

XTIERRA COMPLETES DEBT RESTRUCTURING

Toronto, Ontario, February 14, 2018, Xtierra Inc. (“Xtierra” or the “Company”) announces that it has completed the previously announced partial settlement and restructuring of the Company’s US\$1.15 million principal amount of secured promissory notes (the “Notes”) held by its secured creditors and principal shareholders, the Pacific Road Resources Funds (“Pacific Road”) and Buchans Resources Limited (“Buchans”).

As a result:

- (i) Pacific Road has accepted settlement of its Notes and accrued interest by the issuance of approximately 18.4 million common shares of Xtierra;
- (ii) Pacific Road has sold 50 million shares of the Company to purchasers identified by Xtierra for CDN\$1.0 million and now holds approximately 13.2 million shares (9.8%);
- (iii) Buchans has entered into a two year Support and Standstill Agreement to defer repayment of principal and accrued interest and suspend further interest accruals on its Notes and also to provide additional financial support of US\$100,000; and
- (iv) In consideration for the Support and Standstill Agreement, Xtierra has issued 13.0 million two year, non-transferable warrants to Buchans warrant each entitling the holder to purchase one common share of Xtierra at \$0.05 per share. Buchans will continue to hold 30 million shares, representing approximately 22% of Xtierra’s outstanding shares.

As Buchans currently holds more than 10% of the issued shares of Xtierra, the Support Agreement and the issue of warrants constitutes a “related party transaction” within the meaning of multilateral instrument 61-101 but will be exempt from the requirements for a formal valuation and minority shareholder approval under MI 61-101 by virtue of sections 5.5((g) *financial hardship* (valuation) and s. 5.7(e) (minority approval).

The directors of Xtierra who are independent of Buchans have confirmed their view that the transaction with Buchans is designed to improve XAG’s financial position.

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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.

For further information contact:

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