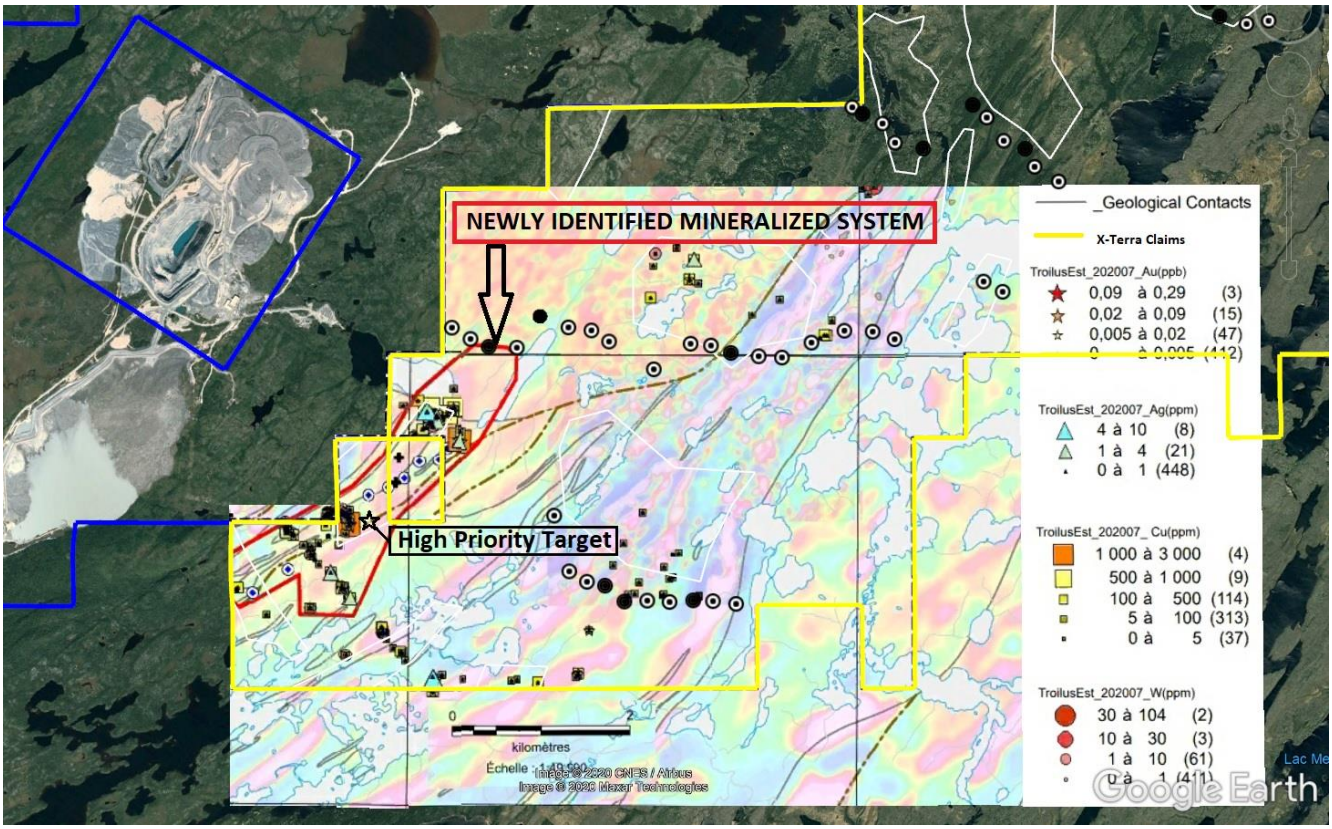
News Release

X-TERRA RESOURCES IDENTIFIES A NEW MINERALIZED SYSTEM AT TROILUS EAST

Rouyn-Noranda, Québec, August 13, 2020 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) ("**X-Terra**") is pleased to announce the identification of a new mineralized system close to the Troilus Mine, in Northern Québec, from its first ever prospecting campaign on the property (see X-Terra press release dated July 2, 2020).

The newly identified "Smoke" showing is located in the southwest portion of the property three kilometres directly south east of the former Troilus open pit. The new system identified covers a strike length of approximately 2.2 kilometres where polymetallic sulfides were sampled. X-Terra noted that sporadic samples over this area returned copper grades up to **0.25% Cu,** silver grades up to **8.0 g/t Ag,** zinc grades up to **0.7% Zn and 0.11 g/t Au**, or **0.42g/t AuEq*.** See map below:



*AuEq calculated using the spot price on August 13, 2020 (Au 1947.80 oz; Ag 26.73 oz; Cu 2.85lbs and Zn 1.06 lbs).

“Being able to define gold, silver and copper mineralization with varied geological features consistent with the Troilus deposit is a remarkable achievement from the first prospecting program. Considering that the cut-off grade of the Troilus Gold resource calculation is 0.30 g/t AuEq (see Troilus Gold Corp. (“TLG”) press release dated July 28, 2020). The X-Terra exploration team considers these results more than encouraging as we advance towards the next step of exploration. In addition, the mineralized system identified correlates to a series of historical electromagnetic anomalies which have never been drill tested. The teams have already begun planning the next phase of work which should commence shortly.” stated Michael Ferreira, President and Chief Executive Officer of X-Terra.

The mineralization is hosted in a folded sequence of mafic to felsic flows injected by diorite intrusions. To the north-east, the mineralized system is interwoven into the Parker intrusion, a large poly phased felsic intrusion. In addition, diorite breccia with sulfides stringers, fractures networks filled by sulfides associated with quart veining, and disseminated sulfides in mafic host rocks are common mineralized styles observed in and around the smoke showing. Polymetallic sulfides observed to date are pyrite, pyrrhotite, chalcopyrite and sphalerite. Furthermore, X-Terra’s qualified person’s observations and field expertise over X-Terra’s ground and results support the comparison to that of the Troilus Gold mine which is supported by Troilus Gold’s Technical report dated December 20, 2019, a copy of which is available on SEDAR at www.sedar.com.

A series of important alteration minerals (biotite, tremolite, sericite, garnet, aluminous silicate) observed alone, or in complex assemblage form halos of which known extensions are still unknown because of the limited amount of outcrops.

X-Terra wants to highlight that copper and silver grades from drill results disclosed by Troilus Gold are in the same range as these first surface results obtained from the smoke showing. Also, host rocks description, alteration and mineralization style, are considered similar. See TLG press release dated September 10, 2019.

Table 1 outlines the grade distribution from 179 rock samples split between 140 bedrock chip samples and 30 boulder samples over an area of approximately 4.5 square kilometres

	Ag (g/t)	**Cu (%)**	**Zn (%)**	**Au (g/t)**
Range	1.0 to 8.0	0.05 to 0.25	0.1 to 0.7	0.05 to 0.11
Number of samples	6	23	10	7

Note: Grab samples are selective by nature and may not be representative of average grades hosted on the property.

Quality assurance/quality control.

Bedrock and boulder samples were obtained by manually chipping the bedrock and or erratic boulders. Samples positions were measured by GPS and recorded for quality assurance. 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 Sodium Peroxide Fusion method (Code 201 378) with ICP-OES and ICP-MS Finish (per sample). They are also analyzed for Gold by Fire Assay with ICP-OES (30g) (Code 202052).

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.

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 exploration programs and development (including any drilling programs) of the Troilus East and/or the Grog and Northwest Properties, or if it does so, what benefits X-Terra will derive from the Troilus East and/or the Grog and Northwest 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's 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, 2019, 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.

About X-Terra Resources Inc.

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

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