

A large orange banner with the text "LITHIUM EXPLORATION COMMENCES AT MOOLYELLA" in white, uppercase, sans-serif font.

## LITHIUM EXPLORATION COMMENCES AT MOOLYELLA

**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

**10 May 2016**

Exterra Resources Ltd ("Exterra") is pleased to advise that on ground exploration for lithium has commenced at the Moolyella Lithium Project in the Pilbara region of WA, with the mobilisation of an exploration crew to commence systematic exploration activities.

As announced on 16 February 2016<sup>1</sup> Exterra holds an option to purchase 90% interest in Moolyella project (E45/4462).

An earlier review of the available project data highlighted that reconnaissance rock chip sampling during 2011/2012 over an area of approximately 2 km<sup>2</sup> had recorded **highly anomalous lithium** values up to 1.82% Li<sub>2</sub>O in pegmatite rocks.

A subsequent field visit during March 2016 by Exterra confirmed the location of previous pegmatite bearing Reverse Circulation (RC) drill holes not previously assayed for lithium. An exploration crew has now been mobilised to the field to undertake the following investigations:

- re-sampling of historic RC drill hole chips which indicate pegmatite lithologies and which are potentially lithium bearing
- geological mapping to outline the extent of potential lithium bearing pegmatites, the presence of spodumene (pegmatite lithium mineral) and structural controls
- rock chip sampling of identified pegmatite rocks to determine their lithium content

<sup>1</sup> [http://www.exterraresources.com.au/images/uploads/Moolyella\\_ASX\\_Release\\_Feb\\_2016.pdf](http://www.exterraresources.com.au/images/uploads/Moolyella_ASX_Release_Feb_2016.pdf)

Once the programme is completed and results received, planning for an RC drilling programme to determine the extent of lithium bearing pegmatites will be initiated with rig mobilisation soon after.

Results reported in a previous announcement on 23 March 2016<sup>2</sup> included 39 pegmatite samples distributed over a broad geographical area which reported above 0.1% Li<sub>2</sub>O, including. (Figure 2).

|                     |                         |
|---------------------|-------------------------|
| • Sample ID 3004587 | 1.82% Li <sub>2</sub> O |
| • Sample ID 3004651 | 0.59% Li <sub>2</sub> O |
| • Sample ID 3004663 | 0.52% Li <sub>2</sub> O |
| • Sample ID 3004688 | 0.63% Li <sub>2</sub> O |
| • Sample ID 46      | 1.06% Li <sub>2</sub> O |

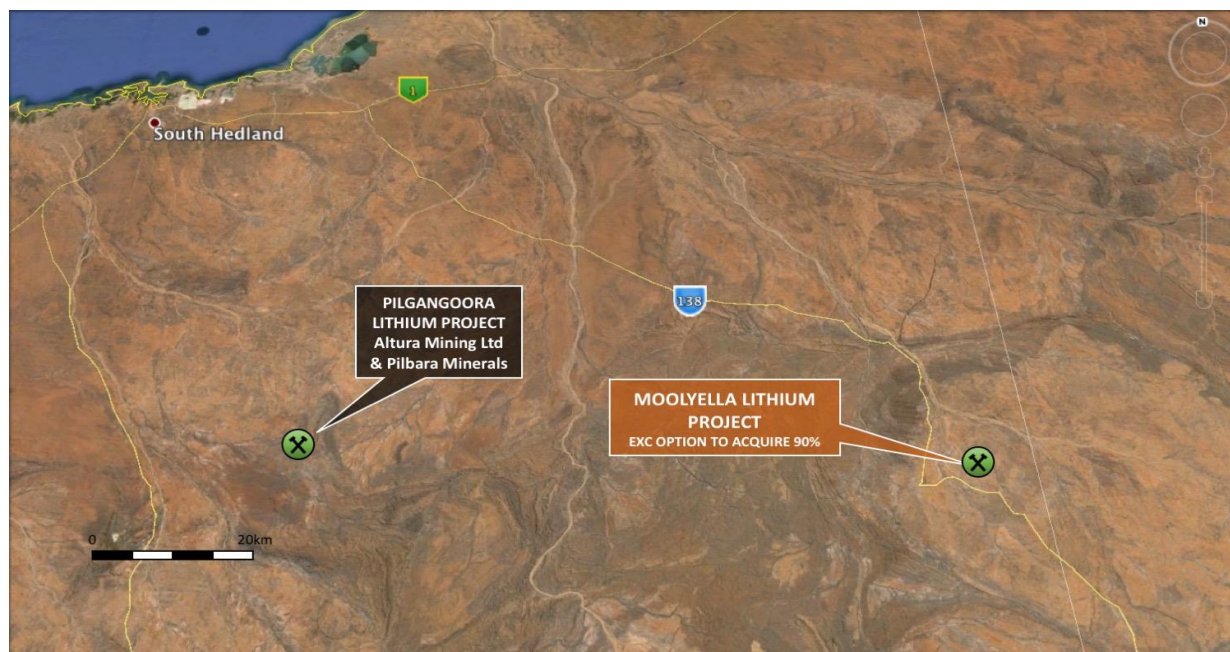
These results confirm the potential of the **Moolyella Lithium project** to host significant lithium bearing pegmatites.

Exterra's Managing Director John Davis commented, *"Following the grant of Exploration Licence 45/4462 we have now commenced systematic exploration activities on the ground at the Moolyella Lithium Project. Based on historic information available to date, we are optimistic that with further exploration the Moolyella Lithium Project has the potential to host significant Lithium mineralisation"*.

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<sup>2</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)

## MOOLYELLA LITHIUM PROJECT



**Figure 1: Moolyella Lithium Project Tenement Location Plan**

As previously reported the Moolyella Project is located just 23 km ENE of Marble Bar and consists of EL 45/4462 covering 86 sq km, holding a substantial position in a highly mineralised Li, Sn, Ta district in the Pilbara region of WA. (Figure 1).

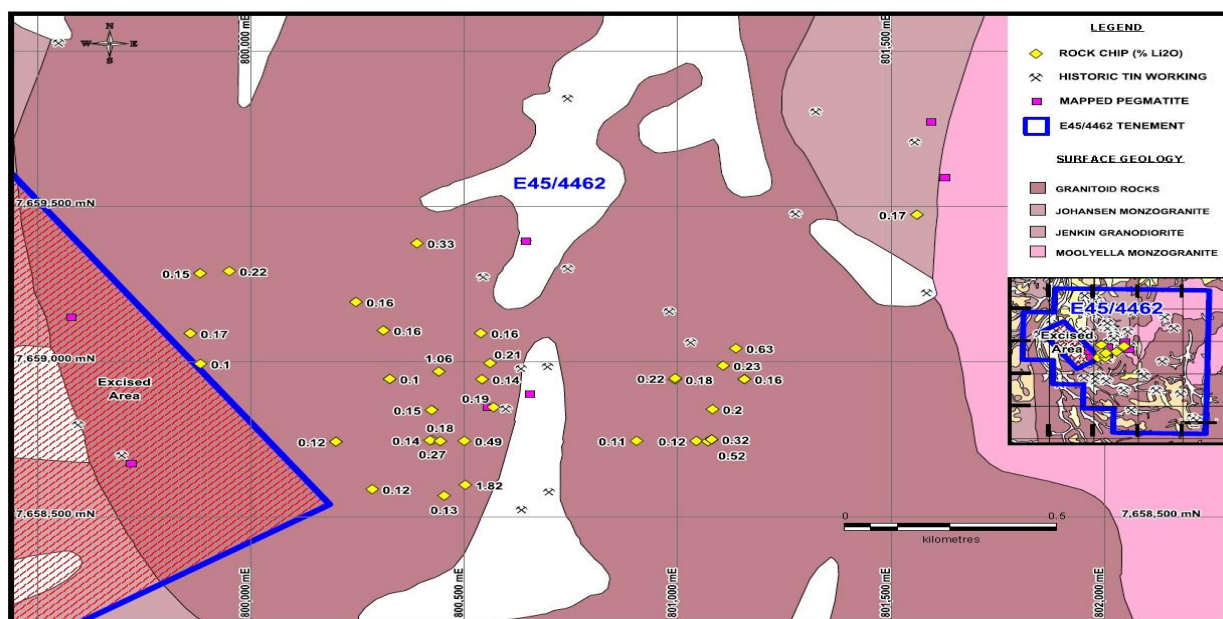
Swarms of lithium bearing (spodumene) pegmatites associated with the highly fractionated Moolyella pluton have intruded the adjacent migmatised and foliated Callina Supersuite granites and provide the source for potential Li mineralisation over an extensive area.

The majority of exploration to date has focussed on the Sn/Ta potential, however that recent broad based surface rock chip sampling has shown anomalous Li results. (Figure 2).

It is not until recent times that the Li potential in the Pilbara region has been investigated to any level. Rock chip samples in the Pegmatite Gully area at Moolyella have shown results up to **1.82% Li<sub>2</sub>O**.

This compares favourably with lithium projects at Pilgangoora, 100km to the west of Moolyella, where Pilbara Minerals Ltd (ASX:PLS) have announced a Resource of 80.2 Mt of mineralised spodumene pegmatites at 1.26% Li<sub>2</sub>O (containing 1Mt Li<sub>2</sub>O) at a 1.00% Li<sub>2</sub>O cut off<sup>3</sup> and Altura Mining Ltd (ASX:AJM) who have announced a Resource of 35.7 Mt of mineralised spodumene pegmatites at 1.05% Li<sub>2</sub>O (containing 372,000 Tonnes of Li<sub>2</sub>O) at a 0.40% Li<sub>2</sub>O cut off, and which is currently the subject of a PFS<sup>4</sup>.

The Moolyella Li, Sn, Ta project has similar geological and mineralogical characteristics to the Pilgangoora district, containing spodumene (Li<sub>2</sub>O) bearing pegmatites, which have not been subject to any systematic exploration.



**Figure 2: Moolyella Lithium Rock Chip Sample Locations and Lithium Assay Results >0.10% Li<sub>2</sub>O**

<sup>3</sup> <http://www.asx.com.au/asxpdf/20160201/pdf/434r72235ngmrk.pdf>

<sup>4</sup> <http://alturamining.com/wp-content/uploads/2016/02/2016-02-11-Pilgangoora-Lithium-Update.pdf>

**For further information:**

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\* 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.