



## XTIERRA SECOND QUARTER RESULTS

**Toronto, Ontario, August 29, 2018** Xtierra Inc. (TSXV: XAG) (“Xtierra” or the “Company”) reports its interim results for the three and six month periods ended June 30, 2018.

*This news release should be read in conjunction with the Company’s unaudited financial statements and the associated management’s discussion and analysis (MD&A) for the period ended June 30, 2018 which are available on the Company’s website at [www.xtierra.ca](http://www.xtierra.ca) or under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).*

### **Company Overview**

Xtierra is a natural resource company which holds mineral exploration properties located in the Central Silver Belt of Mexico in the State of Zacatecas and is also pursuing new opportunities, including mineral exploration and development projects, and the potential acquisition of mineral and other royalties.

On February 14, 2018, Xtierra partially settled the secured debt due to shareholders and successfully restructured the balance of the debt due to shareholders through agreements which stabilized and significantly improved Xtierra’s financial position.

The settlement of outstanding secured debt with Xtierra’s former major shareholder and the distribution of its control block of shares to other and new shareholders, combined with a two-year support and standstill agreement with its other major shareholder, Buchans Resources Limited, for the balance of secured debt, with put and call provisions whereby Xtierra can repay that debt in cash at any time, or in kind at maturity, was a major step forward towards enhancing both the financeability of the Company and the flexibility to formulate a new strategy and pursue new opportunities, including mineral exploration and development projects, and the acquisition of mineral and other royalties.

Xtierra has begun the process of developing a strategy for realizing some value on the Bilbao and its other Mexican projects in the context of the current resource cycle, as well as identifying and evaluating new potential royalty acquisitions.

The improvement in base metal prices, which began in 2017, continued into 2018. The zinc price reached a 10-year high of US\$1.63 per pound in February 2018 and lead also performed well rising to US\$1.22 per pound in January 2018. However, all metal prices softened in mid-summer 2018 in response to global geopolitical uncertainty, predictions of a slowdown in the global economy in the second half of the year and the threat of damaging effects of tariffs and a potential trade war between the US and China.

Expectations of an increase in the supply of zinc concentrates towards the end of 2018 contributed to the decline in the zinc price to the \$1.15 per pound range after the end of the quarter. The silver price has also been affected by the threat of economic disruption. After reaching the US\$17 per ounce level in June, silver dropped to US\$16.00 by the end of the quarter and subsequently dropped to the US\$15.00 per ounce level.

## Results of Operations

Xtierra recorded no revenue for the periods ended June 30, 2018 or June 30, 2017.

For the six-month period ended June 30, 2018, the Company recorded a loss of \$791,177 (\$0.007 per share). The main components of which were non-cash items including; warrants valuation of \$310,440, share-based payment (stock options) expense of \$302,480 and accretion on other liability obligation of \$120,000.

For the three-month period ended June 30, 2018, the Company recorded a loss of \$74,223 (\$0.001 per share). The main component was accretion on other liability obligation of \$60,000.

For the six-month period ended June 30, 2017, the Company recorded a loss of \$215,541 (\$0.002 per share). The main components of which were exploration expenditures of \$57,865, accretion on other liability obligation of \$120,000 and interest on notes of \$32,409.

For the three-month period ended June 30, 2017, the Company recorded a loss of \$97,661 (\$0.001 per share). The main components were accretion on other liability obligation of \$60,000 and interest on notes of \$16,715.

Xtierra has taken steps to reduce administrative and property holding costs to maintain its properties and has curtailed all other expenditures, while examining strategic alternatives for realizing some value on the Bilbao and its other Mexican projects in the context of the current resource cycle, as well as identifying and evaluating new potential royalty acquisitions.

The continuing operations of the Company in the short term are dependent upon continued support from its major shareholder and the ability to raise adequate working capital to continue as a going concern. Additional funding will be required in the longer term for exploration and development and /or to pursue new potential royalty acquisitions or other initiatives.

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## About Xtierra Inc.

Xtierra is a natural resource company with 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 Xtierra Inc. at [info@xtierra.ca](mailto:info@xtierra.ca)

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