

PHOENIX GOLD RESOURCES CORP.

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NEWS RELEASE

**Phoenix Gold Resources Announces Roger Baer as a New Director
of Blue Creek Forest Products Ltd.**

Toronto, Ontario, September 23, 2016 – Phoenix Gold Resources Corp. (the “**Company**”), a company listed on the TSX Venture Exchange (the “**Exchange**”) (symbol: PXA), announced, on August 22, 2016 and December 8, 2015, its transaction (the “**Transaction**”) with Blue Creek Forest Products Ltd. (“**Blue Creek**”) and its major shareholder, Four Rivers Resources Inc. (“**FRRI**”). Further to these announcements, the Company is pleased to announce that Mr. Roger Baer, CPA, CMA is joining Blue Creek as a new director who will be a director of the resulting issuer (the “**Resulting Issuer**”) following completion of the Transaction.

Blue Creek’s CEO, Andrew Lee stated “*Roger brings us a wealth of North American mining experience, with a vast network of mining executives including those at Newmont as well as a knowledge of the very Newmont projects adjacent to Phoenix’s mineral properties in Nevada. We welcome Roger and look forward to his assistance in seeking to maximize the value of the Company’s existing mineral properties following the RTO as we continue to grow revenues in Blue Creek’s expanding forestry business.*”

Roger Baer, CPA, CMA – Non-executive Director. Mr. Baer recently resigned, to pursue other business interests such as Blue Creek, from Alacer Gold Corp. (TSX: ASR; ASX: AQG) as Senior Manager of Finance and Reporting (September 2014 to September 2016) in Englewood, Colorado. Alacer Gold Corp. is a mid-size Canadian gold mining company with operations and projects in Turkey having revenues of over \$240 million in 2015. Previously, Mr. Baer worked as an accounting consultant for Experis Finance in Denver, Colorado on a contract assignment with Newmont Mining Corporation and others (2013 to August 2014). Prior to then, he was the Corporate Controller and Senior Director, Operations Accounting for Thompson Creek Metals Company Inc. (TSX: TCM) in Littleton, Colorado (2008 to 2013). Thompson Creek is a North American mining company operating two large molybdenum mines, a newly constructed copper-gold mine, and a metals roasting facility having revenues of \$400 million to \$1 billion during his tenure there. Earlier, he was the Chief Financial Officer and Managing Director, Canadian Operations of West Hawk Development Corporation (TSX-V: WHD), a resource exploration and development company (2007 to 2008). Before then, he was Director, Corporate Accounting of Newmont Mining Corporation (NYSE: NEM), one of the world’s largest mining companies, which currently operates the Phoenix open pit gold mine adjacent to the Company’s mineral properties near the town of Battle Mountain, Nevada. Mr. Baer has over 30 years of financial management experience in large and mid-sized mining companies and currently resides in Castle Rock, Colorado. It is anticipated that Mr. Baer will be a member of the audit committee of the Resulting Issuer.

As announced by the Company on December 8, 2015 and again on August 22, 2016, the Company entered into a letter agreement (the “**Letter Agreement**”) with Blue Creek and its major shareholder, FRRI, the Letter Agreement, which contemplates that the Transaction will result in a reverse takeover (“**RTO**”) and change of business of the Company by Blue Creek.

As required under the policies of the Exchange, the Transaction will be subject to approval of the shareholders of the Company and approval of the Exchange.

The Letter Agreement will be followed by the negotiation of a definitive agreement setting forth the detailed terms of the Transaction and containing the terms and conditions set out in the Letter Agreement and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated in the Letter Agreement.

About Blue Creek

Blue Creek is a private corporation existing under the laws of British Columbia and carries on business in British Columbia. Blue Creek is majority owned and controlled by FRRI, which is also a private corporation existing under the laws of British Columbia carrying on business in British Columbia. Blue Creek is engaged in the forest products manufacturing business in British Columbia, with scalable low volume sawmill operations for niche high margin products destined for the under-supplied, growing markets. In February 2016, Blue Creek acquired the land and equipment to commence sawmill operations in the vicinity of Barriere, British Columbia where it has commenced operations. Blue Creek was incorporated on September 30, 2015 for the purpose of acquiring land and equipment to commence sawmill operations and carry on its niche sawmill business. Blue Creek has no significant financial information to disclose at this time, but such information will be disclosed in summary format in a subsequent news release as well as in much greater detail in other disclosure. Therefore, additional information about Blue Creek and the proposed Transaction will be provided in separate subsequent news releases, as well as in disclosure that will be prepared pursuant to the policies of the Exchange and in accordance with applicable securities laws in connection with the Transaction.

General

On closing of the Transaction, the Resulting Issuer will be listed as a “Tier 2” industrial issuer on the Exchange. In accordance with Exchange policies, the Company’s common shares have been halted from trading and will remain so until the documentation required by the Exchange for the Transaction can be provided to the Exchange. The Company’s common shares may remain halted until completion of the Transaction. The completion of the Transaction is subject to the approval of the Exchange.

For further information concerning the Transaction and this press release, please contact:

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Completion of the transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Phoenix Gold Resources Corp. should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provide (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company.

(Not for dissemination in the United States of America.)