

## HISTORIC EXPLORATION REVIEW IDENTIFIES CONSIDERABLE MULTI-COMMODITY POTENTIAL AT GRASS FLAT.

Exterra Resources Limited  
ACN 138 222 705

ASX Code: EXC

[www.exterraresources.com.au](http://www.exterraresources.com.au)

### Issued Capital:

Ordinary Shares: 336.2m  
Options: 87.1m

### Directors and Management:

**John Davis**  
Executive Chairman

**Geoff Laing**  
Executive Director

**Justin Brown**  
Non-Executive Director

**Dennis Wilkins**  
Company Secretary

9 March 2017

### SUMMARY:

- **Good potential for near surface, high-grade gold deposits within 7 separate prospects including the historic Halley's East gold mine. Best intercepts from this historic drilling include:**
  - 14m at 12.2g/t Au from 56m.
  - 14m at 3.69g/t Au from 25m.
  - 8m at 5.87g/t Au from 4m.
  - 8m at 3.54g/t Au from 12m.
  - 18m at 1.63g/t Au from 26m.
- **Potential for large, low-grade open pitable gold resources within banded iron formation. Best intercepts from this target include:**
  - 24m at 1.07 g/t Au from surface to end of hole (EOH).
  - 21m at 0.89 g/t Au from surface to EOH.
  - 8m at 1.47 g/t Au from surface to 8m.
- **Considerable hematite iron ore potential exists with historic work identifying 8 separate prospects within the 38km of banded iron formation that occurs within Exterra's licences. The Muldoon prospect contains a small, high-grade independently estimated hematite resource and best intercepts from previous drilling include:**
  - 34m at 59.4% Fe from 0m.
  - 32m at 60.4% Fe from 6m.
  - 38m at 59.2% Fe from 6m.
- **Exterra's licences contain 12km strike of a Volcanogenic Massive Sulphide (Cu-Pb-Zn-Ag-Au) horizon located immediately north of historic prospects with drill proven mineralisation.**
- **Grass Flat has good infrastructure including a haul road from the recently mined Halley's East gold deposit which is centrally located within, the project area.**

**Exterra's Executive Chairman, John Davis commented:** *"The Board is extremely encouraged by this early stage compilation of historic work at Grass Flat and plans are being made to verify, ground truth and follow-up much of this previous exploration work. Strategies are being developed with respect to which of the prospective commodities receive early exploration funding during the 2017 field season".*

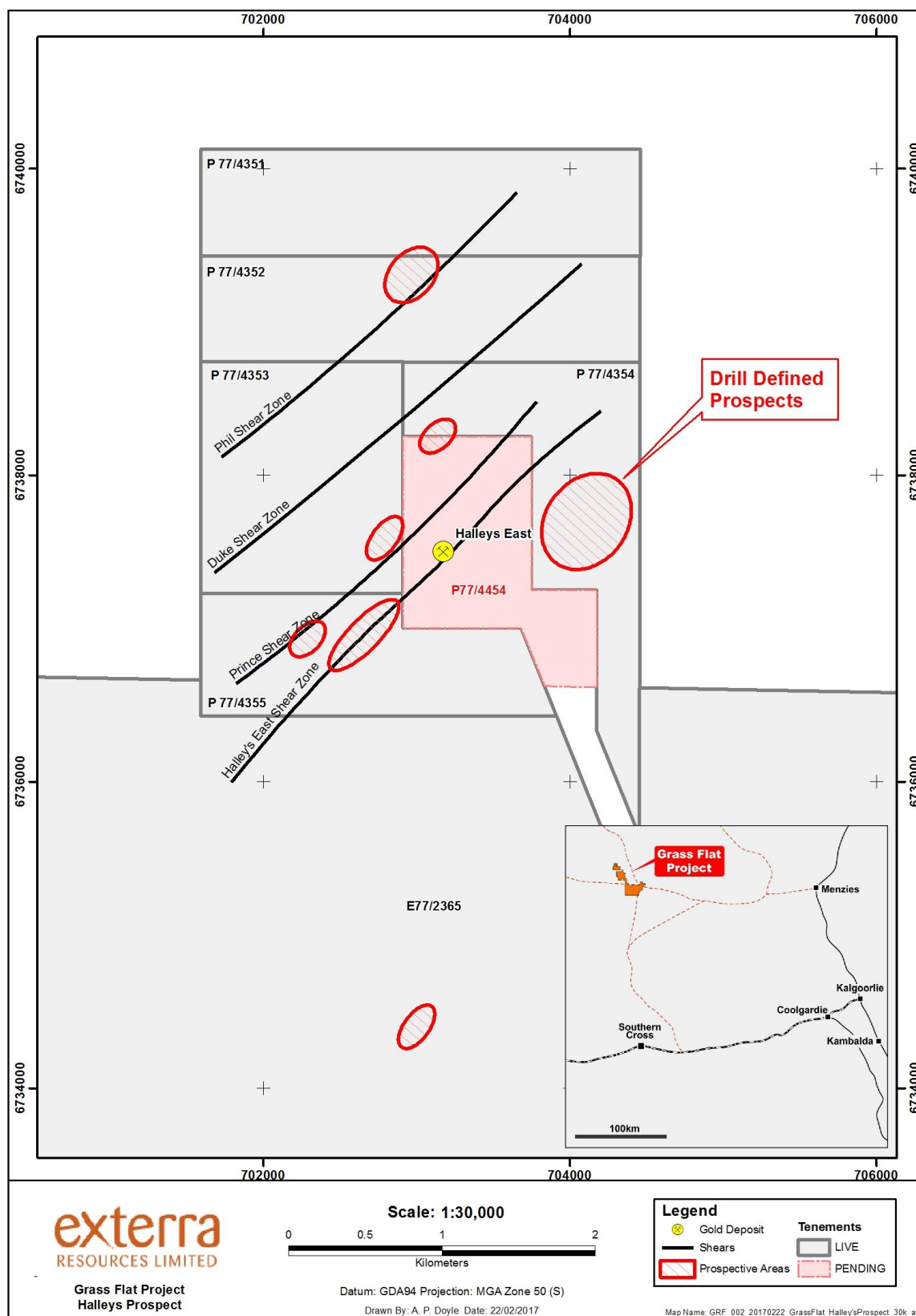
Exterra Resources Limited ("Exterra" or "the Company") (ASX:EXC) is pleased to announce results from a review of historic exploration at the recently granted Grass Flat Project ("The Project or Project") which occurs in the central Goldfields of Western Australia (Figure 1). The Project is located 200km north of Southern Cross or 250km northwest of the major gold mining centre of Kalgoorlie. Access to the project area is excellent as ore from the recently mined and centrally located, Halley's East gold deposit was hauled via Menzies to processing facilities in Coolgardie and Kanowna.

### **1. Potential for near surface high-grade gold deposits.**

Exterra recently lodged an application for the Halley's East tenement which includes the historic Halley's East high-grade gold deposit and currently retains the surrounding tenements (see figure 1). The Halley's East gold deposit produced approximately 19000 ounces of gold between 2013 and 2015 from a series of milling campaigns at Coolgardie and Kanowna. Previous exploration work surrounding the Halley's East gold deposit on tenements held by Exterra has identified at least 6 separate prospects where either bedrock or regolith-hosted gold mineralisation has been intercepted by drilling. Some of the better intercepts from this drilling are quoted below:

- 14m at 12.2g/t Au from 56m.
- 14m at 3.69g/t Au from 25m.
- 8m at 5.87g/t Au from 4m.
- 8m at 3.54g/t Au from 12m.
- 8m at 3.44g/t Au from 19m.
- 18m at 1.63g/t Au from 26m.
- 10m at 2.61g/t Au from 65m.
- 12m at 1.59g/t Au from 34m.
- 12m at 1.55g/t Au from 12m.
- 8m at 1.33g/t Au from 17m.
- 9m at 1.26g/t Au from 57m.
- 20m at 0.90g/t Au from 16m.

All of the above intercepts occur outside of the immediate Halley's East mine area and Exterra is currently compiling all mine data to assess the potential for extending any un-mined mineralisation. Previous workers have identified a strong northeast trending structural control linking many of the anomalous prospects and a small high-grade resource has historically been estimated at the Phil prospect. Exterra is currently compiling a comprehensive database of all historic drilling before evaluating each of these prospects for further drilling.



**Figure 1: Gold prospects at Grass Flat.**

## **2. Potential for large, low-grade open pitable gold deposits.**

Previous explorers successfully discovered banded iron formation (BIF) hosted gold mineralisation located 3km south of the Halley's East gold deposit. A single line of shallow percussion drilling undertaken over the BIF outcrop achieved the following intercepts from consecutive holes:

- 24m at 1.07 g/t Au from surface to end of hole (EOH).
- 21m at 0.89 g/t Au from surface to EOH.
- 24m at 0.43 g/t Au from surface to EOH.
- 24m at 0.34 g/t Au from surface to EOH.
- 8m at 1.47 g/t Au from surface to 8m.

The width of mineralised BIF at this location is approximately 60 metres which suggests the potential for a bulk tonnage low-grade resource. No metallurgical test work has been undertaken here, however Exterra is considering the potential for a large heap leach-type operation if further work warrants it.

Importantly, the host BIF unit immediately north of the above prospect, plunges beneath a thin veneer of recent alluvial cover and previous exploration efforts have been ineffective. Aeromagnetic data shows that this covered BIF is highly prospective with numerous cross-cutting structures, zones of magnetite destruction, stratigraphic kinks and dislocations, all of which are excellent targets for future drilling campaigns.

## **3. Iron Ore Potential**

Exterra's licences contain 38km strike of the Johnston Range BIF horizon where previous explorers have identified at least 8 prospects with the potential to host hematite enriched BIF units. Some of these prospects have been drill tested with the better intercepts quoted below:

- 10m at 59.2% Fe from 16m.
- 24m at 57.4% Fe from 8m.
- 34m at 59.4% Fe from 0m.
- 32m at 60.4% Fe from 6m.
- 16m at 58.3% Fe from 2m.
- 38m at 59.2% Fe from 6m.



**Figure 2:** Strongly hematite-enriched BIF from the Muldoon prospect.



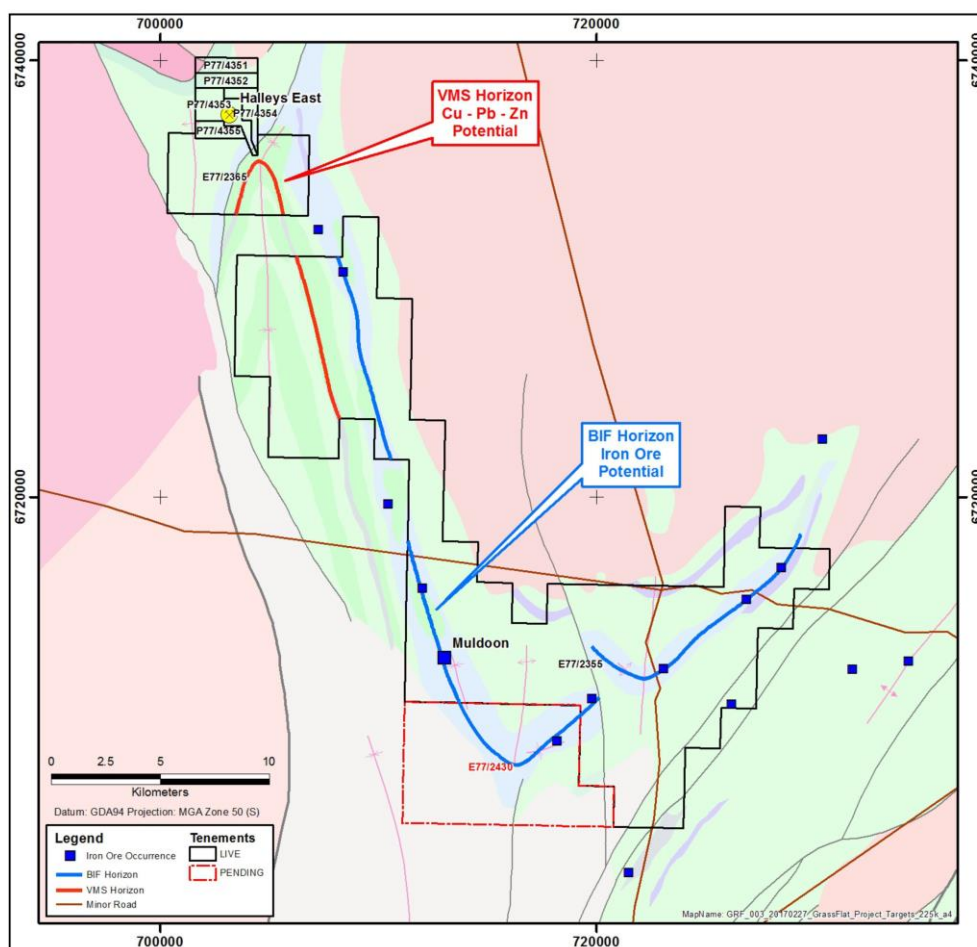
Preliminary scoping study work undertaken by previous owners of the Johnson Range iron ore project has included resource estimations at the Muldoon prospect, metallurgical test work, flora and fauna surveys, transport surveys and Aboriginal Heritage surveys. This project is located only 37km north of the Windarling Range (Koolyanobbing Project) iron ore deposits currently being operated by Cliffs Natural Resources Inc. Exterra has commenced compiling all relevant data on the project to assess the importance of this project given the rising iron ore price environment.

#### 4. Excellent Volcanogenic Massive Sulphide (VMS) base metal targets

Previous base metal exploration within the District has identified considerable potential for VMS-style Cu-Pb-Zn-Ag-Au mineralisation. A prospective shale-basalt contact located 15km south of Halley's has been explored using a variety of geophysical and geochemical techniques with the better prospects being drill tested. The following drill results occur outside of Exterra licences, but occur along strike and allude to the base metal potential of the area:

- 5.0m at 2.0% Cu, 7.1% Zn, 0.4% Pb, 25.4g/t Ag and 1.9g/t Au from 165m.
- 2.0m at 2.0% Cu, 4.3% Zn, 0.2% Pb, 32.6g/t Ag and 2.0g/t Au from 103m.

This north-northwest striking geological contact represents a fertile VMS-type event horizon that extends north onto Exterra licences where a total strike of 12km has been identified using aeromagnetic data. This 12km long geological horizon has been inadequately explored and Exterra is currently compiling all relevant data to help identify positions for ground EM surveys.



**Figure 3:** iron ore and base metal potential of the Grass Flat Project.

## CONCLUSIONS

Exterra's recently granted Grass Flat Project is highly prospective for a range of commodities and deposit styles. Structurally controlled lode-gold deposits are the primary focus, however the licenced area is also prospective for bulk tonnage iron ore and volcanogenic massive sulphide-type base metal deposits. Exterra will systematically evaluate all of these prospects to prioritise exploration for the 2017 field season.

## References

All of the information and data used in this ASX release was obtained through the Geological Survey of Western Australia, WAMEX open file reporting system. Exterra is currently in the process of verifying all of this data and the reader is referred to the technical reports referenced below for more detailed information:

GSWA WAMEX Report A107475: Johnston Range Project C130/2008 Final Surrender Report for EL 77/1281 for the period 13 August 2007 to 01 September 2015.

GSWA WAMEX Report A108666: BARLEE PROJECT E77/2156 Lake Barlee - Diemals Area WA 2015-2016 Surrender Mineral Exploration Report for the Period 2nd May 2015 - 14th April 2016.

GSWA WAMEX Report A107976: BARLEE PROJECT M77/1254 Lake Barlee-Diemals Area, W.A. 2015 Annual Mineral Exploration Report for the Period 1st January 2015 – 31st December 2015.

GSWA WAMEX Report A104291: BARLEE PROJECT E77/1713 (Combined Reporting No: C 105/2008) Lake Barlee-Diemals Area, W.A. 2014 Surrender Mineral Exploration Report for the Period 20th September 2010 - 6th October 2014.

GSWA WAMEX Report A93450: Barlee Gold Project Annual Report for the period 1st January 2011 – 31st December 2011, E77/1297, 1364, 1392, 1711, 1712, 1713, 1714 & M77/1254.

GSWA WAMEX Report A85830: BARLEE PROJECT SOUTHERN CROSS PROVINCE E77/1297, E77/1364 & E77/1392 Third Annual Report 1st January 2009 – 31st December 2009.

GSWA WAMEX Report A107475: BARLEE GOLD PROJECT SOUTHERN CROSS PROVINCE E77/1297 First Annual Report 10 October 2006 - 9th October 2007.

GSWA WAMEX Report A103912: Johnston Range Project C130/2008 (E77/1280, E77/1281, E77/1807, E77/1961) Annual Report for the period 01 August 2013 - 31 July 2014.

GSWA WAMEX Report A101588: COPPER BORE PROJECT EXPLORATION LICENSE E77/1375 FINAL SURRENDER REPORT FOR THE PERIOD 30 JANUARY 2008 TO 16 JANUARY 2014.

GSWA WAMEX Report A98625: Copper Bore Project, Annual Report for the period 01/05/2012 to 30/04/2013, E77/1375; M77/973. [C111/2008].

GSWA WAMEX Report A95370: Johnston Range Annual Report, E77/1280, E77/1281, E77/1807 Report Period: 01 August 2011 - 31 July 2012.

GSWA WAMEX Report A91700: JOHNSTON RANGE PROJECT ANNUAL REPORT (C130/2008) E77/1280-1281 FOR THE PERIOD 01 AUGUST 2010 - 31 JULY 2011.

GSWA WAMEX Report A88384: Johnston Range Project C130/2008, E77/1280, E77/1281, Annual Report for the period 31/07/2009 to 30/07/2015.

ASX Announcement: RAD, 8<sup>th</sup> May 2012: Maiden Hematite JORC Resource for Muldoon Prospect.

**For further information:**

Mr Geoff Laing  
Executive Director  
T +61 417178012  
E [Geoffl@mitchellrivergroup.com](mailto:Geoffl@mitchellrivergroup.com)

**About Exterra Resources Limited**

Exterra Resources Limited (ASX:EXC) is a gold exploration and development company based in Perth, Western Australia, with a focus on high grade, high margin gold projects with near term production potential to fund the future growth of the company.

The Company's projects are all located in the Archaean Yilgarn Craton in WA, a world class gold province which has been a prolific producer of gold since the late 1880's and includes the Kalgoorlie "Golden Mile" deposit which has produced over 50 million ounces of gold since discovery in 1893.

Exterra's focus is on the Linden gold project in the North Eastern Goldfields region, within the Laverton Tectonic Zone, which hosts multi million ounce deposits including Sunrise Dam (Anglo Gold) and Granny Smith/Wallaby (Barrick Gold).

The Second Fortune gold mine, at Linden, 220km by road, NNE of Kalgoorlie, is currently the subject of a development study, with all Regulatory approvals received to commence project development of an underground mining operation.

**Competent Persons Statement**

The information in this report that relates to Exploration Results is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the AIG). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

*Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

**Forward Looking Statements**

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Exterra Resources' operations contain or comprise certain forward looking statements regarding Exterra Resources' exploration operations, economic performance and financial condition. Although Exterra Resources believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Exterra Resources undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated event.

