

XTIERRA REPORTS SECOND QUARTER RESULTS

Toronto, Ontario, August 29, 2019: Xtierra Inc. (TSXV: XAG) (“Xtierra” or the “Company”) reports its results for the six months ended June 30, 2019.

This news release should be read in conjunction with the Company’s unaudited interim financial statements and the associated management’s discussion and analysis (MD&A) for the six months ended June 30, 2019 which are available on the Company’s website at www.xtierra.ca or under the Company’s profile on SEDAR (www.sedar.com).

Company Overview

Xtierra is a natural resource company which holds mineral exploration properties located in the Central Silver Belt of Mexico in the State of Zacatecas and is also pursuing new opportunities, including mineral exploration and development projects, and the potential acquisition of mineral and other royalties.

Xtierra is developing a strategy for realizing some value on its Bilbao and other Mexican projects in the context of the current resource cycle, as well as identifying and evaluating new potential royalty acquisitions. During 2018 and to date, the Company has examined a number of possible new opportunities.

On April 24, 2019, the Company completed a private placement through the issuance of 4,000,000 common shares at Cdn\$0.05, for proceeds of Cdn\$200,000. Proceeds are being used for general corporate purposes, maintaining the existing projects and the pursuit of cash flowing royalty opportunities. Additional funding will be required in the medium term for further exploration and/or new initiatives.

On July 31, 2019, the Company acquired the 1.5% net smelter royalty, beneficially held by four individuals, on its Bilbao project for Cdn\$100,000, paid as to Cdn\$50,000 in cash and Cdn\$50,000 by the issue of 1,000,000 common shares.

On August 13, 2019, the Company signed a non-binding exclusive letter of intent to acquire 97.99% of Minera Portree De Zacatecas, S.A. de C.V principally for its holding of a 2% net smelter royalty on 6 claims on and adjacent to the Cozamin mine operated by Capstone Mining Corp. (TSX:CS), located just outside of the city of Zacatecas. Xtierra paid to the holder of the 97.99% interest, a non-refundable deposit of US\$10,000 for exclusivity and not initiating or soliciting new expressions of interest or proposals from third parties for a period of 90 days. The parties have undertaken to work together to establish a fair value to be settled through cash and the issue of common shares in Xtierra, subject to TSXV approval, legal documentation and registration with the Mexican Ministry of Mines. The deposit is to be deducted from the purchase price once principal terms, including the acquisition price, are determined following a complete due diligence review.

Results of Operations (USD)

Xtierra recorded no revenue for the six-month periods ended June 30, 2019 or June 30, 2018. For the six-month period ended June 30, 2019, the Company recorded a loss of \$54,612 (\$0.000 per share) compared to a loss of \$827,177 (\$0.007 per share) for the six month period June 30, 2018. The main components of the 2018 loss were non-cash items including, warrants valuation of \$310,440, share-based payment (stock options) expense of \$302,480 and accretion on other liability of \$156,000; and exploration expense of \$26,630.

Bilbao Silver, Lead, Zinc Property - Mexico

Xtierra, through its Mexican subsidiaries, currently holds a 100% interest, subject to a 1.5% net smelter royalty, in the Bilbao silver-lead-zinc-copper project located approximately 500km northwest of Mexico City in the southeastern part of the State of Zacatecas, on which it has invested a cumulative total of \$22.7 million at June 30, 2019.

Bilbao is a polymetallic, replacement-style, silver-lead-zinc-copper, skarn-type replacement sulphide deposit with a deeply weathered oxide cap. In April 2014, Runge Pincock Minarco (Canada) Limited delivered an independent Technical Report in accordance with NI43-101 containing an updated resource estimate and Preliminary Economic Assessment (PEA) on the Bilbao project. The mine plan incorporated in the PEA targets the extraction of the sulphide zone only based on a production rate of 2,000 tonnes per day, or 720,000 tonnes per year with an average grade of 2.1%, 1.4% and 63.96 g/t of zinc, lead and silver, respectively, over a mine life of approximately 8 years. In late 2014, the Company conducted a desktop analysis of an alternative development scenario of extracting only the high grade portion of the Bilbao resources and milling of the ore mined from Bilbao at an existing mill with a reasonable trucking distance.

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 and is also pursuing new opportunities, including mineral exploration and development projects, and the potential acquisition of mineral and other royalties.

For further information contact Xtierra Inc. at info@xtierra.ca

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