

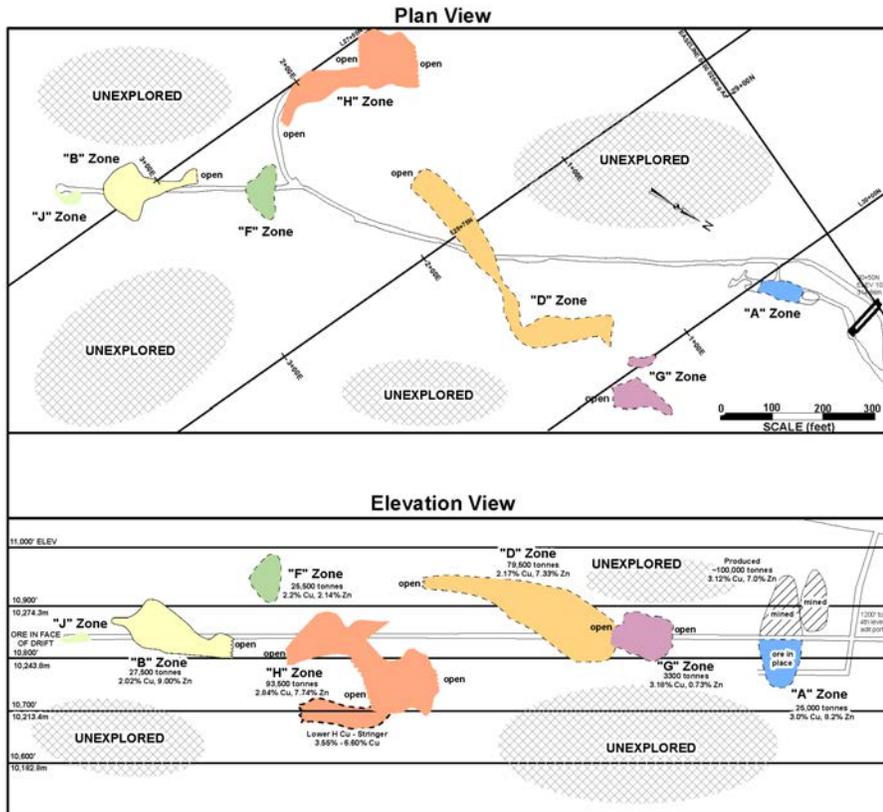


Phoenix Gold Begins Exploration Program At York Harbour Mine Property

Vancouver, British Columbia, Canada, May 26, 2021 - Phoenix Gold Resources Corp. ("Phoenix" or the "Company") (TSXV: PXA) is pleased to announce it has begun field work at the York Harbour Mine Property in Newfoundland (the "Property"). The field work will comprise borehole geophysical surveying, exploration diamond drilling, and later efforts to re-enter the underground mine workings.

Eastern Geophysics Limited of Corner Brook, NL has been engaged to carry out a 3D Borehole Pulse EM survey program that will employ advanced transmitter and receiver equipment and instrumentation from Crone Geophysics & Exploration Ltd of Mississauga, Ontario. The crew and equipment have been mobilized onto the Property and are expected to complete the geophysical survey by the end of May. This survey will investigate a 1.8 km² area that extends approximately 1,200 meters from the original York Harbour Mine 'A' Zone orebody south-southwest to include an area 500 meters beyond the previously identified 'J Zone' (Noranda c. 1991-1993), encompassing 17 previously drilled holes with depths to over 400 m. While the geophysical survey is being carried out the GPS locations, downhole orientations, geological information and drill core sampling results are being collated and entered into a Gemcom 3D modelling database for later drill hole planning and siting.

York Harbour Mine Site Ore Bodies ('Zones') in Plan View and Cross-Section



Source: Noranda Exploration Company (1990)

https://phoenixgoldresources.ca/wp-content/uploads/2021/05/YH_Plan_XSec_View_v2.pdf



Exploration target drilling will begin in June following a thorough review of the 3D modelling and Pulse EM geophysical results plus approval and receipt of the required permit for drilling. The first one or two prioritized drill holes will be sited to twin and validate historic drill results. Subsequent drilling locations will test high-priority geological and geophysical exploration targets within both the York Harbour Mine area and other poorly tested or unexplored targets.

Recently the exploration team visited the Property for site evaluation and examined an outcrop of 'A' Zone mineralization, located along Copper Mine Brook. Eleven grab samples and 3 continuous chip samples in 1 m intervals were collected along a 100m strike. These samples have since been sent to Eastern Analytics in Springdale, NL for ore grade assays. (Photos of this sampling work shown below).



In June the Company will begin a combined re-logging and re-sampling work on the drill cores from seven historic drill holes, totaling 1,586 meters (Wolfden Resources c. 2004-2005), that are currently in storage at Newfoundland's Core Storage Building in Pasadena, NL. This work is expected to require about eight weeks to complete and will provide additional data with the 3D Borehole Pulse EM data set to further enhance the drill hole modelling and improve the confidence for any future mineral resource estimates.

The Company intends to later plan and carry out a program to re-establish access to underground workings at the Sea Level Adit and other key entry points. This work will evaluate near-term rehabilitation requirements and also evaluate the potential for resuming underground exploration drilling. This program will also begin evaluating the extension of the Sea Level Adit an additional proposed 1,200 meters to reach and undercut existing (historical) production stopes and other known mineralized zones (see also Company's website for descriptive historical section drawings c. 2003, https://phoenixgoldresources.ca/wp-content/uploads/2021/05/PXA-MAP-012G_0120-South-Coast-Ventures-p66-VMS-Deposit-Long-Section.pdf).

About the York Harbour Mine Property

The York Harbour Mine Property is located approximately 27 kms west of Corner Brook, NL and known to be prospective for copper-zinc-silver-gold massive sulphide deposits. Mineralization documented on the property exhibits characteristics consistent with classic mafic-type flow dominated (Cyprus type) VMS deposits. Similar geological environments and styles of mineralization have formed relatively large copper-zinc deposits elsewhere in Newfoundland at



Tilt Cove (9 Mt of between 1% and 12% copper) and in Cyprus at the Mavrovouni mine (15 Mt of 4% copper with zinc and gold).

Copper and zinc massive sulphides were first discovered at York Harbour in 1893. Since then, a total of 2,134 meters of documented underground drifting and development has been completed for which documentation is available. A total of 19,230 meters of drill core records are available testing a total of eleven “Zones” of copper-zinc-silver-gold massive sulphide mineralization. These zones occur over a 600 meter strike length and many remain open for expansion along strike and downdip.

Most exploration has been concentrated within a 350 meter long segment and within 150 meters of surface. An overturned synclinal fold is interpreted to extend/repeat the favourable copper-zinc mineralized horizon along the western portion of the property where surface prospects of copper-zinc bearing massive sulphides have been discovered and documented but have received little modern exploration attention.

Doug Blanchflower, P. Geo. is a qualified person in accordance with National Instrument 43-101 who has reviewed and accepted the technical material contained in this news release.

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