



XALI
GOLD CORP

NEWS RELEASE

Xali Gold Increases Ownership in SDA Plant and Provides Update on El Oro Tailings Project

Vancouver, British Columbia, November 1, 2022 - Xali Gold Corp. (TSXV:XGC) ("Xali Gold" or the "Company") is pleased to announce that it has increased its ownership in the SDA Plant in Western Mexico to 50% by issuing shares to Magellan Acquisition Corp. ("Magellan"). In addition, the Company has started to receive advance Net Profits Interest ("NPI") payments from Sun River Gold ("SRG") for the El Oro Tailings Project in Mexico.

San Dieguito de Arriba ("SDA") Plant

Xali Gold has increased its interest in the SDA plant from 30% to 50% by issuing 4,125,758 shares at a price of \$0.066 to Magellan. The Company has received interest from third parties desiring to enter into joint ventures in Xali Gold's Western Mexico assets, the SDA plant and near-surface high grade mineralization near the plant.

Two local Mexican mining groups are offering to provide both investment and expertise to get the SDA Plant's operating permits updated and the plant fully operational as well as to develop and explore nearby mining properties. Terms under discussion include the provision of capital and expertise for the operation of the plant and the provision of high-grade mineralization, while Xali Gold would provide expertise to explore for additional gold and silver resources and/or standalone mineral discoveries. The agreements under discussion are to include profit sharing.

El Oro Tailings Project

SRG has started making advance NPI payments of US\$15,000 per month to Xali Gold as part of the second extension agreement on the El Oro Tailings Project, in El Oro Mexico.

On January 6, 2022, Xali Gold announced that the Company had agreed that if commercial production was not achieved by May 1, 2022, Xali would grant Sun River a second extension on the Option until December 31, 2022, under the following terms:

1) Advanced NPI payments of US\$15,000 per month until commercial production is reached (or first concentrate is produced or dore gold is poured). The Company has received such payments for September and October such that a total of US\$30,000 in has been received as advance NPI payments. An additional US\$13,400 was paid during July and August 2022 against shared expenses. The payments due from May 1st through August, 2022 are still outstanding and the Company has hired a new permitting consultant to assist with the permitting process as it is unclear as to the reason for delays in getting all permits required.

2) Advanced NPI payments of US\$50,000 per month once commercial production is reached (or first concentrate is produced or dore gold is poured) and during the first year of operation, after which normal 5% NPI payments are to be made.

Victoria Termination

The Company has terminated the Option Agreement on the Victoria Property in central Newfoundland and Labrador. The Company will issue to the property owner a total of 250,000 Common Shares as fully paid and non-assessable, at a deemed price based on market close the date before issuance in two tranches, with 125,000 Common Shares dated effective October 31, 2022 at a deemed price of \$0.06 and 125,000 Common Shares dated effective November 30, 2022 at the deemed price per common share equal to the market price on November 30, 2022. With this last issuance, the Company no longer has any rights nor obligations related to this property.

Kelly Cross Marketing Agreement

The Company also announces that as part of the Marketing Agreement with Kelly Cross (announced and described in [News Release dated June 23, 2022](#)) the company will issue 100,000 common shares at a deemed price of \$0.06. This issuance will be the final share issuance under such agreement.

Each issuance will be subject to a 4-month hold period. All transactions are in compliance with applicable corporate and securities laws and is subject to TSXV approval.

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 Victoria, 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.

“Joanne Freeze” P.Ge.
President, CEO and Director

For further information please contact:
Joanne Freeze
President & CEO
Tel: + 1 (604) 689-1957
info@xaligold.com

NR 116