



## ***News Release***

### **X-TERRA RESOURCES DRILLS NEW GOLD DISCOVERY AT GROG PROPERTY IN NEW BRUNSWICK**

Rouyn-Noranda, Québec, May 5, 2020 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“**X-Terra**”) is pleased to announce it has drilled a new gold bearing structure at the Grog target on the Grog Property located in Restigouche county, New Brunswick. The mineralization style continues to highlight strong characteristics of an epithermal system.

Hole GRG-20-012 identified gold (“**Au**”) mineralization over a significant width with one interval of 0.41 g/t Au over 36 metres along the hole, which includes 0.46 g/t Au over 31 metres and includes 7.59 g/t Au over 0.6 metres located at a vertical depth of 81 metres under the Grog showing.

Michael Ferreira, President and Chief Executive Officer of X-Terra states, “This is a significant exploration breakthrough on a property that’s never been drilled and reinforces our expectations that a large epithermal system is present. While more in-depth geological work, which includes drilling is needed, X-Terra’s management believes that the 11 holes (1,499 metres drilled) only covered a very small fraction of the targeted environment. Reaching a significant mineralized interval this shallow (from 107 metres to 143 metres, in GRG-20-012) is a milestone we were relentlessly pursuing after completing the limited field exploration programs based predominately on roadside trenching. The information obtained in this program will allow the detailed follow up on the Grog target but also allow X-Terra to refine and generate more high priority targets carrying the same geological characteristics to that of the Grog target. This provides a monumental shift moving forward.”

Adding these results and data to our database has resulted in the hypothesis that, hole GRG-20-012 may have cross-cut a north to north-east oriented lens. Strong intercept angles of mineralized quartz veins observed along the core suggest we are close to true thickness. Significant additional drilling will be required to define the exact dip and plunge of the mineralized lens and the true width and extent of this discovery.

The series of 11 holes is split into three clusters comprising of three to four holes distributed over a target area of about 1.6 kilometres following the North-East regional trend associated with the McKenzie Gulch regional fault.

Targets	Best Results	DIP (°)	Azim uth (°)	Location	Characteristics
<b>Grog:</b>					
GRG-20-011	0.13 g/t Au over 1.15 m (from 90.45 m to 91.60 m)	-54	270	E653395 N5293149	Sequence of sandstone, conglomerate and mudrock cross-cut by sedimentary breccia, faults, feldspathic dykes.
GRG-20-012	0.41 g/t over 36 m (from 107 m to 143 m) including: <b>0.46 g/t Au over 31 m</b> (from 107 m to 138.05 m), and including: 7.59 g/t Au over 0.6 m (from 137.45 m to 138.05 m)	-49	270	E653320 N5293194	
GRG-20-013	0.57 g/t over 5 m (from 162 m to 167 m)	-48	270	E653504 N5293202	Strong argilization, pyritization and veins stockworks. Silicification. Local arsenopyrite
<b>Bellevue North:</b>					
GRG-20-003	0.11 g/t Au over 2.85 m (from 46 m to 48.85 m)	-53	255	E652820 N5292629	Sequence of sandstone, conglomerate and mudrock. Cross cut by sedimentary, breccia, faults, feldspathic and mafic dykes Carbonate-sericite alteration. Quartz-carbonate veinlets stockworks with pyrite dissemination. Local arsenopyrite.
GRG-20-004	0.35 g/t over 1.5 m (from 165.5 m to 167 m)	-53	255	E652891 N5292613	
GRG-20-005	0.01 g/t Au over 15 m (from 9 m to 24 m)	-55	255	E652889 N5292493	
GRG-20-010	0.01 g/t Au over 96.5 m (from 4.5 m to 101 m)	-55	270	E652947 N5292624	
<b>Bellevue South:</b>					
GRG-20-006	No significant value	-56	360	E652791 N5292165	Mudrock, wacke.
GRG-20-007	0.13 g/t over 1.1 m (from 12 to 13.1 m)	-54	360	E652708 N5291922	Local disseminated pyrite, arsenopyrite in quartz-carbonate veinlets stockworks.
GRG-20-008	0.11 g/t Au over 1 m (from 17 to 18 m)	-47	360	E652704 N5291960	
GRG-20-009	No significant value	-53	360	E652772 N5291916	

## HIGHLIGHTS FROM HOLE GRG-20-012 and GRG-20-013

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
<b>GRG-20-012</b>	107.00	143.00	36	0.41
Including	107.00	138.05	<b>31.05</b>	<b>0.46</b>
Including	114.50	117.50	<b>3.00</b>	<b>1.01</b>
Including	125.00	128.00	<b>3.00</b>	<b>0.72</b>
Including	137.45	143.00	<b>5.55</b>	<b>0.92</b>
<b>GRG-20-013</b>	86.65	97.00	<b>10.35</b>	<b>0.08</b>
	162.00	167.00	<b>5.00</b>	<b>0.57</b>

**Hole GRG-20-012:** The mineralized interval is included in a clay rich and carbonate alteration zones centered on a complex sedimentary breccia which includes graphitic slivers. Hydrothermal and alteration are developed mostly in porous sandstone and fine grain conglomerates. The pervasive and intense alteration seems composed mostly of clay mineral assemblages in association with carbonate, in addition to the quartz veining with open space filling and geodic textures. The associated sulfides assemblage composed of pyrite, arsenopyrite and marcasite (a low temperature type of iron sulfide) is mostly finely disseminated with percentage in volume increasing locally from less than 1% to 10% over metric intervals.

**Hole GRG-20-013:** Collared 185 metres to the east has also cut a sequence of anomalous gold intervals with as best result **0.57** g/t Au over **5** metres. Mineralization is hosted in a similar context when compared to GRG-20-012. Another type of mineralization was also observed between 86,65 and 97 metres along the hole under the form of a pale yellow strongly argilized dyke of intermediate composition. The unit returned 0.08 g/t Au over 10.35 metres, including 0.14 g/t over 4 metres, associated with finely disseminated pyrite and arsenopyrite.

Further drill intercepts obtained over the Bellevue North area highlighted similar characteristics with the drill holes completed over the Grog showing, such as the argillic alteration and the conglomerate-sandstone assemblages, locally affected by breccia. In this context, fracturing is mostly filled with quartz-carbonate veinlets instead of the quartz dominated ones as observed at Grog. Bellevue North is located about 600 metres south of Grog. These intervals demonstrate and reinforce the possibility that they were drilled on the periphery of a similar mineralized trend.

### Outlook

The detailed interpretation on a larger scale of all information gathered is ongoing and will provide the spatial orientation of the mineralized trend. X-Terra's recently completed detailed airborne magnetic and ground IP survey are being used to compare the drilling results and surface data in order to distinguish and model additional exploration and drill targets. Thus far, by using the surface exploration data, drilling results and the improved 3D inversion mag model, which allows X-Terra's team to carefully interpret rock units and structures down to a vertical depth of 300 metres. X-Terra has been able to identify 12 new exploration and drilling targets carrying similar geological characteristics. Based on what X-Terra now knows, the principal structure underlying gold occurrences corresponds to an area of about two kilometres by three kilometres and the individual targets identified within, correspond to twelve 500 metres segments highlighting varied orientation depending on local structural geometry.

While X-Terra now has a firm grasp, it will continue evaluating and understanding the geological sequence that is triggering the gold deposition process, the structural relations and controls within the Grog environment. The next phase of work will consist of substantiating the key geological characteristics of the Grog target over these newly identified targets that are all located within the interpreted hydrothermal epithermal system.

Newly updated maps will be available on X-Terra's website very soon.

### **QA/QC and Drilling Contract**

X-Terra 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. 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.). In addition, the quality control protocol includes insertion of blank or standard every 10 samples on average, in addition to the regular insertion of blank, duplicate and standard samples accredited by Actlabs during the analytical process.

Some samples were sent to AGAT Laboratories where they were dried and crushed to 75% passing 10 mesh (2mm) (Code 200001), split to 250g and pulverized to 85% passing 200 mesh (75µm). Samples are then analyzed with four acid digest method (Code 201 070) with ICP-OES and ICP-OES Finish (per sample) for arsenic and silver. They are also analyzed for Gold by Fire Assay with ICP-OES (30g) (Code 202052).

X-Terra has hired the Logan Drilling group based out of Stewiacke in Nova Scotia. The hole diameter is NQ. Drilling took place from January 25 to February 21, 2020.

### **Grog and Northwest Properties**

X-Terra has an option to acquire a 70% interest in the Grog Property and Northwest property (see press releases dated April 22, 2019 and April 30, 2019).

### **Qualified Person**

Jeannot Théberge, P. Geo registered in the Provinces of Québec and New-Brunswick, a consultant to X-Terra, a qualified person *under National Instrument 43-101 Standards of Disclosure for Mineral Projects* ("NI 43-101") has reviewed 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 is a resource company focused on acquiring and exploring precious metals and energy properties in Canada.

## **Forward-Looking Statements**

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