

PHOENIX GOLD RESOURCES CORP.

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NEWS RELEASE

PHOENIX GOLD ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Vancouver, British Columbia--(December 18, 2020) – Phoenix Gold Resources Corp. (the "**Company**") (TSXV: PXA) is pleased to announce that it has completed a non-brokered private placement offering (the "Private Placement") raising gross proceeds of \$1,400,000 through the sale of 7,000,000 units ("Units") of the Company at a price of \$0.20 per Unit.

Each Unit consists of one common share (a "Share") and one-half common share purchase warrant (each such full warrant, a "Warrant") which is exercisable for a period of 24 months from the closing of the Private Placement. Each Warrant will entitle the holder to purchase a Share at a price of \$0.50 per Share if exercised within the first 12 months, and at \$0.75 per Share after 12 months but within 24 months following the closing date. The Company intends to use the net proceeds of the Private Placement for working capital and general corporate purposes.

A cash finder's fee in the total aggregate amount of \$6,000 will be paid in respect of the Private Placement. The Company has received conditional approval for the Private Placement from the TSX Venture Exchange. All Shares issued pursuant to the Private Placement will be subject to a four month hold period from the date of issue.

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Cautionary Statement Regarding Forward-Looking Information

This news release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation. All information contained herein that is not historical in nature may constitute forward-looking information. Forward-looking statements herein include but are not limited to statements relating to the expected completion of the Private Placement, and are necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to business, market and economic risks, uncertainties and contingencies that may cause actual results, performance or achievements to be materially different from those expressed or implied by forward-looking statements. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements. Readers are cautioned not to put undue reliance on these forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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