

## EXTERRA JOINS FORCES WITH MITCHELL RIVER GROUP AND COMPLETES PLACEMENT AT A PREMIUM

### Exterra Resources Limited

ACN 138 222 705

ASX Code: EXC

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

### Issued Capital:

Ordinary Shares:	237.5m
Options:	24.4m

### Directors and Management:

**John Davis**  
Managing Director

**Justin Brown**  
Non-Executive Director

**Peter Cole**  
Non-Executive Director

**Dennis Wilkins**  
Company Secretary

### 28 June 2016

Exterra Resources Limited ("Exterra" or "the Company") (ASX:EXC) is pleased to advise that it has received commitments from professional and sophisticated investors, including the **Mitchell River Group (MRG)**, an independent mining investment partnership and technical services consultancy in the minerals and energy sector in Australia and overseas, **to raise A\$1.5 million at \$0.04 per share a 11% premium to the last trade price of \$0.036.**

The additional capital in tandem with access to MRG's experienced technical and commercial personnel means that Exterra is well placed to ensure that the Second Fortune Gold Mine progresses smoothly towards production in the near term.

### SUMMARY:

- **Successful placement to new investors and existing shareholders to raise A\$1.5 million by the issue of 37,500,000 ordinary fully paid shares (Placement Shares) at \$0.04 per share.**
- **A one (1) for four (4) attaching option with an exercise price of A\$0.06 per option and a 36 month term.**
- **Mitchell River Group associates to take \$500K of the total raise.**

**Taylor Collison Ltd Sydney ("TCL") is broker to the Offer.** MRG and Exterra have also executed a term sheet which, in addition to MRG's participation in the placement, contemplates the parties entering into a Management Agreement whereby MRG brings the requisite skills to the Linden Project on a cost plus basis to ensure a smooth development pathway for the Second Fortune Mine. MRG will in the coming days, in discussion with Exterra, nominate an additional director with a relevant skill set to the Board.

Mitchell River Group, established in 1999, is a private investment partnership specialising in the metal and energy industries, providing seed funding and management for projects to move through feasibility stages into production.

Mitchell River Group's experienced technical and commercial personnel have supported the establishment of a number of substantial project development companies and mining operations over the past years, including:

- Exco Resources Limited which developed the White Dam gold deposit in South Australia and the Mt Margaret Copper Projects, Qld (sold to Xstrata) and was taken over by WH Soul Pattinson;
- Anova Metals Limited which is developing the Big Springs gold mine in Nevada, USA;
- African Energy Resources Limited which is developing the Sese Integrated Power Project (coal mine and power plant) in Botswana;
- Panoramic Resources Limited which developed the Savannah (Sally Malay) nickel project in WA;

<http://www.mitchellrivergroup.com/>

Exterra's Managing Director John Davis said: *"We are very pleased with this successful placement and the fact it was completed at premium shows the strong market support for the transaction from existing and new shareholders to our register. Exterra is particularly pleased to have the Mitchell River Group as a major shareholder which shows their support for the Company's projects and potential."*

To further align MRG with Exterra shareholders, MRG (or its nominee) will, subject to shareholder approval at a meeting of shareholders, receive two tranches of incentive options for nil consideration, subject to vesting conditions as follows:

- 17,853,737 options to vest upon first gold production at Second Fortune, exercisable at A\$0.06 within 3 years of the date of the Management Agreement (Tranche 1 Options).
- 17,853,737 options to vest upon production of 15,000 ounces of gold at Second Fortune Project, exercisable at A\$0.08 within 3 years of the date of the Management Agreement (Tranche 2 Options).

#### **TCL PLACEMENT DETAILS**

The placement of the shares and options is not subject to shareholder approval and will fall within the Company's placement capacity under ASX Listing Rules.

TCL will receive a placement fee of 4% on the placement amount managed by TCL and a management fee of 1% on the total placement amount and will be issued with 5 million, 2 year options exercisable at A\$0.06.

A number of existing shareholders have participated in the capital raising, showing continued ongoing support for the Company's strategy to generate shareholder returns going forward.

#### **GOLD EXPLORATION**

As announced on the 30 May 2016 a 4,000 metre Air Core (AC) and Reverse Circulation (RC) drilling programme commenced at the Linden Gold project at a number of locations, focussing on the Golden Orb, Hill East and Hill North Prospects. Figure 2 and 3.

The programme is due for completion this week with first results due shortly.

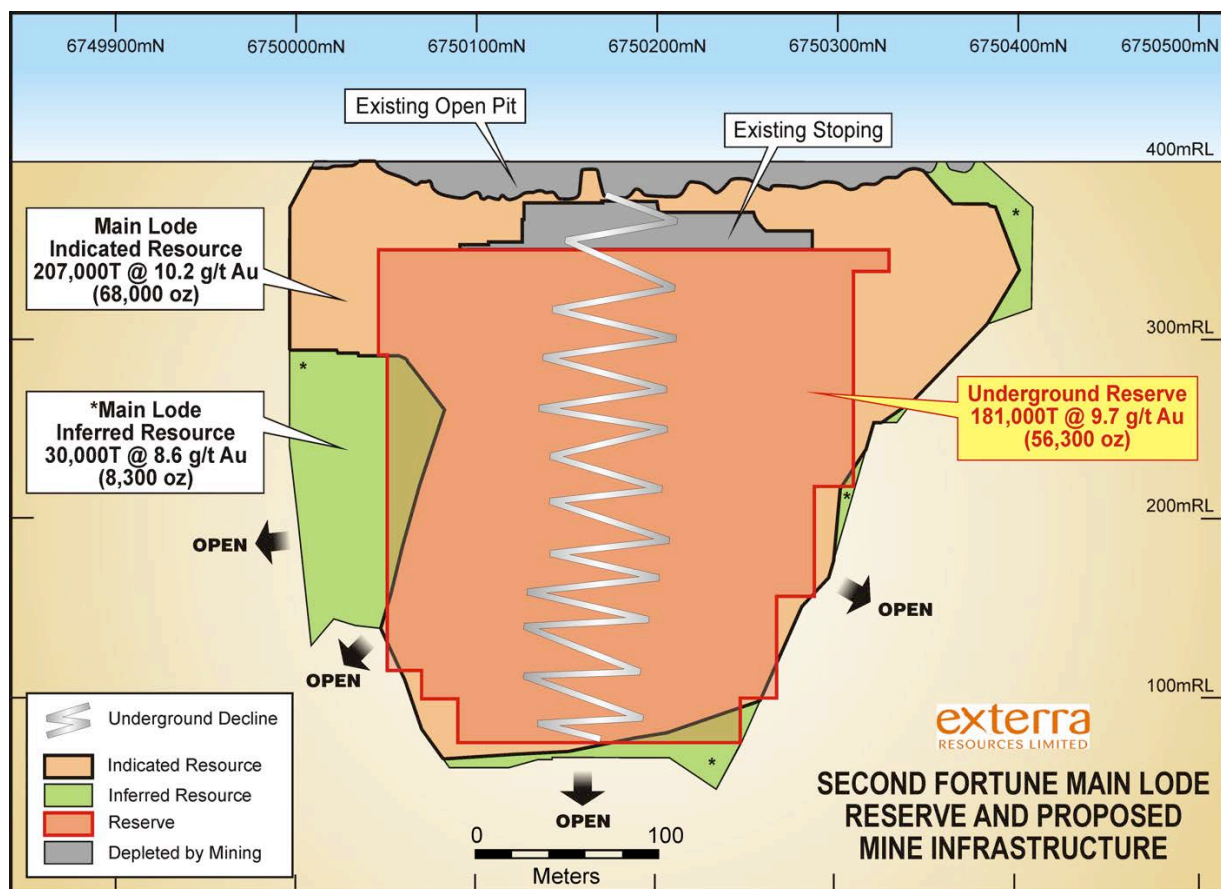


Figure 1: Second Fortune Main Lode long section showing mineralised zones, Resource and Probable Reserve<sup>1</sup> outlines and schematic decline design from existing Feasibility Study.

<sup>1</sup> [http://www.exterraresources.com.au/images/uploads/Second\\_Fortune\\_PFS\\_ASX\\_Release\\_July\\_2014.pdf](http://www.exterraresources.com.au/images/uploads/Second_Fortune_PFS_ASX_Release_July_2014.pdf)



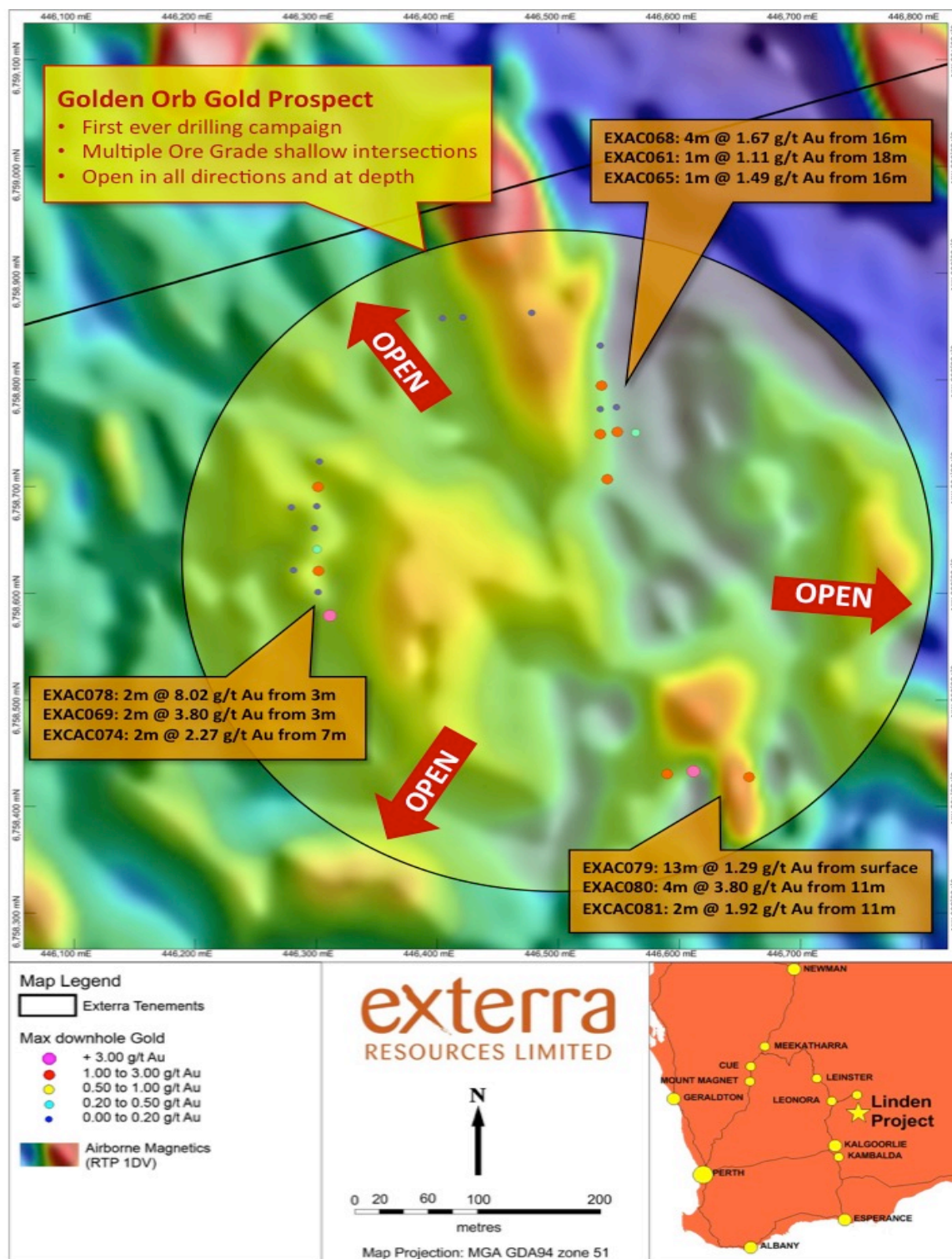


Figure 2: Golden Orb Prospect, collar locations and selected assays over aeromagnetics

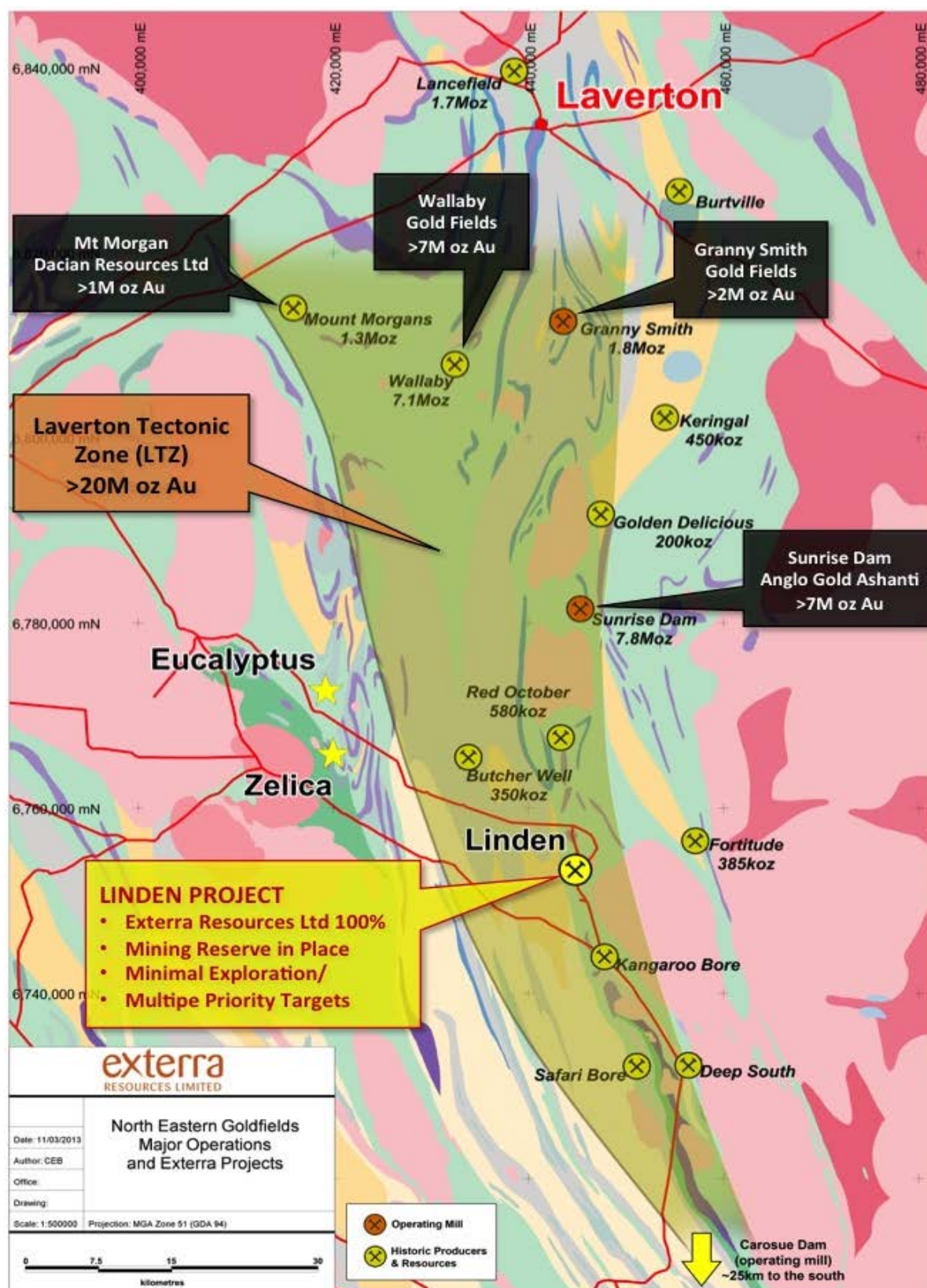


Figure 3: Linden Project Regional Location Plan

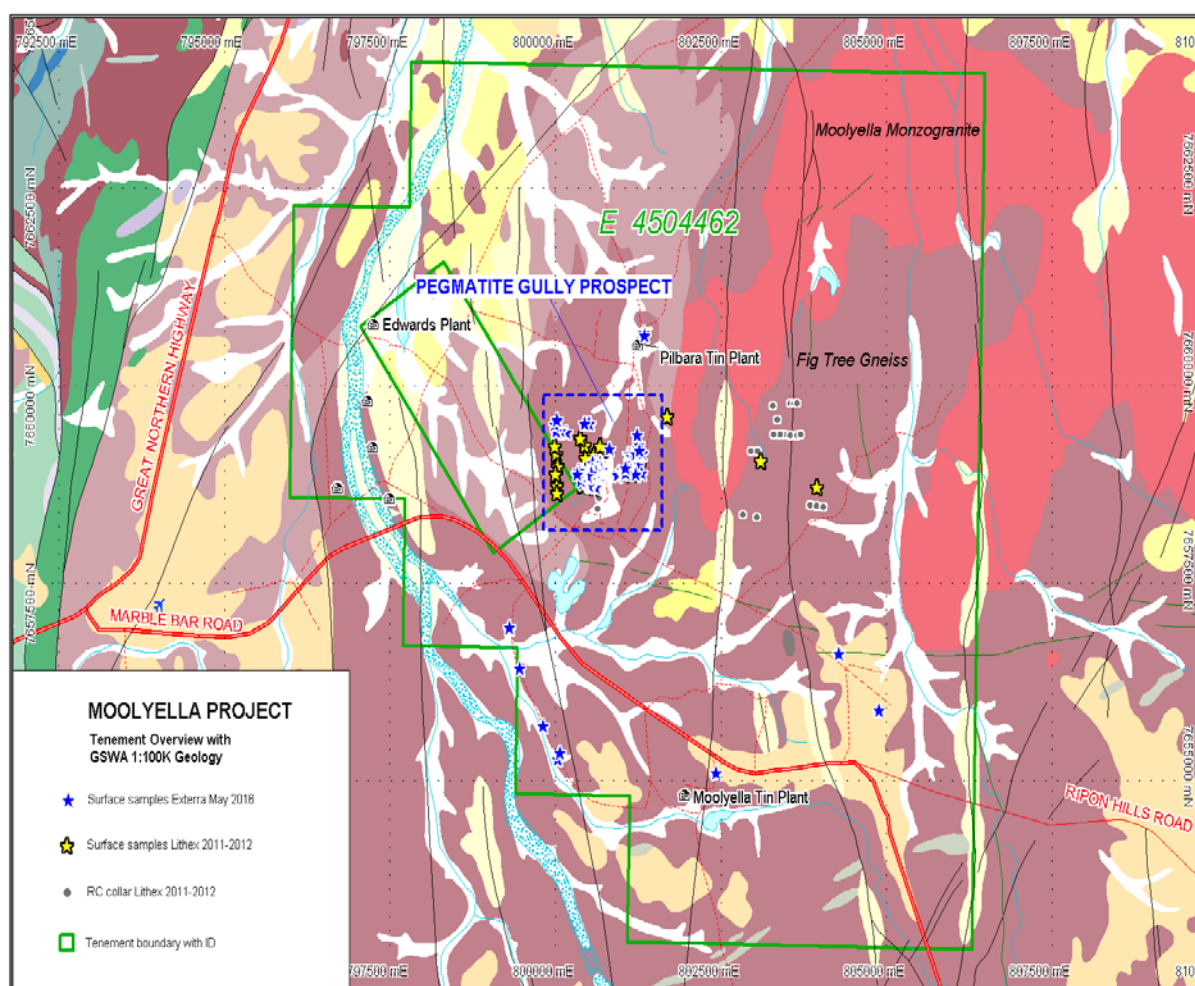


## LITHIUM EXPLORATION

As announced on the 6 June 2016 Exterra completed Phase 1 Lithium exploration on the Moolyella Lithium project which returned multiple significant assay results with peak values up to 1.25% Li<sub>2</sub>O (refer Figure 4) including:

Sample ID M02	0.61% Li <sub>2</sub> O	Pegmatite Gully Main
Sample ID M29	0.83% Li <sub>2</sub> O	Pegmatite Gully Main
Sample ID M81	1.25% Li <sub>2</sub> O	Pegmatite Gully East
Sample ID M98	0.89% Li <sub>2</sub> O	Prospectors Creek

Follow-up exploration is currently being planned.



**Figure 4: Moolyella Lithium Project Regional Sample 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.

**About Mitchell River Group**

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**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 Interline 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.