Xtierra inc.

Press Release

Xtierra Reports Financial Results for 2014

TORONTO, Ontario, April 30, 2015 – Xtierra Inc. (TSXV – XAG) ("Xtierra" or the "Company") reports that it has filed its financial results for the year ended December 31, 2014. The Company's Financial Statements and related Management Discussion and Analysis may be accessed on SEDAR or on the Company's website. All amounts are expressed in US dollars.

Financial Results 2014

For the year ended December 31, 2014, Xtierra recorded a loss of $10,248,000 ($0.092 per share), including impairment of $10,000,000 on exploration and evaluation assets, an expense of $139,000 on mineral claims surrendered, and a gain of $132,000 arising on a reduction in the fair value of the convertible notes liability.

For the year ended December 31, 2013, the Company incurred a loss of $6,339,000 ($0.061 per share), including impairment of $4,000,000 on exploration and evaluation assets, an expense of $2,245,000 arising on the relinquishment of mineral claims and a gain $329,000 arising on a reduction in the fair value of the convertible notes.

Administrative expenses for the year ended December 31, 2014 declined to $237,000, compared to $433,000 during the same period in 2013, as a result of cost control.

Secured Notes

On April 29, 2015, the Company's major shareholders, Pacific Road Group of Funds and Minco plc, both agreed, subject to execution of definitive documentation, to extend the due dates of the non-convertible 5% secured notes in the amount of $965,000 from April 30, 2015 to August 31, 2015, and to provide further advances up to $15,000 each to fund the Company's property maintenance costs and working capital.

The purpose of the extension of the maturity date of the secured notes is to provide the Company additional time to assess its strategic alternatives. The notes are secured by the pledge by Xtierra of the shares of its wholly owned subsidiary Orca Minerals Limited, which indirectly holds the Company's Mexican assets. The security includes various standard provisions, including the right of the lenders to enforce their security in an event of default, including default in payment on the notes when due, which enforcement remedies include foreclosure against the pledged shares of Orca Minerals Limited.

Strategic Review

In April 2014 Runge Pincock Minarco (Canada) Limited (RPM) delivered an independent Technical Report in accordance with NI 43-101 containing an updated resource estimate and PEA on the Bilbao Project.

In the second half of 2014 the Company initiated a strategic review to consider alternatives for the development of the Bilbao Project, including the sale of all or a portion of the Bilbao Project or a corporate transaction, and retained Jennings Capital Inc. (now Mackie Research) to assist in the strategic review process. The strategic review has not, to date, identified any acceptable development or financing proposals. There are no assurances that the strategic review process will result in a transaction or, if a transaction is undertaken, as to the commercial terms or timing of such a transaction.

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In accordance with the Company's accounting policies, and as required by IAS 36 – Impairment of Assets, as indications of impairment exist, the Company carried out an impairment assessment of the Bilbao property as at December 31, 2014 and based on such assessment recorded a non-cash impairment charge against its mineral property interests in the amount of $10,000,000 (2013 – $4,000,000).

For the December 31, 2014 impairment analysis, the Company updated the metal prices used in the cash flow model in the PEA to take account of the lower price for silver and used price forecasts for silver of $16.00/oz. The application of the lower silver price in the financial model indicated that the Bilbao project, as contemplated in the PEA, would not generate a positive NPV at a 10% discount rate.

The Company then conducted an internal review of a modified project concept with milling of the ore mined from Bilbao at an existing third party mill within a reasonable trucking distance from the Bilbao property, but otherwise using the same mining plan and operating costs as indicated in the PEA. This scenario would reduce the projected capital costs by eliminating the proposed mill at Bilbao. The resulting pre-tax net present value of the Bilbao project was estimated at $4,985,000 discounted at 10%, and $6,886,000 discounted at 8%, over the projected eight year mine life, using long term price forecasts of: Zinc $0.92/lb, Lead $1.00/lb and Silver $16.00/oz.

The Company also conducted a desktop analysis of an alternative development scenario of extracting only the higher grade portion of the Bilbao resource and, again, milling of the ore mined from Bilbao at an existing mill within a reasonable trucking distance. By focusing only on the higher grade portion of the resource, this alternative development scenario would reduce the projected mining and processing rate and concentrate and metal production but maintain an eight year mine life. This scenario would reduce the projected capital costs by reducing the amount of mine development required and eliminating the proposed mill at Bilbao.

In conducting the impairment analysis, the Company also considered the exploration potential of the Bilbao property, recognising its location close to existing infrastructure and in proximity to other operating mines in a well-recognised mineral district. The assessment also considered a review of other mineral property transactions that have occurred in the Bilbao area.

Based on the forgoing assessment, the Company recorded an impairment charge on the Bilbao project as at December 31, 2014 in the amount of $10,000,000 (2013 – $4,000,000), reducing the estimated fair value of the Bilbao property to $8,380,000.

Cautionary Note: No Pre-Feasibility Study or Feasibility Study has been completed on the Bilbao Project. Project economics are not proven as the Project has not to date declared a reserve. All analyses are based on Indicated and Inferred Resources. Mineral Resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them.

The Company has taken steps to reduce administrative and property holding costs in order to maintain its Bilbao properties and has curtailed all other expenditures, while examining strategic alternatives for advancing the Bilbao Project.

The continuing operations of the Company in the short term are dependent upon its ability to raise adequate working capital to continue as a going concern. Additional funding will be required for optimisation and feasibility studies, further exploration and for financing in the longer term to develop the Bilbao project.

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Qualified Person

Scientific and technical information disclosed in this press release was prepared by or under the supervision of and approved by Gerald J. Gauthier, P.Eng., President and Chief Operating Officer of the Company and a 'qualified person' within the meaning of NI 43-101.

About Xtierra Inc.

Xtierra is a natural resource company with the primary business objective of exploring for and developing precious and base metal deposits on its mineral properties located in the Central Silver Belt of Mexico in the State of Zacatecas.

The Central Mexican Mineral Belt is a prolific mineralized belt that has historically generated the bulk of Mexico's silver production from the early colonial period to the present day and hosts many world class precious and base metal deposits.

The Bilbao Project is a polymetallic sulphide and oxide replacement silver-lead-zinc-copper deposit located approximately 500km northwest of Mexico City in the southeastern part of the State of Zacatecas.

Xtierra also holds an extraction licence for the silver-rich La Laguna Pedernalillo ("Laguna") tailings deposit located near the city of Zacatecas in Mexico.

For further information contact:

Xtierra Inc.
Gerald Gauthier +1 (647) 728-4131
President & Chief Operating Officer

Tim Gallagher +1 (416) 925-0090
Director