

FOLLOW-UP DRILLING COMMENCES AT THE GOLDEN ORB GOLD PROSPECT AT LINDEN

Exterra Resources Limited

ACN 138 222 705

ASX Code: EXC

www.exterraresources.com.au

Issued Capital:

Ordinary Shares: 237.5m
Options: 23.9m

Directors and Management:

John Davis
Managing Director

Justin Brown
Non-Executive Director

Peter Cole
Non-Executive Director

Dennis Wilkins
Company Secretary

30 May 2016

Exterra Resources Limited (ASX:EXC) ("Exterra") is pleased to advise that follow-up Air Core (AC) and Reverse Circulation (RC) drilling has commenced at the Golden Orb, Hill North and Hill East prospects at Exterra's 100% owned **Linden Gold Project**.

The total programme will comprise approximately 4,000 metres of AC/RC drilling in 76 holes following up previous Exterra drilling at the **Golden Orb** prospects and numerous historic economic grade intercepts at **Hill East** and **Hill North**.

The **Golden Orb Prospect** represents a potential new discovery and a new priority target amongst a growing regional portfolio of targets within this poorly explored tenement package. Results reported in a Company ASX release on 20 October 2015 include:*

- ◆ **EXAC078:** 2 metres at 8.02 g/t Au from 3 metres, including;
 - **1 metre at 13.50 g/t Au from 3m**
- ◆ **EXAC079:** 13 metres at 1.29 g/t Au from 0 metres, including;
 - **5 metres at 2.15 g/t Au from 6 metres**
- ◆ **EXAC069:** 2 metres at 3.80 g/t Au from 3 metres including;
 - **1m at 6.87 g/t Au from 4m**
- ◆ **EXAC080:** 4 metres at 3.80 g/t Au from 8 metres including;
 - **2m at 5.6 g/t Au from 11m**
- ◆ **EXAC074:** 2 metres at 2.27 g/t Au from 7 metres
- ◆ **EXAC068:** 4 metres at 1.67 g/t Au from 16 metres (4 metre comp)

Drilling will focus on down dip and along strike extensions with 36 AC/RC drill holes planned for 1700m.

*Note: All intercepts are down hole widths.

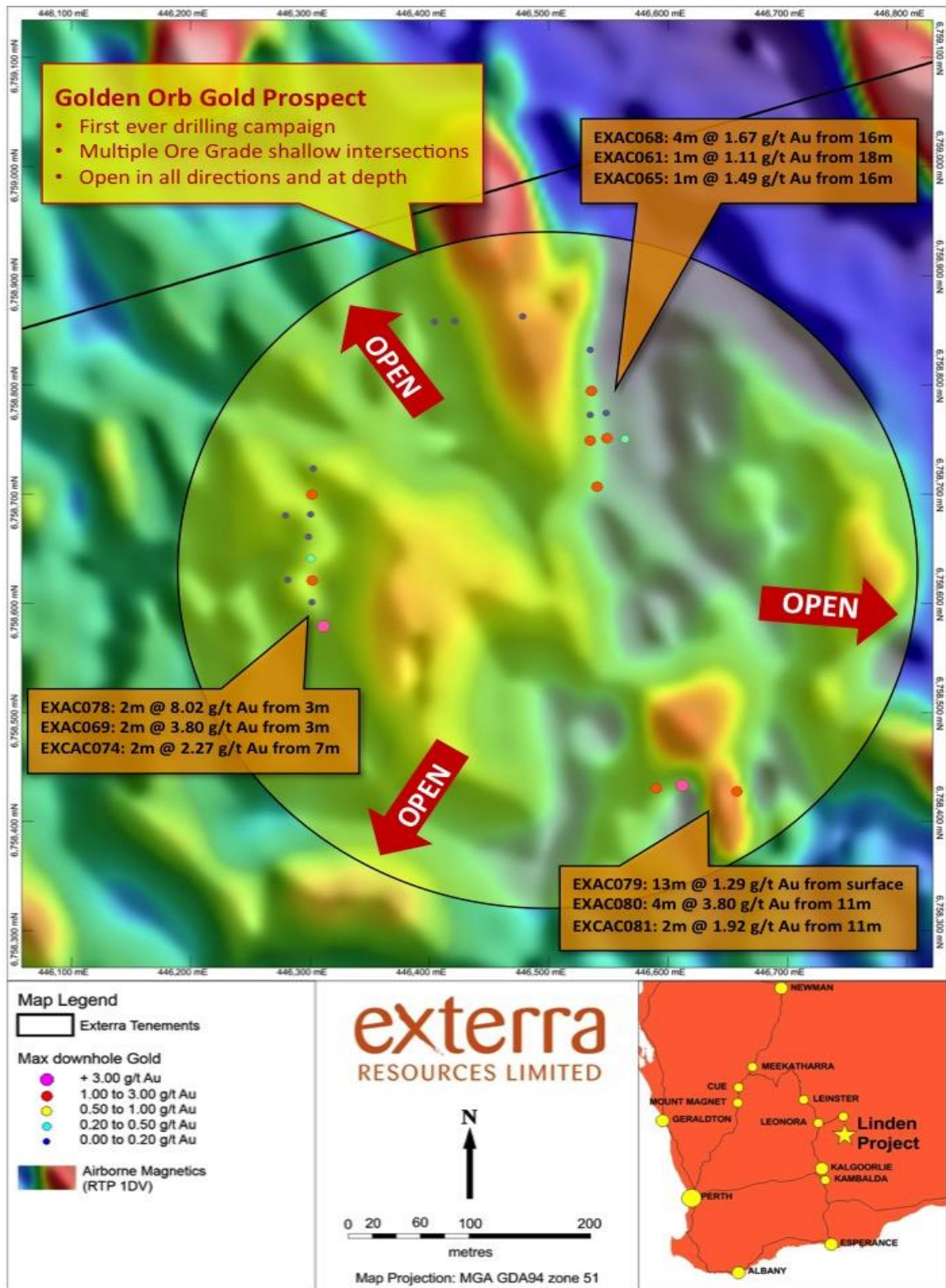


Figure 1: Golden Orb Prospect, Collar Locations and Selected Assays over Aeromagnetics.

The programme will also target the **Hill East** and **Hill North** prospects where historic drilling has reported economic grade intersections in Rotary Air Blast (RAB), AC/RC drilling and trenching prior to 1995.

The Hill East Group is divided into 4 areas: Hill East Lode 1, Hill East Lode 1 West, Hill East Lode 2 and Hill East Lode 4 and with historic RC drilling reporting encouraging results over all areas including at **Hill East Lode 1 and Lode 1 West:**

HLP033 – 20m @ 3.99 g/t Au from 0m

HLP034 – 6m @ 2.37 g/t Au from 38m (EOH)

HLP046 – 6m @ 3.10 g/t Au from 16m

HLP050 – 20m @ 1.11 g/t Au from 2m

HLP051 – 6m @ 2.13 g/t Au from 22m

HLP053 – 8m @ 3.83 g/t Au from 28m

The **Hill East Prospect** area is covered by lake sediments, soils and calcrete. Mineralisation appears to be related to NE trending quartz veins cross-cutting layering in a sequence of mafic volcanics and sediments. A major quartz blow to the west and extensive felsic porphyry dykes indicate a major N-S trending fault zone.

A review of historic data indicated mapping and costeaning had identified significant Au and As anomalies including zones up to 100m wide >0.1 g/t Au associated with a profusion of quartz veins and shears.

The initial phase 1 programme comprises 21 AC/RC drill holes for 1500m to a maximum depth of 100m downhole at Hill East Lode 1 and Lode 1 West to confirm the above intercepts, drill down dip and along strike. A second phase comprising a further 6 holes is planned subject to results from phase 1.

The **Hill North** prospect is located 500m north of the Gold Orb group within a poorly exposed area underlain by chloritic mafic to intermediate volcanics and sediments intruded by felsic porphyry dykes.

A historical 1997 report from a previous holder of the Prospect identified that drilling in the area consisted of one RAB hole drilled to 27m and 8 RC holes to an average depth of 33m. Results for RC drilling include:

HLP036 6m @ 4.67 g/t Au from 21m

HLP038 2m @ 3.54 g/t Au from 19m

HLP043 2m @ 3.30 g/t Au from 12m

LP001 11m @ 3.15 g/t Au from 16m

Costeans in the area reported wide, ore-grade intersection including **25m @1.57 g/t Au.**

The initial programme proposes 19 AC/RC holes for 770m to a max depth of 40m to test down dip and along strike of the intercepts reported above.

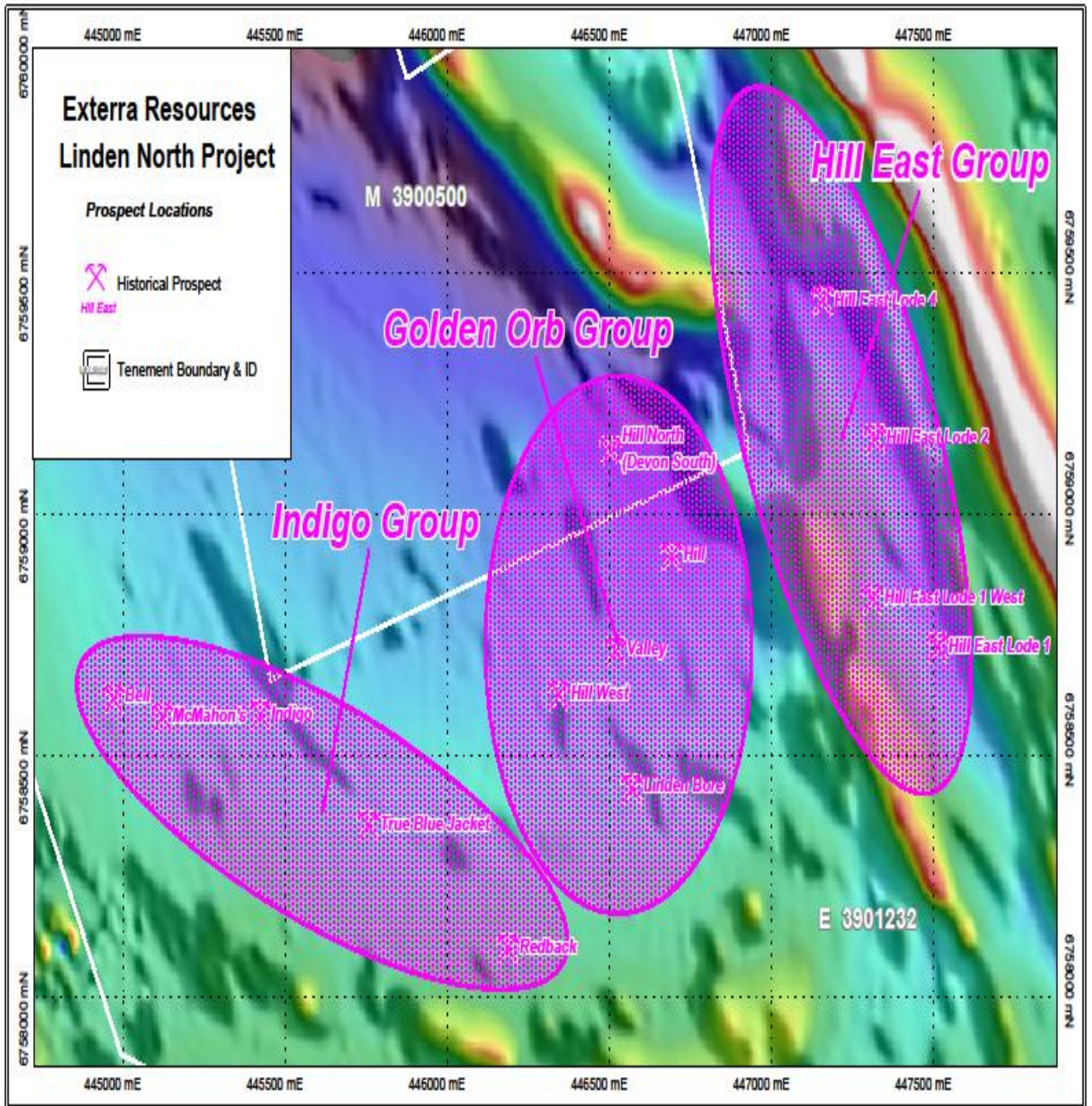


Figure 2: Linden North Prospects Location Plan over Aeromagnetics

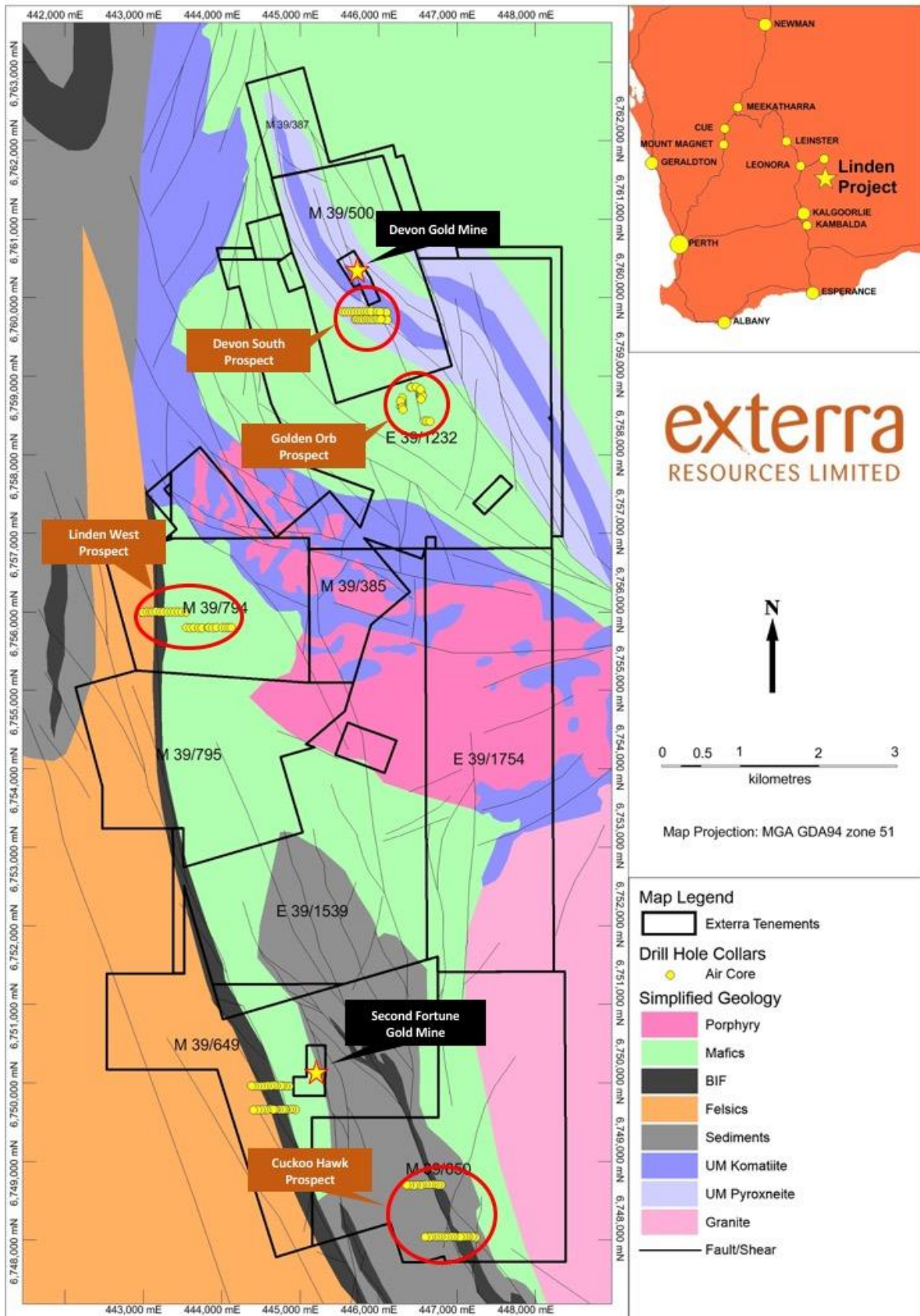


Figure 3: Linden Project Tenements and Prospect Locations

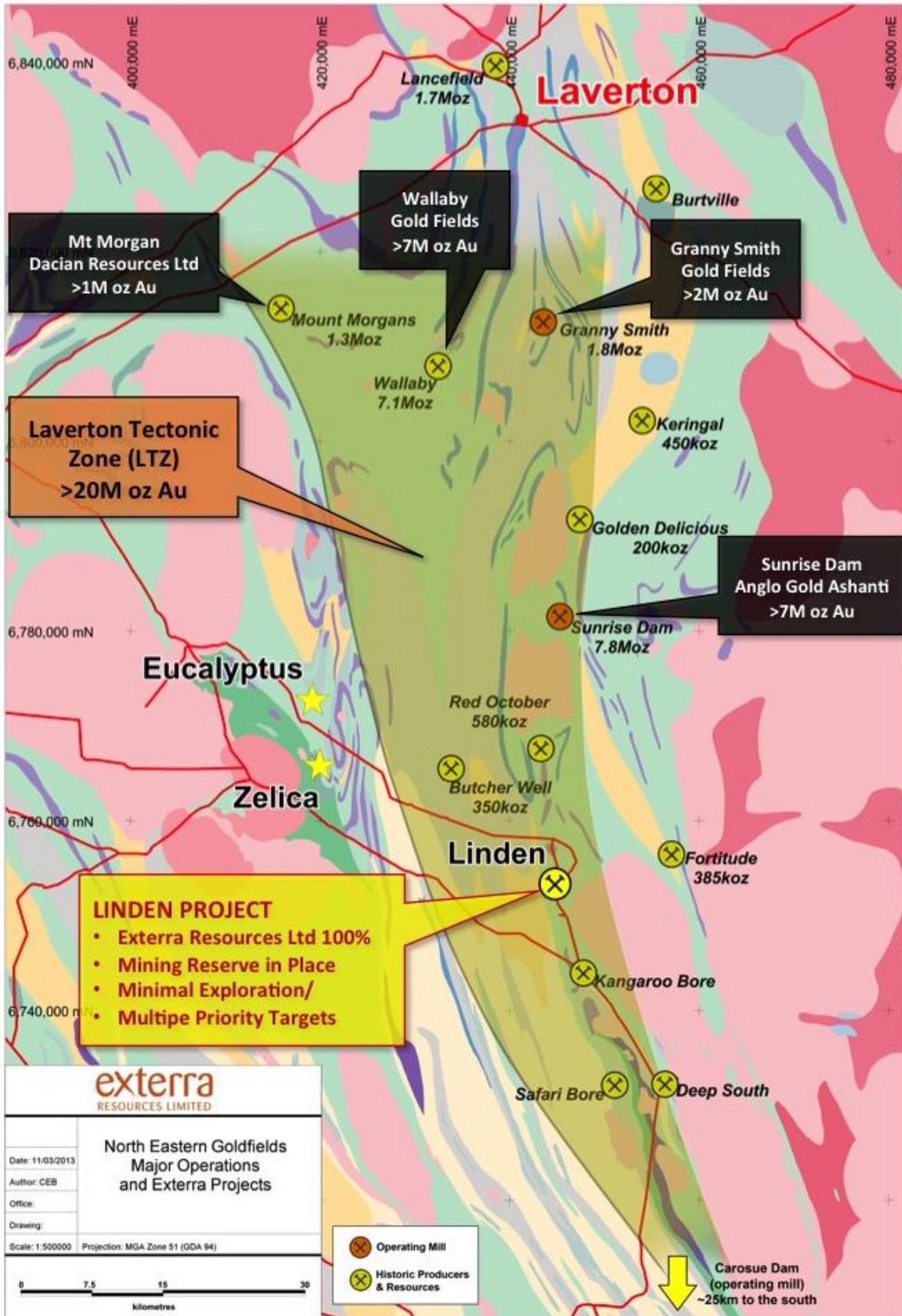


Figure 4: Linden Project Regional Location Plan

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.

For further information:

Mr John Davis

Managing Director

T +61 8 6315 1411

E j.davis@exterraresources.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by Mr John Davis who is a member of the Australasian Institute of Mining and Metallurgy and Australasian Institute of Geoscientists. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, Mr Davis was an employee of Exterra Resources Ltd. Mr Davis is a geologist and has sufficient experience which is 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'. Mr Davis consents to the inclusion of this information in the form and context in which it appears in this report.

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 events.