

## HIGH GRADE GOLD RESULTS IDENTIFIED AT GRASS FLAT

Exterra Resources Limited  
ACN 138 222 705

ASX Code: EXC

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

**Issued Capital:**

Ordinary Shares:	237M
Options:	24.4M

**Directors and Management:**

**John Davis**  
Managing Director

**Justin Brown**  
Non-Executive Director

**Peter Cole**  
Non-Executive Director

**Dennis Wilkins**  
Company Secretary

### 3 May 2016

Exterra Resources Ltd ("Exterra") is pleased to advise that applications have been lodged for a number of tenements over a highly mineralised gold field containing **numerous historic economic grade drill intersections with grades of up to 33.47 g/t Au** at multiple prospects.

The opportunity was identified through a review of historical exploration by previous holders.

The Grass Flat gold project is located north east of the Diemals Mining Centre, 150 km north of Southern Cross in Western Australia and covers an area of approximately 270 sqkm.

Exterra has commenced a review of the project which confirmed the presence of a large number of potentially economic grade gold intercepts in Reverse Circulation (RC) and Rotary Air Blast (RAB) drill holes.

#### Results from RC drilling include:

- BRC 149: 4 metres @ 9.56 g/t Au (Including: 1m @ 33.47 g/t Au)
- BRC 161: 7 metres @ 9.20 g/t Au (Including: 3m @ 18.90 g/t Au)
- BRC 162: 9 metres @ 3.90 g/t Au
- BRC 237: 11 metres @ 3.70 g/t Au
- BRC 214: 7 metres @ 8.30 g/t Au (Including: 2m @ 23.90 g/t)

## **GRASS FLAT GOLD PROJECT**

Exterra has recently applied for 6 Prospecting Licences (P77/4351 – P77/4356) and 2 Exploration Licences (E77/2355 and E77/2365) located in the Marda-Diemals Greenstone Belt, north east of the Diemals Mining Centre, 150 km north of Southern Cross in WA (Figure 1 and Figure 2).

Exterra applied for the tenements covering the Grass Flat Gold Project following recognition of historic drilling data that identified a large number of both RC and RAB drill holes from a number of prospects that contained potentially economic grade gold values over broad widths. Refer Table 1 for a summary of RC drill hole results.

Data indicates 67 RC drill holes contain gold intercepts in excess of 1m at > 0.5 g/t Au at a number of Prospect areas and Exterra will now review the data in detail to determine the extent of mineralisation and propose further exploration.

The tenor and widths of the gold intercepts indicate significant potential for repeat and extensional drilling to expand on the known ore positions.

Previous operators in the region have successfully produced gold from toll treatment of ore indicating that infrastructure to support mining operations in the area is sufficient, thereby reducing the size threshold for a potentially economic discovery.

## **EXPLORATION STRATEGY**

Exterra is a gold and lithium explorer with a number of high grade gold projects in the Yilgarn region and a lithium project at Moolyella in the Pilbara region of Western Australia, which has demonstrated potential for commercial lithium grades from historic rock chip assays<sup>1</sup>.

Exterra is currently preparing to commence work at Moolyella which will comprise resampling of historic drill spoils which were not originally assayed for lithium but which contain significant logged intersections of pegmatite rocks.

In parallel, a term sheet has been entered into with a well known mining contractor, PYBAR Mining Services Ltd ("PYBAR") to develop the Second Fortune Gold Mine at the 100% owned Linden Project in the highly endowed Laverton Tectonic Zone<sup>2</sup>.

In addition, Exterra is awaiting DMP approvals to commence drilling at the Golden Orb and Hill East Prospects at Linden, with drilling to commence as soon as the clearances are received.

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<sup>1</sup> [http://www.exterraresources.com.au/images/uploads/EXC\\_11\\_05\\_Moolyella\\_Project\\_Update\\_FINAL\\_20160323.pdf](http://www.exterraresources.com.au/images/uploads/EXC_11_05_Moolyella_Project_Update_FINAL_20160323.pdf)

<sup>2</sup> [http://www.exterraresources.com.au/images/uploads/Pybar\\_Exterra\\_Term\\_Sheet\\_Release\\_20\\_April\\_2016.pdfv](http://www.exterraresources.com.au/images/uploads/Pybar_Exterra_Term_Sheet_Release_20_April_2016.pdfv)

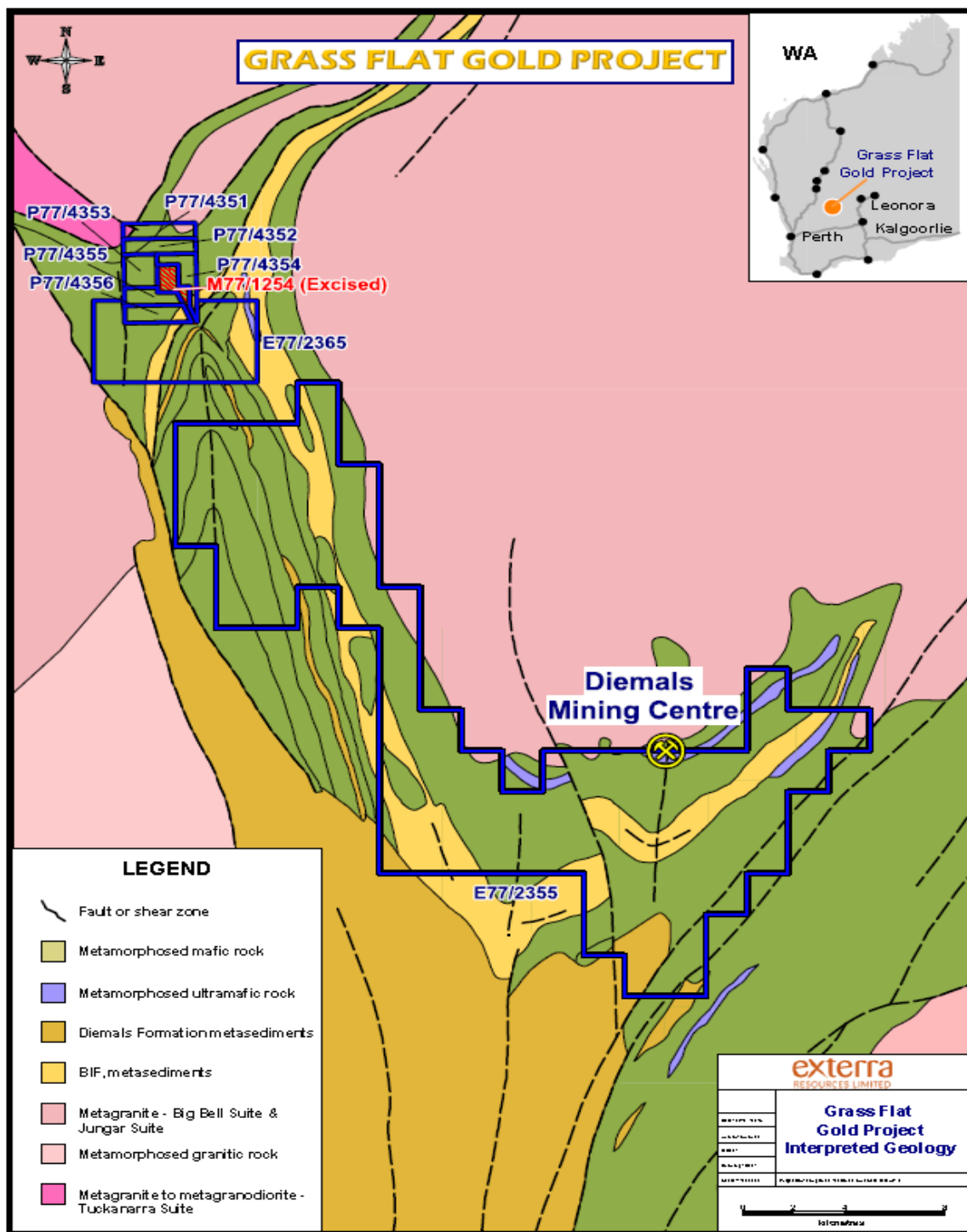


Figure 1: Grass Flat Gold Project – Tenement, Geology and Location Plan

Hole ID	North	East	Azi	Dip	Total Depth (m)	From (m)	To (m)	Intercept (m)	G/T (Au)	Prospect
BRC 148	6739198	702960	320	-60	160	85	88	3	3.69	1
BRC 149	6739207	702971	320	-60	180	108	112	4	9.56	
					incl	110	111	1	33.47	
BRC 154	6739274	702974	320	-60	150	80	85	5	6.05	
					incl	80	82	2	14.25	
					incl	95	98	3	6.70	
BRC 156	6739367	702975	320	-60	160	87	94	7	3.21	
BRC 161	6739192	702984	320	-60	180	119	126	7	9.20	
					incl	119	122	3	18.90	
BRC 162	6739182	702973	320	-60	140	117	126	9	3.90	
BRC 165	6739351	702988	320	-60	140	85	92	7	1.20	
						113	117	4	3.30	
BRC 168	6739259	702987	320	-60	140	117	123	6	1.80	
BRC 232	6739495	703075	320	-60	100	36	45	9	1.10	
BRC 233	6739499	703024	320	-60	75	40	42	2	4.30	
BRC 235	6739425	703018	320	-60	150	9	10	1	6.50	
					incl	15	19	4	2.50	
					incl	36	44	8	4.00	
					incl	39	40	1	23.00	
BRC 237	6739274	702951	320	-60	90	36	47	11	3.70	
					incl	39	41	2	7.20	
					incl	44	45	1	9.90	
BRC 242	6739036	702814	320	-60	64	34	36	2	4.90	



Hole ID	North	East	Azi	Dip	Total Depth	From	To	Intercept	G/T	Prospect
					(m)	(m)	(m)	(m)	(Au)	
BRC 139	6736895	702542	146	-60	150	84	88	4	1.64	<b>2</b>
BRC 140	6736854	702524	140	-60	129	33	39	6	1.10	
					incl	41	52	11	1.41	
					incl	54	63	9	1.28	
BRC 142	6736844	702481	140	-60	138	92	95	<b>3</b>	<b>9.36</b>	
BRC 182	6736833	702511	140	-60	120	37	40	3	5.20	
BRC 184	6736872	702561	140	-60	120	36	55	19	1.10	
BRC 207	6736807	702538	320	-60	70	35	40	5	1.00	
BRC 208	6736792	702551	320	-60	108	49	53	4	3.80	
BRC 213	6736917	702288	320	-60	90	35	36	1	7.80	<b>3</b>
BRC 214	6736902	702301	320	-60	120	72	79	7	8.30	
					incl	72	74	2	23.90	
							>30 gram.m Au			
							>20 gram.m Au			

Table 1: Grass Flat Gold Project - Summary of Historic RC Drill Intercepts >5 gram.m Au.

Note: Samples collected as 1 metre samples via cyclone cone splitter, assays via Fire Assay-ICP/OES.

Note: All intervals quoted as downhole widths.

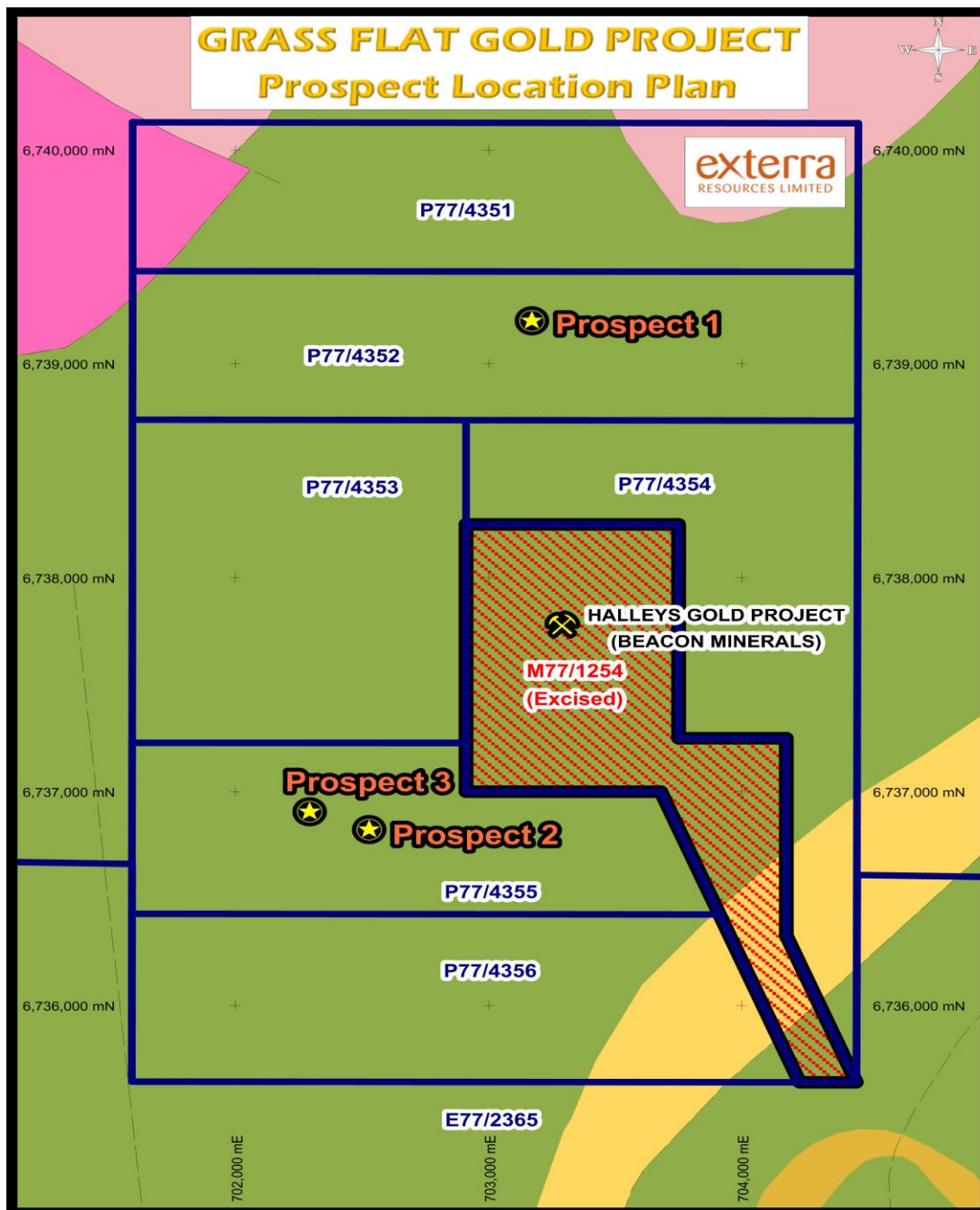


Figure 2: Grass Flat Gold Project – Prospect location Plan



**For further information:**

Mr John Davis  
Managing Director  
T +61 8 6315 1411  
E j.davis@exterraresources.com.au

\* In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**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 database compilation, sampling processes, geological interpretation and mineralisation, project parameters and costs and overall supervision and direction of Mineral Resource 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.

Information in this report that relates to estimation, depletion and reporting of Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mike Job who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of QG Consulting Pty Ltd. Mike Job has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mike Job consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves has been compiled by Stephen O'Grady, Principal of Intermine Engineering Consultants, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr O'Grady has had sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr O'Grady consents to the inclusion in this announcement in the form and context in which it appears.

*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.