Dixie Gold Inc. Starts Phase One Mapping and Prospecting Program at Red Lake Gold Project

Geologists Commence Structural Mapping and Inaugural Prospecting

Vancouver, British Columbia – September 18, 2020 – Dixie Gold Inc. (TSX VENTURE: DG)(FWB: 2YCA) ("**Dixie Gold**" or the "**Corporation**) is pleased to announce that it has commenced a phase one structural mapping and inaugural prospecting program at its Red Lake Gold Project in Ontario.

The phase one geology program is standalone from other exploration simultaneously underway at the project relating to a large-scale SGH soil sampling program (see news release, Dixie Gold Inc. Commences District-Scale SGH Soil Sampling Program at Red Lake Gold Project, dated September 17, 2020)

"*We believe our Red Lake Gold Project holds tremendous potential and the project is an exciting and unique opportunity for our shareholders. Dixie Gold is highly cognizant that an early understanding of structural geology materially benefited neighbouring gold projects, including the contiguous Dixie project belonging to Great Bear Resources. While our assessment of structural geology will continue well beyond this inaugural program, the start-up of our field geology program is important as it both conveys our plans to prioritize our Red Lake exploration and the program should also provide us with our first proprietary insights into our project's geology,"* noted Ryan Kalt, Chief Executive Officer of Dixie Gold.

Dixie Gold offers a compelling capital structure in which to explore a high-impact gold project with 25,737,188 common shares issued and no warrants outstanding. Insider ownership exceeds five million common shares.

As relates to the phase one structural mapping and inaugural prospecting program, geologists retained by Dixie Gold will be field sampling preliminary areas of interest, mapping geological lithologies and recording structural orientation. The exploration underway will contribute to facilitating further field-exploration and - given the vast scale of Dixie Gold's Red Lake Gold Project – prospectively assist to vector-in on priority structural corridors for near-term exploration follow-up and focus.

Dixie Gold has an integrated team deployed to complete the SGH sampling program and the geological program.

The phase one mapping and prospecting program was designed and is being managed by Clark Exploration Consulting Inc. of Thunder Bay, Ontario.

About the Red Lake Gold Project

Dixie Gold's highway-accessible Red Lake Gold Project is located in close proximity to the town of Red Lake in northwestern Ontario. The district-scale gold exploration project is comprised of 1,241 mining claims totaling approx. 25,269 ha in size (approx. 62,441 acres). Dixie Gold's Red Lake Gold Project is situated adjacent to the Dixie Gold Project being advanced by neighbouring exploration company Great Bear Resources Ltd.

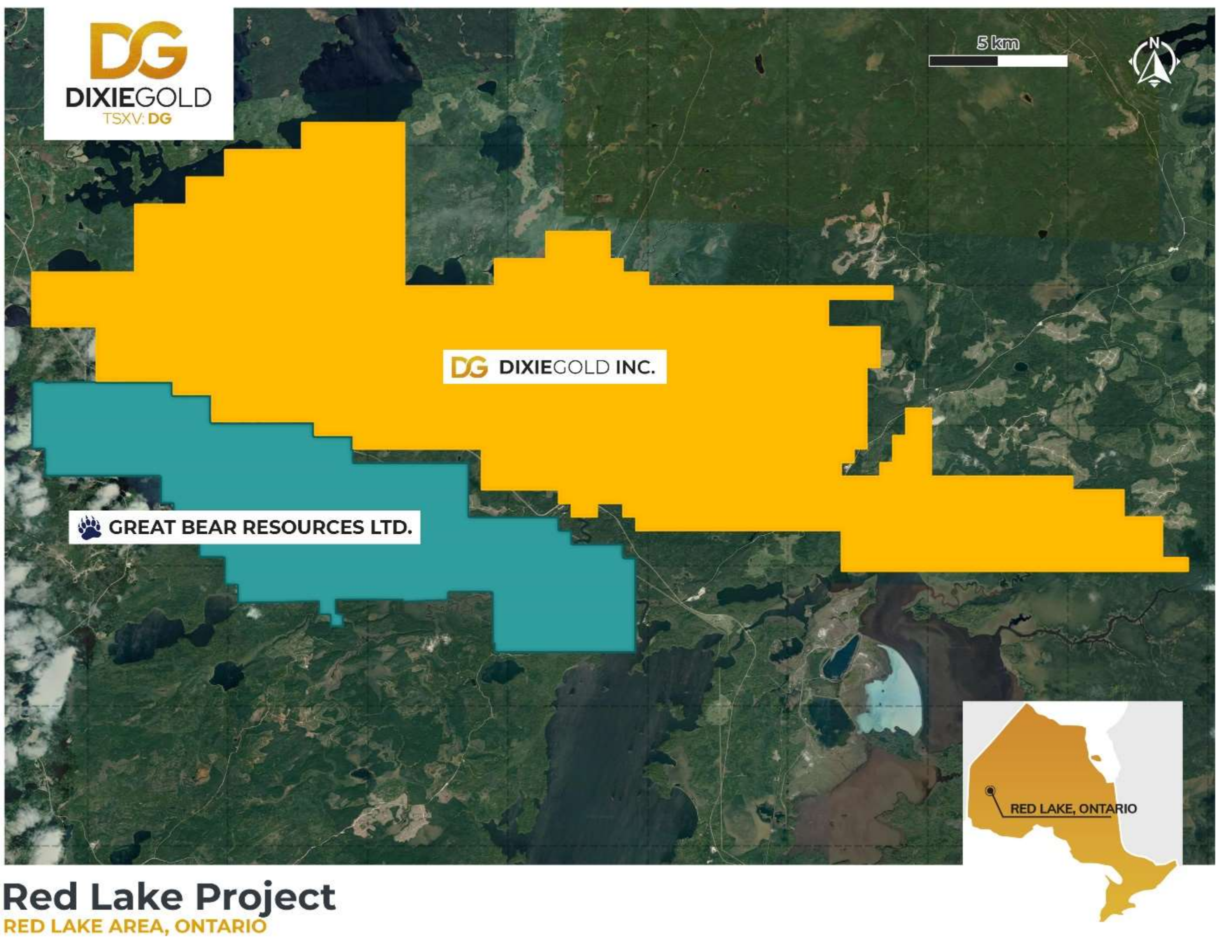

Figure 1: Dixie Gold Inc. – Red Lake Gold Project Map

Exploration efforts by Dixie Gold at the Red Lake Gold Project are designed to target potential gold mineralization analogous to gold being discovered elsewhere in the immediate region (e.g. the adjacent Dixie Gold Project held by Great Bear Resources

Ltd.), including sulphide replacement, quartz veining in mafic volcanics and disseminated gold within high-strain zones.

The Corporation cautions that past results or discoveries on the adjacent project (e.g. Great Bear Resources' Dixie Gold Project) may not necessarily be indicative as to the presence of mineralization on the Corporation's project (e.g. Dixie Gold's Red Lake Gold Project).

Qualified Person:

Mr. Garry Clark, P. Geo., of Clark Exploration Consulting, is the "Qualified Person" as defined in NI 43-101, who has reviewed and approved the technical content in this press release.

About Dixie Gold Inc.

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

Signed,

Ryan Kalt
Chief Executive Officer
Dixie Gold Inc.

<u>Forward-Looking Statements</u>

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.

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