

PHOENIX GOLD RESOURCES CORP.

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NEWS RELEASE

Phoenix Gold Announces \$1,400,000 Private Placement

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

Each Unit will consist 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 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 will pay up to 6% finder's fees in cash in respect of subscriptions from investors introduced by eligible finders. The Company intends to use the net proceeds of the Private Placement for working capital and general corporate purposes.

The Private Placement is subject to approval of the TSX Venture Exchange, all Units issued pursuant to the Private Placement will be subject to a four month hold period from the date of issue.

Subject to regulatory approval, the participation of Phoenix's directors and officers, and other related parties in the Private Placement would be considered a "related party transaction" pursuant to *Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**"). The Company is exempt from the requirements to obtain formal valuation and minority shareholder approval in connection with the Insiders' participation in the Private Placement in reliance, respectively, on Section 5.5(b) of MI 61-101 as the Company is not listed on a "specified market" and on Section 5.7(1)(b) of MI 61-101 as a distribution of securities for cash not exceeding \$2,500,000 which is approved by independent directors. The Private Placement is not expected to result in the creation of a new control person of the Company. To the Company's knowledge, there is no material information concerning the Company or its securities that has not been generally disclosed.

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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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