



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Provides Update on Cash Flow Assets in Mexico

Vancouver, British Columbia, July 13, 2023 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to provide an update on both the El Oro Tailings Project and the San Dieguito de Arriba ("SDA") Plant in Western Mexico.

El Oro Tailings Project (the "Project")

As per the Xali Gold [News Release dated May 4, 2023](#), Sun River Gold Corp ("Sun River") received notice of approval for a change in soil use permit which is the main permit required for the El Oro Tailings Project in Mexico. To complete the permitting process, Sun River then had a short time period to pay 1,426,364 Pesos (approximately US\$84,500) to the Fondo Forestal Mexicano to receive the permit. The complete permit was received this week and allows the Tailings to be removed from the historical deposition site, which is within the town of El Oro, to the industrial processing site outside of the town. Having paid all fees pertaining to this permit, Sun River can now commence work on the Project.

Additionally, Sun River continues to make advanced Net Profit Interest ("NPI") payments, as part of the option agreement to acquire 100% of the Project from Minera CCM El Oro Jales (Xali Gold's subsidiary). For an outline of payments and extensions granted, please refer to the [January 4, 2023 News Release](#).

"We are very pleased that Sun River continues to advance our Tailings Project and that the team has such extensive permitting and mining experience in Mexico," says Joanne Freeze, President and CEO of Xali Gold. "With Sun River making advanced NPI payments, we have been able to continue working on other opportunities without incurring equity dilution."

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 historical gold and silver tailings.

The Tailings Project at El Oro contains an Inferred Resource* of 1,267,400 Tonnes grading 2.94 gold grams per tonne ("g/t"), 75.12 silver 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 Cairra, P.Geo. and Allan Reeves, P.Geo., dated August 25, 2014 with an effective date of July 8, 2014 available at www.sedar.com

SDA Plant

The Company has decided to terminate the Binding Letter of Intent (the “Agreement”) on the SDA Plant with Minera Cinco Reales S.A. de C.V. (“MCR”) due to their failure to meet timelines and the number of other groups showing interest in collaboration on operating the plant. The Company is now in discussions with several other parties regarding terms to get the SDA Plant fully operational. The first step was to upgrade the power supply at the SDA Plant, which has been completed. Fabrication of initial replacement parts for the plant is still in progress, as is the Environmental Impact Permit.

“While we are disappointed that MCR was unable to meet its commitments, we are excited to be in talks with several other local mining companies to continue bringing the SDA Plant into operation,” says Joanne Freeze, President and CEO of Xali Gold. “The Profit Sharing Agreements on the SDA plant, as well as 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.”

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 Oro Property 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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NR 121