



SECOND FORTUNE PROJECT UPDATE

Appointment of Project Manager

21 February 2013

Exterra Resources Limited

ACN 138 222 705

ASX Code: EXC

www.exterresources.com.au

Issued Capital:

Ordinary Shares:	171.2m
Options:	23.6m
Cash (31 Dec 2012):	\$2.1m

Directors and Management:

Peter Cunningham

Non-Executive Chairman

John Davis

Managing Director

Justin Brown

Non-Executive Director

Gary Morgan

Non-Executive Director

Peter Cole

Non-Executive Director

Dennis Wilkins

Company Secretary

Exterra Resources Ltd (ASX:EXC) is pleased to advise that work on the Company's 100%-owned Second Fortune Gold Mine project at Linden has advanced since the start of the year with the project on track for commencement of mining by the middle of 2013.

Project Manager Appointment

The Company is pleased to advise that it has appointed Mr Barry Cahill as the Project Manager for the Second Fortune Gold Mine. Mr Cahill will be responsible for overseeing the various consulting groups working on the Mining Approval, Works Approvals and Mine Closure Plan, and assembling a core team of personnel to manage the ongoing operation.

Mr Cahill is a mining engineer with over 25 years' experience in operational mining and management throughout Australia. He has extensive experience in the management of underground and open-pit mining, including narrow vein underground gold, both as a mining contractor and an operator. He has also had particular experience in the management of project development and construction from inception through to project funding, project commissioning and development. He is a member of the AusIMM and Australian Institute of Company Directors.

Positive Environmental Studies

Exterra's environmental consultants, MBS, have completed all of the environmental studies required for the lodgement of documentation with the Department of Mines and Petroleum (DMP) for the commencement of mining operations at Second Fortune. MBS have reported no environmental issues.

Meetings with the DMP and the Department of Environment and Conservation (DEC) have been positive and both have indicated that there seem to be no major impediments to Exterra resuming mining at Second Fortune.

Mine Design and Scheduling

Intermine Engineering were commissioned to undertake a detailed mine design and scheduling of the Second Fortune Gold Mine. Intermine have completed the mine design and scheduling to access the lower levels of the old workings and provide immediate high grade ore and are currently working on optimising the design to the lower levels of the mine. This will be completed early in March with updated financials to follow.

Offsite Ore Treatment

Exterra is in discussions with several parties with regards to the offsite treatment of ore from Second Fortune. The Company has also had discussions with a company regarding the potential construction of a small processing plant at Second Fortune on a build-own-operate (BOO) basis, whereby the engineer finances the construction of the plant and Exterra pays a dollar per tonne cost to utilise it. The onsite plan is being considered as a second stage development for Second Fortune.

Next Steps

As per the current timeline, the Company plans to lodge formal documentation for Mining Approval at Second Fortune to the DMP before the end of March 2013. The approvals process is expected to take 9-12 weeks.

Prior to the lodgment of documentation, the Company expects to have completed discussions and entered into formal agreements regarding the treatment of Second Fortune ore.

Assuming that the current timeline is met, all approvals are received in a timely manner and the required finance is secured, the Company intends to commence mining activities around the middle of 2013.

John Davis, Exterra's Managing Director, commented *"The proposed development of Second Fortune is gathering momentum and we are pleased to have appointed Barry Cahill to manage the next stage of development through to production."*

Scoping Study key aspects are shown in the table below:

Physicals	
Total Ore Tonnes Mined	265,000
Mined Head Grade	9.7 g/t Au
Average Annual Processed Tonnes	65-70,000
Metallurgical Recovery	95%
Average Annualised Production	20-30,000 ozs
Initial Mine Life	4 years
Estimated Financials (AUD)	
Capex (estimated)	A\$5 million
Operating Cash Costs (\$/oz)	A\$700/oz

MONTH	FY2012-13											FY2013-14		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sep
Resource Update	Completed													
Mining Scoping Study		Completed												
Underground Mining Study			In Progress											
Baseline surveys					Completed									
Water balance/dewatering assess't					Completed									
DEC/DMP scoping meeting							Completed							
Processing MOU					In Progress									
Prep Mining Proposal, MCP, WA					In Progress									
Project Financing							In Progress							
Submit Docs to DMP/DEC														
Approval/ Mining Commences														
Ore production														

For further information:

Mr John Davis
 Managing Director, Exterra
 T +61 8 9317 9700
 E j.davis@exterraresources.com.au

Ms Julia Maguire
 INVESTrelate
 T +61 2 9222 9111
 E julia@investrelate.com.au

Mr Andrew Rowell
 Pursuit Capital Pty Ltd
 T +61 8 6267 9032
 E arowell@pursuitcapital.com.au

Competent Persons Statement

Information in this report relates to exploration results or mineral resources that are based on information compiled by John Davis (Member of the Australasian Institute of Mining and Metallurgy). 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 2004 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.

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.