



**XALI**  
GOLD CORP

# EL ORO TAILINGS OPPORTUNITY



June 2021

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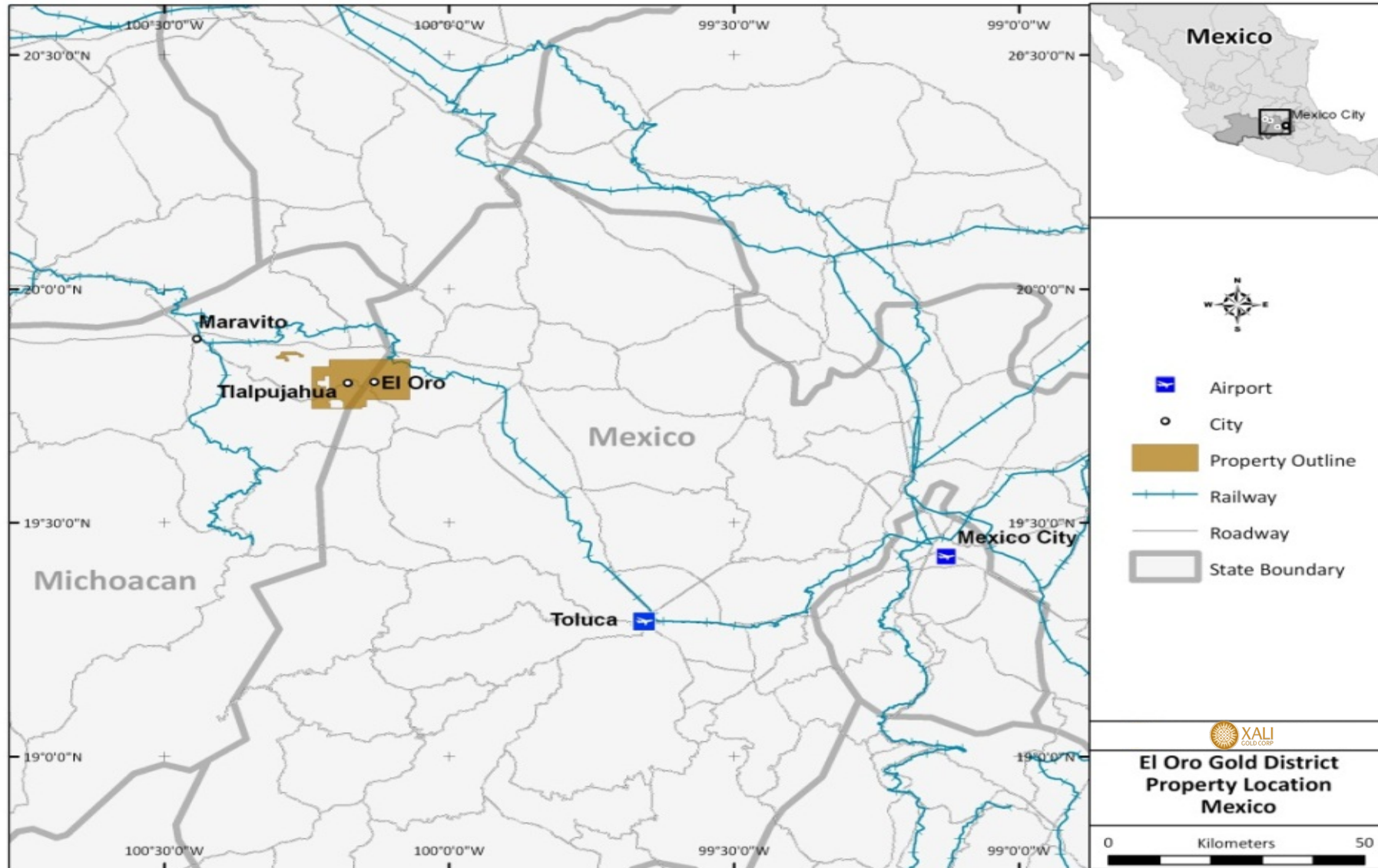
# El Oro District, Mexico



- 110 km WNW of Mexico City
- 27 claims covering 17,960 hectares
- Excellent access -paved highway to project
- Mining friendly population
- Excellent infrastructure & services
- Power to Site



# Property Location and Access





# Mining History El Oro

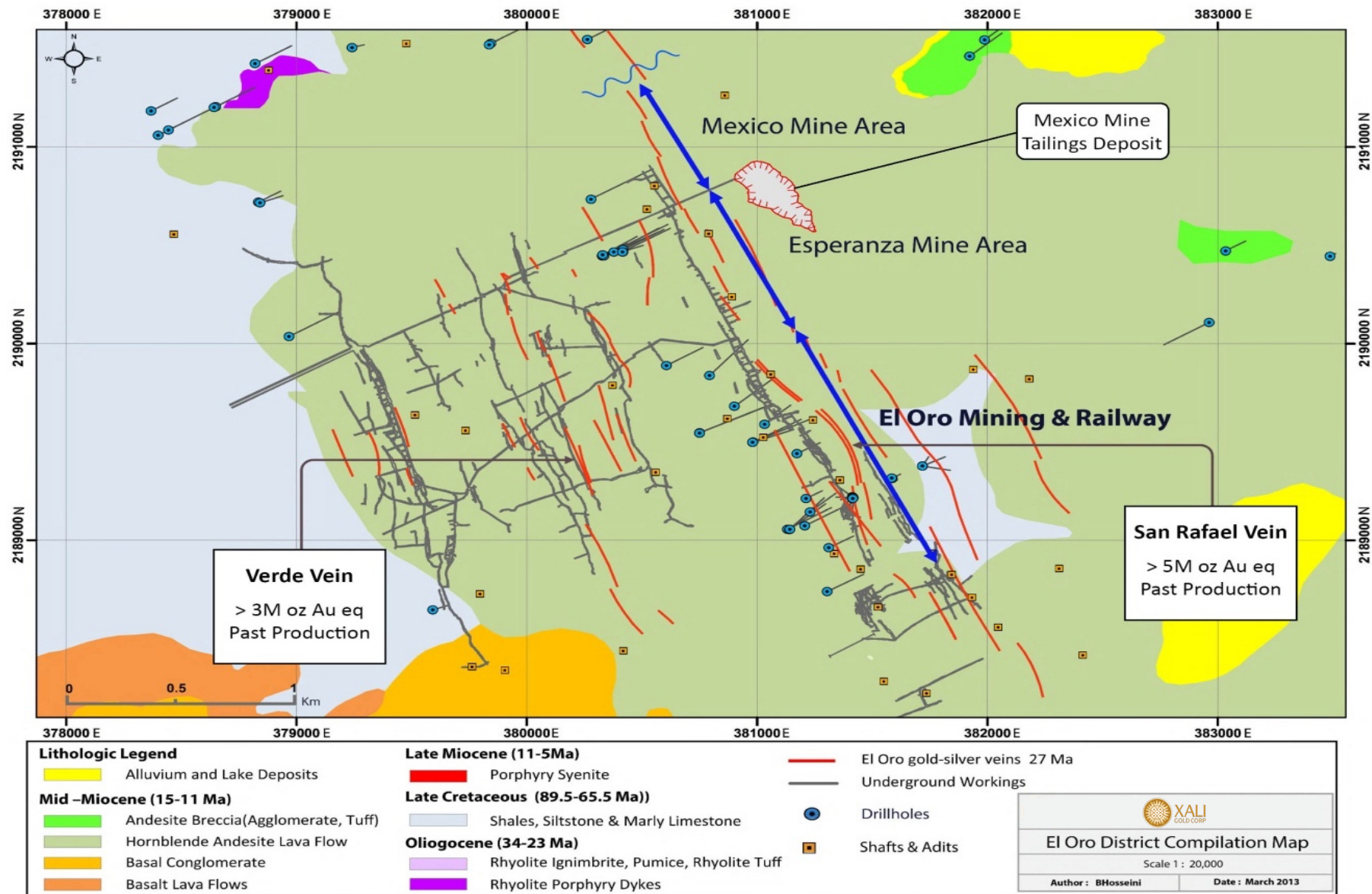
- ▶ Spaniards discovered Borda – Corona Veins in outcrop in 1500's – silver dominated production
- ▶ Development of three different profitable mines on the San Rafael vein by late 1800's – 5 M oz Au eq production ~ 10:1 Ag:Au
- ▶ Blind Discovery and bonanza payout by Dos Estrellas on Veta Verda – 3 M oz Au eq production
- ▶ Several Smaller mines on other veins
- ▶ Years 1925 to 1937:
  - In 1925 all mines and properties acquired by Dos Estrellas and mineral processed in a new crushing, grinding and cyanide processing plant built on the Dos Estrellas site
- ▶ Years 1937 to 1960:
  - Minera Dos Estrellas operating as a (worker owned cooperative) salvage operation mining stope fill, back fill and exploitation of in-situ higher grade pillars from the San Rafael/Veta Verde Veins



# Tailings Opportunity

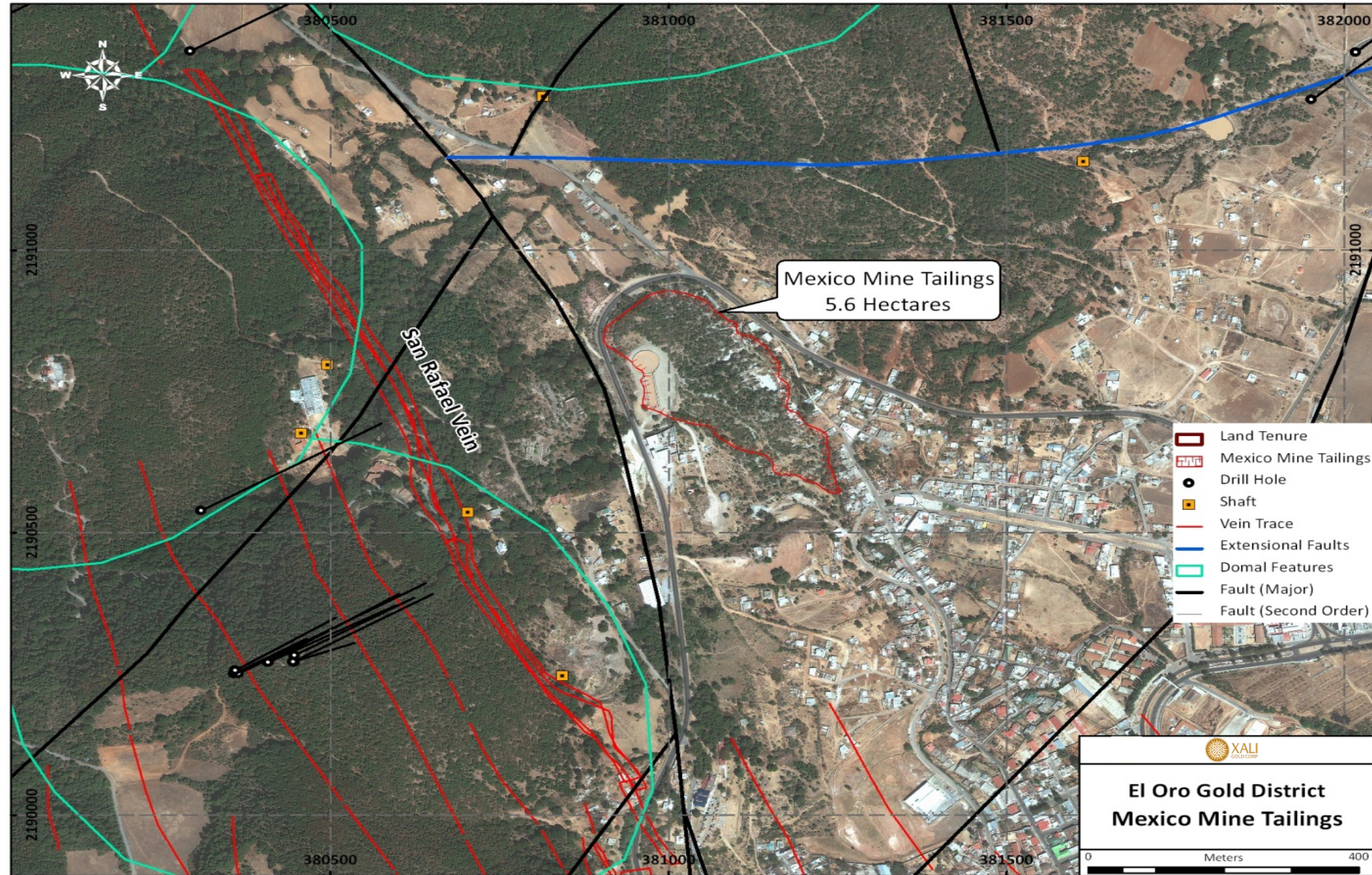
- ▶ Reprocessing rights for historic gold-silver tailings (TRO) from El Oro Municipality
- ▶ Inferred Resource Estimate of 119,900 oz gold and 3,061,200 oz silver in 1,267,400 tons grading 2.94 g/t gold and 75.12 g/t silver. *Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate.*
- ▶ Optioned to Sun River Gold Corp. – SRG may earn 100% interest by making staged payments = US\$500,000/28 mo. (paid) and a 5% NPI plus \$1.5M from a second NPI
- ▶ Opportunity to develop short term cash flow with additional test work required to fully assess metallurgy and appropriate treatment
- ▶ Located adjacent to existing road access, power and water services

# Historical Production





# Mexico Mine Tailings within the Town







# TRO Path Forward

- ▶ Sun River Gold to complete metallurgical test work to evaluate best processing and/or treatment options
- ▶ Parameters to be considered: Recoveries, capital and operating costs
- ▶ Focus is a straightforward/low-risk operation
- ▶ Evaluate potential to identify further resources in three other tailings deposits also under option to XGC in the El Oro area
- ▶ Remediation portion of TRO would mitigate current potential environmental risks for Municipality and allow better land use

# TRO Inferred Resource Estimate



Classification	Tonnes	Au g/t	Ag g/t	Ounces Au	Ounces Ag
Inferred	1,267,400	2.94	75.12	119,900	3,061,200

- ▶ An increase of ~ 40% gold content and 30% silver content from historic assessments due to:
  - Recent topographic surveying resulted in increase in surface exposure from 5.6 to 6.8 hectares
  - Increase in bulk density from 1.3 kg/m<sup>3</sup>, used historically to 1.5 kg/m<sup>3</sup> - more typical for tailings such as at El Oro

Note: \* Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate.

Effective Date of Mineral Resource is **July 8, 2014**





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## **EL ORO TAILINGS OPPORTUNITY**

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