



NEWS RELEASE

Xali Gold Updates after Filing Annual Financial Statements

Vancouver, British Columbia, August 21, 2025 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or "the Company") is pleased to advise that the Company filed its audited annual financial statements, accompanying management discussion and analysis, and CEO and CFO certifications for the financial year ended March 31, 2025 (the "Annual Filings") in accordance with applicable Canadian securities laws on August 16, 2025. The Annual Filings are available both under the Company's profile at www.sedarplus.ca as well as on the Company website under [Investors – Financial Reports](#).

The TSX Venture Exchange ("TSX.V") is currently conducting a Listing Review of Xali Gold, which is a normal part of the review process after trading has been halted in a Company. The Company is working to resume trading as soon as possible. In connection with the Listing Review, the Transfer Agent and Registrar for Xali Gold have confirmed that the Company is in good standing with Computershare Investor Services Inc.

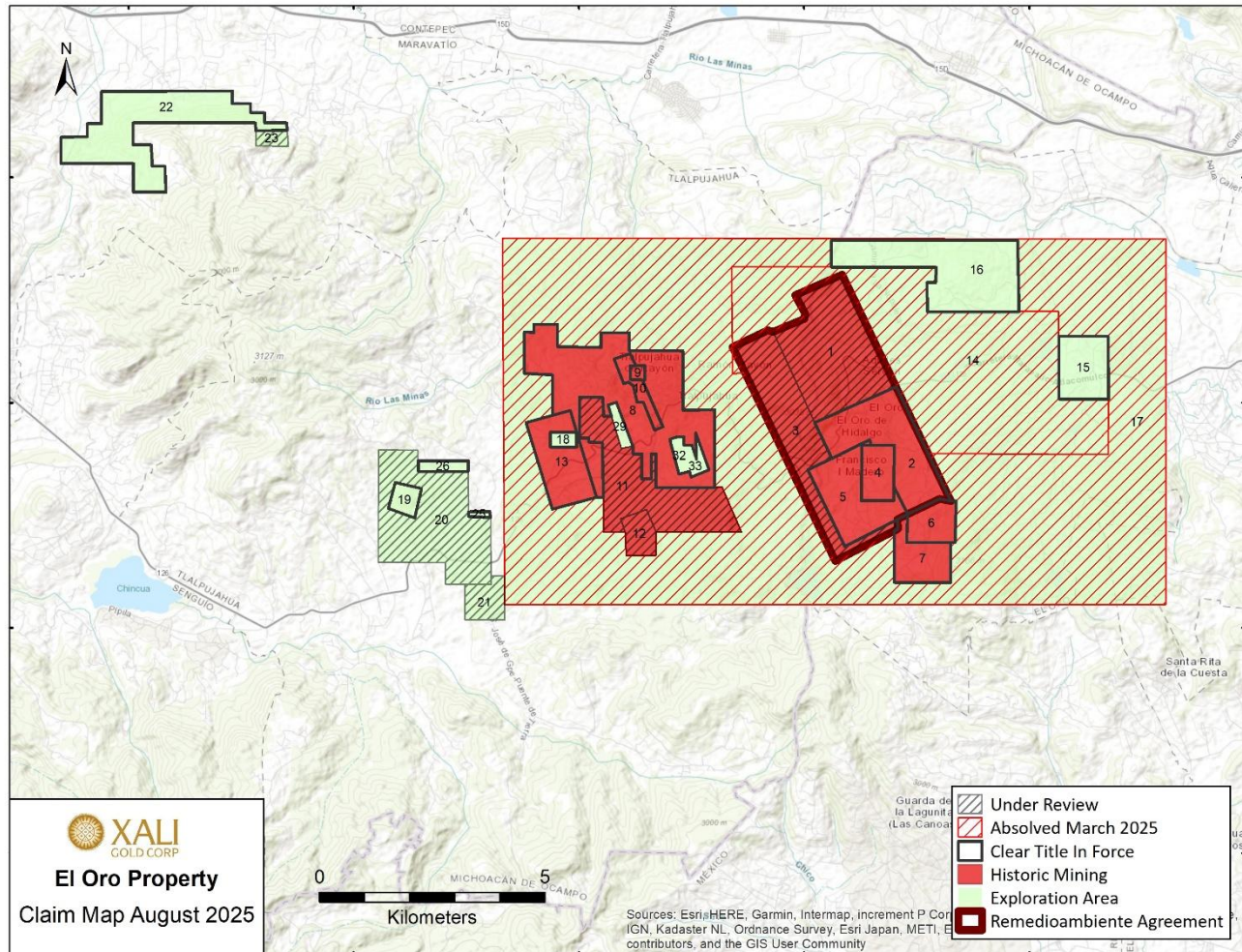
"Given the current price of gold, and our very experienced and capable partners in Mexico, we are focused on securing an advanced exploration stage project in South America in one of the proven high-sulphidation epithermal belts in Peru," said Joanne Freeze, President and CEO of Xali Gold.

El Oro Update

Xali Gold also provides an update on the cancellation of some of the El Oro concessions by the Mexican Mining Bureau ("MMB"). Two mining concessions which were peripheral to known mineralization and drill targets (see Map 1 below) were cancelled prior to March 31, 2025. One of these was cancelled with notice but the other was cancelled without notice, which we have been told is unlawful. Due to the extensive size of these two claims, and given that they comprised 76.28% of the fees owing for the total El Oro property, the Company decided not to legally challenge these two cancellations and instead to write-off \$2,260,108 in outstanding mining fees related to these concessions.

In late July 2025, it was discovered that an additional seven El Oro concessions had also been cancelled by the MMB without notice. All of these cancellations are understood to be unlawful for failure to provide the legally required 60-day notice directly to the Company. The Company is currently seeking legal advice to understand potential recourse to suspend or overturn the cancellation of these seven concessions. It is also understood that this is not an unusual practice by the MMB at the moment and several companies are managing to get cancellations overturned. Remedioambiente (see below under About Xali Gold) is legally obligated to pay the fees due on the five claims under option to them (including two of the unlawfully cancelled ones) and has advised the Company they are in a position to contest those cancellations (see Map 1 below).

Map 1: El Oro Claim Map



About Xali Gold

El Oro is a district scale historic producer of gold and silver. The El Oro property hosts 20 veins with past production and more than 57 veins in total, with two veins alone producing approximately 6.4M ozs of gold and 74M ozs of silver from mining that averaged only 200m depth (Ref. Mexico Geological Service Bulletin Nr. 37, Mining of the El Oro and Tlalpujahua Districts, by T. Flores in 1920).

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.

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. Kappes, Cassiday & Associates ("KCA") has the right to reprocess the Mexico Mine tailings (see [News Release dated October 24, 2024](#)). 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 (see [News Release dated August 28, 2024](#)).

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 Yanacocha and Pierina, within proven high-sulphidation epithermal belts in Peru. The Company maintains other properties in Peru.

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.

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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 timing for TSX Venture Exchange to complete its listing review and resume trading, or the ability for the Company to acquire other projects, or the terms on which any such acquisitions will or may be made. 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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The Tailings Project in El Oro contain an Inferred Resource* of 1,267,400 Tonnes grading 2.94 Au g/t, 75.12 Ag g/t containing 119,900 ounces of gold and 3,061,200 ounces of silver. *Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate. For more information see "National Instrument 43-101 Technical Report on the Inferred Mineral Resource Estimate of the Mexico Mine Tailings" prepared by Nadia Caira, P.Geo. and Allan Reeves, P.Geo., dated August 25, 2014 with an effective date of July 8, 2014 available at www.sedar.com.