



Xali Gold Advises that Starcore has joined the Team to Develop the El Oro Tailings Project in Mexico

Vancouver, British Columbia, May 16, 2024 - Xali Gold Corp. (TSXV:XGC) ("**Xali Gold**" or "**the Company**") is pleased to announce that Kappes, Cassiday & Associates ("**KCA**") has advised us they have teamed up with Starcore International Mines Ltd. ("**Starcore**") to put into production our environmental rehabilitation project to clean up mine tailings from our Mexican Mine Tailings Reprocessing Project ("**Tailings Reprocessing**") at El Oro in Mexico (the "**El Oro Tailings Project**"). Starcore and KCA have entered into a joint venture, with KCA contributing its expertise and services for the project aimed at rehabilitating the environment, while Starcore assumes the role of Operator and Financier for the joint venture.

"We are very pleased with the strategy that KCA has brought to our Tailings Reprocessing project," says Joanne Freeze, President and CEO of Xali Gold. "We received the Change of Soil Usage permit almost a year ago, which allows the Tailings to be moved out of the historical deposition site from within the town of El Oro. KCA has now teamed up with Starcore to use their already permitted mine plant site for the Reprocessing which is expected to significantly shorten the timeline to production."

Recent test work by KCA on the El Oro Tailings Project indicates excellent potential for 72% recovery of gold and 80% recovery of silver using a process being introduced to Xali Gold by KCA. This process would allow the gold and silver to be produced in the form of Dore, which enhances the value of the royalty stream agreed to with Xali Gold. Overall recoveries will need further testing to establish a better estimate for overall recoveries of gold and silver, but KCA is very optimistic about the process.

KCA will oversee all metallurgical and engineering studies and designs, for the Tailings Reprocessing Project, and recovery of the precious metal from the Project. Starcore will cover the Capital Costs for plant construction and take on the role of Operator.

As per the Company's [April 15, 2024 News Release](#), Xali Gold entered into a Letter of Intent to enter into a Purchase Agreement with KCA on the El Oro Tailings Project. Once production begins on the El Oro Tailings Project, KCA will pay Xali Gold a gross royalty equal to 4% of the sales income received from all gold and silver produced, less any royalties due and payable to others (the Municipality of El Oro), but in no case less than a 3% gross royalty.

About Starcore

Starcore is engaged in precious metals production with focus and experience in Mexico. While this base of producing assets has been complemented by exploration and development projects throughout North America, Starcore has expanded its reach internationally with the recently acquired project in Côte d'Ivoire. The Company is a leader in Corporate Social Responsibility and advocates value driven decisions that will increase long term shareholder value. You can find more information on the investor friendly website here: www.starcore.com

Shares for Debt

The Company also advises that as per the Xali Gold News Release dated May 2, it has issued shares of the Company to Lotz CPA Inc, in order to cover the debt due for CFO consulting fees over 5 years. The Common Shares issued pursuant to the shares for debt settlement will be subject to a four month hold period.

About Xali Gold

Xali Gold has gold and silver projects in Peru and Mexico. The Company's flagship project 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 200m.

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.

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. 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.

On behalf of the Board of Xali Gold Corp.

"Joanne Freeze" P.Geo.
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