



FOR IMMEDIATE RELEASE

PHOENIX COAL COMPLETES SALE OF GRYPHON RESERVE

LOUISVILLE, KY, May 5, 2010 – Phoenix Coal Inc. (TSX: PHC) (“Phoenix” or “the Company”) announced today that the sale of the Gryphon reserve, which is comprised of the property leases controlled through the acquisition of Pact Resources, LLC and the Petersburg sublease, and certain other associated assets, to a major U.S. coal producer (the “Transaction”), closed on May 4, 2010.

“Closing the Transaction completes our strategic initiative of exiting the coal industry,” said Robert M. (Bob) Buchan, Chairman and CEO of Phoenix Coal. “Moving forward, we are selectively evaluating opportunities in the global resource sector and look forward to redeploying our capital into assets that we hope will generate significant shareholder value.”

About Phoenix Coal Inc.

Phoenix Coal will be renamed Elgin Mining Inc. The Company headquarters will be moved from Louisville, Kentucky to Toronto, Ontario. For additional information, visit www.phxcoal.com.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this press release contains “forward-looking statements”, and “forward-looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of Phoenix’s future plans and operations and are based on Phoenix’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “expects” “anticipates”, “believes”, “projects”, “plans”, and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Phoenix’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements, without limitations, which forward-looking statements included the production run rate Phoenix expects to achieve at full production. These risks and uncertainties include, but are not limited to: liabilities inherent in coal mine development and production; geological,

mining and processing technical problems; Phoenix's inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and coal processing operations; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations in respect to the use of coal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; changes in mineral reserve and mineral resource estimates; and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Phoenix undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The TSX has neither approved nor disapproved of the contents of this press release.

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