

PHOENIX GOLD RESOURCES CORP.
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NEWS RELEASE

**Phoenix Gold Announces Debt Settlement
and new President & CEO**

Vancouver, British Columbia--(August 6, 2020) – Phoenix Gold Resources Corp. (the "**Company**") (TSXV: PXA) is pleased to announce that it has entered into agreements to settle indebtedness of the Company in the aggregate amount of \$917,339 (the "**Debt**") by way of a shares for debt transaction at a price of \$0.05 per common share of the Company (a "**Share**") for a total aggregate of 18,346,780 Shares (the "**Debt Settlement**"). In addition, the Company has appointed Mr. Andrew Lee as the company's new President and Chief Executive Officer. Mr. Lee has been a director since April 23, 2014 and will continue as a member of the board of directors and replaces Mr. Paul Jones who was the interim President and CEO since May 20, 2016 and continues to be a member of the board of directors. The Company wishes to thank Mr. Jones for his service as President and CEO during the transitional time for the Company.

The Debt Settlement is subject to approval of the TSX Venture Exchange (the "**Exchange**"). All Shares issued pursuant to the Debt Settlement will be subject to a four month hold period from the date of issue.

The Company negotiated the Debt Settlement with non-arm's length creditors. Pursuant to the Debt Settlement and subject to approval by the Exchange, certain directors and officers of the Company will participate in the Debt Settlement. Accordingly, the Debt Settlement will be considered as a "related party transaction" under *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 Debt Settlement 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)(c) of MI 61-101 as a transaction supported by an arm's length control person. A material change report will be filed less than 21 days before the closing date of the transactions contemplated by this news release. The Company believes this shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible. It is anticipated that the Debt Settlement will result in the creation of a new control person of the Company, and the Company anticipates obtaining disinterested shareholder approval in writing approving of the Debt Settlement and the resulting creation of a new control person.

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.

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 Debt Settlement, 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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