



PHOENIX GOLD AND EVOLUTION MINING ANNOUNCE RECOMMENDED TRANSACTION

November 6, 2015: The Boards of Phoenix Gold Limited (ASX: PXG, "Phoenix") and Evolution Mining Limited (ASX: EVN, "Evolution") are pleased to announce that they have reached agreement on improved terms for the proposed off-market takeover offer for Phoenix by Evolution (the "Revised Offer"). Following ongoing discussions between directors of both companies, and acknowledging the likelihood that Evolution will imminently gain control of Phoenix, the Board of Phoenix has resolved to unanimously recommend that shareholders **ACCEPT** the Revised Offer, in the absence of a superior proposal.

The terms of the Revised Offer are as follows:

- Upon Evolution obtaining a relevant interest in 90% of Phoenix shares, or otherwise being entitled to pursue compulsory acquisition of all remaining Phoenix shares, Phoenix shareholders, including those that have already accepted the Evolution Offer at any time previously, will be entitled to receive an additional 0.75 cents for each Phoenix Share they hold (the "Increased Consideration")
- The offer period for the Revised Offer will be extended such that it will now close at 7.00pm AEST on 15 December 2015, unless further extended

Should Phoenix shareholders become entitled to the Increased Consideration, the aggregate consideration under the Revised Offer would be A\$0.0675 cash and 0.06 Evolution shares for each Phoenix share. The increased cash component of the Revised Offer adds certainty of value to Phoenix shareholders and the total consideration values the Revised Offer at A\$0.158 per Phoenix share (the "Reference Price"), based upon the 20 day volume weighted average price ("VWAP") of Evolution's shares as of ASX market close on 5 November 2015. The Reference Price represents a premium of:

- 60.8% to the Phoenix closing price on 19 June 2015, being the last trading price prior to the announcement of Zijin Mining Group Co., Ltd's offer to acquire Phoenix (the "Zijin Offer") (now lapsed); and
- 57.6% to the Zijin Offer of A\$0.10 cash per Phoenix share.

After careful consideration, the Board of Phoenix unanimously recommends that Phoenix shareholders **ACCEPT** the Revised Offer, in the absence of a superior proposal, and notes that the Revised Offer is the only offer that is currently available to shareholders.

Each of the Phoenix Directors who holds or controls Phoenix shares has also undertaken to accept the Revised Offer in respect of those holdings in Phoenix within 1 week of the date of this announcement, in the absence of a superior proposal.

The Board of Phoenix also welcomes Aaron Colleran, Vice President Investor Relations and Business Development of Evolution, to the Phoenix Board of Directors.

By accepting the Revised Offer, Phoenix shareholders will become part of a larger, leading Australian gold company with multiple operating assets located throughout Australia and attractive growth prospects.

Evolution will shortly release a Supplementary Bidder's Statement in relation to the Revised Offer.

In commenting on the Revised Offer, Dale Rogers, Executive Chairman of Phoenix, said:

"On behalf of the Board of Phoenix, I am pleased to advise our shareholders that we have reached an agreement with Evolution that, we believe, offers Phoenix shareholders the best possible outcome in the current circumstances. As we have stated in the past, we have a great deal of respect for the team at Evolution and look forward to becoming shareholders in the company."

Jake Klein, Executive Chairman of Evolution added:

"This is a good outcome for both Phoenix and Evolution and I look forward to welcoming Phoenix shareholders to the Evolution share register."

All company announcements and information on the Revised Offer are available on the Phoenix website at www.phoenixgold.com.au and on the Evolution website at www.evolutionmining.com.au. Shareholders can also receive further information on the Revised 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

Phoenix Investors

Dale Rogers, Executive Chairman

(08) 9021 2704

info@phoenixgold.com.au

Media (Phoenix)

James Tranter / Shane Murphy

FTI Consulting

(08) 9485 8888

RBC Capital Markets (Phoenix Financial Adviser)

Adam Reid, Director

+61 407 339 163

adam.reid@rbccm.com

Evolution Investors

Bryan O'Hara, Group Manager Investor Relations

(02) 9696 2900

Media (Evolution)

Michael Vaughan

Fivemark Partners

+61 422 602 720