

Xtierra issues 1,000,000 shares to Mackie Research Capital Corporation for services relating to the Strategic Review of the Bilbao silver-zinc-lead project

TORONTO, Ontario, January 22, 2015 – Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”) announced on July 28, 2014 that it engaged Jennings Capital Inc. as financial advisor and initiated a strategic review to consider alternatives in relation to its Bilbao silver-zinc-lead project (the “Bilbao Project”) in Zacatecas, Mexico.

Further to such engagement, Xtierra has issued 1,000,000 shares at a deemed issue price \$0.05 per share, total \$50,000, to Mackie Research Capital Corporation (formerly Jennings Capital Inc.) in part payment for services rendered to December 31, 2014.

The Bilbao Project is a polymetallic silver-zinc-lead-copper deposit located in the southeastern part of the State of Zacatecas.

Xtierra’s focus is to maximize the value of its Bilbao project. In July 2014, the Company initiated a strategic review to consider alternatives in relation to Bilbao and retained Mackie Research Capital Corporation (previously Jennings Capital Inc.) to assist in the strategic review process. Strategic alternatives include, but are not limited to, financial structures for the development of the Bilbao Project, the sale of all or a portion of the Company’s interest in the Bilbao project or a corporate transaction.

In April 2014 RungePincockMinarco (Canada) Limited (“RPM”) delivered an independent Technical Report in accordance with NI 43-101 containing an updated resource estimate and preliminary economic assessment on the Bilbao Project.

[Technical Report entitled “*Preliminary Economic Assessment of the Bilbao Silver-Lead-Zinc Project, 720,000 Tonnes per year Processing Plant, District of Panfilo-Natera, Zacatecas State, Mexico*” filed on SEDAR on April 28, 2014.]

The Zn/Pb/Ag/Cu resource estimation of the Bilbao deposit prepared by RPM and reported in April 2014 at 3% Zn equivalent cut-off, excluding approximately 1 million tonnes of previously mined out ore, are shown in the following tables:

Indicated Resource

Mineralization Type	Zn equiv. (%)	Tonnes	Zn %	Pb %	Ag (ppm)	Cu %
Oxide	6.69	791,082	1.73	2.53	39	0.18
Mixed	7.93	778,336	2.52	2.48	51	0.21
Sulphide	7.56	4,555,809	2.38	1.57	72	0.18
Total	7.50	6,125,227	2.31	1.81	65	0.19

Inferred Resource

Mineralization Type	Zn equiv. (%)	Tonnes	Zn %	Pb %	Ag (ppm)	Cu %
Oxide	6.38	3,069,852	1.69	2.23	42	0.16
Mixed	4.43	238,923	0.59	1.13	55	0.11
Sulphide	4.31	1,201,032	0.67	0.77	60	0.11
Total	5.73	4,509,537	1.36	1.78	47	0.15

RPM used three year trailing average prices of US\$0.94 lb/Zn, US\$1.01 lb/Pb, and US\$30.24 oz/Ag for purposes of determining cutoff grades and Zn equivalent ("Zn equiv.") values. Metallurgical recoveries were applied in the equivalent equation as 76.7%, 90.6% and 73.4% for Zn, Pb, and Ag, respectively. The Zn equiv. equation used is as follows: Zn equiv. = Zn + 0.969*Pb + 0.09947*Ag.

RPM made numerous recommendations throughout the PEA identifying various opportunities to increase the mineable portion of the resource and reduce operating costs through additional exploration and engineering, improving the overall economics of the Bilbao project. RPM recommendations include:

- Additional definition drilling targeted at the Bilbao transition and sulphide zones could lead to re-classification of inferred resources to indicated resources, potentially adding to the total mineable portion of the indicated resource;
- Exploration drilling at the Bilbao 2 area, approximately 1.5 km south of Bilbao, has potential to offer additional mineral resources to the project due to the fact that current trenching, sampling and resulting soil geochemistry information identifies similarities between the two areas. An additional source of feed to the designed plant could lengthen the overall life of the mine, increase the daily production rate, or result in a combination of the two, improving the NPV and IRR of the project.

RPM noted that the Bilbao deposit contains a reasonable quantity of mineral resources between the oxide, transition, and sulphide mineral zones; however, the lack of metallurgical test data available for the transition zone and identified recovery challenges for the oxide zone currently limit the scope of the PEA to the total mineable portion of the sulphide resources.

Further metallurgical test work on the oxide ore to optimize economic metal recoveries, including the recovery of lead by means of gravity separation, has shown some promise and further metallurgical test-work on the oxide ore should be undertaken.

As part of a future Bilbao development plan, the Company would continue exploration work in and around the Bilbao deposit area, as well as in other mineral claims it holds within the immediate Panfilo Natera Mining District in the search for Bilbao-type mineralization.

The potential to identify additional mineralized bodies at the Bilbao property is believed to be excellent. The occurrence of stacked lenses of mineralization in sediments close to the contact of the La Blanca granodiorite suggests that similar bodies may also occur along that contact elsewhere on the Company's property or district-wide in a similar geological context.

Qualified Person

Scientific and technical information disclosed in this press release was prepared by or under the supervision of and approved by Gerald J. Gauthier, P.Eng., the President and Chief Operating Officer of the Company and a 'qualified person' within the meaning of NI 43-101.

About Xtierra Inc

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

The Central Mexican Mineral Belt is a prolific mineralized belt that has historically generated the bulk of Mexico's silver production from the early colonial period to the present day and hosts many world class precious and base metal deposits.

Xtierra has taken steps to control costs in order to maintain its Bilbao properties and has curtailed all other expenditures, other than minimal corporate administration costs, while examining strategic alternatives for advancing the Bilbao Project.

The continuing operations of the Company are dependent upon its ability to raise adequate financing and additional funding will be required for working capital, optimisation and feasibility studies, further exploration and for financing in the longer term to develop the Bilbao project.

There are no assurances that the process will result in a transaction or, if a transaction is undertaken, as to the commercial terms or timing of such a transaction.

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