



## NEWS RELEASE

### **Xali Gold Announces Excellent Recoveries from KCA Drill Program at El Oro, Mexico**

Vancouver, British Columbia – February 12, 2025 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to announce results from the 2024 drilling and metallurgical testing program completed by Kappes, Cassidy and Associates ("KCA") on the Mexican Mine Tailings in El Oro (the "El Oro Tailings Project") in Mexico. The drilling program was conducted to provide samples for metallurgical evaluation and testing of the tailings and to increase the level of confidence in the resource estimate completed by Xali Gold in 2014.

"We are very pleased with the steady progress that KCA continues to make on the El Oro Tailings Project and their strong commitment to advancing the reprocessing project toward production," states Joanne Freeze, President and CEO of Xali Gold. "The latest metallurgical testing has successfully optimized recovery processes, leading to even higher extraction rates than previously anticipated. Additionally, KCA has reported to the Company that the drilling program has not only added confidence in the 2014 resource estimate but has also shown possibility of resource expansion, further enhancing the project's overall potential."

KCA contracted Major Drilling, a well-respected international drilling company, which utilized a state-of-the-art sonic drill rig – widely regarded as the best technology for drilling tailings. The program consisted of 34 holes which were drilled to the bottom of the tailings, reaching depths of up to 27 metres ("m"). Samples (approximately 75 mm in diameter) were collected on 1.5 m vertical intervals and sent to KCA labs in Reno, Nevada for processing. The assay results of the drilling program indicated the gold and silver content of the tailings was very uniform both laterally and vertically to depth and slightly higher than previously estimated by Xali Gold.

KCA has reported to the Company that the drilling and metallurgical results indicate a potential 10 to 15% increase in the size of the resource as well as a small increase to both the gold and silver grades and recoveries. Given that KCA completed a much more thorough drilling and test work program than previous work, Xali Gold is very pleased to see an increased level of confidence in the previous work by Xali Gold.

KCA estimates that the methods recommended above could give recoveries of up to 82% for gold and 86% for silver, however for economic calculations they will use 78% recovery for gold and 86% recovery for silver. These are slightly higher than the average overall recovery of 75% previously considered by KCA. Testing is still on-going to optimize reagent recovery and therefore costs.

KCA has advised the Company that economic studies for the El Oro Tailings Project are underway but initial analyses indicate there is excellent potential for a profitable operation.

Xali Gold entered into a Purchase Agreement with KCA after it was determined in 2014 that the gold and silver within the tailings were not easily recoverable using conventional metallurgical techniques. Recognized experts in complex recovery processes, KCA has since conducted extensive testing, demonstrating that higher gold and silver recoveries can be achieved by grinding the material to a fine size of 20 microns and then pre-treating it with chlorine to oxidize the sulfides and carbon.

## **Additional Updates**

Xali Gold has granted 750,000 restricted share units (“RSU”) to the Company’s Chief Financial Officer. The RSUs vest in stages: 20% on January 31, 2025, 40% on June 30, 2025, and 40% on December 31, 2025. Once vested, each RSU entitles the holder to acquire one common share of the Company. The RSUs were issued pursuant the terms of the Company's 2024 Omnibus Equity Incentive Plan.

## **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 historic producer of gold and silver. While the Company’s main goal at El Oro is to make a new discovery, similar to the multi-million ounce (“oz”) gold and silver ore bodies mined historically, the Company has entered into two agreements to bring in cash flow. Two third parties now have entered Definitive Agreements with Xali Gold for the rights to produce gold and silver from the El Oro Project. Kappes, Cassidy & Associates (“KCA”) has the right to reprocess the Mexico Mine tailings which contain 1.27 million tonnes at a grade of 2.94 gpt gold and 75.12 gpt silver (3.85 gpt gold equivalent) containing 119,900 oz of gold and 3,061,200 oz of silver\*. Remedioambiente S.A. de C.V. (“RM”) has the right to recover gold and silver from mineralized veins and backfill left behind in the historic mine workings on five concessions. The agreements provide for Xali Gold to receive funds from net smelter returns (“NSRs”) of up to 3% from each of these two agreements. In addition, the underground work by RM is expected to give the Company underground access for drilling the high-grade targets identified by previous drilling below the historic workings at El Oro and also assist in paying mineral rights fees.

Future exploration in Mexico is planned to be focused on the El Oro property which 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 Tlalpujahu Districts, by T. Flores in 1920). 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.

With renewed interest in gold and silver exploration in South America, Xali Gold has recently been reviewing high sulphidation gold targets with features similar to the Yanacocha and Pierina mines, within proven high sulphidation epithermal belts in Peru. The Company also still maintains other properties in Peru.

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.

## **On behalf of the Board of Xali Gold Corp.**

“Joanne Freeze” P.Geo.  
President, CEO and Director

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#### 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 and resource estimates. 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.*