



News Release

X-TERRA RESOURCES ANNOUNCES THE RESULTS OF ITS DUE DILIGENCE EXPLORATION PROGRAM ON NEW BRUNSWICK GOLD PROPERTIES

Rouyn-Noranda, Québec, December 5, 2018 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“**X-Terra Resources**”) is pleased to announce the results of its due diligence exploration program on the Grog Brook and Northwest properties located in the province of New Brunswick (the “**Properties**”) that are subject to an exploration and option agreement dated November 16, 2018 among X-Terra Resources, NBGold Inc. and Tim Lavoie (the “**Option Agreement**”) pursuant to which X-Terra Resources may acquire a 100% ownership interest in the Properties (see press release of November 19, 2018). This due diligence exploration program, carried out in October 2018, consisted of a reconnaissance program over the Properties and was part of X-Terra Resources’ due diligence on the Properties.

The objective of this program was to confirm the gold setting and to observe the geological characteristics of the rocks. Additionally, it was to confirm the potential of a large disseminated gold system at Grog Brook where 14 of 28 samples returned anomalous gold values (0.1 g/t Au). Samples were collected over a length of 390 non continuous metres. Results up to **2.94 g/t Au** were obtained with the overall average being **0.45 g/t Au**. The top ten results averaged **1.14 g/t Au**. The best gold values were obtained over the Northwest property (comprised of the former Dome, Bonanza and Rim properties) and include **1,205.06 g/t Au** at the Rim sector of the Northwest property, **149.97 g/t Au** at Bonanza and **47.88 g/t Au** at the Dome sector of the Northwest property.

HIGHLIGHTS

A total of 43 samples were collected during the two days of the due diligence exploration program. Fifteen samples were collected over the Northwest property and 28 over the Grog Brook property.

- **Northwest property (Dome, Bonanza and Rim sectors)**

The technical team spent the first part of the due diligence exploration program focusing on the Northwest property. The gold potential at Northwest is a known yet misunderstood occurrence, first discovered in 2012 when a 16-tonne bulk sample of the Bonanza vein returned 24.37 g/t Au (ref Assessment Report November 2015). Gold appears to be associated with the quartz vein. In addition, trace to near 1% of chalcopyrite and pyrite are locally observed, as well as some malachite. The Bonanza vein is located 127 meters NNE of Dome vein. The vein is also boudinaged but not folded. From what the geological team observed in the bulk pit, the vein is 20 to 40 centimetres in width and 2.5 metres in length.

The following table summarizes the results of the grab samples collected on the Dome and Bonanza sectors of the Northwest property.

Table 1: Dome and Bonanza sectors of the Northwest property gold results and observations.

Sample	UTME	UTMN	Au g/t	Au g/t >5.0	Au g/t MS
			SAA	Gravimetric	Gravimetric
			TMT-G5B	TMT-G5C	TMT-G5C
2011 Bonanza	630 760	5 265 340	116.69	111.55	
2012 Bonanza	630 760	5 265 340	124.17	155.34	
2013 Bonanza	630 760	5 265 340			149.97
2014 Dome	630 703	5 265 226			32.88
2015 Dome	630 703	5 265 226	45.16	50.61	

The Rim vein is located 4.5 kilometres to the NNE of the Dome and Bonanza sectors of the Northwest property and seems to be concordant to the main foliation (and beddings). It is slightly boudinaged and not folded. The thickness of the vein ranges from 10 to 40 centimetres in width and is exposed for more than 200 metres. The “layered” aspect of the veins appears to be a “crack and fill” setup with local open space zones in the central part of the vein. Visible gold has been frequently observed along a specific pulse (see image below).



Due to the poor quality of the trench at surface, the technical team decided to sample the vein at regular intervals at the surface over 19.9 metres to confirm if gold mineralization is continuous. The average of the **nine grab samples is 125.44 g/t Au over the 19.9 metres**. Table 2 below summarizes the intervals of grab samples and associated values. In addition, located in a “pinch out” with a displacement of 20 centimetres along the quartz vein, a sample returned **1,205.06 g/t Au**.

The Dome and Bonanza sectors of the Northwest property and the RIM sector are separated by approximately 4.5 kilometres and showed similar orientation. The area between them and surrounding them have not been explored.

The following table summarizes the results of the grab samples on the Rim sector of the Northwest property.

Table 2: Rim sector gold results and observations.

Sample	UTME	UTMN	Au	Au	Au
			g/t	g/t >5.0	g/t MS
			SAA	Gravimetric	Gravimetric
			TMT-G5B	TMT-G5C	TMT-G5C
2001					207.61
2002			12.88	13.18	
2003			65.26	60.45	
2004					149.03
2005					32.95
2006					378.22
2007					4.53
2008					247.15
2009					33.56
2010					1,205.06

- **Grog Brook property**

The Grog Brook area was and remains exposed due to recent selective cutting, which originally lead to the discovery. Trenches completed in 2016 and 2017 showed from east to west a sedimentary sequence going from siltstone to sandstone and fine to coarse grain conglomerates locally interbedded with thinner siltstone and quartzite. The layers are sub-vertical on the east (siltstone) and shift horizontally in the conglomeratic sequence (antiform) to the west. The sedimentary package is intruded by two (observed) felsic dykes. The first one lies around the contact between the siltstone and the sandstone/conglomerate package. This dyke is highly altered in sericite and contains 1% to 15% pyrite and trace to 2% arsenopyrite and possibly stibnite. Sediments immediately in contact highlighted intense alteration and some mineralization. The dyke can be followed over 430 meters (open on both sides) and contains gold (up to 1.9 g/t Au). The best result was **1.84 g/t Au** on the margin between the dyke and fine grain conglomerates.

The other observed dyke is exposed only in one trench that goes farther to the east and is entirely hosted by the siltstone. Formally called the "pink dyke", it was sampled for the first time and returned **0.39 g/t Au**.

Finally, a third mineralized zone occurs about 150 metres west of the main mineralized intrusive dyke. This zone is entirely hosted by the conglomerates and consists of quartz veining, as well as breccias and is rich in pyrite and arsenopyrite as well as gold. Gold values of up to 3.7 g/t Au can be followed over 370 metres on a strike of 310 degrees. The best value obtained in that location was **2.94 g/t Au** in a quartz breccia where cavities are rich in pyrite and some minor "stibnite".

The following table summarizes the results of the grab samples on the Grog Brook property.

Table 3: Grog Brook property gold results and observations.

Sample	UTME	UTMN	Au g/t SAA TMT-G5B
2016	653430	5293071	1.41
2017	653451	5292990	0.39
2018	653426	5293069	1.47
2019	653426	5293070	0.07
2020	653408	5293351	0.05
2021	653409	5293362	0.05
2022	653405	5293359	0.04
2023	653403	5293358	0.02
2024	653412	5293354	1.84
2025	653413	5293353	0.51
2026	653399	5293151	0.35
2027	653400	5293151	0.01
2028	653251	5293143	0.01
2029	653253	5293144	0.01
2030	653255	5293145	0.05
2031	653255	5293139	0.02
2032	653256	5293140	0.02
2033	653264	5293137	0.91
2034	653268	5293134	0.48
2035	653270	5293135	0.08
2036	653267	5293140	0.03
2037	653265	5293143	0.15
2038	653271	5293151	1.12
2039	653275	5293142	2.94
2040	653254	5293350	0.16
2041	653419	5293337	0.11
2042	653416	5293371	0.05
2043	653421	5293366	0.20

Note that grab samples are selective by nature and unlikely to represent average grades.

Quality assurance/quality control.

X-Terra Resources adheres to a strict quality assurance and quality control program with regard to core handling, sampling, transportation of samples and lab analyses. Samples selected for assay were shipped via secure transportation to the Techni-Lab (S.G.B. Abitibi Inc.) preparation facility in Ste-Germaine Boulé, QC. Rock samples were assayed for gold by standard fire assay on 30-gram fractions with atomic absorption (TMT-G5B) or gravimetric finish (TMT-G5C) at Techni-Lab (S.G.B. Abitibi Inc.). Samples with visible gold or above 5,000 ppb Au were further analyzed by metallic screen with fire assay (TMT-G5C). The exploration program is designed and the results are interpreted by qualified persons using a quality assurance/quality control program based on industry best practices, including the use of standards and blanks for every 24 samples.

Mr. Alex MacKay, P. Geo of AMK Geoscience Ltd., who is acting as X-Terra Resources' qualified person under *National Instrument 43-101 Standards of Disclosure for Mineral Projects* ("NI 43-101"), is registered in the Provinces of Nova Scotia and New Brunswick. Consultant for X-Terra Resources, he is the qualified person for the Properties under NI 43-101 responsible for the technical contents of this news release, and has approved the disclosure of the technical information contained herein.

The transaction contemplated by the Option Agreement has been conditionally approved by the TSX Venture Exchange and is subject only to compliance with standard requirements of the TSX Venture Exchange and upon the closing of an equity private placement by X-Terra Resources in a minimum amount of \$1.5 million (see press release of November 19, 2018). Any failure by X-Terra Resources to comply with the standard requirements of the TSX Venture Exchange or to complete the foregoing equity financing would result in the Option Agreement being terminated. The closing of the transaction contemplated by the Option Agreement is expected to occur on or about December 15, 2018.

About X-Terra Resources Inc.

X-Terra Resources is a resource company focused on acquiring and exploring precious metals and energy properties in Canada.

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 development of the Properties, or if any of them do so, what benefits X-Terra Resources will derive from the Properties. 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, 2017, 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the release.

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