



Altera Resources Ltd

25 October 2010

The Manager
Australian Stock Exchange Limited
10th Floor
10 Bond Street
SYDNEY NSW 2000

Dear Sir,

QUARTERLY REPORT FOR THE 3 MONTHS ENDED 30 September 2010

HIGHLIGHTS

Acquisition of JDC and Coal projects, Kalimantan, Indonesia

- As announced in the Quarter, Altera Resources Limited has entered into an agreement to extend its investment in the coal exploration sector by acquiring JDC with its Coal projects in Kalimantan, Indonesia.

Inglewood Coal JV

- Farm-in Joint Venture with Dragon Energy Ltd commenced on 1 July 2010.
- On ground reconnaissance completed to assess areas prospective for the discovery of coal deposits based on the Exploration Targets outlined already.
- High priority drill target - 5m thick coal measure in the Evergreen Formation, below the Walloon Coal Measures identified.



ALTERA RESOURCES LIMITED

A.B.N. 55 082 541 437

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Altera Resources Ltd

The 4 Coal Exploration Projects

Altera commissioned an independent geological report on the 4 coal exploration projects which will be acquired under the transaction by the international consulting firm SRK Consulting. A full copy of the SRK Consulting Report will be provided to shareholders with a notice convening a meeting of shareholders of Altera to consider the proposed transaction. In the interim the Report can be viewed on Altera's website www.alteraresources.com.au.

Exploration

Inglewood Coal JV

The Farm-in Joint Venture ("Inglewood Coal JV") with Dragon Energy Ltd (Dragon) on the Queensland Coal Project Exploration Permits for Coal (EPC) in the Surat/Clarence-Moreton and Bowen Basins covering an area of 4,558 km² commenced on the 1st July 2010.

A total of five EPC's out of the thirteen, have now been granted and a further three EPC's (1650, 1651 and 1653) are going through the Native Title process prior to being offered for grant by the DME Queensland. EPC 1666 has also been offered for grant. The company is in the process of signing a heritage agreement with Barada Barna Native Title group which will lead to the granting of EPC1653 in the Bowen Basin.

The Company advises that the remainder of the EPCAs are going through the grant process with the DME Queensland and expects them to be granted during 2010 and early 2011.

The work completed by Dragon during the September quarter has included:

- Field reconnaissance trip of the Surat/Clarence-Moreton Basin EPCs to assess logistics and access for the upcoming field and drill programs.
- Engagement of IMC Mining Solutions Pty Ltd to generate drill targets in the Surat/Clarence-Moreton and Bowen Basin EPCs with a particular focus on the Inglewood EPC 1649. They will plan and implement the initial program of RC drilling.
- The highest priority area identified lies within granted EPC1649. Drilling will target the 5m thick coal measure in the Evergreen Formation, below the Walloon Coal Measures.



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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 (ABM), whereby Altera was earning a 65% interest in GBMP.

During the quarter the Company acquired a 100% interest in the JV tenements from ABM which have been subsequently on sold to another unrelated party.

For further information please refer to our website www.alteraresources.com.au or contact:

Harjinder Kehal
Executive Director
Altera Resources Limited

ASX CODE: AEA

For further information please contact us on (08) 9321 2642

Forward Looking Statements

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Competent persons

Information in this Announcement that relates to the Kalimantan, Indonesia exploration results or mineral resources is based on information compiled by or is compiled by Dr Gerry McCaughan who is a professional geologist with eight years industry and consulting experience in coal and base metals and who is a full time employee of SRK Consulting. Dr McCaughan is a member of the Australasian Institute of Mining and Metallurgy.

Dr McCaughan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. Dr McCaughan consents to the inclusion in this Announcement of the statements based on his information in the form and context in which it appears.



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Figure 1: Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan - Coal concession areas are shown in red.



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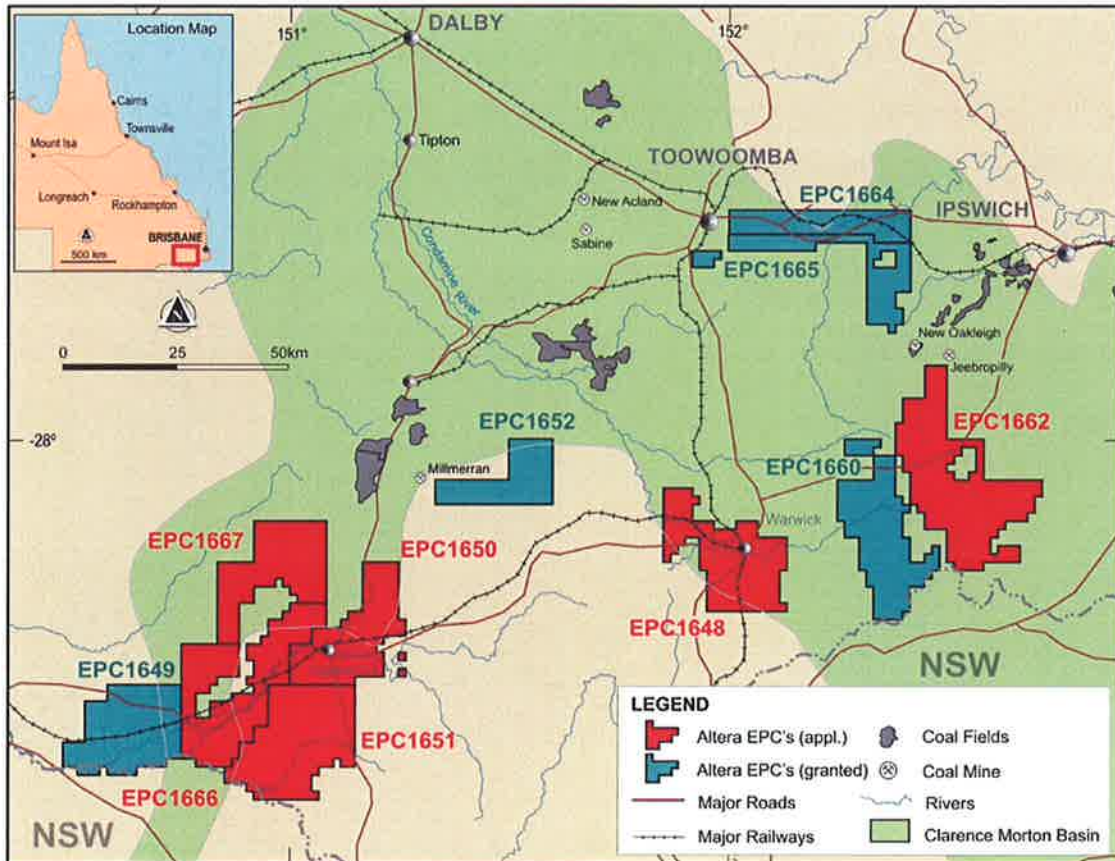


Figure 2: Exploration Permits for Coal – Toowoomba area, Clarence Morton Basin, Queensland



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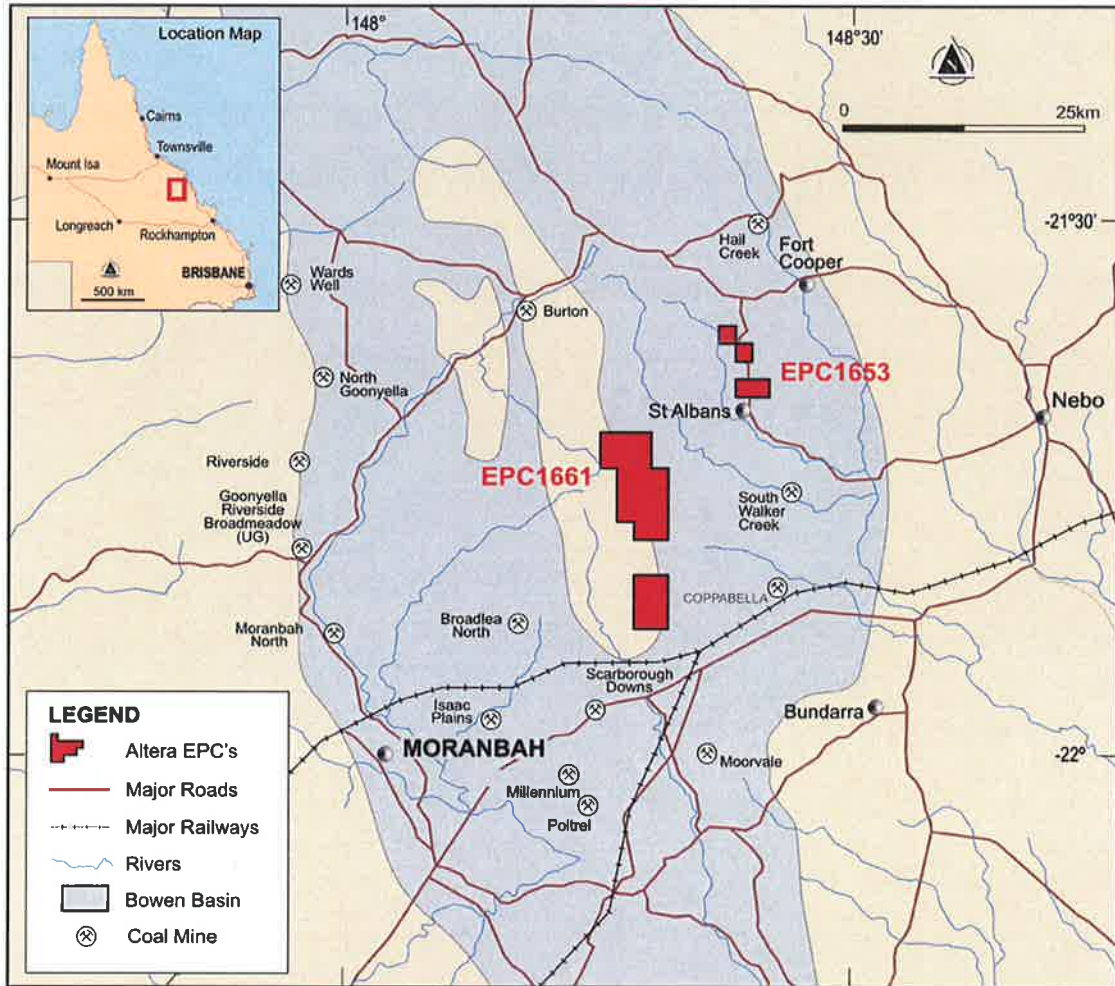


Figure 3: Exploration Permit for Coal applications – Moranbah area, North Bowen Basin, Queensland



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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, 01/06/10.

Name of entity

ALTERA RESOURCES LTD

ABN

55 082 541 437

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(13)	(13)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	41	41
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (GST)	(5)	(5)
Net Operating Cash Flows	(107)	(107)
Cash flows related to investing activities		
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)		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(107)	(107)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(107)	(107)
	Cash flows related to financing activities		
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)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(107)	(107)
1.20	Cash at beginning of quarter/year to date	2,651	2,651
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,544	2,544

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	117
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	72
4.2 Development	
4.3 Production	
4.4 Administration	135
Total	207

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	174	42
5.2 Deposits at call	2,370	2,609
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,544	2,651

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	E09/1074 E09/1266	Gascoyne Base Metal Project JV tenements sold	0%	0%
6.2 Interests in mining tenements acquired or increased	E09/1074 E09/1266	Gascoyne Base Metal Project JV tenements Acquired	0%	0%

Additional Note: During the quarter the Company acquired a 100% interest in the JV tenements from ABM which have been subsequently on sold to another unrelated party.

+ 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.

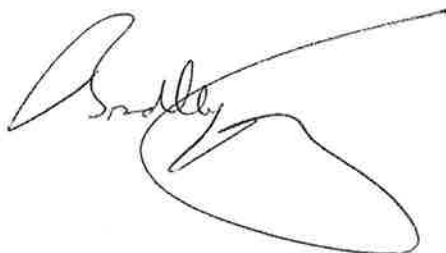
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	42,730,134	42,730,134		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	160,800	160,800	12c	12c
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	13,860,289 4,000,000 1,575,000	13,860,289 - -	<i>Exercise price</i> 0.20 0.20 0.10	<i>Expiry date</i> 01/02/2012 31/12/2012 08/08/2011
7.8 Issued during quarter	80,400	80,400	0.20	01/02/2012
7.9 Exercised during quarter	525,000 10,400	- 10,400	0.10 0.20	08/08/2011 01/02/2012
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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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 give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 25/10/2010

Print name: BRADLEY G.J. ABBOTT

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 : Accounting for Extractive Industries* and *AASB : 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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