



News Release

X-TERRA RESOURCES INITIATES ITS FIRST DRILL PROGRAM AT VERONNEAU

Rouyn-Noranda, Québec, January 18, 2018 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) is pleased to announce it has commenced its first drill program on the eastern extension of the Veronneau property. This is the first time ever that this area of the property has seen any drilling. The program will consist of up to 1,000 metres of drilling and range between 200 and 300 metres in length. The main focus of the drill program will be to test the conductive anomalies located one kilometre WSW of the LEJ showing (see X-Terra Resources' press release dated January 10, 2018, for more information).

After numerical modeling of the final data, the conductive anomalies are located at the base of a high mag anomaly. Based on the geology further to the west, the magnetic anomaly could correspond to mafic/ultramafic rocks. According to the LEJ values, the drill program is designed to test the potential of magmatic nickel sulphide mineralization at the base of a mafic-ultramafic sill.

“We look forward to completing the program in a relatively short period of time. This is just one of the exciting exploration targets at the Veronneau property” stated Michael Ferreira, President and Chief Executive Officer of X-Terra Resources.

Qualified Person

Mr. Jeannot Thériage, PGeo, a consultant to X-Terra Resources, is the qualified person for the Veronneau property under *National Instrument 43-101 Standards of Disclosure for Mineral Projects* responsible for the technical contents of this news release, and has approved the disclosure of the technical information contained herein.

For further information:

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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 25,648,389 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 development of, or drilling at, the Veronneau Property, or if any of them do so, what benefits X-Terra Resources will derive. 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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