NEWS RELEASE

Xali Gold Advances PEA Team and Updated Resource and Development Programs at Pico Machay in Peru

Vancouver, British Columbia, September 17th, 2026. Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to announce the advancement of environmental, metallurgical and exploration programs at its Pico Machay Gold Project ("Pico Machay" or the "Project") in Peru, together with the planned commencement of work on an updated mineral resource estimate and Preliminary Economic Assessment ("PEA"). These coordinated programs are designed to support the continued evaluation of Pico Machay and prepare the Project for future engineering, permitting and development.

Highlights:

- An experienced multidisciplinary engineering team has been assembled, with work now underway to simultaneously commence both an updated mineral resource estimate and a PEA;
- The Ficha Técnica Ambiental ("FTA") approval process for the planned drilling program continues to advance following two technical meetings with Peru's Ministry of Energy and Mines ("MINEM"), while preparations are underway for a public workshop with the local community;
- Three drilling contractors have submitted bids for the planned 3,000 metre ("m") diamond drill program, which includes approximately 2,000 m of resource confirmation drilling; the Company is reviewing the bids and narrowing the field ahead of contractor selection.
- As part of initiating the EIA-d ("Detailed Environmental Impact Assessment"), a research-grade meteorological station has been purchased and installation is underway. This will support engineering and environmental studies and provide long-term monitoring through potential construction, operations and post-closure;
- A Phase 1 metallurgical program is planned to commence shortly, representing the first stage of a broader program designed to build on previous met work to support an updated feasibility study and potential development; and
- Fieldwork has resumed to follow up on high-grade gold results and priority exploration targets identified during the Company's earlier 2026 sampling program.

"These programs demonstrate that we are moving Pico Machay forward with a clear focus on potential development," stated Joanne Freeze, President and CEO of Xali Gold. "Our field team is launching a detailed mapping program to follow up on the encouraging high-grade results and new exploration targets generated earlier this year. The team has also recently completed the relogging of all previous reverse-circulation drill chips and is now building a 3D model of the mineralization. PEA work will advance in tandem with the resource confirmation drilling, allowing the new results and updated mineral resource estimate to be incorporated into the study as soon as they become available. The PEA will draw on the Feasibility Study released by Aquiline Resources in 2008, updated with the results of the Company's current technical programs."

Xali Gold has assembled a multidisciplinary team to advance the PEA and support subsequent engineering work through feasibility, potential development, construction and production. Team members each bring more than 25 years of experience in mine development or operations in Latin America, including Peru. Their expertise spans mineral resource estimation, mining, metallurgy and processing, project economics, project finance, environmental studies and environmental, social and governance ("ESG") considerations. This approach allows key components of the PEA to advance before and during the planned drilling program.

The multidisciplinary team already working on the Project includes Adam Johnston, FAusIMM, CP (Met), a metallurgist with Transmin Metallurgical Consultants; David Thomas, P.Geo., a mineral resource geologist; and Aran Gough, R.P.Bio, a registered professional biologist.

Xali Gold has also recently engaged Brent Cochrane, M.A., ICD.D., and Gordon Zurowski, P.Eng. Mr. Cochrane brings more than 40 years of international mining finance experience and has worked in Peru's mining industry since 2001, including as Vice President, Finance and Administration of Compañía Minera Antamina S.A. His project financing experience in Peru includes the Antamina and Mina Justa copper projects.

Mr. Zurowski, Principal Mine Engineer with AGP Mining Consultants, has more than 30 years of mine operations and consulting experience focused on open-pit mine planning, financial evaluation and economic studies. His project experience includes Cuajone, Cañariaco Norte, Cerro Lindo, Magistral and Marcona in Peru, as well as Los Azules, Filo del Sol and Aurizona elsewhere in South America.

"By assembling the full team now, we can advance much of the mining, metallurgical, environmental and economic work before and during the resource confirmation drilling," continues Ms. Freeze. "The updated resource will form the basis for the PEA, and doing the studies in parallel should shorten the timeline to complete the PEA. The long-term meteorological monitoring station and planned staged metallurgical program are also important steps in preparing the Project for its next phases of evaluation and advancement."

Updated Mineral Resource Estimate and PEA

Approximately 2,000 m of the Company's planned 3,000 m diamond drill program will twin selected historical reverse-circulation holes within the historical resource area. The drill hole twinning, together with the completed historical data compilation, drill-chip relogging and sampling, is intended to provide the additional information required to prepare an updated mineral resource estimate.

Development of an initial three-dimensional geological model using Leapfrog software is currently underway and is expected to be completed by the end of September 2026. The model will integrate the historical drilling, geological, analytical and topographic information with our team's relogging work and approximately 40 interpretive cross sections. Detailed mapping will help refine the interpretation of the controls on mineralization and guide the upcoming resource confirmation drill program. The model will subsequently be updated as new drilling results become available and will support the preparation of the updated mineral resource estimate and PEA.

Exploration Permitting and Community Engagement

The FTA approval process for the planned drilling program at Pico Machay continues to advance. The Company has participated in two technical meetings with the Mining Environmental Directorate of

MINEM, which provided additional guidance regarding recent modifications to the FTA process. These modifications include more deliverables from the Company, implemented to speed up the evaluation process.

Following those meetings, Xali Gold engaged Embellie Advisory LLC ("Embellie") to assess considerations relating to indigenous or native members of the Santa Ana community, including any potential impacts of the planned drilling program on collective rights. Embellie will assist the Company to incorporate those findings into its FTA submission.

In parallel, the Company is organizing a MINEM-facilitated public workshop for the local community regarding the planned exploration program. The workshop is planned for early October and will provide an opportunity to explain and discuss the proposed work and laws and practices in place to protect community interests. This fits well with Xali Gold's ongoing transparent engagement with the community surrounding Pico Machay. The Company plans to submit its FTA application approximately one week after the workshop is completed and, based on current guidance, expects a review and approval period of approximately 10 days following submission.

Initiation of EIA-d

Xali Gold is beginning environmental data collection to support the preparation of the EIA-d, the longest lead-time component of the permitting process for mining operations in Peru. As an initial step, the Company has purchased and is installing a new wireless Vantage Pro2 Plus meteorological station at Pico Machay. The research-grade station will collect site-specific information on wind speed, temperature, humidity, barometric pressure, rainfall, solar radiation and ultraviolet radiation, as well as related meteorological measurements.

The data will be used to validate and supplement regional information available from Peru's National Service of Meteorology and Hydrology ("SENAMHI"). Correlating site-specific observations with the longer-term regional record will also help the Company estimate historical meteorological conditions at Pico Machay for the years preceding installation of the station.

The station is intended to form part of the Project's long-term environmental monitoring infrastructure, supporting detailed environmental assessment and engineering design and, subject to the Project advancing, continuing through construction, operations, closure and post-closure monitoring.

Exploration Follow-up Underway

Ground exploration has resumed at Pico Machay, with the field team conducting detailed mapping and additional sampling to follow up on high-grade gold results and priority exploration targets identified during the Company's surface and underground sampling program completed earlier in 2026.

Results from that program included 2.92 grams per tonne ("g/t") gold ("Au") over 31.5 m from Surface Channel 1, including 13.76 g/t Au over 4.5 m, within the historical resource area. In addition, 67 of 119 surface samples returned more than 0.50 g/t Au, helping the Company define and refine multiple exploration targets. Gold mineralization and alteration characteristic of a high-sulphidation epithermal system were also identified in underground workings across an area measuring approximately 1.35 kilometres by 0.83 kilometres. Refer to Xali Gold news release dated July 28th, 2026 and titled "Xali Gold Continues to Demonstrate the Scale and Grade of Gold Mineralization at Pico Machay" for further details.

The current work is focused on further evaluating selected high-priority areas and improving the Company's understanding of the distribution and controls of higher-grade mineralization. Results will be incorporated into the evolving geological model and used to support planning for the next phase of work at Pico Machay.

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 of the 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 exploration targets on the Project. Various historical engineering studies at Pico Machay were completed through 2009 and evaluated the potential for a low-cost, low strip-ratio, open-pit heap-leach operation. 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.

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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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, statements regarding: the timing and completion of contractor selection; the timing of the planned public workshop and submission and approval of the FTA, if at all; the commencement, scope, timing and completion of the planned 3,000 m diamond drill program; the timing and completion of the three-dimensional geological model; the preparation and timing of an updated mineral resource estimate and PEA, including the anticipated benefits of advancing the related studies in parallel; the timing, scope and results of the planned metallurgical, mapping and sampling programs; the installation and use of the meteorological station; the preparation of the EIA-d; and the continued advancement and potential development, construction, operation and production of 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.

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