

X-Terra Resources signs definitive agreement for the acquisition of 100% interest in the Ducran polymetallic property

ROUYN-NORANDA, QC, Oct. 16, 2017 /CNW/ - X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) is pleased to announce that it has entered into a definitive agreement with a private prospector, pursuant to which X-Terra will acquire a 100% undivided ownership interest in the Ducran property as referred to in X-Terra's press release of October 20, 2017. The Ducran property is comprised of 28 mining claims located in the Eeyou Istchee/Baie James Territory, 15 kilometres south of the town of Chapais in the province of Québec.

The 28 mining claims are located at the eastern extremity of the Abitibi Subprovince which contains the Chibougamau mining camp (Doré Lake and Chibougamau Lake sectors; historical production: 47.5 tonnes at 1.72% copper, 2.30 gram/ton gold, 1.6 billion pounds of copper and 3.2 million ounces of gold) and the Chapais mining camp (historical production: 24.2 tonnes at 2.24% copper, 1.13 g/t gold; 1.1 billion pounds of copper, 0.8 million ounces of gold and 8.2 million ounces of silver) (source: report with the *Ministère de l'énergie et ressources naturelles (Québec)*).

The evaluation work carried out by Michel Chapdelaine, Vice-President of Exploration and Development of X-Terra Resources in connection with X-Terra Resources' due diligence on the Ducran property consisted of stripping in two areas and drilling three exploratory holes.

Stripping work

- The stripping work revealed "volcanogenic" alteration and mineralization (pyrrhothite and chalcopyrite stringers) in sheared (N108/71) diorite, quartz diorite and gabbro (the shear zone).

Drill hole No. 1

- Drilled directly under the South-East end of trench A and intersected the shear zone (containing 20% of centimetric to metric diorite fragments) at a depth of 10 metres over a width of 9.85 metres (from 8.50 metres to 18.35 metres). The mineralization within this zone is over 5.85 metres and consists of pyrrhothite – chalcopyrite stringers within the alteration.

Drill hole No. 2

- Drilled under No.1 intersected the shear zone between 42 and 54 metres vertically over a width of 16.48 metres. Two mineralized zones are present in the shear; a 1.9 meters fragment from 68 to 70 metres consisting of a felsic xenolith containing 5% to 20% sphalerite and the stringer zone of pyrrhothite – chalcopyrite from 74.10 metres. to 76.10 metres.

Drill hole No. 3

- Drilled 25 metres to the South-East, parallel to hole No. 2 according to the trend of the shear zone. The hole intersected the shear zone at vertical depth of 50 metres from 68.9 to 75.8 metres (over 6.9 metres). The stringer zone of pyrrhothite – chalcopyrite occurs between 69.9 and 73.8 metres (3.90 metres).

According to the surface stripping work and drill holes 1 and 2, the shear is N105-N115 and dips 70-80 degrees to the South-West.

Results on the foregoing stripping work and the three drill holes are pending and will be communicated in a timely fashion upon reception by X-Terra Resources.

The definitive agreement and the acquisition of the Ducran property is subject to the satisfaction of certain customary conditions and receipt of regulatory approvals, including that of the TSX Venture Exchange. The completion of the acquisition of the Ducran property is expected before the end of the month of October 2017.

In other news, X-Terra Resources has begun receiving results from its second exploration program at the Veronneau property which ended September 20, 2017. To date, 46 of 191 results have been received where 6 grades higher than 0.1 g/t gold where:

- A dynamite trench over the IGPP showing returned **1.76 g/t Au, 70.5 g/t Ag, 2.32 % Cu and 0.72 % Zn**.
- In between the Veronneau showing (4.24 g/t Au over 6.0 metres) and the 1.2 g/t Au discovered this summer as referred to in X-Terra's press release of September 6th, 2017, sample number 119390503 returned **0.5g/t Au** in what is believed to be the Veronneau mineralized corridor. The balance of the results are expected in the coming weeks.

Qualified person

Jeannot Theberge, PGeo, a consultant to X-Terra Resources, is the qualified person for the Veronneau and Ducran properties under *National Instrument 43-101 - Standards of Disclosure for Mineral Projects*, responsible for the technical contents of this news release, and has approved the disclosure of the technical information contained herein. The data verification was conducted by Jeannot Theberge, P.Geo. under the supervision of Michel Chapdelaine, Vice-President of Exploration and Development of X-Terra Resources.

Quality Control

X-Terra Resources has implemented and adheres to a strict Quality Assurance/Quality Control for its exploration program. It includes two

mineralized gold standards, one pulp duplicate and one blank for each batch of 24 samples. Analyses are performed by ALS Chemex, Val-d'Or, Québec, or Techni-Lab, Ste-Germaine-Boulé, Québec, both accredited laboratories.

About X-Terra Resources Inc.

X-Terra Resources is a resource company focused on acquiring and exploring precious metals and energy properties in Canada.

Forward-Looking Statements

This news release contains statements that may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, costs, objectives or performance of X-Terra Resources, or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including the acquisition of the Ducran property and the development of the Veronneau Property. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond X-Terra Resources' control. These risks, uncertainties and assumptions include, but are not limited to, those described under "Financial Instruments" and "Risk and Uncertainties in X Terra Resources' Annual Report for the fiscal year ended December 31, 2016, a copy of which is available on SEDAR at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. X-Terra Resources does not intend, nor does X-Terra Resources undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

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

Website: www.xterraresources.com

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