

# Phoenix announces Annual General and Special Meeting Date and Update on the business combination with Blue Creek Forest Products Ltd.

Vancouver, British Columbia--(Newsfile Corp. - September 20, 2017) - Phoenix Gold Resources Corp. (TSXV: PXA) (the "**Company**"), a company listed on the TSX Venture Exchange (the "**Exchange**") (symbol: PXA), is pleased to announce that it has scheduled its annual general and special meeting of shareholders on December 7, 2017 for shareholder consideration of annual business and approval of the Company's proposed transaction with Blue Creek Forest Products Ltd. Further to the Company's press release on June 1, 2017, the Company has also 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**"). Accordingly, the parties have now agreed to extend the deadline for closing to December 15, 2017 with an outside termination date of January 31, 2018; and have agreed to a much more favourable 5-to-1 consolidation instead of the previously announced 20-to-1 consolidation, and Blue Creek will have no more than 35,000,000 common shares issued and outstanding (45,000,000 common shares, fully diluted other than 25,000,000 performance warrants expected to be subject to escrow pursuant to the policies of the Exchange) inclusive of financings prior to or concurrent with the Transaction immediately prior to closing, and the Company is expected to have no more than 24,000,000 common shares issued and outstanding immediately prior to closing after taking into account certain other contemplated debt settlements necessary to occur prior to closing.

Paul Jones commented that, *"We have sizeably reduced the share consolidation under the Blue Creek Transaction which will allow us to achieve a much greater value for shareholders while still adding the financial strength and growth potential of Blue Creek's existing cash flow from operations and its additional financing. We recognize the delays, but are excited about achieving much greater prospects for our shareholders and look forward to making this happen before year end."*

As announced by the Company on December 4, 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.

## 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:

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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.)