Valterra Assays 34% Graphite Head Grade in Metallurgical Grab Sample at Bobcaygeon Property in Southern Ontario

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Oct. 17, 2012) - Valterra Resource Corporation (TSX VENTURE:VQA) (FRANKFURT:3VA) ("Valterra" or the "Company") reports that analytical and optical analyses of a +20kg metallurgical sample from the Bobcaygeon Graphite Property, located in Southern Ontario, returned very high head grades of primarily flake graphite with flakes of up to 3mm in length.

The sample, which was processed by SGS Lakefield, was comprised of float pieces from a shallow backhoe trench and returned a high-grade assay of 34% C(g). The assay compares favourably with earlier reported analyses of 1kg grab and select chip samples from the same trench which returned between 41.9% C(g) and 69.1% C(g) (see NR-06-12).

Microscopic analyses of the sample provided by SGS Lakefield in a draft mineralogy report identified the graphite as primarily flaky and platy particles with size ranges from <0.05mm to 3mm (coarse flake graphite is defined as >80 mesh or 0.177mm) and visually much of the sample appears to be coarse in nature. Photomicrographs provided as part of this report show polycrystalline aggregates and lesser acicular (needle-like) grains making up much of the visible graphite. The complete report with photomicrographs of the sample is available on Valterra's website at www.valterraresource.com.

A 'Rougher Kinetics' flotation test will be conducted as the final stage of the metallurgical work and should provide a quantitative estimate of the sample's flake size distribution and percent recovery.

The metallurgical assay included:

Sample ID	C(t) %	C(g) %	TOC leco %	CO2 %	S %
Graphite	34	34.0	0.13	2.93	0.01

The graphite sample was stage crushed to -6 mesh and split into 2kg test charges for flotation (in progress). Further, head samples for chemical analysis (tabled above) and mineralogical characterization were extracted. Chemical head analysis included chemical characterization for a carbon suite (Ct - total carbon, Cg - total graphite, Corg - total organic carbon, CO2 - carbon dioxide, and S - sulphur).

Cautionary Note: The grab sample was selective by nature and is unlikely to represent average grades of the deposit.

President Fred Sveinson, P.Eng., stated: "Valterra is very pleased with these initial results from the metallurgical testing of the Bobcaygeon Graphite property, which represent a single occurrence within this +70 sq. km property. The head grade of the sample and the preliminary flake size assessment provided by SGS Lakefield suggest a high-grade graphite system not common in Ontario but with some analogy to the vein or 'lump' graphite systems of the Bogala Mine in Sri Lanka, which has been producing for over 160 years. Additionally, the low sulphur content could result in simplified processing and reduced environmental issues in any future production scenario. These are among the first graphite samples collected on the property and future work will determine the project potential through the application of airborne and ground geophysics, further trenching, and ultimately diamond drilling."

SGS Lakefield has been instructed by Valterra to complete the final phase of the metallurgy by conducting a 'Rougher Kinetics' laboratory flotation test on the sample which is expected to provide a quantitative assessment of the flake size distribution and percent recovery. The kinetics test will use a two-stage grinding strategy with the products of each incremental flotation stage evaluated qualitatively under an optical microscope to characterize the quality of the flotation products. The incremental rougher concentrates will be combined into two flotation concentrates and submitted for a size fraction analysis. The two concentrates will

be screened at various mesh sizes and the size fractions and the rougher tails are to be submitted for LOI analysis and C(g) analysis, respectively, to generate a mass balance. Further the rougher concentrates and the rougher tails will be subjected to a whole rock analysis by ICP.

Valterra's exploration was conducted in the vicinity of Bass Lake near the City of Peterborough which is approximately 1.5 hours' drive north of Toronto and is close to transport, power, and numerous services. Based on the favourable results returned to date, Valterra has also staked over 2,000 additional hectares and now controls more than 70 square kilometres. The property package is well located on the border of the Precambrian Grenville Province and the Paleozoic Lowlands forming a prospective locale for potential graphitic deposits. The graphite vein occurrence is within calcitic marbles sitting west of a syenitic amphibolite unit and the contact is traceable for up to 10-12 kilometres.

Near-term Graphite Exploration Proposal

In 2012-13, Valterra proposes to conduct an airborne geophysical program on the property in order to detect conductive zones and bodies which may be associated with graphite. Cost quote estimates have been received from several geophysical contract firms and upon completion of the kinetics testing the Company expects to be in a position to implement the survey. Contingent on the airborne results, surface geophysics, trenching, sampling, and diamond drilling are also proposed.

About Graphite

Graphite is a naturally occurring form of carbon with wide-ranging and unique physical properties. Graphite is used in the development of graphene, which when developed industrially, will be a replacement for several expensive electronic components such as silicon semi-conductors. There are three primary graphite occurrences naturally - vein, flake, and amorphous where the highest quality product can sell for over $2,000 per tonne. In pricing graphite, the flake size is a key factor with the large flake (>.177mm) ores commanding the highest prices in markets dominated by multi-national eco-automobile manufacturers, high-tech industries and nuclear energy companies. Recent pricing and demand increases have spurred numerous exploration and investment opportunities in the graphite market. The Province of Ontario is an excellent locale to explore owing to superior geology, geoscience knowledge, infrastructure, political stability and tax incentives. Several projects are advancing in the graphite field including Northern Graphite Corporation, Zenyatta Ventures Inc. and Ontario Graphite Ltd.

About Valterra Resource Corporation

Valterra is a Manex Resource Group Company. The group provides expertise in exploration, administration, and corporate development services for Valterra's mineral properties located in British Columbia and Ontario. Valterra is focussed on early stage properties with the potential to host large deposits, in regions with excellent infrastructure. Over the last several years, Valterra has acquired and is exploring several key projects including "Star-Toughnut", "Swift Katie" and "Bobcaygeon" which are located near roads, rail, power, and resource communities in Canada.

Brian McGrath, P.Geo., is the Qualified Person responsible for reviewing the technical information presented in this release.

On behalf of the Board of Directors,

Frederick Sveinson
President, Valterra Resource Corporation

For further information, please visit Valterra's website at www.valterraresource.com.

This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general economic conditions, interest rates, commodity

markets, regulatory and governmental approvals for Valterra Resource Corporation's projects, and the availability of financing for Valterra Resource Corporation's development projects on reasonable terms. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, the timing and receipt of government and regulatory approvals, and continued availability of capital and financing and general economic, market or business conditions. Valterra Resource Corporation does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

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