



## NEAR MINE DRILLING PROGRAMME COMMENCES AT SECOND FORTUNE EXTENSION AND LINDEN STAR

Exterra Resources Limited  
ACN 138 222 705

ASX Code: EXC

[www.exterraresources.com.au](http://www.exterraresources.com.au)

**Issued Capital:**

Ordinary Shares: 336.2m  
Options: 87.1m

**Directors and Management:**

**John Davis**  
Executive Chairman

**Geoff Laing**  
Executive Director

**Justin Brown**  
Non-Executive Director

**Dennis Wilkins**  
Company Secretary

12 December 2016

**SUMMARY:**

- **1,000m Drilling programme commenced at Linden Star and Second Fortune Extension**
- **Follow-up of historic intercepts including:**
  - LRC17 – 9m @ 7.6g/t from 25m
  - LNRC076 – 2m @ 4.1g/t from 14m and 1m @ 97.4g/t from 23m
  - LNRC106 – 5m @ 4.0g/t from 15m
  - LB104 – 3m @ 6.4g/t from 5m
  - LRC15 – 1m @ 4.4g/t from 17m
  - LRC21 – 1m @ 3.9g/t from 29m
- **Development at the Second Fortune Mine continues with surface works well advanced.**

Exterra Resources Limited (“Exterra” or “the Company”) (ASX:EXC) is pleased to announce that, in parallel with the previously announced mine development, a drilling programme to the south west of the Second Fortune mine has commenced to follow up high priority targets at Linden Star and Second Fortune Extension.

The targets are located less than 500m from the Second Fortune open pit. Historic costeaning, shallow drilling and sampling of old workings and mullock dumps demonstrate that gold bearing quartz structures are present along a strike length of over approximately 500m. The vein system is adjacent to one of the major bounding structures of the Laverton Tectonic Zone in an area of magnetite destruction interpreted to represent hydrothermal alteration.

Exterra’s Executive Chairman, John Davis said: “The programme at Linden Star and Second Fortune Extended has the potential to outline near surface high grade gold resources to add further ounces to the Second Fortune mine development, which is progressing on track for first gold production in early 2017.

We are fortunate to have a number of highly advanced prospects within close proximity to the Second Fortune mine including Linden Star, Hill East and Golden Orb, which all have the potential capacity to add ounces to the mine development and further enhance the project economics. We look forward to reporting results when they become available.”

Historic drilling results reported in WAMEX reports from 1984 and 1987 plus Exterra drilling results from 2010 and 2011 include:

**Historic:**

- LRC17 – 9m @ 7.6g/t from 25m
- LB104 – 3m @ 6.4g/t from 5m
- LRC15 – 1m @ 4.4g/t from 17m
- LRC21 – 1m @ 3.9g/t from 29m

**Exterra:**

- LNRC076 – 2m @ 4.1g/t from 14m and 1m @ 97.4g/t from 23m
- LNRC106 – 5m @ 4.0g/t from 15m

The figures below illustrates the position of drill target vein system relative to the Laverton Tectonic Zone (Figure 1), the Second Fortune deposit plus the interpreted target vein position over the magnet destruction zone (Figure 2) and as a 3-D schematic diagram also showing the planned holes (Figure 3).

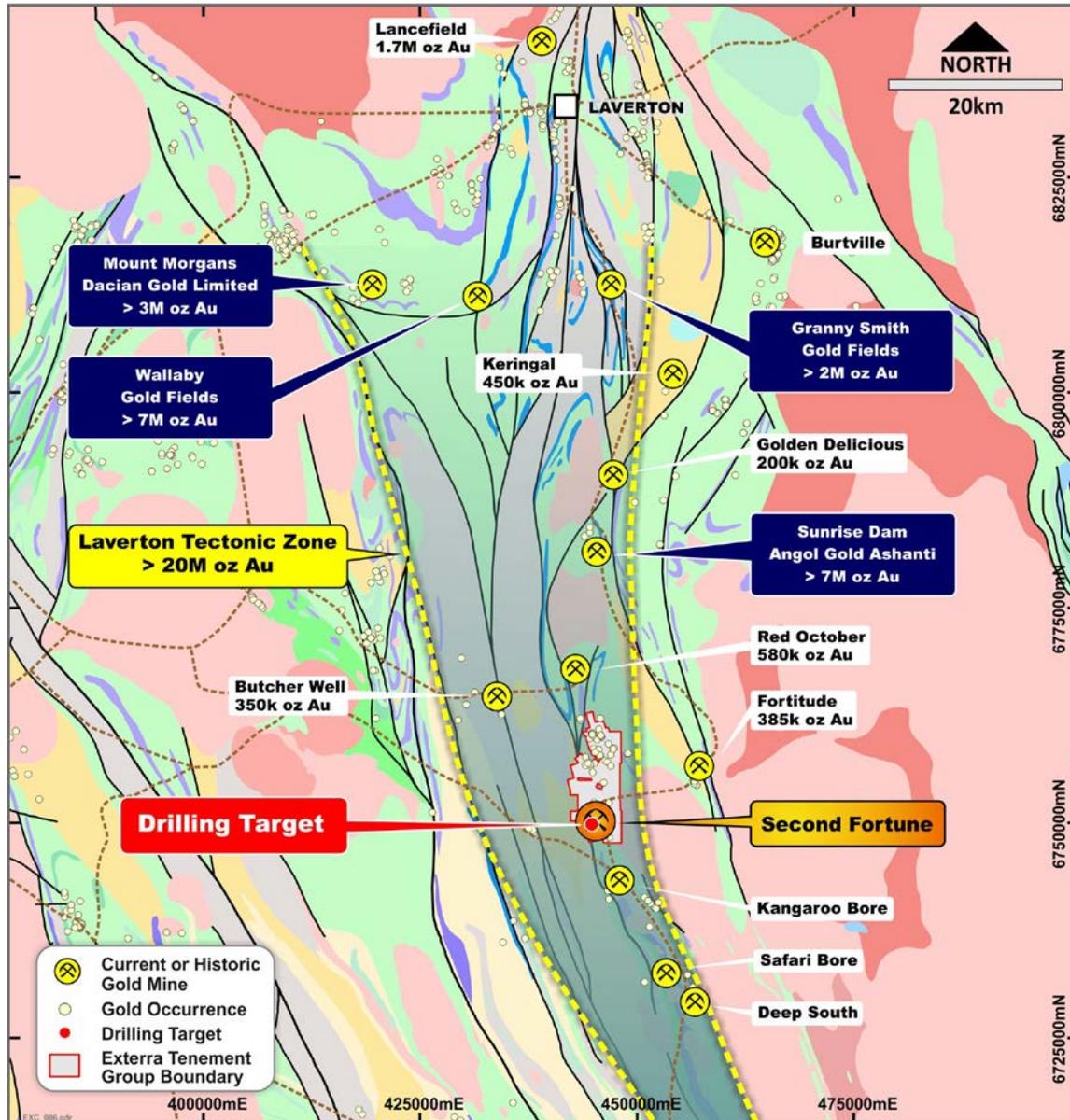


Figure 1: Location of Second Fortune and drilling target within Laverton Tectonic Zone

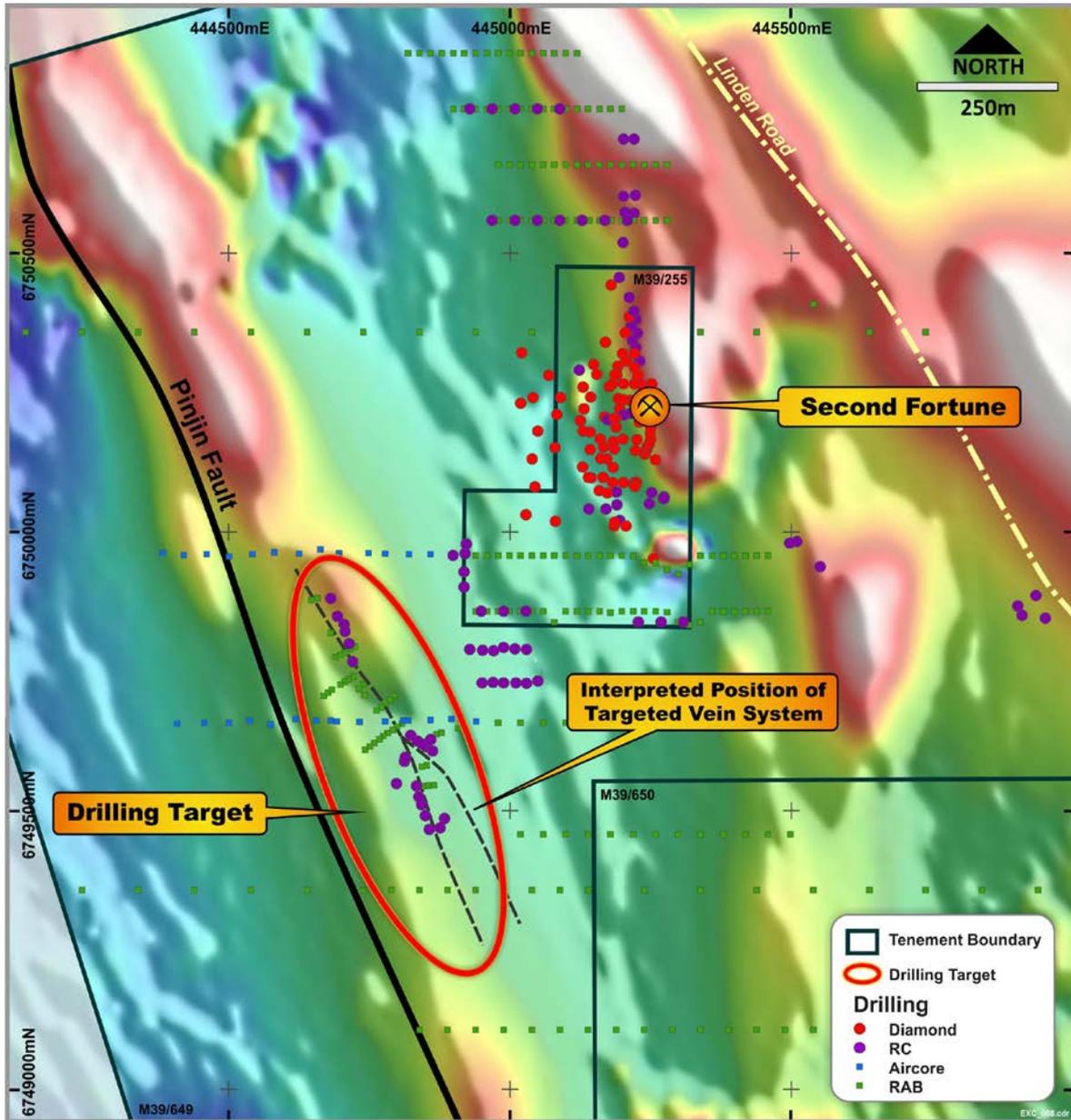
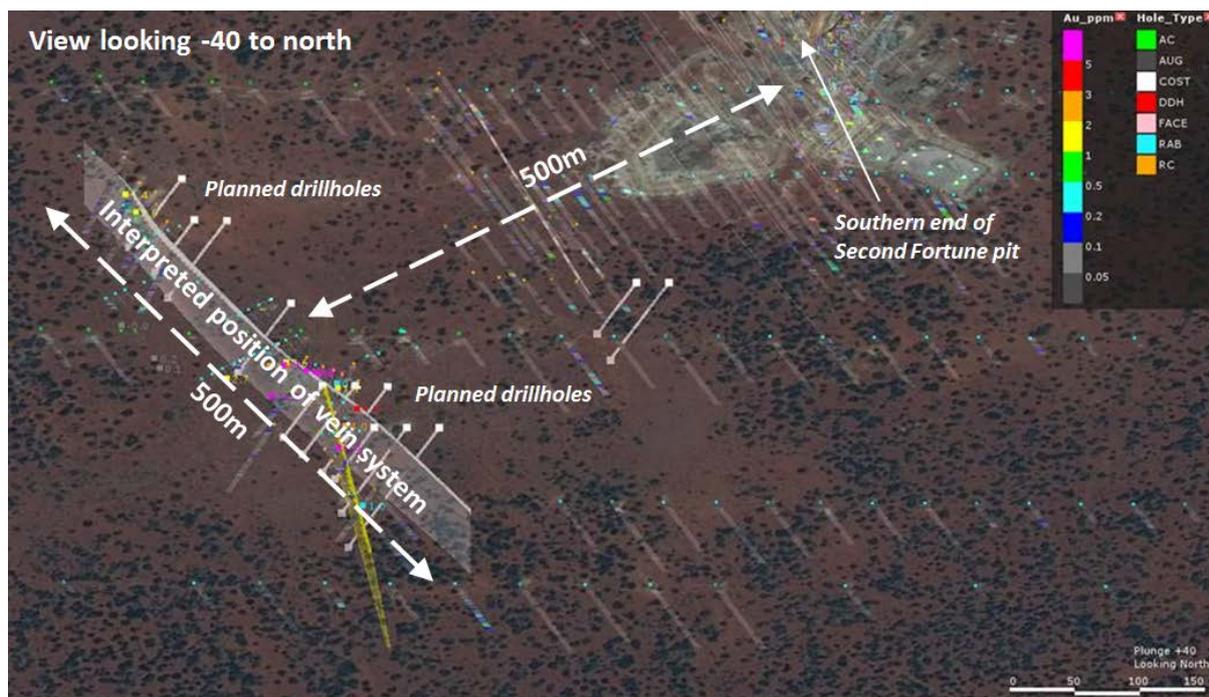


Figure 2: Location of drilling target adjacent to Second Fortune over magnetics



**Figure 3: 3-D schematic diagram illustrating drilling target vein system and proposed holes**

Exterra retains a highly prospective land package in the Second Fortune area with numerous advanced exploration targets and projects at both Zelica and Malcolm. Future cash flows from the Second Fortune mine will provide Exterra the capacity to “self-fund” exploration in the future.

**For further information:**

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**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.