



NEWS RELEASE

Xali Gold Commences Work on Pico Machay Gold Project in Peru

Vancouver, British Columbia, January 8th, 2025. Xali Gold Corp. (TSXV:XGC) (“Xali Gold” or the “Company”) is pleased to announce that work has commenced on the recently acquired Pico Machay Gold Project (“Pico Machay” or the “Project”). Xali Gold has commenced field work with the initiation of community engagement in anticipation of starting technical field work and environmental studies for drilling permits this month.

“With the acquisition of Pico Machay successfully closed on December 24th, 2025, our team hit the ground running during the holiday period,” said Joanne Freeze, President and CEO of Xali Gold. “Community engagement commenced with introductory meetings and the sharing of holiday cheer in the community between December 27th and 30th. In addition, we are engaging with permitting consultants in order to get surface drilling permit applications in as soon as possible.”

Xali Gold has a fourfold strategy to take Pico Machay into production as soon as possible, while also exploring for additional resources which includes:

1. Conduct detailed rock chip sampling, bulk sampling and geological mapping, both on surface and within existing underground workings. This work will assist in achieving a better understanding of geological controls to higher grades, as well as compare assay results with those from historical drilling, which was all by reverse circulation (“RC”). RC produces small chips of rock, which are well known to allow fine gold (present at Pico Machay) to wash away.
2. Concurrently complete an environmental technical report to support a surface drilling permit under a Ficha Tecnica Ambiental (“FTA”) permit estimated to take 2 to 3 months to acquire.
3. Launch a new Preliminary Economic Assessment (“PEA”) and detailed Environmental studies for additional surface drilling and development for operations.
4. Simultaneously negotiate a 20-year Community Agreement encompassing all activities from surface exploration drilling under the FTA through to full production. Silver Mountain recently signed a 20-year agreement with the same community to reactivate and operate their Reliquias mine, approximately 12 km from Pico Machay.

Details of the acquisition can be found in the Company’s [October 24th, 2025](#) and [December 24th, 2025](#) news releases.

About Pico Machay

Pico Machay lies within the northern extent of the Southern Peru Epithermal Gold-Silver Belt and in the eastern part of Western Cordillera Andes within a well-established mining area/district (click [here for location map](#)). Xali Gold looks forward to advancing discussions with the Santa Ana community and advancing Pico Machay under a mutually beneficial framework.

Pico Machay was discovered in 1997 and explored by several juniors including Aquiline Resources (“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 Silver Corp., was based on a long-term gold price of \$700/oz and several exploration targets remain untested, Xali Gold considers the upside potential to be very strong.

Pico Machay has a Historical 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 Historical Inferred Resource of 446,000 oz of gold (23.9 M tonnes grading 0.58 gpt gold). A total of 154 reverse circulation holes drilled prior to 2009, were relied upon to delineate the Historical Resource. All of these holes were drilled in a central zone while nine additional high-potential exploration targets remain untested.

Technical Information

Information regarding the historical resource at Pico Machay is outlined in the technical report titled: “Amended Technical Report on the Pico Machay Gold Deposit in Huancavelica Province, Peru” prepared by David G. Thomas, P.Geo. for Xali Gold dated December 16th, 2025 and filed on www.sedarplus.ca. All resource estimates have used the same categories in accordance with CIM Standards on Mineral Resources and Reserves.

All resource estimates for Pico Machay are considered historical in nature and are based on prior data and reports prepared by previous property owners. 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. 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.

About Xali Gold

Xali Gold is a gold and silver exploration company focused on advancing opportunities in the Americas. The Company is focused on the exploration and development of Pico Machay, an advanced exploration stage gold project in Peru with a near-term production goal. Xali Gold maintains exploration potential as well as two royalty agreements with third parties who have the rights to produce gold and silver from specific areas of the El Oro gold-silver Project in Mexico, a historic district-scale precious metal system with a long history of significant gold and silver production.

Xali Gold is dedicated to being a responsible Community partner.

Joanne C. Freeze, P.Geo. is a Qualified Person as defined by National Instrument 43-101 and 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 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 of payment of the five deferred payments and the Contingent Payment; the timing to conduct updated exploration work on the Project, including optimizing prior engineering studies and timing to prepare a current mineral resource estimate for the Company (that is not a historical resource under NI 43-101); the Company’s plans to work with REINFO owners to sample previously drilled zones; expected engagement with the Santa Ana community; timing to bring the Project into production, if at all; impacts of artisanal miners on the Project and environmental liabilities, if any; impacts and results of community engagement with indigenous populations located near the Project. 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.