



**XALI**  
GOLD CORP

**NEWS RELEASE**

## **Xali Gold Ratifies Agreement with El Oro Municipality for Reprocessing Historic Tailings**

Vancouver, British Columbia, March 31, 2022. Xali Gold Corp. (TSXV:XGC) ("Xali Gold" and/or the "Company") is pleased to announce that its Mexican subsidiary, Minera CCM El Oro Jales ("CCM El Oro") and the Municipality of El Oro have agreed to renew both the Tailings Agreement (on the Mexico Mine Tailings Project in El Oro, Mexico) and the Tourism Agreement (collectively called the "Agreements"). The terms of the Agreements have no substantial changes but do include the obligation to employ persons from El Oro on a preferential basis.

Renewing the Tailings Agreement is the final item required for Sun River Gold Corp ("Sun River"), who have the option to acquire 100% of the Tailings Project from CCM El Oro, to receive permits to operate the Tailings Reprocessing Facility at El Oro, Mexico. Further to 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 Facility operational in Q2 2022. Sun River has also advised that most of the equipment required for the reprocessing operation has been procured.

The Tailings Agreement, called the 'Ratificación del Convenio de Usufructo del Terreno Denominado Los Jales Tiro México' provides Xali Gold with 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"). Xali 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.

The original Tailings Agreement was signed in 2013 and renewed and revised in 2017 and again in 2019. The Tailings Agreement signed in 2019, is to be ratified every three years, when the Municipality elects a new President and Council Members. There was no change to any previous terms in the Tailings Agreement.

The Tailings Agreement is directly related to a Tourism Agreement, which allows the Municipality of El Oro to operate tourism activities in part of the San Juan tunnel and the Providencia Shaft which are historic workings controlled by CCM El Oro as part of the El Oro mineral property. The State of Mexico has contributed significant financing of this tourism project which is part of their larger initiative to promote tourism and mining together throughout Mexico.

The tailings are located several kilometres apart from both the San Juan tunnel and Providencia shaft and the tourism activities in these facilities would not impact the development of the tailings.

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 April 31, 2022 as stated in Company [News Release 109 dated January 6, 2022](#)), 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 Tailings Project in El Oro 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](http://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.Geol., 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](mailto:info@xaligold.com)

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