



Xali Gold Advances Operation Plans for SDA Plant in Mexico

Vancouver, British Columbia, May 10, 2023 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to advise that Minera Cinco Reales S.A. de C.V. ("MCR") have commenced work on the San Dieguito de Arriba ("SDA") Plant in Nayarit, Western Mexico.

MCR is planning to carry out their first bulk sample test of approximately 300 to 400 tons by the end of May 2023. The first step was to get the Federal Electricity Commission to upgrade the power at the SDA Plant, which has now been completed. Fabrication of initial replacement parts for the plant is also underway.

"We are very excited with MCR's progress at the SDA Plant," says Joanne Freeze, President and CEO of Xali Gold. "The Profit Sharing Agreement with MCR and the same with Sun River Gold on the El Oro Tailings project will allow us to put our assets to work and provide cash flow while we continue to evaluate other opportunities."

The Environmental Impact Permit for the SDA Plant is under evaluation and will be brought current by MCR. It is estimated that this process will be completed within two to three months. In the interim and while upgrading the plant, MCR will be allowed to conduct the bulk test work which is expected to yield saleable gold and silver.

MCR signed a Binding Letter of Intent (the "Agreement") with Xali Gold on the SDA Plant earlier this year. Beginning in the first full month of production, or no later than the fourth month from the signing of the Agreement, Xali Gold will have the right to receive 15% of the net profits from any mineral that is processed at the SDA Plant. Minimum payments include:

Three payments of US\$6,500 due now;
US\$10,000 in fourth month from signing the Agreement;
US\$20,000 in the fifth month;
US\$30,000 in the sixth month;
US\$40,000 in the seventh to tenth months;
US\$50,000 from month eleven and following

Full details regarding the Agreement can be found in the [January 18, 2023 News Release](#).

About Xali Gold

Xali Gold has a growth strategy to acquire gold and silver projects with near surface exploration potential, near-term production potential and previous mining histories in Mexico. Xali Gold plans to advance our growing bank of gold and silver assets internally and/or with industry partners.

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 200 metres.

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 mineral resource estimate for the Mexico Mine Tailings and information regarding references to historical resource estimates, the potential for discovery on the El Dorado 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.

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