

## XTIERRA FIRST QUARTER UPDATE

**Toronto, Ontario, May 29, 2018, Xtierra Inc. (TSXV: XAG) (“Xtierra” or the “Company”)** provides a recap and update on its Bilbao zinc-silver-lead-copper project located approximately 500km northwest of Mexico City in the southeastern part of the State of Zacatecas. and to report its interim financial results for the three-month period ended March 31, 2018.

*This news release should be read in conjunction with the Company’s unaudited financial statements and the associated management’s discussion and analysis (MD&A) for the first quarter ended March 31, 2018 which are available on the Company’s website at [www.xtierra.ca](http://www.xtierra.ca) or under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).*

### Overview

On February 14, 2018, Xtierra partially settled the secured debt due to shareholders and successfully restructured the balance of the debt due to shareholders through agreements which stabilized and significantly improved Xtierra’s financial position.

The debt due to Pacific Road Funds was discharged in full by the issuance of shares, while the debt due to Buchans Resources Limited is deferred for two years, interest free, but with put and call provisions whereby Xtierra can repay the debt in cash at any time, or in kind at maturity. In addition, Pacific Roads’ control block of shares was distributed to other and new shareholders.

The settlement of outstanding secured debt with Xtierra’s former major shareholder, combined with a two-year support and standstill agreement with Buchans for the balance of secured debt, was a major step forward towards enhancing both the financeability of the Company and the flexibility to formulate a new strategy and pursue new opportunities, including mineral exploration and development projects, and the acquisition of mineral and other royalties.

Xtierra has begun the process of developing a strategy for realizing some value on the Bilbao and its other Mexican projects in the context of the current resource cycle, as well as identifying new potential royalty acquisitions.

### Bilbao Silver-Zinc-Lead-Copper Project

Xtierra, through its Mexican subsidiaries, currently holds a 100% interest in the Bilbao zinc-silver-lead-copper project located approximately 500km northwest of Mexico City in the southeastern part of the State of Zacatecas, Bilbao is a polymetallic, replacement-style, silver-lead-zinc-copper, skarn-type replacement sulphide deposit with a deeply weathered oxide cap.

Following six separate drill campaigns, including geological and geophysical exploration phases, various metallurgical, environmental and other related studies were carried out and Runge Pincock Minarco (Canada) Limited (RPM) delivered an independent Technical Report in accordance with NI 43-101 containing an updated resource estimate and preliminary economic assessment (PEA) on the Bilbao Project, dated April 28, 2014.

In 2016, the Company focused its field exploration activities on the identification of additional resource potential at ten (10) favorable target sites on the wider Bilbao property. Activities carried out included ground magnetometer and associated topographic surveys aimed at further identification and location of potential drill targets outside the immediate limits of the existing Bilbao deposit. In addition, petrographic, structural, lithological, and lithogeochemical studies were carried out on both sulphide, and oxide zone mineralization to further enhance information presented in the 2014 PEA. The results confirmed there is potential for additional vein and skarn-type potential mineralization on the property.

In 2017, emphasis was given to interpretation of magnetometer survey results, in addition to examination of previous metallurgical studies and the identification of potential solutions to increase viable tonnage and improve metal recovery at the deposit.

## Results of Operations

The Company recorded no revenue for the periods ended March 31, 2018 or March 31, 2017.

For the three-month period ended March 31, 2018, the Company recorded a loss of \$716,954 (\$0.006 per share). The main components of which were non-cash items including; warrants valuation of \$310,440, share-based payment (stock options) expense of \$302,480 and accretion on other liability obligation of \$60,000.

The partial settlement of outstanding secured debt with Xtierra's former major shareholder, combined with a two-year support and standstill agreement with Buchans for the balance of secured debt, represented a significant improvement in Xtierra's financial position.

The Company has taken steps to reduce administrative and property holding costs to maintain its properties and has curtailed all other expenditures, while examining strategic alternatives for restructuring its balance sheet and raising additional financing to secure its continuation as a going concern.

Current liabilities at March 31, 2018 amounted to \$39,784, excluding \$1,904,000 liability payment of a subsidiary that may mature in August 2018. See Note 8 to the condensed interim financial statements for the three-month period ended March 31, 2018.

Under the Support Agreement with Buchans Resources Limited, Buchans has the option at any time, upon 60 days written notice, to require the transfer to Buchans of the Secured Property (shares of Orca Minerals Limited, which indirectly holds Xtierra's mineral properties in Mexico) in full satisfaction of the outstanding secured notes, including accrued interest, unless during that 60-day period the notes are repaid in full, in cash. Upon expiry of the two-year term of the Support Agreement, Xtierra has the right to discharge the notes, including accrued interest, in full, by transferring the Secured Property (shares of Orca Minerals Limited) to Buchans.

The payment by Xtierra required to repay the notes, including accrued interest and discharge the debt, as contemplated in the Support and Standstill Agreement, is anticipated to be approximately \$800,000.

The continuing operations of the Company in the short term are dependent upon continued support from its major shareholder to continue as a going concern. Additional funding will be required in the medium term for further exploration and/or new initiatives.

\* \*  
\* \*  
\* \*

## About Xtierra Inc.

Xtierra is a natural resource company with precious and base metal deposits on its mineral properties located in the Central Silver Belt of Mexico in the State of Zacatecas.

For further information contact Xtierra Inc. at [info@xtierra.ca](mailto:info@xtierra.ca)

John F. Kearney Chairman (416) 362-6686	Tim Gallagher President & Director (416) 925-0090
---	---