

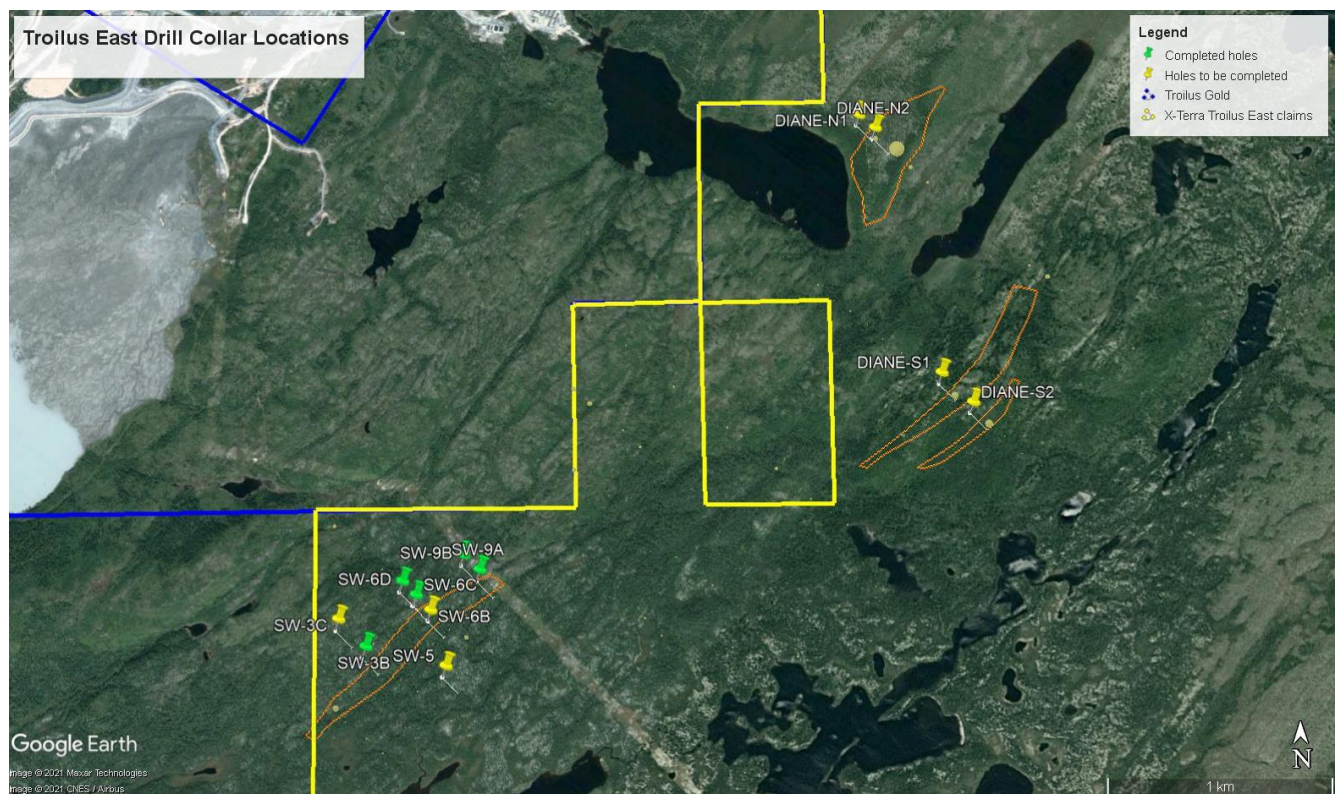


News Release

X-TERRA RESOURCES PROVIDES OBSERVATIONS FROM THE DRILL CORE

Rouyn-Noranda, Quebec, June 22, 2021 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“X-Terra”) is pleased to announce a drilling update regarding its ongoing drill program at the Troilus East property located in the James Bay region in the province of Quebec.

X-Terra has completed five of the planned 12 diamond drill holes. The five holes, which ranged from 150 to 200 metres in depth are positioned along the high priority anomaly located on the southwest grid pictured below.



X-Terra is also excited to announce the preliminary observations from the drill core.

The program was designed to focus around a strong 1-kilometre-long chargeability anomaly, exhibiting an apparent width of between 200 metres and 400 metres. It straddles an area which was difficult to explore and only had limited surface work due to poor outcropping conditions.

The drill grid corresponds to the south-west part of the “Smoke” target. Previous prospecting and soil sampling works gave strong proximity indicator of a mineralized system at about three kilometres directly south-east of the former Troilus open pit. The new system identified covers a strike length of approximately two kilometres where polymetallic sulfides occurrences were sporadically 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 **0.43g/t AuEq** (see X-Terra press release dated August 13, 2020).

Michael Ferreira, President and Chief Executive Officer of X-Terra states: *“The first observations of drill core are extremely encouraging, as they are clearly demonstrating that mineralized outcrops and boulders could correspond to the extensive sulfides bearing drill core where varied amounts of polymetallic sulfides (chalcopyrite and sphalerite) can be observed ranging from one metre to over ten metre intervals”.*

X-Terra wants to highlight that copper and silver grades from drill results recently disclosed by Troilus Gold Corp (TLG) in its press release dated June 6, 2021, are in the same range as these first surface results obtained from the Smoke target. In addition, the host rocks, alteration and mineralization style are also considered similar (please see Troilus Gold Corp’s press release dated September 10, 2019).

Troilus Gold Corp has recently increased the mineral resources to 4.91 million AuEq ounces in indicated resources and 3.15 million AuEq ounces in inferred category (Source: Troilus Gold Corp. Technical Report on the Troilus Gold-Copper Project mineral resources estimate, Quebec, Canada, RPA, dated December 20, 2019. See Troilus Gold Corp’s press release dated July 28, 2020). This information is strictly for deposit model comparisons and does not imply X-Terra’s Troilus East property may host similar quantities of mineralization.

Observation summary

The drill grid crosscut an important lithological sequence. This sequence highlights a progression starting at the north-west side by andesitic flows interlayered with more felsic brecciated flows, which comes in contact with a ten-to-twenty-metre layer of felsic tuffs or sediments, which is locally graphitic. The sequence is intruded by a mafic intrusion marked by continuous composition variations from andesite, quartz rich gabbro to a more mafic counterpart.

Structurally, even preliminary, the whole sequence could be interpreted as folded with a sheared and faulted contact. The fine grain and laminated felsic units acting as a non competent layer molding the mafic unit to create a structural doming effect. Strong ductile deformation associated with a shear band overprints the contact, evolving to a tectonic breccia in the more fragile felsic unit.

The drill grid has yet to cover the entirety of the alteration system which spans approximately the entire width of the chargeability anomaly. The combination of alteration minerals observed includes biotite, muscovite, tremolite, sericite, garnet and aluminous silicate which is concentrated in bands of a few metres, distributed throughout complex assemblages indicating superimposition of events or zoning patterns.

Mineralization

Disseminated iron sulfides (pyrrhotite and pyrite) are common throughout drill intervals in varied lithological and alteration contexts. Chalcopyrite and sphalerite are also noted in intervals ranging from 5 to 20 metres.

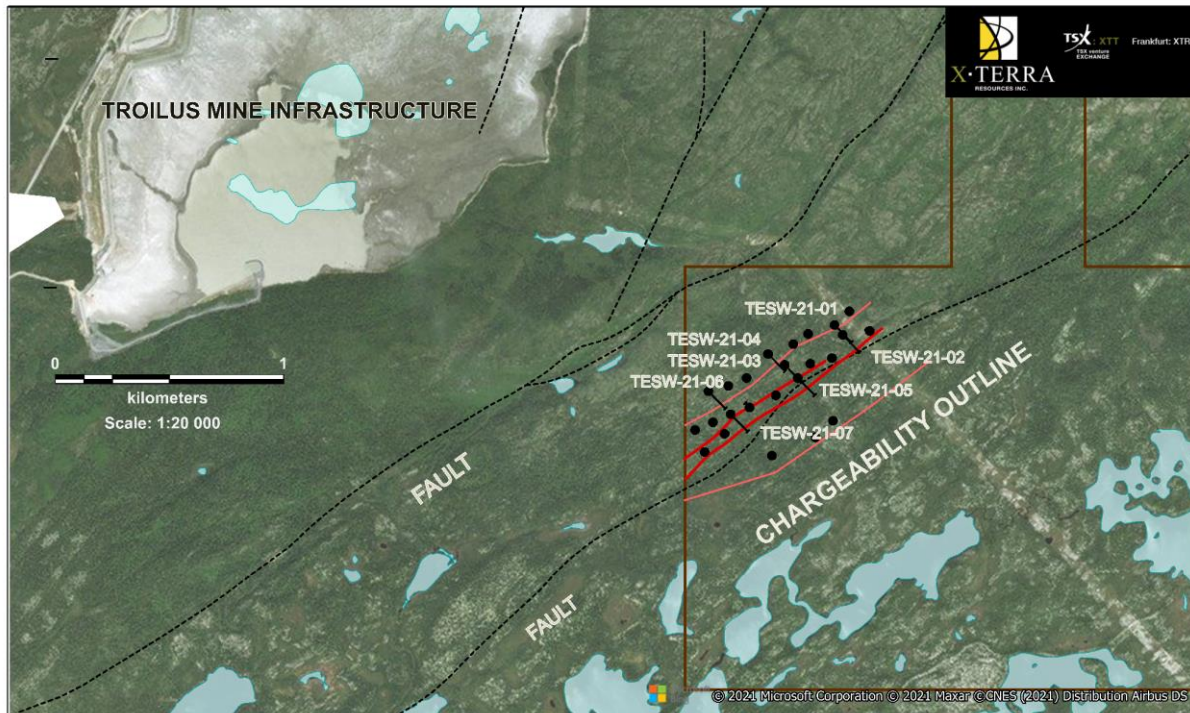
Overall, the intermediate volcanics can be considered as the main host rock for the polymetallic sulfides, presenting as stringers, laminations, disseminated clots in contact with centimetric quartz veins or fractures. In addition, foliated and biotite rich altered gabbro also hosts significant amount of disseminated pyrrhotite, reaching locally 10% in association with trace amounts of chalcopyrite.

Close to the fault system, pyrite bearing quartz and quartz-feldspar veins reaching up to one metre appear, where variably altered volcanic host rocks become more deformed, laminated to brecciated.

The following intervals are preliminary and reflect sulfides concentrations, mostly where chalcopyrite mineralization was observed, or where obvious vein networks were intersected. Observations are from holes TESW-21-01, TESW-21-03, TESW-21-04, TESW-21-07 which were readily accessible at X-Terra's core shack facility.

X-Terra believes it provides initial validation of the perspective of the high priority anomaly at Troilus East, readers are strongly cautioned that the information in this press release is of a preliminary nature and the visual mineralization observed has not yet been assayed. Also, the intensity of visual mineralization should not be used to estimate grade of commercial viability at this stage.

DDH	Position	From_(m)	To_(m)	Mineralization features
TESW-21-01	IP Line 9, north-east limit of the grid,	78	89.5	10% grey quartz veins, locally brecciated and discordant, associated with pyrite stringers. Hosted in biotite-muscovite-pyrrhotite rich volcanic host rock.
TESW-21-03	IP Line 6, center of the grid	0	3	Sulfides rich lamination in felsic tuff with pyrrhotite-pyrite-chalcopyrite.
TESW-21-03	IP Line 6, center of the grid	75	79.5	3 to 5% disseminated chalcopyrite in a silicified matrix.
TESW-21-03	IP Line 6, center of the grid	122	144	3 to 10% disseminated pyrrhotite with traces of chalcopyrite. Disseminated in amphibolitized gabbro.
TESW-21-04	IP Line 6, center of the grid	1.5	8	2-5% disseminated polymetallic sulfides grains and clusters (pyrrhotite, chalcopyrite).
TESW-21-04	IP Line 6, center of the grid	55	85	Pyrrhotite (variable), pyrite, secondary magnetite, traces of chalcopyrite in amphibolitized gabbro, local quartz-feldspar veins (70 to 70.5m).
TESW-21-04	IP Line 6, center of the grid	135	150	Chalcopyrite stringers (traces) with disseminated pyrrhotite and pyrite. Hosted in sediments and mafic volcanics. Quartz-carbonate breccia with quartz veining from 142m to 144.5m.
TESW-21-07	IP Line 9, southwestern extension of the grid	15	35	3 to 10% disseminated pyrrhotite in a biotite rich foliated gabbro. Quartz veins stringer from 32 to 35 metres.
TESW-21-07	IP Line 9, southwestern extension of the grid	76	92,5	5 to 10% pyrite-sphalerite in stringers associated with a strong shear zone and partial tectonic brecciation. Alteration environment dominated by biotite-feldspar.



TESW-21-01: MINERALIZED ANDESITE FLOW, veins and sulfides stringers



TESW-21-03: SILICIFICATION WITH BIOTITE - AMPHIBOLE disseminated chalcopyrite



TESW-21-04: QUARTZ BRECCIA IN FAULT ZONE

Qualified Person

Jeannot Théberge, P. Geo registered in the Provinces of Quebec 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 property, or if it does so, what benefits X-Terra will derive from the Troilus East property. 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, 2020, 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.

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.

For further information:

X-Terra Resources Inc.

Michael Ferreira, President and Chief Executive Officer

147 Québec Avenue
Rouyn-Noranda, Québec, J9X 6M8

Telephone: 819-762-4101 | Fax: 819-762-0097

E-mail: info@xterraresources.com

Website: www.xterreresources.com