

## SECOND FORTUNE PROJECT DEVELOPMENT UPDATE

January 2017

**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

Exterra Resources Limited (“Exterra” or “the Company”) (ASX:EXC) is pleased to provide an update of development milestones for the Second Fortune Project.

**SUMMARY:**

- **DMP approval of the Project Management Plan (PMP) for underground mining activities.**
- **Completion of cell 1 of the evaporation pond and commissioning of the pit dewatering system.**
- **Completion of the camp and associated infrastructure.**
- **Purchase of the mobile crushing and screening plants and all associated conveyor systems.**
- **Commencement of construction of the ore sorter infrastructure module including air compressor, drier, generator, wash screen and support frame.**

The Project Management Plan (PMP), PM-031-220041, in relation to the Major Expansion/Change to Existing Operations at Second Fortune has been approved by the Department of Mines and Petroleum (DMP). Work continues on finalising details of the mining contract with the preferred tenderer.

Construction of the evaporation ponds for dewatering the pit and underground operation is progressing well. The first of the two ponds is complete and work has commenced on the second pond. Commission of the pit dewatering system has commenced.

Site Surface works are at an advanced stage with the completion of the accommodation camp and associated infrastructure. Old process workings have been removed and remaining sheds, pads etc are being modified for use as mining workshops and laydown areas.

Development of the sorting plant is progressing well. The ore sorter has landed in Perth and all associated equipment such as compressors driers, washing screen etc. have been acquired. The sorting plant is being pre-assembled in Perth and will be shipped to site in February. The mobile crushing and screening units have been acquired and will be shipped to site in late January. The plan remains to assemble the plant on site in February and commission it on existing stockpiles at Second Fortune.



**Figure 1: Evaporation Pond Cell 1**



**Figure 2: Second Fortune Camp**

Exterra Resources 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. Results from the recent drilling campaign at Linden Star will be announced imminently, pending final review of the assay data.

Exterra’s Executive Chairman, John Davis said: “The programme is advancing as planned and we are pleased to be able to accommodate development personnel on site in our own camp. We look forward to assembling the process plant on site and getting access to the dewatered pit.”

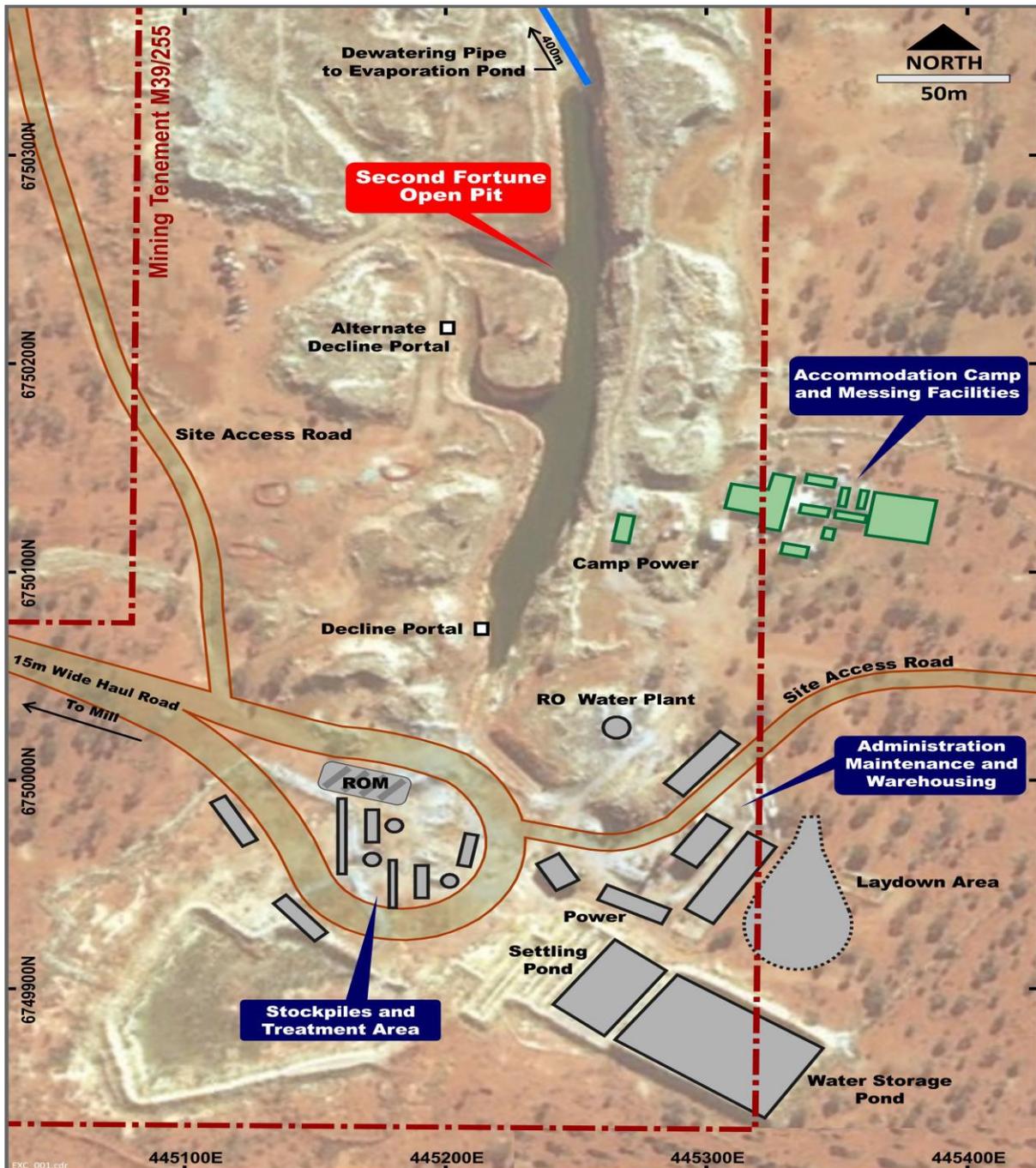


Figure 3: Project Surface Works

**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.