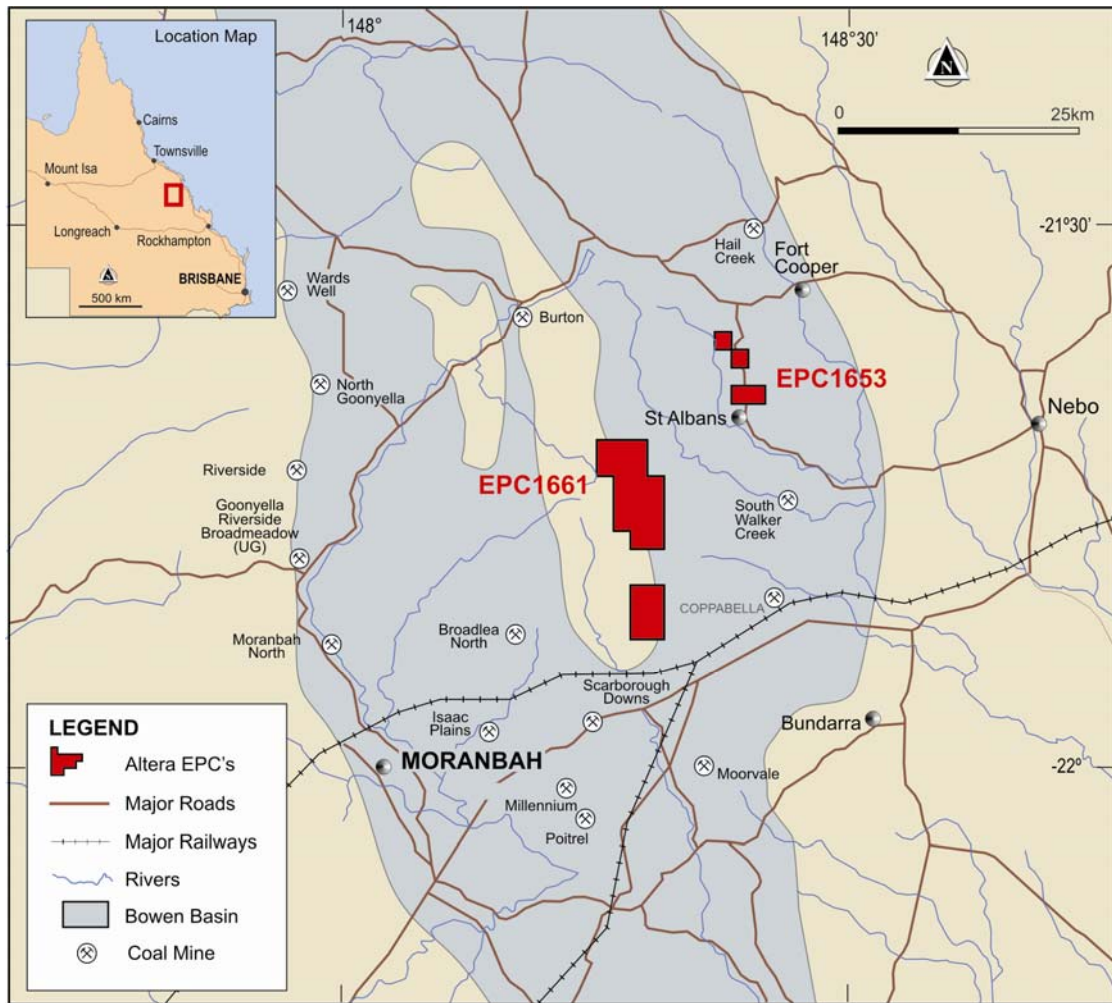


Figure 2: Exploration Permit for Coal applications – Moranbah area, North Bowen Basin, Queensland



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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ALTERA RESOURCES LTD

ABN

082 541 437

Quarter ended ("current quarter")

30 SEPTEMBER 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (.3.... months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(90)	(90)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	2	2
	(189)	(189)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(189)	(189)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(189)	(189)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	(189)	(189)
1.20	Cash at beginning of quarter/year to date	1027	1027
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	838	838

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	70
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	
<b>Total</b>	

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	19	15
5.2 Deposits at call	820	1012
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	839	1027

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E09/1266	Voluntary Surrender	70	46
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	20,453,363			
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	4,000,000 2,100,000		<i>Exercise price</i> 0.20 0.10	<i>Expiry date</i> 31/12/2012 08/08/2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: .....  
(Director/Company secretary)

Print name: .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.