

## DRILLING SOUTH OF BILBAO COMMENCES

**Toronto, November 23, 2011, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”)**, previously reported (press release on September 8, 2011) that a 2,500 metre drilling programme had been commissioned to follow up on high grade silver mineralisation previously encountered to the south of the Bilbao deposit. However, due to difficulties in obtaining and scheduling a drill contractor as well as new environmental regulations in Mexico pertaining to development properties as opposed to exploration properties, significant delays were encountered in implementing this drill program. We are pleased to report that drilling began on November 19.

In early Q3 2011, Xtierra announced results of a preliminary program of drilling in the southern part of Bilbao to investigate two types of silver-rich targets located immediately to the south of the main Bilbao deposit. The targets, all with high grade silver content, comprised high angle hydrothermal veins and brecciated limestone horizons. Six separate mineralized veins and/or fault-fillings were identified. The drilling was targeted to assist in determining the characteristics and continuity of the high grade silver veins previously found in drill-hole X26 at the southern margin of, and beneath, the main deposit. Two structural trends have been identified with the mineralisation. A NNW-SSE trend has strong base-metal association while a NNE-SSW trend contains silver values of up to 664g/t silver.

The holes were targeted to assist in determining the characteristics and continuity of the high grade silver veins previously found in drill-hole X26 at the southern margin of, and beneath, the main Bilbao deposit. The width of these structures varies, with veins averaging about 1m true thickness and fault-fillings up to 12m in thickness. The NNW-SSE structures typically contain higher base-metal values with combined zinc and lead values of 14.95% (4.85% lead and 10.10% zinc) including 0.31% copper and 97.9g/t silver over 4.65m in DDH X86-B; 21.39% combined zinc and lead (9.96% lead and 11.43% zinc) including 0.27% copper and 127.6g/t silver over 1.05m in DDH X86A; and in DDH X86B-1 there is an intersection of 12.10m with average grades of 9.08% combined zinc and lead (4.17% lead, 4.91% zinc) including 0.63% copper and 109.4g/t silver (refer earlier press releases).

The current programme will test a number of targets including, (a) the open-ended mineralisation encountered in veins and shear structures similar to that intersected in hole X40-1 (2.45 metres averaging 1,623g/t silver, including 3,340g/t silver over 0.60m). This hole was prematurely halted due to technical difficulties while still in mineralisation; (b) the projected extensions to brecciated silver-rich limestone horizons; and (c) a geophysical anomaly (magnetic) believed to be associated with massive, skarn-type sulphide mineralisation.

Meantime, the Company is progressing towards completion of a Feasibility Study on the Bilbao project. The high priority and critical path task to conclude the study is the oxide ore and sulphide ore metallurgical test work nearing completion at the SGS Laboratory in Lakefield, Ontario. Final tailings management design and the completion of the environmental impact study (EIS) require completion of the metallurgical test work to provide all the necessary input data. The Feasibility Study is expected to be completed by mid-2012.

### **Pinos District Exploration**

The El Dorado gold project located in the Pinos district of south-eastern Zacatecas State is situated 7 kilometers northeast of the historic Pinos gold deposits where veins with reported bonanza grades of more than 200g/t gold were mined historically on northwest striking veins. Historic records suggest the average mined grade was 97 g/t silver and 58.26 g/t gold.

Xtierra completed a program of surface exploration during late Q3 2011 for epithermal gold mineralization in the El Centenario and Santa Patricia claims to the north-west of the El Dorado vein. The program included geological mapping, prospecting, geochemical soil sampling and trenching. A significant geochemically anomalous area of antimony and arsenic, both gold pathfinder elements, has been located coincident with pervasive kaolinitic alteration of rhyolitic tuffs within an acidic volcanic sequence. A hyperspectral study of the rock alteration signatures of the district as revealed by ASTER imagery is being undertaken to help identify areas requiring more detailed examination within the overall

prospective zone. Meanwhile follow up soil sampling will be undertaken over the anomalous area to define targets for drilling planned for Q1 2012.

#### **Qualified Person**

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Terence N. McKillen, P.Geo., Chief Executive Officer, Gerald J. Gauthier, P.Eng., Chief Operating Officer and Dr. Anthony C. Gallon, C.Eng., Chief Geologist, all 'Qualified Persons' within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

#### **Analytical Method**

Samples from half-core were prepared at the Stewart Group laboratory in Zacatecas and initially analyzed for 38 element content using ICP-MS (inductively coupled plasma – mass spectrometry) by the Stewart Group (Eco-Tech Laboratory) in Kamloops, British Columbia. Values exceeding the limits of detection are automatically re-analyzed by Fire Assay or Atomic absorption spectrometry (AAS) methods respectively. Standards and blanks were used regularly for quality control.

#### **About Xtierra Inc.**

Xtierra Inc. is a Toronto based exploration and development company listed on the TSX Venture Exchange under the symbol "XAG". There are 103,272,142 shares issued and outstanding. The Company is completing a feasibility study on its Bilbao silver-zinc-lead-copper project in Zacatecas, Mexico. Xtierra's objective is to become a mid-tier producer of precious and base metals through the development of its Bilbao project as well as through exploration, organic growth and M & A opportunities.

*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 the accuracy of this release.*

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