



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Advised by Sun River Gold that they Plan to be Operational with El Oro Tailings Reprocessing in Q2 2022

Vancouver, British Columbia, October 19, 2021. Xali Gold Corp. (TSXV:XGC) ("Xali Gold" and/or the "Company") is pleased to announce that further to Sun River Gold ("Sun River") advising the Company that it has arranged financing of approximately US\$6.5M (see [News Release dated October 14, 2021](#)), they also expect to have the Tailings Reprocessing Facility operational in Q2 2022 at El Oro, Mexico.

Permitting is also progressing well and final permits are expected to be received within approximately one month. Sun River has also advised that most of the equipment required for the reprocessing operation has been procured.

Xali Gold's subsidiary, CCM El Oro Jales ("CCM El Oro"), has an agreement with the municipality of El Oro which provides the Company the right to recover all available gold and silver from the tailings deposit and pay to the Municipality of El Oro an 8% Net Profits Interest ("NPI"). Candente Gold also retains the first US\$1.5M from the 8% NPI payable to the Municipality. Sun River must make all NPI payments to the Municipality.

Sun River has the option to acquire 100% of the Tailings Project from CCM El Oro by making staged payments totalling US\$500,000 (paid), bring the tailings into commercial production by October 31, 2021 (extended to March 31, 2022 due to COVID), and grant to the Company a 5% NPI, Life of Mine royalty (the "Candente Royalty") as well as the Municipality's 8% NPI on production from the properties.

Sun River is a private Arizona based corporation managed by an experienced team of mining professionals with a combined 80 years of mining experience in Mexico, including specific experience in the reprocessing of old gold and silver tailings.

The Mexico Mine Tailings contain an Inferred Resource* of 1,267,400 Tonnes grading 2.94 Au g/t, 75.12 Ag g/t containing 119,900 ounces of gold and 3,061,200 ounces of 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. For more information see "National Instrument 43-101 Technical Report on the Inferred Mineral Resource Estimate of the Mexico Mine Tailings" prepared by Nadia Caira, P.Geol. and Allan Reeves, P.Geol., dated August 25, 2014 with an effective date of July 8, 2014 available at www.sedar.com.

About Xali Gold

Xali Gold has launched a comprehensive growth strategy to acquire gold and silver projects with near surface exploration potential, near-term production potential and previous mining

histories. Xali Gold plans to advance our growing bank of gold and silver assets internally and/or with industry partners.

El Oro, remains as our flagship asset, as it is a district scale gold project encompassing a well-known prolific high-grade 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 No. 37, Mining of the El Oro and Tlapujahua Districts. 1920, T. Flores**). Modern understanding of such systems indicates that several of the El Oro district's veins hold excellent discovery potential.

Xali Gold is dedicated to being a responsible Community partner.

Joanne C. Freeze, P.Geo., President, CEO and Matthew Melnyk, CPG., Director Operations, are Qualified Persons as defined by National Instrument 43-101 for the projects discussed above. Ms. Freeze and Mr. Melnyk have 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 the potential for discovery on the Victoria, El Dorado, Cocula and El Oro Properties and other statements that are not historical facts. While such forward-looking information is expressed by Xali Gold in good faith and believed by Xali Gold to have a reasonable basis, they 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.Geo.
President, CEO and Director

For further information please contact:

Joanne Freeze
President & CEO
Tel: + 1 (604) 689-1957
info@xaligold.com

NR 104