



**XTIERRA COMPLETES \$4.0 MILLION PLACEMENT
TO SPROTT ASSET MANAGEMENT AND PACIFIC ROAD RESOURCES FUNDS**

Toronto, January 20, 2011, Xtierra Inc. (TSX-V – XAG) (“Xtierra” or the “Company”), announces the completion of a non-brokered private placement of 14,331,210 units (“Units”) for gross proceeds of \$4.013 million or \$0.28 per unit. Each Unit consists of one common share of Xtierra (a “Common Share”) and one Common Share purchase warrant (each a “Warrant”), each Warrant entitling the holder to purchase one common share at \$0.40 per share for two years.

The Pacific Road Resources Fund group, a substantial shareholder in the Company, has purchased an aggregate of 5,331,210 Units for gross proceeds of \$1.493 million thereby increasing their group shareholdings in Xtierra to approximately 29.07 million (32.2% undiluted). In connection with the placement to The Pacific Road Resources Fund group, the Company has paid a cash transaction fee of \$57,010 or 4% of the proceeds of such placement.

As announced on December 29th, 2010, Sprott Asset Management LP for and on behalf of certain funds purchased 9 million units for gross proceeds of \$2.52 million. In connection with the placement to Sprott Asset Management LP, the Company has agreed to pay a cash finder’s fee of 4% of the proceeds of such placement.

All securities issued are subject to a hold period of four months and one day from the date of issue in accordance with applicable securities laws and the requirements of the TSX Venture Exchange. All terms of the offering are subject to the approval of the TSX Venture Exchange.

The proceeds of the placement are for feasibility work on Xtierra’s Bilbao silver-zinc-lead-copper project in Zacatecas, Mexico, exploration and working capital.

About Xtierra Inc.

Xtierra Inc. is a Toronto based exploration and development company listed on the TSX Venture Exchange. Xtierra’s shares trade under the symbol “XAG”. Xtierra has 90,206,447 shares issued and outstanding. Xtierra is conducting 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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