

## Regency Announces Definitive Terms of Private Placement of up to \$10M of Subscription Receipts

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**Vancouver, B.C., January 23, 2020** – Regency Gold Corp. ("**Regency**" or the "**Company**") (NEX: RAU.H) is pleased to announce that further to its news release of January 10, 2020, with respect to the entering into of a definitive option agreement (the "**Option Agreement**") between the Company and Benton Resources Inc. ("**Benton**") (TSXV: BEX) in connection with the acquisition by the Company of an option to acquire a 100% right, title and interest in each of the Escape Lake Property and the Thunder Bay North Project (the "**TBN Project**"), subject to satisfaction of certain conditions precedent to the grant of the option (altogether, the "**Transaction**"), the Company has finalized the terms of its brokered private placement (the "**Offering**") to be led by Paradigm Capital Inc. and Sprott Capital Partners LP (the "**Co-Lead Agents**"), on behalf of a syndicate of agents, including Red Cloud Klondike Strike Inc. and Mackie Research Capital Corporation (together with the Co-Lead Agents, the "**Agents**").

The Agents have been engaged by Regency in connection with the Offering of up to 50,000,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.20 per Subscription Receipt (the "**Issue Price**") for gross proceeds of up to \$10,000,000. The Company has granted to the Agents the option (the "**Agents' Option**") to increase the size of the Offering by up to 15% of the size of the base Offering, which Agents' Option shall be exercisable, by notice in writing to the Company, at any time not less than 48 hours prior to the closing of the Offering, which is expected to occur on or before February 11, 2020 (the "**Closing Date**"), or such other date as the Company and the Agents mutually agree.

Each Subscription Receipt shall entitle the holder thereof to receive, without payment of any additional consideration, one unit of the Company (each, a "**Unit**") upon satisfaction or waiver of the Escrow Release Conditions (as defined below) and prior to a Termination Event (as defined below), subject to adjustments in certain events. Each Unit will consist of one common share of Regency (each, a "**Unit Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant shall be exercisable by the holder thereof for one common share of the Company (each, a "**Warrant Share**") for a period of twenty-four (24) months following the Closing Date at an exercise price of \$0.30 per Warrant Share, subject to adjustments in certain events.

On the Closing Date, the net proceeds of the Offering (the "**Escrowed Funds**") will be delivered to and held by an escrow agent mutually acceptable to the Company and the Agents (the "**Escrow Agent**") subject to release upon the satisfaction or waiver of the following escrow release conditions (collectively the "**Escrow Release Conditions**"):

- a) The receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering, the Transaction and the TSXV Listing (as defined below), including, without limitation, the conditional approval of the TSX Venture Exchange (the "**TSXV**") for the listing of the Unit Shares and Warrant Shares and any relevant listing documents having been accepted for filing with the TSXV;
- b) The completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the definitive agreements relating to the Transaction (other than the payment of the cash purchase price due in connection with the acquisition of the TBN Project), to the satisfaction of the Agents; and
- c) The Company and the Agents having delivered a joint notice to the Escrow Agent, confirming that the conditions set forth in (a) and (b) above have been met or waived (the "**Release Notice**").

In the event that the Escrow Agent does not receive the Release Notice prior to 5:00 p.m. (Toronto time) on that date which is 120 days following the Closing Date (the "**Escrow Release Deadline**"); or (ii) prior to the Escrow Release Deadline, the Company advises the Agents or announces to the public that it does not intend to proceed with the Transaction and/or satisfy the Escrow Release Conditions (each, a "**Termination Event**"), the Escrowed Funds (plus any interest accrued thereon) shall be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Issue Price paid by the holders of the Subscription Receipts, the Company shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

The net proceeds of the Offering shall be used to fund the cash portion of the consideration payable to Panoramic Resources Inc. in respect of the acquisition of the TBN Project, to fund drilling for the Escape Lake Property and the TBN Project, and for general corporate purposes.

Pursuant to the terms of the Offering, the Company has agreed to pay the Agents a cash commission (the "**Cash Commission**") equal to 6% of the gross proceeds of the Offering. In addition to the Cash Commission, the Agents will also receive, on the Closing Date, compensation options (the "**Compensation Options**") exercisable to acquire that number of Units equal to 6% of the number of Subscription Receipts sold under the Offering at the Issue Price for a period of twenty-four (24) months following the Closing Date.

The common shares of the Company are currently listed on the NEX Board of the TSXV under the symbol "RAU.H". The Company intends to graduate from the NEX Board and list the common shares on the TSXV (the "**TSXV Listing**"). The Company has applied to list the Unit Shares and Warrant Shares on the TSXV. The TSXV Listing will be subject to the Company fulfilling all the listing requirements of the TSXV.

The securities issued in connection with the Offering (including the Subscription Receipts and any Unit Shares, Warrants, and Warrant Shares) will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"William Radvak"*

William Radvak, President and Chief Executive Officer

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

## **Cautionary Note**

Completion of the Transaction, the Issue Price, the terms of the Subscription Receipts (and any securities issued upon conversion or exercise thereof) and the closing of the Offering, among other things, are 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, the Offering or the TSXV Listing 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 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 the Transaction, the Offering, and the TSX Listing, risk related to the 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, except in accordance with applicable securities laws. Actual events or results could differ materially from the Company's expectations or projections.