



ORE PROCESSING AGREEMENT SIGNED

18th July 2013

Exterra Resources Limited

ACN 138 222 705

ASX Code: EXC

www.exterraresources.com.au

Issued Capital:

Ordinary Shares:	181.2m
Options:	23.6m
Cash (31 Mar 2013):	\$1.6m

Directors and Management:

John Davis
Managing Director

Justin Brown
Non-Executive Director

Gary Morgan
Non-Executive Director

Peter Cole
Non-Executive Director

Dennis Wilkins
Company Secretary

Gold Ore Processing Agreement signed with Saracen

Exterra Resources Ltd (ASX:EXC) is pleased to announce the signing of a binding Terms Sheet for an initial one-year Ore Processing Agreement with Saracen Mineral Holdings Limited (ASX:SAR). Details will be finalised in a formal agreement executed in due course.

Under the Agreement, Exterra will be responsible for the mining, sampling and haulage of ore from the Second Fortune mine and pay a fixed fee per dry tonne for treatment of the ore at Saracen's Carosue Dam processing plant.

Saracen will pay Exterra for the recoverable metal, based on an agreed grade. The Saracen Carosue Dam plant is located 90km from Exterra's Second Fortune mine via Saracen's existing Red October to Carosue Dam haul road (refer Fig 1). The term of the Agreement can be extended by mutual consent.

The Agreement represents a critical milestone for Exterra as another step towards achieving the stated goal of returning the Second Fortune gold mine at Linden to production.

With certainty achieved in the ore processing arrangements and with the near- completion of all regulatory requirements for project go-ahead, Exterra can now focus on the most appropriate mine development that delivers maximum economic benefit to the Company and shareholders.



Fig 1 Map showing Exterra Linden Project location, Haul Road and Carosue Dam Processing Plant

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, which has JORC Resources of 131,200 ounces at 8.80 g/t Au, is currently the subject of a development study, with all approvals lodged to enable project development of an underground mining operation during 2013/14.

For further information:

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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 consent 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.