

PRESS RELEASE – FOR IMMEDIATE RELEASE

Kroy Holdings Limited

Tropic Isle Building, P.O. Box 438, Road Town, Tortola, BVI

EARLY WARNING REPORT ISSUED PURSUANT TO NATIONAL INSTRUMENT 62-103 PURCHASE OF UNITS OF PHOENIX GOLD RESOURCES CORP.

Date: August 28, 2014 - Vancouver B.C.: Kroy Holdings Limited (“**Kroy**”). This press release is being disseminated as required by National Instrument 62-103 *The Early Warning System and Related Take Over Bids and Insider Reporting Issues* in connection with the filing of an early warning report (the “**Early Warning Report**”) regarding the acquisition of securities of Phoenix Gold Resources Corp. (the “**Company**”) by Kroy of Tropic Isle Building, P.O. Box 438, Road Town, Tortola, BVI.

Kroy subscribed for and purchased 500,000 units (the “**Units**”) of the Company at a price of \$0.10 per Unit. Each Unit is comprised of one common share (a “**Share**”) and one-half common share purchase warrant (the “**Warrants**”) and paid the Company gross proceeds of \$50,000. Each whole Warrant is exercisable at a price of \$0.20 per Share for a period of 3 years from the date of issuance. Accordingly, 500,000 Shares and 250,000 Warrants were issued to Kroy as owner thereof. The Units were issued to Kroy, pursuant to the closing of the Company’s second tranche of its private placement of units for gross proceeds of up to \$750,000.

As a result of the purchase of the Units, Kroy now holds 2,830,357 common shares of the Company, which represents approximately a 8.0% undiluted interest in the Company. In addition to Kroy’s shareholdings above, Kroy’s affiliated companies, Avonlea Ventures Inc. (“**Avonlea**”) owns 1,285,714 Shares and Resource Hunter Capital Partners (“**Resource Hunter**”) owns 3,487,500 Shares. Kroy, Avonlea and Resource Hunter (collectively, the “**Kroy Group**”) are under common indirect ownership and control of and by Glenn Laing, the President, CEO and a director of the Company. Accordingly, the Kroy Group now holds approximately 21.6% of the current issued and outstanding common shares of the Company, on a non-diluted basis, giving effect to the exercise of the Warrants and the issuance of the Shares, and 23.1% of the issued and outstanding common shares of the Company on a partially-diluted basis after giving effect to the Shares held by the Kroy Group following the exercise of the 250,000 Warrants and the other 451,665 share purchase warrants held by the Kroy Group.

The Units acquired pursuant to the Company’s private placement were acquired for investment purposes and Kroy may increase or decrease its beneficial ownership or control in the Company depending on market or other conditions.

A copy of the Early Warning Report may be found on www.SEDAR.com.

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Cautionary Note

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