Dixie Gold Inc. Announces Share Consolidation

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VANCOUVER, Dec. 17, 2019 - Dixie Gold Inc. (TSX VENTURE: DG) ("Dixie Gold" or the "Corporation" or the "Issuer") announces its intention to consolidate its common shares ("Shares") on a 4-old-for-1-new share basis (the "Consolidation").

The 102,648,746 Shares currently issued and outstanding will be reduced to approximately 25,662,187 post-Consolidation Shares.

Under the Consolidation, no fractional shares will be issued. After the Consolidation, each fractional share that is less than one-half of a share will be cancelled and each fractional share that is at least one-half of a share will be rounded up to the nearest whole share.

The exercise price and the number of Shares issuable under any of the Corporation's outstanding stock options and warrants, as applicable, will be proportionately adjusted upon completion of the Consolidation.

A letter of transmittal will be sent to registered shareholders providing instructions to surrender the certificates evidencing their Shares for replacement certificates representing the number of post-consolidation Shares to which they are entitled as a result of the Consolidation. Until surrendered, each certificate representing Shares prior to the Consolidation will be deemed for all purposes to represent the number of Shares to which the holder thereof is entitled as a result of the Consolidation.

The Board of Directors of the Corporation believes that the Consolidation is necessary to better position Dixie Gold for future corporate development opportunities and financing transactions. There will be no name change in conjunction with the Consolidation.

The Consolidation is subject to the acceptance of the TSX Venture Exchange (the "Exchange"). Following acceptance by the Exchange, the post-Consolidation Shares will continue to be traded on the Exchange under the current trading symbol "DG", but the CUSIP and ISIN numbers of the post-Consolidation Shares will change upon the completion of the Consolidation.

About Dixie Gold Inc.

Dixie Gold Inc. (TSXV:DG) is a publicly-traded exploration company involved in a diverse portfolio of exploration projects including gold, lithium and uranium assets in Canada. For more information, please visit www.dixiegold.ca.

Signed,

Ryan Kalt, Chief Executive Officer

Forward-Looking Statements

This news release contains forward-looking statements. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently expected or forecast in such statements.

Neither the TSX Venture Exchange 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.

SOURCE Dixie Gold Inc.

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