

EXTERRA COMPLETES OVERSUBSCRIBED PLACEMENT

13 October 2016

Exterra Resources Limited ("Exterra") is pleased to advise that it has **raised A\$4.025million at \$0.07 per share.**

The Company is now funded to progress the Second Fortune Gold Mine into production and cashflow.

SUMMARY:

- **Successful placement to existing and new institutional and high net worth investors**
- **Mine development and regional exploration to progress rapidly**
- **Recent near mine drilling has the potential to increase Reserve ounces and further enhance project economics**

EXPLORATION AND DEVELOPMENT STRATEGY

Exterra is a near term gold producer and explorer with a number of high grade gold projects in the Yilgarn region of WA. Exterra has entered into a Management and Services Agreement with the Mitchell River Group (MRG) to develop the Second Fortune Gold Mine at the 100% owned Linden Project in the highly endowed Laverton Tectonic Zone.

The Board resolved to recommence mining operations on 28 September 2016 and project development is moving ahead rapidly. The Project Management Plan for surface infrastructure works, including construction of the evaporation dam, mine dewatering, camp refurbishment and site clean-up has been submitted for approval.

Exterra Resources Limited
ACN 138 222 705

ASX Code: EXC

www.exterraresources.com.au

Issued Capital:

Ordinary Shares: 275.7M
Options: 50.7M

Directors and Management:

John Davis
Executive Chairman

Geoff Laing
Executive Director

Justin Brown
Non-Executive Director

Dennis Wilkins
Company Secretary

Drilling of 13 Reverse Circulation (RC) holes was recently completed to further define strike extensions to the north and south of the Second Fortune Mine Resource. This has the potential to increase the current Reserve and further enhancing project economics. Results will be reported as soon as they become available.

PLACEMENT DETAILS

Taylor Collison was Lead Manager to the placement of the shares which is not subject to shareholder approval and will fall within the Company's placement capacity under ASX Listing Rules.

THIS IS THE ANNOUNCEMENT INTENDED TO LIFT THE HALT IN TRADING OF THE COMPANY'S SECURITIES REQUESTED FROM 11 OCTOBER 2016

For further information:

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Executive Chair
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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 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.