

Regency Reaches Definitive Agreement with Benton Resources on the Thunder Bay North and Escape Lake Platinum Group Metal Properties, Advances its Application for Change of Business, Proposes a Change of Name to “Clean Air Metals Inc.” and Initiates a \$10M Brokered Private Placement.

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Vancouver, B.C., January 10, 2020 – Regency Gold Corp. (“**Regency**” or the “**Company**”) (NEX: RAU.H) is pleased to announce that it has entered into a definitive option agreement (the “**Option Agreement**”) with Benton Resources Inc. (“**Benton**”) (TSXV: BEX) whereby Regency has acquired an option to acquire a 100% right, title and interest in the Escape Lake Property (the “**Escape Lake Property**”), subject to a 1.0% net smelter return royalty to be retained by Rio Tinto Exploration Canada Inc. (“**RTEC**”), from Benton with such option to be conditional on Benton exercising its pre-existing option to acquire the Escape Lake Property from RTEC. In addition, Benton also assigned to Regency its rights under a letter of intent previously entered into with Panoramic Resources Inc. (“**PAN**”) pursuant to which Benton acquired the right to acquire 100% of PAN’s subsidiary, Panoramic PGM (Canada) Ltd. (the “**Pan Subsidiary**”) which owns the Thunder Bay North Project (the “**TBN Project**”).

The TBN Project is located approximately 50km northeast of Thunder Bay within the Thunder Bay Mining Division in north-west Ontario, Canada, in the northern part of the Proterozoic Midcontinent Rift region, an important emerging Ni-Cu-PGM province. The TBN Project consists of 219 unpatented mining claims (2,551 claim units of 16 hectares) covering approximately 40,816 hectares. The 220 hectare Escape Lake Property is located within the TBN Project claim block and along the interpreted magma conduit system which controls the Pt-Pd-Base Metal mineralization on the TBN Project.

Mr. Jim Gallagher, former CEO of North American Palladium and Executive Chairman-designate of Clean Air Metals Inc. stated, “The recent acquisition of the Lac des Iles Mine by Impala Platinum underscores the globally recognized significance of the PGE-rich Thunder Bay North region. Clean Air Metals has consolidated two prospective PGE properties with a significant amount of historical exploration drilling with some impressive PGE-Ni-Cu intercepts in North America and is focused on expanding these results.”

Terms of Option Agreement

Under the Option Agreement in order to acquire a 100% right, title and interest in the Escape Lake Property from Benton (subject to Benton exercising its pre-existing option with RTEC) and Benton’s rights to acquire a 100% right, title and interest in the TBN Project, Regency must complete the following:

- (a) enter into a definitive share purchase agreement (the “**Pan Agreement**”) with Magma Metals PTY LTD (“**Magma**”), a wholly-owned subsidiary of PAN, and make an initial \$250,000 payment. These requirements have both been completed;
- (b) issue to Benton an aggregate of 24,615,384 common shares (the “**Consideration Shares**”) in the capital of Regency;
- (c) fulfill all the remaining payments to RTEC under the terms of an option agreement (the “**RTEC Agreement**”) dated October 9, 2019, between RTEC and Benton required in order for Benton to exercise Benton’s Option to earn a 100% interest in the Escape Lake Property. These payments are set out below;

- (d) fulfil all the remaining payments under the terms of the PAN Agreement; and
- (e) grant to Benton a 0.5% net smelter return royalty from production on the Escape Lake Property and a 0.5% net smelter return royalty from production on any mineral claims comprising the TBN Project over which a net smelter royalty has not previously been granted.

The RTEC Agreement

Under the RTEC Agreement, Benton was granted an option to acquire 100% ownership interest in Escape Lake Property, subject to a 1% net smelter return royalty to be retained by RTEC, in exchange for payment of CAD\$6 million by Benton to RTEC over a three-year period, as follows:

- (a) C\$3 million due on signing, immediately following receipt of regulatory approval (this amount has been paid by Benton resulting in the proposed issuance of the Consideration Shares to Benton);
- (b) C\$1 million on the first anniversary of the signing of the RTEC Agreement;
- (c) C\$1 million on the second anniversary of the signing of the RTEC Agreement; and
- (d) C\$1 million on the third anniversary of the signing of the RTEC Agreement.

Under the terms of the Option Agreement, Regency has assumed and is bound and shall perform the obligations of Benton under the RTEC Agreement.

The PAN Agreement

Under the PAN Agreement, Regency has the right to acquire a 100% ownership interest in the Pan Subsidiary, the subsidiary of Magma that holds the TBN Project, in exchange for payment of CAD\$9 million by Regency to PAN over a three-year period, as follows:

- (a) C\$4.5 million due on closing of the acquisition of the TBN Project to be paid by Regency;
- (b) C\$1.5 million on the first anniversary of the closing of the acquisition of the TBN Project;
- (c) C\$1.5 million on the second anniversary of the closing of the acquisition of the TBN Project; and
- (d) C\$1.5 million on the third anniversary of the closing of the acquisition of the TBN Project.

Regency has made the initial payment of \$250,000 (which will be credited to the purchase price) to PAN, which extends the proposed closing of the acquisition and the initial payment of \$4.5 million, by 60 days. In addition, Regency now has the ability to get up to three additional 30-day extensions by making a \$10,000 payment for each extension.

The Consideration Shares to be issued by Regency to Benton shall not exceed 19.9% of issued share capital of Regency and will be subject to a four-month and one day "hold period" from the date of issuance. The Consideration Shares may be subject to the escrow requirements of the TSX Venture Exchange (the "TSXV").

Satisfaction of Conditions to Closing

The grant of the option under the Option Agreement is subject to the satisfaction of certain conditions precedent, including:

- (a) Receipt of all necessary consents, approvals and other authorizations of any regulatory authorities, shareholders or third parties has been obtained, including but not limited to the approval of the TSXV;
- (b) The representations and warranties of the parties in the Option Agreement remaining accurate at and as of the closing date;
- (c) Regency entering into the PAN Agreement and making the initial \$250,000 payment (these conditions have been satisfied);
- (d) RTEC having consented to Regency acquiring the option on the RTEC Agreement. The parties have settled the form of consent and acknowledgement with respect to this condition and expect the conditions to be satisfied in the next few days;
- (e) The completion by Regency of a financing for gross proceeds of a minimum of \$7,500,000 (the "**Offering**") at an offering price of not less than \$0.15 per security.

Offering

In connection with the Offering, Regency has engaged Paradigm Capital Inc. and Sprott Capital Partners LP (the "**Agents**") to complete a brokered private placement of up to \$10 million of subscription receipts (the "**Subscription Receipts**") on a best efforts agency basis. The indicative issue price is \$0.20 per Subscription Receipt. The definitive issue price of the Subscription Receipts will be determined in the context of the market. The net proceeds of the Offering will be placed in escrow pending satisfaction of certain escrow release conditions which will include the closing of the grant of the option under the Option Agreement.

Upon satisfaction of the escrow release conditions prior to 120 days following the closing of the Offering, (the "**Escrow Release Deadline**") each Subscription Receipt shall entitle the holder thereof to receive, without payment of any additional consideration and subject to adjustment, units of Regency (the "**Units**"). Each Unit will consist of one common share of Regency and one-half of one common share purchase warrant (each whole warrant a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one common share of Regency. The definitive terms of the Warrants shall be determined in the context of the market. In the event the escrow release conditions are not satisfied by the Escrow Release Deadline, the proceeds will be returned to the holders of the Subscription Receipts.

Reactivation

Regency has been inactive for more than one year, when it ceased its involvement in the life sciences and pharmaceutical sector. The Company's shares are now listed on the NEX Board of the TSXV (the "**NEX Board**") under the symbol RAU.H. The transaction will result in the reactivation of the Company under the TSXV polices and will require a change of business of the Company to the mining sector (the "**Change of Business**"). The common shares of Regency are currently halted in connection with this announcement and will remain halted pending completion of the reactivation or until such earlier date as the TSXV and the Company determine the halt is no longer required. Once reactivated, the Company intends to transfer its listing from the NEX Board to the TSXV. The Company has also applied for Change of Name of the Company to "Clean Air Metals Inc.", with ticker symbol "AIR" on the TSXV.

Qualified Person

Abraham Drost, M.Sc., P. Geo., Consultant to the Corporation and "Qualified Person" under National Instrument 43-101, has reviewed approved the scientific and technical disclosure in this news release.

ON BEHALF OF THE BOARD OF DIRECTORS

"William Radvak"

William Radvak, President and Chief Executive Officer

For further information, please contact:

Abraham Drost, CEO-designate, Clean Air Metals Inc.

Phone: 807-252-7800

Email: adrost@cleanairmetals.ca

www.cleanairmetals.ca

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Completion of the transaction contemplated by the Option Agreement, the issue price of the subscription receipts, the terms of the units (and securities being offered) and the closing of the Offering is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable, disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the contemplated transaction or the Offering 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 contemplated transactions may not be accurate or complete and should not be relied upon. Trading in the securities of Regency should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release. Further details of the transaction contemplated by the Option Agreement will be included in subsequent news releases and disclosure documents to be filed by Regency.

The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections.