



Altera Resources Ltd

A.B.N. 55 082 541 437

Notice of Extraordinary General Meeting and Explanatory Statement

Altera Resources Limited

ABN 55 082 541 437

Date of Meeting: Monday, 21 February 2011

Time of Meeting: 10.00 am(EST/Brisbane time)

Place of
Meeting: Corporate Administration Services
Level 5, 10 Market Street
Brisbane QLD 4000

Notice is given that the Extraordinary General Meeting of Shareholders of Altera Resources Limited ABN 55 082 541 437 (**Company**) will be held at Corporate Administration Services, Level 5, 10 Market Street, Brisbane Qld 4000, on Monday 21 February 2011 at 10.00am (EST/Brisbane time).

Agenda

ORDINARY BUSINESS

1. Resolution One – Adoption of new Employee and Officers Share Option Plan

To consider and, if thought fit, to pass the following Ordinary Resolution:

“That for the purposes of Exception 9 in Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, the Company be authorised to issue securities under the Employee and Officers Share Option Plan, on the terms and conditions set out in the Explanatory Statement.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- a Director of the Company other than a Director who is ineligible to participate in any employee incentive scheme in relation to the Company ; and
- any associate of a Director of the Company.

However, the Company need not disregard a vote if:

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

2. Resolution Two – Non Executive Directors' remuneration

To consider and, if thought fit, pass the following Ordinary Resolution:

“That in accordance with Listing Rule 10.17 of the ASX Listing Rules and Rule 42 of the Company's Constitution, the total aggregate annual remuneration payable to non-executive Directors of the Company be increased by \$340,000 from \$160,000 to a maximum of \$500,000.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this resolution by:

- Mr James Middleton, Mr Patrick Hanna, Mr Peter Lynch and Mr Domenic Martino; and
- any associate of Mr James Middleton, Mr Patrick Hanna, Mr Peter Lynch and Mr Domenic Martino.

However, the Company need not disregard a vote if:

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

SPECIAL BUSINESS

3. Resolution Three – Change of Company Name

To consider and, if thought fit, pass the following resolution as a Special Resolution without amendment:

*“That, in accordance with Section 157 of the Corporations Act 2001 (Cth), the Company adopts the new name **Cokal Limited** and Shareholders approve the Company changing its name to **Cokal Limited** with the effect from the day on which the Australian Securities and Investments Commission alters the details of the Company’s registration.”*

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

Specific comments relating to the Resolutions are set out in the Explanatory Statement.

By order of the Board
DP Cornish, Company Secretary
20 January 2011

Explanatory Statement

Introduction

This Explanatory Memorandum is provided to Shareholders of Altera Resources Limited ABN 55 082 541 437 (**Company**) to explain the resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at Corporate Administration Services, Level 5, 10 Market Street, Brisbane Qld 4000, on Monday 21 February 2011 at 10.00am (EST/Brisbane time).

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions to be considered by the Meeting.

The Directors recommend that Shareholders read the Notice of Meeting (**Notice**) and this Explanatory Statement before determining whether to support the resolutions or otherwise.

Other than as contained in the Notice and Explanatory Statement, the Directors believe that there is no other information known to the Company or the Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's best interests to pass any of the resolutions.

1. Resolution One – Adoption of new Employee and Officers Share Option Plan

Resolution 1 is an ordinary resolution requiring the support of a majority of the votes cast by Shareholders. The Directors of the Company have resolved to introduce a new Employee and Officer Share Option Plan (**Plan**) as part of an incentive and rewards regime within the Company's remuneration policy.

The Company's incentive and rewards regime is intended to assist in the attraction, retention and motivation of officers, employees and senior consultants. The relevant terms of the Plan are attached to this notice of meeting as Schedule 1. The full terms of the Plan are available via the ASX announcements platform.

The giving of Shareholder approval will mean that options issued under the Employee and Officer Share Option Plan will be issued, under Exception 9 of Listing Rule 7.2 and do not need to be included for the purposes of Listing Rule 7.1, which limits the number of shares or securities convertible into shares that a company listed on ASX can issue without Shareholder approval. As the scheme has yet to commence operation, at the date of this Notice no options to acquire shares or shares have been issued under the proposed Employee and Officers Share Option Plan.

Whilst under the provisions of the Plan, options may be issued to Directors, pursuant to the provisions of the ASX Listing Rules and the Corporations Act, no options will be issued to Directors unless further specific approvals for the issue of those options are obtained pursuant to the provisions of Listing Rule 10.11 and chapter 2E of the Corporations Act.

Due to a potential personal interest in the outcome, the Directors make no recommendation whether Shareholders approve this resolution.

2. Resolution Two – Non Executive Directors' remuneration

In order for the total aggregate annual remuneration payable to Non-Executive Directors of the Company to be increased, Listing Rule 10.17 of the ASX Listing Rules and Rule 42 of the Company's Constitution must be complied with. The ASX Listing Rules and the Constitution provide that the Company must not increase the amount of remuneration payable to non-executive Directors of the Company unless Shareholders approve such an increase.

Additionally, Listing Rule 10.17.2 of the ASX Listing Rules provides that if Non-Executive Directors are paid, they must be paid a fixed sum. All Non-Executive Directors will be paid a fixed sum as determined at the sole discretion of the Board.

The Board considers that this increase in the total aggregate annual remuneration payable to the Non-Executive Directors is necessary to provide for increases to the remuneration payable to the Non-Executive Directors and any additional Non-Executive Directors who might join the Board.

Pursuant to this Resolution Two, Shareholder approval is sought to increase the total aggregate annual remuneration payable to Non-Executive Directors of the Company from \$160,000 to a maximum aggregate

amongst all Non-Executive Directors of \$500,000 (to be divided between Non-Executive Directors as the Board determines).

It is important to note that whilst the Company is seeking approval to increase the maximum amount that may potentially be payable to Non-Executive Directors, the Board anticipates that the maximum payment limit will not be met in the short term.

The Company believes that all relevant information concerning Resolution 2 required in respect of Listing Rule 10.17 is included in the text of the resolution and this Explanatory Statement.

Due to the personal interest in the outcome, the Directors make no recommendation whether Shareholders approve this resolution.

3. Resolution Three – Change of Company Name

The proposed change of name pursuant to Resolution 3 is to reflect the proposed new focus of the Company. The Corporations Act requires that this resolution be passed as a special resolution. Accordingly, in order for the resolution to be passed at least three quarters of votes cast must be in favour of the resolution.

4. Interpretation

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of Directors of the Company.

Company means Altera Resources Limited ACN 082 541 437 (unless Resolution 3 is passed then, Cokal Limited ACN 082 541 437).

Corporations Act means the *Corporations Act* 2001 (Cth).

Listing Rules means the listing rules of the ASX.

Meeting means the Extraordinary General Meeting of Shareholders to be held on Monday 21 February 2011.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a shareholder of the Company.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Duncan Cornish (Company Secretary):

Altera Resources Limited

Street address: c/- Corporate Administration Services, Level 5, 10 Market Street, Brisbane QLD 4000

Postal address: GPO Box 2676, Brisbane QLD 4001

Ph: (07) 3212 6299 | **Fax:** (07) 3212 6250

Email: dcornish@corpservices.com.au

Schedule 1 – Summary of terms of new Employee and Officers Share Option Plan

This schedule provides a summary of the rules of the Employees and Officers Share Option Plan (the **Plan**) for Altera Resources Limited:-

1. All Directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan.
2. The allocation of options under the Plan (**Plan Options**) is at the discretion of the Board.
3. If permitted by the Board, Plan Options may be issued to a nominee of a Director, officer, employee or senior consultant (for example, to a spouse or family company).
4. Each Plan Option allows the option holder to subscribe for one fully paid ordinary share in the Company.
5. Plan Options will be issued free.
6. Subject to the terms of a specific offer, the Plan Options may be exercised at any time after their issue.
7. The Plan Options may be exercised wholly or in part by notice in writing to the Company received at any time during the exercise period together with a cheque for the exercise price and the Plan Option certificate (if any).
8. The exercise price of Plan Options will be determined by the Board at the time the Board resolves to issue the Plan Options.
9. The total number of shares the subject of Plan Options issued under the Plan, when aggregated with other Plan Options issued under the Plan during the previous five years must not exceed five per cent of the Company's issued share capital at the time.
10. If, prior to the expiry date of the Plan Options, a person ceases to be a Director, officer, employee or senior consultant to the Company for any reason other than retirement from the workforce, permanent disability or death, the Plan Options held by that person (or nominee) must be exercised within 30 days thereafter or they will automatically lapse.
11. If a person dies, the Plan Options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased option holder.
12. The Company will not apply for official quotation of any Plan Options.
13. Shares issued as a result of the exercise of Plan Options will rank equally with the Company's issued shares at the time.
14. Option holders may only participate in new issues of securities by first exercising their Plan Options.
15. If there is a bonus issue to the holders of shares, the number of shares over which a Plan Option is exercisable will be increased by the number of shares which the option holder would have received if the Plan Option had been exercised before the record date for the bonus issue.
16. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Plan Options, the exercise price of the Plan Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Plan Options which are not conferred on Shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Plan Options will remain unchanged.

17. If there is a pro rata issue to Shareholders (except a bonus issue); the Exercise Price of any Plan Option may be reduced according to the following formula:

$$O^2 = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O^2 = the new exercise price of the Plan Option;

O = the old exercise price of the Plan Option;

E = the number of underlying securities into which 1 Plan Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to 1 new security.

18. The terms of the Plan Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Plan Options shall not be changed to reduce the exercise price, increase the number of Plan Options or change any period for exercise of the Plan Options.

Proxy, Representative and Voting Entitlement Instructions

Proxies and Representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act 2001 (Cth).

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, or sent by facsimile transmission to the address listed below not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Altera Resources Limited

Street address: c/- Corporate Administration Services, Level 5, 10 Market Street, Brisbane QLD 4000

Postal address: GPO Box 2676, Brisbane QLD 4001

Ph: (07) 3212 6299 | **Fax:** (07) 3212 6250

Email: dcornish@corpservices.com.au

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (EST/Brisbane time) on 19 February 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, all of the security holders should sign.
Power of Attorney:	To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

I/We being shareholder(s) of Altera Resources Limited (Company) hereby appoint:

☐

the Chairman of the Meeting
 OR
 (mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Altera Resources Limited to be held at Corporate Administration Services, Level 5, 10 Market Street, Brisbane Qld 4000, on Monday 21 February 2011 at 10.00am (EST/Brisbane time) and at any adjournment of that meeting.

If the Chairman is appointed as your proxy, or may be appointed by default, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution. The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (An additional proxy form will be supplied by the Company on request).

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Adoption of new Employee and Officers Share Option Plan	☐	☐	☐
2. Non Executive Directors' remuneration	☐	☐	☐
3. Change of Company Name	☐	☐	☐

Individual or Security holder 1

Sole Director and
 Sole Company Secretary (if appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date