

- **BILBAO FEASIBILITY UPDATE – Process & Flow Sheet Identified for Oxide Mineralization**

Toronto, November 3, 2009, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”), reports interim results of ongoing Metallurgical Studies forming part of the Phase One Feasibility Study at its 100% owned Bilbao silver-lead-zinc deposit in Zacatecas, Mexico.

Test work to date has defined a process and flow sheet for the oxide portion of the Bilbao resource that can now be optimized for commercial application. Previous studies indicate that the primary sulphide mineralization which lies beneath the oxides, responds favourably to conventional flotation concentration with anticipated metal recoveries of approximately 90% zinc, 87% lead, 88% silver and 66% gold.

The process flow sheet for the oxide mineralization will comprise primary and secondary crushing and grinding to 80% minus 200 mesh. Pre-concentration, using a high intensity magnetic concentration (HIMC), results in the elimination of approximately 40-50% of material from further downstream processing. After the HIMC process, sulphuric acid leaching is followed by lead flotation and cyanide leaching to recover gold and silver.

The acid liquor from the zinc and copper leaching step is treated to remove the copper and recover it as cement. The resultant low-copper liquor is then processed by solvent extraction to obtain a solution high in zinc concentration from which either electrowinning recovers zinc metal of high purity or precipitation followed by calcination to recover zinc as zinc oxide.

The solids from the zinc-copper acid leach are repulped, adjusted for pH and passed through the lead flotation circuit. After flotation, the pH of the tailings is adjusted for silver and gold leaching using cyanide.

The flow sheet design exhibits a number of advantages which impact directly on operating and capital costs. Acid consumption represents one-third of that required without the HIMC process. Transportation and smelting costs are reduced as lead concentrate is the only product requiring smelting and it will contain only lead. All of the other contained metals are recovered as direct metal product or doré. Savings in capital cost result from a 40-50% reduction in the size capacity of downstream processing equipment. The 40-50% reject from the HIMC process contains 35% iron and may also be a marketable product to the cement industry.

The preliminary results suggest good metal recoveries from the oxide mineralization. It is expected that additional optimization, which is currently in progress, will substantially improve recoveries. A final metallurgical report is expected by mid-December 2009 in conjunction with the completion of the Phase One Feasibility Study which will also cover the process methodology for transition and sulphide mineralization.

Commenting on the Bilbao Interim Metallurgical Test Results, Xtierra’s President & CEO, Terence McKillen said, *“The test results are extremely positive and indicate that we should have a practical solution to the processing and recovery for the oxide mineralization which represents approximately 40% of the current resource at Bilbao. More importantly, it allows us to focus on open pit mining methods for developing essentially all of the Bilbao deposit, including oxide and sulphide resources, with resulting economies of scale. A decision on a seamless transition into the second and final phase of the Bilbao Feasibility Study will be made early in the New Year.”*

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Gerald Gauthier, P.Eng., the Chief Operating Officer of the Corporation and a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

About Xtierra Inc.

Xtierra Inc. is a Toronto based exploration and development company listed on the TSX Venture Exchange. Xtierra's shares trade under the symbol "XAG". Xtierra has 49,862,003 shares issued and outstanding. Xtierra has recently commenced a first phase feasibility study on its 100% owned Bilbao silver-zinc-copper project in Zacatecas, Mexico. Xtierra's objective is to become a mid-tier producer of silver and base metals through the development of its Bilbao and Laguna projects, both located in the Central Mexican Silver Belt in the State of Zacatecas, as well as through organic growth and M & A opportunities.

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