



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Completes FTA Application for Drilling and Outlines Development Team for Pico Machay

Vancouver, British Columbia, October 21st, 2026. Xali Gold Corp. (TSXV:XGC) (“Xali Gold” or the “Company”) is pleased to announce that it has completed its Ficha Técnica Ambiental (“FTA”) application for its resource confirmation and exploration drilling program at the Pico Machay Gold Project (“Pico Machay” or the “Project”) in Huancavelica, Peru.

The FTA application is expected to be submitted to Peru’s Ministry of Energy and Mines (“MINEM”) on October 21st or 22nd, as soon as the Company receives documentation from MINEM regarding the attendance of the successful informative workshop held on October 7th, 2026, with members of the Comunidad Campesina de Salcca Santa Ana (“Santa Ana community”) and representatives of MINEM.

“Submitting the FTA will bring us another step closer to the drilling planned to support an updated mineral resource estimate and subsequent preliminary economic assessment (“PEA”) at Pico Machay,” said Joanne Freeze, President and CEO of Xali Gold. “The program is planned to verify historical drilling results and improve our understanding of the controls to gold mineralization, providing a stronger foundation for the resource update. The PEA will evaluate potential development options and project economics, helping us define the next steps for advancing Pico Machay.”

Xali Gold is planning an initial program of approximately 3,000 metres of diamond drilling, including approximately 2,000 metres to twin previous reverse circulation holes within the historical resource area. The FTA permit will allow up to 20,000 metres from 20 platforms, which will include further resource definition drilling as well as extensive exploration drilling. The proposed drilling locations are shown in Figure 1 below.

Experienced Team Supporting Pico Machay’s Development

Xali Gold has assembled an experienced multidisciplinary team to advance Pico Machay through resource estimation and economic assessment, while preparing for potential future development. Combining expertise in geology, mine engineering, metallurgy, environmental management, permitting and project finance, with extensive experience in Peru, the team provides a strong foundation for evaluating the Project’s development potential and planning the technical, permitting and financial steps required to advance it.

The Company’s previously announced technical and project finance team includes:

- **Ing. Wilder Frank Garcia Haro - Exploration Manager:** Xali Gold’s full-time Exploration Manager, Ing. Garcia brings more than 30 years of international exploration and mine development experience, including senior roles with Rio Alto, Tahoe Resources, Newmont, Barrick Gold, Gold Fields and Antamina. His experience at Peru’s La Arena and Shahuindo gold operations includes leading exploration programs that expanded resources and supported mine planning, bringing directly relevant expertise to the advancement of Pico Machay.

- **David Thomas, P.Geo. - Mineral Resource Estimation:** Principal Geologist with DKT Geosolutions, Mr. Thomas brings more than 30 years of geological experience, including resource estimation and evaluation of high-sulphidation epithermal gold deposits. His extensive South American experience includes mineral resource estimation at Cañariaco in Peru and resource estimate review at Gramalote in Colombia. He prepared the Company's December 2025 technical report on Pico Machay and is part of the team advancing the updated mineral resource estimate.
- **Gordon Zurowski, P.Eng. - Mine Engineering and Economic Evaluation:** Principal Mine Engineer with AGP Mining Consultants, Mr. Zurowski has more than 30 years of experience in mine operations and consulting, specializing in open-pit planning and economic evaluation. His Peruvian project experience includes Cuajone, Cañariaco Norte, Cerro Lindo, Magistral and Marcona.
- **Adam Johnston, FAusIMM, CP(Met) - Metallurgy and Processing:** Chief Metallurgist with Transmin Metallurgical Consultants, Mr. Johnston has more than 30 years of international experience spanning metallurgical testing, process design, commissioning and operations. His experience includes Peruvian heap-leach and high-sulphidation gold projects, including Corihuarmi, Tres Cruces and Pucamarca.
- **Aran Gough, R.P.Bio. - Environmental Management and Permitting:** The Company's Senior Advisor – ESG, Mr. Gough brings 29 years of international experience. His work in Peru includes guiding Zafranal through environmental assessment and regulatory approval, and overseeing permitting and environmental programs for Toromocho through construction and into operations.
- **Brent Cochrane, M.A., ICD.D. - Project Finance:** Mr. Cochrane brings more than 40 years of international mining finance experience, including serving as Vice President, Finance and Administration of Compañía Minera Antamina S.A. His financing experience in Peru includes both Antamina and Mina Justa.
- **Susan Mitchell – Senior Financial Advisor:** Ms. Mitchell brings more than 40 years of experience in mining finance and capital markets, with senior roles at CIBC, Cyprus AMAX Minerals and WestLB. She has extensive expertise in capital sourcing, transaction structuring, mergers and acquisitions, and financial risk management. Susan will support the Company's financing strategy and evaluation of potential capital sources as Pico Machay advances through resource estimation, subsequent economic assessment and consideration of future development.

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.

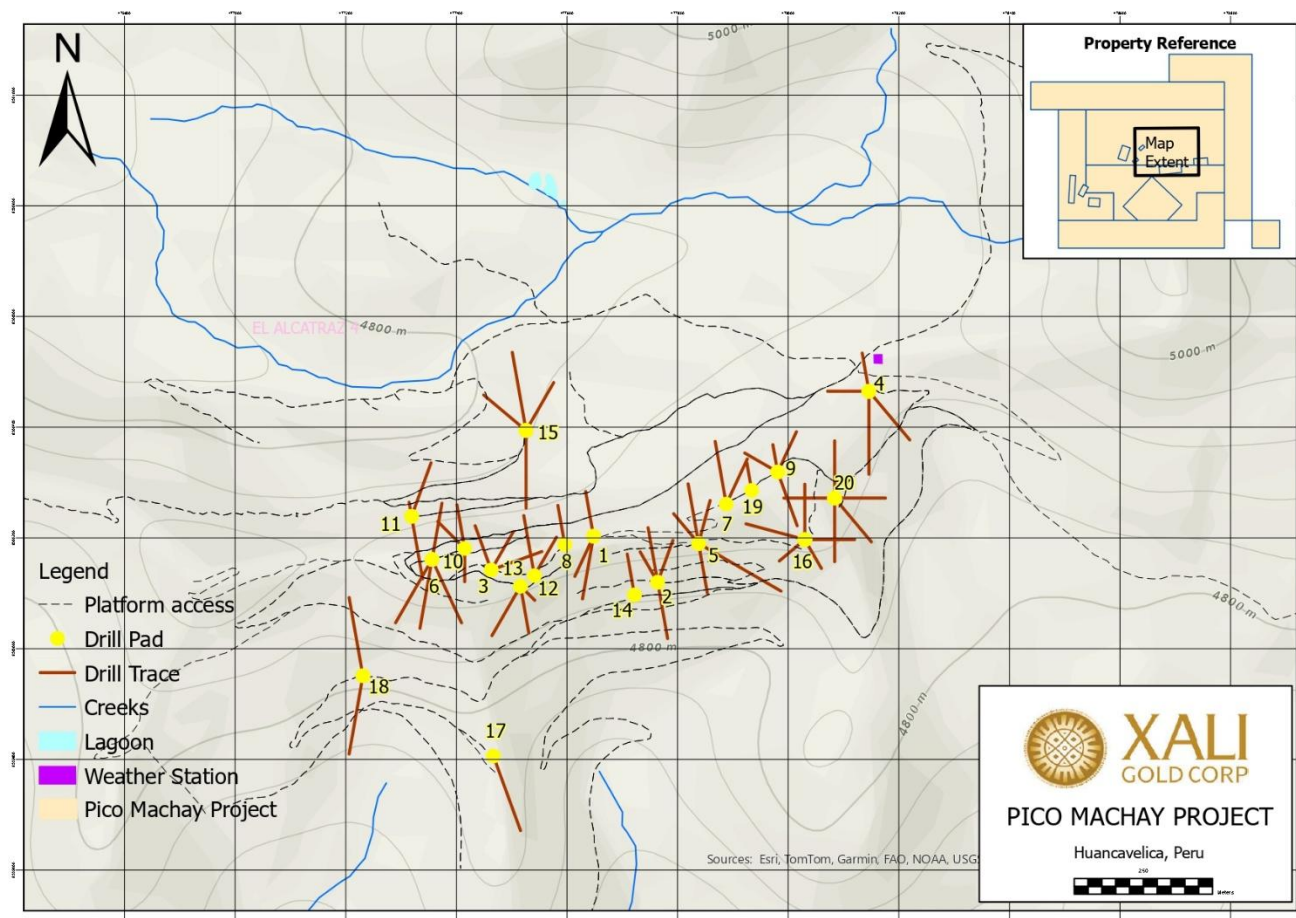


Figure 1: Proposed diamond drilling locations at Pico Machay

Grant of Incentive Stock Options

The Company also announces that on October 17, 2026, it has granted 1,600,000 incentive stock options (the "Options") to eligible employees, consultants, and directors of the Company, in accordance with the Company's Stock Option Plan. The Options are exercisable at \$0.20 per share for a period of five years from the date of grant, with 20% vesting immediately and an additional 20% vesting each quarter thereafter until fully vested. The Options are subject to the policies of the TSX Venture Exchange.

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

For further information please contact:

Joanne Freeze, President & CEO
Tel: + 1 (604) 512-3359
info@xaligold.com

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, statements regarding: the anticipated timing of FTA approval, the scope and commencement of the planned drilling program, the preparation of an updated mineral resource estimate and preliminary economic assessment, and the expected contributions of the Company’s multidisciplinary team to the evaluation, advancement and potential development of Pico Machay.

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.