

ASX Announcements

Dated: 21 August 2015



ZIJIN AND EVOLUTION TAKEOVER OFFERS - TAKE NO ACTION

Phoenix Gold Limited (ASX Code: PXG) (“**Phoenix**” or the “**Company**”) advises that the update letter below is being printed and mailed to all Phoenix shareholders.

ENDS

For further information please contact:

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21 August 2015

Dear Fellow Shareholder

ZIJIN AND EVOLUTION TAKEOVER OFFERS - TAKE NO ACTION

As you may be aware, Phoenix Gold Limited (“**Phoenix**” or the “**Company**”) is currently under a competitive takeover offer scenario and accordingly the Phoenix Board is keen to ensure all shareholders are informed of events and to advise that the Board is currently recommending shareholders to **TAKE NO ACTION**.

Zijin Mining Group Co., Ltd (“**Zijin**”) announced on 22 July 2015 an intention to make an unsolicited off-market takeover offer to acquire all of the ordinary shares that it does not already own in Phoenix at a price of \$0.10 per share (the “**Zijin Offer**”). This Zijin Offer is unsolicited and conditional, including that Zijin must acquire a relevant interest in at least 50.1% of Phoenix shares.

On 20 August 2015, Evolution Mining Limited (“**Evolution**”) put forward an alternative offer for the Company, announcing an intention to make a conditional off-market takeover offer equivalent to the value of \$0.12 per share, comprising 0.06 Evolution shares and \$0.06 cash for each Phoenix Share (the “**Evolution Offer**”).

The equivalent value of the Evolution Offer exceeds the \$0.10 per share Zijin Offer by 20% and does not contain a minimum acceptance condition, while the Zijin Offer is conditional on Zijin acquiring a relevant interest in at least 50.1% of Phoenix shares. The Evolution Offer does however propose consideration for your shares comprising a combination of both cash and Evolution shares and contains certain conditions, such as the spot gold price not falling below A\$1,250/oz.

These factors will need to be carefully considered by the Phoenix Board before it can provide shareholders with a formal recommendation. Until such time as this recommendation is given we advise all shareholders to **TAKE NO ACTION** with respect to either the Zijin Offer or the Evolution Offer.

NEXT STEPS

A copy of the Bidder’s Statement with respect to the Zijin Offer was sent by Zijin to Phoenix shareholders on 20 August 2015 after which the Zijin Offer will be required to remain open for at least a month.

The Phoenix Directors are preparing a Target’s Statement in relation to the Zijin Offer, which will include an Independent Expert Report from BDO Corporate Finance opining on the fairness and reasonableness of the offer and contain an independent valuation of your Phoenix shares.

Evolution has advised that further details of its offer will be contained in Evolution’s Bidder’s Statement which it expects to despatch to Phoenix shareholders by mid-September.

Phoenix Gold Ltd

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The Phoenix Directors will keep shareholders fully informed of further developments as they occur and will provide a formal recommendation in respect of both the Zijin Offer and the Evolution Offer in ample time for shareholders to make an informed decision.

All company announcements as well as information on the Zijin Offer and Evolution Offer are available on the Phoenix website at www.phoenixgold.com.au.

Shareholders can also receive further information on both the Zijin Offer and Evolution Offer by calling the Phoenix Shareholder Information Line:

- Within Australia: 1300 889 468
- Outside Australia: +61 2 8022 7902

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dale Rogers', with a stylized flourish at the end.

Dale Rogers
Executive Chairman