



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Enters Agreement for Mining in Historic Underground Workings, Exploration and Reducing Debt at El Oro Mexico

Vancouver, British Columbia, July 22, 2024 - Xali Gold Corp. (TSXV:XGC) ("**Xali Gold**" or "**the Company**") is very pleased to announce it has signed a legally binding Letter of Intent ("**LOI**") with Rio Verde Resources ("**Rio Verde**") on portions of five mining concessions within the El Oro Mining District ("**El Oro 5 Concessions**") in the State of Mexico and Michoacán de Ocampo, Mexico.

Rio Verde has been granted the exclusive right to explore and extract gold, silver and any other economic minerals that may be found above the 2400 metre ("**m**") level in the historic workings covered by the El Oro 5 Concessions in exchange for payment of a 3% Net Smelter Return ("**NSR**") to Xali Gold. The initial agreement has a term of 5 years which may be extended for an additional 5 years providing Xali Gold is receiving benefits totalling \$1 Million ("**M**") per year. Xali Gold retains the exclusive ownership of all mineral bodies discovered or delineated below the 2400 m level.

"There couldn't be a better time, since we acquired the property in 2006 and gold prices were much lower than the current \$2400 per ounce, to be monetizing the mineralization left behind in the historic workings and to be exploring for new mineral bodies," states Joanne Freeze, President and CEO of Xali Gold. "Rio Verde is well known for their ability to get into production in record time, to make good profits and to discover mineral deposits. This new partnership will allow us to keep all the exploration upside we have demonstrated by our previous drilling underneath the historic workings, while we work together with Rio Verde to test exploration concepts and get underground access for future drilling as well as pay back our debts on the mineral rights."

Keith Piggott of Rio Verde has advised us that their production will initially focus on the exploration target identified by Luismin-Hillsborough in 1993. Luismin-Hillsborough estimated there to be a potential for 762,000 ounces ("**ozs**") gold ("**Au**") and 9.8M ozs silver ("**Ag**") (6.89M tonnes grading 3.44 g/t Au and 44 g/t Ag) in the historic workings after studying 2,600, 2 m interval mine level plans with grades, sections and production documentation as well as 8 new drill holes. The mineralization is understood to have been left behind in in-situ vein, pillars and back-fill as it had grades below historical cut-off of 8 g/t Au.

The LOI shall initially pertain to only the 5 mining concessions of El Carmen, El Oro VII, Dos Estrellas 77 Fracc.1, Dos Estrellas 77 and Dos Estrellas 77 Fracc. II. Rio Verde shall maintain the concessions in good standing during this period, by paying the semi-annual concession fees, by incurring the minimum investments and the corresponding filings with the Mexican Mines Bureau, by making the filings of statistical reports and by paying the Governmental Royalties.

In addition to the 3% NSR payments, Rio Verde has agreed to provide funding to pay concession fees owing, initially on the 5 Concessions they plan to mine. Rio Verde and Xali Gold will collaborate to negotiate a payment plan with the Mexican Tax Authority for mineral rights fees owed over the last 5 years (all fees owing prior to that are no longer due).

Funds provided for concession fees will be provided as participation in a Private Placement in Xali Gold under the following terms: A Unit comprising one share and one-half warrant will be priced at CAD\$0.05. A full warrant will be exercisable at CAD\$0.10 per share for two years. Xali Gold will grant Rio Verde the right to participate in future Private Placements, terms of which will be in the context of the market at the time when the funds are provided. Such funds are expected to come from income generated from operations on the five concessions and will be used to assist Xali Gold in paying off the remaining fees due on the rest of the El Oro Property.

Rio Verde has also been granted the right to appoint an additional member to the Board of Xali Gold and to the position of Chair of the Board, when Rio Verde holds greater than 20% of the outstanding shares in the Company, provided that person is deemed qualified by the current Board of Xali Gold.

About Rio Verde Resources

Rio Verde is a private company controlled and managed by Keith Piggott, the former President and CEO of Goldgroup Mining Inc. and Core Gold Inc. Mr. Piggott is a mining engineer with over 50 years of experience in Zambia, Australia and PNG, Mexico and South America. In the recent past, as well as significant exploration success, he has started 3 mines: Cerro Colorado, El Boludo and Cerro Prieto in Sonora, Mexico plus a green-fields start in a record time of 3 months in Ecuador. These mines have collectively produced approximately 500,000 ozs of gold to date.

About Xali Gold

Xali Gold has gold and silver projects in Peru and Mexico. The Company's flagship project El Oro is a district scale gold project encompassing a well-known prolific high-grade gold dominant gold-silver epithermal vein system in Mexico. The project covers 20 veins with past production and more than 57 veins in total, from which approximately 6.4M ozs of gold and 74M ozs of silver were reported to have been produced from just two of these veins (Ref. Mexico Geological Service Bulletin Nr. 37, Mining of the El Oro and Tlapujahua Districts. 1920, T. Flores).

Modern understanding of epithermal vein systems indicates that several of the El Oro district's veins hold excellent discovery potential, particularly below and adjacent to the historic workings of the San Rafael Vein, which was mined to an average depth of only 200m.

Xali Gold is dedicated to being a responsible Community partner.

Joanne C. Freeze, P.Geo., President and CEO is the Qualified Person as defined by National Instrument 43-101 for the projects discussed above. Ms. Freeze has reviewed and approved the contents of this release. Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Forward-looking Information

This news release may contain forward-looking information (as such term is defined under Canadian securities laws) including but not limited to historical production records. While such forward-looking information is expressed by Xali Gold in good faith and believed by Xali Gold to have a reasonable basis, they may address future events and conditions and are therefore subject to inherent risks and uncertainties including those set out in Xali Gold's MD&A. Factors that cause the actual results to differ materially from those in forward-looking information include, without limitation, gold prices, results of exploration and development activities, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, potential environmental issues, availability of capital and financing and general economic, market or business conditions. Xali Gold expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

On behalf of the Board of Xali Gold Corp.

"Joanne Freeze" P. Geo.

President, CEO and Director

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