



News Release

X-TERRA RESOURCES ANNOUNCES AMENDMENTS TO THE TERMS OF ITS OPTION TO ACQUIRE AN INTEREST IN FOUR MINING PROPERTIES LOCATED IN NEW-BRUNSWICK

Rouyn-Noranda, Québec, February 4, 2019 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“**X-Terra**”) is pleased to announce that it has reached an agreement with NBGold Inc. (the “**Optionor**”) to modify the terms and conditions of its previously-announced exploration and option agreement (the “**Option Agreement**”) dated November 16, 2018 for the acquisition of 34 mining claims comprising the Grog, Rim, Dome and Bonanza mining properties (the “**Properties**”) which are located approximately 30 kilometres (direct flight) south west of the town of Campbellton in the Province of New Brunswick, Canada.

Given the difficult market conditions prevailing in the capital market for small resources exploration companies at the end of 2018 and given the strong negative reaction of certain X-Terra’s shareholders and potential investors to the significant dilution effect of the option on X-Terra’s capital, X-Terra engaged into discussions with the Optionor and Tim Lavoie, one of the previous optionors pursuant to the Option Agreement, to amend the terms and conditions of the Option Agreement.

On February 1, 2019 X-Terra and the Optionor have entered into two sperate amended and restated exploration and option agreements for the Properties (collectively, the “**Agreements**”) replacing the Option Agreement, pursuant to which X-Terra now has an option (the “**Option**”) to acquire a 70% undivided ownership interest (instead of a 100%) in the Properties. One of the amended and restated exploration and option agreement is for the Grog mining property (the “**Grog Property**”) while the other one is for the Rim, Dome and Bonanza mining properties (collectively, the “**Northwest Property**”).

“We are very enthusiastic to have reached an agreement with NBGold to modify the terms and conditions of the initial option which will now allow X-Terra to move forward with this project. The revised terms and conditions of the option will still allow X-Terra to acquire a significant interest in the Properties and will be less dilutive for X-Terra’s shareholders, less onerous for X-Terra and in line with market expectations” said Michael Ferreira, President and Chief Executive Officer of X-Terra.

X-Terra completed its due diligence over the Properties in October 2018 which confirmed the potential of a large disseminated gold system at Grog Brook. Samples were collected over a length of 390 non-continuous metres where results up to 2.94 g/t Au were obtained. The best gold values were obtained over the Northwest Property (comprising 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.

Additionally, the technical team decided to sample the Rim 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 returned 125.44 g/t Au over the 19.9 metres (See X-Terra press release dated December 5, 2018 for details).

Pursuant to the Agreements, X-Terra may now acquire a 70% undivided ownership interest in the Properties over a four-year period by making the following payments and incurring mining exploration expenditures as follows:

- (a) by making cash payments to in the aggregate amount of \$250,000, a \$50,000 of which is payable on the initial payment date, which is expected to occur on or before February 28, 2019 (the “**Closing Date**”);
- (b) by issuing an aggregate of 7,000,000 common shares of X-Terra (the “**Shares**”) to the Optionor, 2,000,000 of which will be issued on the Closing Date and the balance will be issuable over a period of 48 months from the signature date of the Option. Agreement;
- (c) by issuing an aggregate of 2,000,000 common share purchase warrants of X-Terra (the “**Warrants**”) to the Optionor, of which 400,000 Warrants exercisable at price of \$0.15 per share for a period of 18 months will be issued on the Closing Date. The balance of Warrants will be issuable over a period of 48 months from the signature date of the Agreements (exercisable over 18 months upon issuance, all at a price per share equal to the greater of (i) \$0.125 and (ii) the Market Price (as such term is defined in Policy 1.1 of the TSX Venture Exchange) at the time of issuance). Each Warrant will entitle the holder thereof to acquire one common shares of X-Terra; and
- (d) by incurring mining exploration expenditures in an aggregate amount of \$3,100,000 over a period of 48 months on the Properties.

Upon completing all of the payments mentioned above, X-Terra will have a 70% ownership interest in the Properties and will enter into joint venture agreements dealing with the Properties with the Optionor. Three of the mining claims comprising the Grog Property are subject to a 1% net smelter return royalty payable to the former owner of the Grog Property. The mining claims comprising the Northwest Property are subject to a 2% net smelter return royalty payable to the former owners of the Northwest Property. The Optionor may, at any time, purchase 50% of the net smelter return royalty from the former owners of the Northwest Property for \$1 million and the remaining balance for \$10 million. All royalty payments on the Properties will be assumed by the Optionor. Following the signature of joint venture agreements, in the event the Optionor’s interest falls below 10% in the Grog Property or the Northwest Property, the Optionor will relinquish its interest in such property for a 3% net smelter return royalty on such property and in such case, the Optionor will assume all royalty payments to the former owners of Properties. X-Terra will then have the right to purchase, at any time, 50% of the net smelter return royalty from the Optionor for \$1.5 million.

The transactions, as amended by the Agreements are subject to regulatory approval, including that of the TSX Venture Exchange and are subject upon the closing of an equity private placement by X-Terra for a minimum amount of \$1.0 million. Any failure by X-Terra to obtain regulatory approval and completing the foregoing equity financing would result in the Agreements being terminated.

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, 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 acquisition of the Properties, the development of the Properties, or if any of them do so, what benefits X-Terra 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’s 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 does not intend, nor does X-Terra 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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