

Phoenix announces over \$1.27 million in debt reductions, audited annual financials, and definitive timetable for closing with Blue Creek Forest Products Ltd.

Vancouver, British Columbia--(Newsfile Corp. - June 1, 2017) - Phoenix Gold Resources Corp. (TSXV: PXA) (the "**Company**"), a company listed on the TSX Venture Exchange (the "**Exchange**") (symbol: PXA), wishes to announce that further to its announcement on December 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. ("**FRRRI**"). Accordingly, the Company has now agreed to extend the deadline for closing to July 31, 2017 with an outside termination date of October 31, 2017 in order to accommodate new disclosure requirements in connection with the Company's \$1.27 million debt reductions and Blue Creek's forestry acquisition activities.

The Company has just completed and filed its audited financial statements for the year ended January 31, 2017 together with its accompanying management's discussion and analysis, which provides greater detail about the debt reductions and settlements with certain creditors of the Company. The Company remains excited about Blue Creek's expansion activities which will help strengthen the resulting issuer under the Transaction. Further disclosure on Blue Creek's activities will be provided in a separate release. In addition, the Company also plans to disclose assay results from the Company's previous drilling once the Company has completed its evaluation of the results.

As announced by the Company on December 9, 2015, the Company entered into a letter agreement (the "**Letter Agreement**") with Blue Creek and its major shareholder, FRRRI, 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 engaged in the manufacturing of specialty forest products in the British Columbia Interior, with scalable sawmill operations for higher margin products destined for global niche markets. Additional information about Blue Creek and the proposed Transaction will be provided in separate subsequent news releases, as well as in an information circular that will be prepared and sent to shareholders of the Company in connection with the Transaction.

General

On closing of the Qualifying 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:

Paul Jones
Director
Phoenix Gold Resources Corp.
Telephone: (303) 324-0791
Email: pcjsovereign1@cs.com

Andrew Lee
President, Chief Executive Officer, and Director
Blue Creek Forest Products Ltd.
Telephone: (778) 302-2257
Email: bluecreekfp@gmail.com

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.)