

XTIERRA REPORTS HIGH GRADE SILVER INTERCEPTS IN DRILLING IMMEDIATELY SOUTH OF THE BILBAO DEPOSIT

Toronto, June 27, 2011, Xtierra Inc. (TSXV - XAG) ("Xtierra" or the "Company"), is pleased to report the completion of a program of eight diamond drill-holes, totalling 2,648 metres, in the southern part of the Bilbao project, Zacatecas, Mexico. The programme investigated two types of silver-rich targets located immediately to the south of the main polymetallic Bilbao deposit upon which Xtierra is completing a feasibility study. The targets, all with high grade silver content, comprised high angle hydrothermal veins and brecciated limestone horizons. Two Holes (X-86C and X93)–tested geophysical anomalies (magnetic) located 50-70 metres further to the south.

Six separate mineralized veins and/or fault-fillings were identified. Four of the mineralized fault structures trend NNW-SSE while another two veins strike NNE-SSW; the former have strong base-metal values while the later contain silver values of up to 664g/t silver and have been traced over a strike length of at least 70m and remain open-ended.

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 veins, which are comprised of amethystine quartz with calcite, are closely related with the contact of the limestone horizons with the main La Blanca granitic batholith.

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. Several other narrower intersections have been recorded. Not all analyses have been received and these will be reported when available.

The three-dimensional morphology of the silver veins is not yet fully understood. Although the intersections are high angle intercepts, insufficient drilling has been completed on each vein structure to permit the precise calculation of true width. The table appended below indicates intersected width which is likely to be within 15% of true width.

Drilling has shown that the richer silver veins trend NNE-SSW, a direction which accords with similar vein trends to the north of the Bilbao deposit, within the La Blanca granite. Discovery of this zone of silver-rich veins beneath and in addition to the main skarn-replacement zinc-silver-lead-copper mineral deposit at Bilbao is expected to contribute to both tonnage and silver content of the resource. However, additional drilling will be required before any new resource estimate can be made.

Commenting on the preliminary drill results on the high grade silver zone, Xtierra's CEO, Terence McKillen, said *"The recognition of rich silver-bearing vein structures at the Bilbao project is very encouraging and opens up the potential for identifying additional resources, to the south of the main Bilbao deposit. The existence of NNE-SSW striking vein structures containing grades of over half a kilogram per tonne silver is a particularly exciting development. This exploratory drilling program has been conducted as part of a Feasibility Study pertaining to all aspects of the Bilbao project which is currently being undertaken under the independent supervision of DRA Americas."*

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.

Drill-hole #	From (m)	To (m)	Intersected Width (m)	Level	Zone	Ag (g/t)	Pb (%)	Zn (%)	Pb+Zn (%)	Cu (%)
X40-1	207.95	211.75	3.80	1945.21	F3	23	2.71	2.12	4.83	0.25
X40-1	218.65	222.15	3.55	1934.67	F2	71.2	3.09	2.00	5.09	0.20
X40-1	413.65	416.00	2.35	1742.63	V1/2	89.0	4.40	1.32	5.72	0.06
X40-1	420.45	423.00	2.55	1735.94	V1/2	329.0	0.07	0.52	0.59	0.01
X40-1					V1/2	awaited				
X86A	212.00	217.00	5.00	1948.22	V3	114.7	1.12	0.76	1.88	0.08
X86A	284.50	285.60	1.05	1878.15	V4	127.6	9.96	11.43	21.39	0.27
X86A	374.50	376.00	1.50	1791.26		230.0	0.16	0.78	0.94	0.01
X86A	386.00	387.00	1.00	1780.15		218.0	0.19	0.94	1.13	0.01
X86A	396.00	396.55	0.55	1770.49	V1/2	218.0	0.06	0.52	0.58	0.01
X86A	407.35	408.40	1.05	1759.53	V1/2	664.3	0.20	2.20	2.40	0.01
X86B	243.50	248.15	4.65	1917.80	V4	97.9	4.85	10.10	14.95	0.31
X86B	255.00	258.45	3.45	1906.69	F2	24.9	2.07	1.48	4.18	0.11
X86B-1	243.90	256.00	12.10	1912.81	F2	109.4	4.17	4.91	9.08	0.63
X86-C						awaited				
X93						awaited				
X87-1	267.00	268.00	1.00	1893.10	F1	29.6	2.55	3.10	5.65	0.01
X87-1	386.60	389.00	2.40	1777.57	V4	335.5	1.59	1.11	2.70	0.34
X87-1	413.75	415.30	1.55	1751.35	V1/2	578.7	0.20	0.33	0.53	0.01

A summary of the main mineralized zones intersected

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.

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.

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For further information visit www.xtierra.ca or contact:

Terence McKillen
President & Chief Executive
+1 (416) 362-8243

Tim Gallagher
Director
+1 (416) 925-0090

Alejandro Alaniz
Director Finance & Administration (Mexico)
+52 (492) 925-0804