Altera Resources Ltd

A.B.N. 55 082 541 437

FINANCIAL REPORT

FOR THE YEAR ENDED

30 June 2010

Contents

DIRECTORS	Harjinder Kehal Jeremy Shervington Bradley Abbott
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CHAIRMANS REPORT

Dear Shareholder,

On behalf of your Board of Directors, I have pleasure in presenting the Annual Report and Financial Statements of Altera Resources Limited ("Altera" or the "Company") for the twelve months to 30 June 2010.

The Company 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^2. The JV with Dragon commenced on 1 July 2010.

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 $1.5 million 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.

A total of five EPC's out of the thirteen, have now been granted and a further three are going through the Native Title process prior to being offered for grant by the DME Queensland.

Underwritten Pro-rata Entitlement Offer (Rights Issue) to eligible shareholders was successful, closing on 20 January 2010. The Shortfall Placement was completed by 12 February 2010. The Company has raised $2,608,966 before costs leaving it in a favourable position to pursue its existing Coal & Base Metal Interests and explore other new opportunities.

I extend my sincere thanks to the Board of Altera for their contributions and efforts during the year. We look forward to fulfilling our strategy in the financial year ahead.

Yours faithfully

Harjinder Kehal

Harjinder Kehal
Chairman
14 September 2010

Corporate governance statement

BEST PRACTICE RECOMMENDATION

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

Corporate Governance Policy	Action taken and reasons if not adopted
Lay solid foundation for management and oversight	
Principle 1: Recognise and publish the respective roles and responsibilities of the Board and management	Adopted
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	Refer Corporate Governance Statement 2,3 & 4.
1.2 Disclose the process for evaluating the performance of senior executives.	Refer Corporate Governance Statement 2.11.
Structure the Board to add value	
Principle 2: Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties	Adopted except as follows:-
2.1 A majority of the Board should be independent.	2.1 The Company does not comply with this recommendation, only Dr Nick Archibald out of the four Directors is considered independent. Refer Corporate Governance Statement 2.5.
2.2 The Chairperson should be an independent director.	2.2 The Chairman is not independent.
2.3 The roles of Chairperson and Chief Executive Officer should not be exercised by the same individual.	2.3 The company does not have a Chief Executive Officer.
2.4 The board should establish a nomination committee.	2.4 The Board has not established a Remuneration and Nomination Committee.
2.5 Disclose the process for evaluating the performance of the Board, its Committees and the individual Directors.	2.5 Refer Corporate Governance Statement 2.11& 3.2.
Actively promote ethical and responsible decision-making	
Principle 3: Promote ethical and responsible decision-making	Adopted except as follows:-
3.1 Establish a code of conduct and disclose the code or a summary of the	

Corporate Governance Policy	Action taken and reasons if not adopted
code as to:	
3.1.1 the practices necessary to maintain confidence in the Company's integrity;	3.1.1 Refer Corporate Governance Statement 2.6,2.7,2.13,2.14, & 5.
3.1.2 the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders; and	3.1.2 Refer Corporate Governance Statement 2.6,2.7,2.13,2.14, & 5.
3.1.3 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices.	3.1.3 Refer Corporate Governance Statement 5.
3.2 Establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	3.2 Refer Corporate Governance Statement 2.8.
Safeguard integrity in financial reporting *Principle 4: Establish a structure to independently verify and safeguard integrity in financial reporting* 4.1 The Board should establish an Audit Committee 4.2 Structure the Audit Committee so that it consists of: ▪ Only non-executive Directors ▪ A majority of independent Directors ▪ An independent chairperson who is not the chairperson of the Board ▪ At least three members. 4.3 The Audit Committee should have a formal operating charter.	4 Not Adopted as the size and nature of the company, it's business interests and level of involvement of Directors in the companies activities would mean such a committee would not be independent. Refer Corporate Governance Statement 3.2.
Respect the rights of shareholders *Principle 6: Respect the rights of shareholders and facilitate the effective exercise of those rights*	Adopted
6.1 Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy.	6.1 Refer Corporate Governance Statement 7.
Recognise and manage risk *Principle 7: Establish a sound system of risk oversight and management and internal control*	Not Adopted
7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.	7.1 There is no formal risk management internal control system in place.
7.2 The Board should require management to design and implement the	7.2 The company's board also take on

Corporate Governance Policy	Action taken and reasons if not adopted
risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	management responsibilities.
7.3 The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.	7.3 Refer Corporate Governance Statement 6.
Remunerate fairly and responsibly	
Principle 8: Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined	Adopted except as follows
8.1 The Board should establish a remuneration committee.	8.1 A Remuneration and Nomination Committee has not been established as due to the small size of the company such a committee was not considered to add any efficiency to the process of determining the levels of remuneration of directors and executives. Refer Corporate Governance Statement 3.2
8.2 Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.	The current remuneration of Directors is disclosed in the Remuneration Report and also at Note 14 to the Accounts.

Corporate governance statement

1. Framework and Approach to Corporate Governance and Responsibility

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). The Company's practices are largely consistent with the Council's guidelines - the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole.

Details of all of the Council's recommendations can be found on the ASX website.
http://www.asx.com.au/about/corporate_governance/index.htm

Board of Directors - Role and responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following.

(1) formulation and approval of the strategic direction, objectives and goals of the company;

(2) the prudential control of the Company's finances and operations and monitoring the financial performance of the Company;

(3) the resourcing, review and monitoring of executive management;

(4) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;

(5) the identification of significant business risks and ensuring that such risks are adequately managed;

(6) the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market;

(7) the establishment and maintenance of appropriate ethical standards;

(8) responsibilities typically assumed by an audit committee including:

  (a) reviewing and approving the audited annual and reviewed half yearly financial reports;

  (b) reviewing the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal;

(9) responsibilities typically assumed by a remuneration committee including:

  (a) reviewing the remuneration and performance of both Executive and Non-Executive Directors;

  (b) setting policies for Executives' remuneration, setting the terms and conditions of employment for Executives, undertaking reviews of Executive's performance, including, setting goals and reviewing progress in achieving those goals;

  (c) reviewing the Company's Executive and employee incentive schemes and making recommendations on any proposed changes.

(10) responsibilities typically assumed by a nomination committee including:

  (a) devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors;

(b) oversight of Board and Executive succession plans.

2. Board of Directors – Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and the scale and nature of the Company's activities. The names of the Directors currently in office and their qualifications and experience are stated in the Directors' Report for the year ended 30 June 2010.

2.1. Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board should contain Directors with a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and Director-level business or corporate experience, having regard to the scale and nature of activities of the Company.

2.2. Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. But due to the size and current activities of the company the cost can not be justified, this situation will be revised as the company expands it's activities.

2.3. Chairman

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Company's Executive Chairman since 17 November 2009 is Mr Harjinder Kehal, whose qualifications and experience are stated in the Directors' Report for the year ended 30 June 2010.

2.4. Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary (also an Non-Executive Director) is Mr Bradley Abbott, whose qualifications and experience are stated in the Directors' Report for the year ended 30 June 2010.

2.5. Independence

An independent Director, in the view of the Company, is a Non-Executive Director who:

(1) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

(2) within the last 3 years has not been employed in an Executive capacity by the Company, or been a Director after ceasing to hold any such employment;

(3) within the last 3 years has not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with a service provider;

(4) is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

(5) has no material contractual relationship with the Company other than as a Director of the Company;

(6) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and

(7) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Dr Nick Archibald (Non-Executive Director) is regarded as an independent Director.

Mr Harjinder Kehal (Chairman & Executive Director) is not regarded as an independent Director as he is an Executive Officer of the Company and he is a director of a shareholder of the company.

Mr Jeremy Shervington (Non-Executive Director) is not regarded as an independent Director, as he is a director of a substantial shareholder of the company.

Mr Bradley Abbott (Non-Executive Director and Company Secretary) is not regarded as an independent Director, as he is a director of a shareholder of the company.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of a majority of independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Company's activities increase in size, nature and scope the size of the Board will be reviewed periodically and the optimum number of Directors required for the Board to properly perform its responsibilities and functions.

2.6. Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

(1) disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and

(2) if requested by the Board, within 7 days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

2.7. Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

2.8. Securities Dealings and Disclosures

The Company's policy regarding Directors, Executives and employees dealing in its securities (ordinary shares or options), is set by the Board. The Board restricts Directors, Executives and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives and employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

2.9. Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

2.10. Terms of Appointment as a Director

The current Directors of the Company have not been appointed for fixed terms. The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his election, whichever is longer, without submitting himself for re-election. One third of the Directors (save for a Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

2.11. Performance Review and Evaluation

It is the policy of the Board to ensure that the Directors and Executives of the Company be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

2.12. Meetings of the Board

The Chairman and Company Secretary generally schedules periodic formal Board meetings (if there is business to be attended to by the Board). In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled periodic meetings. Circulatory Resolutions are also utilised where appropriate either in place or in addition formal Board meetings. Board meetings are held predominantly by telephone conferencing as not all Directors are resident in the one city. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity.

2.13. Independent Professional Advice

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

2.14. Access to Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

3. Management

3.1. Executives

During the 2010 financial year:

- Mr Bradley Abbott, Harjinder Kehal, and Jeremy Shervington continued as directors.
- Mr Godfrey Rule resigned as Chairman & Executive Director on 17/11/2009 and on that same day Harjinder Kehal was appointed Chairman.
- Dr Nick Archibald was appointed as an independent Non Executive Director on 1/12/2009.
- Mr Abbott continued with the multiple roles as Non-Executive Director and Company Secretary.
- The Board considered that the Company was not currently of a size, nor were its affairs of such complexity to justify the expense of the appointment of an independent Non-Executive Chairman.
- Mr Kehal held multiple roles of Chairman and Executive Director.
- The Board was of the opinion that all Directors exercise and bring to bear an unfettered and independent judgement towards their duties and the Board was satisfied that Mr Kehal (as both Chairman and as Executive Director during the year) played an important role in the operations of the Company and was able to and did bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman and did not consider that his dual role in any way diminished the efficient organisation and conduct of the Board's overall function;

The Company does not presently have a Managing Director, Chief Executive Officer (CEO) or Chief Financial Officer (CFO). The Executive team comprises solely of Mr Harjinder Kehal as Executive Director and Chairman..

The Board has determined that the Company Secretary is the appropriate person to make the CEO and CFO declarations required under section 295A and recommended by the Council.

3.2. Board and Management Committees

In view of the current composition of the Board and the nature and scale of the Company's activities, the Board has considered that establishing formally constituted committees for audit, board nominations and remuneration would contribute little to its effective management.

Accordingly audit matters, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and Executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest). That is, matters typically dealt with by an audit, nominations and remuneration committee are dealt with by the full Board.

4. Remuneration Policy

Please refer to the Remuneration Report in the Director's Report for the year ended 30 June 2010.

4.1 Options remuneration

The Company considers the granting of options as a long term variable component of the remuneration of key management personnel, providing a direct relationship as to increases in shareholders wealth via an increasing share price and the remuneration of individuals. For this reason options are granted to non-executive directors as an incentive to increase value to all shareholders.

5. Code of Conduct and Ethical Standards

The Company is not of a size that warrants the establishment of a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. However, the Company's policies are focussed on ensuring that all Directors, Executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

6. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

The Board has determined that the Company Secretary is the appropriate person to make the CEO and CFO declarations on the risk management and internal compliance and control systems recommended by the Council, for the year ended 30 June 2010.

7. Communications

7.1. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders and the market through:

(1) The Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);

(2) The Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;

(3) The Half-Yearly Directors' and Financial Reports;

(4) Other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website (currently being updated) and email. The Company's reports and ASX announcements may be viewed and downloaded from the ASX website: www.asx.com.au under ASX code "AEA".

The Company also maintains an email list for the distribution of the Company's announcements via email in a timelier manner.

7.2. Continuous Disclosure to ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

(1) concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and

(2) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

DIRECTORS' REPORT

Your Directors present their report together with the financial report of Altera Resources Limited (Company or Altera) for the financial year ended 30 June 2010.

Directors

The names and details of the directors in office during the financial year are:

Harjinder Kehal (Chairman)
Bradley Abbott
Jeremy Shervington
Godfrey Rule (resigned 17/11/2009)
Dr Nick Archibald (appointed 1/12/2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Particulars
DIRECTORS AND COMPANY SECRETARY

Information concerning Directors in office during or since the end of the financial year are:

Harjinder Kehal	**Chairman & Executive Director**
Appointed -	Chairman 17/11/2009 , Director 8 August 2006
Qualifications -	BSc (Hons) (UWA), MMEE (Macquarie)
Experience -	Mr Kehal with a Bachelor of Science (Hons) from the University of Western Australia and Master of Mineral and Energy Economics from Macquarie University, is a geologist with over 20 years experience in precious metals, industrial metals and base metals within Australia, China, India and Vietnam. He has extensive experience in project evaluation, feasibility studies, joint venture negotiations and statutory reporting.
Relevant interest in shares and options -	Shares 365,686 ; Options 525,000 (expires 8/8/2011); Options 1,000,000 (expires 31/12/2012)
Special Responsibilities -	None
Other positions held in listed entities -	None
Former directorships in other listed entities in past 3 years -	None
Bradley Abbott	**Non-Executive Director and Company Secretary**
Appointed -	8 August 2006
Qualifications -	B.Bus (Curtin), CA
Experience -	Mr Abbott is the founding director of Abbott's Pty Ltd, a Chartered Accounting Practice based in Perth, Western Australia. He has been in public accounting since 1975 with main areas of specialty of small business, agriculture, mining and estate planning. Mr. Abbott holds a Bachelor of Business degree from Curtin University is a fellow of the Taxation Institute of Australia and the Institute of Chartered Accountants and is a registered Company auditor.

Relevant interest in shares and options -	Shares 2,000,686; Options 525,000 (expires 8/8/2011); Options 1,000,000 (expires 31/12/2012); Options 375,000 (expires 1/2/2012)
Special Responsibilities -	None
Other current directorships in listed entities -	None
Former directorships in other listed entities in past 3 years -	None

Jeremy Shervington	**Non-Executive Director**
Appointed -	8 August 2006
Qualifications -	B.Juris L.LB
Experience -	Mr Shervington operates a legal practice in Western Australia. He specializes in the laws regulating Companies and the Securities Industry in Australia. Mr Shervington has since 1985 served as a director of various ASX listed companies as well as a number of unlisted public and private companies.
Relevant interest in shares and options -	Shares 3,951,807; Options 525,000 (expires 8/8/2011); Options 1,000,000 (expires 31/12/2012); Options 878,179 (expires 1/2/2012)
Special Responsibilities -	None
Other positions held in listed entities -	Current Director of: (1) Australian Zircon Ltd (Appointed 16 February 1998) (2) Prairie Downs Metals Ltd (Appointed 11 October 2002) (3) Emerald Oil & Gas NL (Appointed 23 January 2006) (4) Industrial Minerals Corporation Ltd (Appointed 17 February 2004) (5) Western Uranium Ltd (Appointed 11 May 2006) (6) Colonial Resources Ltd (Appointed 11 May 2006) (7) Stirling Resources Ltd (Appointed 27 July 2009)
Former directorships in other listed entities in past 3 years	-

Dr Nick Archibald	-	**Non-Executive Director**
Appointed	-	1 December 2009
Resigned	-	25 August 2010
Qualifications	-	BSc(Hons), PhD, FTSE, FAIG, FGSA, FSEG, FAusIMM(CP)

Experience	-	Mr Archibald with a Bachelor of Science from James Cook University and a PhD from the University of Western Australia, has over 35 years of minerals industry experience and is best known for his work with the Australian and North American explorations industries. Dr Archibald and his team at Fractal Geoscience won the Goldcorp Challenge in 2001, a global internet-based competition aimed at identifying a further 6MOz of gold at Goldcorp's Red Lake Mine in NW Ontario, Canada. This gave the team at Fractal Geoscience instant credibility in North America and led to the formation of Geoinformatics Exploration Inc, an exploration company that forged strategic alliances with mining majors across the globe, including Kennecott Exploration, a subsidiary of Rio Tinto, Anglo American, Goldfields and Goldcorp.
Relevant interest in shares and options	-	Shares NIL ; Options NIL
Special Responsibilities	-	None
Other current directorships in listed entities	-	Current Director of: (1) ABM Resources Ltd (Appointed 23 November 2009) (2) Santana Diamonds Inc.
Former directorships in other listed entities in past 3 years	-	Former Director of: (1) Clancy Exploration Ltd

Godfrey Rule	-	**Former Chairman & Executive Director**
Appointed	-	8 August 2006, Appointed Chairman 8 August 2006
Resigned	-	17 November 2009
Qualifications	-	Bcom (UWA)
Experience	-	Mr Rule with a Bachelor of Commerce from the University of Western Australia, has over 30 years experience in the merchant banking and resource industries in Australia and overseas. He has been a founding director of a number of ASX listed resource companies including Gloucester Coal Limited and AMX Resources Limited.
Relevant interest in shares and options on resignation	-	Shares 515,686; Options 525,000 (expires 8/8/2011); Options 1,000,000 (expires 31/12/2012)
Special Responsibilities	-	None
Other current directorships in listed entities	-	None
Former directorships in other listed entities in past 3 years	-	None

Principal Activities
The Company's principal activity is mineral exploration.

Results of Operations
The net loss of the Company after income tax for the financial year amounted to $773,376 (2009: loss of $663,776).

Dividends
No dividends were paid or declared during the financial year. No recommendation for the payment of dividends has been made.

Review of Financial Position
The Company currently has cash and cash equivalents of $2,651,054 (2009: $1,027,543) and net assets of $2,639,639 (2009: $1,052,276). The company is well placed to pursue future business opportunities and able to conduct current activities.

Review of Operations
Queensland Coal project

The Company 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 5,600 km^2.

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 $1.5 million 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 JV commenced on 1 July 2010.

A total of 5 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.

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 early in the September Quarter 2010.

A detailed open file data review and geological compilation completed by Altera has highlighted that:

- Altera's EPCAs cover a strategic area with actual and 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.

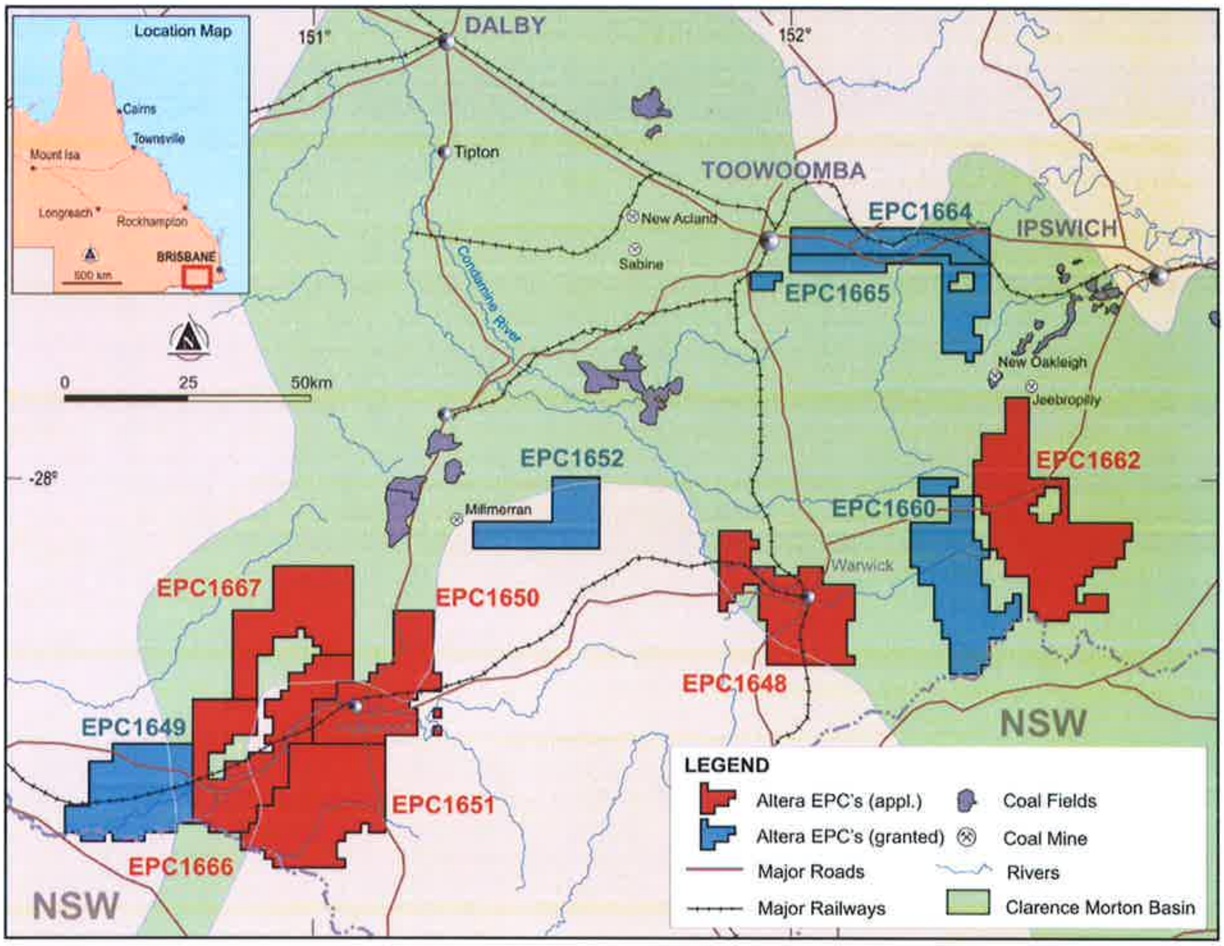

Figure 1: Exploration Permits for Coal – Toowoomba area, Clarence Morton Basin, Queensland

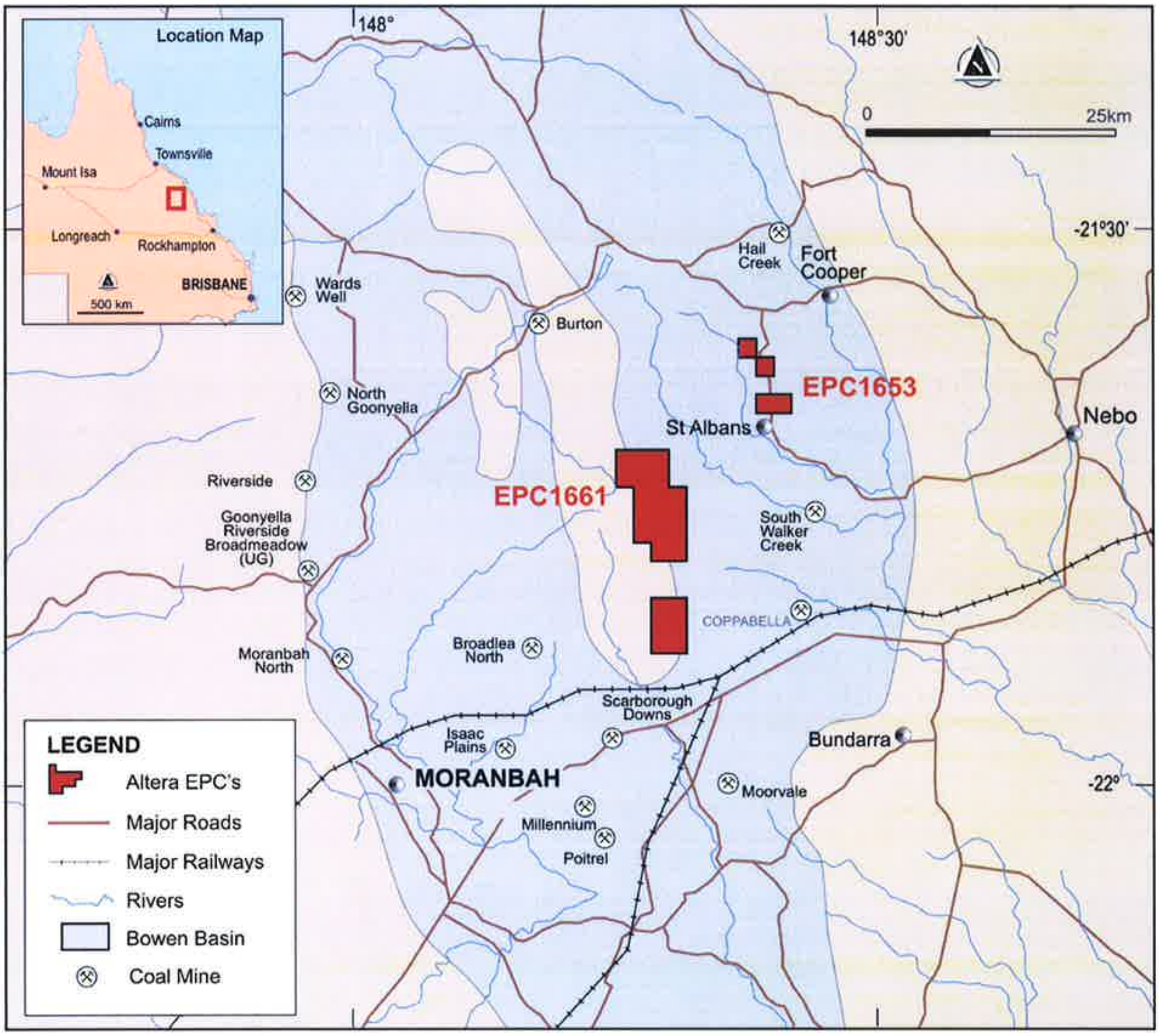

Figure 2: Exploration Permit for Coal applications – Moranbah area, North Bowen Basin, Queensland

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 2). GBMP is a joint venture between Altera and ABM Resources NL, whereby Altera is earning a 65% interest in GBMP.

Exploration completed to date 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 being returned from RC drilling.

A program of rock chip sampling was completed during the year at GBMP. A total of 20 rock chip samples were collected. All samples were collected from outcrop or float and are, predominantly, of vein quartz and ferruginous/gossanous material. Assaying was directed towards the discovery of stratabound lead-zinc-(copper) mineralisation of a Broken Hill style.

Assays from four samples stand out as having greater concentrations of several elements in their assemblages than others and which are ferruginous/gossanous. All have significantly elevated levels of one or more of Cu, Pb, Zn and Mo. Pb value of 690ppm has been returned from the sampling program. These, and a few other samples, have elevated Ba and Mn levels (as much as 4100ppm Ba and 12600ppm Mn) which are typical "gangue elements" at Broken Hill (Table 1). The results of this program are compatible with the rock chip and drill sampling programs completed previously on the project.

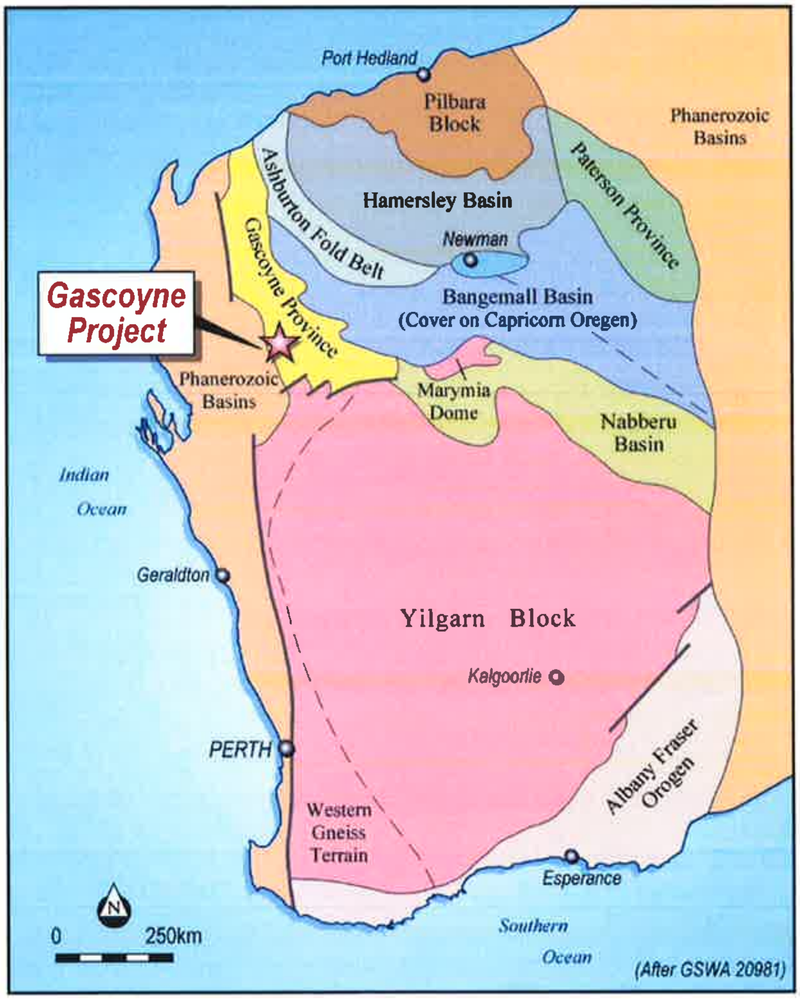

Figure 2: Gascoyne Base Metal Project - Location Map

New Projects
The Company undertook detailed assessments and reviews of several new significant resource projects during the year.

Entitlement Offer and Placement
Underwritten Pro-rata Entitlement Offer (Rights Issue) to eligible shareholders was successful, closing on 20 January 2010. The Shortfall Placement was completed by 12 February 2010. The Company has raised $2,614,044 before costs by issuing 21,741,371 ordinary shares and 13,870,689 free attaching options, leaving it in a favourable position to pursue its existing Coal & Base Metal Interests and explore other new opportunities. Following the Entitlement Offer and Placement and the subsequent conversion of some options to ordinary shares , the Company has a total of 42,730,134 ordinary shares and 19,435,289 options on issue at the end of the 2010 financial year.

Future Developments
The Company's business strategies and prospects for growth in future financial years have not been included in this report, as the inclusion of this information is likely to result in an unreasonable prejudice to the Company.

Significant Changes In State of Affairs
In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the ASX quarterly financial statements.

A total of five Exploration Permits for Coal applications lodged with the DME in Queensland were granted.

Subsequent Events
The commencement date of the Inglewood Coal JV with Dragon was agreed upon to be 1 July 2010 instead of the first date by which at least six of the EPCA's have been granted including EPC 1664 near Toowoomba.

Likely Developments
There are no likely developments of which the Directors are aware, which could be expected to affect the result of the Company's operations in subsequent years

Meetings of Directors
During the financial year seven meetings of Directors were held. Attendances were:

Directors	Number eligible to attend	Number attended
Harjinder Kehal	7	7
Jeremy Shervington	7	6
Bradley Abbott	7	7
Dr Nick Archibald (appointed 1/12/2009)	5	5
Godfrey Rule (resigned 17/11/2009)	2	2

Indemnifying Officers
During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the current Directors, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Auditor's Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23 and forms part of this report.

Non-audit Services
The Company's auditors did not provide non-audit services during the financial year.

Corporate Governance
The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. A corporate governance statement precedes this Director's report at page 4.

Proceeding on behalf of the Company
No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

Remuneration Philosophy
The remuneration policy of Altera Resources Ltd has been designed to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component. The Board of Altera Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the Company, as well as create goal congruence between Directors, Executives and Shareholders.

The board manages the remuneration policy, setting the terms and conditions for Executive Directors and other Senior Executives. All Executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. Further remuneration including fringe benefits, options and performance incentives may be paid dependent upon individual performance, contract terms and the discretion of the Board. Director's remuneration is currently not linked to either long term or short term performance conditions. The Company considers the granting of options as a long term variable component of the remuneration of Key Management Personnel, provides a direct relationship as to increases in shareholders wealth via an increasing share price and the remuneration of the individuals. For this reason there are no performance conditions relating to the grant, but instead an incentive to increase the value to all shareholders. During the year 2010 no cash bonus was paid to directors (2009: nil).

Directors and top Executive remuneration is detailed below in this director's report. All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes methodology.

Directors Remuneration
The board policy is to remunerate Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The Constitution and ASX Listing Rules specify the aggregate remuneration that can be paid to Non-Executive Directors is determined from time to time by a general meeting. The latest determination was at a Meeting of Directors held on the 3 March 2010 where it was resolved Non-Executive Directors remuneration be set at $40,000 p.a each, totaling $160,000p.a.

Fixed Remuneration
Fees for Non-Executive Directors are not linked to the performance of the Company. However to align Directors' interests with Shareholder interests, Directors are encouraged to hold shares in the Company and may be offered

options at the discretion of the board. The nature and amount of emoluments as detailed in this report reflects the remuneration policy above. Since remuneration is fixed there is no change in remuneration as a result of Company performance during the reporting period.

Variable Remuneration
None is paid. All Directors have options which relate rewards to the performance of the Company.

Hedging of Directors share based remuneration
No share based payments have been made during the year to 30 June 2010. There currently does not exist any put options, contracts for difference or any other financial derivative in relation to the company's shares or options, that would enable any party to hedge their position in relation to their equity holdings in the company.

Names and positions held of Directors and Specified Executives in office at any time during the financial year are:

Harjinder Kehal	Chairman and Executive Director	
Bradley Abbott	Non-Executive Director and Company Secretary	
Jeremy Shervington	Non-Executive Director	
Dr Nick Archibald	Non-Executive Director	Appointed 1/12/2009
Godfrey Rule	Former Chairman and Executive Director	Resigned 17/11/2009

Directors' Remuneration

2010	Short-term Director's Fees	Post-employment Superannuation Contribution	Share-based payments Options	Total	Performance Related	Total remuneration represented by Options
	$	$	$	$	%	%
Harjinder Kehal	86,307	3,600	-	89,907	-	-
Bradley Abbott	53,328	4,800	-	58,128	-	-
Jeremy Shervington	53,328	4,800		58,128		
Dr Nick Archibald	23,331	2,100	-	25,431	-	-
Godfrey Rule	33,334	3,000	-	36,334	-	-
	249,628	18,300	-	267,928	-	-

No non-cash benefits were provided to Directors. Refer to note 14 for transactions with related parties including Directors.

2009	Short-term Director's Fees	Post-employment Superannuation Contribution	Share-based payments Options	Total	Performance Related	Total remuneration represented by Options
	$	$	$	$	%	%
Godfrey Rule	84,499	4,500	-	88,999	-	-
Harjinder Kehal	118,775	3,600	-	122,375	-	-
Bradley Abbott	26,664	2,400	-	29,064	-	-
Jeremy Shervington	26,664	2,400	-	29,064	-	-
	256,602	12,900	-	269,502	-	-

Compensation options: granted and vested during the year

30 June 2010 – No options were granted or vested during the 2010 year (2009 – Nil).

Options issued to Non-Executive Directors
Before the company was re-listed on the Australian Stock Exchange (ASX) on 11 January 2008, 4,000,000 options with a 31/12/2012 expiry and total value of $3,784 were issued to Executive & Non Executive Directors in lieu of Directors fees to conserve the companies limited cash resources.

Shares issued on exercise of compensation options There were no shares issued on exercise of compensation options (2009: Nil).

The company does not have a policy on Directors and Executives hedging their exposure on options or shares granted as part of remuneration.

Company Performance
The performance of the company over the last 5 years is set out below .

	2010	2009	2008	2007	2006
Net Loss	$773,376	$663,776	$690,532	$119,389	*N/A

*The company was previously called Altera Capital Ltd and the majority of the current board were appointed 8 August 2006. The company was reinstated to the ASX on 11 January 2008, it's shares having been suspended since 13 June 2003.

<END OF REMUNERATION REPORT>

Signed in accordance with a resolution of the Board of Directors.

Harjinder Kehal

HARJINDER KEHAL
DIRECTOR
Dated this 14 day of September 2010
Perth, Western Australia

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Perth WA 6000 Australia
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Auditor's independence declaration to the directors of Altera Resources Limited

In relation to our audit of the financial report of Altera Resources Limited for the year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

J C Palmer
Partner
Perth
14 September 2010

JP:HG:ALTERA:017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Revenue			
Other Revenue – interest revenue		63,470	65,312
Expenses			
Exploration expenses		(206,674)	(174,350)
Occupancy expenses – rent and outgoings		(33,228)	(37,280)
Finance costs		-	-
Depreciation expense	2	(7,379)	(4,896)
Employee benefits expense	2	(280,293)	(299,442)
Professional fees	2	(119,136)	(84,536)
Other expenses	2	(190,136)	(128,584)
Loss before income tax		(773,376)	(663,776)
Income tax expense	3	-	-
Net Loss after income tax		(773,376)	(663,776)
Net loss attributable to members of Altera Resources Limited		(773,376)	(663,776)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(773,376)	(663,776)
Loss per share			
- Basic and diluted loss per share (cents per share)	19	(2.67)	(3.25)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	As at 30 June 2010 $	As at 30 June 2009 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,651,054	1,027,543
Trade and other receivables	5	21,048	10,378
TOTAL CURRENT ASSETS		2,672,102	1,037,921
NON CURRENT ASSETS			
Property, plant and equipment	6	14,832	22,211
Exploration and evaluation expenditure	7	-	50,000
TOTAL NON CURRENT ASSETS		14,832	72,211
TOTAL ASSETS		2,686,934	1,110,132
CURRENT LIABILITIES			
Trade and other payables	8	47,295	57,856
TOTAL CURRENT LIABILITIES		47,295	57,856
TOTAL LIABILITIES		47,295	57,856
NET ASSETS		2,639,639	1,052,276
EQUITY			
Issued capital	9	6,210,843	3,845,025
Reserves	10	19,019	24,098
Accumulated Losses	11	(3,590,223)	(2,816,847)
TOTAL EQUITY		2,639,639	1,052,276

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital	Option Reserves	Accumulated Losses	Total
	$	$	$	$
At 1 July 2008	3,845,025	24,098	(2,153,071)	1,716,052
Loss for the year	-	-	(663,776)	(663,776)
Other comprehensive income	-	-	-	-
Total comprehensive income net of tax for the period	-	-	(663,776)	(663,776)
Balance at 30 June 2009	3,845,025	24,098	(2,816,847)	1,052,276
At 1 July 2009	3,845,025	24,098	(2,816,847)	1,052,276
Loss for the year	-	-	(773,376)	(773,376)
Other comprehensive income	-	-	-	-
Total comprehensive income net of tax for the period	-	-	(773,376)	(773,376)
Transactions by owners recorded directly in equity:				
Shares issued	2,614,044	-	-	2,614,044
Transaction costs on share issue	(302,806)	-	-	(302,806)
Conversion of options to shares	54,580	(5,079)	-	49,501
Balance at 30 June 2010	6,210,843	19,019	(3,590,223)	2,639,639

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(793,088)	(708,056)
Interest received		55,860	69,296
NET CASH (USED IN) OPERATING ACTIVITIES	4	(737,228)	(638,760)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
NET CASH (USED IN) INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		2,663,545	-
Transaction costs on share issue		(302,806)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,360,739	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		1,623,511	(638,760)
Cash and cash equivalents at the beginning of the period		1,027,543	1,666,303
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	2,651,054	1,027,543

The above statement of cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial report of Altera Resources Limited (the "Company") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 14 September 2010.

Altera Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

During the year ended 30 June 2010 the Company had 1 employee (2009: 1).

The nature of the operations and principal activities of the Company are described in the Director's Report.

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards including Australian Accounting Interpretations, and complies with other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Statement of Compliance

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New Accounting Standards and Interpretations

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies nor affected the amounts reported for the current and prior years.

At the date of authorisation of the financial report certain Australian Accounting Standards and Interpretations issued or amended but not yet effective have not been adopted by the Company for the financial reporting period ended 30 June 2010. The Directors have assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations as follows:

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following: The amendment to AASB 117 removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined. The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. The amendment to AASB 118 provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity: ► has primary responsibility for providing the goods or service; ► has inventory risk; ► has discretion in establishing prices; ► bears the credit risk. The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes. The main change to AASB 139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.	1 January 2010	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2010

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	This Standard makes amendments to Australian Accounting Standard AASB 2 *Share-based Payment* and supersedes Interpretation 8 *Scope of AASB 2* and Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*. The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	1 January 2010	The company is not part of a Group, thus the Amendments will not have an impact on the Company.	1 July 2010
AASB 2009-9	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards.*	The amendments address the retrospective application of IFRSs to particular situations and are aimed at ensuring that entities applying IFRSs will not face undue cost or effort in the transition process. Specifically, the amendments: ► exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets ► exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4 *Determining whether an Arrangement contains a Lease* when the application of their national accounting requirements produced the same result.	1 January 2010	The company has previously applied IFRS1.	1 July 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.	1 February 2010	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2010

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: ► two categories for financial assets being amortised cost or fair value ► removal of the requirement to separate embedded derivatives in financial assets ► strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows ► an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition ► reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes ► changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1 January 2013	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2013
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)	1 January 2011	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2011
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	These amendments arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The requirements of IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit. The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.	1 January 2011	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2011
Interpetation 19	Interpretation 19 Extinguishing Financial Liabilities with	This interpretation clarifies clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability	1 July 2010	The company may be affected by these amendments.	1 July 2010

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company
	Equity Instruments	is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.		However, the Company has not yet determined the extent of the impact, if any.	
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2013	The company may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2013

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of non-financial assets other than goodwill

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined.

In respect of Exploration and evaluation costs, these are expensed as incurred as an operating cost of the company. Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined, which includes applying such criteria as whether costs will be recovered in full from further development or by sale.

Taxation

The Company's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on estimated useful lives as published by the Australian Taxation Office . In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

1.1 Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1.2 Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is

probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

• receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority

1.3 Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

1.4 Investments

Investments and other financial assets in the scope of AASB139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade data i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or been transferred.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

1.5 Plant and Equipment

Plant and equipment are brought to account at cost less any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed bi-annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the specific assets as follows:

Furniture and Office Equipment – 7.5 years

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

Any item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.
The directors have determined that items of plant and equipment do not generate independent cash inflows. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement as an expense.

1.6 Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1.7 Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognized directly in equity as a reduction of the share proceeds received.

1.8 Earnings Per Share

Basic earnings per share is calculated by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

1.9 Provisions and Employee Benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries including non-monetary benefits such as annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

1.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. 11 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Leases of plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the income statement on a straight-line basis over the lease term.

1.12 Exploration and evaluation expenditure

Expenditure on exploration and evaluation is expensed as incurred except when it relates to the acquisition of properties that contain mineral resources that can be allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

1.13 Interest in a jointly controlled asset

Interests in jointly controlled assets in which the Company is a venturer (and so has joint control) are included in the financial statements by recognising the Company's share of jointly controlled assets (classified according to their nature), the share of liabilities incurred (including those incurred jointly with other venturers) and the Company's share of expenses incurred by or in respect of each joint venture. The Company also recognises income from the sale or use of output from the joint venture.

The Company's interests in assets where the Company does not have joint control are accounted for in accordance with the substance of the Company's interest. Where such arrangements give rise to an undivided interest in the individual assets and liabilities of the joint venture, the Company recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature.

1.14 Share based payments

Equity settled transactions

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

When an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note		2010 $	2009 $
2	**EXPENSES**		
	Depreciation included in income statement		
	Depreciation expense	7,379	4,896
	Employee benefits expense		
	Salary & wages	261,300	284,203
	Superannuation	18,993	15,239
		280,293	299,442
	Professional fees		
	Accounting	73,839	50,035
	Secretarial	35,106	34,501
	Consulting	10,191	-
		119,136	84,536
	Other expenses		
	Audit fees	34,292	37,416
	Legal fees	90,610	10,114
	ASX fees	15,854	8,091
	Insurance	14,779	13,292
	Other	34,601	59,671
		190,136	128,584
	Lease payments included in income statement		
	Minimum lease payments operating lease	39,110	42,625

Note		2010 $	2009 $
3	**INCOME TAX EXPENSE**		
	(a) The components of income tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
	Under/over provision from previous years	-	-
	(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Loss from continuing operations before income tax expense	(773,376)	(663,776)
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2009: 30%)	(232,013)	(199,133)
	Add tax effect of:		
	Unrecognised tax losses	232,013	199,133
	Income tax expense	-	-
	(c) Deferred tax assets/liabilities:		
	Deferred tax liabilities:		
	Accrued income	2,888	605
	Deferred tax assets:		
	Capital raising	122,024	46,655
	Business related capital costs	1,942	2,427
	Provisions and accruals	12,675	10,192
	Carry forward tax losses	2,008,188	1,818,567
	Other	-	-
		2,144,829	1,877,841
	Deferred tax assets not recognised	(2,141,941)	(1,878,446)
	Net deferred tax asset/liability	-	-

(d) Tax losses

The Company has Australian income tax losses for which no deferred tax asset is recognised on the balance sheet of $6,693,960 (2009: $6,094,713). Losses are recoupable subject to the relevant Australian taxation statutory requirements being met.

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilized;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Note		2010	2009
4	**CASH AND CASH EQUIVALENTS**	**$**	**$**
	Cash at bank and in hand	2,651,054	1,027,543
	Reconciliation of net loss after income tax to cash flows used in operations		
	Loss for the year	(773,376)	(663,776)
	Non cash adjustments:		
	-Depreciation	7,379	4,896
	-Write off capitalised exploration asset	50,000	-
	Movements in assets and liabilities		
	-Increase/(decrease) in trade and other receivables	(10,670)	(21,431)
	-(Decrease)/increase in trade and other payables	(10,561)	(1,311)
	Cash flows used in operations	(737,228)	(638,760)
5	**TRADE AND OTHER RECEIVABLES**		
	GST receivable (i)	5,626	3,730
	Other debtors (i)	15,422	6,648
		21,048	10,378

(i) The other debtors and GST are incurred in the normal course of business and no allowance has been made for non-recovery. The debtors and GST are of short-term nature. No amounts are past due or impaired.

Note		2010	2009
6	**PROPERTY, PLANT AND EQUIPMENT**		
	Furniture and office equipment at cost	42,095	42,095
	Less accumulated depreciation	(27,263)	(19,884)
		14,832	22,211
	Movements in carrying amounts		
	Balance at 1 July 2009	22,211	27,107
	Additions	-	-
	Depreciation expense	(7,379)	(4,896)
	Carrying amount at 30 June 2010	14,832	22,211
7	**EXPLORATION AND EVALUATION EXPENDITURE**		
	Interest in Farm-in agreement – jointly controlled asset (i)	-	50,000

(i) During the year ended 30 June 2010 the carrying value of an exploration asset was reviewed for impairment. As a result of that review the directors consider that exploration and evaluation expenditure relating to Gascoyne Base Metals Project is unlikely to be recovered in full from successful development or by sale. Since 30 June 2009 the company has not committed substantial expenditure to the project and is likely to abandon the project should a further Joint Venture partner not be obtained to cover the minimum expenditure requirements. Accordingly, $50,000 in impairment loss has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2010, which related to the costs of establishing the Joint Venture. The Company maintains a 65% interest in the Mining Tenements with ABM Resources. Refer to Note 12 for commitments relating to the joint venture.

Note		2010 $	2009 $
8	**TRADE PAYABLES AND OTHER ACCRUALS**		
	Trade payables (i)	5,043	21,014
	Accruals	42,252	36,842
		47,295	57,856

(i) Trade payables are non-interest bearing, unsecured and are usually paid within 30 days of recognition.

Note		2010 $	2009 $
9	**ISSUED CAPITAL**		
	42,730,134 fully paid ordinary shares (2009:20,453,363)	6,205,764	3,845,025
	At 1 July 2009	3,845,025	3,845,025
	Share issue (i)	2,614,044	-
	Conversion of options to shares (ii)	54,580	-
	Transaction cost on share issue	(302,806)	-
	At 30 June 2010	6,210,843	3,845,025

i) Ending 12 February 2010, 21,741,371 ordinary shares and 13,870,689 free options were issued on completion of an underwritten Pro Rata Entitlement Offer .

ii) During the 2010 year an additional 535,400 ordinary shares were issued on conversion of options at prices varying between 10 cents and 20 cents each.

(a) Terms and conditions

Ordinary shares have the right to receive dividends as declared, and the proceeds on winding up of the Company in proportion to the number of shares held.

Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the Company. Effective 1 July 1998, the Corporations Legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the company has neither authorised capital nor par value in respect of its issued shares.

(b) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. "Capital" means the ordinary shares of the Company $6,210,843 (2009: $3,845,025).

Being at the exploration stage, the Company does not have sufficient cash inflows from its operations to fund working capital requirements and investing activities, therefore the Company will issue shares to either generate cash for operations or to acquire assets without depleting cash reserves. During the financial year ended 30 June 2010, the Company issued shares for this purpose. The Company is not subject to any externally imposed capital requirements.

Note		2010 $	2009 $
10	**OPTIONS RESERVE**		
(a)	Balance at beginning of the period	24,098	24,098
	Granted during the period	-	-
	Exercised during the period	(5,079)	-
	Balance at 30 June 2010	19,019	24,098

(b) Summary of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, the share options granted

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Outstanding at beginning of year	6,100,000	0.16	6,100,000	-
Granted during the year *	13,870,689	0.20	-	-
Exercised/Lapsed	(535,400)	0.10	-	-
Balance at 30 June 2010	19,435,289	0.19	6,100,000	0.16
Exercisable as at end of period	19,435,289	0.19	6,100,000	0.16

*Free attaching options issued as part of the entitlement offer which closed on 20 February 2010

The outstanding balance of options as at 30 June 2010 is represented by:

- 4,000,000 options exercisable on or before 31 December 2010 at an exercise price of $0.20 each
- 1,575,000 options exercisable on or before 08 August 2011 at an exercise price of $0.10 each
- 13,860,289 options exercisable on or before 1 February 2012 at an exercise price of $0.20 each

(c) The weighted average life of the options at 30 June 2010 is 1.69 years (2009: 2.98)
The weighted average exercise price of the options at 30 June 2010 is 0.19 (2009: 0.16)
The weighted average fair value of the options on issue at 30 June 2010 is $0.00119 (2009: $0.00389)

(d) Option pricing model

The fair value of the options granted is estimated at grant date using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

	2010	2009
Dividend yield (%)	0.00	0.00
Expected volatility (%)	75.00%	75.00%
Risk Free interest rate (%)	5.85%	6.25%
Expected life (years)	5.00	5.08
Estimated fair value of option at grant date ($)	0.0095	0.000946

No value is attributed to the free attaching options, as they were issued as part of an entitlement offer.

Note		2010	2009
11	**ACCUMULATED LOSSES**		
	Accumulated losses at beginning of the period	(2,816,847)	(2,153,071)
	Net loss attributable to members	(773,376)	(663,776)
	Accumulated losses at the end of the year	(3,590,223)	(2,816,847)

12 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Operating lease Commitments

The Company had on 1 July 2010 sublet it's commercial lease of office premises. The company has the obligation to make lease payments until 1 January 2011, should the subletee not meet it's obligations. A photocopier under lease was also assigned to the subletee on 1 July 2010 and agreed by the finance company.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2010 are as follows:

	2010 $	2009 $
Payable no later than one year	17,364	37,032
Payable later than one year but not more than five years	-	5,832
Payable later than five years	-	-
Total minimum lease payments	17,364	42,864
Less: future finance charges	-	-
	17,364	42,864

Exploration expenditure commitments - Gascoyne Base Metals Project

There are no legally enforceable expenditure commitments under the joint venture agreement with ABM Resources Ltd. Expenditures are discretionary on the part of Altera Resources Ltd, which has the right pursuant to clause 4.1(a) and (b) of the joint venture agreement to terminate the agreement with 30 days written notice. However ongoing annual exploration expenditure is required to maintain an interest in the Company's mineral exploration tenements.

Detailed below are the share of the company's commitments for the Gascoyne Joint Venture tenements with ABM Resources Ltd estimated for the year to 30/06/2011:

Tenement	2011 $	2010 $
E09/1074	50,000	50,000
E09/1266	52,500	52,500
M09/62	14,900	14,900
	117,400	117,400

To date, Altera Resources Ltd has spent approximately $744,400 on Joint Venture tenements.

Exploration expenditure commitments – Queensland Coal Project

The Company has no Exploration expenditure commitments for the Inglewood Coal Joint Venture which came into effect on 1 July 2010. It is Dragon Energy Ltd's responsibility to fulfil the Statutory exploration commitments during their farm in.

Contingent Liabilities

Native Title Claims

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify any impact the existence of native title may have on the operations of the Company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

13. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel
Directors:

Harjinder Kehal	Chairman & Executive Director (appointed Chairman 17/11/2009)
Jeremy Shervington	Non-Executive Director
Bradley Abbott	Non-Executive Director and Company Secretary
Dr Nick Archibald	Non-Executive Director (appointed 1/12/2009)
Godfrey Rule	Former Chairman & Executive Director (resigned 17/11/2009)

(b) Compensation for Key Management Personnel

	2010	2009
Short-term employee benefits	$203,317	$256,602
Post-employment benefits	$18,300	$12,900
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation	$221,617	$269,502

(c) Option holdings of Key Management Personnel

30 June 2010	Balance at beginning of period 1 July 2009	Granted as remuneration	Options exercised	Net change other **	Balance at end of period 30 June 2010 *	Vested at 30 June 2010 Total	Exercisable	Not Exercisable
Harjinder Kehal	1,525,000	-	-	-	1,525,000	1,525,000	1,525,000	-
Jeremy Shervington	1,525,000	-	-	878,179	2,403,179	2,403,179	2,403,179	-
Bradley Abbott	1,525,000	-	-	375,000	1,900,000	1,900,000	1,900,000	-
Dr Nick Archibald	-	-	-	-	-	-	-	-
Godfrey Rule *	1,525,000	-	525,000	-	1,000,000	1,000,000	1,000,000	-
	6,100,000	-	525,000	1,253,179	6,828,179	6,828,179	6,828,179	-

*Or at the date of resignation as a Director of the Company

** Bradley Abbott & Jeremy Shervington participated in an Entitlement Offer, which closed on 20 January 2010, on the same terms and conditions as all other shareholders of the company. Bradley Abbott took up 750,001 ordinary shares and Jeremy Shervington 1,756,359 ordinary shares, the options were issued free, on a one for two basis.

30 June 2009	Balance at beginning of period 1 July 2008	Granted as remuneration	Options exercised	Net change other	Balance at end of period 30 June 2009	Total	Exercisable	Not Exercisable
Godfrey Rule	1,525,000	-	-	-	1,525,000	1,525,000	1,525,000	-
Harjinder Kehal	1,525,000	-	-	-	1,525,000	1,525,000	1,525,000	-
Bradley Abbott	1,525,000	-	-	-	1,525,000	1,525,000	1,525,000	-
Jeremy Shervington	1,525,000	-	-	-	1,525,000	1,525,000	1,525,000	-
	6,100,000	-	-	-	6,100,000	6,100,000	6,100,000	-

(d) Shareholdings of Key Management Personnel

	Balance at 1 July 2009	Granted as remuneration	On exercise of options	Purchase on market **	Balance at 30 June 2010 *
30 June 2010	**Ord**	**Ord**	**Ord**	**Ord**	**Ord**
Harjinder Kehal	365,686	-	-	-	365,686
Jeremy Shervington	2,195,418	-	-	1,756,389	3,951,807
Bradley Abbott	1,250,685	-	-	750,001	2,000,686
Dr Nick Archibald	-	-	-	-	-
Godfrey Rule *	515,686	-	-	-	515,686
	4,327,475	-	-	2,506,390	6,833,865

	Balance at 1 July 2008	Granted as remuneration	On exercise of options	Purchase on market	Balance at 30 June 2009
30 June 2009	**Ord**	**Ord**	**Ord**	**Ord**	**Ord**
Harjinder Kehal	365,686	-	-	-	365,686
Jeremy Shervington	1,725,418	-	-	470,000	2,195,418
Bradley Abbott	800,685	-	-	450,000	1,250,685
Dr Nick Archibald	-	-	-	-	-
Godfrey Rule	515,686	-	-		515,686
	3,407,475	-	-	920,000	4,327,475

*Or at the date of resignation as a Director of the Company

** Bradley Abbott & Jeremy Shervington participated in an Entitlement Offer, which closed on 20 January 2010, on the same terms and conditions as all other shareholders of the company. Bradley Abbott took up 750,001 ordinary shares along with 375,000 free attached options; Jeremy Shervington took up 1,756,389 ordinary shares along with 878,179 free attached options.

(e) Loans to Key Management Personnel

There are no loans to Key Management Personnel for 30 June 2010 and 30 June 2009.

(f) Other transactions and balances with Key Management Personnel

Refer to Note 14 for other transactions and balances with Key Management Personnel.

14. RELATED PARTY TRANSACTIONS

Following are the transactions between the Company and the related parties during the current year:

Transactions with related parties – Key Management Personnel

- Abbott's Pty Ltd (Bradley Abbott – Director) provide accounting , taxation & company secretarial services to the Company on normal commercial terms, amounting to $114,936 (2009 $84,536).
- Jeremy Shervington provided legal services to the Company on normal commercial terms amounting to $121,540 (2009:$Nil).
- Godfrey Rule provided consulting services, through a corporate entity Oakmeadow Holdings Pty Ltd, to the Company on normal commercial terms amounting to $16,772 (2009: $34,500).

Share Based Payments

(a) *Recognised share based payment expenses*

The expense recognised for employee services

The expense recognised for employee services received during the year is shown in the table below:	2010 $	2009 $
Expense arising from equity-settled share-based payment transactions	-	-

15. SEGMENT INFORMATION

AASB 8 (IFRS 8) requires operating segments to be identified on the basis of internal reports that are used by the chief operating decision makers ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM of the Company are the Board of Directors.

For management purposes, the Company is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

During the year to 30 June 2010, the Company was seeking the grant of Exploration Permits for Coal (EPC's) on it's Queensland Coal Project in order to active the Inglewood Coal Joint Venture with Dragon Energy Ltd (Dragon). The Company has no Exploration expenditure commitments for the Inglewood Coal Joint Venture from 1 July 2010 on activation of the joint venture with Dragon. It is Dragon's responsibility to fulfil the Statutory exploration commitments from this time. No discrete operating segment has existed in Queensland for the year to 30 June 2010 or will exist from 1 July 2010.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks; market risk (including interest rate risk and price risk), credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating interest rate and credit risks.

Market Risk Exposures
Interest rate risk

The Company's exposure to interest rate risk relates primarily to the Company's floating interest rate cash balance which is subject to movements in interest rates. The Board monitors its cash balance on an ongoing basis and liaises with its financiers regularly to mitigate cash flow interest rate risk. Refer to note 18 for sensitivity analysis of interest rate risk.

Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The maximum exposure of the Company to credit risk at balance sheet date in relation to each class of recognised financial asset is limited to the carrying amounts of the financial assets as indicated in the balance sheet. The credit risk relates to trade and other receivables. At balance date there are no receivables past due.

The Company has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate. The Company has concentration of credit risk in that all of its cash and cash equivalents are held with the same financial institution, namely National Australia Bank which is a reputable, highly regarded institution.

Since the Company only trades with recognised third parties, there are no requirements for collateral.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Board monitors rolling cash flow forecasts to manage liquidity risk. The only financial liabilities of the Company at balance date are trade and other payables. The amounts are unsecured and are contractually due in 30 days.

17. FAIR VALUE AND INTEREST RATE EXPOSURE

(a) Fair value

All financial assets and financial liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(b) Interest rate risk

The Company's exposure to interest rate risk is set out below:

	2010 Floating Interest Rate $	2009 Floating Interest Rate $	2010 Total $	2009 Total $
Financial Assets				
Cash	2,651,054	1,027,543	2,651,054	1,027,543
	2,651,054	1,027,543	2,651,054	1,027,543
Weighted average effective interest rate	3.45%	4.85%		

The table below details the interest rate sensitivity analyses of the Company at the reporting date, holding all other variables constant. A 50 basis point favourable (+) and unfavourable (-) change is deemed to be possible change and is used when reporting interest rate risk.

		Post tax Effect On:		Post tax Effect On:	
Risk Variable	**Sensitivity***	**Profit 2010 $**	**Equity 2010 $**	**Profit 2009 $**	**Equity 2009 $**
Interest Rate	+ 0.50%	13,255	13,255	5,137	5,137
	- 0.50%	(13,255)	(13,255)	(5,137)	(5,137)

*The method used to arrive at the possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points. Management considered that 50 basis points is a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

18. AUDITOR'S REMUNERATION

	2010 $	2009 $
The auditor of Altera Resources Ltd for 30 June 2010 and 30 June 2009 is Ernst & Young.		
Amounts receivable or due and receivable for:		
- auditing or reviewing the financial report	34,292	37,416
- other services	-	-
	34,292	37,416

19. LOSS PER SHARE

The following reflects the income and share data used in the calculation of basic and diluted loss per share.

	2010	2009
Net Loss	(773,376)	(663,776)
	Number.	Number.
Weighted average number of ordinary shares used in calculating basic loss per share.	28,991,905	20,453,363
Basic and diluted loss per share (cents per share)	(2.67)	(3.25)

The number of potential ordinary shares that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted EPS because they are anti-dilutive for the year ended 30 June 2010 is 19,960,289 (2009 - 6,100,000).

20. DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed during the year and subsequent to year end.

21. SUBSEQUENT EVENTS

(i)Altera entered into a Joint Venture ("JV") with Dragon Energy Limited ("Dragon") on its Queensland Coal Project in the Surat/Clarence-Moreton and Bowen Basins on 1 July 2010, the details of which are disclosed in the company's Quarterly Report for 30 June 2010 lodged with the ASX on 30 July 2010. The terms of the JV require 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 $1.5 million 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.

(ii) Nick Archibald resigned on 25 August 2010.

(iii) Jack Doolan Capital Pty Ltd ACN 125 524 450 (JDC) Acquisition

On the date of signing these accounts, the company made an announcement to the Australian Stock Exchange (ASX) that it had entered into an agreement to acquire all the share capital of a company JDC and therefore it's Kalimantan Coal assets. The full details of the transaction can be reviewed on the company's website www.alteraresources.com.au or via the ASX website www.asx.com.au. This note has been inserted in recognition of the company's obligations of continuing disclosure.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Altera Resources Ltd, I state that:

1. In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) Complying with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2010.

On behalf of the Board

Harjinder Kehal
DIRECTOR

Perth 14 day of September 2010

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11 Mounts Bay Road
Perth WA 6000 Australia
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Independent auditor's report to the members of Altera Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Altera Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Altera Resources Limited is in accordance with the *Corporations Act 2001*, including:
    (i) giving a true and fair view of the financial position of Altera Resources Limited at 30 June 2010 and of its performance for the year ended on that date; and
    (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 22 of the directors' report for the year ended 30 June 2010. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Altera Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Joanne Palmer
Partner
Perth
14 September 2010

ADDITIONAL SHAREHOLDERS INFORMATION

Additional information required by the Australian Stock Exchange (ASX) listing rules as at 5th August 2010

AEA- List of 20 largest shareholders

Ranking	Name	Shares Held	% of total shares
1	PANGA PTY LTD	3,339,994	7.81
2	B.G.J.ABBOTT & E.A.ABBOTT <RAROA S/F A/C>	1,550,685	3.63
3	EKSTEIN & EKSTEIN INVESTMENTS PTY LTD	1,483,505	3.47
4	CITCORP NOMINEES PTY LTD	1,365,981	3.20
5	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	1,339,200	3.13
6	DOMENAL ENTERPRISES PTY LTD	1,333,334	3.12
7	COLBERN FIDUCIARY NOMINEES PTY LTD	1,150,000	2.69
8	ANZ NOMINEES LTD	912,000	2.13
9	POINTDALE PTY LTD	900,000	2.11
10	LIQUIPURE PTY LTD	900,000	2.11
11	FLUE HOLDINGS PTY LTD	835,020	1.95
12	KOBIA HOLDINGS PTY LTD	833,334	1.95
13	IMPACT NOMINEES PTY LTD	750,000	1.76
14	AUSTRALIAN DIRECT INVESTMENTS PTY LTD <ADI SUPER FUND A/C>	748,235	1.75
15	MR DANIEL PAUL WISE	715,834	1.68
16	MADE SUMARYA	650,000	1.52
17	JASPER HILL RESOURCES PTY LTD	600,000	1.40
18	LEUCHTER INVESTMENTS PTY LTD	600,000	1.40
19	EMMA RADFORD	548,775	1.28
20	I HODGKINSON PTY LTD	515,686	1.21
Total of top 20 Shareholders		**21,071,583**	**49.32**

Substantial Shareholders

Name	Shares held	% of total shares
PANGA PTY LTD	3,339,994	7.81

Distribution of shareholder's holdings

Ordinary shares held	Number of shareholders	Number of shares	% of Issued Capital
1 – 1,000	319	309,602	0.72%
1,001 – 5,000	33	74,110	0.17%
5,001 – 10,000	170	1,689,126	3.95%
10,001 – 100,000	146	5,934,666	13.89%
100,001 and over	79	34,722,630	81.26%
Total	**747**	**42,730,134**	**100%**

AEAO - Listed Option Holdings – (EXP.01/02/2012)

Ranking	Name	Options Held	% of total options
1	EMMA RADFORD	3,274,388	23.62
2	EKSTEIN & EKSTEIN INVESTMENTS PTY LTD	795,197	5.74
3	DOMENAL ENTERPRISES PTY LTD	666,667	4.81
4	PANGA PTY LTD	602,221	4.34
5	ANZ NOMINEES LIMITED	450,000	3.25
6	LIQUIPURE PTY LTD	450,000	3.25
7	FLUE HOLDINGS PTY LTD	443,709	3.20
8	MR DANIEL PAUL WISE	416,667	3.01
9	KOBIA HOLDINGS PTY LTD	416,667	3.01
10	CITICORP NOMINEES PTY LTD	400,000	2.89
11	IMPACT NOMINEES PTY LTD	375,000	2.71
12	MADE SUMARYA	325,000	2.34
13	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN	297,600	2.15
14	MR BRADLEY GORDON JOHN ABBOTT & MRS ELIZABETH ANNE ABBOTT	275,000	1.98
15	KARLA BELL & ASSOC. PTY LTD	212,698	1.53
16	BLU BONE PTY LTD	208,334	1.50
17	FERNLAND HOLDINGS PTY LTD	200,000	1.44
18	COLBERN FIDUCIARY NOMINEES PTY LTD	200,000	1.44
19	FOSTER WEST SECURITIES PTY LTD	200,000	1.44
20	DR DAVID KUOH HOU CHONG	200,000	1.44
		10,409,148	**75.10**

Enquiries

Shareholders with any enquiries about any aspect of their shareholding should contact the Company's share register as follows:

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

Tel: +61 8 9389 8033
Fax: +61 8 9389 7871
Email admin@advanced share.com.au
Web: www.asrshareholders.com.au

Electronic Announcements and Report;

Shareholders who wish to receive announcements made to the ASX, as well as electronic copies of the Annual Report and Half yearly Report, are invited to provide their e mail address to the Company. This can be done in writing to the Company Secretary.

Removal from the Printed Annual Report mailing list

Shareholders who do not wish to receive the Annual report should advise the Share Registry in writing to remove their names from the mailing list. Those shareholders will continue to receive all shareholder information.

Change of name / address

Shareholders who are Issue Sponsored should advise the Share registry promptly of any changes of name and / or address so that correspondence with them does not go astray. All such changes must be advised in writing and cannot be accepted via telephone. Forms can be found on the share Registry website or obtained by contacting the Share registry.

Shareholders who are in CHESS and Brokered Sponsored should instruct their sponsoring brokers in writing to notify the Share Registry of any changes of name and / or address.

In the case of a name change, the written advice must be supported by documentary evidence.

Consolidation of Shareholdings

Shareholders who wish to consolidate their separate shareholdings into one account should write to the Share Registry or their sponsoring broker, whichever is applicable.

Stock Exchange Listing

The Company's shares are listed on the ASX. Details of share transactions and prices published in the financial papers of the daily capital city newspapers under the code AEA.

Registered Office

The registered office of the Company is:	Altera Resources Ltd 813 Wellington Street West Perth WA 6005
Telephone	+61 8 9321 2642
Fax	+61 8 9322 1385
E mail	info@alteraresources.com.au
Website	www.alteraresources.com.au
Company Secretary	Bradley Abbott