

Data Review Highlights Further Lithium Results at Moolyella

23 March 2016

Exterra Resources Ltd ("Exterra") is pleased to provide an update on the Moolyella Lithium Project following the execution of an exclusive option agreement as announced on 16 February 2016.

As previously advised 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.

The results reported below include those reported in the Company's announcement of 16 February 2016, in addition to further anomalous results identified through a data review process.

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.

Exterra Resources Limited
ACN 138 222 705

ASX Code: EXC

www.exterresources.com.au

Issued Capital:

Ordinary Shares: 201.2m
Options: 12.5m

Directors and Management:

John Davis
Managing Director

Justin Brown
Non-Executive Director

Peter Cole
Non-Executive Director

Dennis Wilkins
Company Secretary

MOOLYELLA LITHIUM PROJECT

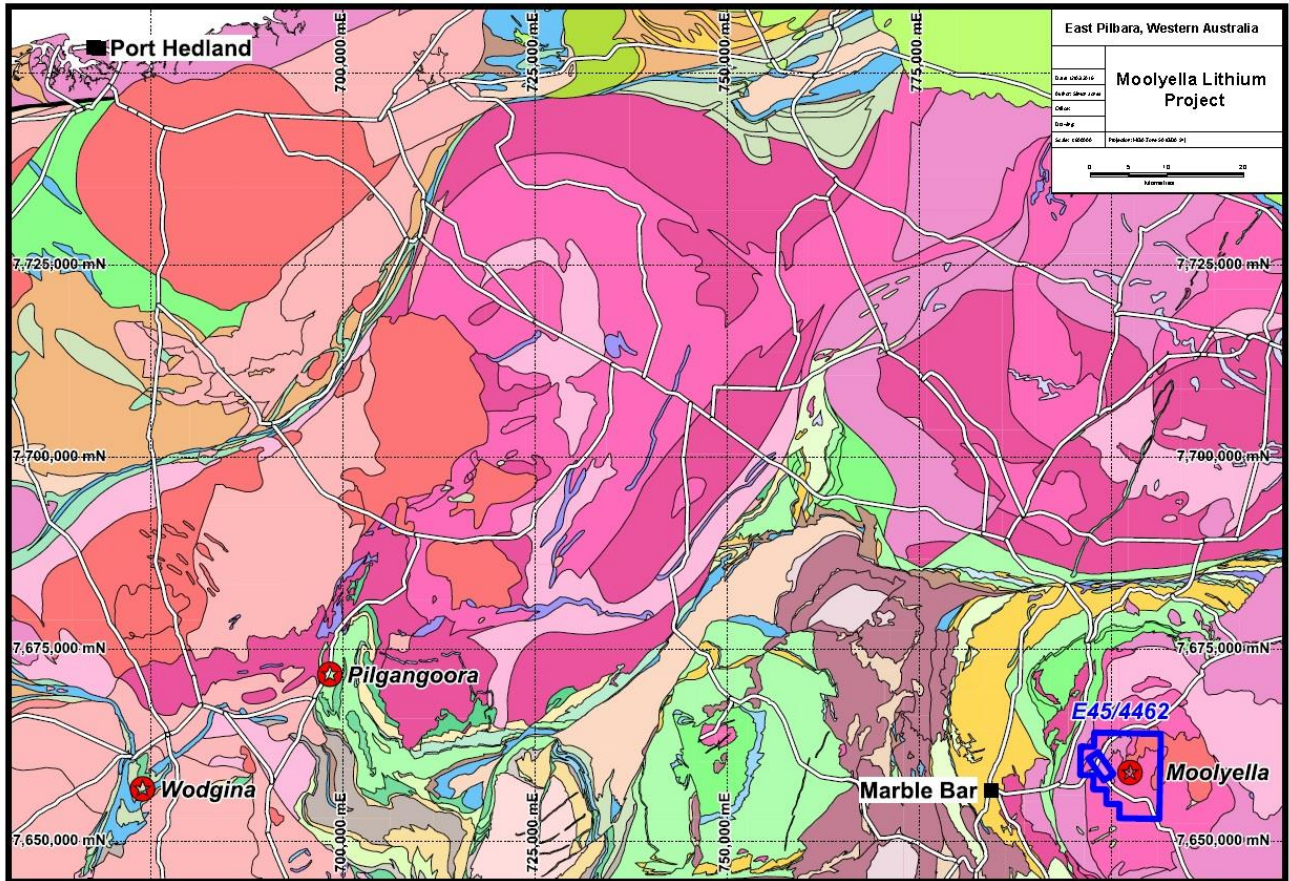


Figure 1: Moolyella Lithium Project Tenement Location Plan

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

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 as summarised below in Table 1.

Sample ID	Sample Type	Easting MGA94	Northing MGA94	Li2O (%)
3004513	ROCK	800022	7659150	0.10
3004517	ROCK	800339	7658899	0.12
3004526	ROCK	800565	7658904	0.27
3004530	ROCK	800037	7658749	0.22
3004537	ROCK	799998	7659248	0.17
3004541	ROCK	800450	7659257	0.16
3004551	ROCK	800700	7659152	0.21
3004557	ROCK	800041	7658993	0.11
3004561	ROCK	800708	7659010	0.19
3004563	ROCK	800563	7659001	0.15
3004565	ROCK	800009	7658902	0.13
3004570	ROCK	800560	7658904	0.14
3004571	ROCK	800583	7658901	0.18
3004573	ROCK	800640	7658902	0.49
3004575	ROCK	800035	7658657	0.21
3004580	ROCK	800592	7658725	0.13
3004581	ROCK	800642	7658760	1.82
3004586	ROCK	800678	7659249	0.16
3004590	ROCK	800386	7659349	0.16
3004593	ROCK	800529	7659538	0.33
3004601	ROCK	800021	7659441	0.15
3004602	ROCK	800089	7659448	0.22
3004607	ROCK	801043	7658902	0.11
3004642	ROCK	803114	7659061	0.59
3004644	ROCK	803961	7658733	0.11
3004655	ROCK	801183	7658901	0.12
3004657	ROCK	801210	7658900	0.52
3004658	ROCK	801219	7658907	0.32
3004663	ROCK	801221	7659004	0.20
3004671	ROCK	801133	7659099	0.18
3004673	ROCK	801134	7659104	0.22
3004676	ROCK	801296	7659101	0.16
3004682	ROCK	801276	7659200	0.63
3004684	ROCK	801246	7659144	0.23
35	ROCK	801700	7659630	0.17
46	ROCK	800580	7659125	1.06
47	ROCK	800424	7658746	0.12
51	ROCK	800465	7659101	0.10
52	ROCK	800681	7659100	0.14

Table 1: Rock Chip samples reported > 0.10 % Li2O (4 acid digestion ICP/OES/MS analysis)

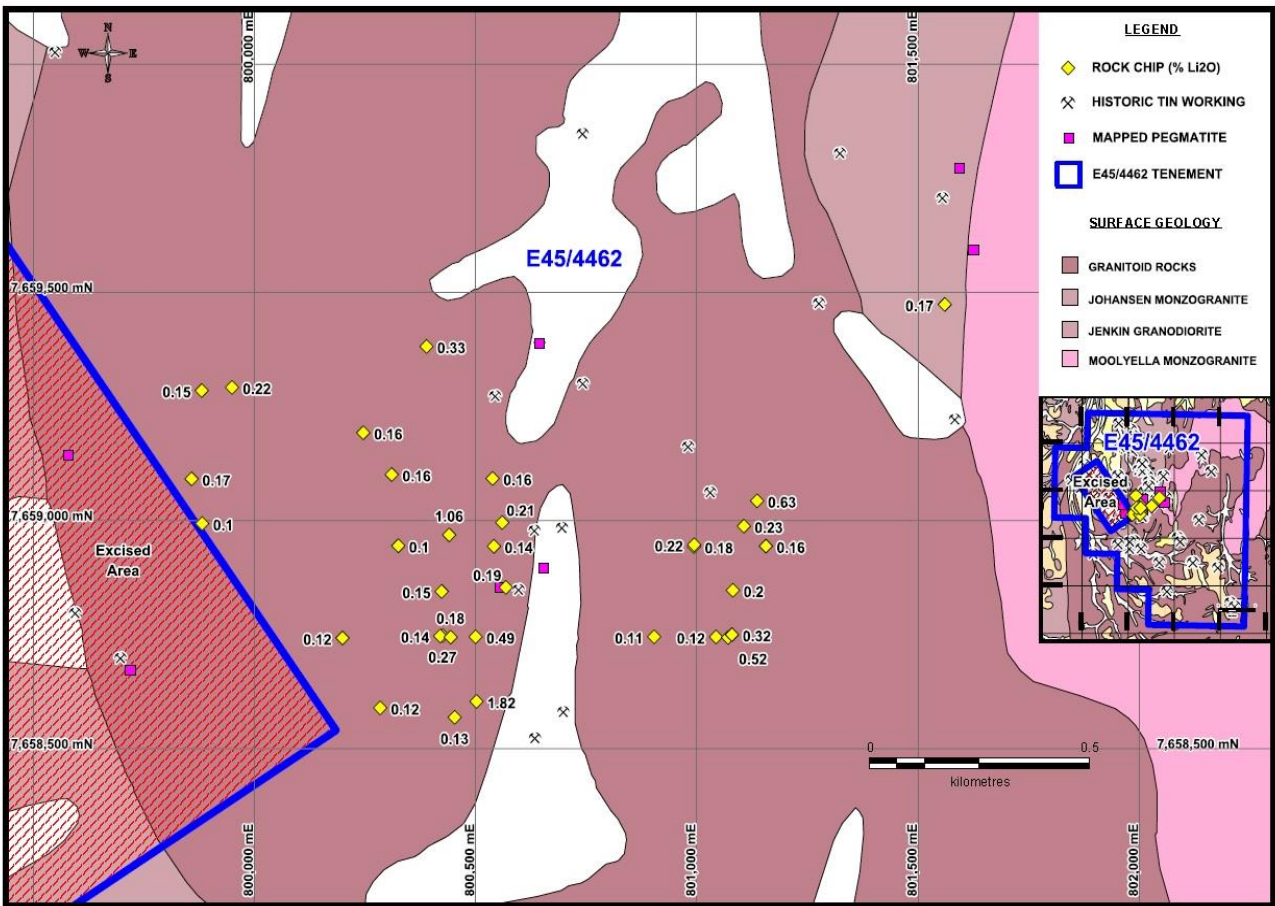


Figure 2: Moolyella Lithium Rock Chip Sample Locations and Lithium Assay Results >0.10% Li₂O

It is not until recently 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% Li₂O**.

This compares favourably with lithium projects at Pilgangoora, 100km to the west of Moolyella, where Pilbara Minerals Ltd (ASX:PLS) has announced a Resource of 80.2 Mt of mineralised spodumene pegmatites at 1.26% Li₂O (containing 1Mt Li₂O) at a 1.00% Li₂O cut off¹ and Altura Mining Ltd (ASX:AJM) has announced a Resource of 35.7 Mt of mineralised spodumene pegmatites at 1.05% Li₂O (containing 372,000 Tonnes of Li₂O) at a 0.40% Li₂O cut off, and is currently the subject of a PFS².

The Moolyella Li, Sn, Ta project has similar geological and mineralogical characteristics to the Pilgangoora district, containing spodumene (Li₂O) bearing pegmatites, which have not been subject to any systematic exploration to date.

¹ <http://www.asx.com.au/asxpdf/20160201/pdf/434r72235ngmrk.pdf>

² <http://alturamining.com/wp-content/uploads/2016/02/2016-02-11-Pilgangoora-Lithium-Update.pdf>

Exterra's Managing Director John Davis, who was Senior Mine Geologist/Geological Superintendent for Greenbushes Tin NL at the Greenbushes Minesite during 1984-86, when the Lithium (Spodumene) zone was recognised and first production commenced, commented "Indications from the initial review of the geology and early stage lithium analyses, along with the broad distribution of anomalous lithium mineralisation from first pass exploration, it is clear that there is potential for significant lithium mineralisation in the Moolyella Li/Ta/Sn mineral field".

RC DRILLING PROGRAMME

As part of the data review, a number of historic RC drillholes have also been identified that targeted pegmatite occurrences at Moolyella exploring primarily for tin and tantalum and were not assayed for lithium. The Exterra technical team are currently investigating the availability of sample pulps and or drill cuttings on site to ascertain whether lithium assays can be undertaken at minimal cost.

From the available drilling logs, broad intersections of up to 13m downhole were logged as pegmatites and therefore the drilling appears to have intersected significant widths of lithium prospective rocks and re-logging and re-assaying for the holes (if possible) may provide a very cost effective way to advance the project.

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.