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NEWS RELEASE

**X-TAL ENTERS LETTER OF INTENT TO PURCHASE ALL OF THE SHARES OF
AMERICAN EAGLE RESOURCES INC.**

Vancouver, BC, August 23, 2010, X-Tal Minerals Corp. (TSX Venture:XMT.H) (the “**Company**”) is pleased to announce that it has entered into a non-binding letter of intent (“the “**LOI**”) with American Eagle Resources Inc. (“**AME**”), a private BC corporation. The parties of the LOI have agreed to negotiate a definitive agreement by September 30, 2010 pursuant to which the Company would acquire all of the outstanding shares of AME (the “**Transaction**”). Final terms remain to be negotiated and the Transaction is expected to take the form of an amalgamation, arrangement, share purchase, or similar form of business combination. The primary asset of AME is the Tuvatu Gold Mine in Fiji, along with 38,034 hectares of Special Prospecting Licenses on the Fijian Islands of Viti Levu and Vanua Levu.

The Transaction is conditional upon the execution of a definitive agreement, completion of satisfactory due diligence, receipt of shareholder approval and other corporate approvals, regulatory approval, court approval (if necessary) and the provisions of the *Business Corporations Act (British Columbia)*. Further information regarding AME and the Transaction will be provided in a news release upon execution of a binding letter of intent or definitive agreement by the parties.

About AME

AME is a mineral exploration company operating in Fiji through its wholly owned subsidiary Lion One Limited Fiji (“**Lion One**”). Lion One is focused on the redevelopment of the Tuvatu Gold Mine, previously operated by Emperor Mines Ltd. (“**Emperor**”). Previous JORC compliant resource estimates at the Tuvatu Gold Mine included indicated resources of 1.065 million tonnes at 8.45 grams per tonne, or 289,000 ounces of gold, in addition to inferred resources of 757,000 tonnes at 10.31 grams per tonne, or 251,000 ounces of gold. In connection with a pre-feasibility study commissioned by Emperor in 2000, a probable reserve was reported of 269,034 ounces grading 6.3 grams per tonne. X-Tal has commissioned the preparation of a NI 43-101 compliant Technical Report in order to reclassify the historic estimates. The Company warns that although these historic estimates are relevant, the estimates predate NI 43-101, and therefore are not being treated as current mineral resources or reserves and should not be relied upon.

Previous work on the project included over 80,000 meters of drilling and a total of over \$20 million spent in drilling, metallurgical testwork, a complete feasibility study, resource and reserve estimation, mine construction and operation of a decline, and initial mining carried out by AME’s predecessors. The mineralization is open at depth, and it is believed that the resource base may be significantly increased as production commences and drilling downward from the decline is undertaken.

In addition to the Tuvatu Gold Mine, Lion One has been granted Special Prospecting Licenses on five tenements covering 38,034 hectares on the islands of Viti Levu and Vanua Levu, and plans to carry out extensive regional exploration programs.

Modern exploration at Tuvatu commenced in 1996 with regional mapping, sampling, IP and aeromagnetic surveys, and 48,008 meters of drilling. In 1997 Emperor commenced development of a 1,630 meter underground decline to a depth a 240 meters, in which it also conducted underground drilling, geophysical surveys, bulk sampling and trial mining. In 2000 Emperor completed an AUD\$3.5 million feasibility study including metallurgical testwork and other studies, performed a further 23,668 meters of drilling, and proceeded with mine

design and environmental and community studies. Included in the metallurgical testing was a series campaign milling of ores through the nearby Vatukoula mill on the island of Viti Levu. The results of these studies are included in the data base that AME has available for development of the project.

In addition to the Tuvatu Gold Mine itself, the surrounding area within Lion One's Special Prospecting Licenses hosts significant soil and geochemical anomalies and is highly prospective for gold, copper porphyry and massive sulfide exploration. Lion One has undertaken over the past two years an ongoing regional exploration program following up on earlier work. Low-intensity regional exploration was carried out between 2001 and 2007 by Emperor during which time ten new prospect areas were identified outside the mine area.

The in-house Qualified Person for the purposes of NI 43-101 guidelines is John Jenks, P.Geol., who has reviewed and approved the technical contents of this news release.

ON BEHALF OF THE BOARD OF DIRECTORS

Walter H. Berukoff, Chairman

For Further Information, please contact:

X-TAL MINERALS CORP.

311 West 1st Street
North Vancouver BC V7M 1B3
Tel: 604-998-1250
Fax: 604-998-1253

Forward Looking Statements

Neither the NEX nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release

This press release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects X-Tal's current beliefs and is based on information currently available to X-Tal and on assumptions X-Tal believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports, assessment reports, other geological reports or prior exploration results. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of X-Tal or its subsidiaries to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of X-Tal, general business, economic, competitive, political and social uncertainties; the actual results of current research and development or operational activities; competition; uncertainty as to patent applications and intellectual property rights; product liability and lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting mining, timing and availability of external financing on acceptable terms; not realizing on the potential benefits of technology; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals. Although X-Tal has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. X-Tal does not undertake to update any forward-looking information, except in accordance with applicable securities laws.