

PHOENIX GOLD RESOURCES CORP.
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NEWS RELEASE

**Phoenix Provides Update on the RTO by Blue Creek Forest Products Ltd.
and Spin-out of Mineral Exploration Company**

Vancouver, British Columbia, March 21, 2018 – Phoenix Gold Resources Corp. (the “**Company**”), a company listed on the TSX Venture Exchange (the “**Exchange**”) (symbol: PXA), wishes to announce that its letter agreement (the “**Letter Agreement**”) with Blue Creek Forest Products Ltd. (“**Blue Creek**”), which contemplates a transaction that will result in a reverse takeover and change of business of the Company by Blue Creek (the “**Transaction**”), has been amended to reflect the extended closing of the Transaction, to June 29, 2018. As part of the Transaction, the Company's Plumas Mineral Properties will be held in a newly incorporated wholly-owned subsidiary of the Company, and spun out as a separate operating entity to create a new separate standalone reporting-issuer owned by the same shareholders of the Company in the same proportions (the “**Spin-Out**”). Further details of the Transaction, including the Spin-Out, will be provided in the Company's information circular which it plans to deliver to shareholders of the Company for its upcoming next shareholders meeting. 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 Company expects to hold its shareholders' meeting by June 28, 2018.

The Company is also pleased to report that, in connection with the contemplated Transaction, Blue Creek intends to raise gross proceeds of up to \$2.0 million comprised of \$1.0 million in equity and \$1.0 million in debt. Blue Creek intends to raise gross proceeds of up to \$1.0 million through a non-brokered private placement (the “**Equity Financing**”) of up to 5,000,000 units (the “**Units**”) of Blue Creek at a price of \$0.20 per Unit. Each Unit will consist of one (1) common share and one (1) common share purchase warrant (“**Warrant**”). Each Warrant will entitle the holder to purchase one (1) common share for a period of one (1) year from date of issuance at an exercise price of \$0.40 per Warrant. Concurrently, Blue Creek is also proceeding with a private placement of up to \$1,000,000 of senior secured convertible debentures (the “**Debentures**”) bearing interest of 8% per annum with interest paid semi-annually and the principal due and payable 36 months from the date of issuance (the “**Debt Financing**”). The Debentures may be converted, at the holder's option, into common shares (the “**Shares**”) of the Resulting Issuer at \$0.80 (the “**Conversion Price**”) per Share.

Blue Creek will use approximately \$1.5 million of the net proceeds from its Equity Financing and Debt Financing to expand its export program, fulfill existing sales contracts and capitalize on the growing demand for BC logs and lumber from Japan and China, and approximately \$360,000 to pay for the Transaction costs and expenses, and as additional working capital. Blue Creek expects to pay cash commissions of up to 8% on the Equity Financing and up to 6% on the Debt Financing.

Interim CEO, Paul Jones, stated that, *"We are very happy to be able to improve the Transaction for our shareholders with the prospect of this new Spin-Out so our shareholders can continue to be part of an improving minerals commodities market in addition to Blue Creek's growing fibre business. As the total trade value of solid wood products originating in BC in 2017 was over \$1.0 billion for Japan and almost \$1.6 billion for China, we believe that Blue Creek is well positioned to expand its business."*

About Blue Creek

Blue Creek is a private corporation existing under the laws of British Columbia and carries on business engaged in the forest products manufacturing business in British Columbia, with scalable low volume sawmill and remanufacturing operations for niche high margin products destined for growing 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.)