



NEWS RELEASE

Xali Gold Developing Drill Targets at Sarape Project Near Las Chispas Mine in Mexico

Vancouver, British Columbia – July 23rd, 2025 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to announce that it has completed strategic data compilation studies on the Sarape silver-gold Project ("Sarape" or the "Project"), in Northern Mexico under option from Advanced Lithium Corp. ("AALI"). Xali Gold optioned the Sarape Project believing that it covers the northerly extension of a trend of multiple low-sulphidation veins systems including the high-grade silver and gold system at the Las Chispas Mine roughly 20 km to the southwest (Figure 1). Prior to Las Chispas being sold to Couer Mining Inc. ("Couer") by SilverCrest Metals for C\$2.4 billion, Las Chispas was estimated to contain Proven and Probable Reserves of 33.5M ounces ("oz") of silver ("Ag") and 357,000 oz of gold ("Au").

Two extensive vein structures found on Sarape appear to be typical of low-sulphidation epithermal systems like those at Las Chispas, where mineral-rich fluids deposit silver and gold within a specific zone known as the "boiling zone". Within this zone, the highest-grade mineralization often occurs in secondary shoots controlled by structural features. This type of epithermal system is common in northern Mexico and includes notable examples like Coeur's Las Chispas Mine, First Majestic Silver's Santa Elena Mine and Bear Creek Mining's Mercedes Mine (Figure 1), which share similar geological characteristics.

Since optioning Sarape, Xali Gold's exploration team, Enrique Bernuy and Matthew Melnyk, have been compiling and reviewing all historical drill data available and have identified boiling zone textures in drill core that increase with depth. These findings, together with anomalous levels of silver and gold found on surface and in drilling to date, have been compared to many other prolific systems visited by our team in Argentina, Mexico, Peru and Chile (such as El Oro (8Moz Au), Calcatreu (1M oz Au Equivalent ("Eq")), Los Gatos (2.9M oz Au & 135.2M oz Ag), Cerro Vanguardia (1.8M oz Au), Promontorio (140.8M oz Ag Eq), Troique (11.2M oz Au Eq)) for both major and junior companies. All of this is key to designing the exploration work required to delineate the best drill targets.

"We are very pleased that our exploration team has been able to recognize key vectors to precious metals bearing boiling zones occurring below and lateral to previous drilling. We optioned the project having recognized that key aspects of two known veins on Sarape indicate excellent potential to host high grades of silver and gold mineralization similar to Las Chispas and many other low-sulphidation systems in deposits and mines both in Mexico and elsewhere. Now we have several key vectors, including geochemistry, lithologies, alteration, and vein textures to direct our exploration and drilling," says Joanne Freeze, Xali Gold President and CEO. "This gives us a clear path forward, and we look forward to the next phase of work, including detailed geological mapping, re-logging of historic drill core, targeted sampling, and the delineation of drill targets to fully assess Sarape's potential."

Joanne Freeze will participate in a webinar hosted by Adelaide Capital at 2:00 pm ET today (Wednesday, July 23rd) to discuss the Sarape Project in more detail. Questions can be submitted during the session or in advance to deborah@adcap.ca.

Register here: https://us02web.zoom.us/webinar/register/WN_ILTBiIwzSZ2gQM-QRUhpMQ.

The webinar livestream will also be available to watch on the Adelaide Capital YouTube Channel, where a replay will be posted after the event: <https://bit.ly/adcap-youtube>.

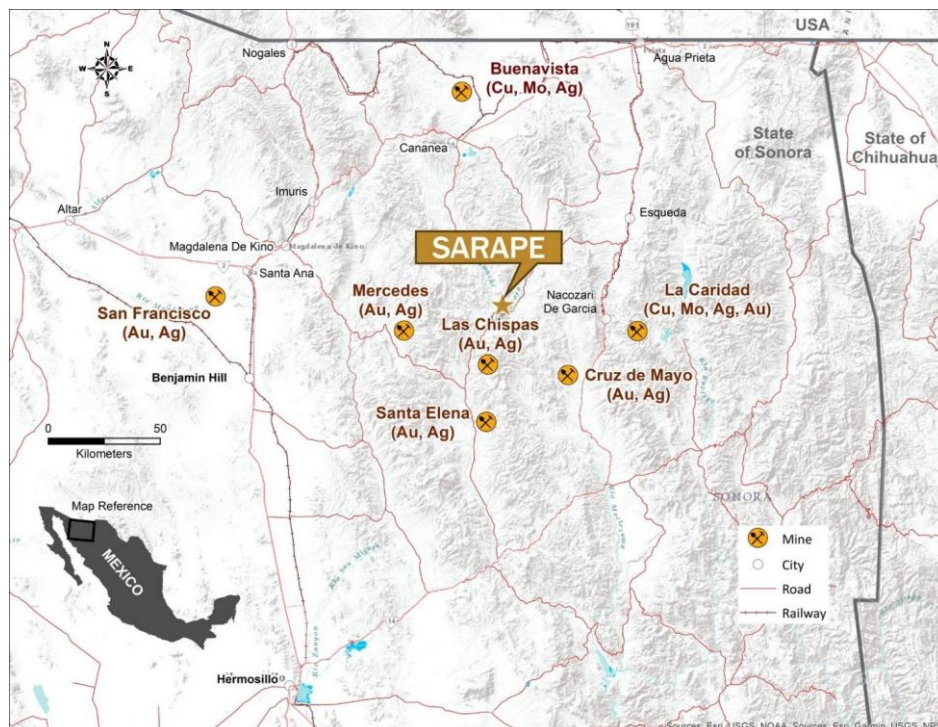


Figure 1: Sarape location map showing proximity to major producing mines

The Sarape Project is located in the Rio Sonora Valley of northern Mexico and comprises two main epithermal veins - Sarape and Chiltepin - that lie on either side of an uplifted block of volcanic rock. Many vein exposures and drill intersections display high-level low-sulphidation epithermal features and elevated gold-silver values. The highest-grade samples reported from surface were 3.63 grams per tonne (“gpt”) Au and 10.25 gpt Ag over 0.5m at the Sarape vein and 3.66 gpt Au and 177 gpt Ag over 1.0m from the Chiltepin vein.

The Sarape vein, which varies in width from 3 to 12 metres (“m”), has been mapped and sampled over a strike length of 5000m, of which only 1.2km has been drill tested. Previous drilling on the project, from 2019 to 2020, included 19 holes targeting the Sarape Vein of which nine intersected the vein. The Chiltepin Vein, which averages 3m in width on surface, has been traced over a strike length of 2500m and occurs south of the Sarape Vein. Two holes drilled between 2019 and 2020 targeted the Chiltepin vein, and anomalous levels of gold and silver were intersected.

Highlights from previous drilling on the Sarape Vein showed elevated gold and silver values which are typical for levels above the boiling zone in low-sulphidation systems and confirm that the epithermal fluids are precious metal-bearing. Results include:

- 0.52 gpt Au and 10.7 gpt Ag over 4.26m (76.50m to 80.76m) in SAR19-02
- 0.55 gpt Au and 31.0 gpt Ag over 1.4m (201.60m to 203.00m) in SAR19-04
- 0.31 gpt Au and 20.7 gpt Ag over 1.47m (302.05m to 303.53m) in SAR19-05
- 0.57 gpt Au and 24.3 gpt Ag over 2.24m (261.46m to 263.70m) in SAR19-06
- 0.22 gpt Au and 5.5 gpt Ag over 11.57m (295.43m to 307.00m) in SAR19-08
- 1.49 gpt Au and 7.4 gpt Ag over 6.75m (93.90m to 100.65m) in SAR19-012

The comprehensive review of historical data includes drill core photos, logs, assays, and geological maps. Most of the historical exploration and all previous drilling have focused on the central portion of the Sarape Vein. This analysis revealed that textures typically associated with the boiling zone are present in the historically drilled area (Photos 1 - 3), and a fence of drill holes suggests that these textures improve with depth, indicating that the full boiling zone is likely preserved below the current levels of drilling. Additionally, drilling along strike has intersected the vein but likely only the upper part of the mineralized zone, indicating that the system may gently to moderately plunge, which is consistent with other regional deposits (Figure 2).

Supporting this interpretation are low gold-silver ratios, classic boiling textures, near-equal proportions of quartz and calcite, and anomalous antimony-gold-silver values. Together, these features suggest that the exposed veins on the Project represent the upper levels of a low-sulphidation epithermal system, with the potential for stronger mineralization at depth. These deeper zones now represent compelling targets for follow-up drilling. Additionally, since epithermal veins often occur in clusters, the Sarape Project also remains open for further exploration to identify additional near-surface and blind veins.

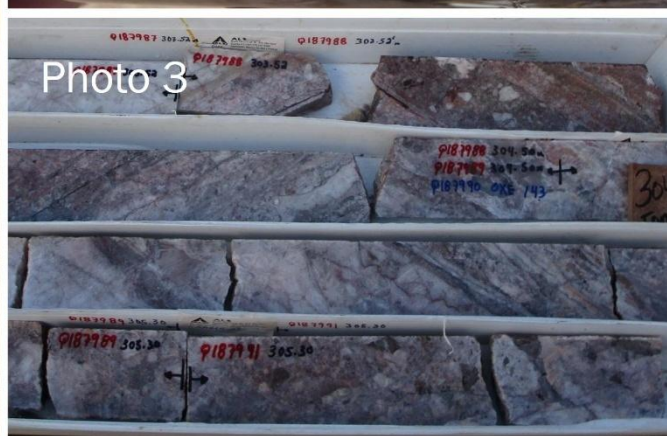


Photo 1: Banded, rhythmic, colloform, crustiform texture in Hole SAR19-04 (24.68m of 0.18 gpt Au and 8.9 gpt Ag).

Photo 2: Boiling Texture – Quartz replacing carbonate “lattice calcite” in Hole SAR19-04.

Photo 3: Colloform, banded texture in Hole SAR19-05

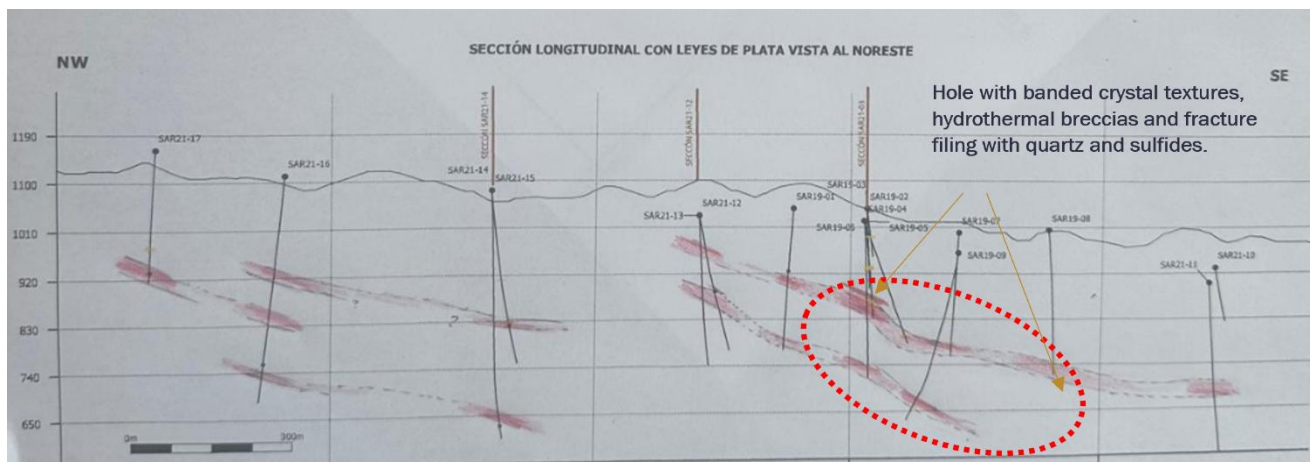


Figure 2: Long section of Sarape Vein

Future Exploration

Xali Gold is planning an exploration program to better delineate drill targets by surface mapping, core re-logging and re-sampling. In the historic drill core, particular focus will be given to vein textures, cross-cutting relationships between vein phases, and any visible signs of mineralization. Where appropriate, samples will be collected for assay to better understand how each vein phase contributes to mineralization. A 3D geological model will then be developed to accurately represent the vein geometry, structural framework, and historical drill results. This model, along with insights from mapping and regional analogues, will form the basis for drilling by Xali Gold.

Additional information about the Sarape Project, including the terms of the agreement with AALI, can be found in the [February 28th, 2025 News Release](#) and on the [Xali Gold website](#).

About Xali Gold

Xali Gold holds several gold and silver projects in both Mexico and Peru. Xali Gold has recently acquired the right to earn a 49% interest in the Sarape silver-gold Project (“Sarape”), in Northern Mexico from Advanced Lithium Corp.

The Sarape Project is located in the Rio Sonora Valley of northern Mexico, a prolific gold-silver mining district that includes First Majestic Silver’s Santa Elena/Ermitano Mine, Premier Gold Mines’ Mercedes Mine and Coeur Mining’s Las Chispas Mine.

The Sarape Project is located approximately 20 km northeast of the Las Chispas Mine which was recently purchased by Coeur for C\$2.4 billion. Xali Gold recognizes the Project's immense potential and plans to leverage our expertise in low-sulphidation epithermal gold systems such as El Oro, to unlock its full value. Las Chispas, Ermitano and Sarape have similar geological settings, occur within the same structural corridor and are all low-sulphidation epithermal vein projects. Las Chispas and Ermitano are high-grade gold and silver mines, with low costs of production and generate remarkable free cash flow.

The Company’s flagship project, El Oro, is a district scale historic producer of gold and silver. While the Company’s main goal at El Oro is to make a new discovery, similar to the multi-million ounce (“oz”) gold and silver ore bodies mined historically, the Company has entered into two agreements with third parties for the rights to produce gold and silver from specific shallow areas of the El Oro Project which are expected to bring in cash flow and open up underground access for drilling.

The El Oro property hosts 20 veins with past production and more than 57 veins in total, with two veins alone producing approximately 6.4M ozs of gold and 74M ozs of silver from mining that averaged only 200m depth (Ref. Mexico Geological Service Bulletin Nr. 37, Mining of the El Oro and Tlalpujahu Districts, by T. Flores in 1920).

With renewed interest in gold and silver exploration in South America, Xali Gold has recently been reviewing high-sulphidation gold targets with features similar to Yanacocha and Pierina, within proven high-sulphidation epithermal belts in Peru. Joanne Freeze, CEO of Xali Gold was the Qualified Person for the Pierina project from discovery to purchase by Barrick. The Company maintains other properties in Peru.

Xali Gold is dedicated to being a responsible community partner.

Joanne C. Freeze, P.Geo., President and CEO is the Qualified Person as defined by National Instrument 43-101 for the projects discussed above. Ms. Freeze has 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.

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: + 1 604-512-3359

info@xaligold.com

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 historical production records and resource estimates. While such forward-looking information is expressed by Xali Gold in good faith and believed by Xali Gold to have a reasonable basis, they may 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.