



# Phoenix Metals Corporation

June 20, 2017

News Release

NEX Symbol: PHC.H

## **CHANGE OF BUSINESS AND FINANCING UPDATE**

**Vancouver, B.C.: Phoenix Metals Corporation** ("Phoenix" or the "Company") (TSXV Symbol: PHC.H) is pleased to announce the following updates regarding the change of business ("COB") Transaction and financing, previously announced in a News Release by the Company on June 23, 2016.

### **Formal Agreement with F4**

The Company has now executed the Formal Agreement for the purchase of the technology assets of F4! Environmental Inc. through the purchase of F4 Environmental Solutions Ltd. which was created for the purpose of transferring a perpetual exclusive worldwide license to use, license and exploit certain systems, formulas and processes for the remediation of petroleum hydrocarbon contamination (the "Technology").

F4! Environmental Inc. is wholly owned by 1236969 Alberta Ltd. which is owned by Mary and Marlin Rudolph of Alberta, Canada. The Company will be submitting a Filing Statement to the TSX-Venture Exchange (the "Exchange") for the COB.

### **Acquisition of F4**

Under the Formal Agreement, the consideration to be paid by the Company is as follows: (i) \$1.5 million payable to F4! Environmental Inc. of which \$750,000 shall be paid on the closing (the "Closing") and a further \$750,000 which shall be paid no later than 6 months following the Closing; and (ii) the issuance to F4! Environmental Inc. and to certain staff of F4! Environmental Inc. of 8.5 million common shares of the Company on Closing. Also on Closing the Company will advance \$1 million to F4 Environmental Solutions Ltd. by way of a secured loan that the parties agree will recognize priority payback to the Company, such funds to be used for operations subject to an agreed use of proceeds budget.

The Company will also make four royalty payments of \$250,000 to F4! Environmental Inc. with the first payment to be made on or before the second anniversary of the Closing. Upon completion of the four royalty payments, the shares of F4 Environmental Solutions Ltd. will be transferred to the Company and at the option of the Company by the payment of \$1.00, the Technology will be transferred to F4 Environmental Solutions Ltd.

On Closing, a Finder's Fee of 1.0 million common shares of the Company will be paid to Greg Olesen. The acquisition is subject to approval of the Exchange.

### **COB and Post Closing Matters**

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 as it is a new company incorporated to facilitate the transaction, 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. In accordance with Exchange policy, the Company does not intend on obtaining shareholder approval for the COB since the proposed transaction is not a related party transaction, the Company trades on NEX and has no other active operations, is not subject to any cease trade order or suspension and is not otherwise required to obtain such approval under applicable laws.

### **Private Placement Financings**

In conjunction with this transaction, the Company will be conducting a non-brokered private placement financing of up to 10,294,118 units at a price of seventeen cents per unit (\$0.17) to raise proceeds of up to \$1,750,000 (the "Bridge Financing"). 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. The proceeds from the \$0.17 private placement will be utilized for working capital purposes prior to the closing of the COB transaction. Finders fees may be payable on this financing.

The Company will also be conducting a non-brokered private placement financing of up to 22,500,000 units at a price of twenty cents per unit (\$0.20) to raise proceeds of up to \$4,500,000. Each unit will consist of one common share and one common share purchase warrant on the same terms as the above Bridge Financing. The proceeds from the \$0.20 private placement will be placed in trust subject to the Closing of the COB transaction. Finders fees may be payable on this financing.

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

*"Brian Leeners"*

#### **Brian Leeners, CEO & Director**

For further information please contact:  
Brian Leeners, CEO and Director  
[brianleeners@gmail.com](mailto:brianleeners@gmail.com)

Greg Pearson, Corporate Development  
[gtpearson48@gmail.com](mailto:gtpearson48@gmail.com)  
1-250-545-1299

*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.*