



ABN 55 140 269 316

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10.00am (WST)

DATE: Tuesday, 23 June 2015

PLACE: The Celtic Club
48 Ord Street
West Perth, Western Australia

Resolution 2 relates to the important strategic alliance that has been negotiated with Evolution Mining Limited.

The Board recommends Shareholders vote in favour of all resolutions including Resolution 2. Each of the Directors intend to vote any Shares held by them in favour of all Resolutions including Resolution 2.

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9021 2704.

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Phoenix Gold Limited (**Phoenix** or **Company**), I am pleased to invite you to attend a General Meeting of the Company at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 23 June 2015 at 10.00am and to vote on the enclosed Resolutions.

On 1 May 2015 the Company announced the formation of a strategic alliance with Evolution Mining Ltd (ASX: EVN) (**Evolution**) covering the Broads Dam, Kundana North, Carbine and Zuleika north project areas. The agreement will enable both parties to work together on an accelerated exploration programme on the Company's highly prospective Zuleika shear zone in the heart of the Western Australian Goldfields.

Evolution has agreed to subscribe for up to a total of 105.9 million fully paid ordinary shares in Phoenix at an average price of 8.5 cents per share, which represented an 18% premium to the 10 day volume weighted average price of Phoenix shares at the date the transaction was announced. The total subscription will raise A\$9.0 million and at least 60% of these funds will be directed into exploration and evaluation activities within the Zuleika shear.

The first tranche of 44 million shares was settled on 8 May 2015, giving Evolution a 9.4% stake in Phoenix. Resolution 1 seeks to ratify this placement which was made using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Approval of the second tranche is sought in Resolution 2, which will, subject to the other conditions precedent noted herein being satisfied, result in Evolution acquiring a further 61.9 million shares giving Evolution a 19.9% stake in Phoenix.

Phoenix has over 15 kilometres of strike immediately north of the Kundana gold field that remains largely untested. This tenement package has always been considered by the Directors to be a core project within the Company's stable. Funds from Evolution will be used to accelerate work on this area, which has more recently become one of the most active and successful exploration areas in close proximity to Kalgoorlie.

We also look forward to working closely with the Evolution team as we continue the search for the next significant gold discovery in the WA Goldfields. As such, the Board unanimously recommends that shareholders vote in favour of the resolutions contained in this Notice of Meeting and each of the directors who hold shares in the Company intend to vote in favour of these resolutions.

If you have any queries regarding this Notice of Meeting, please call Ian Gregory, Company Secretary on +61 8 9021 2704 at any time between 8.30am to 5.30pm WST, Monday to Friday.

On behalf of the Board I am pleased to commend the enclosed Shareholder Resolutions to you and thank you for your continued support for Phoenix.



Dale Rogers
Executive Chairman

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	1
Explanatory Statement (explaining the proposed resolutions)	4
Glossary	10
Schedule 1 – Key terms of the Subscription Agreement	11
Certificate of Appointment of Corporate Representative	13

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of Shareholders to which this Notice of Meeting relates will be held at **10.00am (WST) on Tuesday, 23 June 2015** at:

**The Celtic Club
48 Ord Street
West Perth, Western Australia**

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. If you wish to attend the Meeting, please arrive 20 minutes prior to the start of the Meeting to facilitate the registration process.

VOTING BY PROXY

If you are unable to attend the Meeting please complete and return the enclosed Proxy Form in accordance with the specified instructions.

To vote by proxy:

- (a) the signed and completed Proxy Form (enclosed with this Notice); and
- (b) if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (e.g. a power of attorney), or a certified copy of it,

must be mailed to or sent by facsimile transmission to the Company's share registry, **Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001 Australia** or facsimile number (inside Australia) **1800 783 447** or (outside Australia) **+61 3 9473 2555** or to the Company's registered office at 73 Dugan Street, Kalgoorlie, Western Australia 6430, facsimile number +61 (8) 9021 3393 at least 48 hours prior to the meeting (**10.00am (WST), Sunday, 21 June 2015**), or adjourned meeting as the case may be, at which the individual named in the Proxy Form proposes to vote. For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions. Any Proxy Form received after that time will not be valid for the scheduled meeting.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Phoenix Gold Limited (**Company**) will be held at the Celtic Club located at 48 Ord Street, West Perth, Western Australia on **Tuesday, 23 June 2015** commencing at **10.00am (WST)**.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PAST PLACEMENT OF SHARES TO EVOLUTION

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 44,000,000 fully paid ordinary Shares in the Company issued on 8 May 2015 to Evolution Mining Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person that participated in the issue and any of their associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

2. RESOLUTION 2 – APPROVAL FOR ISSUE OF TRANCHE 2 SHARES AND STRATEGIC ALLIANCE WITH EVOLUTION

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 61,856,900 Shares to Evolution Mining Limited for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusion:

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard any votes cast on Resolution 2 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PAST PLACEMENT OF SHARES TO INSTITUTIONAL AND SOPHISTICATED INVESTORS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 50,000,000 fully paid ordinary Shares in the Company issued on 13 February 2015 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person that participated in the issue and any of their associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

DATED: 20 May 2015

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'I. Gregory', with a large, stylized loop at the end.

**IAN GREGORY
COMPANY SECRETARY**

PROXIES

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes;
- (c) a proxy need not be a member of the Company; and
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its corporate representative to exercise any of the powers the body may exercise as a proxy at the Meeting (as to the appointment of corporate representatives, please see below).

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

A Shareholder that is a corporation may appoint an individual to act as its corporate representative to vote at the Meeting in accordance with section 250D of the Corporations Act. Any corporation wishing to appoint an individual to act as its representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. A 'Certificate of Appointment of Corporate Representative' is enclosed if required.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with the Constitution and the *Corporations Regulations 2001* (Cth), the Company may specify a time, not more than 48 hours before the Meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 10.00am (WST) on 21 June 2015.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Meeting to be held at the Celtic Club located at 48 Ord Street, West Perth, Western Australia on **Tuesday, 23 June 2015** commencing at **10.00am (WST)**.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1 BACKGROUND TO RESOLUTIONS 1 AND 2

As announced to ASX on 1 May 2015, the Company has entered into a binding Share subscription agreement with Evolution pursuant to which Evolution agreed to subscribe for a total of 105,856,900 Shares at an average price of 8.5 cents per Share (**Evolution Placement**) – equivalent to a total investment of A\$9 million and a 19.9% holding in the Company (**Subscription Agreement**).

A summary of the key terms of the Subscription Agreement are detailed in Schedule 1 to this Explanatory Statement.

In accordance with the terms of the Subscription Agreement, the Shares were to be issued in two tranches. The first tranche consisted of 44,000,000 Shares (of which 6,413,099 were issued without Shareholder approval pursuant to Listing Rule 7.1, and 37,586,901 were issued without Shareholder approval pursuant to Listing Rule 7.1A) which were issued on 8 May 2015 at an issue price of 7.5 cents per Share to raise A\$3.3 million (before costs) (**T1 Shares**). The second tranche will consist of 61,856,900 Shares at an issue price of 9.2 cents per Share to raise an additional A\$5,690,835 (before costs) (subject to certain conditions precedent including Shareholder approval under Resolution 2) and is structured so that Evolution will attain voting power in the Company of 19.9% (**T2 Shares**).

The Company intends to apply the funds raised under the Evolution Placement as follows:

	Description	Amount (A\$ million)
Source of funds	Tranche 1	3.3
	Tranche 2	5.7
	TOTAL SOURCE OF FUNDS	9.0
Use of funds	Expenditure obligations in relation to the Zuleika Shear Gold Project	5.4
	General working capital	3.6
	TOTAL USE OF FUNDS	9.0

Evolution has expressed its interest in assisting development and accelerating exploration of the Company's Zuleika Shear Gold Project due to the close proximity of this project to the assets that Evolution is due to acquire from La Mancha Group International BV (**La Mancha**) including the Mungari processing plant, the adjacent high-grade Frog's leg underground mine and the White Foil open-pit gold mine.

The subscription of Shares by Evolution under the Subscription Agreement is the first part of an overall intention of the Company to build and maintain a strategic alliance with Evolution. This strategic alliance will include the opportunity for the Company to benefit from Evolution's technical and strategic experience through Evolution's commitment to review Phoenix's operation and provide recommendations to the Board and through Evolution's nominee director who will be appointed to the Board following completion of Tranche 2.

The issue of the T2 Shares under the Subscription Agreement is conditional on a number of conditions precedent, including the following:

- (a) Evolution obtaining approval from the Foreign Investment Review Board in respect of the acquisition of T2 Shares by Evolution;
- (b) the Company obtaining Shareholder approval for the issue of T2 Shares to Evolution;
- (c) the Company obtaining an ASX waiver from ASX Listing Rule 6.18 in respect of the anti-dilution right or confirmation from ASX that the grant of the anti-dilution right will not contravene ASX Listing Rule 6.18 (details on the anti-dilution right are set out in the Schedule to this Explanatory Statement);
- (d) the spot price for gold as quoted on Bloomberg does not fall below A\$1,300 per ounce at any time during a day for three consecutive days between (and including) the execution date and the completion date for Tranche 2;
- (e) the Company complies with certain restricted actions specified in the Subscription Agreement between the execution date and the completion date for Tranche 2;
- (f) the Company's warranties as set out in the Subscription Agreement are true and correct and not misleading or deceptive as at the execution date and the completion date for Tranche 2;
- (g) no material adverse change occurring or is reasonably likely to occur between (and including) the execution date of the Subscription Agreement and the completion date for Tranche 2; and
- (h) no temporary restraining order, preliminary or permanent injunction or other order is issued by any court or other material legal restraint or prohibition, preventing or delaying completion of Tranche 2 is in effect at 9.00am on the completion date for Tranche 2.

As at the date of this Notice of Meeting, each of the conditions precedent to the issue of T2 Shares remains outstanding.

2 RESOLUTION 1 – RATIFICATION OF PAST PLACEMENT OF SHARES TO EVOLUTION

2.1 Background

On 8 May 2015, the Company made a placement of 44,000,000 Shares (the T1 Shares) to Evolution in accordance with the Subscription Agreement.

The purpose of Resolution 1 is to ratify the issue of:

- (a) 6,413,099 Shares to Evolution, which was undertaken by way of placement to Evolution under the Company's placement capacity pursuant to Listing Rule 7.1; and
- (b) 37,586,901 Shares to Evolution, which was undertaken by way of placement to Evolution under the Company's placement capacity pursuant to Listing Rule 7.1A which was approved by Shareholders at the Company's previous annual general meeting held on 27 November 2014.

2.2 ASX Listing Rules

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period. Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1. Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to an additional 10% under ASX Listing Rule 7.1A if shareholders ratify the previous issue of securities.

Accordingly under Resolution 1, the Company seeks from Shareholders approval for, and ratification of, the issue of a total of 44,000,000 Shares to Evolution, comprising the following:

- (a) 6,413,099 Shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months; and
- (b) 37,586,901 Shares so as to restore the capacity of the Company to issue further Equity Securities under Listing Rule 7.1A.

2.3 Effect on capital of the Company

The securities issued, for which approval and ratification is sought under Resolution 1, comprise 9.0% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

2.4 Technical information required by ASX Listing Rule 7.5 for Resolution 1

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the proposed ratification the subject of Resolution 1:

- (a) Number of securities issued
The Company seeks from Shareholders, approval for the ratification of the issue of 44,000,000 Shares.
- (b) Issue price
The Shares issued pursuant to Resolution 1 were issued for an issue price of A\$0.075 per Share.
- (c) Terms of the securities issued
The Shares issued pursuant to Resolution 1 are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) Name of the person to whom securities were issued
The Shares issued pursuant to Resolution 1 were issued to Evolution pursuant to the Subscription Agreement, as announced to the ASX on 1 May 2015. Evolution is not a related party of the Company.
- (e) The use of the funds
The purpose of the issue was to raise funds to satisfy the expenditure obligations and to conduct exploration in connection with the Zuleika Shear Gold Project and for general working capital purposes.
Please refer to section 1 for further information on the Company's intended use of funds.
- (f) A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting preceding this Explanatory Statement.

2.5 Board Recommendation

The Board is not aware of any information not set out in this Explanatory Statement that would be reasonably required by Shareholders to make a decision in relation to Resolution 1.

The Board believes that the ratification of the issue of the T1 Shares is beneficial for the Company. Each of the Directors intend to vote any Shares held by them in favour of Resolution 1 and recommend that Shareholders also vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months under Listing Rule 7.1, and up to the 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

3. RESOLUTION 2 – APPROVAL FOR ISSUE OF TRANCHE 2 SHARES AND STRATEGIC ALLIANCE WITH EVOLUTION

3.1 Background

Pursuant to Resolution 2, the Company proposes to issue the T2 Shares as part of the Evolution Placement (being 61,856,900 Shares to Evolution at an issue price of A\$0.092 per Share to raise an additional A\$5,690,835 (before costs)). As set out above, the Evolution Placement is structured so that Evolution will attain voting power in the Company of 19.9% after completion of the issue of the T2 Shares.

3.2 ASX Listing Rules

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

3.3 Effect on capital of the Company

The securities proposed to be issued, for which approval is sought under Resolution 2, comprise 11.2% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

3.4 Technical information required by ASX Listing Rule 7.3 for Resolution 2

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

- (a) Maximum number of securities to be issued
The maximum number of Shares the Company can issue pursuant to Resolution 2 is 61,856,900 Shares.
- (b) Date of issue
The T2 Shares will be issued no later than 3 months after the date of Shareholder approval pursuant to Resolution 2 or such later date as approved by ASX.
The T2 Shares are expected to be issued on one date.
- (c) Issue price
The T2 Shares will be issued at an issue price of A\$0.092 per Share.
- (d) Name of the person to whom securities will be issued
The T2 Shares will be issued to Evolution, an unrelated party of the Company.

(e) Terms of the securities

The T2 Shares will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

(f) The use of the funds

The purpose of the issue was to raise funds to satisfy the expenditure obligations and to conduct exploration in connection with the Zuleika Shear Gold Project, and for general working capital purposes.

Please refer to section 1 for further information on the Company's intended use of funds.

(g) A voting exclusion statement for Resolution 2 is included in the Notice of General Meeting preceding this Explanatory Statement.

3.5 Board Recommendation

The Board believes that the proposed issue of the T2 Shares is beneficial for the Company and recommends Shareholders vote in favour of Resolution 2 because the funds to be provided by Evolution from the issue of the T2 Shares and the resulting strategic relationship with Evolution will enable both parties to work together on an accelerated exploration programme on the Company's highly prospective Zuleika shear zone in the heart of the Western Australian Goldfields. It will also allow the Company to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

Accordingly, each of the Directors intend to vote any Shares held by them in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PAST PLACEMENT OF SHARES TO INSTITUTIONAL AND SOPHISTICATED INVESTORS

4.1 Background

As announced to ASX on 9 and 13 February 2015, the Company made a placement of 50,000,000 Shares, at A\$0.10 per Share to raise A\$5,000,000, to certain sophisticated and institutional investors who participated in the Company's equity raising undertaken via an institutional placement (**Institutional Placement**).

The purpose of Resolution 3 is to ratify the issue of 50,000,000 Shares in the Institutional Placement under the Company's placement capacity pursuant to Listing Rule 7.1.

4.2 ASX Listing Rules

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under Resolution 3, the Company seeks from Shareholders approval for, and ratification of, the issue of 50,000,000 Shares to certain institutional and sophisticated investors so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

4.3 Effect on capital of the Company

The Shares the subject of Resolution 3 comprise 10.2% of the Company's fully-diluted share capital (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and excluding the T2 Shares).

4.4 Technical information required by ASX Listing Rule 7.5 for Resolution 3

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the proposed ratification the subject of Resolution 3:

- (a) Number of securities issued
A total of 50,000,000 Shares were issued to certain institutional and sophisticated investors.
- (b) Issue price
The Shares issued pursuant to Resolution 3 were issued at a price of A\$0.10 cents per Share.
- (c) Terms of the securities issued
The Shares issued pursuant to Resolution 3 are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) Name of the person to whom securities were issued
The Shares were issued to certain sophisticated and institutional investors who participated in the Company's equity raising undertaken via an institutional placement, as announced to ASX on 9 and 13 February 2015. None of the recipients of the placement Shares are related parties of the Company.
- (e) The use of funds
Funds raised from the Institutional Placement will be used to complete the acquisition of the St Ives 2.3 Mtpa heap leach processing facility, in accordance with the letter agreement announced to ASX on 11 July 2014, to commence relocation of the plant in line with the Company's obligations, and to provide general working capital.
- (f) A voting exclusion statement for Resolution 3 is included in the Notice of General Meeting preceding this Explanatory Statement.

4.5 Board Recommendation

The Board is not aware of any information not set out in this Explanatory Statement that would be reasonably required by Shareholders to make a decision in relation to Resolution 3.

The Board believes that the ratification of the issue of Shares is beneficial for the Company. Each of the Directors intend to vote any Shares held by them in favour of Resolution 3 and recommend that Shareholders also vote in favour of Resolution 3 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

GLOSSARY

A\$	means Australian dollars unless otherwise specified.
ASX	means Australian Securities Exchange or ASX Limited (ACN 008 624 691), as the context requires.
ASX Listing Rules or Listing Rules	means the official listing rules of the ASX.
Board	means all or some of the Directors acting as the board of Directors of the Company.
Chairman	means chairman of the General Meeting.
Company	means Phoenix Gold Limited (ABN 55 140 269 316).
Constitution	means the constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Equity Securities	has the meaning given to that term in the Listing Rules.
Evolution	means Evolution Mining Limited (ABN 74 084 669 036).
Explanatory Statement	means the explanatory statement that accompanies and forms part of this Notice.
Meeting or General Meeting	means the general meeting convened by this Notice.
Notice or Notice of Meeting	means this notice of general meeting which incorporates the Explanatory Statement and the Proxy Form.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form that is enclosed with and forms part of this Notice.
Resolution	means a resolution set out in this Notice.
Share	means a fully paid ordinary share in the issued capital of the Company.
Share Registry	means Computershare Investor Services Pty Ltd.
Shareholder	means a registered holder of a Share in the Company.
Tranche 2	means the second tranche of Shares to be issued pursuant to the Subscription Agreement.
WST	means Australian Western Standard Time (Perth, Western Australia).
Zuleika Shear Gold Project	means the Company's gold project located at the Zuleika shear which covers Broads Dam, Kundana North, Carbine and Zuleika North project areas.

SCHEDULE 1 – KEY TERMS OF THE SUBSCRIPTION AGREEMENT

The key terms of the Subscription Agreement are as follows:

- (a) **Subscription:** the Company agrees to issue an aggregate total of 105,856,900 Shares (equivalent to approximately 19.9% of the issued capital of the Company as at the date of this Notice of Meeting) to Evolution. The Shares will be issued in two tranches:
- (i) the first tranche of 44,000,000 Shares will be issued on the day that is 5 Business Days after execution of the Subscription Agreement; and
 - (ii) the second tranche of 61,856,900 Shares will be issued on the day that is 5 Business Days after satisfaction of the last of the conditions precedent applicable to Tranche 2.

Completion of the first tranche of Shares occurred on 8 May 2015 and ratification of this issue is the subject of Resolution 1.

- (b) **Conditions precedent to T2 Shares:** The issue of the second tranche of the Subscription is conditional on a number of conditions precedent, including the following:
- (i) Evolution obtaining approval from the Foreign Investment Review Board in respect of the acquisition of T2 Shares by Evolution;
 - (ii) the Company obtaining Shareholder approval for the issue of T2 Shares to Evolution;
 - (iii) the Company obtaining an ASX waiver from ASX Listing Rule 6.18 in respect of the Anti-dilution Right or confirmation from ASX that the grant of the Anti-dilution Right will not contravene ASX Listing Rule 6.18;
 - (iv) the spot price for gold as quoted on Bloomberg does not fall below A\$1,300 per ounce at any time during a day for three consecutive days between (and including) the execution date and the completion date for Tranche 2;
 - (v) the Company's warranties are true and correct and not misleading or deceptive as at the execution date and the completion date for Tranche 2;
 - (vi) the Company complies with certain restricted actions specified in the Subscription Agreement between the execution date and the completion date for Tranche 2;
 - (vii) no material adverse change occurring or is reasonably likely to occur between (and including) the execution date and the completion date for Tranche 2; and
 - (viii) no temporary restraining order, preliminary or permanent injunction or other order is issued by any court or other material legal restraint or prohibition, preventing or delaying completion of Tranche 2 is in effect at 9.00am on the completion date for Tranche 2.

As at the date of this Notice of Meeting, each of the conditions precedent to the issue of T2 Shares remains outstanding.

- (c) **Board nominee right:** Upon completion of Tranche 2, Evolution is entitled to nominate one candidate for appointment to the Board as a non-executive director and will continue to hold this nominee entitlement until such time as Evolution holds less than 5% of the Shares on issue.

- (d) **Anti-dilution Right:** Upon completion of Tranche 2, to the maximum extent permitted by the ASX Listing Rules and the ASX, if the Company commits to offer, issue or sell Shares or options, rights or other securities to acquire Shares (**Securities**), the Company must also offer to Evolution the such number of Securities so as to ensure that the Subscriber maintains its percentage interest in the Company on a fully diluted basis following the issue of such Securities. This anti-dilution right does not apply in certain specified circumstances and will cease to apply if Evolution holds less than 5% of the Shares on issue or if any conditions imposed by ASX can be or are no longer satisfied.
- (e) **Right of first refusal:** Upon completion of Tranche 2 and subject to any pre-existing third party rights and any required third party consents, Evolution will have a first right of refusal over any future potential tenement sales or joint ventures developments in the area located within a 75km radius from the Mungari Mill.
- (f) **Representations and warranties:** Each of the parties provides representations and warranties customary for a transaction of this nature.

CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (**Company**),

Insert name of shareholder company

the Company has appointed:

.....,

Insert name of corporate representative

in accordance with the provisions of section 250D of the *Corporations Act 2001* (Cth), to act as the body corporate representative of that company at the meeting of the members of Phoenix Gold Limited to be held at 10.00am on Tuesday, 23 June 2015 and at any adjournments of that meeting/all meetings of the members of Phoenix Gold Limited.

DATED 2015

Please sign here

Executed by the Company)
in accordance with its constituent documents)
)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

- Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
- Insert the date of execution where indicated.
- Deliver the Certificate to the registered office of Phoenix Gold Limited at 73 Dugan Street, Kalgoorlie WA 6430 or fax the Certificate to the Phoenix Gold Limited registered office at +61 8 9021 3393 or send the Certificate to Phoenix Gold Limited at PO Box 100, Kalgoorlie, WA 6433.

Phoenix Gold Limited

ABN 55 140 269 316

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 PXG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 10:00am (WST) Sunday, 21 June 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate is attached to the Notice of Meeting and may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.



Turn over to complete the form



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Phoenix Gold Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Phoenix Gold Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 23 June 2015 at 10:00am (WST) including to vote or abstain as my/our proxy thinks fit in respect of any procedural resolution and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of Past Placement of Shares to Evolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for Issue of Tranche 2 Shares and Strategic Alliance with Evolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Past Placement of Shares to Institutional and Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

P X G

1 9 9 6 1 2 A

Computershare