

PHOENIX GOLD RESOURCES CORP.
Suite 210 – 905 Pender Street W
Vancouver, BC, V6C 1L6

NEWS RELEASE

**Phoenix Announces Private Placement and Letter of Intent with
Fox Automotive Switzerland AG for Reverse Takeover and Spin-Out**

Vancouver, British Columbia, April 17, 2019 – Phoenix Gold Resources Corp. (TSXV: PXA) (the “**Company**” or “**Phoenix**”) and Fox Automotive Switzerland AG (“**Fox**”) are pleased to announce that they have entered into an arm’s length binding letter of intent (the “**LOI**”) accepted April 13, 2019 pursuant to which the Company will, subject to approval of the TSX Venture Exchange (the “**TSXV**”), acquire all of the issued and outstanding shares in the capital of Fox. CM-Equity AG, a fully licensed and regulated financial services boutique headquartered in Munich, Germany, acts as global coordinator for the transaction between the Company and Fox.

Fox’s Chairman, Patrick Bigger stated that, *“The management of Fox Automotive is excited about the going public transaction through Phoenix Gold on the TSX Venture Exchange in Canada. The public listing will allow us to create strong awareness for our MIA[®] EV with our customers who are young adults, families, city commuters, fleet and car sharing operators, public transportation companies and even property developers with innovative package solutions. Investors, on the other hand, can get early exposure in a 100% EV company that is street certified for European roads and operates under the highest standards of environmental, social and corporate governance. Time to market is of essence in the EV industry. The public listing of Fox comes timely, as it will enable the company to attract license partners for MIA[®] EV and to conquer the global EV industry from the “affordable to everybody” price level.”*

Phoenix’s director, Andrew Lee stated that, *“We are very excited about the prospect of creating additional value for our shareholders both with a continued participation in the business mineral exploration with our properties in Nevada through a contemplated spin-out, as well as the additional opportunity to participate in the fast-growing electric vehicle business through the reverse takeover of the strategically positioned Fox Automotive in Europe.”*

Pursuant to the contemplated transaction between the Company and Fox, the Company and Fox will enter into a plan of arrangement, amalgamation or similar business combination (the “**Transaction**”) whereby:

(i) Phoenix will consolidate all of its issued and outstanding share capital on a 3-to-1 basis, and Phoenix will change its name to “**Fox Automotive International Corp.**” (or such other name as determined by Fox) (the “**Consolidation**”), and the Consolidation will require approval of the shareholders of Phoenix pursuant to the policies of the TSXV;

(ii) Phoenix will spin off its mineral property interests comprised of gold mineral exploration properties in the Battle Mountain Mining District in Nevada (the “**Phoenix Properties**”) by way plan of arrangement, amalgamation, or other such transaction steps (as determined by Phoenix to be advantageous from a corporate and tax perspective, based on advice from its legal, tax and financial advisors) wherein the Phoenix Properties will be transferred to a wholly owned subsidiary Phoenix (“**New Phoenix**”) and the shareholders of Phoenix will receive common shares of New Phoenix on the basis of one common share of New Phoenix for every one post-Consolidation common share of Phoenix held by the shareholders, and New Phoenix will be thereby be spun-out as a second reporting issuer, will have the same shareholders as Phoenix and will own the Phoenix Properties (the “**Spin-Off**”), and New Phoenix intends to seek a listing on the TSXV as a Tier 2 Mining Issuer pursuant to the policies of the TSXV, but this is not a condition of the RTO (as defined below) and there is no assurance that such listing will be completed upon completion of the RTO or at all; and

(iii) After the Spin-Off, Fox will complete a reverse takeover (the “**RTO**”) of Phoenix by way of a plan of arrangement, amalgamation, or similar business combination whereby Phoenix will acquire all of the issued and outstanding share capital of Fox in exchange for common shares of Phoenix on the basis of 300 post-Consolidation common shares of Phoenix for every 1 Fox share, representing an aggregate of 37,500,000 post-Consolidation common shares of Phoenix (the “**Consideration Shares**”) issuable to the shareholders of Fox in connection with the Transaction (including post-Consolidation common shares of Phoenix reserved

for issuance to holders of outstanding options or warrants of Fox). Upon completion of the Transaction, Phoenix will become the resulting issuer (the "**Resulting Issuer**") of the RTO and Fox will become a wholly-owned subsidiary of the Resulting Issuer.

In connection with the Transaction, and subject to approval of the TSXV, Phoenix will, together with Fox, complete a concurrent equity financing of a minimum of \$3,000,000 to a maximum of \$9,000,000 at a price of \$1.78 per post-Consolidation common share of Phoenix (the "**Concurrent Financing**"), as described further below.

The completion of the Transaction and the Spin-Off is subject to a number of conditions, including but not limited to: (i) the Consolidation of all of the Company's outstanding common shares; (ii) the Company and Fox negotiating a definitive agreement in respect of the Transaction; (iii) the Company securing financing through the Debt Settlement (previously announced on March 22, 2019) and the Private Placement (described below) so that the Company will have sufficient working capital for the parties under Transaction and under the policies of the TSXV; (iv) the Company securing other financing, including the Concurrent Financing, to satisfy other requirements of the TSXV for the Resulting Issuer; (v) approval of the shareholders of the Company; and (vi) approval of the TSXV.

The final structure of the Transaction and the Spin-Off will be determined by the parties following receipt of tax, corporate, and securities law advice. Upon the closing of the Transaction (the "**Closing**"), it is expected that shareholders of the Company (assuming completion of the Debt Settlement announced on March 22, 2019, completion of the maximum Private Placement and completion of the minimum Concurrent Financing) will hold 17.30% of the common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") and current shareholders of Fox will hold 79.15% of the Resulting Issuer Shares (on a non-diluted basis). The Consideration Shares held by the directors, officers, and insiders of Fox will be subject to escrow requirements pursuant to the policies of the TSXV.

Private Placement of Phoenix

In addition and prior to the Transaction described above, the Company also wishes to announce that, subject to approval of the TSXV, it intends to complete a non-brokered private placement of common shares (the "**Shares**") of the Company for gross proceeds of up to \$1,050,000 at a price of \$0.15 per Share (the "**Private Placement**"). The net proceeds of the Private Placement will be used for working capital and general corporate expenses of Phoenix.

In connection with the Private Placement, the Company may pay a finder's fee of up to a 5% cash commission on the sale of Shares to accredited investors introduced by eligible finders in accordance with applicable securities laws. All Shares issued pursuant to the Private Placement are subject to a four month hold period and regulatory approval. **The Private Placement is independent of and not conditional upon completion of the Transaction. The Transaction remains subject to a number of conditions outlined below, and is subject to approval of the Company's shareholder and the TSXV. There is no assurance that the Transaction will be completed and the subscribers under the Private Placement may acquire Shares without the benefit of subsequent completion of the Transaction.**

Concurrent Financing

As a condition to completion of the Transaction and the Spin-Off, the parties will complete the Concurrent Financing by way of a private placement offering of subscription receipts (the "**Subscription Receipts**") of a wholly-owned subsidiary of Fox ("**Fox Sub**") at a price of **C\$1.78** per Subscription Receipt (the "**Issue Price**") for gross minimum proceeds of a minimum of C\$3,000,000 to a maximum of C\$9,000,000. Each Subscription Receipt will be automatically exchanged, without payment of any additional consideration and subject to adjustment, for one common share of Fox Sub (each an "**SR Share**") upon satisfaction of the Escrow Release Conditions (as defined below). Concurrent with completion of the RTO, Fox Sub will amalgamate with a new wholly-owned subsidiary of Phoenix ("**Phoenix Sub**") and the SR Shares will be exchanged for like post-Consolidation common shares of Phoenix on a one-for-one basis.

One-half of the net proceeds of the Concurrent Financing will be released (the "**Released Proceeds**") to Fox for use towards the costs of relocating and setting-up the MIA[®] production line in Hungary, working capital, Transaction costs and general and administrative costs, and the remaining half of the net proceeds of the Concurrent Financing (the "**Escrowed Proceeds**") will be placed in escrow with an escrow agent on behalf of the purchasers of the Subscription Receipts and will be released to Fox on satisfaction of certain escrow release conditions (the "**Escrow Release Conditions**"), which will include the completion of the Transaction on or before September 30, 2019 (the "**Termination Time**"). Should the Conditions not be satisfied prior to the Termination Time, the Escrowed Proceeds will be returned to the subscribers, and the Released Proceeds will be used to acquire shares in the capital of Fox directly at a price equivalent to the effective vend-in price under the RTO.

In connection with the Concurrent Financing, the Company may pay finder's fees of up to a 5% cash commission on the sale of Subscription Receipts to accredited investors introduced by eligible finders in accordance with applicable securities laws.

Board and Management Changes

Following completion of the Transaction, the Resulting Issuer's board of directors will be reconstituted and is expected to be composed of five (5) directors, including four nominees of Fox and one nominee of Phoenix. Details of the constitution of the new board and management of the Resulting Issuer and any additional information required pursuant to the policies of the TSXV will be announced or disclosed in due course, in accordance with the policies of the TSXV.

Upon completion of the Spin-Off, the board of directors and management of New Phoenix will be substantially the same as currently for Phoenix. Details of the constitution of the new board and management of New Phoenix and any additional information required pursuant to the policies of the TSXV will be announced or disclosed in due course, in accordance with the policies of the TSXV.

About Fox

Fox is a company incorporated under the laws of Switzerland having its address at Zueghausstrass E 10, Herisau, Switzerland, CH-9100. Fox is the owner of all the IP, patents, and trademarks of the MIA[®] Electric Vehicle brand. It has a full-fledged assembly line, which will be capable of producing 12,000 EV cars per year as street certified cars for the European market by approximately December 2019. Fox continues to advance its electric vehicle technology to increase mileage per charge to develop affordable mobility options in the electric vehicle space.

Additional disclosure about Fox, its business, management and financial performance, all as required under applicable securities laws and the policies of the TSXV, will be publicly disclosed in due course.

About Phoenix

Phoenix Gold Resources Corp is a mineral exploration and development company. The business activity of the Company includes acquisition and exploration of the gold mineral rights located in Battle Mountain, Nevada, USA. It currently holds interests in the Plumas property, which consists of 2 patented lode mining claims with extra lateral rights covering an area of 40 acres, as well as 1 patented mill site claim consisting of 8.5 acres; and the Eldorado property comprising 1 patented lode mining claim covering an area of 20 acres located in Battle Mountain, Lander County, Nevada. The company is based in Vancouver, Canada.

About CM-Equity AG

CM-Equity AG was engaged by Fox on October 1, 2018 as its exclusive global coordinator and corporate finance services provider in respect of a going public transaction for Fox by way of reverse takeover, which entitled it to receive a fixed fee of 7,500 shares of Fox that have been issued. In addition, Fox also engaged CM-Equity AG on January 15, 2019 as a non-exclusive finder in respect of all financings for Fox, which would extend to the Concurrent Financing, and would entitle CM-Equity AG to receive a 5% cash commission finder's fee on gross proceeds from investors that it introduces to Fox.

CM-Equity AG is an international investment and advisory firm specialized in asset management, capital markets services, and corporate finance. With over 30 years of experience, CM-Equity AG functions as a one-stop solution for private and public listed companies in all matters around primary and secondary markets. Professional financing, consulting, structuring and brokerage activities create substantial funding for corporate clients through initial public offerings, reverse takeovers, and private placements.

CM-Equity AG is regulated and licensed by the Federal Financial Supervisory Authority of Germany and is a member of the German Association of Independent Asset Managers.

TSXV Matters and Trading Halt

The proposed Transaction will result in a reverse takeover and constitute of change of business of Phoenix pursuant to the policies of the TSXV. Sponsorship of a reverse takeover may be required by the TSXV unless exemption from the sponsorship requirement is available. The Company will review the TSXV's sponsorship requirements and exemptions, and may seek an exemption from the sponsorship requirements pursuant to the policies of the TSXV. There is no assurance that the Company will qualify for or otherwise obtain an exemption from the sponsorship requirements.

Trading in the Company's common shares is currently halted on the TSXV, in accordance with TSXV policies following entering into of the LOI. Trading will remain halted until the documentation required by the TSXV for the Transaction can be provided to the TSXV, the TSXV provides approval for the Transaction and the Transaction is completed. The completion of the Transaction is subject to the approval of the TSXV.

General

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Phoenix should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

On behalf of the Board of Directors of Phoenix Gold Resources Corp.

Paul Jones
President and Chief Executive Officer

For more information, please contact:

Paul Jones
President, Chief Executive Officer and Director
Phoenix Gold Resources Corp.
Telephone: (303) 324-0791
Email: pcjsovereign1@cs.com

Andrew Lee
Director
Phoenix Gold Resources Corp.
Telephone: (604) 720-2703
Email: ys.andrew.lee@gmail.com

Neither the TSX Venture Exchange Inc. 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 release.

Forward-Looking Information

This news release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information is not representative of historical facts or information or current conditions, but instead represents only the Company’s beliefs regarding future

events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information concerning the Transaction, the Private Placement and matters related thereto, expectations regarding whether the Transaction or Private Placement will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, delisting from the TSXV, the timing for completing the Transaction, expectations for the effects of the Transaction or the ability of the Resulting Issuer to successfully achieve its business objectives, expectations regarding whether the Concurrent Financing will be consummated, and expectations for other economic, business, and/or competitive factors.

By identifying such information in this manner, the Company is alerting the reader that such information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information. In addition, in connection with the forward-looking information contained in this news release, the Company has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information is the following: the ability to consummate the Transaction, the Private Placement and the Concurrent Financing; the ability to satisfy listing and other requirements of the TSXV, including the ability to obtain TSXV approval; the ability to obtain requisite regulatory and securityholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule; the ability to satisfy the conditions to the consummation of the Concurrent Financing or to the conversion of the Subscription Receipts; the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Transaction and the Concurrent Financing. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information is reasonable, undue reliance should not be placed on such information, and no assurance or guarantee can be given that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The forward-looking information contained in this news release is made as of the date of this news release, and the Company does not undertake to update any forward-looking information that is contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

(Not for dissemination in the United States of America.)