



News Release

X-TERRA RESOURCES COMPLETES GEOCHEMICAL AND GROUND GEOPHYSICS AT GROG, EXPANDS DRILLING PLANS

Rouyn-Noranda, Québec, September 21, 2020 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“**X-Terra**”) is pleased to announce the results of its geochemical sampling program along with the additional IP ground geophysics. These programs were designed to further validate targets for the second drill program at the Grog epithermal system and to evaluate the first ever drilling over the high-grade Rim vein target at Northwest (see X-Terra’s press release dated December 5, 2018).

Highlights

- X-Terra has increased the size of the original drill program (11 holes) to a total of 20 holes, which include 4 shallow holes of 100 metres at the Rim target and 16 holes ranging from 150 metres to 300 metres, at the Grog Target
- Gold-in-soil anomalies above the Rim vein in addition to 4 other gold occurrences highlight the stacking possibility of additional gold bearing veins

The Grog and Northwest property is comprised of 36 claims totalling approximately 245 square kilometres, located in the Restigouche County in northwestern New Brunswick and located approximately 100 kilometres west of the Bathurst mining camp.

“The correlation obtained during this phase of works between low mag, high resistivity and gold-arsenic-anomaly at the margin can be considered a significant step up in our understanding of the Grog system. Not only was the kilometric strike length of the known gold system reached and confirmed by a common signature, but our hypothesis was validated that two other parallel trends of the same orientation and thickness creating a 5 km² target. This threshold was an important step to reach considering that, this scale is widely accepted as precedent for exploring a deposit of a significant size” stated Michael Ferreira, President and Chief Executive Officer of X-Terra.

Grog

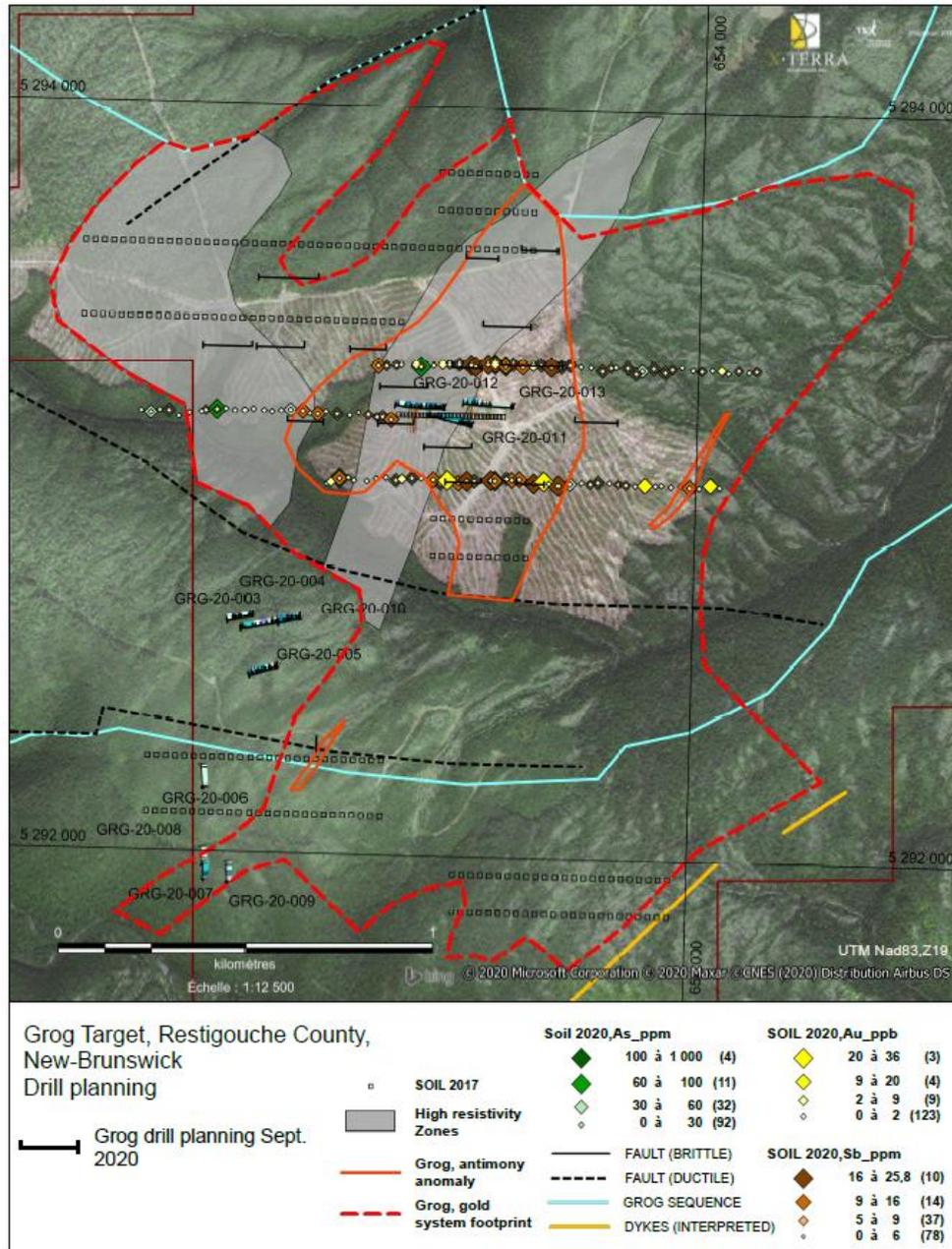
At Grog, a total of one hundred twenty-eight (128) geochemical samples were collected over three (3) parallel lines with approximately 150 metres between lines and samples taken every 25 metres. The objective was not only to confirm the position of the Grog gold bearing structure but to test and confirm the possibility of parallel signatures that X-Terra identified through its 3-D magnetic inversion analysis. The “B” horizon samples were assayed by neutronic activation (INAA), which allowed X-Terra to determine rock types, alteration patterns and precise levels of pathfinder elements, such as gold (Au), Arsenic (As) and Antimony (Sb). The results yielded values up to 36 ppb Au, 291 ppm As and 25.8 ppm Sb.

Elevated gold anomalies were identified on two of the three lines, mainly centered on the Grog target, where a northerly oriented mineralized trend returned a first drill result of 0.46 g/t Au over 31 metres during the first ever drill program (see X-Terra’s press release dated May 5, 2020). The arsenic and antimony elements complement the signature offering a better continuity of the identified Grog target. The combined, superimposed Au-As-Sb anomaly now outlines this target to 250 metres in width while also extending it approximately 750 metres. Excitingly enough, the same type of anomaly was able to be identified 700 metres east-south-east of the Grog target on a parallel trend.

Four (4) lines of Induced Polarization (IP) ground geophysics were also completed, totalling 5-line kilometres. The spacing between the survey lines was 300 metres and the results highlighted very clear windows of resistive host rocks corresponding to silicified sediments.

While the combination of gold results from the new survey recently completed to that of the survey completed in 2017 is somewhat incompatible for gold, due to the different methodologies that were applied, the combination of other indicators like arsenic and antimony (As, Sb) fit not only with bedrock structures mapped in the field but also with the geophysics. When all of these elements are taken into account, the overall Grog footprint can be extended five (5) kilometres north-south and two (2) kilometres east-west.

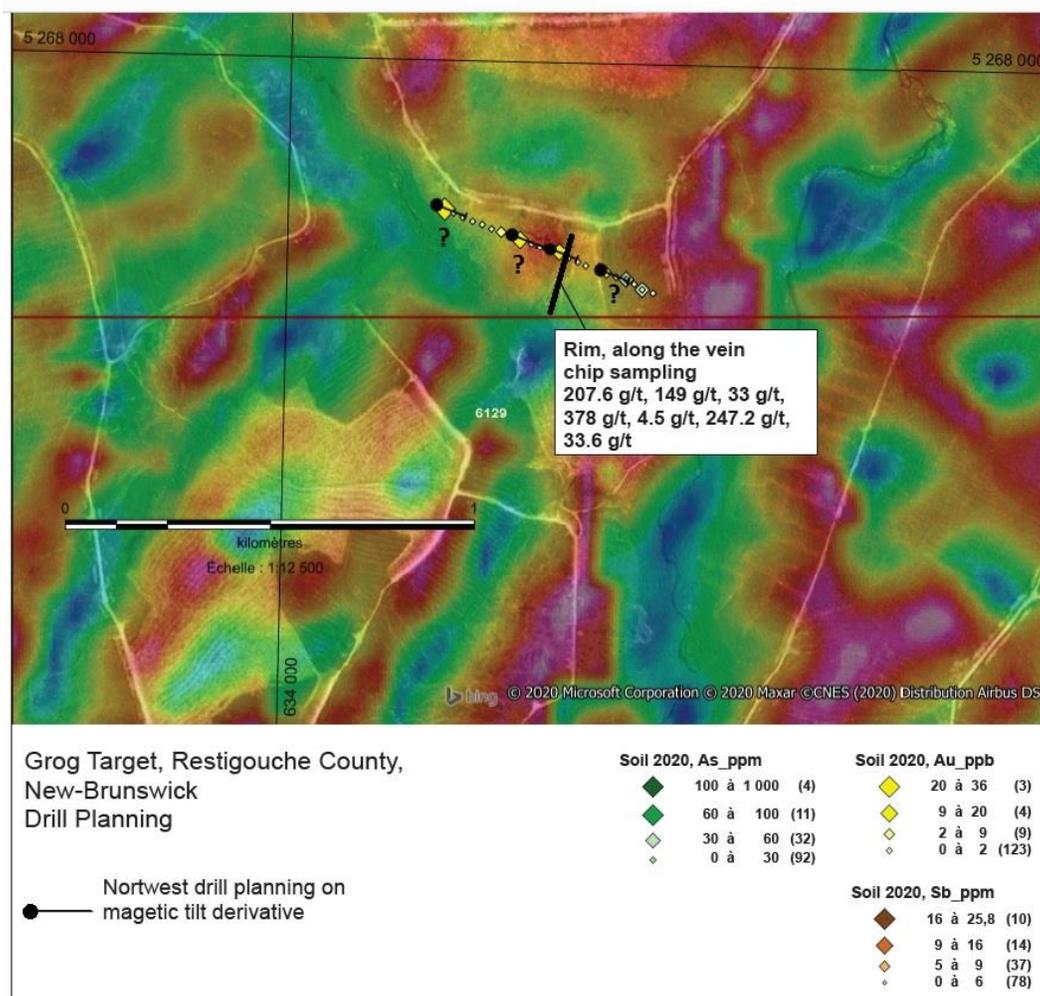
By completing this detailed interpretation with all the data available, X-Terra has been able to outline up to 16 drill targets at Grog that will not only follow up on the initial discovery (see X-Terra's press release dated May 5, 2020) but also the two additional parallel trends to Grog. See map and results below:



Northwest

The Rim vein showing has finally been targeted for a first ever drill test on the Northwest property. The vein is part of a regionally scattered gold bearing quartz vein system, generally oriented parallel to the north-east McKenzie regional fault. The Rim vein showings position corresponds to a distinctive magnetic contrast suspected to correspond to an unmapped strike slip fault. An initial chip sampling program completed on the Rim vein returned gold grades ranging from 4,5 g/t Au up to 1,205.06 g/t Au (see X-Terra's press release dated December 5, 2018).

Twenty-four (24) soil samples were collected on one 600 metres long line using 25 metres spacing between samples. The objective of the survey was to test the stacking possibility of parallel veins to Rim by sampling perpendicular to the vein orientation. The results yielded five (5) samples that identified as distinct gold-in-soil anomalies, including one directly above the Rim vein. These distinct gold-in-soil anomalies including the sample above the rim vein are spaced between 50 and 200 metres apart. See map and results below:



The drill plan for this target includes four (4) shallow holes of 100 metres, which is designed with the goal of testing the down dip projection of soil anomalies and identify the possibility of additional gold bearing quartz veins.

Quality assurance/quality control

152 samples of “B” horizon soil were collected between July 23 and July 30, 2020 by Terrane Geoscience. Samples recovered weighted between 300 and 500 gr. During sampling, tags were randomized with blanks and field duplicates inserted at respectively twenty (20) and ten (10) samples. Samples were processed at the Actlabs preparation facility in Fredericton, New-Brunswick, and directed to Ancaster, Ontario for geochemical analysis. After drying and sieving to -63 microns, samples were irradiated and subsequently measured for the emitted gamma ray.

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 Grog and Northwest Properties, or if it does so, what benefits X-Terra will derive from 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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