

PHOENIX GOLD RESOURCES CORP.

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NEWS RELEASE

**Phoenix Announces Extended Deadline for Closing
with Blue Creek Forest Products Ltd.**

Toronto, Ontario, November 7, 2016 – Phoenix Gold Resources Corp. (the “**Company**”), a company listed on the TSX Venture Exchange (the “**Exchange**”) (symbol: PXA), wishes to announce that further to its announcements on August 22, 2016 and September 23, 2016, the Company has agreed to extend the deadline for closing its transaction (the “**Transaction**”) with Blue Creek Forest Products Ltd. (“**Blue Creek**”) and its major shareholder, Four Rivers Resources Inc. (“**FRRI**”). The Company had extended the deadline for closing to October 31, 2016 but has now agreed to extend closing to a date not later than December 31, 2016, in order to accommodate certain acquisitions and other transactions that Blue Creek is currently undertaking. Accordingly, the Company cancelled its shareholder meeting on October 27, 2016 and is coordinating with Blue Creek on the timing for rescheduling that meeting to obtain shareholder approval for the Transaction. The Company plans to announce the timing for its intended shareholder meeting sometime between the middle of this week and the middle of next week, and will provide additional information as to developments with the business of Blue Creek.

As announced by the Company on December 8, 2015, 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 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.)