



Phoenix Metals Corporation

June 23, 2016

News Release

NEX Symbol: PHC.H

ACQUISITION OF F4 ENVIRONMENTAL/CHANGE OF BUSINESS \$0.20 PRIVATE PLACEMENT FINANCING

Vancouver, B.C.: Phoenix Metals Corporation ("**Phoenix**" or the "**Company**") (TSXV Symbol: PHC.H) is pleased to announce that pursuant to a legally binding letter of intent ("**LOI**") dated June 17, 2016 it has acquired, through an assignment agreement with Nexvu Capital Corp. dated June 17, 2016, an option to purchase F4 Environmental Solutions Ltd. ("**F4**") from its parent company F4 Environmental Inc. (the "**Vendor**"). F4 has acquired from the Vendor a perpetual exclusive worldwide license (the "**Technology License**") to use, license and exploit certain systems, formulas and processes for the remediation of petroleum hydrocarbon contamination (the "**Technology**"). The Technology License exclusivity is subject to a third party license covering Alberta and northern British Columbia but which is in the process of being terminated by the Vendor. Upon the Company completing the purchase price for F4, the Technology will be transferred to F4 from the Vendor for the sum of \$1.00. Upon the Company completing the acquisition of F4, it will also have the option of purchasing the Vendor (being the parent company of F4) for \$1.00. In addition, the Company has acquired the right to purchase 80% of the issued shares (the "**AlbertaCo Shares**") of 722139 Alberta Limited ("**AlbertaCo**"), an affiliated company to the Vendor doing business as "Teamwork Distributing". Marlin Rudolph, the founder of the Vendor and F4, through 1236969 Alberta Ltd. owns AlbertaCo and is developing and has developed various technologies in AlbertaCo which are complimentary to the Technology. As a result of the right to acquire F4, the Vendor, and the right to acquire the AlbertaCo Shares, the Company will be submitting an application to the TSX-Venture Exchange (the "**Exchange**") for a change of business ("**COB**").

F4 and the Technology

Founded in 2010, F4 focused on early research and development activities into the formulation of high performance, cost effective industrial degreasers that respect the health and safety of the user. Key discoveries in both the realm of chemistry and biologics led to the development of Bio-Reclaim™. Bio-Reclaim™ contains highly purified, naturally occurring bacteria with demonstrated ability to mineralize petroleum hydrocarbons and toxic organics to carbon dioxide and water. It also contains dynamic surfactant chemistry to aid in delivery of the biologics to difficult pockets of contamination in soils. The development of Bio-Reclaim™ now allows forward thinking organizations to completely eliminate environmental and financial liabilities associated with contaminated sites. This is different from landfills which only delay potential liability and future expense.

As stewards of the environment, F4 is dedicated to providing proactive solutions to aid in the removal of hydrocarbon contaminants from waste streams with some of the most efficient, environmentally safe and cost effective methods available.

Some of F4's products and services include onsite remediation of contaminated soil and water through the use of innovative biologics and chemistry (in addition to advanced

bioremediation processes which result in completion timelines significantly shorter than previously experienced by the industry).

A few of the applications F4's products and services are used for include; oil spills/leaks (land and/or water), pipeline breaks, groundwater, abandoned oil well sites, bulk fuel station sites, underground storage tank leaks, commercial and private property remediation and heavy equipment/fleet/automotive maintenance facilities.

F4 is able to complete a one-time application of the product on site thereby eliminating the need to re-apply, manipulate or transport the contaminated soil off site for disposal and replacement with clean soil. The fact that F4 is able to safely and efficiently clean the soil on site in such a short time period enables F4 to offer substantial cost savings to the landowner and the lowest "Carbon Footprint" in the industry while also eliminating the liability of the contaminated soil.

The Technology is endorsed by Environment Canada and fully accredited with the US Environmental Protection Agency.

F4 has been duly incorporated in the Province of Alberta, Canada. The Vendor is wholly owned by Marlin Rudolph of Alberta, Canada.

The Acquisition of F4 and the Vendor

The consideration to be paid by the Company for F4 is as follows: (i) \$1.5 million payable to the Vendor of which \$500,000 ("**First Payment**") shall be paid on the closing (the "**Closing**") from an initial financing to be completed by the Company at a price of no less than \$0.20 per share (the "**Initial Financing**") and \$1 million ("**Second Payment**") which shall be paid in full no later than 9 month following the Closing from funds generated from a second financing; and (ii) the issuance to the Vendor of 5.5 million common shares of the Company on Closing of the initial financing at a minimum deemed price of \$0.20 per common share. At the time of the First Payment and share issuance to the Vendor the Company will, from the proceeds of the initial financing, advance \$1 million to the Vendor through the purchase of preferred shares or such other mechanism that the parties agree will recognize priority payback to the Company, such funds to be used for F4 operations subject to an agreed use of proceeds budget. Starting on the second anniversary of the First payment the Company will pay to the Vendor four annual royalty payments of \$250,000 (the "**Royalty Payments**"). Upon completion of the Royalty Payments the Technology will be transferred to F4 for \$1.00. At that time upon payment of the \$1.00 the shares of the Vendor will also be transferred to the Company.

The Acquisition of the AlbertaCo Shares

Marlin Rudolph, the founder of the Vendor and F4, has also developed and is in the process of developing various technologies and inventions in AlbertaCo (dba "Teamwork Distributing"), a wholly owned company of Mr. Rudolph. The Company has acquired the right to purchase 80% of the issued shares of AlbertaCo for \$200,000 payable by July 1, 2017 (the "**AlbertaCo Option**").

COB and Post Closing Matters

A nominee of the Vendor and a nominee of the Company will be the directors of F4 after the First Payment with the Vendor's nominee assuming the position of Chairman with a casting vote. Once the Second Payment is made the Company's nominee will assume the position of Chairman with the casting vote.

Marlin Rudolph, the founder of the Vendor, F4, and AlbertaCo, will become a director of the Company and will enter into a consulting agreement with the Company for a term of five years. Mr. Rudolph has had a lengthy career establishing various businesses that have utilized bio-remedial solutions to address cleaning and decontamination problems including the use of bio-remediation in soil remediation. Going forward, all additional technologies and inventions developed by Mr. Rudolph will be developed pursuant to his consulting agreement or in AlbertaCo, 80% of the shares of which the Company has the right to acquire pursuant to the AlbertaCo Option.

Brian Leeners, currently the CEO of the Company will continue as a director and CEO of the resulting issuer after the COB. Mr. Leeners received both his B.Comm. and LL.B. degrees from the University of British Columbia in 1992 and since that time has been focused on the management of private and public venture companies. In 2002, he founded Nexvu Capital Corp. which is a venture capital firm focused on developing companies in the Industrial and Technology Sectors. Brian has been directly responsible for over \$50 million in financings.

Greg Pearson will also be joining the board of directors of the resulting issuer after the COB. Greg Pearson has been a founding partner in Nexvu Capital Corp. since 2002 and has over 30 years of experience in the private and public sector capital markets during which time he has been directly responsible for over \$100 million in financings.

Greg Olesen, PEng, will be joining the board of the resulting issuer following the COB. Mr. Olesen has over 36 years of experience in Oil and Gas Production and Chemical Manufacturing including Management roles within Engineering, Construction and Maintenance both on the national and international stage. He brings extensive operational experience in Project Management and Public Relations along with overall business development skills.

Nick Medeiros will be joining the board of the resulting issuer following the COB. Mr. Medeiros has a law degree from Lincoln Law School and has been a legislative advocate and political consultant for over forty five years, having represented clients from multiple states including Washington, D.C. Clients of Mr. Medeiros have been involved in a range of business sectors including agriculture, banking and finance, real estate, oil and gas, pharmaceuticals, labor unions, education clients and a host of other areas of political significance.

The Company was formerly in the mineral exploration and development business for the last approximately eight years and previous to that was involved in oil and gas exploration.

In accordance with Exchange policy on COB's the Company advises that there is no significant financial information available regarding the proposed acquisition of F4, there are no non-arm's length parties involved in the proposed transactions, there are no significant conditions required to complete the COB other than completing the financing referred to below and the Company does not anticipate that a Sponsor will be required.

The acquisition is subject to due diligence, any required third party consents, non-competition covenants on behalf of F4 personnel and approval of the TSX Venture Exchange. Although the LOI creates binding legal obligations, the parties to the transactions outlined will be working towards a definitive agreement to supersede the LOI.

\$0.20 Private Placement Financing

In conjunction with this transaction the Company will be conducting a non-brokered private placement financing of up to 15 million units at a price of twenty cents per unit (\$0.20) to raise proceeds of up to \$3,000,000. Each unit will consist of one common share and one common share purchase warrant (the "Warrants") with each Warrant entitling the holder to

acquire one additional common share at a price of fifty cents (\$0.50) per share for twelve (12) months from closing. The Warrants will be subject to the right of the Company to accelerate the exercise of the Warrants if the shares of the Company trade at or above \$0.75 for a period of 10 consecutive trading days.

**On behalf of the Board of Directors of
Phoenix Metals Corporation**

"Brian Leeners"

Brian Leeners, CEO & Director

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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 COB may not be accurate or complete and should not be relied upon. Trading in the securities of Phoenix Metals Corporation should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.