

BILBAO INFILL DRILLING RESULTS

Toronto, September 11, 2012, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”), is pleased to announce the results of a 2,032 metre 9-hole programme of infill drilling on the main Bilbao deposit. The objectives of the campaign were to check grade variability and to increase confidence in the resource blocks that would be mined within the first three to four years of underground production.

The drilling, which was centred in the previously drilled 50m grid, also permitted a refinement of the morphology of the main zone of mineralization which comprises the bulk of the deposit resource which currently stands at 10.62 million tonnes grading 2.00% lead, 2.13% zinc, 53.81 g/t silver and 0.19% copper in the indicated category. The drill-holes were designated Z1 to Z10, distinguishing them from previous holes which were designated X1 to X100. Results presented in the table below show very strong mineralization of excellent thickness has been intersected during the infill drilling programme. Hole Z4 intersected an almost continuous zone of mineralization at an average grade of 6.47% Pb+Zn together with 54g/t Ag over approximately 194m. Intersections of over 50m of resource grade or better mineralization were encountered in most drill holes which were equal to or better than anticipated.

The results of the infill drilling are now being incorporated into the geological model and a revised and updated independent resource estimate will be calculated for the feasibility study.

Conclusions

- The recently completed infill drilling has confirmed the continuity of the main mineralization between the previous 50m spaced grid pattern in the core of the Bilbao resource on 25m spacing which may enable some of the resources to be upgraded from indicated to a measured category.
- Intersection of the various mineralized horizons during the infill drilling program will enable a refinement of the precise morphology of the main mineralized zone thereby allowing a more accurate tonnage estimate of the resource.
- Good to excellent base metal and silver grades have been substantiated in all of the verification drill-holes.
- Drill hole Z10 encountered a small extension of the massive sulfide pod in the eastern part of the main mineralized zone although with lower lead-zinc-silver grades but with a stronger copper-gold signature (0.29g/t Au and 0.41% Cu over 6.0m).
- There is good overall agreement with grades intersected in the infill drill-holes when compared with those drilled earlier and which were used for calculation of the existing resource estimate. There appears to be a slight increase overall in zinc grades in the infill drill holes compared to earlier drilling.

Silver-Rich Zone

This infill-drilling is separate from the silver-rich breccia zone which was reported previously and which lies immediately to the south of the main Bilbao deposit. This zone extends over an area 350 x 100m in a north-south direction and appears to occupy a brecciated zone within the limestone sequence, the thickness of which is variable from about four to 20 metres. The resource estimate for Bilbao does not include these newly found silver rich veins and mantos (flat-lying replacement deposits) which are expected to eventually contribute to the silver resource at Bilbao.

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.Geol., 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.

Drill-hole	Ore Type	From (m)	To (m)	Width (m)	Lead (%)	Zinc (%)	Pb+Zn (%)	Silver (g/t)	Gold (g/t)	Copper (%)
Z1	Total	85.00	150.50	65.50	0.91	2.58	3.49	18.0	0.01	0.12
Inc Z1	Oxide	85.00	100.00	15.00	1.69	2.46	4.15	32.0	0.01	0.26
Z1	Sulfide	127.00	151.00	24.00	0.86	4.12	4.98	10.0	0.01	0.11
Z2*	Mixed	115.40	128.70	13.30	7.59	3.37	10.96	108.0	0.02	0.94
Inc Z2	Mixed	123.00	127.00	4.00	16.23	0.52	16.75	275.0	0.03	2.06
Z4	Sulfide, Mixed & Oxide	53.25	247.00	193.75	3.20	3.27	6.47	54.0	0.06	0.29
Inc Z4	Oxide	53.25	131.00	77.75	5.52	3.32	8.84	27.0	0.04	0.38
Inc Z4	Sulfide	150.00	211.00	61.00	2.31	4.65	6.96	78.0	0.08	0.18
Inc Z4	Sulfide	219.00	237.00	18.00	1.60	3.28	4.88	77.0	0.06	0.37
Inc Z4	Sulfide	231.00	237.00	6.00	1.12	4.26	5.38	118.0	0.04	0.64
Z5	Sulfide	183.00	210.00	27.00	2.93	3.13	6.06	55.0	0.01	0.25
Z5	Sulfide	226.00	262.00	36.00	2.58	3.80	6.38	120.0	0.02	0.20
Inc Z5	Sulfide	232.00	236.00	4.00	6.79	7.96	14.75	282.0	0.01	0.31
Z6	Sulfide	187.15	218.00	30.85	2.08	2.50	4.58	86.0	0.02	0.15
Inc Z6	Sulfide	187.15	195.00	7.85	4.29	2.76	7.05	51.0	0.02	0.20
Inc Z6	Sulfide	207.00	218.00	11.00	1.93	4.67	6.60	145.0	0.02	0.27
Z7	Mixed	130.35	188.00	57.65	2.25	4.09	6.34	142.0	0.01	0.46
Inc Z7	Sulfide	139.00	156.00	17.00	3.87	7.35	11.22	232.0	0.01	0.76
Z7	Sulfide	189.00	197.00	8.00	0.45	1.82	2.27	75.0	0.29	0.83
Z7	Sulfide	228.00	242.00	14.00	2.61	4.75	7.36	161.0	0.04	0.81
Z8*	Oxide	51.10	57.15	6.05	2.74	3.68	6.42	82.0	0.08	0.45
Z8	Mixed	113.00	121.40	8.40	5.66	2.16	7.82	59.0	0.06	0.32
Z9	Sulfide	164.00	216.00	52.00	1.80	3.71	5.51	110.0	0.06	0.36
Inc Z9	Oxide+Sulfide	171.00	188.00	17.00	4.31	7.87	12.18	256.0	0.01	0.63
Inc Z9	Sulfide	164.00	190.00	26.00	3.47	6.14	9.61	192.0	0.01	0.47
Z9	Sulfide	205.00	211.00	6.00	0.02	1.43	1.45	8.0	0.28	0.34
Z10	Sulfide	189.00	195.00	6.00	0.03	0.06	0.09	24.0	0.29	0.41
Z10	Sulfide	205.00	211.00	6.00	1.32	0.93	2.25	38.0	0.01	0.15

*The planned drill-hole Z3 was not drilled and was substituted by hole Z10. Two drill-holes Z2 and Z8 were terminated prematurely before reaching the main ore body because of encountering water loss in cavernous fault zones.

Analytical Method

Core from each of the drill-holes was halved by diamond saw and samples taken for analysis usually at 1 metre intervals, or where a change in lithology occurred. These samples were submitted to the SGS laboratories in Durango for analysis by Inductively Coupled Plasma Optical Emission Spectrometer ICP-OES/14B by aqua regia digestion for 36 elements. Where analyses of the samples exceeded the upper detection limit for this method they were reanalyzed by ICP-AES/90Q which used a sodium peroxide fusion in order that high accuracy could be achieved and a precise grade (>5% precision) determined on ore grade material. For analysis of silver and gold, where initial grades exceeded 10g/t Ag, these were re-checked by Fire Assay (FAG323). Check analyses of 10% of the samples are being sent to the laboratories of ALS Minerals in Zacatecas.

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 which is expected to be completed in Q4 2012. 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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