

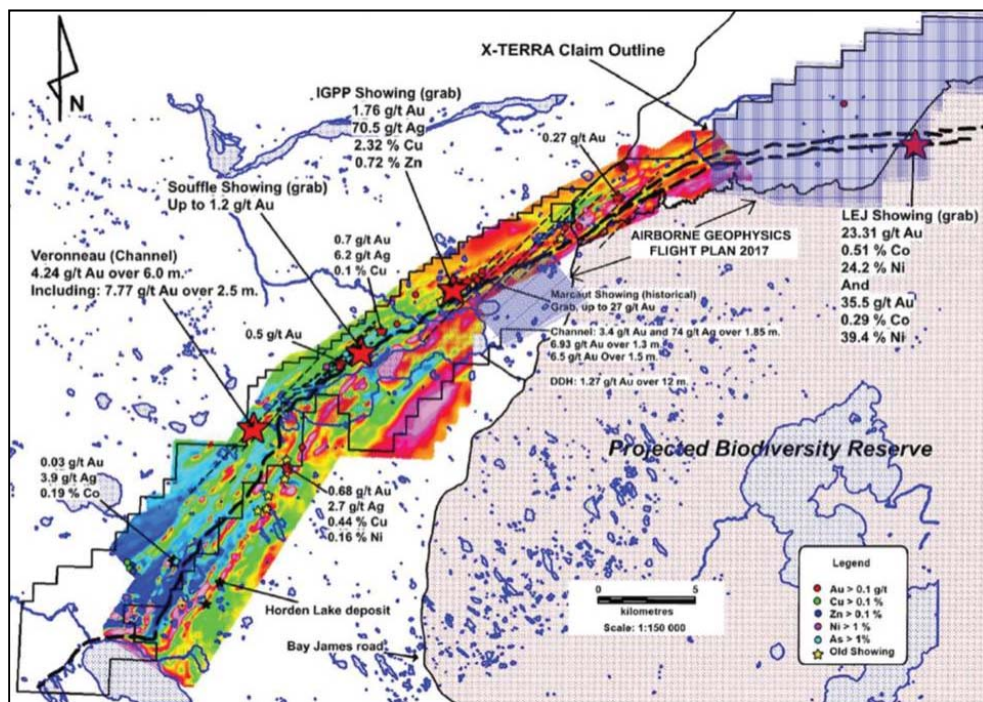
SkyTEM used by X-Terra Resources to identify multiple new precious and base metal targets

In early winter 2017 X-Terra Resources Inc. (<http://www.xterresources.com>) (TSXV: XTT) (FRANKFURT: XTR) contracted SkyTEM Canada (www.skytem.com) to conduct an airborne survey over its Veronneau Property in Quebec. SkyTEM collected 1,225 line kilometres of electromagnetic and magnetic data at a 100 m flight line spacing utilizing the SkyTEM312 time-domain (TDEM) system.

X-Terra Resources Inc. is a gold exploration company concentrating its efforts in James Bay, Québec. The company's flagship Veronneau project lies on the Colomb-Chaboullié greenstone belt located 200km north of the town of Matagami, QC. The property covers 515 claims totalling 25,054 hectares and covers 60.5km strike length of the volcanic belt situated on the contact between the Opatica and Nemiscau Sub-provinces. The margins of the Opinaca sub-province appear quite fertile for mineralization of economic interest as they have recently produced significant discoveries, namely the Éléonore Gold project, Nemaska Lithium's Wabouchi deposit and Quebec's only diamond mine, the Renard project by Stornoway Diamond Corporation. SkyTEM was the first electromagnetic system to collect airborne EM data over the Veronneau property. The objective of the survey was to obtain high-resolution images of the geological features, including discrete conductive anomalies and maps of lateral and vertical variations in resistivity. Additionally, the acquisition of low noise early time measurements were instrumental in effectively resolving complex near surface structures.

Results from this initial airborne survey were combined with historical geophysical and geological data to provide an up-to-date geophysical database. Generated EM anomalies and exploration targets were tested by prospecting programs that led to the eastern extension of the Veronneau property. Upon review of the SkyTEM data, Michel Chapdelaine, a director and member of the technical committee of the Board of Directors of X-Terra Resources commented "The quality of the survey is impeccable and the first interpretations completed by Marc Boivin of MB Geosolutions are as well. The precision of the data will enable X-Terra Resources to precisely target their exploration. In addition, the Veronneau showing is located on a ½ kilometre by 2 kilometres area where the Mag/EM signature is unique as it is very different compared with the rest of the property. We can see certain electromagnetic conductors that seem to recut the principal structural grain."

Utilizing all available data the exploration program generated 1,440 electromagnetic anomalies that are classified as unique and are not bound by stratigraphy and it is strongly believed that they are not formational conductors, thus highlighting their importance. Follow up work is aimed at illuminating the geophysical signature of the LEJ showing (see figure below), in relation to the geology observed on the Veronneau property.





SkyTEM312

SkyTEM312 is a dual-moment airborne EM system with a Low Moment (LM) peak of ~ 3,000 NIA at 210 Hz and an early time gate of ~ 5 μ s for mapping the very near surface, and a High Moment (HM) with a peak of ~ 490,000 NIA at 30 Hz and a late time gate at 11ms to maximize the depth of exploration. The system is capable of operating in fast mode at speeds of up to 150 km/h.

Cost efficiencies for near-real-time advanced deliverables

By taking full advantage of SkyTEM's rapid increase in acquisition speed and delivery of advanced products, exploration budgets can be reduced in a few ways. The system's ability to acquire over 1,000 line kilometres of data

per day combined with fast data delivery allows exploration managers to consider flying an area regionally, with wide flight line spacing and greatly reduced helicopter hours. Results from each days flying can be reviewed and geological trends and anomalies identified. Areas of interest can be strategically targeted for infill lines or extended flight lines thereby reducing time in the field while maximizing exploration objectives. This is all done in one mobilization with crew and helicopter still on site as data is delivered. The combination of speed of acquisition combined with tactical selection of flight lines contributes not only to efficiency and economic benefits but also to providing exploration management with near real-time data to make appropriate management decisions.