



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Buys Back NSR on Casua Property in Peru

Vancouver, British Columbia, October 4, 2023 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to advise that it has agreed to buy back a 1.5% Net Smelter Return ("NSR") royalty currently granted over the Casua Property (the "**Property**") from Minera Silex Peru S.R.L., whose parent company is Golden Minerals Company ("**Golden Minerals**").

The Company holds a 100% interest in the Casua Property, province and department of Puno, southern Peru. The Casua Property, held 100% by Xali Gold, covers a silver ("**Ag**") rich low sulphidation vein system. Three veins have been found to contain high grades of silver with lead ("**Pb**") and zinc ("**Zn**") mineralization. Anomalous gold levels also occur in high sulphidation style alteration surrounding the veins and are associated with rhyolite domes. Historic mine workings (collapsed) and remnants of a small smelting furnace are believed to date back to the time of Spanish explorers in the late 1800's. The low sulfidation system comprises three vein systems within a northwest trending system traced to date over 700 metres in strike length.

Sampling to date indicates grades of 52.91 ounces per tonne ("oz/t") Ag, 4.62% Pb, 0.12% Zn over 0.10 metre ("**m**"); 9.98 oz/t Ag, > 10% Pb, 1.59% Zn over 0.5m and 13.13 oz/t Ag, 2.05% Pb, 0.07% Zn over 1m on surface. Selected samples from mine dumps contain up to 31.24 oz/t Ag, 8.7 - 10% Pb, 1.81% Zn and 0.21% copper ("**Cu**").

The property was acquired from Golden Minerals in 2010 by issuing 60,000 shares and granting the NSR.

"We are excited to be getting back to exploration in various countries while we continue to work on options to generate near-term cash flow from our Mexican assets," says Joanne Freeze, President and CEO of Xali Gold.

Buy Back Terms

Terms of the NSR buy back include the following considerations:

- i. cash consideration in the aggregate amount of US\$20,000;
- ii. 100,000 common shares in the capital of the Company ("**Consideration Shares**") to be issued by the Company to Golden Minerals Company ("**Golden Minerals**");
- iii. 300,000 Consideration Shares to be issued by the Company to Golden Minerals in the event that 10,000 meters of drilling is successfully completed on the Property, or on an earlier date mutually agreed upon by the parties; and
- iv. 600,000 Consideration Shares to be issued by the Company to Golden Minerals in the event that the Company obtains a PEA (Preliminary Economic Assessment) or other positive engineering study in accordance with National Instrument 43-101 *Standards of*

Disclosure For Mineral Projects (“NI 43-101”) over any or all of the Property, or on an earlier date mutually agreed upon by the parties.

Mexico Properties and Assets

The El Oro Project remains a highly valued asset of the Company with past production of 8 million ounces gold equivalent (gold-silver 1:10) and excellent discovery potential, however exploration focus for El Oro has been temporarily put on hold. The Company is now focused on building local partnerships for our two assets in Mexico, which have strong potential to provide near-term cash flow.

Sun River Gold (“SRG”), who holds an option on the Mexican Mine Tailings Project at El Oro, has been advancing permitting and providing some cash flow through advances on the Net Profit Interest (“NPI”) due once in production.

The El Oro Tailings Project 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.

Negotiations are also underway with Mexican groups in order to monetize the San Dieguito de Arriba (“SDA”) Plant in Western Mexico. As proven by Vane Minerals, the original owner of the plant, there are many small and rich mines in the surrounding area and there is a scarcity of plants with economic proximity to the mines.

*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.Geo. and Allan Reeves, P.Geo., dated August 25, 2014 with an effective date of July 8, 2014 available at www.sedar.com

On another matter, the Company advises that Ms. Sheri Rempel has been appointed as Chief Financial Officer (“CFO”) for the company to replace Mark Lotz who is leaving the position.

Ms. Rempel has over 30 years of experience working with companies in the areas of real estate development, restaurant management, mining, general financial services and software development. She specializes in the provision of accounting services to public companies listed on the Toronto Stock Exchange, the TSX Venture Exchange, and the Canadian Securities Exchange and to companies preparing to list on a Canadian stock exchange.

In addition to providing accounting services to reporting issuers, she serves as a CFO, Controller, and/or a director of a number of public companies in the mining, investment, and technology sectors. She leads an accounting team consisting of twenty individuals.

About Xali Gold

Xali Gold has gold and silver projects in Peru and Mexico. 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.

"Joanne Freeze" P.Geo.

President, CEO and Director

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NR 123