

Xtierra Inc. Completes Acquisition of a Royalty Stream

Toronto, Ontario--(Newsfile Corp. - December 2, 2022) - Xtierra Inc. (TSXV: XAG) ("**Xtierra**" or the "**Company**") is pleased to announce that it has now completed the acquisition (the "**Acquisition**") for a royalty stream of entertainment-based royalties through the purchase of 2 million common shares (the "**MRI Shares**") of Music Royalties Inc. ("**MRI**"). The Acquisition was completed pursuant to the terms of a share exchange agreement dated September 30, 2022, which was disclosed in the press release of the Company dated September 30, 2022. MRI is a Canadian-based private company that acquires passive music royalties from rightsholders (including but not limited to artists, producers and songwriters) and currently holds a portfolio of approximately 25 cash-flowing music royalties. MRI is currently paying a monthly dividend generating a 6% annual yield.

The Company acquired the MRI Shares from Tim Gallagher. Mr. Gallagher is the Chairman and Chief Executive Officer and a director of MRI and the President and Chief Executive Officer and a director of the Company. As consideration for the MRI Shares, the Company issued 20 million common shares (the "**Common Shares**") at a price of \$0.05 per Common Share. The MRI Shares have a value of \$1,000,000 and are expected to yield approximately \$5,000 of dividends per month. The Acquisition has been entered into in connection with the Company's proposed change of business from a mineral resource exploration company to a company focused on seeking cash flow generating royalty opportunities in various industries as described in the press release of the Company dated September 23, 2022.

Tim Gallagher acquired 20 million Common Shares pursuant to the Acquisition. Prior to the Acquisition, Mr. Gallagher owned 10.775 million Common Shares of the Company and 3.6 million stock options. As a result of the Acquisition, Mr. Gallagher beneficially owns and controls 30.775 million Common Shares of the Company and 3.6 million stock options representing approximately 15.7% of the issued and outstanding Common Shares of the Company on a non-diluted basis and approximately 17.2 % on a partially diluted basis. The Common Shares were acquired by Mr. Gallagher for investment purposes. Mr. Gallagher has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future, depending on market conditions, reformulation of plans and/or other relevant factors. A copy of Mr. Gallagher's early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling (416) 925-0090.

The issuance of Common Shares to Mr. Gallagher pursuant to the Acquisition is considered to be a related party transaction within the meaning of TSX Venture Exchange (the "**TSXV**") Policy 5.9 and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the issuance of Common Shares to Mr. Gallagher.

The independent directors of the Company approved the Acquisition with Mr. Gallagher and Andrew Robertson (who serves as a director of each of the Company and MRI) abstaining.

All securities issued pursuant to the Acquisition have been legended with a hold period of four months and one day from the date of issuance.

About Xtierra

Xtierra is a natural resource company with precious and base metal mineral properties in the Central Silver Belt of Mexico in the State of Zacatecas and is pursuing new opportunities including identifying

and evaluating new potential royalty acquisitions.

Xtierra holds a 100% interest, subject to a 1.5% net smelter royalty repurchased in July 2019, on the Bilbao project silver-lead-zinc-copper project located in the southeastern part of the State of Zacatecas.

Xtierra owns 88% of the outstanding shares of Minera Portree de Zacatecas, S.A. de C.V. ("Minera Portree") which holds various legal or royalty interests in certain mineral properties in Mexico, including the Company's Bilbao property, and an asserted claim to a 2% net smelter royalty on six mining concessions located adjacent to the Cozamin Mine operated by Capstone Mining Corp., which claim is challenged by Capstone.

For further information contact Xtierra Inc. at info@xtierra.ca

Tim Gallagher

President, Chief Executive Officer & Director
(416) 925-0090

Additional information about Xtierra can be found on its website at www.xtierra.ca and by reviewing its profile on SEDAR at www.sedar.com.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions, and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking information contained in this press releases includes, but is not limited to, the following: the Company's proposed change of business; the anticipated focus of the Company's business after the change of business is completed; and the future dividend potential relating to the Acquisition.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that all necessary approvals will be granted for the Company's proposed change of business; the future value relating to the MRI Shares and the ability to pay dividends in the future; and that sufficient capital will be available to the Company.

However, forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, that all necessary approvals for the proposed change of business and associated listing of the Common Shares on the Canadian Securities Exchange and delisting of the Common Shares from the TSX Venture Exchange will be not granted or will be subject to conditions or restrictions that are not currently anticipated by the Company; that sufficient capital and financing required in order to fulfill the Company's business plans and strategy following the proposed change of business cannot be obtained on reasonable terms, or at all; that the Company will not be able to pay dividends in the future; and other risks related to the Company as disclosed in the Company's continuous disclosure documents filed on the Company's SEDAR profile at www.sedar.com.

Accordingly, undue reliance should not be placed on forward-looking statements and the forward-

looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and are based on the beliefs, estimates, expectations, and opinions of management on such date. The Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other documents whether as a result of new information, future events or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required under applicable securities law. Readers are cautioned to consider these and other factors, uncertainties, and potential events carefully and not to put undue reliance on forward-looking information.

Xtierra.inc

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/146653>