



## NEWS RELEASE

# Phoenix Gold Closes Private Placement

Vancouver, British Columbia--(August 18, 2021) – Phoenix Gold Resources Corp. (the "**Company**") (TSXV: PXA) announces further to the initial news release dated July 21, 2021, the Company has completed a non-brokered private placement offering (the "**Private Placement**") through the sale of 1,075,000 units ("**Units**"), with each Unit being comprised of one (1) common share ("**Share**") of the Company and one (1) share purchase warrant ("**Warrant**") to purchase one (1) additional Share of the Company. Each Warrant is exercisable at a price of \$0.40 for a period of thirty-six (36) months. The Private Placement raised a total of \$301,000 at a deemed price of \$0.28 per Unit. No finder's fees were paid, and all securities issued under the Private Placement will be subject to a hold period of four months and one day from the closing date.

The Shares contained in the Units are qualified as "flow through shares" as defined in subsection 66(15) of the Income Tax Act (Canada). An amount equal to the gross proceeds allocated to the sale of Shares will be used for expenditures which qualify as Canadian exploration expenses ("**CCE**") and "flow through mining expenditures" (within the meaning of the Income Tax Act (Canada)). The Company will renounce such CEE with an effective date of no later than December 31, 2021. Accordingly, the Company intends to use all the proceeds of the Private Placement for mineral exploration expenditures in respect of its copper-zinc mineral exploration property called the York Harbour Property in Newfoundland.

An insider of the Company, Blair Naughty of British Columbia (the "**Insider**") is participating in the Private Placement. Mr. Naughty is an insider because he owns over 10% of the issued and outstanding common shares of the Company. Participation by the Insider 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 will not result in the creation of a new control person of the Company.

For further information:

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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.*

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