



News Release

**X-TERRA SIGNS LETTER OF INTENT TO ACQUIRE UP TO 60% INTEREST
IN THE VERONNEAU GOLD PROPERTY**

Rouyn-Noranda, Québec, November 22, 2016 – X-Terra Resources Inc. (TSX-V: XTT) announced today that it has signed a Letter of Intent with a group of four private prospectors to acquire an interest of up to 60% in the newly discovered Veronneau gold property located in the Eeyou Istchee/Baie-James Territory, 135 kilometres north of the town of Matagami in the Province of Québec. The Veronneau property is comprised of 234 mining claims covering an area of approximately 12,261 hectares (122 km²).

A new gold showing was discovered on the Veronneau Property in 2015 by geologists of the *Ministère de l'Énergie et des Ressources naturelles* (Québec), while completing regional mapping of the area. An initial sample was taken from an outcrop of rusty amphibolitized basalt, within a metric deformation corridor (Assay results: 6.89 g/t Au: Source MRNFP, unique sample 2015061382). Additional channel sampling work was completed by the current owners of the Veronneau Property in the summer of 2016 and returned additional encouraging results of 2.39 g/t Au over a width of 4.65 metres.

Only the northern portion of the claims comprising the Veronneau property (15 kilometres further north east), received more systematic exploration work. As very limited gold exploration has been conducted in this area, X-Terra Resources was encouraged by these results and visited the Veronneau Property during its due diligence process for data verification and to investigate its further potential. Additional grab and channel sampling was completed and returned additional positive results (See tables below).

Grab Sample Results

Sample #	Au g/t (ppm)	AU Grav (ppm)
66068	1.629	-
66069	1.252	-
66070	0.593	-
66071	3.426	-
66072	4.066	-
66073	7.629	-
66074	>10.00	13.66
66075	1.377	-
66076	>10.00	15.66
66077	>10.00	14.85
66078	0.475	-
66079	0.072	-
66080	3.129	-
66081	3.782	-

Channel Sample Results: 5.02 g/t Au over a width of 5 metres

Sample #	Au g/t (ppm) 0.005 DL	AU Grav (ppm) 1.000 DL	Length
66551	0.869		50 cm
66552	1.913		50 cm
66553	3.089		50 cm
66554	3.243		50 cm
66555	2.125		50 cm
66556	>10.00	10.92	50 cm
66557	4.578		50 cm
66558	>10.00	10.77	50 cm
66558	7.546		50 cm
66560	5.125		50 cm

It is believed that the mineralization on the Veronneau Property appears stratiform (N-060) and locally described as percolation of sulphide along pillow margins. Arsenopyrite has been observed and is believed to have a direct correlation with the auriferous values obtained.

The Veronneau Property covers 45.5 kilometres of the volcanic belt situated on the contact of the Sub province of Opinaca and Opatica. It should be noted that the margins of the Opinaca sub province recently produced significant discoveries, namely the Goldcorp's Éléonore Gold project, the Nemaska Lithium's Wabouchi deposit and Quebec's only diamond mine, the Renard project by Stornoway Diamond Corporation. The margin of the Opinaca sub province appears quite fertile for mineralization of economic interest judging by the number of mineralized occurrences documented within the *Ministère de l'Énergie et des Ressources naturelles* (Québec) files.

President and Chief Executive Officer of X-Terra Resources, Michael Ferreira commented, "We are delighted to be able to announce the signature of a letter of intent for the acquisition of an interest of up to 60% in the Veronneau Property. The favourable geological setting of the property is really exciting and we look forward to taking advantage of the potential of the Eeyou Istchee/Baie-James Territory in conjunction with the Plan Nord. This will offer our shareholders access to a highly prospective exploratory project in the heart of James Bay region".

The following is a summary of the proposed terms of acquisition, as set out in the Letter of Intent: Over a period of four years, X-Terra will have the exclusive right to acquire a 60% interest in the Veronneau Property for a proposed aggregate purchase price of \$250,000 payable by X-Terra to the current owners in cash and an aggregate of 5,000,000 common shares of X-Terra Resources. In addition, X-Terra Resources will be required to incur aggregate exploration expenditures totalling \$3,500,000 over a period of four years. X-Terra Resources will then form a 60%-40% joint venture with the current owners.

The Letter of Intent contemplates a due diligence period ending on December 5, 2016 during which X-Terra will verify and re-analyzed certain samples.

The terms of the Letter of Intent provide for the entering into a definitive agreement, subject to regulatory approval, by December 31, 2016.

The transactions contemplated in this news release are conditional upon the entering into of a formal agreement with terms and conditions acceptable to both parties and conditional upon regulatory approval, including that of the TSX Venture Exchange.

Qualified Person

Mr. Jeannot Th  berge, PGeo., a consultant to X-Terra Resources, is the qualified person for the Veronneau 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.

About X-Terra Resources Inc.

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

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.

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 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, 2015, 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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