



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Provides Update on Activities in Mexico and Peru

Vancouver, British Columbia, May 2, 2024 - Xali Gold Corp. (TSXV:XGC) ("**Xali Gold**" or the "**Company**") is pleased to provide an update on the Company's activities in Mexico and Peru. In Mexico, the focus is partnerships with third parties to deliver near-term cash flows and in Peru the focus is returning to exploration. Currently, the Company has excellent progress on four fronts.

"While we continue actively progressing near-term cash flow opportunities from our Mexican assets, we are also very excited to advance our growth strategy by actively seeking out gold and silver projects with promising exploration potential in Peru," says Joanne Freeze, President and CEO of Xali Gold.

El Oro Tailings Project Mexico

Recent test work on the Mexican Mine Tailings Reprocessing Project at El Oro (the "**El Oro Tailings Project**") in Mexico, indicates excellent potential for 75% recovery of the gold and silver using a new process being introduced by Kappes, Cassidy and Associates ("**KCA**").

KCA's test work was recently conducted on two near-surface bulk samples collected by backhoe and sent to the KCA laboratory in Reno, Nevada. KCA reported an average of 72% recovery on gold and 80% recovery of silver from the tailings using a proprietary process. This process would allow the gold and silver to be produced in the form of Dore, which enhances the value of the royalty stream agreed with Xali Gold. Overall recoveries will need further testing to establish a better estimate for overall recoveries of gold and silver, but KCA is very optimistic about the process.

KCA's plans are to remove the tailings from their present location and process them at a distant site which would not require any further permitting and hence, the Company is optimistic about a shorter timeline to production than previously thought possible.

As per the Company's [April 15, 2024 News Release](#), Xali Gold entered into a Letter of Intent to enter a Purchase Agreement with KCA on the El Oro Tailings Project. Once production begins on the El Oro Tailings Project, KCA will pay Xali Gold a gross royalty equal to 4% of the sales income received from all gold and silver produced, less any royalties due and payable to others (the Municipality of El Oro), but in no case less than a 3% gross royalty.

SDA Plant Mexico

Grupo Minero WIYA ("**WIYA**"), who have signed a Modification to the Rent to Purchase Agreement on the San Dieguito de Arriba ("**SDA**") Plant in Nayarit, Western Mexico (see [News Release dated April 25, 2024](#)), are conducting modifications on the SDA Plant in order to produce a single bulk concentrate and have commenced shipping mineralized material from their mine to the SDA Plant. Approximately 550 tons of mineralized rock has been received at the SDA Plant in preparation for the restart of the mill, once 1500 tons has been delivered.

El Oro Gold Hard Rock Project

Xali Gold is in discussions with a local experienced mining group who has proposed an agreement whereby they would open up some of the historic workings to extract and process previously untreated mineralized backfill from the underground workings of the historic San Rafael mine at El Oro, Mexico. Profits from the recovery of gold and silver bearing materials would be shared and in addition, the underground work would give Xali Gold underground access for drilling the previously developed targets for new mineralized zones. Previous drilling from surface has proven that the gold and silver mineralization continues at depth underneath historic workings from which 5 million (“M”) ounces (“oz”) gold equivalent (4M oz gold and 44 M oz silver) was produced. Drilling from underground would be much less expensive than drilling from surface due to the occurrence of up to 300 metres of volcanic rocks above the gold and silver bearing veins.

Peru

Xali Gold is in discussions with several other companies to acquire additional gold and silver exploration projects in Peru. The exploration projects are either high or low sulphidation systems, where Xali Gold’s technical team has extensive experience.

Shares for Debt

The Company also advises that it has entered into an agreement pursuant to which the Company has agreed to issue 2,927,000 common shares of the Company at Cdn\$0.05 to Lotz CPA Inc, in order to cover the debt of Cdn\$146,350, due for CFO consulting fees over 5 years. The Common Shares issued pursuant to the shares for debt settlement will be subject to a four month hold period. This transaction is in compliance with applicable corporate and securities laws and is subject to TSX Venture approval.

About Xali Gold

Xali Gold has gold and silver projects in Peru and Mexico. The Company’s flagship project El Oro is a district scale gold project encompassing a well-known prolific high-grade gold dominant gold-silver epithermal vein system in Mexico. The project covers 20 veins with past production and more than 57 veins in total, from which approximately 6.4 million ounces of gold and 74 million ounces of silver were reported to have been produced from just two of these veins (Ref. Mexico Geological Service Bulletin Nr. 37, Mining of the El Oro and Tlapujahua Districts. 1920, T. Flores).

Modern understanding of epithermal vein systems indicates that several of the El Oro district’s veins hold excellent discovery potential, particularly below and adjacent to the historic workings of the San Rafael Vein, which was mined to an average depth of only 200m.

Xali Gold is dedicated to being a responsible Community partner.

Joanne C. Freeze, P.Geo., President and CEO is the Qualified Person as defined by National Instrument 43-101 for the projects discussed above. Ms. Freeze 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.

Forward-looking Information

This news release may contain forward-looking information (as such term is defined under Canadian securities laws) including but not limited to historical production records. While such forward-looking information is expressed by Xali Gold in good faith and believed by Xali Gold to have a reasonable basis, they may address future events and conditions and are therefore subject to inherent risks and uncertainties including those set out in Xali Gold's MD&A. Factors that cause the actual results to differ materially from those in forward-looking information include, without limitation, gold prices, results of exploration and development activities, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, potential environmental issues, availability of capital and financing and general economic, market or business conditions. 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.

On behalf of the Board of Xali Gold Corp.

“Joanne Freeze” P.Ge.

President, CEO and Director

For further information please contact:

Joanne Freeze, President & CEO

Tel: + 1 (604) 689-1957

info@xaligold.com

NR 130