



PHOENIX GOLD BEGINS PHASE 2 DRILLING AT YORK HARBOUR COPPER-ZINC-SILVER-COBALT PROJECT, NEWFOUNDLAND

Vancouver, British Columbia (October 27, 2021) – Phoenix Gold Resources Corp. (TSX-V: PXA) (OTCPK: PGRCF) (Frankfurt: 5DE) (“Phoenix Gold” or the “Company”) is pleased to report that Phase 2 diamond drilling has begun on its York Harbour Mine Property (“York Harbour” or the “Property”) in western Newfoundland, Canada. Three drill holes have been completed during the past 10 days of a planned 27-hole diamond drilling program totalling an estimated 4,225 metres.

The on-site project geologist has reported that the latest drill hole YH21-14 intersected semi-massive and massive volcanogenic sulphide (‘VMS’) mineralization from a drilling length of 105 to 120 m. After geological and geotechnical logging the drill core from holes YH21-13 and -14 will be transported to the Planet X Exploration facilities in Gander for sampling and later shipping to Actlabs in Ancaster, Ontario for rush ICP analyses and over-limit assaying.

Photographs of the drill core with the reported massive sulphide mineralization intersected by drill holes YH21-13 and 14 are shown as follows.



Massive sulphide in DDH YH21-13



Massive sulphide in DDH YH21-14



The Phase 1 drilling program was carried out from July 28th to August 14th. This program, the first on the property since Wolfden Resources' drilling in 2004, successfully validated historical drilling results with 6 of the 9 drill holes intersecting drill-indicated Cyprus-type VMS mineralization in the historical 'A', 'G' and 'H' zones and encountering similar mineralization both along strike and downdip of these zones. Two diamond drill holes had to be abandoned when they encountered a wide fault zone, and a third hole intersected a section of the 400 Level adit where it lost circulation and was not completed to its intended depth.

At the present time the Company is awaiting the analytical results for 200 of 300 drill core samples from the Phase 1 diamond drilling program. Selected mineralized intercepts from 4 of the 9 Phase 1 drill holes were reported in the Company's news release dated October 12th. A few of those mineralized intercepts that were previously reported for drill holes YH21-04, -06, -08 and -09 are as follows.

| DDH No. | From (m) | To (m) | Interval (m) | Copper (%) | Zinc (%) | Silver (gpt) | Target Zone |
|----------------|-----------------|---------------|---------------------|-------------------|-----------------|---------------------|--------------------|
| YH21-04 | 180.03 | 189.54 | 9.51 | 1.69 | 0.13 | 1.43 | H Zone |
| YH21-06 | 146.26 | 194.05 | 47.79 | 0.85 | 0.57 | 1.49 | H Zone |
| YH21-08 | 122.30 | 128.90 | 6.60 | 0.62 | 0.65 | 3.37 | G Zone |
| YH21-09 | 5.00 | 14.54 | 9.54 | 1.69 | 0.11 | 2.83 | A Zone |

The Phase 2 diamond drilling program has been designed to firstly better delineate the known drill-indicated VMS mineralization for future resource estimations and to explore for additional similar mineralization both along strike and downdip. Historical underground drill holes report a number of massive and semi-massive mineralized intercepts between and along strike of the known zones but without reported assays. At two of these historical intercepts the latest drill holes YH21-13 and 14 have confirmed significant VMS mineralization. Thus, the Phase 2 program will include both delineation and exploration drilling.

In addition to the Phase 2 drilling program exploration work on the property has also included re-locating the No. 4 Brook adit and massive sulphide showing situated approximately 1 km from the current drilling on the eastern limb of the folded volcanic sequence which hosts known VMS mineralization. On October 16th several field personnel visited the site and reported approximately 15 m of massive and semi-massive sulphide mineralization, including pyrite, chalcopyrite and sphalerite, in a sheared zone near the sloughed-in adit. This showing is currently accessible via a cut trail but will require upgrading for ATV and drill rig access. A field crew is currently cutting channel samples across the visible mineralization with shipping and analysis to follow. This showing is scheduled to be drill tested in early 2022.

Consulting mining engineers of Gemtec, based in St Johns, have been commissioned to apply for permitting approval to enter the 400 Level adit, and in the meantime the Company is investigating the use of a lidar drone to survey the adit this year.

The following figures show the proposed locations of the Phase 2 diamond drilling on the York Harbour property. The red coloured and hatched bodies in Figures 2 and 3 are the two-dimensional, surface-projected images of the drill-indicated VMS mineralization. The purple hatched body is the surface projection of the 400 Level adit.

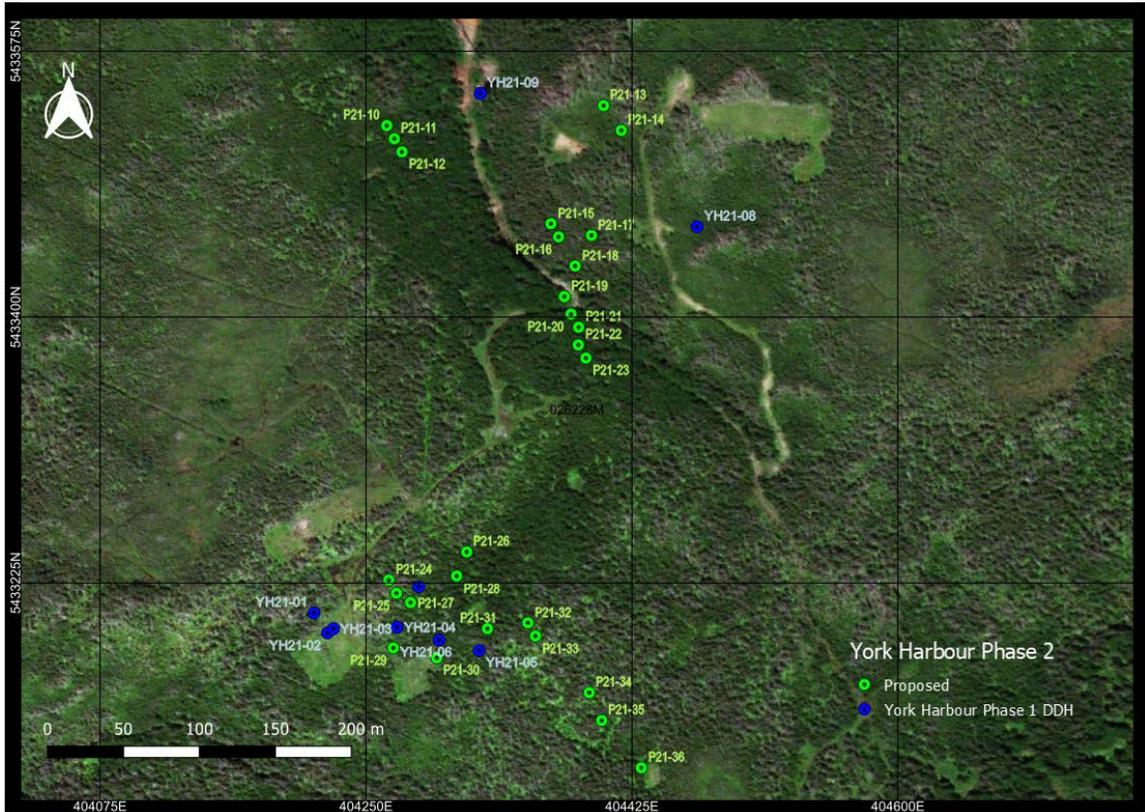


Figure 1: Plan View of Proposed Phase 2 Diamond Drilling Program, York Harbour Property

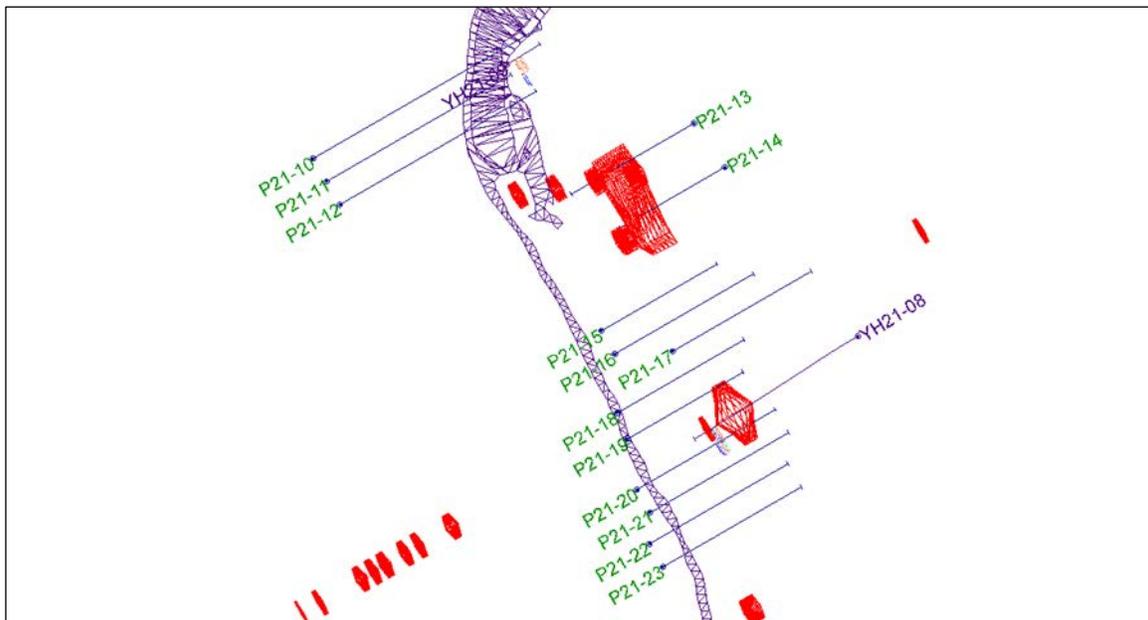


Figure 2: Plan View of North Section of Proposed Phase 2 Diamond Drilling Program

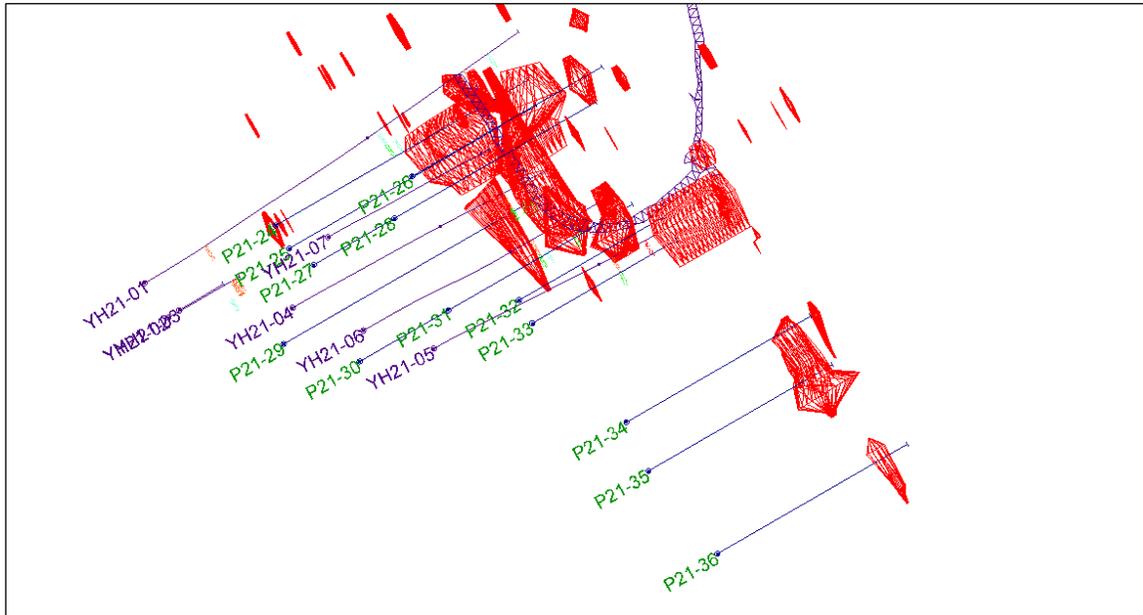


Figure 3: Plan View of South Section of Proposed Phase 2 Diamond Drilling Program

About the York Harbour Mine Property

The York Harbour Mine Property is located approximately 27 kilometres west of Corner Brook, NL and known to be prospective for its copper-zinc-silver-gold-cobalt massive sulphide deposits. The known mineralization 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); as noted in Messina Minerals Inc. 9th Year Assessment Report (2009).

Copper and zinc massive sulphides were first discovered at York Harbour in 1893. Since then a total of 2,134 metres of documented underground drifting and development have been completed for which documentation is available. Drill core logs and sampling data is available for a total of 19,323 metres of historical drilling that tested eleven lenses or zones of copper-zinc-silver-gold-cobalt massive sulphide mineralization. These zones occur over a 600-metre strike length and many remain open for expansion both along strike and downdip.

Most historical exploration and underground development have been concentrated within a 350-metre long segment of a stratigraphic contact between lower and upper basaltic units, and within 150 metres of surface. An overturned synclinal fold is interpreted to extend and repeat the favourable mineralized horizon along the western portion of the property where surface prospects at the No. 4 Brook showing of copper- and zinc-bearing massive sulphides have been discovered and documented in outcrop but have received very little modern exploration attention.

J.D. 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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