



NEWS RELEASE

Xali Gold Provides Update on South American and Mexican Projects

Vancouver, British Columbia – July 29th, 2025 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to advise that, aside from the Sarape Project in Mexico, the Company has decided to shift its exploration focus to South America.

"Given the current price of gold, we have been searching for and evaluating advanced projects which could potentially be developed on a shorter timeline than our current exploration projects," said Joanne Freeze, President and CEO of Xali Gold. "While we have been reviewing many projects in Argentina, Peru, Chile and Mexico, our first preference is to secure an advanced-stage project in Peru with a significant gold resource and a Preliminary Economic Assessment ("PEA"). I have worked in Peru since the 1990's when Antamina, Yanacocha, Pierina and many other prolific mineral deposits were all discovered and developed so I have a solid base from which to recognize opportunity. We believe that our team's extensive experience and focus has excellent potential to unlock significant value."

Within Mexico, Xali Gold has most recently been advancing the Sarape silver-gold Project ("Sarape") under option from Advanced Lithium Corp. Sarape is located in the Rio Sonora Valley of northern Mexico, a prolific gold-silver mining district that includes First Majestic Silver's Santa Elena/Ermitano Mine, Premier Gold Mines' Mercedes Mine and Coeur Mining's Las Chispas Mine which was recently purchased by Coeur from Silvercrest for C\$2.4 billion ¹.

Recent work by Xali Gold's exploration team at Sarape has identified significant evidence of the potential for higher grade gold and silver mineralization at depth and laterally from previous drilling. Compelling drill target generation work is underway for drilling planned for Q4 2025/Q1 2026.

Xali Gold has recently discovered that nine mining concessions in El Oro have been declared as "cancelled" by the Mexican Mines Bureau ("MMB"). These nine concessions account for approximately 35% of the land package at the El Oro Project. The remaining El Oro Concessions are still effective and in normal condition to conduct exploration and operations. In the Company's reasonable opinion, after review and consultation with its Mexican advisors, that in accordance with Mexican laws, the "cancellation" is unlawful as the following requirements were not complied with:

- **Notice of Default:** The registered concession owner must directly receive a formal notice in accordance with applicable laws (Federal Law of Administrative Procedures) if there are unpaid mining duties or other breaches. The registered domicile to receive notifications from the MMB is the Xali Gold office, and our Mexican legal counsel has advised that neither this notice nor the cancellation notification referred to below were received.
- **60-Day Cure Period:** In accordance with the Mining Law, the MMB may start a cancellation proceeding over the Mining Concessions against the concession owner due to the lack of the payments of mining duties. The cancellation is not automatic. The authority, through a direct notification, is to request information and grant a term of 60 days to evidence payment.

¹ References to nearby properties in the region is for information purposes only and there is no assurance that the Company will achieve the same results.

- **Cancellation Notification:** In case payment of owed fees is not evidenced within the 60-day period, a formal cancellation notice must be issued and delivered directly to the registered Concessionaire.

The cancellations may be revoked through a common procedure in Mexico, which involves submitting a demand with the Federal Administrative Court.

The Company is reviewing the steps required to revoke the “cancellations” with its Mexican advisors. If the Company chooses to commence legal or administrative process to revoke the “cancellations”, Xali Gold may request from the Federal Administrative Court the suspension of the effects of the notice of cancellation, which would allow it to continue carrying out exploration and operations during the time of litigation of such administrative trial, in case such measure is granted by the Federal Administrative Court.

In the meantime, no other company may take ownership of the concessions.

About Xali Gold

Xali Gold holds several gold and silver projects in both Mexico and Peru. Xali Gold has recently acquired the right to earn a 90% interest in the Sarape silver-gold Project (“Sarape”), in Northern Mexico from Advanced Lithium Corp.

The Sarape Project is located in the Rio Sonora Valley of northern Mexico, a prolific gold-silver mining district that includes First Majestic Silver’s Santa Elena/Ermitano Mine, Premier Gold Mines’ Mercedes Mine and Coeur Mining’s Las Chispas Mine.

The Sarape Project is located approximately 20 km northeast of the Las Chispas Mine which was recently purchased by Coeur for C\$2.4 billion. Xali Gold recognizes the Project's immense potential and plans to leverage our expertise in low-sulphidation epithermal gold systems such as El Oro, to unlock its full value. Las Chispas, Ermitano and Sarape have similar geological settings, occur within the same structural corridor and are all low-sulphidation epithermal vein projects. Las Chispas and Ermitano are high-grade gold and silver mines, with low costs of production.

The Company’s El Oro project 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 with third parties for the rights to produce gold and silver from specific shallow areas of the El Oro Project which are expected to bring in cash flow and open up underground access for drilling.

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.
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Forward-looking Disclaimer

This news release may contain forward-looking information (as such term is defined under Canadian securities laws) including but not limited to the results of evaluating other mineral exploration prospects, the future impacts or effects of the Cancelled Concessions and the steps the Company is taking as it relates to the Cancelled Concessions. 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.