

Xtierra Inc.: US\$500,000 Short Term Financing

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TORONTO, ONTARIO--(Marketwired - Jan 7, 2014) - **Xtierra Inc. (TSX VENTURE:XAG) ("Xtierra" or the "Company")** announces that its two principal shareholders have agreed to provide US\$500,000 of short term financing.

Each of the Pacific Road Resource Funds ("PRRF") and [Minco Plc \("Minco"\)](#) will purchase US\$250,000 principal amount of 5% notes due March 31, 2013 (the "**Notes**"). The Notes will rank senior to PRRF's existing US\$1.25 million convertible notes owed by Xtierra's wholly-owned subsidiary, Orca Minerals Limited (the "**Existing Notes**") which are indirectly convertible into common shares of the Company.

Proceeds from the placement will be used to complete the Company's ongoing economic study of its Bilbao project in Zacatecas, Mexico and for working capital and general corporate expenses for 2014. To save costs, the Company intends to curtail all other expenditures while examining strategic alternatives for advancing the Bilbao project.

PRRF currently holds, collectively, approximately 35.3 million common shares (34.15% of Xtierra's issued and outstanding common shares) divided among two Australian based and one Belgium based private equity resource funds holding approximately 3.5 million shares (3.39%), 3.5 million shares (3.39%) and 28.3 million shares (27.37%), respectively. Minco currently holds approximately 30.0 million shares amounting to approximately 29.01% of the issued and outstanding common shares of Xtierra. PRRF also holds Existing Notes and if they exercise their rights to convert the principal and interest payments owing pursuant to such Existing Notes into common shares of Xtierra, PRRF would increase its collective holdings to approximately 48.4 million shares (41.56%).

Completion of this financing is scheduled to take place on January 10, 2014.

Related Party Transaction

Based upon their respective holdings of Xtierra shares detailed above, PRRF and Minco are related parties to Xtierra and accordingly this financing is subject to the rules contained in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators ("MI 61-101") and Policy 5.9 of the TSX Venture Exchange.

The issue of the Notes was considered and approved by the Board of Directors of Xtierra, three of the five members of which are neither officers nor employees of Xtierra. Mr. John Kearney, a director of Xtierra and Chief Executive of Minco and Mr. Lee Graber, a director of Xtierra who is engaged by Pacific Road Capital Management Pty. Ltd. (an adviser to PRRF) declared their respective interests in the transaction and neither voted on nor influenced the Board's deliberations concerning the financing.

As the value of the financing is less than 25% of its current \$11,376,848 market capitalization, Xtierra does not intend to complete a formal valuation in accordance with section 5.4 of MI 61-101 based upon Xtierra's reliance on the exemption contained in subsection 5.5(a) of MI 61-101. Minority shareholder approval of the placement will not be sought based upon the exemption contained in subsection 5.7(a) which is applicable in these circumstances. No new control person or insider (as those terms are defined in the policies of the TSX Venture Exchange) will be created as a result of this financing.

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 103,425,892 shares issued and outstanding.

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.

ON BEHALF OF THE BOARD OF DIRECTORS OF XTIERRA INC.

Gerald Gauthier, President and COO

Cautionary Notes:

This press release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this release.

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