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Xmet to purchase Clifton Star's Duquesne Mine property consolidating the Duquesne District's 1,233,000 Inferred & 355,000 Indicated oz. Au

Toronto ON – September 20, 2012 - **Xmet Inc. ("Xmet" or the "Company") (TSXV-XME, OTCQX-XMTTF)** is pleased to announce that it has entered into a purchase agreement with Clifton Star Inc. ("**Clifton Star**") to acquire its 100% owned mineral claims from Clifton Star (known as the "**Duquesne Mine**"), which claims are immediately adjacent to Xmet's flagship Duquesne-Ottoman project in the Province of Quebec (the "**Transaction**"). This agreement is scheduled to close concurrently with Xmet's previously announced purchase agreement for Brionor Resources Inc.'s ("**Brionor**") Pitt Gold Project. These two acquisitions will consolidate all of the Duquesne District NI 43-101 compliant gold resources.

As set forth in the NI 43-101 technical report (available under Clifton Star's corporate profile at www.sedar.com), the Duquesne Mine is a NI 43-101 compliant gold ounce resource totalling 1,859,200 tonnes at 3.33 grams per tonne equalling 199,000 oz. Au at the Indicated level and 1,563,100 tonnes at 5.58 grams per tonnes equalling 280,000 oz. at the Inferred level. The Duquesne Mine property is immediately adjacent to the eastern boundary of Xmet's Duquesne-Ottoman Project. Xmet's Duquesne-Ottoman Project which hosts its own compliant resource of 4.17 million tonnes at 6.36 grams per tonne uncut equalling 853,000 inferred ounces Au and as indicated in the Xmet's News Release of May 16th Xmet has agreed to acquire Brionor Resources Inc.'s ("**Brionor**") Pitt Resource which is a NI 43-101 compliant gold ounce resource of 600,000 tonnes at 7.83 grams per tonne equalling 156,000 oz. Au at the Indicated level and 476,000 tonnes at 6.91 grams per tonnes equalling 100,000 oz. at the Inferred level. Xmet plans on updating technical reports on all three contiguous properties, Pitt Resource, Duquesne Mine and Duquesne-Ottoman, within the coming months to include all drilling and developments that have occurred since their respective reports were published and that are not included in the above resource calculations.

The completion of both the Clifton Star and Brionor transactions will increase the gold resource on Xmet's combined Duquesne-Ottoman property to 1,233,000 inferred and 355,000 indicated NI 43-101 compliant Au ounces. "We believe we've negotiated very favourable terms to acquire both the Brionor and Clifton Star properties. These strategic 100% owned acquisitions will almost double Xmet's compliant gold resource and will eliminate any contractual obligations for option payments or work obligations. This puts Xmet in a position to continue to explore the many targets that our technical team has identified. We view the consolidation of the Duquesne District complete, and with Clifton Star developing its 1.7 million ounce indicated and 1.7 million ounce inferred Au on their Duparquet Property immediately west of the Duquesne District, the region as a whole certainly has a lot of potential to become a major producer", said Charles Beaudry, President and CEO of Xmet.

RESOURCE TABLE FOR THE EASTERN DUPARQUET DISTRICT CONSOLIDATION

| | Indicated Ounces | | | Inferred Ounces | | |
|-------------------------------------|------------------|-------|----------------|-----------------|-------|------------------|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| Xmet's Duquesne-Ottoman | | | | 4,171,000 | 6.36 | 853,000 |
| Clifton Star's Duquesne Mine | 1,860,000 | 3.33 | 199,000 | 1,560,000 | 5.58 | 280,000 |
| Brionor's Pitt Resource | 600,000 | 7.83 | 156,000 | 476,000 | 6.91 | 100,000 |
| | | | 355,000 | | | 1,233,000 |

In exchange for 100% ownership of the Duquesne Mine Property, Xmet has agreed to issue Clifton Star a maximum of 19.9% of its outstanding shares after Xmet has exercised its option from Globex. Completion of the Transaction is subject to a number of conditions, including but not limited to, the exercise of Xmet's option to purchase a minimum 75% interest in Duquesne-Ottoman Project (see Xmet's press release dated March 5, 2012), obtaining any necessary approvals, as well as the acceptance of the TSX Venture Exchange (the "Exchange").

The Duquesne Mine property was developed as an underground mining operation starting in 1941 and by the time it closed at the end of 1952 the property produced 103,883 tonnes averaging 10.25 g/t Au extracted from a three-compartment shaft down to a depth of 228 metres and further developments on a total of nine levels down to a depth of about 393 metres. The shaft was dewatered and rehabilitated in 1987 and further underground development lead to extraction of 93,156 tonnes of material at an average grade of 9.40 g/t Au.

The Duquesne Mine property was the subject of exploration work by Clifton Star and the company published the results of this work as first ever NI 43-101 compliant resource estimate on 26 July, 2011. The NI 43-101 compliant resource was estimated from recent drilling done in the immediate vicinity of the existing shaft. However many holes drilled further to the east and west, along the same structure, were not included in the estimate. Xmet management estimates that a limited in-fill drilling program may be sufficient to generate additional compliant resources on the property. Moreover there are known mineralized zones to the west of the shaft and near the northwestern boundary of the property that merit additional drill testing.

The Clifton Star agreement is part of a larger initiative undertaken by Xmet management that includes the purchase of 100% ownership of the Pitt Resource, located immediately to the west of the Duquesne-Ottoman Property. Xmet has agreed to issue Brionor a maximum of 10.56% of its outstanding shares after Xmet has exercised its option from Globex. Completion of the Transaction is subject to a number of conditions, including but not limited to, the exercise of Xmet's option to purchase a 75% interest in Duquesne-Ottoman Project (see Xmet's press release dated March 5, 2012), obtaining any necessary approvals, as well as the acceptance of the TSX Venture Exchange (the "Exchange").

The Pitt Zone aligns with Xmet's Stinger Zone where Xmet has delineated a gold resource. The intervening area has been insufficiently drill tested, mainly due to drill permitting complexity related to positioning of drill collars, an issue that will be solved by the purchase of the Pitt Property. Between the Pitt and Stinger zones there are over 900 metres of strike along this horizon and at depth that are open for additional exploration and discovery. With the completion of the acquisition of the Pitt Gold Project, drill permitting issues will be largely eliminated and this target area will be a focus of our exploration in the near future.

Xmet Inc. is also very pleased to announce the appointment of Charles Beaudry to President and CEO of the company, effectively immediately. Mr. Beaudry succeeds Alexander Stewart who has been appointed Executive Chairman. Mr. Stewart says, "After two and a half years of hard work by management in building this company to an important threshold, which will be culminated by these two acquisitions, I am confident that Charles will lead Xmet to a bright future."

About Xmet Inc.

Xmet is a gold exploration company focused on advanced projects in existing mining camps in Canada where exploration and mining costs are minimized and where previous and historic producing mines make for much easier permitting and minimizes community and First Nations social community risks. Xmet's flagship project, the Duquesne-Ottoman property, which covers an area of 928.6 hectares, is located approximately 30 kilometres north of the city of Rouyn-Noranda and 10 kilometres east of the village of Duparquet within the townships of Duparquet and Destor in the Province of Quebec.

Neither 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 this release. Mr. Charles Beaudry, P.Geo., Xmet's President, COO and Director, is the designated Qualified Person responsible for this release.

Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Xmet assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to Xmet. Additional information identifying risks and uncertainties is contained in filings by Xmet with Canadian securities regulators, which filings are available under Xmet's profile at www.sedar.com.

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