



News Release

X-TERRA ANNOUNCES CLOSING OF \$1.1 MILLION PRIVATE PLACEMENT

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Rouyn-Noranda, Québec, May 25, 2017 – X-Terra Resources Inc. (TSXV: XTT) and (FRANKFURT: XTR) is pleased to announce that it has held a first closing of its previously-announced non-brokered private placement by issuing 4,654,166 units at a price of \$0.24 per unit for gross proceeds to X-Terra Resources of \$1,117,000. Each of the 4,654,166 units is comprised of one common share and one-half of a common share purchase warrant. Each whole warrant entitles its holder to acquire one additional common share of X-Terra Resources at a price of \$0.35 for a period of 24 months from the closing date.

Additional closings of the private placement may be held until June 19, 2017, subject to a maximum of 5,416,666 units, for total maximum gross proceeds of \$1,300,000.

X-Terra Resources will use the proceeds from the first closing of the private placement for exploration on its properties located in the province of Québec and for working capital purposes. A \$100,000 of the private placement was raised with SIDEX, a Quebec institutional fund through its “Field Action 2017” program. The mission of SIDEX is to invest in companies engaged in mineral exploration in the province of Québec.

In connection with the private placement, X-Terra Resources paid cash sales commissions to various securities dealers and finders in an aggregate amount of \$10,440. In addition, X-Terra granted finder’s options to Canaccord Genuity Corp. and PI Financial Corp. entitling them to acquire up to an aggregate of 43,500 additional common shares of X-Terra Resources at a price of \$0.24 per share for a period of two years.

As a result of the first closing of the private placement, there are 22,915,889 common shares of X-Terra Resources issued and outstanding. Under applicable securities legislation, the securities issued in the private placement are subject to a four-month hold period, expiring on September 26, 2017.

About X-Terra Resources Inc.

X-Terra Resources is a resource company focused on acquiring and exploring precious metals and energy properties in Canada. X-Terra Resources currently has 22,915,889 common shares issued and outstanding.

Forward-Looking Statements

This news release contains statements that may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, costs, objectives or performance of X-Terra Resources, or the assumptions underlying any of the foregoing. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including the closing of the private placement. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond X-Terra Resources' control. These risks, uncertainties and assumptions include, but are not limited to, those described under “Financial Instruments” and “Risk and Uncertainties in X-Terra Resources' Annual Report for the fiscal year ended December 31, 2016, a copy of which is available on SEDAR at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. X-Terra Resources does not intend, nor does X-Terra Resources undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

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