
XTIERRA REPORTS 2019 RESULTS

Acquires Controlling Interest in Mexican Explorer Minera Portree De Zacatecas

Extends Support Agreement With Issue of 13 Million Warrants

Toronto, Ontario, April 30, 2020: Xtierra Inc. (TSXV: XAG) (“Xtierra” or the “Company”) reports its results for the year ended December 31, 2019.

This news release should be read in conjunction with the Company’s audited financial statements and the associated management’s discussion and analysis (MD&A) for the year ended December 31, 2019 which are available on the Company’s website at www.xtierra.ca or under the Company’s profile on SEDAR (www.sedar.com). Amounts are stated in US dollars unless otherwise stated.

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 pursuing 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.

Xtierra, through its Mexican subsidiaries, currently holds a 100% interest in the Bilbao zinc-silver-lead-copper project, in the southeastern part of the State of Zacatecas, on which an independent Technical Report in accordance with NI 43-101 containing an updated resource estimate and preliminary economic assessment (PEA) was completed in 2014. The Company maintains the Bilbao property in good standing while at the same time examining strategic alternatives for further exploring and /or development of the property.

Mineral Royalty Interests

On July 31, 2019, the Company acquired, indirectly through a wholly owned subsidiary, a 1.5% net smelter royalty and all legal interests of the vendors and Minera Portree de Zacatecas, S.A. de C.V in the four mining concessions comprising the bulk of the Bilbao property, previously held by four individuals, for \$76,829 (Cdn\$100,000), paid as to Cdn\$51,000 in cash and Cdn\$49,000 by the issue of 980,000 common shares of the Company.

On August 13, 2019, the Company signed a letter of intent, to acquire Minera Portree De Zacatecas, S.A. de C.V (“Minera Portree”), subject to due diligence and final agreement on price, terms and conditions. Subsequent to December 31, 2019, the Company entered into an agreement to acquire 88% of the shares of Minera Portree in consideration of the payment of Cdn\$56,000, less the deposit of \$20,000 previously paid, with the remaining Cdn\$30,000 payable in installments subject to certain milestones, and the issue to the vendors of 2,000,000 shares of the Company, subject to TSXV approval.

Minera Portree holds various legal or royalty interests in certain mineral properties in Mexico, including the Company’s Bilbao property and an asserted claim to a 2% net smelter royalty on six mining concessions located adjacent to the Cozamin Mine in Zacatecas operated by Capstone Mining Corp. (TSX:CS), five of which were acquired by Capstone from a third party in 2017 and 2019. The third-party had acquired the six mining concessions from Minera Portree in 2002, subject to a 2% net smelter royalty retained by Minera Portree. The entitlement of Minera Portree to the royalty may be contested by the third party and/or Capstone.

The Cozamin Mine is an operating polymetallic copper-silver underground mine, located 3.6 km north-northwest of Zacatecas City, with a 3,990 tonne per day milling capacity, which is expected to increase its production to 50 to 55 million pounds of copper and 1.4 to 1.5 million ounces of silver starting in early 2021, upon completion of the underground debottlenecking development project. The current mine plans maintain the Cozamin Mine operations life to 2024.

Based on public disclosure, Capstone reported that during the third quarter of 2019 Cozamin acquired the Portree claim block that laid within the Mala Noche Footwall Zone area. The claim block is surrounded by high grade Inferred Mineral Resources and provides access to continuously infill drill and eventually mine the Portree area.

During the fourth quarter of 2019, Cozamin started drilling into the Portree claim block. Prior to this, Portree was an untested inlier within Cozamin's land position covering the Mala Noche Footwall Zone area. Portree is surrounded by high grade Inferred Mineral Resources that future drilling is expected to increase to Indicated categorization. Capstone has reported that mining has already started within the Portree claim.

In the first quarter of 2020 Capstone reported that drilling of the Mala Noche Footwall Zone, associated with infilling or stepping out from regions of Inferred Mineral Resource category of the Mineral Resource estimate, was undertaken with 5 surface and 1 underground diamond drilling rigs. The drill program is aiming to upgrade Inferred Mineral Resources to the Indicated category to maximize subsequent conversion to Mineral Reserves in support of a doubling of mine life.

Support Extension Agreement

On February 14, 2018, the Company entered into a two-year Support and Standstill Agreement ("Support Agreement") with Buchans Resources Limited to defer repayment of principal and accrued interest, and also to provide additional financial support of up to US\$100,000. During the years ended December 31, 2018 and 2019, Buchans advanced \$75,000 and \$30,000, respectively, to Xtierra under the terms of the Support Agreement. At December 31, 2019 \$800,000 was due to Buchans.

By an Extension Agreement dated as of February 7, 2020, the term of the Support Agreement was extended for an additional one year expiring February 7, 2021, in consideration of the issue to Buchans of 13 million, non-transferable warrants, subject to TSXV approval, each warrant entitling Buchans to purchase one common share of Xtierra for \$0.05 per share for a term of two years.

Results of Operations

The Company recorded no revenue for the years ended December 31, 2019 or December 31, 2018.

For the year ended December 31, 2019, the Company recorded a loss of \$167,667 (\$0.001 per share). The main component being exploration expense of \$104,508, which included \$76,829 investment on the acquisition of the 1.5% royalty on the Bilbao property which was expensed to exploration and evaluation costs as incurred as the carrying value of the Bilbao had been impaired in earlier accounting periods.

For the year ended December 31, 2018, the Company recorded a loss of \$882,166 (\$0.007 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 of \$156,000; and exploration expense of \$54,719.

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