



News Release

X-TERRA ANNOUNCES SHARE CONSOLIDATION

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Rouyn-Noranda, Québec, February 3, 2023 – X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) (“**X-Terra**” or the “**Corporation**”) announces the consolidation of its common shares on the basis of one post-consolidation common share for every seven pre-consolidation shares issued and outstanding as of the close of business on February 2, 2023. The shares are expected to begin trading on a consolidated basis on the TSX Venture Exchange on Wednesday, February 8, 2023. The share consolidation was approved by the Corporation’s shareholders at the annual and special meeting held on August 31, 2022.

The Corporation shareholders will receive one post-consolidation common share for every seven pre-consolidation shares held by them. No fractional shares will be issued as a result of the consolidation. Fractional interests will be rounded to the nearest whole number of shares without any consideration payable therefor.

The consolidation affects all the Corporation’s common shares outstanding on February 2, 2023. As a result, the number of issued and outstanding shares will be reduced to 16,384,087 from 114,688,936, subject to treatment of fractional shares. Each shareholder’s percentage ownership in the Corporation and proportional voting power will remain unchanged, except for minor adjustments resulting from the treatment of fractional shares. The new CUSIP number for the post-consolidation shares is 98387W205 and the new ISIN number is CA98387W2058. X-Terra’s common shares will continue to trade under the symbol “XTT” and X-Terra’s name will not change.

Shareholders who hold their shares in brokerage accounts or in “street name” are not required to take any action to effect an exchange of their shares.

Registered shareholders will receive a letter of transmittal from Computershare Investor Services Inc., the Corporation’s transfer agent. The letter of transmittal will contain instructions on how registered shareholders can exchange their share certificates representing pre-consolidation shares for new certificates representing post-consolidation shares. Until surrendered, each share certificate representing pre-consolidation shares will represent the number of whole post-consolidation shares to which the holder is entitled as a result of the consolidation.

The consolidation will not have any effect on the number of issued and outstanding common share purchase warrants of the Corporation. However, as a result of the consolidation, the number of shares issuable upon the exercise of each warrant will be reduced and the exercise price increased, the whole in accordance with the terms of the instruments governing the warrants.

Management believes that the share consolidation is necessary to provide the Corporation with a share structure that will better attract capital financing and that will provide for future growth opportunities.

The share consolidation is subject to final approval from the TSX Venture Exchange.

About X-Terra

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

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 timing for the share consolidation and the approval by the TSX Venture Exchange. 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, that the share consolidation may adversely affect the market price of the common shares; the commencement of trading of the consolidated common shares on either or both of the TSX Venture Exchange may be delayed; the liquidity and market price of the common shares and X-Terra's ability to raise capital may be adversely affected by the share consolidation; X-Terra's capital requirements may exceed its current expectations, and all of the risks described under “Financial Instruments” and “Risk and Uncertainties in X-Terra Resources' Annual Report for the fiscal year ended December 31, 2021, 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.

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

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