

HERBERT
SMITH
FREEHILLS

The Manager
ASX Market Announcements Office
ASX Limited

11 September 2015

Dear Sir / Madam

**Takeover bid by Evolution Mining Limited for Phoenix Gold Limited –
Bidder's Statement**

We act for Evolution Mining Limited (ABN 74 084 669 036) (**Evolution**) in relation to its off-market takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the ordinary shares in Phoenix Gold Limited (ABN 55 140 269 316) (**Phoenix**) it does not already own (**Takeover Bid**).

We attach, by way of service pursuant to item 5 of subsection 633(1) of the Corporations Act, a copy of the bidder's statement of Evolution in relation to its Takeover Bid (**Bidder's Statement**).

The Bidder's Statement was lodged with the Australian Securities & Investments Commission and served on Phoenix today.

Yours sincerely

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Herbert Smith Freehills LLP and its subsidiaries and Herbert Smith Freehills, an Australian Partnership ABN 98 773 882 646, are separate member firms of the international legal practice known as Herbert Smith Freehills.

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

Accept the Offer by

Evolution Mining Limited

ABN 74 084 669 036

to purchase all of your shares in

Phoenix Gold Limited

ABN 55 140 269 316

for 0.06 Evolution Shares and A\$0.06 cash
for every 1 of Your Phoenix Shares



The Offer is dated [25] September 2015 and will close at 7.00pm (Sydney time) on [26 October] 2015, unless extended.

If you have any questions about this Bidder's Statement, please call the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time).

Key dates

Date of this Bidder's Statement	11 September 2015
Date of Offer	[25] September 2015
Offer closes (unless extended or withdrawn)	7.00 pm (Sydney time) on [26 October] 2015

Key Contacts

Evolution share registrar for the Offer

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane, Queensland 4000

Offer Information Line*

1300 553 490 (within Australia) or
+61 1300 553 490 (from outside of Australia)
Monday to Friday between 8.30am to 5.30pm (Sydney time)

*Calls to these numbers may be recorded.

Important notices

Nature of this document

This Bidder's Statement is issued by Evolution Mining Limited ACN 084 669 036 (**Evolution**) under Part 6.5 of the *Corporations Act 2001* (Cth).

A copy of this Bidder's Statement was lodged with ASIC and given to ASX on 11 September 2015. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

No investment advice

In preparing this Bidder's Statement, Evolution has not taken into account the individual objectives, financial situation or needs of individual Phoenix Shareholders. The information and recommendations contained in this Bidder's Statement do not constitute, and should not be taken as, financial product advice. Accordingly, before making a decision whether or not to accept the Offer, the Evolution Board encourages you to consult with your financial, legal, taxation or other professional adviser.

This Bidder's Statement is important and requires your immediate attention. It should be read in its entirety before making a decision on whether or not to accept the Offer. In particular, it is important that you consider the key risks associated with the Offer, as set out in section 11 of this Bidder's Statement.

Disclaimer as to forward looking statements and information

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Bidder's Statement should not be taken to be forecasts or predictions that those events will occur. All forward looking statements in this Bidder's Statement reflect views only as at the date of this Bidder's Statement, and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Evolution or any member of the Evolution Group may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Phoenix and Evolution and the members of the Phoenix Group and Evolution Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Any such statements are also affected by a range of variables which include, but are not limited to the price performance of Evolution Shares and Phoenix Shares, commodity price fluctuations, input price fluctuations, currency fluctuations, actual demand, geotechnical factors, mineral resource and ore reserve estimates, operating results, governmental and regulatory factors, economic, financial and political conditions in various countries, approvals and cost estimates. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Evolution, its Subsidiaries or their respective officers, directors, employees or advisers, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

Responsibility for information

Except as outlined below, the information contained in this Bidder's Statement has been prepared by Evolution and is its responsibility alone.

Greenwoods & Herbert Smith Freehills has prepared and is responsible for the Tax Adviser's Report contained in Attachment 3 of this Bidder's Statement.

Disclaimer as to Phoenix and Merged Group information

The information on Phoenix, Phoenix's securities and the Phoenix Group contained in this Bidder's Statement should not be considered to be comprehensive and has been prepared by Evolution using publicly available information and limited information made available to Evolution by Phoenix.

The information on Phoenix, Phoenix's securities and the Phoenix Group has not been independently verified by Evolution. Accordingly Evolution does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Phoenix and the Phoenix Group, has also been prepared using publicly available information and limited information made available to Evolution by Phoenix. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Further information relating to Phoenix's business may be included in Phoenix's target's statement.

Phoenix security holders outside Australia

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

This Bidder's Statement does not constitute an offer to Phoenix security holders or a solicitation of an offer from Phoenix security holders in any jurisdiction.

Restrictions in jurisdictions outside Australia may make it impractical or unlawful for Evolution securities to be issued under a takeover bid to, or received under a takeover bid by, Phoenix security holders in those jurisdictions. Phoenix security holders with registered addresses outside Australia should refer to sections 12.11 and 13.7 of this Bidder's Statement for more information.

Phoenix Shareholders who would receive an Unmarketable Parcel on acceptance of the Offer

Evolution Shares will not be issued as part of the Offer Consideration to Unmarketable Parcel Shareholders who accept the Offer. Instead, the Evolution Shares which would otherwise have been issued to Unmarketable Parcel Shareholders will be issued to a nominee approved by ASIC who will sell those Evolution Shares and pay the net proceeds of such sale to Unmarketable Parcel Shareholders by cheque.

Unmarketable Parcel Shareholders are those Phoenix Shareholders who, if they accept the Offer, would be issued Evolution Shares that would not constitute a Marketable Parcel within the meaning of the ASX Operating Rules Procedures.

Websites

Evolution maintains an internet site. The Evolution website is www.evolutionmining.com.au. Information contained in, or otherwise accessible through, this internet site is not a part of this Bidder's Statement. All references in this Bidder's Statement to this internet site are inactive textual references to this internet site and are for your information only.

Privacy

Evolution has collected your information from the Phoenix register of shareholders for the purpose of making this Offer and, if accepted, administering a record of your acceptance of Evolution's Offer for your holding of Phoenix Shares. The type of information Evolution has collected about you includes your name, contact details and information on your shareholding in Phoenix. Without this information, Evolution would be hindered in its ability to issue this Bidder's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to Evolution's related bodies corporate and external service providers (such as print and mail service providers) and may be required to be disclosed to regulators such as ASIC and ASX. The registered address of Evolution is Level 30, 175 Liverpool Street, Sydney, NSW 2000.

Defined terms and abbreviations

A number of terms and abbreviations used in this Bidder's Statement have defined meanings. These terms and abbreviations are capitalised and have the meanings given to them in section 14 of this Bidder's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Bidder's Statement that are defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

Charts, maps and diagrams

Any diagrams, charts, maps, graphs or tables appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date immediately prior to the date of this Bidder's Statement.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly their actual calculations may differ from the calculations set out in this Bidder's Statement.

Why you should ACCEPT the Evolution Offer

1 You are being offered an attractive 20% premium to Zijin's current offer and will retain exposure to future share price upside

You will receive the certainty of A\$0.06 cash plus 0.06 Evolution Shares for each Phoenix Share held, thereby maintaining an exposure to the Phoenix assets.

2 You will become a shareholder in a leading Australian mid-tier gold producer

In FY16, Evolution has forecast production of 730,000 – 810,000 ounces of gold at a globally competitive average AISC of A\$990 – A\$1,060 per ounce.

3 You will become a shareholder in a financially stronger company with a stable platform of established Australian mines and a high quality team

Evolution has established a high quality board and management team and its portfolio of Australian gold mines has a reputation for predictable results.

4 Strong strategic rationale

The close proximity of the Phoenix tenements to Evolution's Mungari Operations creates the opportunity for numerous synergies.

5 The Offer greatly reduces the financing and project development risks associated with being a Phoenix Shareholder

Evolution is currently generating strong free cash flows from its operations and has a strong balance sheet. It also has an experienced exploration and operations team with the skills and financial backing necessary to generate greater value and superior returns from the Phoenix assets.

6 Potential for receipt of dividend payments

Phoenix Shareholders who accept the Offer and hold Evolution Shares at any future dividend record date would be eligible to receive any associated future dividends paid by Evolution. Evolution expects to maintain its current dividend policy of, whenever possible, paying a semi-annual dividend equal to 2% of its sales revenue.

7 In the absence of the Offer, the Phoenix Share price is likely to fall below the Offer price

If the Offer is not successful and no higher bid for Phoenix emerges, the Phoenix Share price is likely to fall below the implied Offer value.

ACCEPT THE EVOLUTION OFFER

For more information on the reasons why you should accept the Evolution Offer, please refer to section 1 of this Bidder's Statement.

For information on how to accept the Evolution Offer, please refer to sections 2 and 13.3 of this Bidder's Statement.

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Executive Chairman's letter

Dear Phoenix Shareholder,

On behalf of the Evolution Board, I am pleased to present you with this compelling Offer to acquire all of your Phoenix Shares for 0.06 Evolution Shares plus A\$0.06 cash for every 1 of Your Phoenix Shares.

The Offer values Phoenix at approximately A\$56.4 million¹ or A\$0.12 per Phoenix Share based on a 20 day VWAP of Evolution Shares as at 19 August 2015 of A\$1.025, the day prior to the announcement of the Offer. This represents an attractive 20% premium to Zijin's current offer of A\$0.10 cash per Phoenix Share and a 39.5% premium to the 30 day VWAP of the Phoenix Share price as at 19 June 2015, being the last trading day prior to the announcement of the Zijin offer. The Offer is equivalent to A\$[0.129] per Phoenix Share based upon Evolution's VWAP on [8] and [9] September 2015.²

The Evolution Offer has been structured so that Phoenix Shareholders receive an attractive upfront premium comprising both cash and Evolution Shares. As a result Phoenix Shareholders will retain exposure to the Phoenix assets and to the share price growth potential we believe may be generated by the Offer.

The Offer is not subject to a minimum acceptance condition and is only subject to customary conditions including there being no regulatory action, no prescribed occurrences, no material adverse change, and the spot price for gold not falling below A\$1,250 per ounce at any time during a day for three consecutive days before the end of the Offer Period.³ A full list of the bid conditions is provided in section 13.8 of this Bidders Statement. On 24 August 2015, Evolution announced that it had completed the acquisition of La Mancha Australia and, on 3 September 2015, Evolution announced that it had received FIRB Approval in relation to the Offer. Therefore, the Offer is no longer subject to the FIRB Condition or La Mancha Transaction Condition.⁴

Strategic Rationale for the Offer

As noted above, on 24 August 2015, Evolution announced the completion of the acquisition of the Mungari Operations from La Mancha. Mungari is located 20 kilometres west of Kalgoorlie in Western Australia and comprises the newly built 1.5Mtpa Mungari processing plant, the adjacent high-grade Frog's Leg underground gold mine and the White Foil open pit gold mine.

On 1 May 2015, Evolution announced that it had reached agreement with Phoenix regarding a strategic investment and partnership. Under the agreement, Evolution subscribed for 44 million Phoenix Shares at an issue price of A\$0.075 per share. On 24 July 2015, Evolution bought an additional 49 million Phoenix Shares at A\$0.12 per share taking its shareholding in Phoenix to approximately 19.8%.⁵

The Phoenix tenement package adjoins the Mungari Operations and covers a significant strike length of the prospective Zuleika Shear and the Kunanalling Shear (see Figure 1 in section 1 of this Bidder's Statement). A number of exploration targets generated by Phoenix on its tenements are geologically similar to Evolution's Frog's Leg mine and the White Foil mine.

The close proximity of the Phoenix tenements to Mungari creates the opportunity for numerous synergies. These include the potential to process certain existing gold deposits within the Phoenix tenements at Mungari. Evolution also sees the opportunity to leverage its financial capacity and exploration expertise to increase the potential for the discovery of new deposits on the Phoenix tenements.

¹ Based on 470,087,333 Phoenix Shares on issue.

² See section 7.4(c) of this Bidder's Statement for further details.

³ Please refer to section 13.8 of this Bidders Statement for a full list of conditions to the Offer.

⁴ See sections 12.1 and 12.2 of this Bidder's Statement for further details.

⁵ See section 7.4 of this Bidder's Statement for further details.

Evolution believes that in the current environment, where access to capital for junior mining companies is difficult, Phoenix Shareholders will benefit from being part of a larger, well-funded, leading Australian gold company that can potentially accelerate the realisation of the potential of the Phoenix assets.

Being Part of a Leading Australian Gold Company

Evolution was created nearly four years ago with an ambitious and clear strategy to create a mid-tier Australian gold producer at the start of what we saw as being a transformational period for the Australian gold sector.

In every year since inception Evolution has met or exceeded its production and cost guidance at a group level and established a very strong team capable of delivering across the three core pillars of its business – operations, discovery and growth.

In FY15, Evolution produced 437,570 gold equivalent⁶ ounces at an average C1 Cash Cost of A\$711 per ounce and an All-in Sustaining Cost (**AISC**) of A\$1,036 per ounce. This result was within the original production guidance range of 400,000 – 440,000 ounces and below our C1 cost and AISC guidance.

This stable platform created an opportunity for Evolution to expand its business by capitalising on the opportunities presented during a critical juncture for the Australian gold industry.

Evolution has been able to gain a strong position in the Australian gold industry through the recent purchase of Mungari from La Mancha and the acquisition of the Cowal gold mine in NSW from Barrick Gold.

These recent acquisitions have substantially improved the quality of Evolution's portfolio by significantly increasing its output while lowering average production costs. In FY16 Evolution has guided production of 730,000 – 810,000 ounces of gold at an average AISC of A\$990 – A\$1,060 per ounce, meaning we are on track to fulfil our long-held ambition of being a globally relevant mid-tier gold producer.

Compelling Offer for Phoenix Shareholders

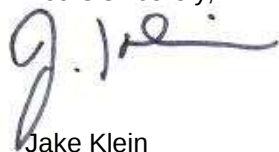
By accepting this Offer you will not only receive A\$0.06 in cash per Phoenix Share, but you will also become a shareholder in a financially stronger company with asset diversification and very attractive growth prospects.⁷

By accepting this Offer, you will also have the opportunity to receive dividend payments for any future dividends declared by Evolution.⁷ In 2013 Evolution introduced an innovative dividend policy where, whenever possible, a semi-annual dividend equal to 2% of sales revenue is returned to Evolution Shareholders. Phoenix Shareholders who accept the Offer will receive Evolution Shares as part of the Offer Consideration.⁷ Shareholders holding Evolution Shares at any future dividend record date would be entitled to receive any future associated dividends paid by Evolution.

Evolution believes the Offer made to Phoenix Shareholders is attractively priced and designed to provide the immediate certainty of a premium and ongoing exposure to the share price upside Evolution believes may be generated through the proposed transaction.

I urge you to **ACCEPT** the Offer as soon as possible and take the opportunity to be part of a rapidly growing, reliable, diversified gold miner, underpinned by a portfolio of stable Australian mines with strong future growth prospects.⁷

Yours sincerely,



Jake Klein
Executive Chairman
Evolution Mining Limited

⁶ Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton.

⁷ If you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will not receive Evolution Shares as part of the Offer Consideration. Please see sections 12.11 and 13.7 of this Bidder's Statement for further details.

1 Why you should accept the Offer

- (a) **You are being offered an attractive 20% premium to Zijin's current offer and will retain exposure to future share price upside**

As a Phoenix Shareholder, you will receive the certainty of A\$0.06 cash plus 0.06 Evolution Shares for each Phoenix Share held, thereby maintaining an exposure to the Phoenix assets and to the infrastructure benefits of the transaction. The Offer is priced at a 20% premium to the current Zijin offer of A\$0.10 cash per Phoenix Share and a 39.5% premium to the 30 day VWAP of the Phoenix Share price as at 19 June 2015, being the last trading day prior to the announcement of the Zijin offer. The Offer is equivalent to A\$[0.129] per Phoenix Share based upon Evolution's VWAP on [8] and [9] September 2015.⁸

- (b) **You will become a shareholder⁹ in a leading Australian mid-tier gold producer**

Since Evolution was formed in November 2011, it has established a reputation for reliability by meeting or outperforming its production and cost guidance every year. In recent months, Evolution has been able to leverage this performance and materially increase the scale and quality of its asset portfolio through the acquisitions of the Cowal gold mine in New South Wales and the Mungari gold mines in Western Australia. In FY16 Evolution has forecast a major increase in its production to 730,000 – 810,000 ounces of gold at a globally competitive average AISC of A\$990 – A\$1,060 per ounce.

- (c) **You will become a shareholder¹⁰ in a financially stronger company with a stable platform of established Australian mines and a high quality team**

Evolution has established a high quality board and management team with proven success across the three pillars of its business – operations, discovery and growth. This team has built Evolution into a diversified, globally relevant mid-tier gold producer. Its portfolio of Australian gold mines has a reputation for predictable results. An ongoing focus on costs and productivity gains in the past two years has delivered improved financial outcomes across the business.

- (d) **Strong strategic rationale**

The close proximity of the Phoenix tenements to Evolution's Mungari Operations creates the opportunity for numerous synergies. These include the potential to process certain existing gold deposits within the Phoenix tenements at Mungari and leveraging Evolution's financial and exploration capabilities to increase the potential for the discovery of new deposits on the Phoenix tenements.

- (e) **The Offer greatly reduces the financing and project development risks associated with being a Phoenix Shareholder**

As a junior gold company operating in the current environment, Phoenix has faced considerable challenges in the financing and development of its small mining projects and its Castle Hill Project.

Evolution is currently generating strong free cash flows from its operations and has a strong balance sheet. It also has an experienced exploration and operations team with the skills and financial backing necessary to generate greater value and superior returns from the Phoenix assets.

⁸ See section 7.4(c) of this Bidder's Statement for further details.

⁹ If you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will not receive Evolution Shares as part of the Offer Consideration. Please see sections 12.11 and 13.7 of this Bidder's Statement for further details.

(f) **Potential for receipt of dividend payments**

Evolution expects to maintain its current dividend policy of, whenever possible, paying a semi-annual dividend equal to 2% of its sales revenue. Phoenix Shareholders who accept the Offer will receive Evolution Shares as part of the Offer Consideration.¹⁰ Shareholders holding Evolution Shares at any future dividend record date would be eligible to receive any associated future dividends paid by Evolution.

(g) **In the absence of the Offer, the Phoenix Share price is likely to fall below the Offer price**

If the Offer is not successful and no higher bid for Phoenix emerges, the Phoenix Share price is likely to fall below the implied Offer value.

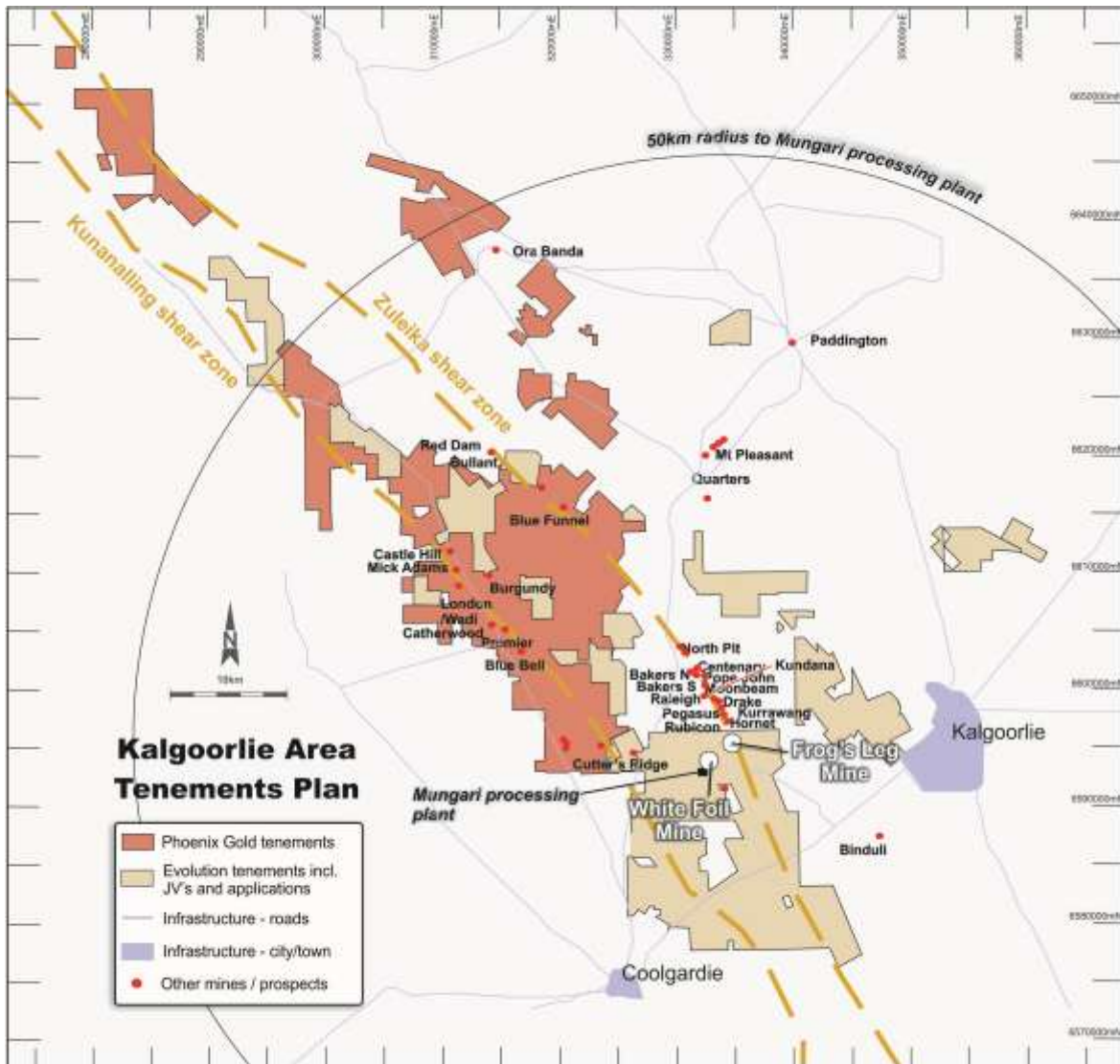


Figure 1. Location of Evolution's Mungari Operations and Phoenix's tenements

¹⁰ If you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will not receive Evolution Shares as part of the Offer Consideration. Please see section 12.11 and 13.7 of this Bidder's Statement for further details.

2 How to accept the Offer

Please refer to section 13.3 of this Bidder's Statement and your personalised Acceptance Form (which accompanies this Bidder's Statement) for full details on how to accept this Offer.

You may only accept the Offer for ALL of Your Phoenix Shares.

How you accept this Offer depends on whether Your Phoenix Shares are held in an Issuer Sponsored Holding or a CHESS Holding. This information is shown on your personalised Acceptance Form.

For Issuer Sponsored Holdings of Phoenix Shares (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form):

To accept the Offer, complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form before the Offer closes.

For CHESS Holdings of Phoenix Shares (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form):

To accept the Offer, either complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form or instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf before the Offer closes.

For Participants:

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Your acceptance must be received by no later than 7.00 pm (Sydney time) on [26 October] 2015, unless the Offer is extended or withdrawn.

If you have any questions about how to accept the Offer please contact the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time).

3 Summary of the Offer and frequently asked questions

The information in this section 3 is a summary of the Offer only and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement and Phoenix's target's statement in full before deciding whether or not to accept the Offer for your Phoenix Shares. If you are in any doubt as to how to deal with this document, please consult your financial, legal, taxation or other professional adviser.

The terms and conditions of the Offer are contained in section 13 of this Bidder's Statement.

What is the Bidder's Statement?	This document is the Bidder's Statement and sets out the terms and conditions of the Offer and information relating to the Offer and the Offer Consideration you will receive if you accept the Offer (subject to satisfaction or waiver of the conditions of the Offer).
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Who is Evolution?	Evolution is a leading, growth focused Australian gold company listed on the ASX. Evolution owns and operates seven gold operations in Australia. Four of the operations are located in Queensland, one in New South Wales and two in Western Australia. Evolution holds a 100% interest in all of its operations. Evolution Group production for the year ended 30 June 2015 totalled 437,570 ounces gold equivalent¹¹ at an average C1 Cash Cost of A\$711/oz and an AISC of A\$1,036/oz (prior to the acquisition of Cowal and Mungari). In FY16, Evolution is forecasting total production of 730,000 – 810,000 ounces of gold. C1 Cash Costs are expected to be in the range of A\$715/oz – A\$795/oz and AISC is expected to be in the range of A\$990/oz – A\$1,060/oz. Further details about Evolution and the Evolution Group are contained in section 4 of this Bidder's Statement.
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What is Evolution offering to buy?	Evolution is offering to buy all of the Phoenix Shares it does not already own, including Phoenix Shares that are issued during the Offer Period whether due to the conversion of Phoenix Options or otherwise, on the terms set out in this Bidder's Statement. You may only accept this Offer in respect of ALL of Your Phoenix Shares.
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What will I receive if I accept the Offer?	If you accept the Offer, subject to the satisfaction or waiver of the conditions to the Offer, you will receive 0.06 Evolution Shares and A\$0.06 cash for every 1 of Your Phoenix Shares. If the calculation of the number of Evolution Shares you are to receive as part of the Offer Consideration results in an entitlement to a fraction of an Evolution Share, that fraction will be rounded down to the next whole number of Evolution Shares.
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What is the value of the Offer Consideration?	The Offer Consideration is comprised of A\$0.06 cash and 0.06 Evolution Shares. The aggregate value of the Offer Consideration is approximately A\$0.12 per Phoenix Share, based on a 20 day VWAP of Evolution Shares as at 19 August 2015 of A\$1.025, the day prior to the
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¹¹ Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton.

announcement of the Offer.

The Offer is equivalent to A\$[0.129] per Phoenix Share based upon Evolution's VWAP on [8] and [9] September 2015.¹²

As Evolution Shares are listed on the ASX, the market price of Evolution Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly there is no guarantee that the 0.06 Evolution Shares will continue to be worth equal to or above A\$0.06.

See sections 7.4(c) and 11 of this Bidder's Statement for further details regarding the valuation of the Evolution Shares.

What are the conditions of the Offer?

The Offer is subject to a number of conditions, which are set out in full in section 13.8 of this Bidder's Statement. These conditions are (in summary):

- no regulatory action being taken in consequence of, or in connection with, the Offer before the end of the Offer Period;
- the Evolution Share price not falling below A\$0.85 at any time between the Announcement Date and the start of the Offer Period;
- the spot gold price not falling below A\$1,250 per ounce at any time during a day for three consecutive days before the end of the Offer Period;
- no material adverse change occurring in relation to Phoenix before the end of the Offer Period;
- no 'prescribed occurrences' occurring in relation to Phoenix before 3 Business Days after the end of the Offer Period;
- no untrue statements having been made to ASX by Phoenix before the Announcement Date;
- certain conduct of business restrictions in relation to the Phoenix Group before the end of the Offer Period;
- Phoenix not entering into any agreement for the development of stage 1 of the Castle Hill Project other than the Licence to Mine and Ore Sale Deed before the end of the Offer Period;
- no material litigation in respect of Phoenix being on foot or pending before the end of the Offer Period; and
- the Phoenix Group not entering into any transactions in relation to, or taking action to dispose of or surrender, the Tenements (other than the Licence to Mine and Ore Sale Deed), or announcing an intention to do so, before the end of the Offer Period.

If any of these conditions are not satisfied or waived by Evolution by the end of the Offer Period, then the Offer will lapse and not proceed (i.e. you will retain your Phoenix Shares).

In addition, there is a statutory condition (see section 13.11 of this Bidder's Statement) relating to the ASX quotation of Evolution Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed (i.e. you will retain your Phoenix Shares).

The Offer is no longer subject to the FIRB Condition or the La Mancha Transaction Condition (see below and sections 12.1 and 12.2 of this Bidder's Statement for further details).

What happens if the conditions of the

If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In

¹² See section 7.4(c) of this Bidder's Statement for further details.

Offer are not satisfied or waived by the time the Offer closes?	those circumstances, you will not receive the Offer Consideration for Your Phoenix Shares and you will retain Your Phoenix Shares.
What is the status of the FIRB Condition?	The FIRB Condition is no longer a condition to the Offer. See section 12.1 of this Bidder's Statement for further details.
What is the status of the La Mancha Condition?	On 24 August 2015, Evolution announced to the ASX that it had completed the acquisition of La Mancha Australia from La Mancha. Accordingly, Evolution has withdrawn the La Mancha Transaction Condition and the Offer is no longer subject to the La Mancha Transaction Condition. See section 12.2 of this Bidder's Statement for further details.
When will I receive my Offer Consideration under the Offer?	Generally, Evolution will issue the Offer Consideration to you under the Offer on or before the earlier of: • one month after this Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and • 21 days after the end of the Offer Period. If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances you will not receive the Offer Consideration for Your Phoenix Shares and you will retain Your Phoenix Shares. Full details of when your Offer Consideration will be provided are set out in section 13.6 of this Bidder's Statement.
Will I need to pay brokerage or stamp duty on acceptances?	If your Phoenix Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Evolution, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer. If your Phoenix Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Phoenix Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.
Will my new Evolution Shares be quoted on the ASX?	Evolution will apply for the Evolution Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement. Quotation of these Evolution Shares will not be automatic but will depend on the ASX exercising its discretion. However, as Evolution is already admitted to the official list of the ASX and Evolution Shares in the same class as to those to be issued under the Offer are already quoted, Evolution believes quotation of the new Evolution Shares will be granted.
When does the Offer close?	The Offer closes at 7.00pm (Sydney time) on [26 October] 2015, unless it is extended under the Corporations Act.
Can I accept the	No. You cannot accept the Offer for only some of Your Phoenix Shares.

Offer for only some of my Phoenix Shares?

You can only accept the Offer for ALL of Your Phoenix Shares.

How do I accept the Offer?

You may only accept the Offer for ALL of Your Phoenix Shares.

Issuer sponsored shareholders

If Your Phoenix Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Offer closes.

CHESS shareholders

If Your Phoenix Shares are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or
- instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf,

before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 13.3 of this Bidder's Statement.

What if I am a Foreign Phoenix Shareholder?

Generally speaking, if your address on Phoenix's register of members is in a jurisdiction other than Australia or New Zealand you will be considered to be a Foreign Phoenix Shareholder.

If you are a Foreign Phoenix Shareholder you are entitled to accept the Offer just like any other Phoenix Shareholder. However, you will not be entitled to receive Evolution Shares as a result of acceptance. Instead, the Evolution Shares to which you would otherwise be entitled will be issued to a sale nominee approved by ASIC who will sell those shares on the ASX and provide you with the net sale proceeds.

See sections 12.11 and 13.7 of this Bidder's Statement for further details.

Can I accept the offer if I would receive an Unmarketable Parcel of Evolution Shares?

Evolution Shares will not be issued as part of the Offer Consideration to Unmarketable Parcel Shareholders.

If you are an Unmarketable Parcel Shareholder you are entitled to accept the Offer just like any other Phoenix Shareholder. However, you will not be entitled to receive Evolution Shares as a result of acceptance. Instead, the Evolution Shares to which you would otherwise be entitled will be issued to a sale nominee approved by ASIC who will sell those shares on the ASX and provide you with the net sale proceeds.

See section 13.7 of this Bidder's Statement for further details.

What happens if I do not accept the Offer?	If you do not accept the Offer, subject to what is stated below, you will remain a Phoenix Shareholder and will not receive the Offer Consideration. If Evolution becomes entitled to compulsorily acquire your Phoenix Shares, it intends to proceed with the compulsory acquisition. If your Phoenix Shares are compulsorily acquired by Evolution, it will be on the same terms (including the same consideration for each Phoenix Share acquired) as the Offer. See section 9 of this Bidder's Statement for further details.
Once accepted, can I withdraw my acceptance?	Once you accept the Offer, you will be unable to revoke your acceptance unless a withdrawal right exists or arises under the Corporations Act. Such a right may arise if, after you have accepted the Offer and the Offer remains conditional, Evolution varies the offer in a way that postpones, for more than one month, the time by which Evolution has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer. See section 13.5 of this Bidder's Statement for further details.
Can I sell the Evolution Shares I receive as part of the Offer Consideration?	Yes, you will be able to sell the Evolution Shares you receive as part of the Offer Consideration on-market on the ASX.
Does Evolution currently have a Relevant Interest in Phoenix?	Yes, as at the date of this Bidder's Statement, Evolution has a Relevant Interest in 19.78% of Phoenix. Pursuant to a subscription agreement with Phoenix entered into in May 2015, Evolution completed a subscription of approximately 9.4% (on an undiluted basis) of the Phoenix Shares on 8 May 2015. On 24 July 2015, Evolution increased its Relevant Interest in Phoenix to approximately 19.78%. See sections 7.3 and 7.4 of this Bidder's Statement for further details.
How is Evolution funding the Offer?	The consideration for the acquisition of the Phoenix Shares will be satisfied partly by the issue of Evolution Shares and partly by the payment of cash. Evolution has the capacity to issue the maximum number of Evolution Shares which it may be required to issue under the Offer. The maximum amount of cash consideration that Evolution could be required to pay under the Offer is A\$23,300,240. In addition to the cash consideration there will be transaction costs. The cash consideration payable under the Offer and transaction costs will be provided from Evolution's existing cash reserves. As at 31 August 2015, Evolution had cash holdings of approximately \$84 million. See section 8 of this Bidder's Statement for further details.
What are Evolution's intentions in relation to the Norton Licence to Mine and Ore Sale Deed in relation to Phoenix's	If Phoenix becomes a wholly-owned controlled entity of Evolution after the end of the Offer Period, Evolution currently intends to continue to progress the Licence to Mine and Ore Sale Deed on the terms of the draft deed received by Evolution prior to the Announcement Date. If, after the end of the Offer Period, Phoenix becomes a part-controlled entity of Evolution or Phoenix is not controlled by Evolution, Evolution

Castle Hill Project?	currently intends to propose to the Phoenix Board that the Licence to Mine and Ore Sale Deed be progressed as described above. See section 9 of this Bidder's Statement for further details.
What if I accept the Offer and Evolution improves the Offer Consideration?	In accordance with the Corporations Act, if Evolution improves the Offer Consideration under the Takeover Bid, all Phoenix Shareholders, whether or not they have accepted the Offer before that improvement in the Offer Consideration, will be entitled to the benefit of that improved Offer Consideration.
What are the tax implications if I accept the Offer?	Tax implications for accepting the Offer for your Phoenix Shares will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of acceptance. A general summary of the likely Australian taxation consequences of accepting the Offer is provided in the Tax Adviser's Report set out in Attachment 3 of this Bidder's Statement.
How will the Phoenix Options be treated under the Offer?	Evolution is not offering to acquire the Phoenix Options under the Offer and will not make any separate offers to acquire the Phoenix Options. The Phoenix Options will automatically and immediately lapse 30 days after Evolution acquires a Relevant Interest in 90% of the Phoenix Shares. See section 7.2 of this Bidder's Statement for further details.
Are there any risks in accepting the Offer?	If you accept the Offer you will become an Evolution Shareholder (unless you are a Foreign Phoenix Shareholder or an Unmarketable Parcel Shareholder). There are risks associated with holding Evolution Shares, which are summarised in section 11 of this Bidder's Statement. In deciding whether or not to accept the Offer, you should carefully consider these risks.
Where do I go for further information?	This Bidder's Statement contains detailed information about the Offer, including the terms and conditions of the Offer contained in section 13 of this Bidder's Statement. For queries on how to accept the Offer, Phoenix Shareholders should also refer to the enclosed Acceptance Form. For all other queries in relation to the Offer, please contact the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time). Please be aware that any calls to these numbers may be recorded. Queries in relation to the Offer will not be received on any other telephone numbers of Evolution or its advisers. Phoenix Shareholders should also read Phoenix's target's statement in full for further information about the Offer and before deciding whether or not to accept Evolution's Offer. If you are in any doubt as to how to deal with this Bidder's Statement, please consult your financial, legal, taxation or other professional adviser.

4 Profile of Evolution and the Evolution Group

4.1 Overview of Evolution

Evolution owns and operates seven gold operations in Australia. Four of the operations are located in Queensland, one in New South Wales and two in Western Australia. Evolution holds a 100% interest in all of its operations.

Group production for the year ended 30 June 2015 totalled 437,570 ounces gold equivalent¹³ at an average C1 Cash Cost of A\$711/oz and an AISC of A\$1,036/oz (prior to the acquisition of Cowal and Mungari).

Evolution is forecasting total production in FY16 of 730,000 – 810,000 ounces of gold. C1 Cash Costs are expected to be in the range of A\$715/oz – A\$795/oz and AISC is expected to be in the range of A\$990/oz – A\$1,060/oz.

A mine-by-mine breakdown of production and cost forecasts is provided in the table below:

Guidance FY16	Gold Equivalent Production (oz)	C1 Cash Costs (A\$/oz)	AISC (A\$/oz)
Cowal ¹	215,000 – 240,000	650 – 750	860 – 950
Cracow	85,000 – 95,000	730 – 800	1,080 – 1,150
Edna May	82,500 – 90,000	1,060 – 1,160	1,225 – 1,325
Mt Carlton	80,000 – 87,500	525 – 575	760 – 810
Mt Rawdon	87,500 – 97,500	620 – 680	880 – 940
Mungari ²	120,000 – 135,000	730 – 830	920 – 1,020
Pajingo	60,000 – 65,000	810 – 890	1,180 – 1,260
Corporate	-	-	30
Group³	730,000 – 810,000	715 – 795	990 – 1,060

Notes:

1. Cowal Transaction completed 24 July 2015. Guidance includes 11.2 months of production.
2. La Mancha Transaction completed on 24 August 2015. Guidance assumes 10.2 months of production from Mungari.
3. Equates to annualised FY16 Evolution Group gold production of 770,000 – 850,000 ounces.

Expenditure on sustaining capital in FY16 is forecast to be in the range of A\$100.0 – A\$125.0 million. The increase relative to FY15 is due to the inclusion of sustaining capital for Cowal and Mungari. Sustaining capital expenditure at Cowal is elevated in FY16 predominately due to a tails dam lift and some one-off maintenance expenditure.

Investment in growth (major project) capital and discovery is additional to the costs included in AISC. Investment in major capital in FY16 is forecast to be in the range of A\$90.0 – A\$110.0 million and exploration expenditure is expected to total approximately A\$25.0 – A\$30.0 million. These costs add approximately A\$160/oz.

4.2 Evolution's principal operations and projects

A brief summary of Evolution's principal operations and projects is set out below.

(a) Cowal Gold Mine

Evolution announced on 24 July 2015 that it had completed the acquisition of the Cowal gold mine from Barrick Gold through the purchase of 100% of the

¹³ Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton.

shares in Barrick (Cowal) Pty Limited for a price of US\$550 million (the **Cowal Transaction**).

The Cowal gold mine is located approximately 40km north-east of West Wyalong in New South Wales, Australia. It is a high quality Australian gold asset with a long history of stable, large scale, low cost production. Production is currently sourced from a single open pit (E42 deposit) where conventional drill and blast, load and haul mining methods are employed. The Cowal processing plant has a capacity of around 7.7Mtpa which currently has an operating permit to run at 7.5Mtpa.

Evolution has issued guidance for Cowal in FY16 of 215,000 – 240,000 attributable gold ounces at an AISC of A\$860 – A\$950 per ounce.¹⁴

Mineral Resources at 31 December 2014 were 162.87 million tonnes grading 0.97g/t Au for 5,087koz of contained gold at a cut-off grade of 0.4g/t Au.

Ore Reserves at 31 December 2014 were 72.58 million tonnes grading 0.93g/t Au for 2,181koz of contained gold at a cut-off grade of 0.4g/t Au.

(b) **Mungari Operations**

On 24 August 2015, Evolution announced that it had completed the acquisition of La Mancha Australia from La Mancha (**La Mancha Transaction**). The acquisition delivered to Evolution a 100% interest in the Mungari Operations which are located 20 km directly west of Kalgoorlie in Western Australia. Mungari comprises the 1.5Mtpa Mungari CIL processing plant, the Frog's Leg underground mine and the White Foil open pit mine.

Evolution has issued guidance for Mungari in FY16 of 120,000 – 135,000 attributable gold ounces at an AISC of A\$920 – A\$1,020 per ounce.¹⁵

Mineral Resources at 31 December 2014 were 39.71 million tonnes grading 2.1g/t Au for 2,637koz of contained gold at a cut-off grade of 2.5g/t Au for Frog's Leg and variable cut off grades for White Foil according to elevation.

Ore Reserves at 31 December 2014 were 9.32 million tonnes grading 2.6g/t Au for 781koz of contained gold at a cut-off grade of 3.0g/t Au for Frog's Leg stoping and 0.75g/t for White Foil.

(c) **Mt Rawdon Gold Mine**

The Mt Rawdon mine is located 75 kilometres south west of Bundaberg in Queensland and commenced production in 2001. The mine is 100% owned by Evolution.

Mt Rawdon consists of a single open pit mine with conventional CIL processing. The mine successfully transitioned to owner-miner in July 2014. This has resulted in significant cost savings with FY15 unit mining costs of A\$3.36 per tonne which compares favourably to the FY14 unit cost of A\$4.91 per tonne.

In FY15 Mt Rawdon produced 102,162 ounces of gold at an average C1 Cash Cost of A\$631/oz and an AISC of A\$873/oz.

FY16 production guidance for Mt Rawdon is 87,500 – 97,500 ounces of gold at an average C1 Cash Cost of A\$620/oz – A\$680/oz and an AISC of A\$880/oz – A\$940/oz.

Mineral Resources at 31 December 2014 were 50.69 million tonnes grading 0.7g/t Au for 1,156koz of contained gold at a cut-off grade of 0.23g/t Au.

Ore Reserves at 31 December 2014 were 35.22 million tonnes grading 0.8g/t Au for 879koz of contained gold at a cut-off grade of 0.3g/t Au.

¹⁴ Cowal Transaction completed 24 July 2015. Guidance includes 11.2 months of production.

¹⁵ La Mancha Transaction completed on 24 August 2015. Guidance assumes 10.2 months of production from Mungari.

(d) **Mt Carlton Gold-Silver-Copper Mine**

The Mt Carlton mine is located 150 kilometres south of Townsville in Queensland. The mine commenced production in 2013 and is 100% owned by Evolution.

Mt Carlton consists of the gold-silver-copper V2 deposit and the silver-rich A39 deposit. Mining of the A39 open pit has ceased and production is currently derived solely from the V2 open pit. Processing is through conventional crushing, grinding and floatation to produce a polymetallic concentrate.

In FY15 Mt Carlton produced 77,658 gold equivalent ounces¹⁶ at an average C1 Cash Cost of A\$687/oz and an AISC of A\$912/oz.

FY16 guidance is 80,000 – 87,500 ounces of gold at an average C1 Cash Cost of A\$525/oz – A\$575/oz and an AISC of A\$760/oz – A\$810/oz.

Mineral Resources at 31 December 2014 were 8.82 million tonnes grading 3.1g/t Au for 871koz of contained gold at a cut-off grade of 0.35g/t Au for open pit and 2.5g/t Au for underground.

Ore Reserves at 31 December 2014 were 4.45 million tonnes grading 4.4g/t Au for 625koz of contained gold at a cut-off grade of 0.9g/t Au for the V2 open pit.

(e) **Edna May Gold Mine**

The Edna May mine is located 310 kilometres east of Perth in Western Australia and recommenced production in 2010. The project is 100% owned by Evolution.

Edna May currently consists of a single open pit mine with conventional CIL processing.

In FY15 Edna May produced 98,766 ounces of gold at an average C1 Cash Cost of A\$747/oz and an AISC of A\$898/oz.

FY16 guidance is 82,500 – 90,000 ounces of gold at an average C1 Cash Cost of A\$1,060/oz – A\$1,160/oz and an AISC of A\$1,225/oz – A\$1,325/oz.

Mineral Resources at 31 December 2014 were 31.73 million tonnes grading 1.0g/t Au for 1,056koz of contained gold at a cut-off grade of 0.4g/t Au for open-pit and 3.0g/t Au for underground.

Ore Reserves at 31 December 2014 were 11.73 million tonnes grading 1.0g/t Au for 387koz of contained gold at a cut-off grade of 0.5g/t Au.

(f) **Cracow Gold Mine**

The Cracow mine is located approximately 500km north west of Brisbane in Queensland and commenced production in 2004. The project is 100% owned by Evolution.

Cracow is mined by underground open stoping methods accessed through decline. Ore is treated by conventional CIP processing. Cracow successfully transitioned to owner mining in July 2013.

In FY15 Cracow produced 93,064 ounces of gold at an average C1 Cash Cost of A\$726/oz and an AISC of A\$1,050/oz.

FY16 guidance is 85,000 – 95,000 ounces of gold at an average C1 Cash Cost of A\$730/oz – A\$800/oz and an AISC of A\$1,080/oz – A\$1,150/oz.

Mineral Resources at 31 December 2014 were 3.22 million tonnes grading 6.8g/t Au for 707koz of contained gold at a cut-off grade of 2.8g/t Au.

Ore Reserves at 31 December 2014 were 1.16 million tonnes grading 6.7g/t Au for 248koz of contained gold at a cut-off grade of 3.5g/t Au.

¹⁶ Mt Carlton production recorded as payable gold production.

(g) **Pajingo Gold Mine**

The Pajingo mine is located 50km south of Charters Towers in Queensland and commenced production in 1986. The project is 100% owned by Evolution.

Similar to Cracow, Pajingo is mined by underground open stoping methods accessed via decline. Ore is treated by conventional CIP processing.

In FY15 Pajingo produced 65,919 ounces of gold at an average C1 Cash Cost of A\$787/oz and an AISC of A\$1,163/oz.

FY16 guidance is 60,000 – 65,000 ounces of gold at an average C1 Cash Cost of A\$810/oz – A\$890/oz and an AISC of A\$1,180/oz – A\$1,260/oz.

Mineral Resources at 31 December 2014 were 4.73 million tonnes grading 5.4g/t Au for 823koz of contained gold at a cut-off grade of 2.5g/t Au for underground and 0.75g/t Au for open pit.

Ore Reserves at 31 December 2014 were 0.44 million tonnes grading 7.0g/t Au for 98koz of contained gold at a cut-off grade of 3.3g/t Au.

(h) **Exploration**

Evolution is committed to discovery as a core part of its business and recognises the long-term nature of the commitment. Evolution has been investing approximately A\$20 million per year on discovery related expenditure. With the recent acquisitions of the Cowal gold mine and the Mungari Operations, exploration expenditure in FY16 is expected to increase to between A\$25.0 – A\$30.0 million.

In FY16 work will be undertaken at Edna May to improve the geological model for the underground.

At Mt Carlton it is believed the greatest opportunity for exploration success lies in better understanding the potential for high-grade orebody extensions in and around the current pits. This will be a focus area in FY16.

In June 2014 Evolution entered into a joint venture arrangement with Emmerson Resources Ltd over the Tennant Creek gold-copper project located in the Northern Territory. The Tennant Creek Mineral Field is historically one of Australia's highest grade gold and copper fields, having produced more than 5.5Moz of gold and 470,000t of copper from a variety of deposits, many of which are located within Emmerson Resources Ltd's tenement portfolio.

Evolution owns a prospective tenement package at Mungari. The tenement package covers an area of approximately 340km². A number of exploration targets have been identified through multidisciplinary methods (geology, geochemistry, geophysics etc.) and are the subject of a planned exploration program. These include both near-mine and greenfield targets including Frog's Leg South, Broad's Dam, Kintore and Cutter's Ridge.

At Cowal, a tectono-stratigraphic model is intended to improve the targeting for blind mineralisation in the two principal mineralised corridors. At a regional scale a set of key prospectivity maps will be generated from data interrogation and compilation. These will inform and define areas for structurally controlled gold mineralisation and porphyry copper exploration.

Evolution holds a 100% interest in three exploration tenements covering an area of approximately 890 km² surrounding the historic Wirralie gold mine in North Queensland and has also recently acquired a 100% interest in the Puhipuhi Project on the North Island of New Zealand.

4.3 Evolution's Mineral Resources and Ore Reserves

Evolution Group's Ore Reserve Statement as at 31 December 2014 is shown below.

Evolution Ore Reserves – December 2014											
Gold			Proved			Probable			Total Reserve		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cowal ¹	Open pit	0.40	35.94	0.72	836	36.64	1.14	1,346	72.58	0.93	2,181
Cracow ¹	Underground	3.5	0.38	7.41	91	0.78	6.31	158	1.16	6.67	248
Pajingo ¹	Underground	3.3	0.15	7.85	38	0.29	6.50	60	0.44	6.96	98
Edna May ¹	Open pit	0.5	-	-	-	11.73	1.02	387	11.73	1.02	387
Mt Carlton ¹	Open pit	0.9	0.09	6.00	17	4.36	4.30	607	4.45	4.40	625
Mt Rawdon ¹	Open pit	0.3	1.04	0.50	17	34.19	0.78	862	35.22	0.80	879
Mungari ¹	Underground	3.0	1.81	5.52	320	0.72	5.30	123	2.53	5.46	443
Mungari ¹	Open pit	0.75	-	-	-	6.79	1.55	338	6.79	1.55	338
Mungari ¹	Total		1.81	5.51	320	7.51	1.91	461	9.32	2.61	781
Total			39.40	1.04	1,319	95.49	1.26	3,880	134.89	1.20	5,198

Notes:

¹Includes stockpiles

See section 12.5 of this Bidder's Statement for Competent Person statements.

Due to depletion of A39 at Mt Carlton and lower grade Ag, Cu for remaining resource at Mt Carlton, the 2014 Mineral Resources and Ore Reserves statement has been reported in gold ounces.

Evolution Group's Mineral Resource Statement as at 31 December 2014 is shown below.

Evolution Mineral Resources – December 2014														
Gold			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cowal ¹	Total	0.40	35.94	0.72	836	104.28	1.11	3,712	22.65	0.74	539	162.87	0.97	5,087
Cracow ¹	Total	2.8	0.38	9.58	118	1.27	7.69	313	1.57	5.45	276	3.22	6.82	707
Pajingo	Open pit	0.75	-	-	-	0.00	8.04	1	0.25	1.33	11	0.25	1.45	12
Pajingo ¹	Underground	2.5	0.1	11.10	37	1.88	6.08	368	2.49	5.07	406	4.48	5.64	811
Pajingo	Total		0.1	11.10	37	1.90	6.08	369	2.76	4.74	417	4.73	5.41	823
Edna May ¹	Open pit	0.4	-	-	-	26.00	0.94	783	5.22	0.99	167	31.22	0.95	949
Edna May	Underground	3.0	-	-	-	-	-	-	0.51	6.45	106	0.51	6.45	106
Edna May	Total		-	-	-	26.00	0.94	783	5.73	1.48	273	31.73	1.03	1,056
Mt Carlton ¹	Open pit	0.35	0.09	6.00	17	8.4	3.02	815	-	-	-	8.49	3.07	832
Mt Carlton	Underground	2.5	-	-	-	-	-	-	0.33	3.65	39	0.33	3.65	39
Mt Carlton	Total		0.09	6.00	17	8.40	3.02	815	0.33	3.65	39	8.82	3.07	871
Mt Rawdon ¹	Total	0.23	1.04	0.51	17	46.00	0.72	1,069	3.65	0.59	69	50.69	0.71	1,156
Mungari ¹	Open pit	0.5	0.01	4.38	1	19.13	1.35	829	3.74	1.07	129	22.88	1.30	959
Mungari ¹	Underground	2.5/1.2	1.47	7.09	335	8.54	2.95	809	6.85	2.42	534	16.83	3.10	1,678
Mungari ¹	Total		1.48	7.06	336	27.67	1.84	1,638	10.59	1.95	663	39.75	2.06	2,637
Twin Hills ⁺	Open pit	0.5	-	-	-	-	-	-	3.06	2.1	204	3.06	2.1	204
Twin Hills ⁺	Underground	2.3	-	-	-	-	-	-	1.56	3.9	194	1.56	3.9	194
Twin Hills ⁺	Total		-	-	-	-	-	-	4.62	2.7	399	4.62	2.7	399
Total			39.03	1.08	1,361	215.52	1.26	8,699	51.90	1.60	2,675	306.43	1.29	12,736

Notes:

¹Includes stockpiles + Twin Hills has not changed as it is being reported as 2004 JORC Code.

See section 12.5 of this Bidder's Statement for Competent Person statements.

Due to depletion of A39 at Mt Carlton and lower grade Ag, Cu for remaining resource at Mt Carlton, the 2014 Mineral Resources and Ore Reserves statement has been reported in gold ounces.

4.4 Evolution Directors

Brief profiles of the Evolution Directors as at the date of this Bidder's Statement are as follows.

(a) **Jacob Klein BCom (Hons), ACA**

Executive Chairman

Mr Klein was appointed as Executive Chairman in October 2011, following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as the Executive Chairman of Conquest Mining Limited. Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where along with Mr Askew (director from 2002 and Chairman from 2005 of Sino Gold) he managed the development of that company into the largest foreign participant in the Chinese gold industry. Sino Gold Mining Limited was listed on the ASX in 2002 with a market capitalisation of A\$100 million and was purchased by Eldorado Gold Corporation in late 2009 for over A\$2 billion.

Mr Klein is currently a non-executive director of Lynas Corporation Limited (since August 2004), a company with operations in Australia and Malaysia, and formerly a non-executive director of OceanaGold Corporation, a company with operations in the Philippines and New Zealand. Both Lynas Corporation Limited and OceanaGold Corporation are ASX-listed companies.

(b) **Lawrie Conway BBus, CPA**

Finance Director and Chief Financial Officer

Mr Conway is the former Newcrest Executive General Manager (Commercial and West Africa) and was responsible for Newcrest's group supply and logistics, marketing, information technology, and laboratory functions as well as Newcrest's business in West Africa. Mr Conway has more than 24 years' commercial experience in the resources sector across a diverse range of commercial and financial activities while at Newcrest and previously at BHP Billiton. While with Newcrest he was a company director of PT Nusa Halmahera Minerals, the owner of the Gosowong Gold Mine in Indonesia. While with BHP Billiton he spent 3 years in Chile working at the Escondida Copper Mine.

Mr Conway has held a mix of corporate and operational commercial roles within Australia, Indonesia, Papua New Guinea and Chile.

He was appointed Finance Director and Chief Financial Officer of Evolution with effect from 1 August 2014 (previously a non-executive director since October 2011).

(c) **James Askew BEng (Mining), MEng Sc, FAusIMM, MCIMM, MSME (AIME)**

Non-Executive Director

Mr Askew is a mining engineer with over 40 years' broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies.

Mr Askew has served on the boards of numerous mining and mining services companies, which currently include OceanaGold Limited (chairman since November 2006), a company with operations in the Philippines and New Zealand, Asian Mineral Resources (since 2012), a company with operations in Vietnam, and Syrah Resources Limited (chairman since October 2014), a company with operations in Mozambique.

(d) **Graham Freestone BEc (Hons)**

Lead Independent Director

Mr Freestone has over 45 years' experience in the petroleum and natural resources industry. He has a broad finance, corporate and commercial background obtained in Australia and internationally through senior finance positions with the Shell Group, Acacia Resources Limited and AngloGold Ashanti Limited.

Mr Freestone was the Chief Financial Officer and Company Secretary of Acacia Resources Limited from 1994 until 2001. From 2001 to 2009 he was a non-executive director of Lion Selection Limited and from 2009 to 2011 he was a non-executive director of Catalpa Resources Limited.

(e) **Colin Johnstone BEng (Mining)**

Non-Executive Director

Mr Johnstone is a mining engineer with over 30 years' experience in the resources sector. He has served as General Manager at some of Australia's largest mines including the Kalgoorlie Super Pit in Western Australia, the Olympic Dam Mine in South Australia and the Northparkes Mine in New South Wales. International experience includes Senior Vice President and Chief Operating Officer for the Iron Ore Company of Canada and Joint Venture General Manager for Alumbra, a major open cut copper-gold mine in Argentina.

Mr Johnstone was Vice President of Operations and Chief Operating Officer at Equinox Minerals Limited, a company with operations in Zambia, prior to the C\$7.3 billion acquisition by Barrick Gold Corporation in 2011. Prior to that role, Mr Johnstone was Chief Operating Officer of Sino Gold Mining Limited, where he oversaw the development and operation of gold mines in China.

Mr Johnstone is also a non-executive director of Metallum Limited, a company with operations in Chile, and held a non-executive director role at Reed Resources Limited.

(f) **Thomas McKeith BSc (Hons), GradDip Eng (Mining), MBA**

Non-Executive Director

Mr McKeith is a geologist with over 25 years' experience in various mine geology, exploration and business development roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Ltd where he was responsible for global greenfields exploration and project development. Mr McKeith was also Chief Executive Officer of Troy Resources Ltd and held non-executive director roles at Sino Gold Ltd and Avoca Resources Limited.

(g) **John Rowe BSc (Hons), ARSM, MAusIMM**

Non-Executive Director

Mr Rowe has some 40 years' experience within the gold, nickel and copper industries. He has held a variety of positions in mine management, exploration and business development.

Mr Rowe was appointed as a non-executive director of Westonia Mines Limited on 12 October 2006. Through a series of corporate transactions, Westonia Mines subsequently changed name to Catalpa Resources Limited and then Evolution Mining Limited.

Mr Rowe is also a non-executive director of Panoramic Resources Limited and was formerly non-executive director of Southern Cross Goldfields Limited.

(h) **Naguib Sawiris**

Non-Executive Director (Alternate Mr Vincent Benoit)

Mr Sawiris is currently the chairman of the advisory board of LM SARL, the Chairman of the Board of Orascom TMT Investments S.à r.l., LM SARL's sister company and is also the Executive Chairman and Chief Executive Officer of Orascom Telecom Media and Technology Holding S.A.E.

Mr Sawiris founded Orascom Telecom Holding and developed it into a leading regional telecom player until a merger with Vimpelcom Ltd created the world's sixth largest mobile telecommunications provider.

Mr Sawiris has received a number of honorary degrees, industry awards and civic honors, including the "Legion d'honneur" the highest award given by the French Republic for outstanding services rendered to France, the Honor of Commander of the Order of the "Stella della Solidarietà Italiana", the prestigious "Sitara-e-Quaid-e-Azam" award for services rendered to the people of Pakistan in the field of telecommunication, investments and social sector work.

Mr Sawiris serves on a number of additional Boards, Committees and Councils including the Advisory Committee to the NYSE Board of Directors, the International Advisory Board to the National Bank of Kuwait, the Egyptian Council for Foreign Affairs and the Arab Thought Foundation.

Mr Sawiris holds a diploma of Mechanical Engineering with a Masters in Technical Administration from the Swiss Federal Institute of Technology Zurich ETH Zürich and a Diploma from the German Evangelical School, Cairo, Egypt.

(i) **Sébastien de Montessus**

Non-Executive Director (Alternate Mr Amr el Adawy)

Mr de Montessus (40 years old) has been the Chief Executive Officer of the La Mancha Group since 2012.

Prior to his role with La Mancha, Mr de Montessus was a member of the Executive Board and Group Deputy CEO of AREVA Group (world leader in nuclear energy) and CEO of AREVA Mining (uranium), where he oversaw the design and implementation of a 5-year strategic plan, which saw Areva Mining significantly increase profitability and become the largest uranium producer in the world with production in Canada, Africa and Kazakhstan.

Prior to this role, Mr de Montessus was the Vice President Strategy, Marketing and Business Development for AREVA's Transmission and Distribution – network electrical equipment business.

Before joining AREVA in 2002, Mr de Montessus was an investment banker at Morgan Stanley in London (M&A and Equity Capital Markets).

Mr de Montessus is a business graduate from ESCP-Europe Business School in Paris.

4.5 Evolution Senior Management

Brief profiles of the senior management team of Evolution as at the date of this Bidder's Statement are as follows.

(a) **Jacob Klein BCom (Hons), ACA**

Executive Chairman

See section 4.4(a) of this Bidder's Statement.

(b) **Lawrie Conway BBus, CPA**

Finance Director and Chief Financial Officer

See section 4.4(b) of this Bidder's Statement.

(c) **Mark Le Messurier BEng, MBA**

Chief Operating Officer

Mark is responsible for Evolution's seven operations, the group health, safety, environment and security function and the technical services group.

Mark is a mining engineer with extensive experience in mine development and operation. Prior to his current role, Mark was Chief Operating Officer of Conquest Mining Limited, where he was responsible for the Pajingo gold mine and Mt Carlton development project in north Queensland. Immediately prior to this he was Vice President (China Operations) with Eldorado Gold Corporation where he was responsible for the Jinfeng, Tanjianshan and White Mountain gold mines and the Eastern Dragon development project in China. Mark was the former General Manager, Operations with Sino Gold Mining Limited.

(d) **Aaron Colleran BEng (Geology), BCom (Finance), MAICD**

VP Investor Relations and Business Development

Aaron was originally an exploration geologist with experience in Australia and Papua New Guinea across a range of commodities. He has spent most of his career working in the finance industry, initially as a mining analyst with a global stock broking firm and more recently in investment banking where he provided strategic corporate advice to junior and mid-tier mining companies in Australia and Asia. He has over 20 years of experience in mining finance and corporate advice and has led a number of successful corporate transactions (acquisitions, takeovers and mergers), equity raisings and project financings.

Prior to his current role he was General Manager Corporate for Conquest Mining Limited where he oversaw the exploration and business development functions.

(e) **Roric Smith BSc Hons, PhD Geology, MAIG**

VP Discovery and Chief Geologist

Roric has over 25 years of experience in senior technical and management roles both locally and internationally within the gold sector, most recently as Senior Vice President Global Greenfield Exploration at AngloGold Ashanti Ltd.

Prior to this role he has held various roles in China and Mongolia. In Australia he held senior roles with AngloGold Ashanti Ltd and Normandy Mining Limited.

Roric's specialist geology skills have contributed to understanding of structural controls in orogenic and epithermal systems and the exploration for blind porphyry systems, leading to new discoveries and increases in resources in a number of regions, including Australasia, Africa and South America.

(f) **Evan Elstein BCom, ACA, AGIA, ACIS**

Company Secretary and VP Information Technology and Community Relations

Evan is a Chartered Accountant and a Chartered Secretary, and a member of the Institute of Chartered Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia.

Evan has over 20 years' experience in senior financial, commercial and technology roles, where his responsibilities have included the roll out of IT projects and services, business improvement initiatives and merger and acquisition activities. He has held senior positions with IT consulting companies in Australia, and previously served as the Chief Financial Officer and Company Secretary of Hartec Limited. Prior to that, Evan was employed by Dimension Data and Grant Thornton in South Africa.

Prior to his current role Evan was Company Secretary and General Manager IT and Business Systems for Conquest Mining Limited.

(g) **Paul Eagle CAHRI, Certified Coach, MNLP**

General Manager – People and Culture

Paul was appointed General Manager – People and Culture in 2013, with responsibility for human resources and people and organisational effectiveness.

Paul has effectively operated at a senior level across a range of industries, including FMCG, Finance, Industrial Services, and Mining and driven strategic and innovative business solutions. Paul has worked in a range of different countries and environments, including Australia, New Zealand, the UK and parts of Europe in both business management and Human Resources roles.

4.6 Pro Forma Financial Information

(a) **Basis of preparation**

The pro-forma historical financial information of the Evolution Group set out below is provided for illustrative purposes only. The Evolution Group is Evolution and each of its Subsidiaries. This includes Evolution Mining Cowal (as defined below) and La Mancha Australia, but excludes Phoenix.

In addition, the pro-forma historical financial information of the Evolution Group has been presented in an abbreviated form insofar as it does not contain all disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Further information about the basis of preparation is set out below.

(1) Cowal Transaction

The pro-forma historical financial information of the Evolution Group is prepared based on the Cowal Balance Sheet as at 24 July 2015, the date of acquisition of the Evolution Mining (Cowal) Pty Ltd (formerly known as Barrick (Cowal) Pty Limited) (**Evolution Mining Cowal**) shares. The Cowal Balance Sheet is extracted from the unaudited management accounts as at 24 July 2015 provided to Evolution.

The historical financial information in respect of Evolution Mining Cowal has been prepared using the historical management accounts of Evolution Mining Cowal, adjusted to exclude those assets and liabilities that were not acquired by Evolution under the sale agreement in connection with the Cowal Transaction.

(2) La Mancha Transaction

The pro-forma historical financial information of the Evolution Group is prepared on the assumption that Evolution acquired the shares in La Mancha Australia on 30 June 2015. La Mancha's Balance Sheet is extracted from the unaudited management accounts as at 30 June 2015 provided to Evolution.

The historical financial information in respect of La Mancha Australia and its Subsidiary La Mancha Resources Australia Pty Ltd have been prepared using the historical management accounts for each of La Mancha Australia and La Mancha Resources Australia Pty Ltd, and adjusted to exclude those assets and liabilities that were not transferred in accordance with the Sale Agreement. As the transaction has only just completed on 24 August 2015, a Balance Sheet has not yet been prepared for the completion date.

(3) Evolution (standalone)

The Evolution information in the pro-forma consolidated statement of financial position for the Evolution Group is based on Evolution's full year financial statements as at 30 June 2015. The full year financial

statements were audited by PwC who issued an unqualified audit opinion. A copy of Evolution's financial statements can be found on its website: www.evolutionmining.com.au.

The historical financial information in respect of Evolution has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with its accounting policies, as set out in the financial report of Evolution for the full year ended 30 June 2015.

(b) **Pro forma Adjustments (Evolution Mining Cowal)**

The following pro forma adjustments have been made in preparing the Evolution Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) An increase in other financial assets of \$707.204 million representing the consideration paid for Evolution Mining Cowal at a purchase price of US\$550 million converted at an average hedge rate of \$0.7777. This was financed through a decrease in cash and cash equivalents of \$115.954 million and an increase in interest bearing liabilities of \$591.250 million (net of \$15.750 million capitalised borrowing costs). A decrease in Derivative financial instruments of \$6.762 million, with a corresponding reduction in reserves which represents the maturity of the foreign exchange contract hedging the final purchase consideration.
- (2) Recognition of the following consolidation adjustments:
 - (A) A decrease in other financial assets of \$707.204 million representing the elimination of investment in Evolution Mining Cowal.
 - (B) A reduction in issued capital of \$0.551 million representing the elimination of Evolution Mining Cowal issued capital.
 - (C) A reduction in accumulated earnings of \$507.259 million and a reduction in reserves of \$41.024 million representing the elimination of Evolution Mining Cowal pre-acquisition reserves.
 - (D) Recognition of an additional mine development asset of \$158.370 million arising from the acquisition of Evolution Mining Cowal (see section 4.6(c) below relating to acquisition accounting).
- (3) A decrease in cash and cash equivalents of \$30.968 million together with a corresponding increase in accumulated losses, representing an estimation of Evolution's costs associated with the La Mancha Transaction (including an estimate for stamp duty payable).

(c) **Acquisition accounting (Evolution Mining Cowal)**

Acquisition accounting will be applied in accordance with AASB3: Business Combinations. The financial information has been prepared on the assumption that the book value of assets (excluding mine development assets) and liabilities at 24 July 2015 reflected a reasonable approximation of their fair values. The difference between the fair value of the consideration payable by Evolution for the acquisition of Evolution Mining Cowal and the book value of the assets and liabilities of Evolution Mining Cowal has been treated as an increase in mine development assets and is illustrated in the table below.

	Carrying amounts of Net Assets \$'000	Equity Consideration Paid \$'000	Excess Consideration \$'000
Evolution Mining Cowal Assets	548,834	707,204	158,370

Goodwill is the potential residual amount that may arise after the comparison of the fair value of the purchase consideration with the fair value of the net identifiable assets (including contingent liabilities) acquired. Until a detailed valuation is completed it is difficult to ascribe a separate value to Goodwill. For the purposes of the pro-forma consolidated statement of financial position, Goodwill has not been separately identified from the Mine Development asset. However, this position will change once actual valuations are performed.

As the Cowal Transaction has completed, Evolution is currently undertaking a detailed valuation of the identifiable assets, liabilities and contingent liabilities of Evolution Mining Cowal to ascertain the appropriate allocation of this difference (if any). The tax carrying values of Evolution Mining Cowal's assets will also be required to be reset which Evolution currently expects will result in a net increase in the deferred tax liabilities of the Evolution Group. These adjustments will impact depreciation and amortisation charges in future financial periods. For the purposes of compiling the pro-forma consolidated statement of financial position of the Evolution Group an assumption has been made that a full tax step up in the tax cost base is available. As a result, no deferred tax liability has been recognised in the pro-forma consolidated statement of financial position for the Evolution Group. Due to the above, the actual impact of acquisition accounting will vary from that disclosed in the pro-forma consolidated statement of financial position for the Evolution Group set out above.

(d) Pro forma Adjustments (La Mancha Australia)

The following pro forma adjustments have been made in preparing the Evolution Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) A decrease in cash and cash equivalents of \$124.000 million together with a decrease in interest bearing liabilities of \$121.497 million, net of capitalised borrowing costs of \$2.503 million representing the repayment of the La Mancha Australia debt facility and expensing of capitalised borrowing costs.
- (2) A decrease in trade and other payables of \$0.241 million together with a corresponding increase in pre-acquisition losses of \$0.241 million. A decrease in redeemable preference shares of \$154.198 million, and an increase in issued capital of \$154.198 million to reflect the expected commitments by La Mancha Australia on completion balances under the La Mancha Transaction.
- (3) An increase in other financial assets of \$333.295 million together with an increase in issued capital of \$333.295 million representing the consideration paid for La Mancha Australia. This represents the equity consideration of 322.024 million Evolution Shares based on an Evolution Share price of \$1.035 on the date of completion.
- (4) Recognition of the following consolidation adjustments:
 - (A) A decrease in other financial assets of \$333.295 million, representing the elimination of investment in La Mancha Australia.
 - (B) A reduction in issued capital of \$269.274 million, representing the elimination of La Mancha Australia issued capital of \$115.076 million and elimination of capitalised redeemable preference shares of \$154.198 million.
 - (C) A reduction in accumulated losses of \$159.478 million, representing the elimination of La Mancha Australia pre-acquisition losses.

- (D) Recognition of an additional mine development asset of \$223.499 million arising from the acquisition of La Mancha Australia (see section 4.6(e) below relating to acquisition accounting).
- (5) An increase in both cash and cash equivalents and issued capital of \$111.468 million, representing the issue of additional Evolution Shares.
- (6) A decrease in cash and cash equivalents of \$27.846 million together with a corresponding increase in accumulated losses, representing an estimation of Evolution's costs associated with the La Mancha Transaction (including an estimate for stamp duty payable).

(e) **Acquisition accounting (La Mancha Australia)**

Acquisition accounting will be applied in accordance with AASB3: Business Combinations. The financial information has been prepared on the assumption that the book value of assets (excluding mine development assets) and liabilities at 30 June 2015 reflected a reasonable approximation of their fair values. The difference between the fair value of the consideration payable by Evolution for the acquisition of La Mancha Australia and the book value of the assets and liabilities of La Mancha Australia has been treated as an increase in mine development assets and is illustrated in the table below.

	Carrying amounts Net Assets \$'000	of Equity Consideration Paid \$'000	Excess Consideration \$'000
La Mancha Australia Assets	109,796	333,295	223,499

Goodwill is the potential residual amount that may arise after the comparison of the fair value of the purchase consideration with the fair value of the net identifiable assets (including contingent liabilities) acquired. Until a detailed valuation is completed it is difficult to ascribe a separate value to Goodwill. For the purposes of the pro-forma consolidated statement of financial position, Goodwill has not been separately identified from the Mine Development asset. However, this position will change once actual valuations are performed.

As the La Mancha Transaction has completed, Evolution is currently undertaking a detailed valuation of the identifiable assets, liabilities and contingent liabilities of La Mancha Australia to ascertain the appropriate allocation of this difference (if any). The tax carrying values of the La Mancha Australia assets will also be required to be reset which Evolution currently expects will result in a net increase in the deferred tax liabilities of the Evolution Group. These adjustments will impact depreciation and amortisation charges in future financial periods. For the purposes of compiling the pro-forma consolidated statement of financial position of the Evolution Group an assumption has been made that a full tax step up in the tax cost base is available. As a result, no deferred tax liability has been recognised in the pro-forma consolidated statement of financial position for the Evolution Group. Due to the above, the actual impact of acquisition accounting will vary from that disclosed in the pro-forma consolidated statement of financial position for the Evolution Group set out above.

Evolution Mining pro forma consolidated statement of financial position					
	Evolution	Cowal	La Mancha	Total Adjustments	EVN - Cowal - La Mancha Combined
	30-Jun-15	24-Jul-15	30-Jun-15		
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	205,788	197	10,257	(187,300)	28,942
Trade and other receivables	10,514	3,706	2,086	-	16,306
Inventories	66,496	110,405	23,296	-	200,197
Derivative financial instruments	6,762	-	5,465	(6,762)	5,465
Other assets	-	-	333	-	333
Total current assets	289,560	114,308	41,437	(194,062)	251,243
Non-current assets					
Inventories	827	131,283	-	-	132,110
Other financial assets	6,516	-	-	-	6,516
Property, plant and equipment	470,522	290,780	116,847	-	878,149
Mine development and exploration	544,733	111,080	125,441	381,869	1,163,123
Derivative financial instruments	-	-	2,796	-	2,796
Other non-current assets	80	-	50	-	130
Total non-current assets	1,022,678	533,143	245,134	381,869	2,182,824
Total assets	1,312,238	647,451	286,571	187,807	2,434,067
Current liabilities					
Trade and other payables	55,702	28,492	28,490	(241)	112,443
Interest bearing liabilities	17,391	-	124,895	(121,497)	20,789
Derivative financial instruments	-	-	-	-	-
Provisions	22,832	8,033	4,940	-	35,805
Total current liabilities	95,925	36,525	158,325	(121,738)	169,037
Non-current liabilities					
Interest bearing liabilities	6,525	-	2,383	591,250	600,158
Derivative financial instruments	-	-	62	-	62
Deferred tax liabilities	-	1,852	-	-	1,852
Provisions	85,228	60,240	13,743	-	159,211
Redeemable preference shares	-	-	154,198	(154,198)	-
Total non-current liabilities	91,753	62,092	170,386	437,052	761,283
Total liabilities	187,678	98,617	328,711	315,314	930,320
Net assets	1,124,560	548,834	(42,140)	(127,507)	1,503,747
Equity					
Issued capital	1,292,620	551	115,076	329,136	1,737,383
Reserves	27,446	41,024	-	(47,786)	20,684
Accumulated (losses)/ earnings	(195,506)	507,259	(157,216)	(408,857)	(254,320)
Total equity	1,124,560	548,834	(42,140)	(127,507)	1,503,747

4.7 Historical financial information

The historical financial information set out below for Evolution is extracted from Evolution's full year financial statements as at 30 June 2015 and 30 June 2014 (prior to the acquisition of Evolution Mining Cowal and La Mancha Australia). These full year financial statements were audited by PwC who issued an unqualified audit opinion. A copy of Evolution's financial statements can be found on its website: www.evolutionmining.com.au.

The historical financial information in respect of Evolution has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with its accounting policies, as set out in the financial reports of Evolution for the full year ended 30 June 2015 and 30 June 2014.

Group Key metrics – for the year ended	30 June 2015	30 June 2014
	\$'000	\$'000
Total UG ore mined (kt)	920	829
Total lateral development (m)	11,179	11,083
OP ore mined (kt)	6,306	6,631
OP waste mined (kt)	22,950	18,127
Processed tonnes (kt)	7,932	7,720
Gold equivalent grade processed (g/t)	1.94	1.98
Gold equivalent production (oz)	437,570	427,703
Unit cash operating cost (A\$/oz)	711	781
All in sustaining costs (A\$/oz)	1,036	1,083

Financial Position – for the year ended	30 June 2015	30 June 2014
	\$'000	\$'000
Current Assets	289,560	123,643
Non-Current Assets	1,022,678	985,880
Total Assets	1,312,238	1,109,523
Current Liabilities	95,925	105,220
Non-Current Liabilities	91,753	218,999
Total Liabilities	187,678	324,219
Net Assets	1,124,560	785,304
Total Equity	1,124,560	785,304

Financial Summary – for the year ended	30 June 2015	30 June 2014
	\$'000	\$'000
Total Revenue	665,958	634,420
Cost of Sales (excluding D&A)	(360,525)	(397,060)
Corporate, Admin, Exploration and other costs	(33,141)	(29,803)
Underlying EBITDA	266,357	207,556
Depreciation and Amortisation (D&A)	(152,721)	(143,824)
Underlying EBIT	113,636	63,732
Net interest expense	(7,586)	(13,715)
Underlying tax expense	0	0
Underlying Net Profit	106,050	50,017
Acquisition and integration costs	(5,935)	0
Reported Net Profit/(Loss)	100,115	50,017
Cash flow from operating activities	284,737	202,197

4.8 Publicly available information about Evolution

Evolution is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Evolution is subject to the Listing Rules which require continuous disclosure of any information Evolution has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

As Evolution is offering Evolution Shares as part of the Offer Consideration for the acquisition of Phoenix Shares under the Takeover Bid, the Corporations Act requires that this Bidder's Statement must include all material that would be required for a prospectus for an offer of Evolution Shares under sections 710 to 713 of the Corporations Act.

By virtue of section 710 of the Corporations Act, this Bidder's Statement is required to contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the rights and liabilities attaching to the Evolution Shares to be issued pursuant to the Takeover Bid; and
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Evolution.

A summary of the rights and liabilities attaching to Evolution Shares is set out in section 5.4 of this Bidder's Statement.

Evolution's annual report to shareholders for the year ended 30 June 2014 was lodged with ASIC and ASX on 24 October 2014 (**Annual Report**). The Annual Report includes the directors' report, remuneration report and auditor's independence declaration, statements of comprehensive income, financial position, changes in equity and cash flows, comprehensive notes to the financial statements and an independent auditor's report. Evolution's annual financial report for the year ended 30 June 2015 was lodged with ASIC and ASX on 27 August 2015.

Pursuant to section 712 of the Corporations Act, this Bidder's Statement incorporates by reference the Annual Report and all continuous disclosure notices given by Evolution to the ASX since 24 October 2014. A list of continuous disclosure notices given by Evolution to the ASX since 24 October 2014 is set out in Attachment 2.

Phoenix Shareholders may call the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between

8.30am to 5.30pm (Sydney time) to obtain a copy, free of charge during the bid period and within 2 business days of the request, of:

- the most recent annual financial report lodged with ASIC by Evolution before lodgement of this Bidder's Statement with ASIC;
- any half-year financial report lodged with ASIC by Evolution after the lodgement of that annual financial report for Evolution referred to above and before lodgement of this Bidder's Statement with ASIC; and
- any continuous disclosure notice given to ASX by Evolution since the lodgement with ASIC of that annual financial report for Evolution referred to above and before lodgement of this Bidder's Statement with ASIC.

ASX maintains files containing publicly disclosed information about all listed companies. Evolution's file is available for inspection at ASX during normal business hours.

In addition, Evolution is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Evolution may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Evolution is available in electronic form from www.evolutionmining.com.au.

There is no other information, other than as set out elsewhere in this Bidder's Statement, which investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the rights and liabilities attaching to the Evolution Shares to be issued pursuant to the Takeover Bid; or
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Evolution.

This Bidder's Statement contains details specific to the issue of Evolution Shares. If Phoenix Shareholders require further information in relation to Evolution, Evolution recommends that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

4.9 Announcement by Evolution in relation to the Offer

On 20 August 2015, Evolution made a public announcement to ASX in relation to the Offer. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

5 Information on Evolution's securities

5.1 Evolution issued securities

As at the date of this Bidder's Statement, Evolution's issued securities consisted of:

- 1,440,574,887 Evolution Shares;
- 7,649,738 Evolution Options; and
- 25,413,119 Evolution Performance Rights.

5.2 Recent trading of Evolution Shares

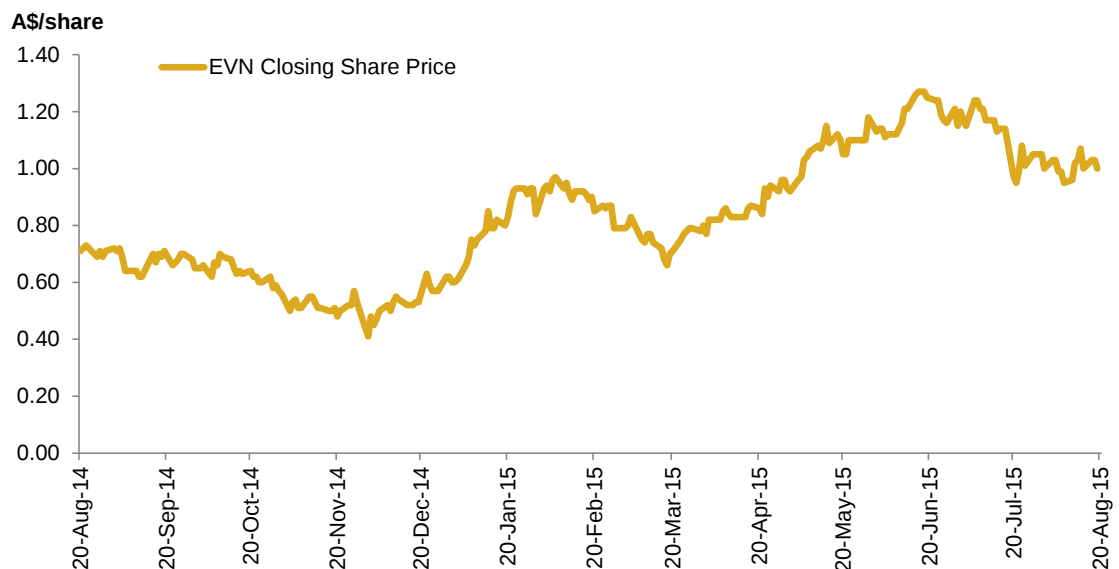
The latest recorded sale price of Evolution Shares on ASX before the Announcement Date was A\$1.000 as at close of trading on ASX on 19 August 2015.

The latest recorded sale price of Evolution Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was A\$1.15.

The highest recorded sale price of Evolution Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was A\$1.305.

The lowest recorded sale price of Evolution Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was A\$0.89.

The following chart shows the last sale price of Evolution Shares on ASX in the 12 months prior to the Announcement Date.



Notes:

Share price chart adjusted for rights issue announced by Evolution on 25 May 2015

5.3 Dividend history

Evolution's dividend history over the last 3 full financial years is summarised in the following table.

Ex Date	Amount	Franking	Record Date	Payment Date
03-Sep-2015	0.0100	0%	07-Sep-2015	02-Oct-2015
25-Feb-2015	0.0100	0%	27-Feb-2015	27-Mar-2015
05-Sep-2014	0.0100	0%	09-Sep-2014	03-Oct-2014
04-Mar-2014	0.0100	0%	11-Mar-2014	26-Mar-2014
05-Sep-2013	0.0100	0%	11-Sep-2013	26-Sep-2013

The Evolution Board has adopted a dividend policy of, whenever possible, paying a half-yearly dividend equivalent to 2% of sales revenue.

5.4 Rights and liabilities attaching to Evolution Shares

(a) Introduction

The Evolution Shares issued as part of the Offer Consideration under the Offer will be issued fully paid and will rank equally for dividends and other rights in all respects with all existing Evolution Shares from the date of issue.

Evolution will apply for the Evolution Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement. Quotation of these Evolution Shares will not be automatic but will depend on the ASX exercising its discretion. However, as Evolution is already admitted to the official list of the ASX and Evolution Shares in the same class as to those to be issued under the Offer are already quoted, Evolution believes quotation of the new Evolution Shares will be granted. In accordance with the Corporations Act, the quotation of the Evolution Shares to be issued under the Offer is a condition to the Offer under section 13.11 of this Bidder's Statement.

Since the Evolution Shares issued as part of the Offer Consideration under the Offer will be issued credited as fully paid, no monetary liability attaches to them.

The rights and liabilities attaching to the Evolution Shares which will be issued as part of the Offer Consideration under the Offer are set out in Evolution's constitution and in the Corporations Act. Under section 140(1) of the Corporations Act, the constitution of Evolution has effect as a contract between Evolution and each member and between a member of Evolution and each other member. Accordingly, if you accept the Offer and are issued Evolution Shares you will, as a result, become liable to comply with the constitution of Evolution.

The main rights and liabilities attaching to the Evolution Shares are summarised below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Evolution Shareholders.

(b) Meetings of shareholders

A general meeting may be called by a directors' resolution or as otherwise provided in the Corporations Act.

No business may be transacted at a general meeting, except the election of a chairperson and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business. Quorum at general

meetings is 5 or more members present at the meeting and entitled to vote on a resolution at the meeting.

(c) **Voting rights**

Subject to Evolution's constitution and any rights or restrictions attached to any Evolution shares or class of Evolution shares, at a general meeting:

- (1) on a show of hands, every member present has one vote; and
- (2) on a poll, every member present has one vote for each share held by the member entitling the member to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.

Each member entitled to vote at a general meeting may vote in person (or, where a member is a body corporate, by its representative), by not more than 2 proxies or by not more than 2 attorneys.

(d) **Dividends**

Subject to any rights or restrictions attached to any Evolution shares or class of shares:

- (1) all dividends must be paid equally on all Evolution shares, except that a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid (not credited) on the share is of the total amounts paid and payable (excluding amounts credited) (unless the directors decide otherwise, an amount paid on a share in advance of a call is to be taken as not having been paid until it becomes payable); and
- (2) interest is not payable by Evolution on any dividend.

In relation to Evolution's dividend policy, the Evolution Board has approved the implementation of a Dividend Reinvestment Plan that allows shareholders to elect to reinvest all or part of any dividends payable on their Evolution shares to acquire additional Evolution shares.

(e) **Non-marketable parcels**

The Evolution Directors may sell Evolution shares which constitute less than a marketable parcel by following the procedure set out in Evolution's constitution.

(f) **Transfer of shares**

Subject to Evolution's constitution and to any restrictions attached to a member's shares, Evolution shares are freely transferable.

(g) **Winding up**

Subject to Evolution's constitution and the rights or restrictions attached to any Evolution shares or class of Evolution shares, if Evolution is wound up and the property of Evolution available for distribution among the members is more than sufficient to pay all of Evolution's debts and liabilities and the costs, charges and expenses of the winding up, the excess must be divided among the members in proportion to the number of Evolution shares held by them, irrespective of the amounts paid or credited as paid on the Evolution shares.

If Evolution is wound up, the liquidator may, with the sanction of a special resolution, divide among the members the whole or any part of Evolution's property and decide how the division is to be carried out as between the members or different classes of members.

The liquidator may, with the sanction of a special resolution, vest the whole or any part of Evolution's property in a trustee on trust for the members of Evolution.

(h) **Issue of further shares**

Subject to Evolution's constitution, the Evolution directors may issue, allot or grant options for, or otherwise dispose of, shares in Evolution and decide the persons to whom and the terms on which shares are issued or options are granted as well as the rights and restrictions attached to those shares or options.

(i) **Variation of rights**

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the shares of the class or by a special resolution passed at a separate meeting of the holders of shares of the class. Any variation of rights shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act.

The provisions of Evolution's constitution relating to general meetings apply, with necessary changes, to separate class meetings as if they were general meetings except that a quorum is two persons holding at least one-third of the issued shares of the class or, if there is one holder of shares in a class, that person.

The rights conferred on the holders of any class of Evolution shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

(j) **Directors**

Evolution must have a minimum of three directors. The maximum number of directors is to be fixed by the directors, but may be no more than nine (unless Evolution in general meeting resolves otherwise). The directors must not determine a maximum number of directors which is less than the number of directors in office at the time the determination takes effect.

5.5 Evolution Options

Each Evolution option confers on its holder the right to subscribe for one Evolution Share at a specified exercise price (**Evolution Option**).

All of the existing Evolution Options were issued under either:

- Evolution's Employee Share Option and Performance Rights Plan (**ESOP**) which was first approved at Evolution's annual general meeting on 23 November 2010; or
- Evolution's Employees and Contractors Option Plan (**ECOP**) which was approved at Evolution's annual general meeting on 27 November 2008. No further Evolution Options will be issued under the ECOP.

Number of Evolution Options	Exercise price	Expiry date	Details of issue	Currently exercisable?
46,786	\$1.822	25/11/2015	Issued under the ECOP	Yes
582	\$1.782	25/11/2015	Issued under the ECOP	Yes
1,405	\$1.860	25/11/2015	Issued under the ECOP	Yes
42,097	\$1.936	25/11/2015	Issued under the ECOP	Yes
58,766	\$1.879	25/11/2015	Issued under the ECOP	Yes
32,117	\$2.072	25/11/2015	Issued under the ECOP	Yes
200,042	\$1.802	25/11/2015	Issued under the ECOP	Yes

Number of Evolution Options	Exercise price	Expiry date	Details of issue	Currently exercisable?
53,902	\$1.4722	25/11/2015	Issued under the ECOP	Yes
20,523	\$2.072	18/11/2016	Issued under the ECOP	Yes
32,432	\$2.412	18/11/2016	Issued under the ECOP	Yes
488,652	Sub Total			
165,000	\$1.400	6/10/2015	Issued under the ESOP	Yes
582,141	\$1.472	25/11/2015	Issued under the ESOP	Yes
53,902	\$1.472	25/11/2015	Issued under the ESOP	Yes
582	\$1.782	25/11/2015	Issued under the ESOP	Yes
6,290	\$1.782	25/11/2016	Issued under the ESOP	Yes
200,042	\$1.802	25/11/2015	Issued under the ESOP	Yes
1,560,450	\$1.802	25/11/2016	Issued under the ESOP	Yes
46,786	\$1.822	25/11/2015	Issued under the ESOP	Yes
505,291	\$1.822	25/11/2016	Issued under the ESOP	Yes
600,000	\$1.840	25/11/2016	Issued under the ESOP	Yes
1,405	\$1.860	25/11/2015	Issued under the ESOP	Yes
58,766	\$1.879	25/11/2015	Issued under the ESOP	Yes
634,672	\$1.879	25/11/2016	Issued under the ESOP	Yes
555,000	\$1.880	1/4/2016	Issued under the ESOP	Yes
15,172	\$1.860	22/11/2016	Issued under the ESOP	Yes
42,097	\$1.936	25/11/2015	Issued under the ESOP	Yes
454,645	\$1.936	25/11/2016	Issued under the ESOP	Yes
32,117	\$2.072	25/11/2015	Issued under the ESOP	Yes
346,865	\$2.072	25/11/2016	Issued under the ESOP	Yes
242,168	\$2.072	18/11/2016	Issued under the ESOP	Yes
675,000	\$2.130	25/11/2015	Issued under the ESOP	Yes
382,695	\$2.412	18/11/2016	Issued under the ESOP	Yes
7,161,086	Sub Total			
7,649,738	Total			

5.6 Evolution Performance Rights

Each Evolution performance right confers on its holder the right to acquire one Evolution Share for a nil subscription price, subject to vesting conditions which are set out in the following table (**Evolution Performance Right**).

Performance target	Description	Weighting for FY14 grants	Weighting for FY15 grants	Weighting for FY16 grants
TSR Performance	Evolution's relative total shareholder return (TSR) measured against the TSR for a peer company group of 20 comparator gold mining companies (Peer Group)	33.33%	25%	25%
Absolute TSR performance	Evolution's absolute TSR return	33.33%	25%	25%
Growth in Earnings Per Evolution Share	Growth in Evolution's earnings per Evolution Share	33.33%	25%	25%
Increase Ore Reserves per Evolution Share	Increasing the Ore Reserves per Evolution Share over a 3 year period	-	25%	25%

Upon vesting of an Evolution Performance Right, the holder is immediately issued with one Evolution Share. All of the existing Evolution Performance Rights were issued under the ESOP.

Grant date	Number of Evolution Performance Rights	Expiry date
FY14 granted on 30/8/2013 and 20/01/2014	8,048,825	30 June 2016
FY15 granted on 3/9/2014 and 8/01/2015	9,827,098	30 June 2017
FY16 granted on 09/09/2015	7,537,196	30 June 2018
Total	25,413,119	

5.7 Substantial holders in Evolution Shares

As at the close of trading on 10 September 2015, Evolution has been notified that the following persons have a Substantial Holding of 5%, or more, of Evolution Shares:

Substantial holder	Voting power
La Mancha Group International BV	31.0%
Evolution Mining Limited and each of its Subsidiaries ¹⁷	22.4%
Van Eck Associates Corporation	9.5%

¹⁷ Evolution Mining Limited and each of its Subsidiaries have a Relevant Interest in 322,023,765 of the Evolution Shares (for the purpose of section 671B of the Corporations Act only) as a result of certain equity lock-up arrangements in connection with the La Mancha Transaction. Further details of the equity lock-up arrangements which confer those interests are described in section 10.2(a) of Evolution's explanatory memorandum dated 23 June 2015 and Evolution's Form 603 released to the ASX on 26 August 2015.

6 Profile of Phoenix and the Phoenix Group

6.1 Overview of Phoenix

Phoenix is an Australian mining, exploration and development company with an extensive tenement holding located northwest of Kalgoorlie in Western Australia. Phoenix is listed on the ASX.

Phoenix's aim is to grow a significant gold company through exploration and the development of a sustainable production profile. Phoenix has defined Mineral Resources of 4.02moz¹⁸ and Ore Reserves of 1.16moz¹⁹. Its primary asset is the Castle Hill Project.

A brief summary of Phoenix's principal projects is set out below.

(a) **Castle Hill Project**

The Castle Hill Project is located approximately 50km northwest of Kalgoorlie. The Castle Hill Project consists of multiple deposits within a 9km long tonalite stockwork. The Castle Hill Project is near surface, free milling with excellent metallurgical recoveries and comprises complementary large tonnage base-load style mineralisation adjacent to high grade shear hosted lodes.

Castle Hill Stage 1

Certain of the Castle Hill Project tenements and resources are subject to a Licence to Mine and Ore Sale Deed with Norton Gold Fields Limited (**Norton**) which is currently in the final stages of negotiation.

Under the terms of the draft Licence to Mine and Ore Sale Deed, Norton has the right to provide the final mine design and ore schedule and is required to fund development, mining, hauling and milling costs in relation to the development. Phoenix is entitled to receive 50% of the surplus cash flow from the project.

(b) **Heap Leach Project**

The Castle Hill Project area can generate over 2Mtpa Heap Leach feed in addition to the mill feed with mining cost of the Heap Leach ore covered by the mill feed ore. Phoenix completed an initial study in relation to the Heap Leach Project as part of a Bankable Feasibility Study in 2014.

(c) **Zuleika Shear Exploration**

Phoenix has an extensive tenement holding along the Zuleika shear which has both open pit and underground development potential. The project area includes the Broads Dam, Blue Funnel and Red Dam projects located 15 kilometres east of Castle Hill. The Zuleika Shear is renowned for hosting multi-million ounce gold deposits. The project area contains known gold resources and several shallow oxide open pits which were mined in the 1980s and early 1990s. Significantly, the area lacks recent exploration as tenure was fractured after mining ceased and ownership of the tenements was divided between several companies.

¹⁸As announced by Phoenix to the ASX on 14 and 19 January 2015 and included in the Phoenix presentation titled 'Diggers and Dealers Presentation 2015' and released to the ASX on 4 August 2015.

¹⁹As announced by Phoenix to the ASX on 4 February 2014 and included in the Phoenix presentation titled 'Diggers and Dealers Presentation 2015' and released to the ASX on 4 August 2015.

6.2 Phoenix's Mineral Resources and Ore Reserves

Phoenix's 2015 Ore Reserve Statements are shown below²⁰.

Project (Mill Feed)	Cut-Off (g/t)	Proved			Probable			Total Reserve		
		Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Castle Hill (Stage 1)	0.8	-	-	-	10.68	1.71	588	10.68	1.71	588
Kintore (Castle Hill Stage 2)	0.8	-	-	-	2.00	1.33	86	2.00	1.33	86
Red Dam	1.0	-	-	-	1.60	2.19	111	1.60	2.19	111
Kunanalling	0.9	0.35	2.09	24	0.02	1.63	1	0.37	2.07	25
Ora Banda	0.8	-	-	-	0.58	2.33	44	0.58	2.33	44
Carbine	1.0	-	-	-	0.40	1.70	24	0.40	1.70	24
Total		0.35	2.09	24	15.28	1.74	854	15.63	1.75	878

Project (Heap Leach Feed)	Cut-Off (g/t)	Proved			Probable			Total Reserve		
		Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Castle Hill	0.4-08	-	-	-	12.16	0.58	227	12.16	0.58	227
Kintore (Castle Hill Stage 2)	0.4-08	-	-	-	2.60	0.54	46	2.60	0.54	46
Stockpiles	-	-	-	-	0.20	1.10	7	0.20	1.10	7
Total					14.96	0.58	280	14.96	0.58	280

²⁰ As announced by Phoenix to the ASX on 4 February 2014 and included in the Phoenix presentation titled 'Diggers and Dealers Presentation 2015' and released to the ASX on 4 August 2015.

Phoenix's 2015 Mineral Resource Statements are shown below²¹.

Project (Mill Feed)	Measured			Indicated			Inferred			Total Resource		
	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Mick Adams / Wadi	-	-	-	18.09	1.5	894	6.39	1.3	274	24.48	1.5	1,168
Kintore	-	-	-	3.03	1.6	160	4.21	1.8	239	7.24	1.7	399
Castle Hill Stage 3	-	-	-	2.38	1.4	109	1.36	1.3	59	3.74	1.4	168
Red Dam	-	-	-	2.05	2.1	140	1.04	2.2	74	3.09	2.2	214
Broads Dam	-	-	-	0.13	2.9	12	2.16	2.3	158	2.29	2.3	170
Burgundy	0.49	2.0	31	0.40	2.3	29	0.09	1.5	4	0.98	2.0	65
Kunanalling	-	-	-	0.46	2.4	35	4.12	1.7	229	4.58	1.8	264
Ora Banda	-	-	-	2.36	2.0	149	2.79	1.8	163	5.15	1.9	312
Carbine	-	-	-	1.70	1.6	86	0.21	2.1	14	1.91	1.6	100
Zuleika North	-	-	-	-	-	-	0.62	2.5	49	0.62	2.5	49
Stockpiles	-	-	-	0.08	1.4	4	-	-	-	0.08	2.5	4
Total	0.49	2.0	31	30.68	1.6	1,618	22.99	1.7	1,263	54.16	1.7	2,913

Project (Heap Leach Feed)	Measured			Indicated			Inferred			Total Resource		
	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Mick Adams / Wadi	-	-	-	21.54	0.6	400	10.98	0.6	198	32.52	0.6	598
Kintore	-	-	-	6.68	0.6	131	7.87	0.6	156	14.55	0.6	287
Castle Hill Stage 3	-	-	-	3.80	0.6	68	2.01	0.6	36	5.81	0.6	104
Burgundy	1.04	0.6	22	0.86	0.6	18	0.22	0.6	4	2.12	0.6	44
Red Dam	-	-	-	1.89	0.7	44	0.97	0.7	23	2.86	0.7	67
Stockpiles	-	-	-	0.48	0.6	9	-	-	-	0.48	0.6	9
Total	1.04	0.6	22	35.25	0.6	670	22.05	0.6	417	58.34	0.6	1,109

6.3 Phoenix Directors

The Phoenix Directors as at the date of this Bidder's Statement are as follows.

- (a) Dale Rogers BEng (Mining) (Hons) – Executive Chairman
- (b) Stuart Hall BSc (Geology) – Non-Executive Director
- (c) Ian Gregory BBus – Non-Executive Director and Company Secretary

6.4 Publicly available information about the Phoenix Group

Phoenix is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Phoenix is subject to the Listing Rules which require continuous disclosure of any information Phoenix has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. The Phoenix file is available for inspection at ASX during normal business hours.

²¹As announced by Phoenix to the ASX on 14 and 19 January 2015 and included in the Phoenix presentation titled 'Diggers and Dealers Presentation 2015' and released to the ASX on 4 August 2015.

In addition, Phoenix is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Phoenix may be obtained from, or inspected at, an ASIC office.

This section 6 includes statements which have been made in, or based on statements made in, documents lodged by Phoenix with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, Phoenix is not required to consent to, and has not consented to, the inclusion of these statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge during the bid period and within 2 business days of the request, please contact the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time). Calls to these numbers may be recorded.

Further information relating to Phoenix may also be included in Phoenix's target's statement. In addition, a substantial amount of information about Phoenix is available in electronic form from: www.phoenixgold.com.au.

7 Information on Phoenix's securities

7.1 Phoenix's issued securities

According to documents provided by Phoenix to ASX, as at the date of this Bidder's Statement, Phoenix's issued securities consisted of:

- 470,087,333 Phoenix Shares²²; and
- 11,250,000 Phoenix Options, with the following details:
 - 4,875,000 options exercisable at A\$0.33 on or before 10 June 2016²³; and
 - 6,375,000 options exercisable at A\$0.15 on or before 27 November 2017²⁴.

7.2 Phoenix Options

(a) Details of Phoenix Options

According to documents provided by Phoenix to ASX, the Phoenix Options were issued in accordance with Phoenix's Employee Share Option Plan (as approved by shareholders on 30 November 2011).

(b) Treatment of Phoenix Options under the Offer

Phoenix Option holders may exercise their Phoenix Options and accept the Offer in respect of the Phoenix Shares issued.

Evolution is not offering to acquire the Phoenix Options under the Offer and will not make any separate offers to acquire the Phoenix Options.

Under the rules of Phoenix's Employee Share Option Plan provided by Phoenix to Evolution, all of the Phoenix Options will immediately lapse 30 days after Evolution acquires a Relevant Interest in 90% of the Phoenix Shares.

In addition, under the rules of Phoenix's Employee Share Option Plan if, in the opinion of the Phoenix Board, a 'change of control event' (which includes the announcement of the Offer under the Takeover Bid) occurs, or is likely to occur, the Phoenix Board may declare all of the Phoenix Options to be free of any conditions of exercise and immediately exercisable. As at the date of this Bidder's Statement, as far as Evolution is aware:

- the Phoenix Board has not declared any of the Phoenix Options to be immediately exercisable; and
- all of the Phoenix Options are "out-of-the-money".

²² See Phoenix's Appendix 3B released to the ASX on 1 September 2015.

²³ See Phoenix's Appendix 3B released to the ASX on 1 September 2015.

²⁴ See Phoenix's Appendix 3B released to the ASX on 1 September 2015.

7.3 Substantial holders in Phoenix Shares

As at 10 September 2015, so far as is known to Evolution based on publicly available information lodged with ASX, the following persons have a Substantial Holding of 5%, or more, of Phoenix Shares:

Substantial holder	Voting power
Evolution Mining Limited	19.78%
Geologic Resource Partners LLC and related funds	9.03%
Norton Gold Fields Limited, Zijin Mining Group Co., Ltd and Jinyu (H.K) International Mining Company Limited	8.91%

7.4 Evolution's interests and dealings in Phoenix securities

(a) Evolution's interests in Phoenix Shares

As at the date of this Bidder's Statement [and the date of the Offer]:

- Evolution's voting power in Phoenix was 19.78%; and
- Evolution had a Relevant Interest in 93,000,000 Phoenix Shares.

(b) Evolution's dealings in Phoenix Shares

Neither Evolution nor any associate of Evolution has provided, or agreed to provide, consideration for a Phoenix Share under any purchase or agreement during the 4 months before the date of this Bidder's Statement [and the date of the Offer], except as described below.

Holder of Relevant Interest	Date of purchase	Type of purchase	Number of Phoenix Shares purchased	Purchase price per Phoenix Share	Total purchase price
Evolution Mining Limited	8 May 2015	Interest acquired pursuant to a share placement announced by Phoenix on 1 May 2015	44,000,000	\$0.075	\$3,300,000
	24 July 2015	On-market	49,000,000	\$0.12	\$5,880,000

(c) **Valuation of Evolution Shares for the purposes of the minimum bid price rule**

Evolution may rely on the provisions of ASIC Class Order CO 00/2338. That Class Order provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder up to five business days before the date of the takeover bid to value quoted securities that it is offering as part of its bid consideration, for the purpose of determining whether the value of Evolution's bid consideration at least equals the maximum value of consideration paid by Evolution for Phoenix Shares in the four months prior to the date of the Offer (described in section 7.4(b) above).

Relying on that relief, Evolution may value Evolution Shares to be provided under the Offer at any date nominated by Evolution (**Valuation Date**) up to five business days before the date of the Offer. The valuation is determined by calculating the VWAP of Evolution Shares in the ordinary course of trading on ASX during two full trading days before the Valuation Date.

Under section 621(4A) (as inserted in the Corporations Act by ASIC Class Order CO 00/2338) the following information is provided:

- Valuation of Evolution Shares under section 621(4A): \$[1.150] per Evolution Share
- Valuation Date: [10] September 2015
- Trading days on which valuation is based: [8] September 2015 and [9] September 2015

The value of the Offer Consideration per Phoenix Share for the purposes of section 621 of the Corporations Act using this valuation is therefore A\$[0.129] (being A\$[0.069] plus the cash component of the Offer Consideration of A\$0.06).

[This value exceeds the maximum value of consideration paid by Evolution for Phoenix Shares in the four months prior to the date of the Offer, described in section 7.4(b) above.]

Evolution Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly there is no guarantee that 0.06 Evolution Shares will continue to be worth equal to or above A\$0.06.

The highest and lowest closing prices of Evolution Shares on the ASX in the four months before the Valuation Date were A\$[1.265] and A\$[0.92] respectively.

7.5 Phoenix Directors' interests in Phoenix securities

So far as Evolution is aware based on publicly available information lodged on ASX, as at the date of this Bidder's Statement, the Phoenix Directors have the following interests in Phoenix securities.

Director	Class of security interest	Number	Nature of security interest
Dale Rogers	Phoenix Shares	7,033,335	33,335 Phoenix Shares held directly by Dale Rogers 5,600,000 Phoenix Shares held indirectly by Lesley Ann Thomson as trustee for the Phoenix Trust 700,000 Phoenix Shares held indirectly by Dale Rogers as trustee for the CWR Trust 700,000 Phoenix Shares held indirectly by Dale Rogers as trustee for the LAT Trust
	Phoenix Options	1,500,000	Phoenix Options exercisable at A\$0.15 on or before 27 November 2017
Stuart Hall	Phoenix Options	1,500,000	Phoenix Options exercisable at A\$0.15 on or before 27 November 2017
Ian Gregory	Nil	Nil	Nil

7.6 Recent share price performance of Phoenix

The latest recorded sale price of Phoenix Shares on ASX before the Announcement Date was A\$0.105 as at close of trading on ASX on 19 August 2015.

The latest recorded sale price of Phoenix Shares on ASX on the date before this Bidder's Statement was lodged with ASIC was A\$0.125.

7.7 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Evolution nor any associate of Evolution gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Phoenix Shares,

and which is not offered to all holders of Phoenix Shares under the Offer.

[During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Evolution nor any associate of Evolution gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Phoenix Shares,

and which is not offered to all holders of Phoenix Shares under the Offer.]

7.8 No escalation agreements

Neither Evolution nor any associate of Evolution has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8 Sources of consideration

8.1 Total consideration

The consideration for the acquisition of the Phoenix Shares to which the Offer relates will be satisfied partly by the issue of Evolution Shares and partly by the payment of cash.

The maximum number of Evolution Shares which would become payable under the Offer if acceptances are received in respect of Phoenix Shares on issue as at the date of this Bidder's Statement (other than those Phoenix Shares in which Evolution has a Relevant Interest) is approximately 22,625,240 Evolution Shares.

Evolution has the capacity to issue the maximum number of Evolution Shares which it may be required to issue under the Offer.

If acceptances are received for all Phoenix Shares on issue as at the date of this Bidder's Statement (other than those Phoenix Shares in which Evolution has a Relevant Interest), the amount of cash that Evolution would be required to pay under the Offer would be approximately A\$22,625,240.

In addition, if holders of all Phoenix Options on issue as at the date of this Bidder's Statement exercise those Phoenix Options and accept the Offer in respect of the Phoenix Shares issued to them, an additional A\$675,000 will be payable by Evolution under the Offer.

Accordingly, the maximum amount of cash that Evolution could be required to pay under the Offer is A\$23,300,240. In addition to the cash consideration there will be transaction costs.

8.2 Sources of cash consideration

The cash consideration payable under the Offer and transaction costs will be provided from Evolution's existing cash reserves. As at 31 August 2015, Evolution had cash holdings of approximately A\$84 million.

9 Evolution's intentions in relation to Phoenix

9.1 Introduction

The intentions of Evolution are set out in this section 9 of this Bidder's Statement. These intentions have been formed on the basis of facts and information concerning Phoenix, and the general business environment, which are known to Evolution at the time of preparing this Bidder's Statement. Final decisions will only be reached by Evolution in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 9 are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

9.2 Overview and rationale for the Offer

Evolution has recently acquired the Mungari Operations from La Mancha. The operations include the 1.5Mtpa Mungari processing plant, the adjacent high-grade Frog's Leg underground gold mine and the White Foil open pit gold mine.

The Phoenix tenement package immediately adjoins the Mungari gold operations. Many of the exploration targets developed by Phoenix, on its tenements, are geologically similar to the Frog's Leg mine and the White Foil mine. The close proximity of the Phoenix tenements to the Mungari processing plant creates the opportunity for numerous synergies.

Evolution is committed to building a long-term presence in this exciting region of Western Australia.

Evolution believes that in the current environment in which access to capital for junior mining companies is difficult, Phoenix Shareholders will benefit from being part of a larger Australian gold company that can accelerate unlocking the potential of the Phoenix tenements.

9.3 Intentions for Phoenix as a wholly-owned controlled entity

This section 9.3 describes Evolution's intentions if Evolution acquires a Relevant Interest in 90% or more of the Phoenix Shares, and so becomes entitled to proceed to compulsory acquisition of the outstanding Phoenix Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Evolution's current intentions are as follows:

(a) Corporate matters

Evolution intends to:

- proceed with compulsory acquisition of the outstanding Phoenix Shares in accordance with Part 6A.1 of the Corporations Act;
- arrange for Phoenix to be removed from the official list of ASX and converted into a private company; and
- replace all members of the Phoenix Board with its own nominees, whom it expects will be members of Evolution's executive management team.

(b) General operational review

After the end of the Offer Period, Evolution intends to conduct an immediate, broad-based review of Phoenix's operations on both a strategic and financial level with a view to integrating Phoenix's operations into Evolution's operational and corporate structure.

In the course of this review, Evolution intends to focus on a number of key specific areas including (but not limited to) the areas set out below.

- Closure of the Phoenix head office in Perth and the operational office in Kalgoorlie and integration of the activities and employees from

these offices into the Evolution office in Perth and at Mungari where appropriate. Integration of roles may involve some employee redundancies. Any employees that are made redundant as a result of the Takeover Bid would be paid their full entitlements, subject to the terms of their employment.

- Review of the Phoenix exploration database and expenditure requirements and integration with exploration activities at Mungari.
- Review of the Phoenix Mineral Resource and Ore Reserve estimates and the assumptions made in developing these estimates. It is expected that Evolution will re-estimate the Phoenix Mineral Resources and Ore Reserves using the same estimation practices and assumptions used by Evolution at its other projects.
- Continue to progress the Licence to Mine and Ore Sale Deed on the terms of the draft deed received by Evolution prior to the Announcement Date.
- Suspend activities related to the Phoenix Heap Leach project and a stringent review of the Phoenix Mineral Resource and Ore Reserves associated with the Heap Leach project.

9.4 Intentions for Phoenix as a part-owned controlled entity

This section 9.4 describes Evolution's intentions if Phoenix becomes a controlled entity of Evolution, but Evolution is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Evolution's current intentions are as follows:

(a) Corporate matters

After the end of the Offer Period, Evolution intends:

- (subject to the Corporations Act and the constitution of Phoenix) to seek to replace some of the members of the Phoenix Board with nominees of Evolution. Evolution would consider the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Phoenix Board. Replacement Phoenix Board members have not yet been finally decided by Evolution and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement Phoenix Board members will be members of the Evolution management team; and
- (subject to continued compliance by Phoenix with the Listing Rules) to maintain Phoenix's listing on the ASX (although Phoenix Shareholders should be aware that in this circumstance the liquidity of Phoenix Shares on ASX may be materially adversely affected).

It is possible that, even if Evolution is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act (for example, as a result of acquisitions of Phoenix Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act). If so, it intends to exercise those rights.

(b) General operational review

After the end of the Offer Period, Evolution intends to propose to the Phoenix Board that an immediate, broad-based review of Phoenix's operations be conducted on both a strategic and financial level, along similar lines to that described in section 9.3(b), including continuing to progress the Licence to Mine and Ore Sale Deed on the terms of the draft deed received by Evolution prior to the Announcement Date.

Evolution intends, subject to the approval of the Phoenix Board, to participate in this review.

(c) **Limitations in giving effect to intentions**

The ability of Evolution to implement the intentions set out in this section 9.4, will be subject to the legal obligations of the Phoenix Directors to have regard to the interests of Phoenix and all Phoenix Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. Evolution will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

9.5 Intentions for Phoenix if not controlled by Evolution

This section 9.5 describes Evolution's intentions if Phoenix does not become a controlled entity of Evolution.

In that circumstance, Evolution's current intentions are as follows:

(a) **Corporate matters**

After the end of the Offer Period, Evolution intends (subject to the Corporations Act and the constitution of Phoenix) to seek to replace some of the members of the Phoenix Board with nominees of Evolution. Evolution would consider the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Phoenix Board. Replacement Phoenix Board members have not yet been finally decided by Evolution and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement Phoenix Board members will be members of the Evolution management team.

(b) **General operational review**

After the end of the Offer Period, Evolution intends to propose to the Phoenix Board that an immediate, broad-based review of Phoenix's operations be conducted on both a strategic and financial level, along similar lines to that described in section 9.3(b), including continuing to progress the Licence to Mine and Ore Sale Deed on the terms of the draft deed received by Evolution prior to the Announcement Date.

Evolution intends, subject to the approval of the Phoenix Board, to participate in this review.

(c) **Limitations in giving effect to intentions**

The ability of Evolution to implement the intentions set out in this section 9.5, will be subject to the legal obligations of the Phoenix Directors to have regard to the interests of Phoenix and all Phoenix Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. Evolution will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

9.6 Other intentions

Subject to the matters described above in this section 9 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Phoenix's operations, it is the intention of Evolution, on the basis of the facts and information concerning Phoenix that are known to it and the existing circumstances affecting the assets and operations of Phoenix at the date of this Bidder's Statement, that:

- the business of Phoenix will be conducted in the same manner as at the date of this Bidder's Statement;
- there will be no redeployment of the fixed assets of Phoenix; and
- the present employees of Phoenix will continue to be employed by Phoenix.

10 Effect of the Offer on Evolution and the profile of the Merged Group

10.1 Introduction

This section 10 provides a description of the effect of the Offer on Evolution and a profile of the Merged Group, assuming that Phoenix becomes a wholly-owned subsidiary of Evolution. If Evolution does not acquire at least 90% of the Phoenix Shares during the Offer Period and therefore does not become entitled to compulsorily acquire the remainder of the Phoenix Shares, some of the benefits that would otherwise accrue to Evolution if Phoenix were to become a wholly-owned subsidiary of Evolution may not be fully realised.

10.2 Synergies

As described in section 9 of this Bidder's Statement, Evolution intends to conduct a review of Phoenix's operations on both a strategic and financial level with a view to integrating Phoenix's operations into Evolution's operational and corporate structure. This is likely to involve:

- closure of the Phoenix head office in Perth and relocation of the activities carried out in this office to Evolution's Perth office;
- closure of the Phoenix operational office in Kalgoorlie and relocation of the activities carried out in this office to Evolution's Mungari operation located 20km west of Kalgoorlie; and
- review of the Phoenix exploration database and expenditure requirements and integration with exploration activities at Mungari. Exploration efforts will be incorporated with the activities being undertaken on the Mungari tenements. Combining the exploration activities of these two adjacent land packages are expected to be material. By exploring the tenements on the basis of a single package, Evolution will be able to better prioritise exploration targets and potentially command better rates for exploration activities such as drilling and assaying.

Each of these activities is likely to identify synergies that will result in cost savings for the Merged Group.

10.3 Mineral Resources and Ore Reserves Information

As described in this Bidder's Statement, Evolution has total Mineral Resources of 12.7 million ounces of gold and total Ore Reserves of 5.2 million ounces of gold across its seven operations.²⁵

Phoenix has reported Mineral Resources of 4.0 million ounces of gold and has reported Ore Reserves of 1.2 million ounces of gold.²⁶ These numbers include 100% of the Castle Hill Stage 1 project which is the subject of the draft Licence to Mine and Ore Sale Deed, which, if agreed on the terms of the draft provided to Evolution prior to 20 August 2015, would see Phoenix retain a 50% economic interest in the project.

A simple addition of the currently reported Mineral Resources and Ore Reserves of the two companies gives combined Mineral Resources of 16.8 million ounces of gold and combined Ore Reserves of 6.4 million ounces of gold. However it should be noted that Evolution intends to re-estimate the Phoenix Mineral Resources and Ore Reserves using the same estimation practices and assumptions used by Evolution at its other projects.

²⁵ See section 4.3 of this Bidder's Statement for further information on Evolution's Mineral Resources and Ore Reserves. Mineral Resources are reported inclusive of Ore Reserves.

²⁶ See section 6.2 of this Bidder's Statement for further information on Phoenix's Mineral Resources and Ore Reserves.

This re-estimation process could lead to a decrease in the Phoenix Mineral Resources and Ore Reserves. Notably, Evolution intends to suspend activities related to the Phoenix Heap Leach project and conduct a stringent review of the Phoenix Mineral Resources and Ore Reserves associated with the Heap Leach project. This review process is expected to lead to a decrease in the Phoenix Mineral Resources and Ore Reserves.

10.4 Prospects of the Merged Group

The rationale for this Offer is to combine Evolution's Mungari Operations with the adjoining Phoenix tenement package. Many of the exploration targets developed by Phoenix, on its Tenements, are geologically similar to the deposits currently being mined at Mungari. The close proximity of the Phoenix Tenements to the newly built 1.5Mtpa Mungari processing plant creates the opportunity for numerous synergies.

Evolution is committed to building a long-term presence in the exciting region of Western Australia.

10.5 Pro forma financial information for the Merged Group

Pro forma financial statements have not been presented for Evolution (inclusive of Phoenix) on the basis that consolidation of the income and cash flow statements of Phoenix for the 12 months ended 30 June 2015 and the balance sheet of Phoenix as at 30 June 2015 will not have a material impact on Evolution's financial statements for the same period.

10.6 Forecast financial information for the Merged Group

Evolution does not ordinarily provide forecast financial information other than annual production and cost guidance (see section 4 of this Bidder's Statement). This is primarily due to the difficulty in forecasting commodity prices.

Evolution has given consideration as to whether a reasonable basis exists to produce reliable and meaningful information in relation to the Merged Group and has concluded that a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. This is mainly due to the fact that the Phoenix assets are at an early stage of development and a reasonable basis does not exist for forecasting production and cost guidance or financial information for these assets.

The Phoenix assets will form a small part of the Merged Group assets and are unlikely to have a material impact on Evolution's FY16 production and cost guidance.

11 Key risks associated with the Offer

11.1 Introduction

If the Offer becomes unconditional, Phoenix Shareholders who accept the Offer will become Evolution Shareholders,²⁷ and Evolution will acquire an interest in Phoenix. In that event, Phoenix Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Phoenix's assets and general economic, share market and industry risks. There are also additional risks relating to the Offer and the Merged Group, to which Phoenix Shareholders will be exposed through their holding of Evolution Shares.

11.2 General risks

(a) Economic conditions

Factors such as (but not limited to) political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on Evolution's operating costs, profit margins and share price. These factors are beyond the control of Evolution and Evolution cannot, to any degree of certainty, predict how they will impact on Evolution.

Prolonged deterioration in general economic conditions could potentially have an adverse impact on Evolution and its operations.

(b) Share market conditions

Share market conditions may affect the value of Evolution Shares regardless of Evolution's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular. Neither Evolution nor the Evolution Directors warrant the future performance of Evolution or any return on an investment in Evolution.

(c) Gold mining industry conditions

Evolution prepares its business plan using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the gold mining industry. Some of these risks are outlined below.

²⁷ If you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will not receive Evolution Shares as part of the Offer Consideration. Please see sections 12.11 and 13.7 of this Bidder's Statement for further details.

Fluctuations in the gold price and Australian dollar

Evolution's revenues are exposed to both fluctuations in the gold price and the Australian dollar. Volatility in the gold price and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar gold price fall.

Declining gold prices can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement and timing of open pit cut backs, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on Evolution's results of operations and financial condition.

Ore Reserves and Mineral Resources

The Merged Group's Ore Reserves and Mineral Resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, silver or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Merged Group's Mineral Resources constitute or will be converted into Ore Reserves.

Market price fluctuations of gold and silver as well as increased production and capital costs may render the Merged Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Merged Group to reduce its Ore Reserves and Mineral Resources, which could have a negative impact on its financial results and the expected operating life of its mines.

Replacement of depleted reserves

Evolution must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Exploration projects involve many risks and are frequently unsuccessful. There is no assurance that Evolution's current or future exploration programs will be successful. Also, if a discovery is made, it may take several years from the initial phases of drilling until production is possible.

There is a risk that depletion of reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The reserve base of the Merged Group may decline if reserves are mined without adequate replacement and the Merged Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Geological and geotechnical conditions

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, pit wall failures, rock bursts, seismicity and cave-ins. In any of these events, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or on-going unplanned capital expenditure in order to meet production targets.

Production and cost estimates

The ability of Evolution to achieve production targets, or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets

of the Merged Group, as any others, are subject to uncertainty with ore tonnes, grade, metallurgical recovery, geotechnical conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

Evolution prepares estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on Evolution's future cash flows, profitability, results of operations and financial condition.

Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade, metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Unforeseen production cost increases could result in Evolution not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Evolution's financial and operational performance.

Hedging risk

Evolution has hedging agreements in place for the forward sale of fixed quantities of gold production from its operations. There is a risk that Evolution may not be able to deliver the amount of gold required under its hedging arrangements if, for example, there is a production shortage. In this event, Evolution's financial performance may be adversely affected.

Under the hedging agreements, rising gold prices could result in part of Evolution's gold production being sold at less than the prevailing spot price at the time of sale.

Regulatory risks

Evolution's operations are subject to various Federal, State and local laws and plans including those relating to mining, prospecting, development, permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, land access, mine safety and occupational health.

Approvals, licences and permits required to comply with such rules may, in some instances, be subject to the discretion of the applicable government or government officials, and, in some cases, the local community. No assurance can be given that Evolution will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Evolution may be curtailed or prohibited from continuing or proceeding with production and exploration.

Water sources

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of Evolution's operations. There is no guarantee that there will be sufficient future rainfall to support Evolution's future water demands in relation to its sites and operations, and this could adversely affect production and Evolution's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that Evolution will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions.

Weather and climatic conditions

Some of Evolution's sites and operations may be subject from time to time to severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production.

Insurance risk

Evolution currently maintains insurance coverage. No assurance can be given that Evolution will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims.

Environmental risks

Mining and exploration can be potentially environmentally hazardous, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Evolution is subject to environmental laws and regulations in connection with its operations and could be subject to liability due to risks inherent in its activities, including unforeseen circumstances.

Community relations

Evolution has an established community relations function, both at a corporate level and at each of the operations. Evolution has developed a community engagement framework, including a set of principles, policies and procedures designed to provide a structured and consistent approach to community activities across our sites whilst recognising that, fundamentally, community relations is about people connecting with people. Evolution recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production and exploration activities.

11.3 Risks relating to the Offer and the Merged Group**(a) Issue of Evolution Shares as part of the Offer Consideration**

Phoenix Shareholders are being offered consideration under the Offer that includes a specified number of Evolution Shares, rather than a number of Evolution Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Evolution Shares.

(b) Integration risks

There are risks that any integration between the businesses of the Evolution Group and Phoenix Group may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible inability to achieve synergy benefits and cost savings.

(c) La Mancha shareholding

La Mancha has a relevant interest in Evolution of approximately 31%. As a result, while La Mancha does not control Evolution, it is able to vote the Evolution Shares it holds (subject to all applicable laws) in relation to matters requiring shareholder approval at a general meeting, including the election of directors, significant corporate transactions and certain issues of equity securities. In this regard, La Mancha's interests may not always be aligned with those of other Evolution Shareholders. La Mancha's interest in Evolution may also mean that its support for any proposal by a third party to acquire all of the shares in Evolution may potentially be important for that proposal to be successful. Further, it is possible that the presence of La Mancha as a substantial shareholder in Evolution may be perceived by the market as reducing the likelihood of a takeover of Evolution. This may potentially cause Evolution Shares to trade at a discount to the value at which they would trade if La Mancha did not hold its stake in Evolution. In addition, the sale of Evolution Shares in the future by La Mancha (after certain equity lock-up arrangements in relation to these Evolution Shares expire) may result in movements in the share price of Evolution Shares.

12 Additional information

12.1 FIRB Condition

In its announcement to the ASX on 20 August 2015 of its intention to make the Offer, Evolution included the FIRB Condition, which was to the effect that it receive a notice from the Treasurer of the Commonwealth of Australia that the Commonwealth Government does not object to the acquisition by Evolution of the Phoenix Shares under the Offer (**FIRB Approval**). Evolution announced to the ASX on 3 September 2015 that it had received FIRB Approval.

Accordingly, the Offer is no longer subject to the FIRB Condition.

12.2 La Mancha Transaction Condition

In its announcement to the ASX on 20 August 2015 of its intention to make the Offer, Evolution also included the La Mancha Transaction Condition, which was to the effect that it hold the legal and beneficial interest in all the shares in La Mancha Australia.

On 24 August 2015, Evolution announced to the ASX that it had completed the acquisition of La Mancha Australia from La Mancha. Accordingly, Evolution has withdrawn the La Mancha Transaction Condition and the Offer is no longer subject to the La Mancha Transaction Condition.

12.3 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

12.4 Consents

The following persons have given, and have not, before the date of this Bidder's Statement (being the date this Bidder's Statement is lodged with ASIC), withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are so named:

- (a) Link Market Services Limited as Evolution's share registrar for the Offer; and
- (b) Greenwoods & Herbert Smith Freehills as the preparer of the Tax Adviser's Report.

Greenwoods & Herbert Smith Freehills has given, and has not, before the date of this Bidder's Statement, withdrawn its consent to the inclusion of the Tax Adviser's Report in Attachment 3 and references to that report in the form and context in which they are so included in this Bidder's Statement and to the inclusion of its fees in section 12.8 of this Bidder's Statement in the form and context in which they are so included.

Other than as specifically outlined above, each party referred to in this section 12.4 has not caused or authorised the issue of this Bidder's Statement and does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

This Bidder's Statement also includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant

parts of the documents containing the statements, free of charge, during the bid period, and within 2 business days of the request, please contact the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time). Calls to these numbers may be recorded.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from IRESS, the ASX official website, Yahoo Finance and Trading Room without each party's consent.

12.5 Competent Person statement

(a) Competent Person statement – Cracow, Pajingo, Edna May, Mt Carlton and Mt Rawdon

The information in this Bidder's Statement that relates to Mineral Resources and Ore Reserves for Cracow, Pajingo, Edna May, Mt Carlton and Mt Rawdon is extracted from the report entitled "Annual Mineral Resources and Ore Reserves Statement" created on 14 May 2015 and is available to view at www.evolutionmining.com.au. Evolution confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Evolution confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

(b) Competent Person statement – Cowal

The information in this Bidder's Statement that relates to Mineral Resources and Ore Reserves for Cowal is extracted from the report entitled "Resources and Reserves increased at Cowal" released on 26 August 2015 and is available to view at www.evolutionmining.com.au. Evolution confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Evolution confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

(c) Competent Person statement – Mungari

The information in this Bidder's Statement that relates to Mineral Resources and Ore Reserves for Mungari (White Foil open pit and Frog's Leg underground) is extracted from the report entitled "Evolution to Combine with La Mancha Resources Australia to Form a Leading Growth-focused Australian Gold Producer" released to ASX on 20 April 2015 and is available to view at www.evolutionmining.com.au. Evolution confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Evolution confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

(d) **Competent Person statement – Twin Hills**

Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy has compiled the information within this Bidder's Statement that relates to Mineral Resources for Twin Hills. Mr Andrew is a full time employee of Evolution and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and consents to the inclusion of this information in the form and context in which it appears in this Bidder's Statement.

12.6 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

12.7 Disclosure of interests of certain persons

Other than as set out elsewhere in this Bidder's Statement no:

- director or proposed director of Evolution;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Evolution; or
- underwriter to the issue of Evolution Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Evolution Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Evolution;
- property acquired or proposed to be acquired by Evolution in connection with its formation or promotion, or the offer of Evolution Shares under the Offer; or
- the offer of Evolution Shares under the Offer.

12.8 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of Evolution to induce them to become, or to qualify as, a director of Evolution; or
- for services provided by an Interested Person in connection with the formation or promotion of Evolution or the offer of Evolution Shares under the Offer.

Greenwoods & Herbert Smith Freehills has prepared the Tax Adviser's Report in relation to the Takeover Bid. Greenwoods & Herbert Smith Freehills has received or will receive legal fees of approximately A\$8,000 (excluding disbursements and GST) for these services up to the date of this Bidder's Statement.

12.9 Disclosure of interests of directors

(a) Interests in Evolution securities

As at the date of this Bidder's Statement, the Evolution Directors have the following Relevant Interests in Evolution securities:

Director	Evolution Shares	Evolution Options	Evolution Performance Rights
Jacob Klein	7,735,619	4,677,436	5,872,314 ²⁸
Lawrie Conway	138,462	-	871,579 ²⁹
James Askew	669,231	488,651	-
Graham Freestone	97,473	-	-
Colin Johnstone	93,554	-	-
Thomas McKeith	138,462	-	-
John Rowe	157,792	-	-
Naguib Sawiris	-	-	-
Sébastien de Montessus	-	-	-

(b) Interests in Phoenix securities

Except as set out below, as at the date of this Bidder's Statement, none of the Evolution Directors has any Relevant Interest in Phoenix securities.

Director	Class of Phoenix security	Number	Nature of Relevant Interest
Jacob Klein	Phoenix Shares	39,510	Held indirectly through Roxi Super Pty Ltd as trustee for Roxi Superannuation Fund of which Mr Klein is a beneficiary

(c) Indemnity and insurance

Evolution has entered into deeds with each of the Evolution Directors (**Directors' Deeds**) under which:

- Evolution provides an unlimited and continuing indemnity (to the extent permitted by law) to each Evolution Director, on a full indemnity basis, against any and all liabilities incurred by the Evolution Director in respect of or arising out of any act while the Evolution Director is a director of an Evolution Group company and in the course of, or

²⁸ 1,397,197 Evolution Performance Rights granted to Jacob Klein are subject to shareholder approval at Evolution's Annual General Meeting scheduled to be held on 25 November 2015.

²⁹ 335,232 Evolution Performance Rights granted to Lawrie Conway are subject to shareholder approval at Evolution's Annual General Meeting scheduled to be held on 25 November 2015.

arising out of, the Evolution Director's role as an officer of an Evolution Group company;

- Evolution must (to the extent permitted by law and available in the market at reasonable cost) maintain and pay premiums on an insurance policy (**D&O Insurance Policy**) insuring against certain liabilities incurred by a person in their capacity as director or officer of Evolution and allowing Evolution to obtain reimbursement for certain claims paid by it to a director or officer of Evolution under an indemnity for the period (**Relevant Period**) during which the director holds office and for a period of 7 years thereafter or, if a claim is brought within the 7 years after he or she ceases to be a director, until that proceeding is finally determined; and
- the director has a limited right to access and take copies of Evolution Group board papers during the Relevant Period.

In accordance with the Directors' Deeds, Evolution maintains a D&O Insurance Policy.

The entry into the Directors' Deeds and the maintenance of the D&O Insurance Policy are permitted by the constitution of Evolution.

12.10 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

12.11 Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Evolution disclaims all liabilities to such persons.

No action has been taken to register or qualify Evolution or to otherwise permit a public offering of Evolution Shares outside Australia.

12.12 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Phoenix Shareholder whether or not to accept the Offer; and
- (b) known to Evolution,

which has not previously been disclosed to Phoenix Shareholders.

13 The terms and conditions of the Offer

13.1 Offer

- (a) Evolution offers to acquire all of Your Phoenix Shares on and subject to the terms and conditions set out in this section 13 of this Bidder's Statement.
- (b) The consideration under the Offer is 0.06 Evolution Shares and A\$0.06 cash for every 1 of Your Phoenix Shares. If this calculation results in an entitlement to a fraction of an Evolution Share, that fraction will be rounded down to the nearest whole number of Evolution Shares.
- (c) If, at the time this Offer is made to you, you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, then, despite any other provision of this Offer, you will not receive Evolution Shares as part of the Offer Consideration. Instead, you will receive a cash amount determined in accordance with section 13.7 of this Bidder's Statement.
- (d) The Evolution Shares to be issued are ordinary shares in Evolution and will be credited as fully paid and have the rights summarised in section 5.4 of this Bidder's Statement.
- (e) By accepting this Offer, you undertake to transfer to Evolution not only the Phoenix Shares to which the Offer relates, but also all Rights attached to those Phoenix Shares (see section 13.5(c)(6) and section 13.6(c)).
- (f) This Offer is being made to each person registered as the holder of Phoenix Shares in the register of Phoenix Shareholders at 7.00pm (Sydney time) on the Register Date. It also extends to:
 - (1) holders of securities that come to be Phoenix Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered, or entitled to be registered, as the holder of Your Phoenix Shares during the Offer Period.
- (g) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Phoenix Shares, then:
 - (1) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Phoenix Shares;
 - (2) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Phoenix Shares you hold to which the Offer relates; and
 - (3) this Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Phoenix Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (Sydney time) to request those additional copies.

- (i) If Your Phoenix Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (j) The Offer is dated [25] September 2015.

13.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) [26 October] 2015; or
 - (2) any date to which the Offer Period is extended.
- (b) Evolution reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (1) the Offer is varied to improve the consideration offered; or
 - (2) Evolution's voting power in Phoenix increases to more than 50%,
 then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

13.3 How to accept this Offer

- (a) **General**
 - (1) Subject to section 13.1(g) and section 13.1(h), you may accept this Offer only for all of Your Phoenix Shares.
 - (2) You may accept this Offer at any time during the Offer Period.
- (b) **Shares held in your name on Phoenix's issuer sponsored subregister**

To accept this Offer for Phoenix Shares held in your name on Phoenix's issuer sponsored sub-register (in which case your Securityholder Reference Number will commence with 'I'), you must:

 - (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (c) **Shares held in your name in a CHESS Holding**
 - (1) If Your Phoenix Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Phoenix Shareholders who are not institutions, this is normally the stockbroker either through whom you bought your Phoenix Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
 - (2) If Your Phoenix Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer

in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (3) Alternatively, to accept this Offer for Phoenix Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (4) If Your Phoenix Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Shares of which you are entitled to be registered as holder**

To accept this Offer for Phoenix Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(e) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Offer.
- (2) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Evolution at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (3) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
- (4) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Evolution in time for Evolution to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (5) The postage and transmission of the Acceptance Form and other documents is at your own risk.

13.4 Validity of acceptances

- (a) Subject to this section 13.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 13.3.
- (b) Evolution will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Evolution is not required to communicate with you prior to or after making this determination. The determination of Evolution will be final and binding on all parties.
- (c) Notwithstanding sections 13.3(b), 13.3(c), 13.3(d) and 13.3(e), Evolution may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Phoenix Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Evolution.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Phoenix Shares, Evolution may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Phoenix Shares but not the remainder.
- (e) Evolution will provide the consideration to you in accordance with section 13.6, in respect of any part of an acceptance determined by Evolution to be valid.

13.5 The effect of acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Phoenix Shares from the Offer or otherwise dispose of Your Phoenix Shares, except as follows:
 - (1) if, by the relevant times specified in section 13.5(b), the conditions in section 13.8 have not all been fulfilled or freed, this Offer will automatically terminate and Your Phoenix Shares will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and the obligations of Evolution to deliver the consideration are postponed for more than 1 month and, at the time, this Offer is subject to one or more of the conditions in section 13.8, you may be able to withdraw your acceptance and Your Phoenix Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of section 13.5(a)(1) are:
 - (1) in relation to the condition in section 13.8(e), the end of the third Business Day after the end of the Offer Period; and
 - (2) in relation to all other conditions in section 13.8, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 13.3, you will be deemed to have:
 - (1) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in section 13.8 being fulfilled or freed and agreed to transfer to Evolution all of Your Phoenix Shares (even if the number of Phoenix Shares specified on the Acceptance Form differs from the number of Your Phoenix Shares), subject to section 13.1(g) and section 13.1(h);

- (2) represented and warranted to Evolution, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Phoenix Shares (including any Rights) to Evolution is registered, that all Your Phoenix Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Phoenix Shares (including any Rights) to Evolution, and that you have paid to Phoenix all amounts which at the time of acceptance have fallen due for payment to Phoenix in respect of Your Phoenix Shares;
- (3) irrevocably authorised Evolution (and any director, secretary, nominee or agent of Evolution) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Phoenix Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Evolution to make it an effective acceptance of this Offer or to enable registration of Your Phoenix Shares in the name of Evolution;
- (4) if you signed the Acceptance Form in respect of Phoenix Shares which are held in a CHESS Holding, irrevocably authorised Evolution (or any director, secretary, nominee or agent of Evolution) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Phoenix Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (5) if you signed the Acceptance Form in respect of Phoenix Shares which are held in a CHESS Holding, irrevocably authorised Evolution (or any director, secretary, nominee or agent of Evolution) to give any other instructions in relation to Your Phoenix Shares to your Controlling Participant, as determined by Evolution acting in its own interests as a beneficial owner and intended registered holder of those Phoenix Shares;
- (6) irrevocably authorised and directed Phoenix to pay to Evolution, or to account to Evolution for, all Rights in respect of Your Phoenix Shares, subject, if this Offer is withdrawn, to Evolution accounting to you for any such Rights received by Evolution;
- (7) irrevocably authorised Evolution to notify Phoenix on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Phoenix Shares is the address specified by Evolution in the notification;
- (8) whether or not the Offer or the contract resulting from your acceptance of the Offer has become unconditional, to have irrevocably appointed Evolution (and any director, secretary or nominee of Evolution) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Phoenix Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Phoenix and to request Phoenix to register, in the name of Evolution or its nominee, Your Phoenix Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to this Offer in section 13.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any

general meeting or any court-convened meeting of Phoenix or to exercise or purport to exercise any of the powers and rights conferred on Evolution (and its directors, secretaries and nominees) in section 13.5(c)(8);

- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 13.5(c)(8), the attorney will be entitled to act in the interests of Evolution as the beneficial owner and intended registered holder of Your Phoenix Shares;
 - (11) agreed to do all such acts, matters and things that Evolution may require to give effect to the matters the subject of this section 13.5(c) (including the execution of a written form of proxy to the same effect as this section 13.5(c) which complies in all respects with the requirements of the constitution of Phoenix) if requested by Evolution;
 - (12) agreed to indemnify Evolution in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of Your Phoenix Shares to Evolution being registered by Phoenix without production of your Holder Identification Number or your Securityholder Reference Number for Your Phoenix Shares;
 - (13) represented and warranted to Evolution that, unless you have notified it in accordance with section 13.1(h), Your Phoenix Shares do not consist of separate parcels of Phoenix Shares;
 - (14) irrevocably authorised Evolution (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Phoenix Shares to Evolution's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;
 - (15) agreed, subject to the conditions of this Offer in section 13.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Evolution may consider necessary or desirable to convey Your Phoenix Shares registered in your name and Rights to Evolution; and
 - (16) agreed to accept the Evolution Shares to which you have become entitled by acceptance of this Offer subject to the constitution of Evolution and have authorised Evolution to place your name on its register of shareholders in respect of those Evolution Shares.
- (d) The undertakings and authorities referred to in section 13.5(c) will remain in force after you receive the consideration for Your Phoenix Shares and after Evolution becomes registered as the holder of Your Phoenix Shares.

13.6 Payment of consideration

- (a) Subject to sections 13.4(b), 13.6 and 13.7 and the Corporations Act, Evolution will provide the consideration due to you for Your Phoenix Shares on or before the earlier of:
 - (1) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, Evolution will provide the consideration in accordance with section 13.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Evolution will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Evolution will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; or
 - (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Evolution will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Evolution will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer and it becomes or is declared unconditional, Evolution is entitled to all Rights in respect of Your Phoenix Shares. Evolution may require you to provide all documents necessary to vest title to those Rights in Evolution, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Evolution, or if you have (or any previous owner of Your Phoenix Shares has) received the benefit of those Rights, Evolution will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Evolution) of those Rights and any such deduction will be made from any Evolution Shares otherwise due to you on the basis that one Evolution Share is worth A\$1.00, being the closing price of Evolution Shares on the trading day prior to the announcement of the Offer.
- (d) If you have accepted the Offer and you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will receive your share of the proceeds from the sale of the Evolution Shares in accordance with section 13.7.
- (e) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown either, at the discretion of Evolution, on your Acceptance Form, or on the register copy supplied by Phoenix from time to time.
- (f) The obligation of Evolution to issue and allot any Evolution Shares to which you are entitled will be satisfied by Evolution:
 - (1) entering your name on the register of members of Evolution; and

- (2) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Phoenix's register of members at 7.00pm (Sydney time) on the Register Date, an uncertificated holding statement in your name. If Your Phoenix Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Phoenix's register of members at 7.00pm (Sydney time) on the Register Date.
- (g) If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for Your Phoenix Shares, including (but not limited to) any authority, clearance or approval of:
- (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
 - (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
 - (3) the ATO; or
 - (4) any other person as required by any other law of Australia that would make it unlawful for Evolution to provide any consideration for Your Phoenix Shares,

then you will not be entitled to receive any consideration for Your Phoenix Shares until all requisite authorities, clearances or approvals have been received by Evolution.

13.7 Foreign Phoenix Shareholders and Unmarketable Parcel Shareholders

- (a) If you are a Foreign Phoenix Shareholder or Unmarketable Parcel Shareholder, you will not be entitled to receive Evolution Shares as part of the Offer Consideration for Your Phoenix Shares as a result of accepting this Offer, and Evolution will:
- (1) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Evolution Shares to which you and all other Foreign Phoenix Shareholders would have been entitled but for section 13.1(c). Evolution may arrange for the Evolution Shares to be issued to the Nominee in tranches. Evolution has the sole and complete discretion as to when and in how many batches to aggregate the Evolution Shares to be issued as a result of acceptances;
 - (2) cause the Evolution Shares so issued to be offered for sale by the Nominee (in one or more tranches) on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - (3) cause the Nominee to pay to you the amount ascertained in accordance with the formula, being your pro rata share of the proceeds from the Evolution Shares sold in the relevant sale tranche, less brokerage and sale expenses:

$$\frac{N \times YS}{TS}$$

where:

‘N’ is the amount which is received by the Nominee upon the sale of the Evolution Shares in the relevant tranche under this section 13.7 less brokerage and sale expenses;

‘YS’ is the number of Evolution Shares which would, but for section 13.1(c), otherwise have been allotted to you; and

‘TS’ is the total number of Evolution Shares allotted to the Nominee in the relevant tranche under this section 13.7.

- (b) You will receive your share of the proceeds of the sale of Evolution Shares by the Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Evolution Shares by the Nominee, regardless of any delay in remitting these proceeds to you.
- (e) The Nominee may sell the Evolution Shares in such manner, at such price or prices and on such terms as the Nominee determines. The Nominee will sell the Evolution Shares on ASX as soon as practicable and has sole and complete discretion with regards to the number of tranches in which to sell the Evolution Shares that are issued to them.

13.8 Conditions of this Offer

Subject to section 13.9, the completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment or waiver of the conditions set out below before the end of the Offer Period:

(a) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Evolution or any Associate of Evolution),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder’s Statement or which requires the divestiture by Evolution of any Phoenix Shares or any material assets of Evolution or any of its Subsidiaries.

(b) **Evolution Share price**

The volume weighted average price of an Evolution Share over 2 consecutive trading days on the ASX does not fall below A\$0.85 at any time between the Announcement Date and the start of the Offer Period (each inclusive).

(c) **Gold price**

The spot gold price for gold as quoted on Bloomberg does not fall below A\$1,250 per ounce at any time during a day for three consecutive days between the Announcement Date and the end of the Offer Period (each inclusive).

(d) **Material adverse change**

(1) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs (whether or not becoming public):

- (A) an Event (including a decision of a Government Agency or a change in law) occurs or will or is reasonably likely to occur;
- (B) information is disclosed or announced by Phoenix concerning any Event; or
- (C) information concerning any Event becomes known to Evolution (whether or not becoming public),

(each of (A), (B) and (C) a **Specified Event**) which, whether individually or when aggregated with all such Events (including a decision of a Government Agency or a change in law) of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (A) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Phoenix Group taken as a whole; or
- (B) without limiting the generality of the previous section:
 - the effect of a diminution in the value of the consolidated net assets of the Phoenix Group, taken as a whole, by at least A\$5 million against what it would reasonably have been expected to have been but for such Specified Event; or
 - the effect of impairing, terminating or otherwise adversely affecting or changing any Tenements or any Authorisation in connection with any Tenements.

(2) A Specified Event shall not include an Event:

- (A) fully and fairly disclosed by Phoenix on the ASX within 6 months prior to the Announcement Date;
- (B) relating to the state of securities markets in general; or
- (C) resulting from any changes in the gold mining industry in general.

(In this paragraph, **Event** means any event, change, condition, matter or thing.)

(e) **Prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Phoenix converting all or any of the Phoenix Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Phoenix or any of its Subsidiaries resolving to reduce its share capital in any way;
- (3) Phoenix or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Phoenix or any of its Subsidiaries:
 - (A) issuing Phoenix Shares (other than Phoenix Shares issued as a result of the exercise of Phoenix Options);
 - (B) granting an option over Phoenix Shares; or
 - (C) agreeing to make such an issue or grant such an option;
- (5) Phoenix or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- (6) Phoenix or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Phoenix or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Phoenix or any of its Subsidiaries resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Phoenix or any of its Subsidiaries;
- (10) the making of an order by a court for the winding up of Phoenix or any of its Subsidiaries;
- (11) an administrator of Phoenix or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Phoenix or any of its Subsidiaries executing a deed of company arrangement; or
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Phoenix or any of its Subsidiaries.

(f) **No untrue statements to the ASX**

Between the Announcement Date and the end of the Offer Period (each inclusive), there not having occurred or been announced or become known to Evolution or Phoenix that information announced by Phoenix to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect such that Evolution might reasonably be expected to have not proceeded with the Takeover Bid at all or would have proceeded with the Takeover Bid on materially different terms.

(g) **Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Phoenix nor any of its Subsidiaries:

- (1) announces, declares, or distributes any dividend, bonus or other share of its profits or assets;
- (2) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;

- (3) borrows or agrees to borrow any money, other than in the ordinary course of business;
- (4) provides a guarantee or indemnity or both to a Third Party for an amount that exceeds A\$500,000;
- (5) does any of the following:
 - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
 - (B) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
 - (C) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
 - (D) makes or agrees to make any payments to any Third Party that is above A\$500,000, including to any employee, director or consultant to Phoenix that is contingent on the Offer or the outcome of the Offer (or a similar transaction); and
 - (E) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Offer or a similar transaction;
- (6) acquires, offers to acquire or agrees to acquire any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than A\$500,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment; or
- (7) incurs or commits to incur an amount of capital expenditure in excess of A\$500,000 other than:
 - (A) capital expenditure that has been announced by Phoenix before the Announcement Date as intended to be incurred or committed; and
 - (B) capital expenditure in the day to day operating activities of the business of Phoenix and its Subsidiaries conducted in the same manner as before the Announcement Date.

(h) **Licence to Mine and Ore Sale Deed**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Phoenix nor any of its Subsidiaries enters into any agreement with a Third Party for the development of stage 1 of the Castle Hill Project other than:

- (1) with Norton Gold Fields Limited; and
- (2) on the terms of the draft deed titled "Licence to Mine and Ore Sale Deed" provided to Evolution prior to the Announcement Date,

or agrees to do any of the above.

(i) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Phoenix which may reasonably result in a judgement of A\$500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Evolution (whether or not

becoming public) or Phoenix, other than that which is in the public domain as at the Announcement Date.

(j) **Tenements**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Phoenix nor any of its Subsidiaries:

- (1) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, marketing or off-take agreement) in relation to any of the Tenements other than the Licence to Mine and Ore Sale Deed provided it is entered into in the same form as provided to Evolution prior to the Announcement Date;
- (2) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Tenements;
- (3) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Tenement; or
- (4) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any Authorisation relating to any Tenements,

including announcing an intention to do any of the above matters.

13.9 Nature and benefit of conditions

- (a) The conditions in section 13.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 13.8(e), until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Phoenix Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in section 13.10(b).
- (b) Subject to the Corporations Act, Evolution alone is entitled to the benefit of the conditions in section 13.8, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 13.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

13.10 Freeing the Offer of conditions

- (a) Evolution may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in section 13.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Phoenix and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (1) in the case of the condition in section 13.8(e), not later than 3 business days after the end of the Offer Period; and
 - (2) in the case of all the other conditions in section 13.8, not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the conditions in section 13.8(e), at the end of the third business day after the end of the Offer Period), the conditions in section 13.8 have not been fulfilled and Evolution has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

13.11 Official quotation of Evolution Shares

- (a) Evolution has been admitted to the official list of ASX. Evolution Shares of the same class as those to be issued as consideration have been granted official quotation by ASX.
- (b) An application will be made within 7 days after the start of the bid period to ASX for the granting of official quotation of the Evolution Shares to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Evolution Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the bid period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

13.12 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [16 October] 2015 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

13.13 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Evolution will give notice of the withdrawal to ASX and to Phoenix and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in section 13.8 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 13.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 13.13 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

13.14 Variation of this Offer

Evolution may vary this Offer in accordance with the Corporations Act.

13.15 No stamp duty

Evolution will pay any stamp duty on the transfer of Your Phoenix Shares to it.

13.16 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

14 Definitions and interpretation

14.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
AISC	all-in sustaining cost.
Announcement Date	the date of the announcement of the Offer by Evolution on the ASX, being 20 August 2015.
Annual Report	has the meaning given in section 4.8 of this Bidder's Statement.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this document and Phoenix was the designated body.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ASX Operating Rules	the operating rules of ASX in force from time to time.
ASX Operating Rules Procedures	the procedures of the ASX Operating Rules.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.
ATO	Australian Taxation Office.
Authorisation	any approval, licence, consent, authority or permit.
Barrick Gold	Barrick (Australia Pacific) Pty Limited (ACN 008 143 137).
Bidder's Statement	this document, being the statement of Evolution under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney or Perth.
C1 Cash Cost	mine operating cost less changes to ore stockpile inventory (ROM and crushed) less royalty expenses and less revenue from by-product sale (by-product credits).
CHESS Holding	a number of Phoenix Shares which are registered on the Phoenix share register, being a register administered by ASX Settlement and which records uncertificated holdings of shares.
CIL	Carbon in Leach.

Term	Meaning
CIP	Carbon In Pulp.
Controlling Participant	in relation to Your Phoenix Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Cowal	the Cowal gold mine in New South Wales, Australia.
Cowal Transaction	has the meaning given in section 4.2(a) of this Bidder's Statement.
D&O Insurance Policy	has the meaning given in section 12.9(c) of this Bidder's Statement.
Directors' Deeds	has the meaning given in section 12.9(c) of this Bidder's Statement.
ECOP	has the meaning given in section 5.5 of this Bidder's Statement.
ESOP	has the meaning given in section 5.5 of this Bidder's Statement.
Event	has the meaning given in section 13.8(d) of this Bidder's Statement.
Evolution	Evolution Mining Limited (ABN 74 084 669 036).
Evolution Board	the board of directors of Evolution and an Evolution Board Member means any director of Evolution comprising part of the Evolution Board.
Evolution Director	each member of the Evolution Board.
Evolution Group	Evolution and each of its Subsidiaries and Evolution Group Member means any member of the Evolution Group.
Evolution Mining Cowal	Evolution Mining (Cowal) Pty Ltd (ACN 007 857 598), formerly known as Barrick (Cowal) Pty Limited.
Evolution Option	has the meaning given in section 5.5 of this Bidder's Statement.
Evolution Performance Right	has the meaning given in section 5.6 of this Bidder's Statement.
Evolution Share	a fully paid ordinary share in the capital of Evolution.
Evolution Shareholder	each person who is registered as the holder of an Evolution Share in the Evolution share register (at the relevant time).
FIRB	the Foreign Investment Review Board.
FIRB Approval	has the meaning given in section 12.1 of this Bidder's Statement.
FIRB Condition	the proposed condition to the Offer entitled "FIRB approval" that was set out in Appendix 1 ("Bid Conditions") of Evolution's announcement to the ASX on 20 August 2015 in relation to its intention to make the Offer (which announcement is contained in Attachment 1 of this Bidder's Statement).
Foreign Phoenix Shareholder	a Phoenix Shareholder whose address shown in the register of members of Phoenix is a place outside of Australia and its external territories or New Zealand.
FY14	the financial year for the period ending 30 June 2014.
FY15	the financial year for the period ending 30 June 2015.

Term	Meaning
FY16	the financial year for the period ending 30 June 2016.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Interested Persons	has the meaning given in section 12.7 of this Bidder's Statement.
Issuer Sponsored Holding	a holding of Phoenix Shares on Phoenix's issuer sponsored subregister.
JORC Code	the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.
La Mancha	La Mancha Group International B.V. (trade register number 55617786, a private company with limited liability incorporated in the Netherlands).
La Mancha Australia or Toledo	Toledo Holding (Ausco) Pty Limited (ABN 26 159 264 598).
La Mancha Group	LM SARL and each of its Subsidiaries.
La Mancha Transaction	has the meaning given in section 4.2(b) of this Bidder's Statement.
La Mancha Transaction Condition	the proposed condition to the Offer entitled "La Mancha transaction" that was set out in Appendix 1 ("Bid Conditions") of Evolution's announcement to the ASX on 20 August 2015 in relation to its intention to make the Offer (which announcement is contained in Attachment 1 of this Bidder's Statement).
Licence to Mine and Ore Sale Deed	the draft deed to be entered into between Norton Gold Fields Limited and Phoenix for the development of stage 1 of the Castle Hill Project.
Listing Rules	the official listing rules of ASX, as amended and waived by ASX from time to time.
LM SARL	La Mancha Holding S.ÁR.L (registration number B.164.842).
Marketable Parcel	has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of shares, the value of which is not less than A\$500.
Merged Group	the Evolution Group (including the Phoenix Group) which will exist following the Offer, should the Offer be successful and Phoenix become a Subsidiary of Evolution.
Mineral Resources	has the meaning given to it in the JORC Code.
Mungari or Mungari Operations	Evolution's assets in and around the Mungari region of Western Australia, including the Frog's Leg mine, the White Foil mine, the 1.5Mtpa Mungari processing plant and certain exploration tenements.
Nominee	has the meaning given in section 13.7 of this Bidder's Statement.
Norton	has the meaning given in section 6.1(a) of this Bidder's Statement.

Term	Meaning
Offer	the offer for Phoenix Shares under the terms and conditions contained in section 13 of this Bidder's Statement.
Offer Consideration	the consideration under the Offer, determined in accordance with section 13 of this Bidder's Statement.
Offer Period	the period during which the Offer is open for acceptance in accordance with section 13.2 of this Bidder's Statement.
Ore Reserves	has the meaning given to it in the JORC Code.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Peer Group	has the meaning given in section 5.6 of this Bidder's Statement.
Phoenix	Phoenix Gold Limited (ABN 55 140 269 316).
Phoenix Board	the board of directors of Phoenix.
Phoenix Director	each member of the Phoenix Board.
Phoenix Group	Phoenix and each of its Subsidiaries and Phoenix Group Member means any member of the Phoenix Group.
Phoenix Option	an option, issued by Phoenix, to acquire a Phoenix Share.
Phoenix Share	a fully paid ordinary share in the capital of Phoenix.
Phoenix Shareholder	each person who is registered as the holder of a Phoenix Share.
Register Date	the date set by Evolution under section 633(2) of the Corporations Act, being 14 September 2015.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Relevant Period	has the meaning given in section 12.9(c) of this Bidder's Statement.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Phoenix Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Phoenix or any of its subsidiaries).
Sale Agreement	the share sale agreement dated 19 April 2015 between Evolution, La Mancha and LM SARL (as amended).
Securityholder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
Security Interest	an interest or power: 1 reserved in or over an interest in any asset; or 2 created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to: 3 any agreement to grant or create any of the above; and 4 a security interest within the meaning of section 12(1) of the <i>Personal Property Securities Act 2009</i> (Cth).

Term	Meaning
Specified Event	has the meaning given in section 13.8(d) of this Bidder's Statement.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Substantial Holding	has the meaning given in section 9 of the Corporations Act.
Takeover Bid	the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
Tax Adviser's Report	the report issued by Greenwoods & Herbert Smith Freehills entitled 'Australian tax implications – Evolution Mining Limited Bidder's Statement' which provides a summary of the Australian tax consequences for Phoenix Shareholders in connection with the Offer (a copy of which is set out in Attachment 3 of this Bidder's Statement).
Tenements	any and all tenements that Phoenix or its Subsidiaries have a direct or indirect interest in from time to time (including as holder, owner, operator or joint venturer), including any tenement that is a successor, renewal, modification, extension or substitute for the whole or part of any such tenement.
Third Party	a person other than Evolution and its Associates.
TSR	has the meaning given in section 5.6 of this Bidder's Statement.
Unmarketable Parcel	a parcel of Evolution Shares that does not constitute a Marketable Parcel.
Unmarketable Parcel Shareholder	a Phoenix Shareholder to whom, if they accept the Offer, Evolution Shares would be issued which would not constitute a Marketable Parcel.
VWAP	volume weighted average price.
Your Phoenix Shares	the Phoenix Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Phoenix at 7.00pm (Sydney time) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.
Zijin	Zijin Mining Group Co., Limited.

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, paragraph, clause, attachment and schedule is a reference to a section, paragraph or, clause of and an attachment and schedule to this Bidder's Statement as relevant;

- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions;
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia; and
- (k) a reference to C\$ is a reference to the lawful currency of Canada.

15 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of Evolution.

date 11 September 2015

Signed for and on behalf of
Evolution Mining Limited
by

sign here ►  _____
Executive Chairman

print name Jake Klein

Attachment 1

Announcements by Evolution in relation to the Offer

ASX Announcement

20 August 2015

Level 30
175 Liverpool Street,
Sydney, NSW 2000
www.evolutionmining.com.au

EVOLUTION ANNOUNCES INTENTION TO MAKE A CASH AND SCRIP BID FOR PHOENIX

Evolution Mining Limited (ASX:EVN) ("Evolution") is pleased to announce its intention to make an off-market takeover offer (the Offer) to acquire all of the ordinary shares of Phoenix Gold Limited (ASX:PXG) ("Phoenix") that it does not currently own. Evolution currently holds approximately 19.8% of the shares in Phoenix.

Accepting Phoenix shareholders will receive 0.06 Evolution Shares and A\$0.06 cash for each Phoenix Share¹. The Offer is approximately equal to A\$0.12 per Phoenix Share² valuing the equity in Phoenix at approximately A\$56.4 million. This represents an attractive 20% premium to Zijin Mining Group Co., Ltd's ("Zijin") current offer of A\$0.10 per Phoenix Share.

The Offer will be subject to a limited number of conditions including Australian Foreign Investment Review Board ("FIRB") approval, completion of the La Mancha transaction and a number of other customary conditions including there being no regulatory action, no prescribed occurrences, no material adverse change, and the spot price for gold not falling below A\$1,250 per ounce. A full list of the proposed bid conditions is provided in Appendix 1 of this announcement. The Offer will not be subject to a minimum acceptance condition.

Further details about the Offer will be contained in Evolution's Bidder's Statement which will be sent to Phoenix shareholders in due course. Evolution currently expects its Bidder's Statement to be despatched to Phoenix shareholders by mid-September. The Bidder's Statement will set out important information for Phoenix shareholders including how to accept the Offer, the key reasons why Phoenix shareholders should accept the Offer and also information about Evolution.

Transaction Rationale

As announced to the Australian Securities Exchange on 20 April 2015, Evolution has entered into a binding agreement with La Mancha Group International BV ("La Mancha") to acquire 100% of La Mancha's Australian operations – which include the Mungari processing plant, the adjacent high-grade Frog's Leg underground gold mine and the White Foil open-pit gold mine. This transaction received overwhelming shareholder support with 99.6% of Evolution Shareholders who voted at the Extraordinary General Meeting held on 30 July 2015 voting in favour of the transaction. The La Mancha transaction remains subject to FIRB approval.

The Phoenix tenement package adjoins La Mancha's Australian operations and covers a significant strike length of the highly prospective Zuleika Shear and the Kunanalling Shear (see Figure 1 on following page). Many of the exploration targets developed by Phoenix, on its tenements, are geologically similar to the Frog's Leg mine and the White Foil mine.

On 1 May 2015 Evolution announced that it had reached agreement with Phoenix regarding a strategic investment and partnership. Under the agreement Evolution subscribed for 44 million fully paid ordinary shares in Phoenix at an issue price of A\$0.075 per share. On 24 July 2015 Evolution bought an additional 49 million Phoenix shares at A\$0.12 per share taking its shareholding in Phoenix to approximately 19.8%.

¹ If the number of Phoenix Shares held by a Phoenix shareholder means that their aggregate entitlement to Evolution Shares is not a whole number, then any fractional entitlement will be rounded down to the nearest whole number.

² This is based on a 20-day VWAP of Evolution Shares as at 19 August 2015 of A\$1.025 per share.

The close proximity of the Phoenix tenements to the newly built 1.5Mtpa Mungari processing plant creates the opportunity for numerous synergies. Evolution believes that in the current environment in which access to capital for junior mining companies is difficult, Phoenix shareholders will benefit from being part of a larger, well-funded, leading Australian gold company that can accelerate unlocking the potential of the Phoenix tenements.

Commenting on Evolution's intention to make an Offer for Phoenix, Executive Chairman Jake Klein said:

"There is clear commercial logic in combining the Phoenix assets with the Mungari Project which we are acquiring from La Mancha. Evolution is committed to building a long-term presence in this exciting region of Western Australia and our intention to make this compelling bid for Phoenix is the next step in our strategy."

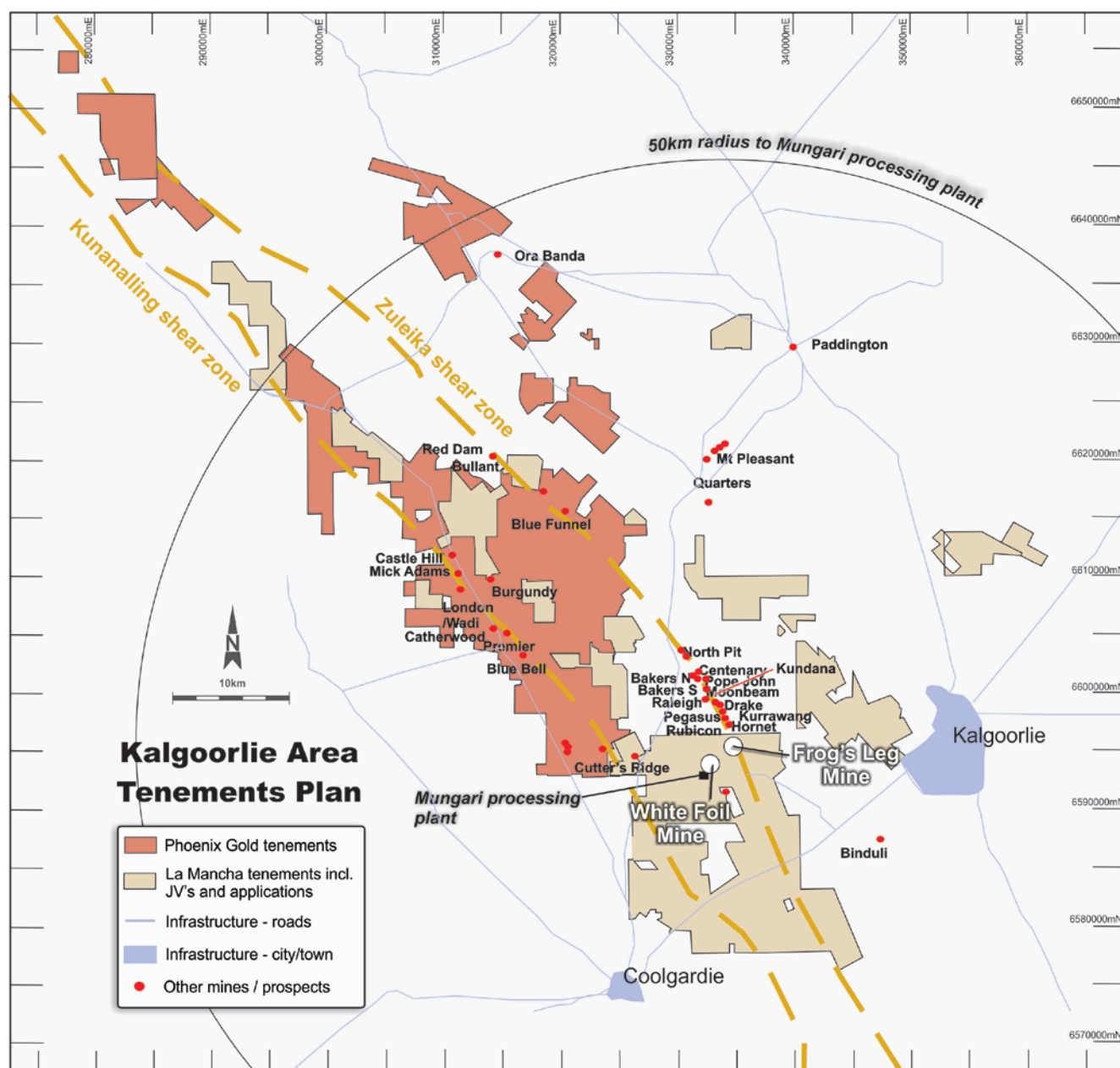


Figure 1. Location of La Mancha's Australian operations and Phoenix tenements



Advisers

Evolution is being advised by Herbert Smith Freehills.

For further information please contact:

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About Evolution Mining

Evolution Mining is a leading, growth-focussed Australian gold miner. Evolution operates six wholly-owned mines – Cowal in New South Wales, Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production for FY15 from Evolution's five existing operating assets (prior to the Cowal and La Mancha acquisitions) totalled 437,570 ounces gold equivalent at an All-In Sustaining Cost of A\$1,036/oz.

On 20 April 2015 Evolution announced that it had entered into a binding agreement with La Mancha Group International BV to acquire 100% of La Mancha's Australian operations – the high-grade Frog's Leg underground gold mine, the adjacent White Foil open-pit gold mine and the recently completed 1.5Mtpa Mungari CIL processing plant – all located near Kalgoorlie in Western Australia. The La Mancha Australia acquisition remains subject to FIRB approval. Combined current annual production from La Mancha Australia's operations is in the range of 130,000 –160,000 ounces of gold.

Appendix 1 – Bid Conditions

The Offer and any contract arising from the acceptance of the Offer is subject to fulfilment or waiver of the following conditions before the end of the Offer Period.

No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by Evolution or any Associate of Evolution),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Evolution of any Phoenix Shares or any material assets of Evolution or any of its Subsidiaries.

FIRB approval

Before the end of the Offer Period, one of the following occurring:

- (a) Evolution receiving written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the acquisition by Evolution of the Phoenix Shares under the Offer, either unconditionally or on terms that do not impose unduly onerous obligations on Evolution; or
- (b) the Treasurer of the Commonwealth of Australia becomes precluded from making an order under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in relation to the acquisition by Evolution of the Phoenix Shares under the Offer; or
- (c) if an interim order is made under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in respect of the acquisition by Evolution of the Phoenix Shares under the Offer, the subsequent period for making a final order prohibiting the acquisition by Evolution of the Phoenix Shares under the Offer elapses without a final order being made.

La Mancha transaction

Before the end of the Offer Period, Evolution holds the legal and beneficial interest in all the shares in Toledo Holding (Ausco) Pty Limited.

Evolution Share price

The volume weighted average price of an Evolution Share over 2 consecutive trading days on the ASX does not fall below A\$0.85 at any time between the Announcement Date and the start of the Offer Period (each inclusive).

Gold price

The spot gold price for gold as quoted on Bloomberg does not fall below A\$1,250 per ounce at any time during a day for three consecutive days between the Announcement Date and the end of the Offer Period (each inclusive).

Material adverse change

- (a) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs (whether or not becoming public):
- (1) an Event (including a decision of a Government Agency or a change in law) occurs or will or is reasonably likely to occur;
 - (2) information is disclosed or announced by Phoenix concerning any Event; or
 - (3) information concerning any Event becomes known to Evolution (whether or not becoming public),
- (each of (1), (2) and (3) a **Specified Event**) which, whether individually or when aggregated with all such Events (including a decision of a Government Agency or a change in law) of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:
- (1) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Phoenix Group taken as a whole; or
 - (2) without limiting the generality of the previous clause;
 - (A) the effect of a diminution in the value of the consolidated net assets of the Phoenix Group, taken as a whole, by at least A\$5 million against what it would reasonably have been expected to have been but for such Specified Event; or
 - (B) the effect of impairing, terminating or otherwise adversely affecting or changing any Tenements or any Authorisation in connection with any Tenements.
- (b) A Specified Event shall not include an Event:
- (1) fully and fairly disclosed by Phoenix on the ASX within 6 months prior to the Announcement Date;
 - (2) relating to the state of securities markets in general; or
 - (3) resulting from any changes in the gold mining industry in general.
- (In this paragraph, **Event** means any event, change, condition, matter or thing.)

Prescribed occurrences

Between the Announcement Date and the date that is 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (a) Phoenix converting all or any of the Phoenix Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Phoenix or any of its Subsidiaries resolving to reduce its share capital in any way;
- (c) Phoenix or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Phoenix or any of its Subsidiaries:
 - (1) issuing Phoenix Shares (other than Phoenix Shares issued as a result of the exercise of Phoenix Options);
 - (2) granting an option over Phoenix Shares; or
 - (3) agreeing to make such an issue or grant such an option;
- (e) Phoenix or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;

- (f) Phoenix or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) Phoenix or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) Phoenix or any of its Subsidiaries resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Phoenix or any of its Subsidiaries;
- (j) the making of an order by a court for the winding up of Phoenix or any of its Subsidiaries;
- (k) an administrator of Phoenix or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Phoenix or any of its Subsidiaries executing a deed of company arrangement; or
- (m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Phoenix or any of its Subsidiaries.

No untrue statements to the ASX

Between the Announcement Date and the end of the Offer Period (each inclusive), there not having occurred or been announced or become known to Evolution or Phoenix that information announced by Phoenix to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect such that Evolution might reasonably be expected to have not proceeded with the Takeover Bid at all or would have proceeded with the Takeover Bid on materially different terms.

Conduct of business

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Phoenix nor any of its Subsidiaries:

- (a) announces, declares, or distributes any dividend, bonus or other share of its profits or assets;
- (b) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;
- (c) borrows or agrees to borrow any money, other than in the ordinary course of business;
- (d) provides a guarantee or indemnity or both to a Third Party for an amount that exceeds A\$500,000.
- (e) does any of the following:
 - (1) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
 - (2) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
 - (3) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
 - (4) make or agree to make any payments to any Third Party that is above A\$500,000, including to any employee, director or consultant to Phoenix that is contingent on the Offer or the outcome of the Offer (or a similar transaction); and
 - (5) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Offer or a similar transaction;

- (f) acquires, offers to acquire, agrees to acquire or acquires any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than A\$500,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment;
- (g) incurs or commits to incur an amount of capital expenditure in excess of A\$500,000 other than:
 - (1) capital expenditure that has been announced by Phoenix before the Announcement Date as intended to be incurred or committed;
 - (2) capital expenditure in the day to day operating activities of the business of Phoenix and its Subsidiaries conducted in the same manner as before the Announcement Date.

Licence to Mine and Ore Sale Deed

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Phoenix nor any of its Subsidiaries enters into any agreement with a Third Party for the development of stage 1 of the Castle Hill Project other than:

- (a) with Norton Gold Fields Limited; and
- (b) on the terms of the draft deed titled "Licence to Mine and Ore Sale Deed" provided to Evolution prior to the Announcement Date,

or agrees to do any of the above.

No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Phoenix which may reasonably result in a judgement of A\$500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Evolution (whether or not becoming public) or Phoenix, other than that which is in the public domain as at the Announcement Date.

Tenements

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Phoenix nor any of its Subsidiaries:

- (a) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, marketing or off-take agreement) in relation to any of the Tenements other than the Licence to Mine and Ore Sale Deed provided it is entered into in the same form as provided to Evolution prior to the Announcement Date;
- (b) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Tenements;
- (c) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Tenement;
- (d) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any Authorisation relating to any Tenements,

including announcing an intention to do any of the above matters.

Definitions

Announcement Date	20 August 2015, being the date of this announcement.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this document and Phoenix was the designated body.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Authorisation	any approval, licence, consent, authority or permit.
Bidder's Statement	the bidder's statement to be prepared by Evolution in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney or Perth.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Evolution	Evolution Mining Limited (ABN 74 084 669 036).
Evolution Share	an ordinary share in the capital of Evolution.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Licence to Mine and Ore Sale Deed	the deed to be entered into between Norton Gold Fields Limited and Phoenix for the development of stage 1 of the Castle Hill Project.
Offer	the offer for Phoenix Shares under the terms and conditions contained in the Bidder's Statement.
Offer Period	the period that the Offer is open for acceptance.
Phoenix	Phoenix Gold Limited (ABN 55 140 269 316).
Phoenix Group	Phoenix and each of its Subsidiaries, and a reference to a ' Phoenix Group Member ' or a ' member of the Phoenix Group ' is to Phoenix or any of its Subsidiaries.

Phoenix Option	an option, issued by Phoenix, to acquire a Phoenix Share.
Phoenix Share	an ordinary share in the capital of Phoenix, including all shares on issue as at the end of the Offer Period.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act.
Related Person	1 in respect of a party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate; and 2 in respect of any financial adviser retained by a party in relation to the Takeover Bid, each director, officer, employee or contractor of that financial adviser.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Security Interest	an interest or power: 1 reserved in or over an interest in any asset; or 2 created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to: 3 any agreement to grant or create any of the above; and 4 a security interest within the meaning of section 12(1) of the <i>Personal Property Securities Act 2009</i> (Cth).
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Takeover Bid	the off market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.
Tenements	any and all tenements that Phoenix or its Subsidiaries have a direct or indirect interest in from time to time (including as holder, owner, operator or joint venturer), including any tenement that is a successor, renewal, modification, extension or substitute for the whole or part of any such tenement.
Third Party	a person other than Evolution and its Associates.

Attachment 2

ASX announcements by Evolution since 24 October 2014

The following table lists announcements made to the ASX by Evolution over the period between 25 October 2014 and 10 September 2015.

Date	Headline
10/09/2015	Change of Director's Interest Notice
10/09/2015	Appendix 3B
08/09/2015	Cowal Site Visit Presentation
04/09/2015	Notice of ceasing to be a substantial holder from NCM
03/09/2015	FIRB Approval Received for Phoenix Takeover Bid
02/09/2015	Change of Director's Interest Notice
02/09/2015	Appendix 3B
01/09/2015	Change in substantial holding from NCM
01/09/2015	Initial Director's Interest Notice
01/09/2015	Implementation of Additional Gold Hedge
28/08/2015	Share Allotment Confirmation
27/08/2015	Change in substantial holding
27/08/2015	Dividend/Distribution - EVN
27/08/2015	Change in substantial holding
27/08/2015	FY15 Financial Results Presentation
27/08/2015	FY15 Results and Dividend Announcement
27/08/2015	Appendix 4E and FY15 Annual Financial Report
27/08/2015	Ceasing to be a substantial holder
26/08/2015	Change in substantial holding from NCM
26/08/2015	Becoming a substantial holder
26/08/2015	Resources and Reserves increased at Cowal
26/08/2015	Initial Substantial Holder Notice
24/08/2015	Completion of the La Mancha Transaction and Appendix 3B

Date	Headline
24/08/2015	FIRB Approval for La Mancha Transaction
24/08/2015	Full Year Financial Results Conference Call
20/08/2015	Intention to make takeover bid for Phoenix Gold
07/08/2015	Becoming a substantial holder
05/08/2015	Mungari Site Visit Presentation
04/08/2015	Diggers and Dealers 2015 Presentation
30/07/2015	Results of Meeting
30/07/2015	EGM Presentation
30/07/2015	Chairman's Address to the EGM
28/07/2015	Change in substantial holding for PXG
24/07/2015	Completion of Acquisition of Cowal Gold Mine
21/07/2015	June 2015 Quarterly Results Presentation
21/07/2015	June 2015 Quarterly Report
17/07/2015	June Quarterly Results Conference Call
03/07/2015	Change in substantial holding
01/07/2015	Ceasing to be a substantial holder
01/07/2015	Expiry of Unlisted Share Options
26/06/2015	Change of Director's Interest Notices
25/06/2015	Change in substantial holding from NCM
24/06/2015	Change in substantial holding
24/06/2015	Appendix 3B and Change in Exercise Price of Options
24/06/2015	Explanatory Memorandum, Notice of Meeting and Proxy Form
19/06/2015	Successful Completion of Retail Entitlement Offer
18/06/2015	Change in substantial holding
18/06/2015	Retail Entitlement Offer Update
09/06/2015	Change in substantial holding
09/06/2015	Change in substantial holding from NCM
02/06/2015	Expiry of Options and Cancellation of Performance Rights

Date	Headline
01/06/2015	Retail Entitlement Offer Booklet
29/05/2015	Successful Completion of Institutional Component of AREO
28/05/2015	ASX Notice Accelerated Renounceable Rights Issue
27/05/2015	Change in substantial holding
25/05/2015	Appendix 3B - Pro Rata Entitlement Offer
25/05/2015	Cleansing Notice
25/05/2015	Acquisition of Cowal Gold Mine Investor Presentation
25/05/2015	Acquisition of Cowal Gold Mine
25/05/2015	Trading Halt (2+2 business days)
14/05/2015	Annual Mineral Resources and Ore Reserves Statement
08/05/2015	Becoming a substantial holder for PXG
07/05/2015	Macquarie Australia Conference Presentation
01/05/2015	Evolution Makes Strategic Investment in Phoenix Gold
27/04/2015	Change in substantial holding
20/04/2015	La Mancha Combination Share Sale Agreement
20/04/2015	La Mancha Combination and Quarterly Results Conference Call
20/04/2015	Evolution and La Mancha Australia Transaction Presentation
20/04/2015	Evolution to Combine with La Mancha Australia
20/04/2015	March 2015 Quarterly Results Presentation
20/04/2015	March 2015 Quarterly Report
08/04/2015	A\$35M Debt Repayment
07/04/2015	Amended Securities Trading Policy
30/03/2015	Change of Director's Interest Notice
30/03/2015	Appendix 3B
27/03/2015	Response to Media Speculation
12/03/2015	DRP Issue Price And Participation Rate
06/03/2015	Ceasing to be a substantial holder from MQG
04/03/2015	Change in substantial holding from NCM

Date	Headline
02/03/2015	Becoming a substantial holder from MQG
27/02/2015	Newcrest Completes Partial Sale of Evolution Shareholding
20/02/2015	Investor Presentation for Offshore Conference
18/02/2015	Dividend Announcement - Additional Information
18/02/2015	FY15 Half Year Financial Results Presentation
18/02/2015	Half-Year Financial Results and Dividend Announcement
18/02/2015	Appendix 4D and Half Year Financial Report
16/02/2015	Half Year Financial Results Conference Call
05/02/2015	Change in substantial holding
23/01/2015	Appendix 3B
22/01/2015	December 2014 Quarterly Results Presentation
22/01/2015	December 2014 Quarterly Report
19/01/2015	Quarterly Results Conference Call
24/12/2014	Change in substantial holding
23/12/2014	Change in substantial holding
15/12/2014	Corporate Loan Facility Refinance and Gold Hedging
28/11/2014	Change of Director's Interest Notices
28/11/2014	Appendix 3B
26/11/2014	Results of Meeting
26/11/2014	AGM Presentation 2014
26/11/2014	Chairman's Address to Shareholders
29/10/2014	September 2014 Quarterly Results Presentation
29/10/2014	September 2014 Quarterly Report
27/10/2014	September Quarterly Results Conference Call

Attachment 3

Tax Adviser's Report

The Directors
Evolution Mining Limited
Level 30, 175 Liverpool Street
SYDNEY NSW 2000

11 September 2015

Dear Directors

Australian tax implications Evolution Mining Limited Bidder's Statement

1 Introduction

This letter has been prepared for inclusion in Evolution's Bidder's Statement in respect of an offer to acquire all of the shares in Phoenix for a combination of cash and scrip.

The following is a general description of the Australian income and capital gains tax (**CGT**) consequences for Phoenix Shareholders who accept the Offer. The comments set out below are relevant only to those Phoenix Shareholders who hold their Phoenix Shares on capital account. Phoenix Shareholders who hold their Phoenix Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock) or who acquired their Phoenix Shares pursuant to an employee share or option plan should seek their own advice.

Phoenix Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer.

The following description is based upon the Australian law and administrative practice in effect at the date of the Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Phoenix Shareholder. Phoenix Shareholders should seek independent professional advice in relation to their own particular circumstances.

Unless otherwise defined, all capitalised terms in this letter have the same meaning as in the Bidder's Statement.

1.1 Phoenix Australian resident shareholders

(a) Phoenix Shareholders who accept the Offer

Acceptance of the Offer will involve the disposal by Phoenix Shareholders of their Phoenix Shares by way of transfer to Evolution. This change in the ownership of the Phoenix Shares will constitute a CGT event for Australian CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Phoenix Shares is formed. The date the contract to dispose of the Phoenix Shares is formed will be the date that the Offer is accepted.

(b) Capital Gains Tax

(1) Calculation of capital gain or capital loss (apart from scrip for scrip rollover relief)

Phoenix Shareholders who are Australian residents may make a capital gain or capital loss on the transfer of their Phoenix Shares. Phoenix Shareholders will make a capital gain to the extent that their capital proceeds from the disposal of the Phoenix Shares are more than the cost base (or in some cases indexed cost base) of those Phoenix Shares. Conversely, Phoenix Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Phoenix Shares.

The cost base of the Phoenix Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the shareholder.

The capital proceeds of the capital gains tax event will include the total of the cash consideration of A\$0.06 (**Cash Consideration**) per Phoenix Share and the market value of the Evolution Shares received (**Share Consideration**), calculated at the time the Offer is accepted.

Individuals, complying superannuation entities or trustees that have held Phoenix Shares for at least 12 months but do not index the cost base of the Phoenix Shares should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Phoenix Shares by 50% in the case of individuals and trusts or by 33⅓% for complying superannuation entities. For trusts the ultimate availability of the discount may depend on a beneficiary's entitlement to the discount.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

(2) Scrip for scrip roll-over relief

Partial scrip for scrip roll-over relief should be available if Evolution acquires at least 80% of the Phoenix Shares under the Offer. If, and to the extent that, scrip for scrip roll-over relief is available and chosen, then the capital gain that would otherwise arise in relation to the receipt of the Evolution Shares should be disregarded. Any capital gain that arises in relation to the receipt of the Cash Consideration would not be disregarded (see below).

Evolution will not make a choice under section 124-795(4) of the *Income Tax Assessment Act 1997* to deny scrip for scrip roll-over relief.

Where a shareholder chooses scrip for scrip roll-over relief the shareholder should, subject to the adjustment referred to below, make a capital gain to the extent that the Cash Consideration that the shareholder received (the **Ineligible Proceeds**) exceeds a proportionate part of the cost base for the shareholder's Phoenix Shares. The capital gain should be calculated as follows:

Capital gain on exchanging Phoenix Shares	=	Ineligible Proceeds	–	$\left(\frac{\text{Ineligible Proceeds} + \text{market value of Evolution Ordinary Shares at the date the Offer is accepted}}{\text{Cost base of Phoenix Shares}} \right)$
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Roll-over is not available if a capital loss arises on the exchange of Phoenix Shares.

(c) Implications of holding Evolution Shares

As a consequence of accepting the Offer, a Phoenix Shareholder will cease to be a shareholder of Phoenix and will become a shareholder of Evolution.

Dividends (and any attaching franking credits) received by an Australian resident shareholder of Evolution would generally be required to be included in the assessable income of such a shareholder.

(d) CGT on subsequent disposal of Evolution Shares

A subsequent disposal of Evolution Shares should generally result in Australian CGT implications as described above. These should differ depending upon whether or not and the extent to which scrip for scrip rollover relief was claimed in relation to the disposal of Phoenix Shares pursuant to the Offer.

(1) Where scrip for scrip rollover relief not claimed or available

Where scrip for scrip rollover relief was not claimed or was not available in relation to the disposal of the Phoenix Shares, the cost base of the Evolution Shares (spread equally over those shares) would include the market value of the Phoenix Shares disposed of under the Offer at the time the Offer is accepted less the Ineligible Proceeds.

The acquisition date of the Evolution Shares will be the date that the Offer is accepted.

(2) Where scrip for scrip rollover available

Where a shareholder chooses scrip for scrip rollover relief the cost base for the Evolution Shares should be calculated as follows:

Cost base of Evolution Shares	=	Cost base of Phoenix Shares	x	$\frac{\text{Market value of Evolution Shares}}{\text{Ineligible Proceeds} + \text{market value of Evolution Shares}}$
-------------------------------------	---	--------------------------------	---	--

The cost base of the Evolution Shares may change, for example by any incidental costs to sell the Evolution Shares.

A Phoenix Shareholder should be taken to have acquired the Evolution Shares at the time the Phoenix Shares were acquired for CGT purposes.

(e) Non-resident shareholders

For a Phoenix Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Phoenix Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Phoenix Shares should generally only result in Australian CGT implications if:

- (1) that shareholder together with its associates held 10 percent or more of the Shares at the time of disposal or for any continuous 12 month period within 2 years preceding the disposal; and
- (2) more than 50% of Phoenix's value is due to direct or indirect interests in Australian real property, which is defined to include mining and exploration leases and licences.

A shareholder that, together with its associates, owns, or has for any continuous 12 month period within 2 years owned, 10% or more of the issued share capital of Phoenix should obtain independent advice as to the tax implications of sale, and whether any protection should be available under a relevant double tax treaty.

A non-resident Phoenix Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident should be subject to Australian CGT consequences on disposal of the shares as set out in section 1.1(b) above. However, scrip for scrip roll-over relief may not be available and such shareholders should seek independent advice in relation to their individual circumstances.

2 Goods and services tax

Holders of Phoenix Shares should not be liable to GST in respect of a disposal of those Phoenix Shares.

Phoenix Shareholders may be charged GST on costs (such as advisor fees) that relate to their participation in the Offer. Phoenix Shareholders may be entitled to input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

Yours faithfully

Greenwoods + Herbert Smith Freehills

GREENWOODS & HERBERT SMITH FREEHILLS PTY LIMITED

Corporate directory

Evolution Mining Limited

ABN 74 084 669 036

Level 30, 175 Liverpool Street

Sydney NSW 2000

Evolution share registrar for the Offer

Link Market Services Limited

Level 15, 324 Queen Street

Brisbane Queensland 4000

Evolution Offer Information Line

1300 553 490 (within Australia)

+61 1300 553 490 (from outside of Australia)

The Offer Information Line is open Monday to Friday between 8.30am to 5.30pm (Sydney time)

Stock Exchange Listing

Evolution ordinary shares are quoted by the Australian Securities Exchange (ASX: EVN)





Evolution Mining Limited
ACN 084 669 036



Need help?

Contact Evolution Mining Limited
Offer Information Line
Phone 1300 553 490 (from within Australia)
Phone +61 1300 553 490 (from outside Australia)

A Your name and address

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: 112345678910

Phoenix Gold Limited Shares held
as at 7:00pm (Sydney time)
on the Register Date: 99,999,999

If your holding has changed between 7:00pm (Sydney time) on the Register Date and the time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

This is an important document and requires your immediate attention. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Use this form to accept Evolution's Offer for your Phoenix Shares.

Please refer to the Bidder's Statement issued by Evolution dated 11 September 2015 which accompanies this Acceptance Form. Unless the context otherwise requires, words or phrases defined in the Bidder's Statement have the same meaning when used in this Acceptance Form.

B Offer Consideration

The consideration applicable under the terms of the Offer is 0.06 Evolution Shares and A\$0.06 cash for each Phoenix Share in respect of which you accept the Offer (subject to the terms of the Offer).

C You must give your instructions to accept the Offer

If you correctly complete, sign and return this form to the address, and in accordance with the instructions, shown overleaf, you will be deemed to have accepted the Offer in respect of **ALL** of your Phoenix Shares. Your acceptance must be received by Link before the end of the Offer Period which is 7:00pm (Sydney time) on [26 October] 2015 (unless the Offer Period is extended).

D Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

E You must sign this Acceptance Form for your instructions to be executed

I/We, the person(s) named above, accept the Offer from Evolution in respect of all my/our Phoenix Shares and hereby agree to transfer to Evolution all my/our Phoenix Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement (and the instructions as to acceptance of the Offer on the back of this Acceptance Form).

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

PXGZ TKO001



Your Phoenix Shares are held in an Issuer Sponsored Holding. To accept the Offer, you must complete, sign and return this Acceptance Form in accordance with the instructions below.

Completion instructions

A Your name and address

- **Please note** that your Phoenix Shares are currently registered in the name(s) printed on this Acceptance Form.
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Phoenix Gold Limited Registry.
- **Please note** your consideration will be issued in the names as they appear on the Phoenix Gold Limited register.
- **If you have already sold your Phoenix Shares** shown overleaf, you need not take any further action. For security reasons, we suggest that you destroy this Acceptance Form.

D Contact details

- **Please provide** your contact name and telephone number in case we need to speak to you about this form.

E Signing this Acceptance Form

- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Phoenix Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Please sign in the appropriate place to indicate the office held.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Phoenix Gold Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
Phoenix Gold Limited Takeover
1A Homebush Bay Drive
RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.
- Neither Link nor Evolution accepts any responsibility if you lodge this Acceptance Form at any other address or by any other means.

This Acceptance Form must be received by Link before the end of the Offer Period, which is 7:00pm (Sydney time) on [26 October] 2015 (unless the Offer Period is extended).

If you have any questions about the terms of the Offer or how to accept, please call the Evolution Mining Limited Offer Information Line (Monday to Friday, between 8:30am to 5:30pm (Sydney time)) on the following numbers:
within Australia: 1300 553 490
outside Australia: +61 1300 553 490



Evolution Mining Limited
ACN 084 669 036



Need help?

Contact Evolution Mining Limited
Offer Information Line
Phone 1300 553 490 (from within Australia)
Phone +61 1300 553 490 (from outside Australia)

A Your name and address

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Controlling Participant's Name *Broker's Name printed here*

Your holding

Holder Identification Number: X12345678910

Phoenix Gold Limited Shares held
as at 7:00pm (Sydney time)
on the Register Date: 99,999,999

If your holding has changed between 7:00pm (Sydney time) on the Register Date and the time of acceptance, then write your current holding here.

Transfer and Acceptance Form – CHESS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

This is an important document and requires your immediate attention. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Use this form to accept Evolution's Offer for your Phoenix Shares.

Please refer to the Bidder's Statement issued by Evolution dated 11 September 2015 which accompanies this Acceptance Form. Unless the context otherwise requires, words or phrases defined in the Bidder's Statement have the same meaning when used in this Acceptance Form.

B Offer Consideration

The consideration applicable under the terms of the Offer is 0.06 Evolution Shares and A\$0.06 cash for each Phoenix Share in respect of which you accept the Offer (subject to the terms of the Offer).

C You must give your instructions to accept the Offer

If you correctly complete, sign and return this form in accordance with the instructions shown overleaf, you will be deemed to have accepted the Offer in respect of **ALL** of your Phoenix Shares. Your acceptance must be received by Link before the end of the Offer Period which is 7:00pm (Sydney time) on [26 October] 2015 (unless the Offer Period is extended).

To accept the Offer you may either:

- directly instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf; or
- complete, sign and return this Acceptance Form to the address, and in accordance with the instructions, shown overleaf so Evolution has authority to contact your Controlling Participant on your behalf and relay your instructions. By signing and returning this form, you will be deemed to have authorised Evolution to contact your Controlling Participant directly via the CHESS system.

If your Controlling Participant acts on your instruction, ASX Settlement will send you a confirmation notice.

D Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

E You must sign this Acceptance Form for your instructions to be executed

I/We, the person(s) named above, accept the Offer from Evolution in respect of all my/our Phoenix Shares and hereby agree to transfer to Evolution all my/our Phoenix Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement (and the instructions as to acceptance of the Offer on the back of this Acceptance Form).

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

PXGZ TKO002



As your Phoenix Shares are held in a CHESS Holding, you do not need to complete and return this Acceptance Form to Link Market Services Limited (**Link**) to accept the Offer. You can instead contact your Controlling Participant (normally your broker) and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf via the CHESS system, follow the instructions below. You should allow Link sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf in the CHESS system. Neither Evolution, nor Link will be responsible for any delays incurred by this process.

Completion instructions

A Your name and address

- **Please note** that your Phoenix Shares are currently registered in the name(s) printed on this Acceptance Form.
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** your consideration will be issued in the names as they appear on the Phoenix Gold Limited register.
- **If you have already sold your Phoenix Shares** shown overleaf, you need not take any further action. For security reasons, we suggest that you destroy this Acceptance Form.

D Contact details

- **Please provide** your contact name and telephone number in case we need to speak to you about this form.

E Signing this Acceptance Form

- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Phoenix Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Please sign in the appropriate place to indicate the office held.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Phoenix Gold Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
Phoenix Gold Limited Takeover
1A Homebush Bay Drive
RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.
- Neither Link nor Evolution accepts any responsibility if you lodge this Acceptance Form at any other address or by any other means.

This Acceptance Form must be received by Link before the end of the Offer Period, which is 7:00pm (Sydney time) on [26 October] 2015 (unless the Offer Period is extended).

If you have any questions about the terms of the Offer or how to accept, please call the Evolution Mining Limited Offer Information Line (Monday to Friday, between 8:30am to 5:30pm (Sydney time)) on the following numbers:
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