XALI GOLD CORP

NEWS RELEASE

Xali Gold Continues to Demonstrate the Scale and Grade of Gold Mineralization at Pico Machay

Vancouver, British Columbia, July 28th, 2026. Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to report the completion of assay results from its initial underground and surface channel and rock chip sampling program (the "Program") at its Pico Machay Gold Project ("Pico Machay" or the "Project") in Central Peru.

Highlights:

- High grades continue to be confirmed within historical resource area
- Gold mineralization and alteration characteristic of a high-sulphidation epithermal system have been identified in underground workings across an area measuring 1.35km by 0.83km
- 67 of 119 surface samples returned more than 0.50 g/t gold, helping refine exploration targets
- 2.92 grams per tonne ("g/t") gold ("Au") over 31.5 meters ("m") from Surface Channel 1 including 13.76 g/t Au over 4.5m

The historical resource (surface expression) area extends over approximately 750 m east-west by 150 m north-south. Within its core, Surface Channel 1 returned 2.92 g/t Au over 31.5 m, including 13.76 g/t Au over 4.5 m. Surface Channel 1 is located approximately 40 m vertically above UG Channel 3A, supporting the presence and vertical continuity of higher-grade gold mineralization in this central area. As previously reported, UG Channel 3 NS returned 1.49 g/t Au over 41.1m, including 3.44 g/t Au over 8.0m. See Figures 1 and 2 below as well as Tables 1, 2 and 3 for complete results. See the Company's news release dated June 25th, 2026, for previously reported results.

A total of 13 underground ("UG") workings are now known to have been excavated since 2020, of which 11 have now been mapped and sampled. All 11 UG workings expose gold mineralization and alteration characteristic of a high-sulphidation epithermal system, including vuggy silica and advanced argillic alteration. The workings occur across an area extending approximately 1.35 kilometres ("km") in a northeast-southwest direction along the main structural trend and approximately 825m in a northwest-southeast direction.

UG Channel 8, the northeastern most working, is located approximately 800m northeast of the centre of the historical resource area and returned 1.18 g/t Au over 4.3m. At UG Channel 9, 2.10 g/t Au was returned over 1.35m from vuggy silica. UG Channel 10, the southwestern most working, returned three samples ranging from approximately 0.68 to 4.14 g/t Au.

Exploration Targets

Aquiline Resources ("Aquiline") previously identified nine exploration targets outside of the resource area at Pico Machay. Surface sampling has helped identify and refine Xali Gold's current exploration targets, with 67 of the 119 surface samples collected during the Program returning gold values above 0.5 g/t Au). Xali Gold has now defined ten exploration targets, four of which overlap with targets previously identified by Aquiline. The five remaining Aquiline targets will be reviewed in greater detail as part of future exploration work.

"These results continue to build our confidence in Pico Machay," stated Joanne Freeze, President and CEO of Xali Gold. "The consistency of the results, including indications of potentially higher grades within the historical resource area, is very encouraging. Equally important are the numerous anomalous gold results returned from underground workings and surface samples outside the resource area. While several of these areas are beyond the scope of the upcoming resource update, the results highlight the potential to expand the known mineralized system and provide compelling targets for future exploration."

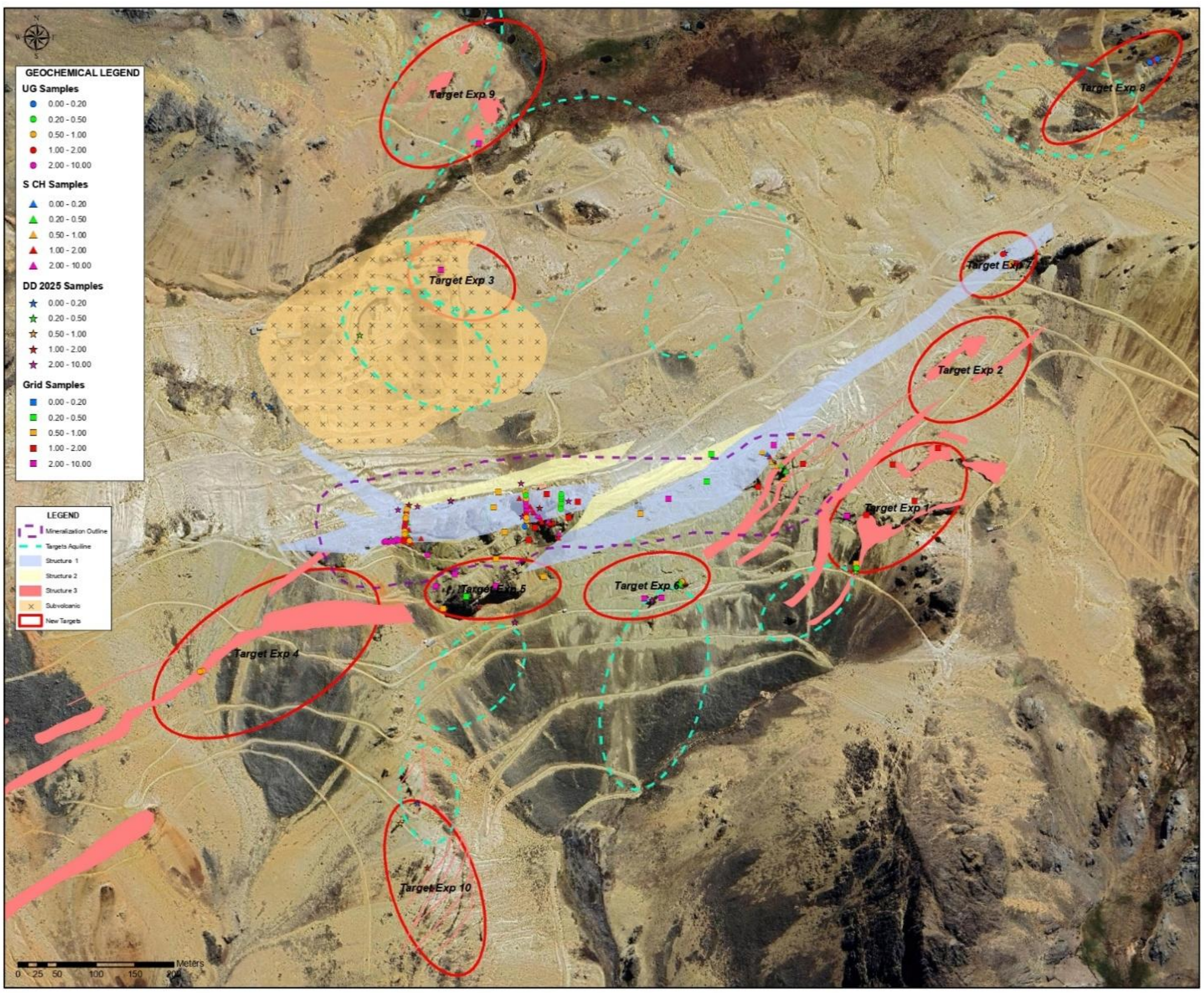

Figure 1: Map Showing Location of Sampling Program at Pico Machay

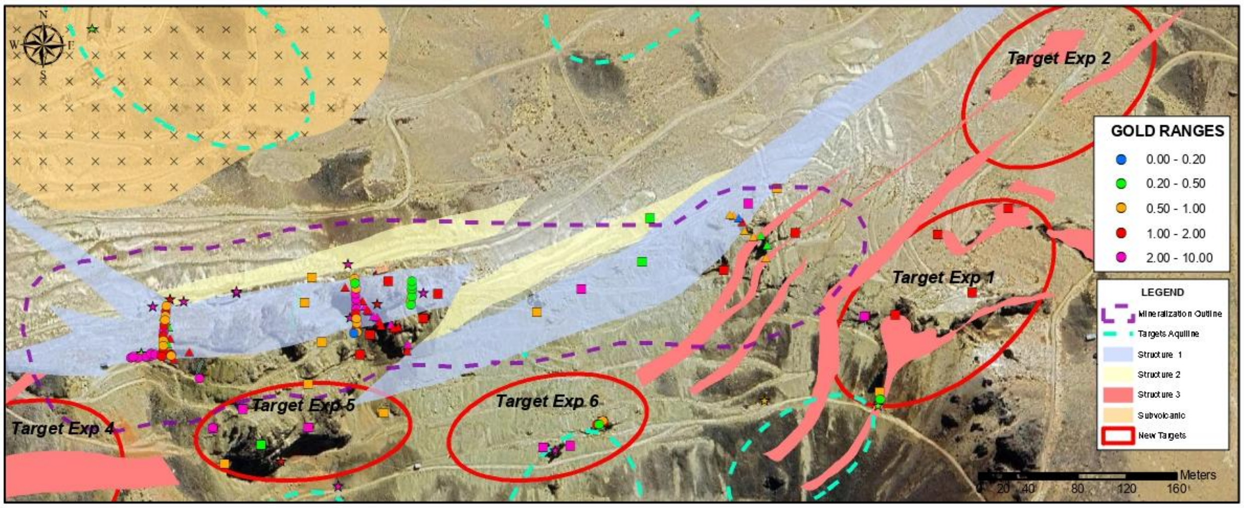

Figure 2: Detailed Map Showing Location of Sampling Program at Pico Machay

The Company has received assay results for all 197 samples collected during the Program (see Table 1 below for data highlights). The Program included both systematic channel sampling within previously unsampled underground workings and rock chip sampling across surface areas within the resource area of Pico Machay and surrounding exploration targets. The samples are comprised of 78 underground channel samples and 119 surface samples, collected to support the Company's efforts to validate, update and potentially upgrade the historical mineral resource estimate at Pico Machay.

Investor Update Webinar

Joanne Freeze, President & CEO of Xali Gold, will participate in an investor update webinar hosted by Adelaide Capital at 2pm ET today (Tuesday July 28th). Management will provide an update on the Company's recent progress, key corporate developments, and upcoming initiatives, followed by Q&A. Questions can be submitted during the session or in advance to magda@adcap.ca.

Register here: https://us02web.zoom.us/webinar/register/WN_SktRZuGISyGjIfScmfPeSQ

The webinar livestream will also be available to watch on the Adelaide Capital YouTube Channel, where a replay will be posted after the event: https://bit.ly/adcap-youtube.

Table 1: Results from Surface Channel Sampling at Pico Machay

Sample Number	Dimensions (m)	Sample Location	Au (g/t)
62	4.50 X 0.30	Surface Channel 1	0.276
63	4.50 X 0.30	Surface Channel 1	0.425
64	4.50 X 0.30	Surface Channel 1	0.286
65	4.50 X 0.30	Surface Channel 1	13.760

66	4.50 X 0.30	Surface Channel 1	1.015
67	4.50 X 0.30	Surface Channel 1	0.303
68	4.50 X 0.30	Surface Channel 1	0.917
69	4.50 X 0.30	Surface Channel 1	0.965
70	4.50 X 0.30	Surface Channel 1	1.759
71	4.50 X 0.30	Surface Channel 1	1.728

Table 2: Results from Surface Sampling at Pico Machay

Sample Number	Dimensions (m)	Sample Location	Au (g/t)
54	2.00 x 0.30	in Resource	1.045
55	2.60 x 0.20	in Resource	1.329
56	2.80 x 0.30	in Resource	1.204
57	3.00 x 0.30	in Resource	0.694
58	3.00 x 0.20	in Resource	0.865
59	2.80 x 0.20	in Resource	0.693
60	3.00 x 0.30	in Resource	2.687
61	3.00 x 0.30	in Resource	1.823
92	2.00 x 0.30	in Resource	1.231
188	3.00 X 0.30	In Resource	4.472
89	2.00 x 0.30	Exploration Target 5	2.538
90	2.00 x 0.30	Exploration Target 5	3.787
97	2.00 x 0.30	Exploration Target 5	2.849
91	2.00 x 0.30	Exploration Target 5	0.530
98	2.00 x 0.30	Exploration Target 5	0.789
192	3.00 X 0.34	Exploration Target 6	2.452
99	2.00 x 0.30	Exploration Target 6	4.208
100	2.00 x 0.30	Exploration Target 6	2.570
101	2.00 x 0.30	Exploration Target 6	2.135
103	2.00 x 0.30	Exploration Target 1	1.248
104	2.00 x 0.30	Exploration Target 1	1.256
118	2.00 x 0.30	Exploration Target 1	1.256
121	2.00 x 0.30	Exploration Target 1	5.781
197	3.00 X 0.39	Exploration Target 1	1.001
114	1.10 x 0.10	Exploration Target 3	2.607
117	1.0	Exploration Target 9	3.349

Table 3: Results from Underground Sampling at Pico Machay

Sample Number	Dimensions (m)	Sample Location	Underground Area	Au (g/t)
127	1.00 x 0.20	Resource	UG 5	3.225
126	5.00 x 0.20	Exploration Target 5	UG 6	2.748
140	0.90 x 0.20	SE	UG 7	0.888
141	0.70 x 0.20	SE	UG 7	0.292
142	0.55 x 0.30	NE 650m from Resource Centre	UG 8	2.992
143	3.05 x 0.20	NE 650m from Resource Centre	UG 8	0.852
144		NE 650m from Resource Centre	UG 8	0.614
145	0.70 x 0.30	NE 650m from Resource Centre	UG 8	0.974
151	0.70 x 0.30	NE 650m from Resource Centre	UG 8	1.020
152	1.15 x 0.20	NE 650m from Resource Centre	UG 8	1.102
153	0.90 x 0.20	NE 650m from Resource Centre	UG 8	1.078
156	0.45 x 0.30	NE 1,000m from Resource Centre	UG 9	2.570
159	0.40 x 0.30	NE 1,000m from Resource Centre	UG 9	1.409
161	0.50 x 0.30	NE 1,000m from Resource Centre	UG 9	2.229
166	0.60 x 0.30	SW ~500m from Resource Centre	UG 10	4.138
167	1.30 x 0.20	SW ~500m from Resource Centre	UG 10	0.681
168	1.30 x 0.30	SW ~500m from Resource Centre	UG 10	0.847
128	3.50 x 0.20	Resource	UG 12	0.230
129	3.80 x 0.20	Resource	UG 12	0.357
130	0.90 x 0.20	Resource	UG 12	0.386
131	3.80 x 0.20	Resource	UG 12	0.855
132	4.00 x 0.20	Resource	UG 12	0.480
133	4.00 x 0.20	Resource	UG 12	0.820
134	5.00 x 0.20	Resource	UG 12	1.031
135	1.30 x 0.20	Resource	UG 12	0.386
136	0.90 x 0.20	Exploration Target 6	UG 13	1.953
137	1.50 x 0.20	Exploration Target 6	UG 13	0.284
138	1.40 x 0.20	Exploration Target 6	UG 13	1.045
139	1.50 x 0.20	Exploration Target 6	UG 13	0.669

Technical Information

All scientific and technical information in this news release has been reviewed and approved by Joanne Freeze, P.Geo. Ms. Freeze is the President and CEO of the Company and is a qualified person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Ms. Freeze has verified the data disclosed in this news release, including the assay and test data underlying the information or opinions contained in this news release. Ms. Freeze has verified the data disclosed in this news release by reviewing imported and sorted assay data; reviewing the variance in field duplicate results; and reviewing grade calculation formulas. Ms. Freeze detected no significant

QA/QC issues during review of the data and is not aware of any sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to in this news release.

The 197 samples were submitted to SGS in Lima, Peru for gold and silver analysis using fire assay and atomic absorption methods, along with multi-element Inductively Coupled Plasma ("ICP") for 36 elements. Additional overlimit analyses were completed where required.

See more details about the sampling program in the Xali Gold news release dated June 4, 2026.

About Pico Machay

Located within the Southern Peru Epithermal Gold-Silver Belt, Pico Machay sits in a historically productive mining district in the Western Cordillera Andes (click here for location map). The Project benefits from existing infrastructure and a mining-friendly community eager to partner on sustainable development.

Xali Gold remains confident in the significant upside potential at Pico Machay, which hosts a historical resource and several untested targets on the Project. Various historical engineering studies at Pico Machay were also completed and targeted an open-pit heap-leach operation, which was expected to be low-cost and with a low strip ratio. Given that those studies were 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.

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.

The Company's approach to community engagement and responsible development is guided by strong governance principles and Board oversight that support long-term stakeholder relationships.

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 advance the Project; the timing to conduct updated exploration work on the Project; the timing of receiving assay results; timing to complete an updated mineral resource or PEA, if at all; and timing to bring the Project into production, if at all. 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.