

# Regency Announces Closing of \$15 Million Subscription Receipt Financing and Participation of Eric Sprott

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Vancouver, February 11, 2020 - Regency Gold Corp. ("Regency" or the "Company") (TSXV: RAU.H) is pleased to announce that further to its news release of February 10, 2020, the Company has closed its previously announced fully subscribed brokered private placement for aggregate gross proceeds of \$15,000,000 (the "Offering") led by Paradigm Capital Inc. and Sprott Capital Partners LP (the "Co-Lead Agents") on behalf of a syndicate of agents, including Red Cloud Securities and Mackie Research Capital Corporation (together with the Co-Lead Agents, the "Agents").

In connection with the Offering, the Company entered into an agency agreement (the "Agency Agreement") dated February 11, 2020, among the Company and the Agents, pursuant to which the Company issued an aggregate of 75,000,000 subscription receipts (each, a "Subscription Receipt"), at a price of \$0.20 (the "Issue Price") per Subscription Receipt.

The gross proceeds of the Offering less certain expenses of the Agents and other commissions (the "Escrowed Proceeds") are being held in escrow on behalf of the subscribers of the Subscription Receipts by Computershare Trust Company of Canada (the "Escrow Agent"), pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt Agreement") dated February 11, 2020 among the Company, the Co-Lead Agents and the Escrow Agent. Each Subscription Receipt will be automatically converted, without payment of any additional consideration and without further action on the part of the holder thereof, for one unit (each, a "Unit") of the Company upon satisfaction or waiver of the escrow release conditions ("Escrow Release Conditions") set out below and in the Subscription Receipt Agreement and prior to a Termination Event (as defined below), subject to adjustment in certain events. The Units to be issued upon conversion of the Subscription Receipts will be comprised 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 will 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 after the closing date of the Offering ("Closing Date") at an exercise price of \$0.30 per Warrant Share, subject to adjustments in certain events.

The Escrow Release Conditions are as follows:

- a) The receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering, the Transaction (as defined below) and the TSXV Listing (as defined below), including, without limitation, the conditional approval of 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 (as defined below)), 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.

Under the term of the Offering, Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, subscribed for an aggregate of 10,000,000 Subscription Receipts for aggregate consideration of \$2,000,000 pursuant to the Offering (representing the right to acquire 10,000,000 Unit Shares and 5,000,000 Warrants), representing 7.99% of the issued and outstanding common shares of the Company on a non-diluted basis and 11.53% of the issued and outstanding common shares of the Company

on a partially-diluted basis, assuming the exercise of Mr. Sprott's Warrants. Mr. Sprott did not beneficially own or control any securities of the Company prior to the Offering.

The Subscription Receipts acquired by Mr. Sprott are for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company, including on the open market or through private acquisitions, or sell securities of the Company, including on the open market or through private dispositions, in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of Mr. Sprott's early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling his office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J2).

As consideration for the services provided by the Agents in connection with the Offering: (a) the Agents received an aggregate cash commission of \$859,500, being equal to 6% of the gross proceeds of the Offering (and reduced to 3% with respect to certain subscribers on the "President's List"); and (b) the Agents received an aggregate of 4,297,500 compensation options (the "Compensation Options") on the Closing Date. Each Compensation Option is exercisable to acquire one Unit at the Issue Price for a period of twenty-four (24) months after the Closing Date, subject to adjustments in certain events.

Additionally, for the services provided by certain other eligible persons (the "Finders"), the Company also paid a fee of: (i) a cash commission of \$3,000, being equal to 3% of the total proceeds from certain subscribers on the President's List introduced by the Finders; and (ii) an aggregate of 15,000 Compensation Options being equal to 3% of the number of Subscription Receipts sold under the Offering to certain subscribers on the President's List introduced by the Finders.

In the event that: (i) the Escrow Agent does not receive the release notice contemplated by the Subscription Receipt Agreement prior to 5:00 p.m. (Toronto time) on that date which is 120 days after 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 Proceeds (plus any interest accrued thereon) will 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 to the holders of the Subscription Receipts, the Company will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

The Offering was completed in connection with the acquisition by the Company of, subject to the satisfaction of certain conditions precedent, an option to acquire a 100% right, title and interest in the Escape Lake Property (the "Escape Lake Property") and the right to acquire 100% of Panoramic Resources Inc.'s indirect subsidiary, Panoramic PGMs (Canada) Ltd. (the "Pan Subsidiary") which owns the Thunder Bay North Project (the "TBN Project") (the "Transaction"). The Escape Lake Property and the TBN Project are collectively referred to as, the "TBN Property".

The net proceeds of the Offering will be used to fund the cash portion of the consideration payable to Magma Metals Pty Ltd. in connection with the acquisition by the Company of the Pan Subsidiary, to fund drilling for the TBN Property, and for general corporate purposes.

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 Closing Date, 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"

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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 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 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.

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