



NEWS RELEASE

X-TERRA RESOURCES SIGNS AN OPTION AGREEMENT TO ACQUIRE A 50% INTEREST IN THE STORM LAKE GOLD PROPERTY

Rouyn-Noranda, Québec, May 28, 2018 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) is pleased to announce that it has entered into an option agreement with Greg Exploration Inc. to acquire a 50% ownership interest in the Storm Lake gold property located in the Eeyou Istchee/Baie-James territory, 150 kilometres north east of the town of Matagami in the province of Québec. The Storm Lake property is comprised of 47 mining claims covering an area of approximately 2,556 hectares (25 km²).

Located in the centre of the Opatica geological subprovince, the Frotet-Evans volcano-sedimentary belt (FEVB) is primarily composed of tholeiitic and calc-alkaline volcanic formations. The Storm Lake Gold Property is situated in one of the four lithotectonic segments (Storm-Evans) that has seen little exploration work, while the majority of exploration projects were concentrated in the Frotet-Troilus segment.

The Storm Lake Gold Property has been subjected to sparse exploration programs over the years, however, a 3D Magnetization Vector Inversion (Geosoft VOXI) was completed using a recent high resolution magnetic survey (25 metres spaced lines) (Heliborne High Resolution Magnetic Survey, Storm property, Qc 2013, Dubé & Desaulniers Geoscience). Marc Boivin, P.Geo at MB Geosolutions acknowledges the results have outlined a highly magnetic feature that was previously concealed, interpreted as a deep-seated magnetic-rich intrusion into the fault plan.

A similar 3D Magnetization Vector Inversion over the Chimo Mine (currently owned by Cartier Resources and located at the southern extremity of Val-d'Or on the Cadillac Fault) highlights a similar 3D magnetic model.

Sulphide-rich gold mineralization obtained from an historical drill hole (H-1429-67, geological report GM 47619) close to the interpreted intrusion on the Storm Lake Gold Property allows to define this magnetic body as an intrusive-related gold target.

Michael Ferreira, President and Chief Executive Officer of X-Terra Resources stated: "The early stages of mineral exploration often rely on traditional methods. However, we believe that innovation in our sector is going to shape the future and while 3D modelling isn't in its infancy, new inversion algorithms allow geophysical data to be used in a different way. X-Terra Resources is excited to be using these new technological advancements for further drill targeting initiatives".

X-Terra Resources intends to initiate a diamond drill program throughout the summer of 2018 to effectively test the magnetic anomaly recently identified on the Storm Lake Gold Property.

In order to acquire a 50% undivided ownership interest in the 47 mining claims comprising the Storm Lake Gold Property, X-Terra Resources must complete one diamond drill hole totalling a minimum of 300 metres on the Storm Lake Gold Property. The option agreement provides that X-Terra Resources has a first right of refusal to acquire the remaining 50% interest in the mining claims.

Qualified person

Jeannot Theberge, P.Geo, a consultant to X-Terra Resources, is the qualified person for the Storm Lake Gold Property under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, is responsible for the technical contents of this news release and has approved the disclosure of the technical information contained herein.

About X-Terra Resources Inc.

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