

## PHOENIX AWARDS KEY MINING CONTRACTS

ASX: PXG, PXGOA

### HIGHLIGHTS

- Phoenix Board approves Kintore West open cut mine development to commence the staged development plan
- Mining contract awarded to Alliance Contracting Pty Ltd (Alliance)
- Haulage contract awarded to MLG Oz Pty Ltd (Leahy Haulage)
- Two year agreement in place with FMR Investments for ore processing
- All government and other statutory approvals received
- Mining equipment being mobilised to commence mining in September Quarter
- Kintore West first in a series of mines to be developed

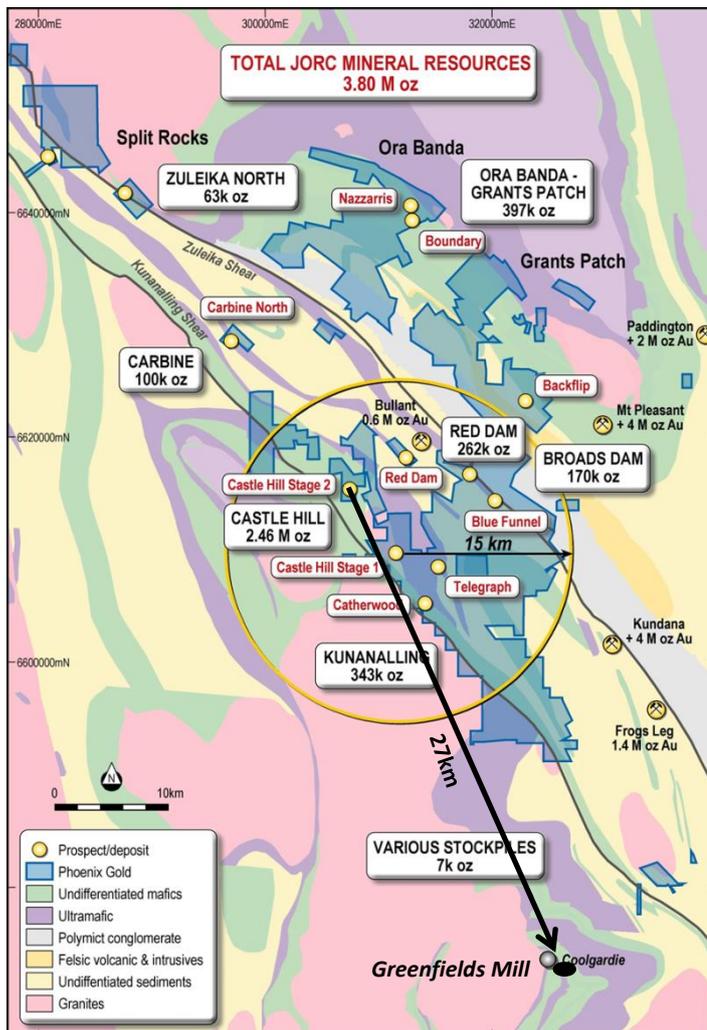


Figure 1: Phoenix tenements and mine / mill location

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## Overview

Phoenix Gold Limited (ASX: PXG) (“Phoenix” or the “Company”) is pleased to announce it has awarded a number of key mining contracts for the Kintore West open cut development as part of the staged development plan<sup>1</sup>. All statutory approvals have now been received and mining equipment mobilisation has also commenced for mining to begin in the September Quarter.

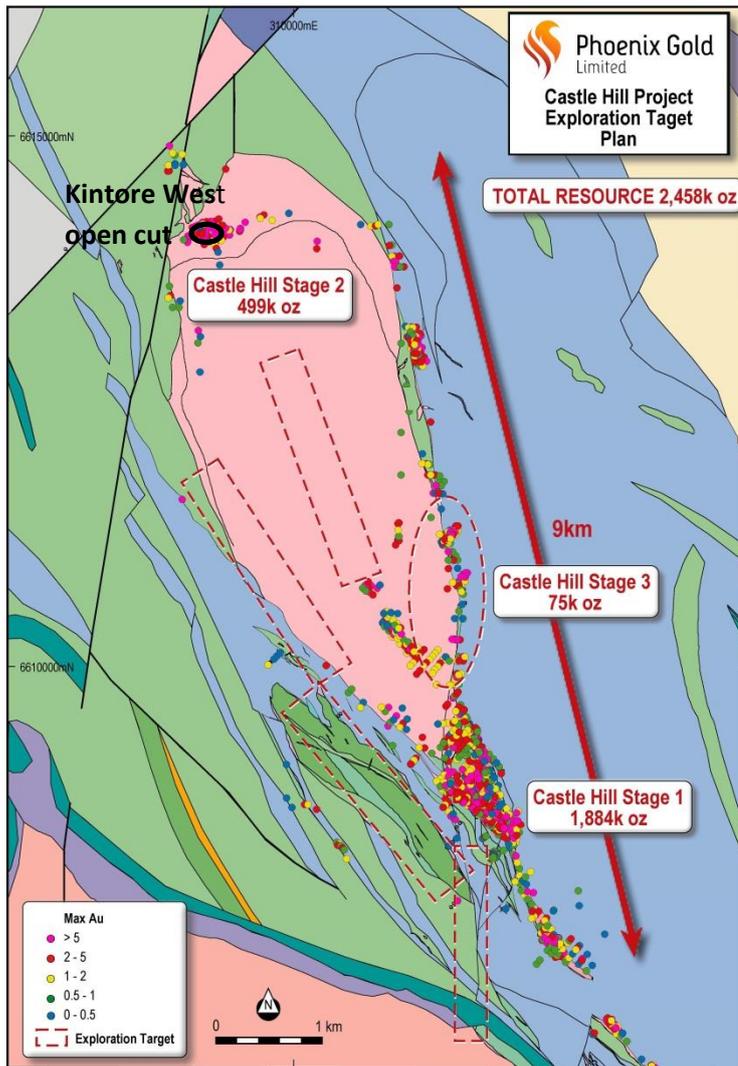


Figure 2: Castle Hill project area and Kintore West pit location

“Development of Kintore West is a significant milestone for Phoenix and will be the first in a series of mines under the staged development plan. We received over 20 proposals for the mining contract and over 10 for the haulage contract demonstrating a very competitive tender process in what is an improving cost environment,” Managing Director Jon Price said.

“We look forward to working with our contracting partners who are committed to utilising a local workforce and service providers given we are only 30 minutes’ drive from the City of Kalgoorlie-Boulder. We are now focussed on transitioning the business from exploration to producer, continuing to work with Norton Gold Fields on the Castle Hill Stage 1 development and completing the updated heap leaching Feasibility Study for the Castle Hill area,” Mr Price said.

<sup>1</sup> Staged development plan based on Ore Reserves as announced to the ASX on 10 and 14 February 2014. See also Qualification and Forward Looking Statements on pages 5 and 6 respectively



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Kintore West, part of the Castle Hill Stage 2 project area (Figure 2) is the first mine in a series of smaller scale mines to be developed under the staged development plan<sup>1</sup>. During the June Quarter, mining and haulage tenders were called with 21 mining proposals and 11 haulage proposals received.

The mining contract was awarded to Alliance Contracting Pty Ltd, a mining contractor operating locally in the Goldfields region. The fleet will consist of a Komatsu PC2000 primary excavator, Komatsu HD785 dump trucks and ancillary fleet to maintain roads, floors, stockpiles and waste dumps. Mobilisation of mining fleet to site has commenced with site establishment expected to be complete in early August.

Alliance CEO Mark Breingan said, "We are excited to be part of the Phoenix team and look forward to the safe and successful delivery of this project while continuing to support the Goldfields region, which Alliance has been a part of for many years."

The haulage contract was awarded to MLG Oz Pty Ltd, a locally based haulage company that has operated in the region for over 13 years. Ore will be transported on existing roads to the Greenfields Mill, 27km to the south using quad road trains with 100 tonne payload.

"MLG Oz is proud to be associated with the Phoenix Gold team and the Castle Hill project. We would like to thank the Board for awarding this contract to a Kalgoorlie based business with a team of 100% locally based staff. We look forward to providing a safe and efficient service to Phoenix as they bring the project into production" Murray Leahy Managing Director of MLG Oz commented.

Mining Proposals submitted to the Department of Mines and Petroleum WA (DMP) Operations, Environment Division and the Project Management Plan submitted to the DMP Resources Safety Division have been approved for project commencement.

Visit us at [www.phoenixgold.com.au](http://www.phoenixgold.com.au)

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## About Phoenix

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Phoenix Gold Ltd is an emerging Australian exploration and production company with an extensive land holding on the Zuleika and Kunanalling shear zones northwest of Kalgoorlie in Western Australia, home to some of Australia's richest gold deposits.

Kalgoorlie-based Phoenix is aiming to significantly grow its JORC-classified resources and reserves, develop smaller low capital advanced mining projects utilising spare infrastructure in the region and unlock the potential of the lower grade ore mined through heap leaching technology.

The Castle Hill gold project is emerging as a flagship asset with the potential to become a multi-million ounce gold mine with excellent metallurgy and close to all major infrastructure. Castle Hill is one of many well-endowed gold systems within Phoenix's portfolio.

With a balanced mix of exploration (new discoveries and extensions) and development of a sustainable production profile, Phoenix aims to grow a significant gold company for the benefit of all stakeholders.

**Table 1: Phoenix Gold – Summary of Mineral Resources**

Project (Mill Feed)	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource			Total Mineral Resource		
	Mt	Au (g/t)	Au Oz	Mt	Au(g/t)	Au oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz
Castle Hill (Stage 1 - Mill)				18.09	1.5	894,000	7.64	1.3	317,000	25.73	1.5	1,211,000
Kintore (Castle Hill Stage 2)				2.38	1.5	116,000	3.17	1.6	167,000	5.55	1.6	283,000
Castle Hill Stage 3	0.18	3.5	20,000	0.15	3.1	15,000	0.67	1.9	40,000	1.00	2.3	75,000
Red Dam				2.46	2.0	155,000	2.02	1.6	107,000	4.48	1.8	262,000
Broads Dam				0.13	2.9	12,000	2.16	2.3	158,000	2.29	2.3	170,000
Kunanalling	0.41	2.4	32,000	1.33	1.6	69,000	4.40	1.7	242,000	6.14	1.7	343,000
Ora Banda				3.11	1.9	187,000	3.52	1.9	210,000	6.63	1.9	397,000
Carbine				1.70	1.6	86,000	0.21	2.1	14,000	1.91	1.6	100,000
Zuleika North				0.51	2.5	41,000	0.27	2.5	22,000	0.78	2.5	63,000
<b>Total</b>	<b>0.59</b>	<b>2.7</b>	<b>52,000</b>	<b>29.86</b>	<b>1.6</b>	<b>1,575,000</b>	<b>24.06</b>	<b>1.7</b>	<b>1,277,000</b>	<b>54.51</b>	<b>1.7</b>	<b>2,904,000</b>

Project (Heap leach feed)	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource			Total Mineral Resource		
	Mt	Au (g/t)	Au Oz	Mt	Au(g/t)	Au oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz
Castle Hill (Stage 1 - HL)				21.54	0.6	400,000	15.07	0.6	273,000	36.61	0.6	673,000
Kintore (Castle Hill Stage 2)				3.03	0.6	55,000	9.05	0.6	161,000	12.08	0.6	216,000
Stockpiles				0.20	1.1	7,000				0.20	1.1	7,000
<b>Total</b>				<b>24.77</b>	<b>0.6</b>	<b>462,000</b>	<b>24.12</b>	<b>0.6</b>	<b>434,000</b>	<b>48.89</b>	<b>0.6</b>	<b>896,000</b>

<b>Total FEB 2014</b>	<b>0.59</b>	<b>2.7</b>	<b>52,000</b>	<b>54.63</b>	<b>1.2</b>	<b>2,037,000</b>	<b>48.18</b>	<b>1.1</b>	<b>1,711,000</b>	<b>103.40</b>	<b>1.1</b>	<b>3,800,000</b>
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## Qualification Statements

The information in this report that relates to Ore Reserves relating to Castle Hill is based on information compiled by Mr Glenn Turnbull who is a Fellow of the Institute of Material, Minerals and Mining. Mr Glenn Turnbull is a full time employee of Golder Associates Ltd and has sufficient experience which is relevant to the engineering and economics of the types of deposits which are covered in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Glenn Turnbull consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves other than Castle Hill is based on information compiled by Mr William Nene who is a member of The Australian Institute of Mining and Metallurgy. Mr William Nene is a full time employee of Goldfields Mining Services Pty Ltd and has sufficient experience which is relevant to the engineering and economics of the types of deposits which are covered in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. William Nene consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource Estimation for Castle Hill Stage 1 and Red Dam is based on information compiled by Mr Brian Fitzpatrick, Senior Consulting Geologist for Cube Consulting. Mr Fitzpatrick is a Member of the Australasian Institute of Mining and Metallurgy and is also an accredited Chartered Professional Geologist. Mr Fitzpatrick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves" (JORC Code). Mr Fitzpatrick consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results and other Resources are based on information compiled by Ian Copeland who is an employee of the company and fairly represent this information. Mr Copeland is a Member of the Australasian Institute of Mining and Metallurgy. Mr Copeland have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Copeland consents to inclusion in this report of the matters based on information in the form and context in which it appears.



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## Forward Looking Statements

This release contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, The Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements.

Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company's public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements.

Any forward-looking statements are made as of the date of this release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law. This release may contain certain forward looking statements and projections regarding: estimated resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy