

Xtierra Inc. Reports 2020 Results

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Buchans Exercises 13 Million Share Purchase Warrants

Reduction of Debt

Toronto, April 30, 2021 - [Xtierra Inc.](#) (TSXV: XAG) ("Xtierra" or the "Company") reports its results for the year ended December 31, 2020.

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, 2020 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.

On August 27, 2020, Xtierra announced its intention to re-assess the Bilbao deposit based on the recent rise in silver prices which have approached the level estimated in the PEA which combined with the 2010-2013 drill results which outlined the potential to expand tonnage through the unexplored high grade vein systems.

In late 2020 Xtierra commenced a drilling program to further explore the high grade silver potential at Bilbao in 2 areas. After receiving its drilling permit on the area located adjacent to and west of the main Bilbao Silver-Lead-Zinc deposit, called the Victor vein, Xtierra drilled 5 holes over the December to February period for a total of 1800 meters. This high grade silver zone runs north-south over a strike length of approximately 500 meters. The objective of drilling into this silver zone was to confirm the continuity of the high grade silver values to the northwest between historical drill holes X42 and X100 to the south which are separated by 500 meters.

Overall, the drill results on the five holes on the Victor vein demonstrated both consistency and continuity of the mineralization which should add to the economics of the Bilbao deposit. Furthermore, the results extend the thesis that the surrounding veins are a completely different mineralization than the skarn in the main Bilbao deposit and therefore there is believed to be considerable unexplored potential.

On April 22, 2020, the Company entered into an agreement to acquire 88% of the shares of Minera Portree

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.

Exercise of Share Purchase Warrants

On April 27, 2021, Buchans Resources Limited ("Buchans") exercised its share purchase warrants and acquired 13,000,000 shares of Xtierra for a consideration of CDN\$650,000. On the same date, Xtierra reduced its debt due to Buchans by the payment of \$600,000.

Support Extension Agreement

By a Second Extension Amendment Agreement dated April 27, 2021, the Support Agreement between Buchans and the Company was further amended to provide that interest on the remaining balance of the notes due to Buchans in the amount of \$196,000 will resume to accrue at the rate of 5% per annum effective May 1, 2021 until paid, and the Term was extended for a further period to April 30, 2023.

Grant of Share Purchase Warrants

In connection with the Second Extension Agreement whereby the term of the remaining debt was extended to April 30, 2023, Xtierra has agreed to issue to Buchans, subject to TSXV approval, 5 million share purchase warrants with each warrant entitling Buchans to purchase one common share of Xtierra at a price of CDN\$0.10 per share for a term of two years until April 30, 2023.

Results of Operations

The Company recorded no revenue for the year ended December 31, 2020 or 2019.

For the year ended December 31, 2020, the Company recorded a loss of \$563,338 (\$0.004 per share), which included warrants valuation expense of \$186,492, share-based payment expense of \$127,671 and exploration expenditures of \$129,566.

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.

During June and July 2020, the Company raised Cdn\$1,000,000 through the issue of 20,000,000 new shares.

At December 31, 2020, the Company had cash of \$523,651 to settle current liabilities of \$143,168, excluding \$796,477 due to Buchans and \$2,000,000 contingent liability of a subsidiary. See Notes 8 and 10 to the Consolidated Financial Statements for the year ended December 31, 2020.

The book value of total assets at December 31, 2020 was \$765,277 compared to \$60,990 at December 31, 2019. The Company has invested \$22,968,264 on its Bilbao mineral project, which in accordance with the Company's accounting policies has been fully impaired in prior periods.

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