



NEWS RELEASE

Xali Gold to Acquire Pico Machay Gold Project in Peru

Vancouver, British Columbia – October 24th, 2025 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to announce that it has entered into a *Share Purchase Agreement* ("SPA") on October 23rd to acquire the company Minera Calipuy S.A.C ("Calipuy"), which wholly owns the Pico Machay Gold Project ("Pico Machay" or the "Project") in Central Peru, from Pan American Silver Corp. (TSX:PAAS) (NYSE:PAAS) ("Pan American") and its subsidiary, Aquiline Resources Inc. ("Aquiline").

Pico Machay is a high-sulphidation gold deposit that lies within the northern extent of the Southern Peru Epithermal Gold-Silver Belt and has a Historic Measured and Indicated Resource of 264,600 ounces ("oz") of gold (10.6 million ("M") tonnes grading 0.78 grams per tonne ("gpt") gold) and an additional Historic Inferred Resource of 446,000 oz of gold (23.9 M tonnes grading 0.58 gpt gold) (see Table 1 below for resource details).

"The Pico Machay acquisition represents a pivotal step for Xali Gold as we expand our presence in one of the world's most prolific epithermal gold-silver countries," said Joanne Freeze, President and CEO of Xali Gold. "With a historic resource already in place and various engineering studies conducted since discovery through 2010, the Project offers both immediate value and excellent upside potential. Pico Machay is especially compelling given that the original resource was calculated using a long-term gold price of US\$700/oz. The current stronger gold price environment provides us with many opportunities to upgrade the project and evaluate additional production alternatives that may not have been supported by lower gold prices. With three decades of experience in Peru's mining sector, we are confident that our team of South American and gold experts combined with the strengths of local partnerships and the country's exceptional mineral potential, uniquely positions us to unlock the full value of this opportunity. Our focus will be to update the resource estimate and previous engineering studies with a near-term production goal, while also testing exploration targets for potential resource expansion. In addition, there are several other known high-sulphidation prospects in the area which we will evaluate for potential acquisition and exploration to enhance/expand production at Pico Machay."

About Pico Machay

Pico Machay was discovered in 1997 and explored by several juniors including Aquiline through 2009. Aquiline completed various engineering studies including resource estimations and metallurgical testwork. These studies targeted an open pit heap-leach operation, which was expected to be low-cost and with a low strip ratio. Given that Aquiline's engineering work prior to that company's acquisition by Pan American was based on a long-term gold price of \$700/oz and several exploration targets remain untested, Xali Gold believes there is excellent upside potential.

Geologically, Pico Machay occurs within the northern extent of the Southern Peru Epithermal Gold-Silver Belt, which is one of three epithermal gold-silver belts in Peru that are host to world-class gold deposits, including the Yanacocha and Pierina mines. Minera IRL Ltd.'s Corihuarmi Mine operates 63 km north of Pico Machay.

Logistically, the Project lies in the eastern part of Western Cordillera Andes within the District of Santa Ana, Province of Castrovirreyna and Department of Huancavelica which is a well-established mining area/district. The Santa Barbara Mine and Julcani Mine have been operating since 1953 by Compañía de Minas Buenaventura S.A. There are also currently several mines within a 45km radius of Pico Machay including: Lalira, San Genoro, Astohuaraca, El Paloma, Cauduloso, Reliquias and Recuperada.

Pico Machay is 35 km southwest of the city of Huancavelica via road, 457 km from Lima or 270 km from Pisco. Huancavelica is also connected to Callao, the port of Lima by a 650-kilometre intermontane rail line. Santa Ana is the nearest town from the Project and is 13 km away.

Historic Resource

Resource Category	Tonnes (M)	Gold Grade (gpt)	Contained Gold (oz)
Measured	4.7	0.91	137,500
Indicated	5.9	0.67	127,100
M & I	10.6	0.78	264,600
Inferred	23.9	0.58	446,000

Table 1: Historical Measured, Indicated and Inferred Gold Resources at Pico Machay

Notes to accompany the Historical Resource table:

1. Information regarding the historical resource at Pico Machay were obtained from the report titled: "Independent Technical Report and Resource Estimate Pico Machay Gold Deposit" prepared by Caracle Creek International Consulting Inc. for Aquiline Resources Inc (purchased by Pan American Silver) on November 25th, 2009. The resource numbers are highlighted in the Pan American News Release dated [September 11, 2024](#) and found on both the Pan American website and on www.sedarplus.ca. All resource estimates have used the same categories in accordance with CIM Standards on Mineral Resources and Reserves.
2. The Qualified Person for the Pico Machay Project is David Thomas of DKT Geosolutions Inc.
3. All resource estimates for Pico Machay are considered historical in nature and are based on prior data and reports prepared by previous property owners.
4. A qualified person has not done sufficient work yet to classify the historical estimates as current resources in accordance with current CIM categories and the Company is not treating the historical estimates as current resources. Significant data compilation, redrilling, resampling and data verification may be required by a qualified person before the historical estimates on the project can be classified as a current resource.
5. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current resource, there is no certainty as to whether further exploration will result in any inferred mineral resources being upgraded to an indicated or measured resource category.

Technical Information

All scientific and technical information in this news release has been prepared by, or approved by David G. Thomas, P.Geo. and Joanne C. Freeze, P.Geo. Qualified Persons as defined by National Instrument 43-101 for the Pico Machay Project. Ms. Freeze is the President and CEO of Xali Gold and Mr. Thomas is Independent.

Resources were estimated using historical drilling (up to 2004) and current drilling (drilled between 2004 and 2008). The resource estimate includes holes up to Hole ABS-246, drilled in 2008. Micromine software (Version 11.0.4) was used to facilitate the resource estimating process and the estimate was prepared in accordance with CIM Standards on Mineral Resources and Reserves.

Mineralized zones were outlined to enforce geological control during block modelling. The geological continuity of the broader mineralized zones, especially for the main zone, was quite good and could be readily followed from hole-to-hole and section-to-section. An average specific gravity (rock density) value, based on eleven samples, of 2.31 was used.

A block model was created, constrained by the zone wireframes. Blocks in the Inferred category were defined based on search ellipse parameters with a range of 40m. Blocks in the Indicated and Measured categories were identified manually, based on drill intercepts spacing values of 27 and 20m, respectively. Ordinary block kriging was used to estimate block grades.

Share Purchase Agreement Terms

The terms of the SPA with Pan American and Aquiline to acquire 100% of their collective interest in Calipuy, which owns all rights, title and interest in the Pico Machay Gold Project, include the following cash payments (all dollar values are United States dollars):

Time Period	Cash Payments
Closing of Transaction	\$0.5M
1 st Year Anniversary	\$1.5M
2 nd Year Anniversary	\$1.5M
3 rd Year Anniversary	\$4.0M
4 th Year Anniversary	\$3.0M
5 th Year Anniversary	\$4.5M
On delineating a minimum of 1.25M oz Au	\$2.5M
Total	\$17.5M

Closing of the transactions under the SPA are subject to customary closing conditions for transactions of this nature, as set out in the SPA, including TSX Venture Exchange approval for Xali Gold. Pan American will retain certain security interests over Calipuy, subject to Xali Gold's completion of the deferred payments under the SPA.

Xali Gold is dedicated to being a responsible community partner.

Both David G. Thomas, P.Geo. and Joanne C. Freeze, P.Geo. Qualified Persons as defined by National Instrument 43-101 have reviewed and approved the contents of this release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) 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 Disclaimer

This press release contains forward-looking information within the meaning of Canadian securities laws ("forward-looking statements"). Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, plans, postulate and similar expressions, or are those, which, by their nature, refer to future events. All statements that are not statements of historical fact are forward-looking statements.

Forward-looking statements in this press release include, without limitation: the timing to close the SPA and meet closing conditions; potential upside and production from and viability of the Pico Machay Project; the potential tonnage, grades and content of deposits; the steps and timing to convert historical mineral resource estimates to current estimates for the Company. These forward-looking statements are made as of the date of this press release. Although the Company believes the forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements.

Known risk factors and assumptions include risks associated with exploration and project development; accessing further funding and related dilution; continuing its projected growth, or being fully able to implement its business strategies; the calculation of mineral resources and additional work required to convert historical resources to current mineral resources; the nature, quality and quantity of any mineral deposits that may be located on the project; operational risks associated with mining and mineral processing; fluctuations in metal prices and assumptions including costs; title matters; government regulation; obtaining and renewing necessary consents, authorizations, licenses and permits; environmental liability and insurance; reliance on key personnel; local community opposition; currency fluctuations; labour disputes; competition; variations in market conditions, and the volatility of our common share price and volume; future sales of shares by existing shareholders; and other risk factors described in Xali Gold's MD&A and other filings with Canadian securities regulators, which may be viewed at www.sedarplus.ca. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. 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.

CAUTIONARY NOTE TO U.S. INVESTORS

We advise U.S. investors that this news release uses terms defined in the 2014 edition of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "CIM Definition Standards on Mineral Resources and Mineral Reserves", as incorporated by reference in Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects", for reporting of mineral resource estimates. These Canadian standards, including NI 43-101, differ from the requirements of the United States Securities and Exchange Commission (SEC) as set forth in the mining disclosure rules under Regulation S-K 1300. Regulation S-K 1300 uses the same terminology for mineral resources, but the definitions are not identical to NI 43-101 and CIM Definition Standards. Regulation S-K 1300 uses the term "initial assessment" for an evaluation of potential project economics based on mineral resources. This study type has some similarities to a Preliminary Economic Assessment, but the definition and content requirements of an initial assessment are not identical to the definition and content requirements for a PEA under NI 43-101.