

NOTICE OF GENERAL MEETING

ALTERA RESOURCES LIMITED ACN 082 541 437

Notice is hereby given that a General Meeting of members of the Company will be held at 8 am on 6 January 2010 at 52 Ord Street, West Perth, Western Australia 6005 to consider the following items of business and, if thought fit, to pass the following Resolution:

1. RESOLUTION 1 - ISSUE OF SHARES AND OPTIONS

To consider, and if thought fit to pass the following resolution as an ordinary resolution:

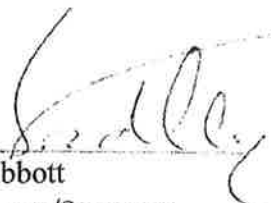
"That approval be and is hereby given for the allotment and issue by the Company of:

- (a) Up to 13,333,333 Shares and 6,666,666 Options to nominees of Blackwood Capital Limited; and*
- (b) 3,000,000 Options to Blackwood Capital Limited.*

on the terms and conditions set out in the Explanatory Memorandum."

DATED this 2nd day of December 2009

BY ORDER OF THE BOARD



B Abbott
Director/Secretary

Notes:

Definitions

Terms which are used in this Notice which are defined in Section 2 of the Explanatory Memorandum have the meanings ascribed to them therein.

Voting Entitlement

Altera Resources Limited (as convenor of the Meeting) has determined that a person's entitlement to vote at the Meeting will, in accordance with Section 1109N of the Corporations Act, be the entitlement of that person set out in the register of members as at 7 pm Sydney time on 5 January 2010.

This means that any holder registered at 7 pm Sydney time on the 5th day of January 2010 is entitled to attend and vote at the Meeting.

Proxies

A member entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the member at the Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Meeting the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A form of proxy is attached with this notice.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments. To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either:

- Return the proxy form (by post or delivery) to Altera Resources Limited, 813 Wellington Street, West Perth, Western Australia, 6005; or
- Send the proxy form to Altera Resources Limited on facsimile number +61 8 93221385.

To be effective a completed proxy form must be received by the Company by no later than 8 am (WST) on 4 January 2010.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

Voting Restrictions

1. In accordance with Listing Rules 7.3.8 and 14.11 the Company will disregard any votes cast on Resolution 1 by:
 - Blackwood Capital Limited;
 - A person who may participate in the proposed issue; and
 - A person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
 - Any associate of the above persons.

However, the Company need not disregard a vote cast on Resolution 1 if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**ALTERA RESOURCES LIMITED
(ACN 082 541 437)**

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY MEMORANDUM**

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspects of this document with the Company contact
Mr Bradley Abbott on telephone (08) 9321 2642*

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ALTERA RESOURCES LIMITED
ACN 082 541 437

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a General Meeting of Shareholders of the Company to be held on the 6th of January 2010. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolution proposed. Terms used in this Explanatory Memorandum are defined in Section 2.

1. RESOLUTION 1 - ISSUE OF SHARES AND OPTIONS

1.1 Background to Resolution 1

As announced to ASX on 20 November 2009, the Company has entered into the Underwriting Agreement with Blackwood Capital Limited. Part of the Underwriting Agreement includes a placement arrangement whereby to the extent that the number of shortfall Shares that arise from the Entitlement Offer is less than 13,333,333 Shares (and attaching 1 for 2 Options), the Company will issue to nominees of Blackwood Capital such number of additional Shares and Options as ensures that a total of 13,333,333 Shares and 6,666,666 Options are issued to nominees of Blackwood Capital Limited.

Any shortfall Shares and Options that are issued to Blackwood Capital in its capacity as underwriter to the Entitlement Offer will fall within the exemption in Exception 2 of Rule 7.2 of the Listing Rules. No Shareholder approval is required for the issue of these Shares and Options. Under the placement arrangement described above to the extent that the level of acceptances of the Entitlement Offer was such that the number of shortfall Shares is less than 13,333,333 Shares then additional Shares and Options that will be issued will require Shareholder approval as provided in Section 1.2. These are the Shares and Options the subject of paragraph (a) of Resolution 1.

In the extremely unlikely event that the Entitlement Offer was fully subscribed, i.e. that there was no shortfall, then the total number of securities to be issued pursuant to the placement arrangement described above would be the 13,333,333 Shares and 6,666,666 Options the subject of paragraph (a) of Resolution 1.

As part of the Underwriting Agreement with Blackwood Capital the Company agreed to issue to Blackwood Capital Limited 3 million Options on the same terms as those offered pursuant to the Entitlement Offer. These are the Options the subject of paragraph (b) of Resolution 1.

1.2 Regulatory Requirements — Resolution 1

Listing Rules Chapter 7

Listing Rule 7.1 limits the capacity of the Company to issue securities without the approval of its Shareholders. In broad terms, that rule provides that a Company may not, within a 12 month period, issue securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the 12 month period unless the issue is approved by Shareholders or the issue otherwise comes within one of the exceptions to Listing Rule 7.1.

The Shares and Options the subject of Resolution 1 would exceed the 15% Rule.

Resolution 1 therefore is designed to fulfill the requirements of Listing Rule 7.1. Also if the issue of Options the subject of Resolution 1 is approved by Shareholders the Shares, when issued on exercise of those Options, will not be included within the 15% limitation contained in Listing Rule 7.1.

Listing Rule 7.3 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in the Explanatory Memorandum for that purpose:

- (a) The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person: the maximum number of Shares the subject of Resolution 1 is 13,333,333 and the maximum number of Options is 9,666,666 Options.
- (b) The date by which the entity will issue the securities: the Shares and Options the subject of Resolution 1 will be issued and allotted no later than three months after the date of the Meeting or such later date as permitted by any waiver granted by ASX and will be issued on the one date.
- (c) The issue price of the securities: The Shares are being issued at 12 cents each and the Options the subject of Resolution 1 will be issued for nil monetary consideration.
- (d) The names of the allottee: The allottees of the Shares and Options the subject of paragraph (a) will be as yet unspecified institutional and sophisticated investor clients of Blackwood Capital, and the allottee of the 3 million Options in paragraph (b) will be Blackwood Capital.
- (e) The terms of the securities: The Shares will rank equally with all existing Shares on issue. The terms and conditions of the Options the subject of Resolution I are set out in Section 1.3.
- (f) The intended use of the funds raised: The funds raised from the issue of the Shares will be used to assist in the payment of costs of the Entitlement Offer and to supplement working capital of the Company. No funds will be raised from the issue of the Options the subject of Resolution 1.
- (g) A voting exclusion statement: a voting exclusion statement is set out in the Notice of Meeting.

1.3 Terms of the Options

The term and conditions of the Options to be issued pursuant to Resolution 1 are as follows:

- (a) Each Option, when exercised, entitles the holder to subscribed for and be allotted one Share in the capital of the Company.
- (b) Each Option is exercisable on or before 5:00 pm Perth time on the date 2 years after its issue;
- (c) The Options can be exercised in whole or in part, and if exercised in part multiples of 2,000 must be exercised on each occasion;
- (d) The exercise price of each Option is \$0.20;
- (e) The Options may be transferred by the Optionholder.
- (f) The Optionholder will be permitted to participate in any new pro-rata issue of securities of the Company if it has exercised the Options prior to the relevant record date for any such issue and the Optionholder will be notified of any such issue in the manner required by the Listing Rules;
- (g) The Options do not confer on the holder any rights to participate in Dividends until Shares are allocated pursuant to the exercise of the Options;
- (h) In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on the Optionholder which are not conferred on Shareholders;

- (i) The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to the exercise of the Options so that, upon exercise of the Options the number of Shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issue;
- (j) Application will be made for the Options to be granted quotation by ASX; and
- (k) Subject to paragraph (i) above the Options do not confer on the holder any right to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised.

2. INTERPRETATION

In this Explanatory Memorandum unless the context or subject matter otherwise requires:

"ASX" means ASX Limited ACN 008 624 691;

"Blackwood Capital" means Blackwood Capital Limited ACN 101 849 110;

"Board" means the board of Directors from time to time;

"Company" and **"Altera"** means Altera Resources Limited ACN 082 541 437;

"Entitlement Offer" means the 4 for 5 pro-rata entitlement offer announced by the Company on 20 November 2009;

"Existing Shares" means the 20,453,348 Shares on issue as at the date hereof;

"Explanatory Memorandum" means this explanatory memorandum;

"Listing Rules" means the listing rules of ASX;

"Meeting" means the general meeting of Shareholders convened by the Notice;

"Notice" means the notice convening the Meeting of which this Explanatory Memorandum forms part;

"Option" means an option to subscribe for a Share;

"Share" means an ordinary fully paid share in the capital of the Company and **"Shareholder"** has a corresponding meaning;

"Underwriting Agreement" means an agreement dated 18 November 2009 between the Company and Blackwood Capital.

References in this Explanatory Memorandum to **"Sections"** and to **"Parts"** are to Sections and Parts of this Explanatory Memorandum.

To the extent that any agreements are summarised or paraphrased in this Explanatory Memorandum the purpose is solely to assist Shareholders in gaining a succinct summary of the terms thereof and nothing will affect the full legal terms of the agreements.