

EXTERRA RAISES AN ADDITIONAL A\$0.5M TO RAMP UP EXPLORATION FOR GOLD AND LITHIUM

Exterra Resources Limited
ACN 138 222 705

ASX Code: EXC

www.exterraresources.com.au

Issued Capital:

Ordinary Shares: 225m
Options: 24.4m

Cash (31 Dec 2015): \$364,000

Directors and Management:

John Davis
Managing Director

Justin Brown
Non-Executive Director

Peter Cole
Non-Executive Director

Dennis Wilkins
Company Secretary

26 April 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 a well-known small cap resources fund out of Sydney, **to raise an additional A\$0.5 million.**

Funds will be used to accelerate exploration on the **Linden Gold Project** and the **Moolyella Lithium Project**, in parallel with the **Exterra/Pybar joint development of the Second Fortune gold mine.**

Brokers to the placement Taylor Collison Ltd have advised that the placement was heavily oversubscribed.

SUMMARY:

- **Successful placement to new investors to raise A\$0.5 million by the issue of 12,500,00 ordinary fully paid shares (Placement Shares) at \$0.04 per share with a one (1) for four (4) attaching option with an exercise price of A\$0.06 per option and a twelve month term.**
- **Funds raised from the Placement will be used to accelerate exploration on the Linden Project, including the Golden Orb prospect, the Moolyella Lithium project and other regional gold projects.**
- **Taylor Collison Ltd Sydney is broker to the Offer.**

Exterra's Managing Director John Davis said: *"We are very pleased with this successful placement and the support shown by our new shareholders to our register. This funding allows Exterra to ramp up exploration drilling at the Linden project at the exciting Golden Orb prospect, in parallel with the Pybar/Exterra joint development of the Second Fortune gold mine, and to accelerate ground activities on the Moolyella Lithium project in the Pilbara region of WA.*

These activities position Exterra to provide ongoing updates on a number of exploration and development initiatives as we move forward."

The Placement of the shares is not subject to shareholder approval and will fall within the Company's 25% placement capacity under ASX LR 7.1. The Placement of the options is subject to shareholder approval at the next meeting of shareholders, date to be advised.

Taylor Collison will receive a Placement Fee of 5% on the Placement Amount and will be issued with 2 million, 1 year options exercisable at A\$0.06, subject to the full Placement Amount being raised.

GOLD EXPLORATION STRATEGY

The results from the **Golden Orb prospect**, summarised on Figure 1 below, from the Exterra December 2015 Quarter Activities report, confirm follow-up drilling is required at a number of locations and also confirms the **Golden Orb Prospect** represents a potential new discovery and a new priority target amongst a growing regional portfolio of targets within this under explored Linden project.

Drilling at the Golden Orb Prospect represents the first ever drilling into this target. The target was first delineated as a surface geochemical anomaly. The average vertical depth of drilling is approximately 20 metres and due to the sparse, shallow nature of the programme, the target is considered open in all directions (see Figure 1). The Prospect, along with the remaining area of the Linden Project (Figure 2), occurs within the prolific **Laverton Tectonic Zone**. To date this has a gold endowment of in excess of 25M ounces of gold from numerous deposits including Wallaby, Sunrise Dam, Granny Smith, Red October and Mt Morgans. (Figure 3)

LITHIUM EXPLORATION STRATEGY

As released to the market earlier this Quarter¹², Exterra has secured an option over the Moolyella Lithium Project. As outlined, the Moolyella Project has a history of Tin (Sn) and Tantalum (Ta) production from mineralised pegmatites from 1898 until 1986 with no systematic Lithium (Li) exploration having been carried out.

Exterra has commenced a review of the project which confirmed reconnaissance rock chip sampling during 2011/12 over an area of 2 sq km recorded the presence of highly anomalous Li in a significant number of samples analysed. At a cut off of 0.1% Li₂O, 39 samples distributed over a broad geographical area reported above 0.1% Li₂O.

Best results include:

- | | | |
|---|--------------------------|------------------------------|
| • | Sample ID 3004587 | 1.82% Li₂O |
| • | Sample ID 3004651 | 0.59% Li₂O |
| • | Sample ID 3004663 | 0.52% Li₂O |
| • | Sample ID 3004688 | 0.63% Li₂O |
| • | Sample ID 46 | 1.06% Li₂O |

These results further confirm the potential of the Moolyella Lithium project to host significant Lithium bearing pegmatites. Historic data also reveal that a number of drillholes were completed at Moolyella by previous workers, with assays not undertaken for Lithium. A field visit has confirmed that the drill spoils are still on site and Exterra is currently planning a programme to resample the cuttings for lithium assays, in conjunction with further mapping and rock chip sampling to generate lithium targets for drill testing.

¹ http://www.exterraresources.com.au/images/uploads/EXC_11_05_Moolyella_Project_Update_FINAL_20160323.pdf

² http://www.exterraresources.com.au/images/uploads/Moolyella_ASX_Release_Feb_2016.pdf

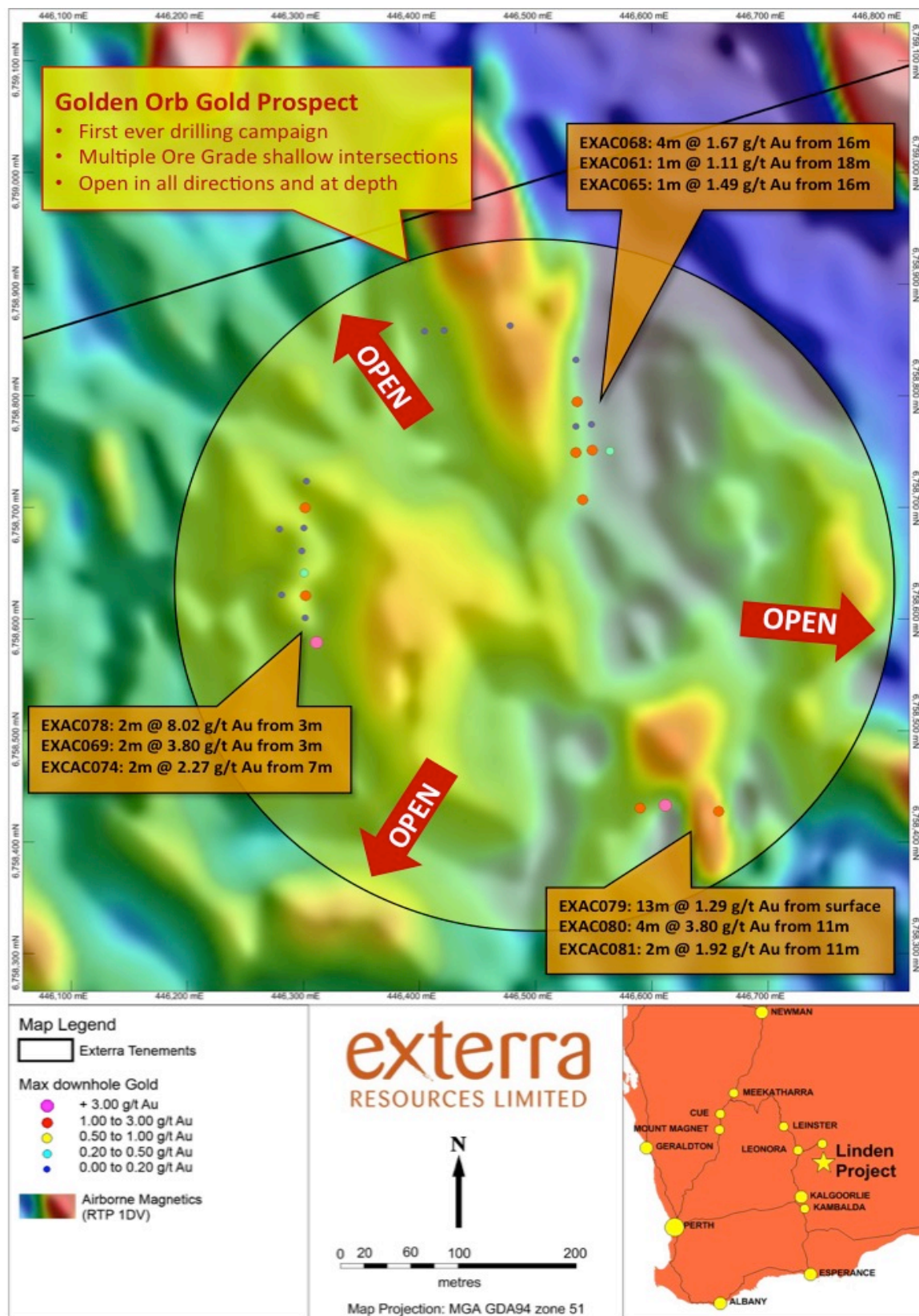


Figure 1: Golden Orb Prospect, collar locations and selected assays over aeromagnetics

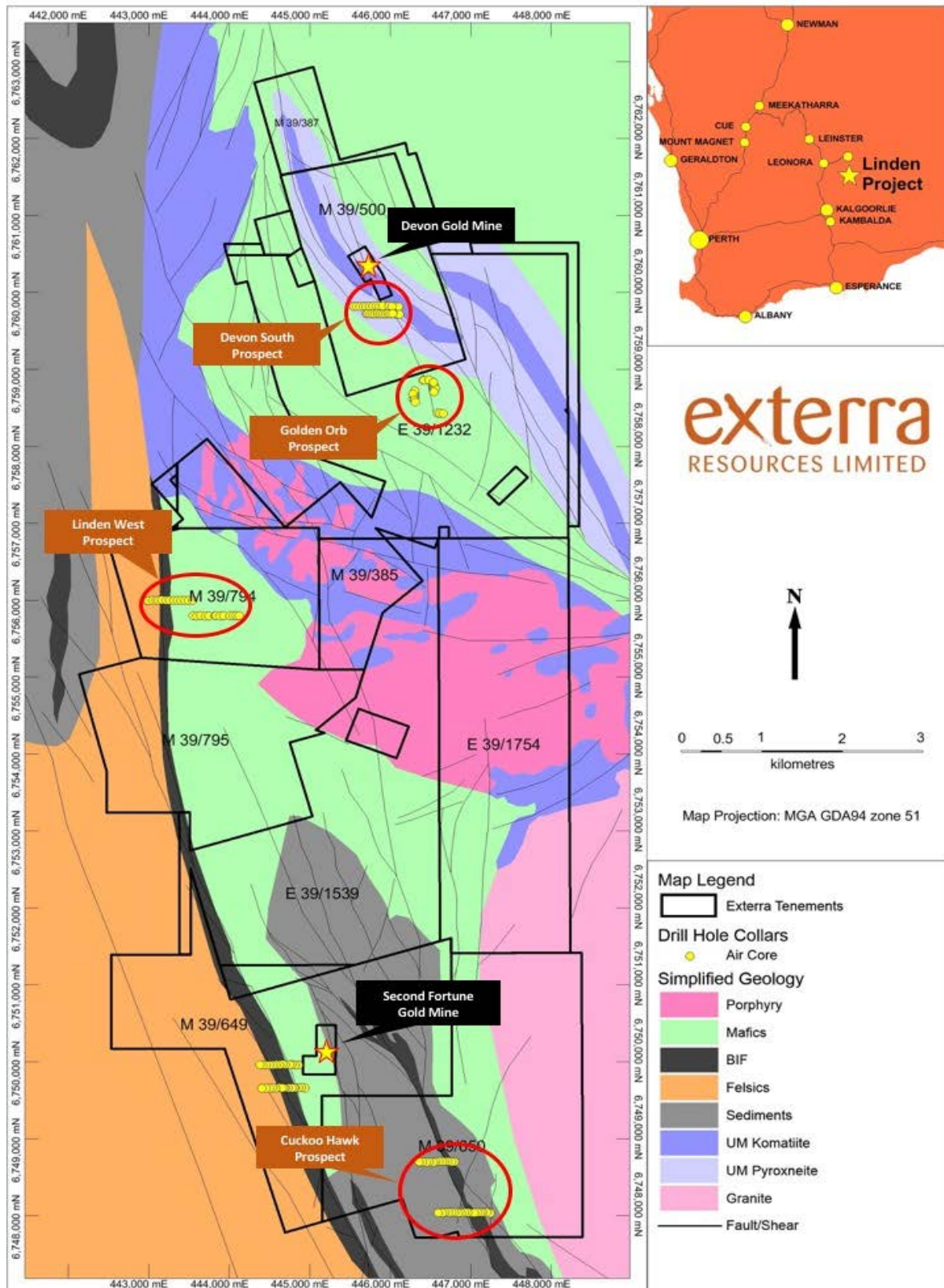


Figure 2: Linden AC Drill Hole Locations

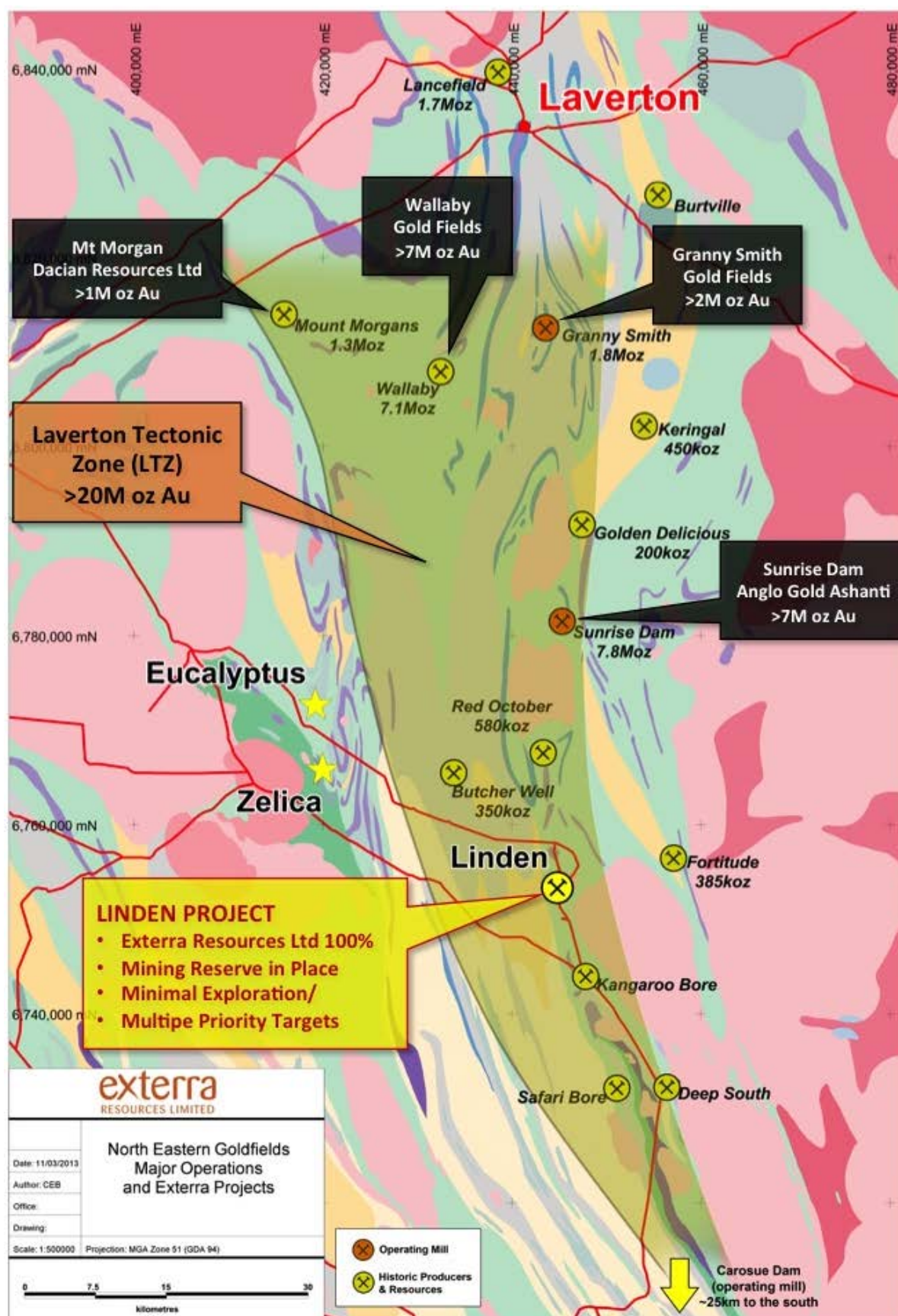


Figure 3: Linden Project Regional Location Plan

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 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.