



Phoenix Gold Resources Corp.

1901 – 5000 Yonge Street, Toronto, Ontario, Canada, M2N 7E9

Telephone: (416) 227-3402 • Fax: (416) 628-3801

NEWS RELEASE

PHOENIX GOLD ENCOUNTERS ENCOURAGING DRILL RESULTS FROM FIRST THREE HOLES AT PLUMAS PROPERTY IN BATTLE MOUNTAIN DISTRICT, NEVADA

September 17, 2014 – Toronto, Ontario: Phoenix Gold Resources Corp (TSX-V: PXA), (the “Company” or “Phoenix Gold”) today announced the release of its first drill results from the first 3 drill holes confirming the Company’s expectations of a large mineralized sulphide system at its 100% owned Plumas Property, located immediately adjacent to Newmont’s Phoenix Fortitude mine at Battle Mountain, Nevada.

The Company believes that the existence of veined and disseminated sulphides encountered in all holes drilled to date, along with the coincident magnetic anomaly centered beneath the Plumas Property, suggests the potential for a significant mineralized sulphide system at depth, as shown in Figure 1.

Drill Results

The first drill hole (CPL-1) located at the southernmost end of the large mineralized system intersected numerous gold zones with 0.25 g/t gold over 45.5 feet (13.9 meters), including 0.5 feet (0.2 meters) at 2.51 g/t gold and 198 g/t silver; 2.02 g/t gold over 7 feet (2.1 meters), including 9.44 g/t gold and 116.8 g/t silver over 0.9 feet (0.3 meters). Details of the intercepts are included in Table 1 below.

The second drill hole (CPL-4), located approximately 200 feet (61 meters) north of CPL-1, intersected numerous gold zones, including 0.854g/t gold over 9 feet (2.7 meters); 1.02g/t gold over 8.5 feet (2.6 meters), including 2.39g/t gold over 3 feet (0.9 meters); 0.405 g/t gold over 34.5 feet (10.5 meters), including 1.56 g/t gold and 28 g/t silver over 1 foot (0.3 meters) and 3.37 g/t gold and 45 g/t silver over 1.5 feet (0.5 meters); 0.346 g/t gold over 46 feet (14 meters), including 2.439 g/t gold over 1.5 feet (0.5 meters); and 0.336 g/t gold over 16.5 feet (5.0 meters), including 1.489 g/t gold over 1.5 feet (0.5 meters). Details of the intercepts are included in Table 1 below.

The third hole (CPL-7), located approximately 200 feet (61 meters) north of CPL-4, intersected numerous gold zones with 1.137 g/t gold and 7.5 g/t silver over 8 feet (2.4 meters), including 2.211 g/t gold and 16.8 g/t silver over 2.5 feet (0.8 meters); 0.34 g/t gold over 57.5 feet (17.5 meters), including 1.035 g/t gold and 15.4 g/t silver over 5 feet (1.5 meters); 1.339 g/t over 35.5 feet (10.8 meters), including 15.851 g/t gold and 938 g/t silver over 2 feet (0.6 meters); and 0.558 g/t gold over 59.5 feet (18.1 meters), including 3.71 g/t gold over 1 foot (0.3 meters) and 2.68 g/t gold over 4 feet (1.2 meters). Details of the intercepts are included in Table 1 below.

The location of the drill holes CPL-1, CPL-4 and CPL-7 together with the remaining planned drill holes are shown on the attached Figure 1.

Interpretation of the Drill Results

Based on information from the first 3 drill holes, in conjunction with the detailed understanding and interpretation of the geology and structural controls, the Company is encouraged by the increasing dimension and size of the mineralized sulphide system.

The Company interprets the mineralized sulphide system as increasing in size and dimension from the intersections in CPL-1 and CPL-4 which are on the southern edge of the large magnetic anomaly that the Company believes is the signature of a significant sulphide related mineralized gold and silver system. This is further indicated by the results of CPL-7, which is 200 feet north of CPL-4 and in the increasing size of the magnetic anomaly, which has both larger mineralized intervals and selectively higher grades. Assays have been provided for CPL-7 through to 639 feet, however the hole was drilled further to 937 feet and remaining assays are still pending.

The higher results encountered in CPL-7 along with multiple event alteration and mineralization, together with veined and disseminated pyrrhotite, pyrite, arsenopyrite with minor amounts of chalcopyrite, galena and sphalerite, lead to consideration of a significant sulphide related mineralized system at depth.

Accordingly, the Company believes that there is a relationship between the presence of sulphide mineralization in the drill holes and the magnetic anomaly shown in Figure 1. Consequently, the Company plans to engage a qualified geophysicist to evaluate the significance of the anomaly and the potential linkage between the anomaly and such occurrence of sulphide mineralization.

Further drill holes

Drill hole CPL-8 was drilled approximately 600 feet north of CPL-7, which has been completed to a depth of 988 feet. CPL-8 targeted both the extensive Plumas fault system and the center of the magnetic anomaly, which bears particular significance as the Company believes it is related to the mineralized sulphide system.

Drilling of drill hole CPL-10 is complete to a depth of 497 feet and is located approximately 140 feet north of CPL-8. This hole was also designed to further define the near surface Plumas fault zone related mineralization and mineralized sulphide system.

Drilling has also commenced at drill hole CPL-9, which is on the northern side of a large northeast trending structure and is targeting the Plumas fault system and is planned for an estimated 800-900 feet to further test the extent of the sulphide related system and will be further testing the relatively shallow depths of the magnetic anomaly.

Locations of drill sites CPL-8, CPL-9 and CPL-10 are shown on the attached Figure 1.

Pending Drill Results

The Company plans to release the results of the remaining 200 feet of CPL-7 and the additional three holes (CPL- 8, 9 & 10) in October as the drill core is currently being assayed at the Chemex ALS Lab in Reno, Nevada. Although drill results have been encouraging, assay results are pending and accordingly there is no assurance that presence of mineralization in the drill core will result in positive assay results.

To view Figure 1, please go to:

<http://phoenixgoldresources.com/wp/wp-content/uploads/2014/09/Figure1-for-PXA-News-Release-Sept-17-20141.pdf>

Private Placement - \$750,000

The Company closed \$374,500 of the planned \$750,000 Private Placement on Thursday, August 28, 2014.

It is planned to complete the balance of the Private Placement before the end of September 2014.

The proceeds of the Private Placement will be used for the current drill program, associated exploration and development expenses of the Company's properties and for additional working capital. The Private Placement is subject to Exchange approval.

Table 1: Summary of Phoenix Gold drill results at the Plumas Property (length weighted average assays, uncapped)

Hole Nos.	Interval	Gold g/t	Silver g/t	From (m)	To (m)	Length (m)	Au (ounces Per ton)	Ag (ounces per ton)	Gold Equiv (ounces per ton)	From (ft)	To (ft)	Length (ft)
CPL-1	Intercept	0.706	8.2	9.5	11.3	1.8	0.021	0.24	0.024	31.0	37.0	6.0
CPL-1	Intercept	0.482	1.3	32.9	35.4	2.4	0.014	0.04	0.015	108.0	116.0	8.0
CPL-1	Intercept	0.440	14.6	52.7	56.1	3.4	0.013	0.43	0.020	173.0	184.0	11.0
CPL-1	Intercept	0.448	24.7	58.3	61.3	3.0	0.013	0.72	0.025	191.3	201.0	9.7
CPL-1	Intercept	0.252	12.8	74.4	88.2	13.9	0.007	0.37	0.013	244.0	289.5	45.5
CPL-1	including	2.513	198.0	82.0	82.1	0.2	0.073	5.78	0.166	269.0	269.5	0.5
CPL-1	Intercept	2.016	36.3	100.7	102.9	2.1	0.059	1.06	0.076	330.5	337.5	7.0
CPL-1	including	9.439	116.8	101.2	101.5	0.3	0.275	3.41	0.330	332.1	333.0	0.9

CPL-4	Intercept	0.854	0.6	3.2	5.9	2.7	0.025	0.02	0.025	10.5	19.5	9.0
CPL-4	Intercept	0.249	20.1	59.0	60.8	1.8	0.007	0.59	0.017	193.5	199.5	6.0
CPL-4	Intercept	0.181	1.6	69.5	72.5	3.1	0.005	0.05	0.006	228.0	238.0	10.0
CPL-4	Intercept	1.021	7.7	74.4	77.0	2.6	0.030	0.23	0.033	244.0	252.5	8.5
CPL-4	including	2.39	7.5	75.7	76.7	0.9	0.070	0.22	0.073	248.5	251.5	3.0
CPL-4	Intercept	0.168	2.2	78.2	81.5	3.4	0.005	0.06	0.006	256.5	267.5	11.0
CPL-4	Intercept	0.405	8.0	84.6	95.1	10.5	0.012	0.23	0.016	277.5	312.0	34.5
CPL-4	including	1.561	27.6	87.0	87.3	0.3	0.046	0.81	0.058	285.5	286.5	1.0
CPL-4	including	3.370	44.8	93.0	93.4	0.5	0.098	1.31	0.119	305.0	306.5	1.5
CPL-4	Intercept	0.447	2.5	104.2	107.1	2.9	0.013	0.07	0.014	342.0	351.5	9.5
CPL-4	Intercept	0.180	3.0	120.4	123.9	3.5	0.005	0.09	0.007	395.0	406.5	11.5
CPL-4	Intercept	0.346	17.3	127.4	141.4	14.0	0.010	0.50	0.018	418.0	464.0	46.0
CPL-4	including	2.439	31.6	132.9	133.4	0.5	0.071	0.92	0.086	436.0	437.5	1.5
CPL-4	Intercept	0.336	8.0	160.9	166.0	5.0	0.010	0.23	0.014	528.0	544.5	16.5
CPL-4	including	1.489	18.2	164.4	164.9	0.5	0.043	0.53	0.052	539.5	541.0	1.5
CPL-7	Intercept	0.273	0.6	9.5	12.5	3.1	0.008	0.02	0.008	31.0	41.0	10.0
CPL-7	Intercept	0.279	1.2	35.7	41.8	6.1	0.008	0.03	0.009	117.0	137.0	20.0
CPL-7	Intercept	1.137	7.5	64.5	66.9	2.4	0.033	0.22	0.037	211.5	219.5	8.0
CPL-7	including	2.211	16.8	66.1	66.9	0.8	0.064	0.49	0.072	217.0	219.5	2.5
CPL-7	Intercept	0.358	7.0	91.9	92.8	0.9	0.010	0.20	0.014	301.5	304.5	3.0
CPL-7	Intercept	0.340	5.2	99.7	117.2	17.5	0.010	0.15	0.012	327.0	384.5	57.5
CPL-7	including	1.035	15.4	107.3	108.8	1.5	0.030	0.45	0.037	352.0	357.0	5.0
CPL-7	Intercept	1.339	61.7	120.4	131.2	10.8	0.039	1.80	0.068	395.0	430.5	35.5
CPL-7	including	15.851	938.0	125.0	125.6	0.6	0.462	27.36	0.900	410.0	412.0	2.0
CPL-7	Intercept	0.558	7.5	176.6	194.8	18.1	0.016	0.22	0.020	579.5	639.0	59.5
CPL-7	including	3.710	99.0	180.1	180.4	0.3	0.108	2.89	0.154	591.0	592.0	1.0
CPL-7	including	2.680	2.9	193.6	194.8	1.2	0.078	0.08	0.080	635.0	639.0	4.0

- *g/t = grams per metric tonne.*
- *Gold equivalent grade (AuEq) is calculated assuming with a US\$1,250/ounce long term price of gold and US\$20/ounce long term price for silver.*
- *The true width of down hole interval lengths are estimated to be approximately 50% to 75%.*

Quality Assurance

The Company has implemented a quality assurance and quality control program to ensure that the transport, sampling and analysis of all samples are conducted in accordance with the best possible practices. Drill core is transported from the drill by Chemex, Reno to the Chemex's secure core logging facility at its laboratory in Reno, Nevada where, after geological logging, it is marked for sampling. The entire hole is sampled and core samples are generally 2m in length, varying at geological contacts to between 1.5m and 2.5m and are split in half by Chemex. One half is retained in a secure storage facility and the other half is crushed so that 80% passes a 10 mesh screen and a 250g split is pulverized so that 85% passes a 200 mesh screen. The Reno lab is ISO/IEC 17025:2005 (CAN-P-4E) certified. Where appropriate, samples are analyzed for gold by 30-gm fire assay with an AA finish and by gravimetric methods for assays over 10 ppm. Samples are analyzed for silver by ICP-ES after a four acid digestion. For silver assays over 200 ppm, samples are analyzed using ACME Labs 7AR method consisting of hot aqua regia digestion and ICP-ES analysis. Chemex Labs are independent from the Company.

Under the Company's QA-QC procedures, samples are submitted for re-analysis based on their proximity to a certified reference standard that returns a value greater than three standard deviations higher or lower than the mean value for that standard. In addition, any two consecutive reference standards falling outside the two standard deviation threshold will be considered to have failed. Since every twentieth sample is a reference standard, ten samples above and below a failed standard are re-analyzed. The same protocol is applied to duplicate samples considered to have unacceptably divergent gold values. Periodically, random samples will be submitted to another laboratory as an external check on the results provided by the primary lab.

The Plumas Property

The Plumas Property is an outcropping high grade gold-silver mineralized system that has seen limited underground mining historically, but has not been drill tested until this current drill hole program. It is located adjacent to Newmont's Phoenix-Fortitude pit to the west. The Plumas Property is comprised of two patented claims totaling 40 acres with extralateral rights and one mill site claim.

Qualified Person

Robin Hendrickson, P.Geo., the qualified person as defined by National Instrument 43-101, has supervised the project field work, and is responsible for the preparation of the technical information in this release.

About Phoenix Gold

Phoenix Gold is a Canadian junior exploration company with strategically located mineral properties in Nevada's prolific Battle Mountain District. These properties are immediately adjacent to Newmont's Phoenix-Fortitude Gold/Copper Mine. With a defined strategy to delineate resources and create value to shareholders, Phoenix Gold has an experienced management team with an excellent track record of discoveries, including its most recent being the Condor Gold Project in Ecuador. Management and directors own approximately 39% of the Company's issued and outstanding shares.

For further information please contact:

Cathy Hume
CHF Investor Relations
Telephone (416) 868-1079 x 231
Email: cathy@chfir.com

Glenn Laing
President and CEO
Telephone: (647) 865-3101
E-mail: glaing@phoenixgoldresources.com

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.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

