



New Drill Targets Identified on the El Oro Gold Project, Mexico

Vancouver, British Columbia, August 11, 2021. Xali Gold Corp. (TSXV:XGC) ("Xali Gold" and/or the "Company") is pleased to advise that the Company has recently identified new gold-silver drill targets within the 100% held El Oro – Tlapujahua District in Mexico.

These drill targets have recently been identified in a 3D Leapfrog model and are designed to test potential extensions to the mineralized veins where they are intersected by cross-cutting mineralized structures. These structures have been identified from past drilling and historical mine records, and incorporated into the 3D model in order to optimize drill angles and azimuths. A video showing the Leapfrog model can be found on the Company's website at [the El Oro Hard Rock Maps and Sections](#).

"The El Oro district is a well-known mining district with over 8 million ounces of gold equivalent produced from only 2 of over 50 known veins," says Joanne Freeze, President and CEO of Xali Gold. "There is huge potential in the area, and we've identified some new drill targets to test some of the other underexplored veins."

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.

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.

The acquisition of the SDA Plant, suitable for treating high grade gold and silver mineralization, along with the acquisition of rights to the El Dorado gold and silver historic mines was the initial step in this strategy.

The profit-sharing agreement on the potentially leachable Cocula Project was the second step. The Company is currently evaluating other gold and silver projects complementary to the SDA plant and El Dorado or stand alone such as the Cocula Project.

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.

In addition, Xali Gold has also acquired the Victoria Property which hosts gold-bearing quartz veins in altered granitoid-type rocks and high grade concentrated till samples with 10.45 and 66.7 gpt gold. The Victoria property is located within a structurally controlled gold belt of Central Newfoundland, an emerging significant exploration jurisdiction in Canada.

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 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 099