

Xtierra Completes Successful Drilling Program on Bilbao Project

Toronto, July 25, 2013, Xtierra Inc. (TSXV:XAG) ("Xtierra" or the "Company") is pleased to announce the successful completion of an additional drilling campaign in the southern part of its silver-zinc-lead-copper project in the state of Zacatecas, Mexico. All six drill-holes, with a total of 1784.10 metres, encountered thick intersections of good grade mineralization with notable high grade silver intersections throughout. Four of the drill-holes showed highly mineralized intervals comprising massive to semi-massive sulfide mineralization varying between 20 and 40m in thickness. A summary of the principal intersections for each of the drill-holes is listed below.

Commenting on the results from the drilling campaign Gerry Gauthier, President and Chief Operating Officer of Xtierra, said *"The fact that good grade mineralization has been discovered in all the drill-holes means we can be assured of the continuity of the sulfide mineralization down dip which in turn will enable us to refine our mining plan. It is particularly encouraging that the main Zn-Pb-Cu mineralization is associated with significant silver and sporadic high gold grades which are additional sweeteners for the Bilbao deposit."*

# DDH	From	To	m	Ag g/t	Au g/t	Cu %	Pb %	Zn %
P1	171.00	190.00	19.00	108	0.0	0.18	1.57	0.35
P1	215.00	217.90	2.90	136	0.0	0.21	2.62	0.72
P1	234.00	241.50	7.50	183	0.0	0.20	3.23	1.52
P1	316.00	317.00	1.00	1030	0.0	0.02	0.44	0.31
P2	240.35	243.00	2.65	89	0.0	0.31	5.72	5.47
P3	204.80	220.30	15.50	48	0.0	0.08	1.60	1.36
P3	237.50	256.00	18.50	200	++	0.22	1.37	0.97
Inc P3	243.00	244.00	1.00	925	5.29	0.08	2.80	0.25
P4	109.10	113.00	3.90	163	0.0	0.01	0.18	0.13
P4	247.40	270.00	22.60	104	++	0.65	1.23	2.10
Inc P4	269.00	270.00	1.00	104	1.19	0.36	0.50	2.80
Z2a	116.00	138.00	22.00	92	0.0	0.80	7.17	2.05
Z2a	150.70	159.85	9.15	38	0.0	0.99	0.39	1.30
Z2a	174.10	177.00	2.90	136	+	0.12	2.01	0.67
Z2a	208.95	212.35	3.40	73	0.0	0.25	1.44	1.53
Z3	234.30	274.00	39.70	148	0.0	0.52	2.23	5.51

True width is not known at this time

It can also be seen in the above table that some sections of drill-holes P3 and P4 have elevated gold values. Of particular note is that within the main sulfide pod between 243.00 and 244.00m in DDH P3 a 1 metre interval intersected 5.29 g/t Au together with 925 g/t Ag as well as base metal values. In like manner drill-hole P1 had in excess of 1kg/t Ag in a calcitic breccia close to the granite contact.

The objective of this drilling campaign was to provide confirmation of continuity of mineralization between drill-holes on closer drill spacing than the earlier 50m grid and thereby identify additional resources in the Indicated category. This recent drilling campaign has confirmed the expected continuity of the upper silver breccia zone as well as the main lower sulfide body and so can be said to have achieved and even surpassed its objectives. A revised 43-101 compliant resource will be available August 2013.

RungePincockMinarco (RPM) is currently finalizing a Pre-Feasibility Document on the Bilbao project and results from this phase of drilling will be incorporated in that report to produce a revised estimate for the mineable tonnage and grade of the deposit. It is expected that this report will be completed in September 2013.

Analytical Methods Utilized

Samples from half-core were prepared at the ALS laboratory in Zacatecas and initially analyzed for 51 element content using ICP-MS (inductively coupled plasma – mass spectrometry) by ALS in Kamloops, British Columbia, Canada. Values exceeding the limits of detection were automatically re-analyzed by ICP-AES sodium peroxide fusion for ore grade base-metal material and by Fire Assay for precious metals. Standards, blanks and duplicate samples were used systematically throughout the sample stream for quality control.

Qualified Persons

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Dr. Anthony C. Gallon, C.Eng., Xtierra's Chief Geologist, a 'qualified person' within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

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 pre-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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