



PHOENIX GOLD PROVIDES UPDATE ON TAKEOVER OFFER

DIRECTORS CONTINUE TO UNANIMOUSLY RECOMMEND THAT SHAREHOLDERS REJECT THE EVOLUTION OFFER

Phoenix Gold (ASX: PXG, "Phoenix" or the "Company") has received a number of queries from shareholders in relation to the timetable for the off-market takeover offer by Evolution Mining Limited ("Evolution").

As noted in the Evolution Bidder's Statement, the Evolution Offer period will remain open until 7.00pm (Sydney time) on 26 October 2015 or a later date if extended.ⁱ

The Directors of Phoenix continue to unanimously recommend that Phoenix shareholders **REJECT** the Evolution Offer for the following reasons:

- The offer consideration under the Evolution Offer undervalues your Phoenix Shares based on the valuation range for Phoenix Shares as assessed by the Independent Expert for the Zijin Offer.
- The Evolution Offer is inadequate and does not fairly reflect the value of the Phoenix Assets.
- Accepting Evolution's Offer will diminish your exposure to any potential increase in value that the Phoenix Assets offer.
- The Phoenix Assets carry significant strategic value for Evolution following Evolution's recent asset acquisitions in the region, which is not fully reflected in the Evolution Offer.
- If you accept the Evolution Offer, your shareholding in Evolution will represent a very small proportion of the total Evolution Shares on issue.
- The value of any future dividend entitlements to you as an Evolution shareholder is likely to be immaterial.

Further information, including the detailed reasons for the Phoenix Directors' recommendation, is set out in the Target's Statement.

However, if despite the above reasons Phoenix shareholders are considering the Evolution Offer, the Board highlights a number of factors below that shareholders should consider. In light of these factors, the Board is of the view that, even for those Phoenix shareholders considering the Evolution Offer, there is currently no need to take any action with respect to the Evolution Offer:

- The Evolution Offer cannot close any earlier than 7.00pm (Sydney time) on 26 October 2015.ⁱⁱ
- If you accept the Evolution Offer, regardless of whether the offer remains conditional or not, you will not be able to:
 - trade your Phoenix Shares on ASX or otherwise deal with your Phoenix Share (even if the Phoenix Share price trades above the implied value of the Evolution Offer price); or
 - exercise any rights or powers as a Phoenix shareholder, including the right to attend and voting at any general meeting (including Phoenix's upcoming annual general meeting);ⁱⁱⁱ
- if you accept the Evolution Offer you will not be able to withdraw your acceptance, other than in limited circumstances.^{iv}

ASX: PXG

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ASX Announcements

- if you accept the Evolution Offer whilst the offer is still conditional, you will not receive your consideration until the earlier of:
 - 1 month after the Evolution Offer becomes unconditional; and
 - 21 days after the end of the offer period.

This means that even if the Evolution Offer becomes unconditional, accepting Phoenix Shareholders may have to wait up to a further month to receive their consideration. During this period, you no longer have any ability to deal with your Phoenix Shares or exercise your powers and rights in relation to those shares.

All company announcements and information on the Evolution Offer are available on the Phoenix website at www.phoenixgold.com.au. Shareholders can also receive further information on the Evolution Offer by calling the Phoenix Shareholder Information Line below:

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

ENDS

For further information please contact

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ⁱ The Evolution Offer Period can be extended in certain circumstances. Please refer to section 13.2 of the Evolution Bidder's Statement for further information.

ⁱⁱ Phoenix shareholders should note that although the Evolution Offer cannot close earlier than 7.00pm (Sydney time) on 26 October 2015, Evolution may withdraw its offer before the closing date with the consent in writing of ASIC. For further details, please refer to section 13.13 of the Evolution Bidder's Statement.

ⁱⁱⁱ Whether or not the Evolution Offer becomes unconditional, if you accept the Evolution Offer, you have irrevocably appointed Evolution as your attorney to exercise all your powers and rights in relation to your Phoenix Shares. Please refer to section 13.5 of the Evolution Bidder's Statement for further details on the effect of accepting the Evolution Offer.

^{iv} You may only withdraw your acceptance if the Evolution Offer remains conditional and is varied so that it postpones the date on which Evolution must satisfy its obligations under the offer by more than 1 month (including if Evolution were to extend the offer period by more than 1 month). For further details, please refer to section 13.5(a) of the Evolution Bidder's Statement.

9 October 2015