



PHOENIX BOARD APPROVES STAGED DEVELOPMENT AFTER SUCCESSFUL COMPLETION OF FEASIBILITY STUDY

HIGHLIGHTS

- *Independent Definitive Feasibility Study (DFS) completed on core projects at Castle Hill, Red Dam and satellite pits within a 15km radius*
- *DFS assumes standalone 2Mtpa processing plant at Castle Hill for high grade ore and 2Mtpa heap leach plant in close proximity in Year 2 for lower grade ore treatment*
- *The DFS, completed to a bankable standard¹, demonstrates robust underlying results of a standalone project:*

Key operating results - Definitive Feasibility Study		
Total gold production	ounces	1,036,400
Mine life	years	8
Average annual gold production	ounces	129,550
Development time to first production	months	18
Total capital cost (including \$30m for heap leach in year 2)	A\$M	136
All in sustaining cash costs	A\$/oz	989
Key financial results (at A\$1,350 per ounce)		
Total Revenue	A\$M	1,399
Total net cash flow (after capex, before tax)	A\$M	264
NPV at 6% discount rate (pre-tax)	A\$M	153
Internal rate of return (IRR) over mine life (pre-tax)	%	30

- *Board approves a staged development strategy utilising existing spare milling capacity in the region, reducing up-front capital requirements and delivering earlier cash flow*
- *Staged development study¹ delivered the following results:*

Key base operating results – Staged development plan		
Base tonnage through third party mill	kt	600 - 800
Projects grade range	g/t Au	2.0 - 2.4
Gold recovery	%	94
Base estimated annual gold production	ounces	40,000 - 50,000
Development time to first production	months	6
Capital cost	A\$M	8 - 10
Estimated cash margin (at A\$1350/oz gold price, pre-tax)	%	25 - 30

- *Additional cash flow opportunities to base production including both working with Norton Gold Fields under existing agreements² and extracting value from lower grade ore stockpiles*
- *Funding arrangements for staged development ongoing in March Quarter*
- *Project development to commence in the second half of 2014 as Phoenix commences transition to sustainable gold producer*

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¹ Studies based on published Mineral Resources and Ore Reserves released to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014. ² For a detailed summary of agreements in place with Norton, please refer to the Solicitor's Report within the Prospectus dated 20 October 2010.



Overview

Phoenix Gold Limited (ASX: PXG) ("Phoenix" or the "Company") is pleased to announce the results of the Definitive Feasibility Study (DFS) that commenced in January 2013 and includes development of its 100% owned Castle Hill and Red Dam gold projects together with a number of smaller satellite projects. The Board of Directors has approved a staged development whereby mining operations will commence in the second half of 2014 with high grade ore transported to a third party mill in close proximity and lower grade material will be stockpiled for treatment in the medium term.

The projects are located on the highly prospective Zuleika and Kunanalling shear zones in the heart of the Western Australian Goldfields (Figure 1) less than 50 km from the regional mining centre of Kalgoorlie and serviced by existing haul roads and infrastructure.

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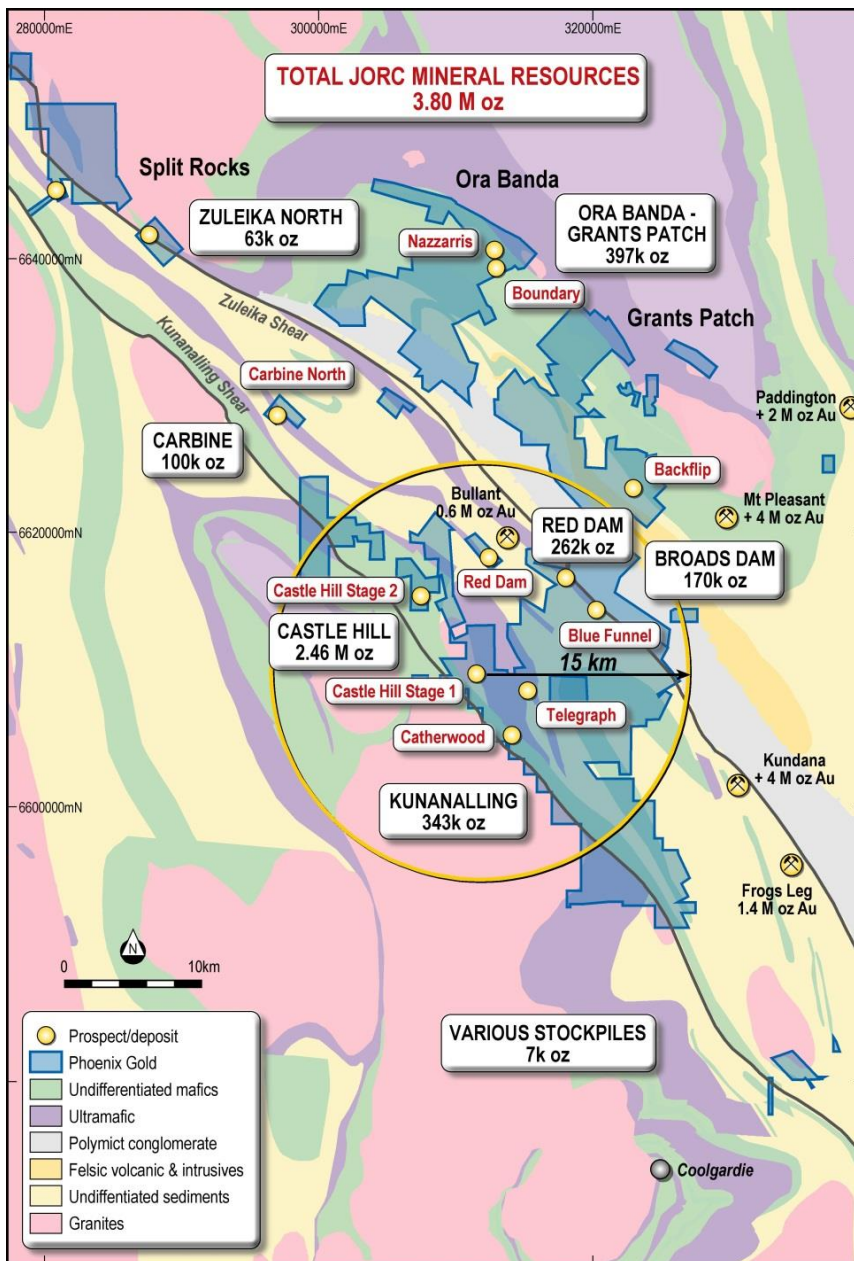


Figure 1: Project location, Phoenix tenements and total Mineral Resource summary



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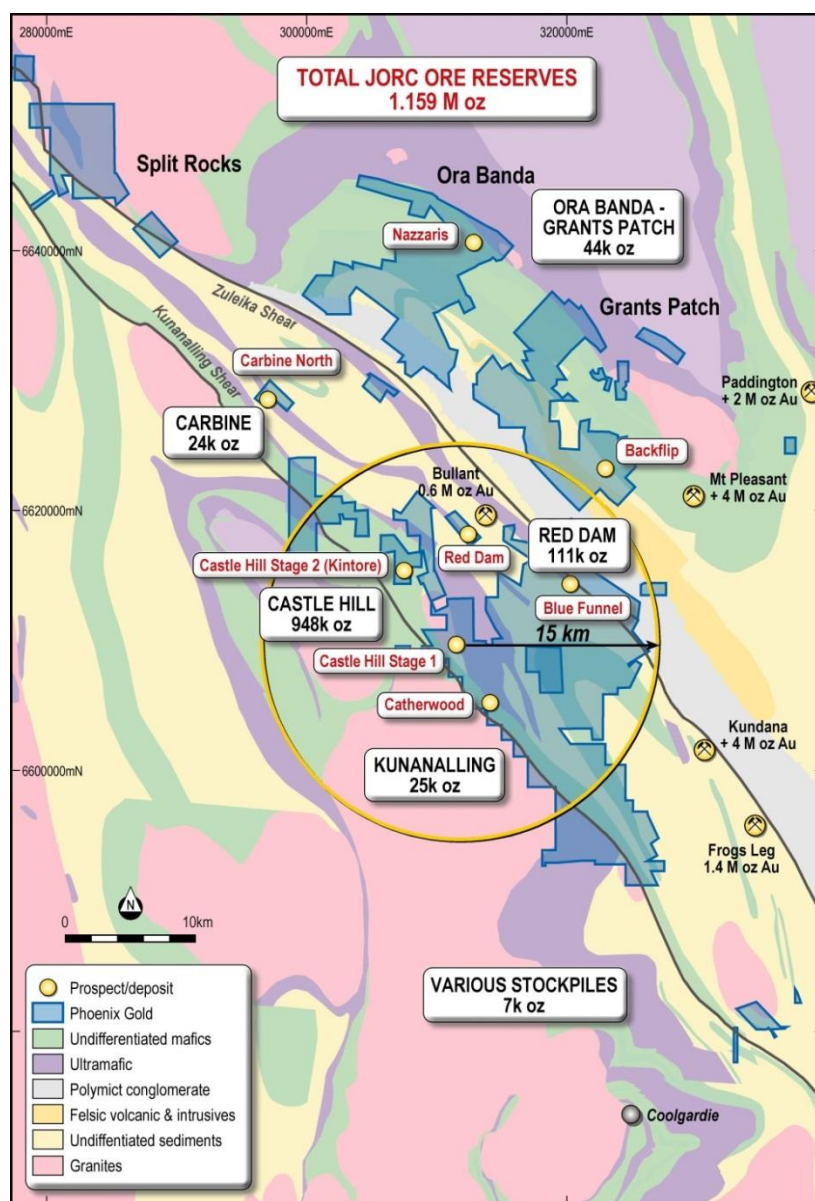


Figure 2: Project location, Phoenix tenements and total Ore Reserve summary

“The Board has approved a staged development strategy of the projects whereby it will utilise spare milling capacity in the region to enable early net cash flow generation and also potentially utilise existing agreements with Norton Gold Fields. This prudent approach to get the project up and running at a more modest capital cost will benefit all shareholders while continuing to grow the Company’s mining inventory and delivering strong cash flow to grow the business over time,” Managing Director Jon Price said.

“We are extremely pleased to be taking the next step towards transforming Phoenix into a sustainable gold producer and are also excited by the substantial upside both within and outside these core projects that can take our mine life well beyond the initial 8 years.” Mr Price said.

“The results of the DFS are extremely pleasing and it is a credit to the Phoenix team and our independent consultants who delivered a quality study confirming robust economics in such a short time frame.”



STAGED DEVELOPMENT STRATEGY

As part of the DFS, a development option study was completed to enable a staged development approach to minimise capital costs and utilise existing spare milling capacity in the region. In addition to the base level of production under third party milling, the staged approach also allows for potential JV arrangements to be explored with Norton Gold Fields (“Norton”) under existing mining and milling agreements between the parties¹.

The development option study is a subset of the larger scale DFS and is based on the current Mineral Resources and Ore Reserves (see Mineral Resources and Ore Reserves section further below) and form the basis for reporting a production profile¹. Mining Consultants Golder Associates completed the mine optimisations and designs based on geological models prepared by Cube Consulting. As part of the study, smaller scale, shallow open pits were evaluated at increased cut off grades to ensure cash margins were maintained under different operating parameters. Final mine scheduling and financial analysis was completed in house.

Under this strategy, mining will commence in H2 2014 and deliver 600,000 - 800,000 tonnes of ore annually for haulage and treatment at a third party mill in close proximity. Budget mining and haulage costs have been received from a number of local mining contractors with available mining and haulage fleets. Metallurgical test work resulted in plant recoveries ranging from 93% - 96% with all ore suitable for conventional processing at a coarse grind size P80 of 125 microns. Phoenix is currently progressing discussions with parties in the region regarding toll milling arrangements and expects to execute a formal agreement to facilitate gold production for FY2015. Base case gold production is estimated at 40,000 – 50,000 ounces in FY2015².

In addition, Phoenix will deliver to Norton separate Feasibility Studies on the Mick Adam and Wadi projects (making up part of Castle Hill Stage 1) in accordance with an option to mine and treat agreement¹.

Under the terms of the agreement:

- Norton may exercise an option within a 6 month period after Feasibility Study delivery
- Upfront capital development is funded by Norton.
- Mining, haulage, milling and rehabilitation is conducted by Norton.
- Subject to fleet availability, mining is to commence within 3 months of execution of the formal agreement.
- As the project becomes cash positive on a production cost basis, Phoenix receives 50% of the resultant cash surplus.

The staged development approach also enables the potential for stockpiled lower grade ore mined (with no mining costs attributable) from Castle Hill to be treated through a heap leach facility. This processing pathway would complement the milling of the higher grade material and provide an additional source of internal cash flow generation.

Historic and current metallurgical testwork on the Castle Hill ore has demonstrated high amenability to heap leaching with recoveries ranging from 70% to 88% with moderate to low reagent consumption and excellent percolation rates. The ore would be crushed to 12mm, agglomerated and stacked on purpose built leach pads for irrigation and solution recovery. Gold production would be via a conventional carbon in column (CIC) circuit.

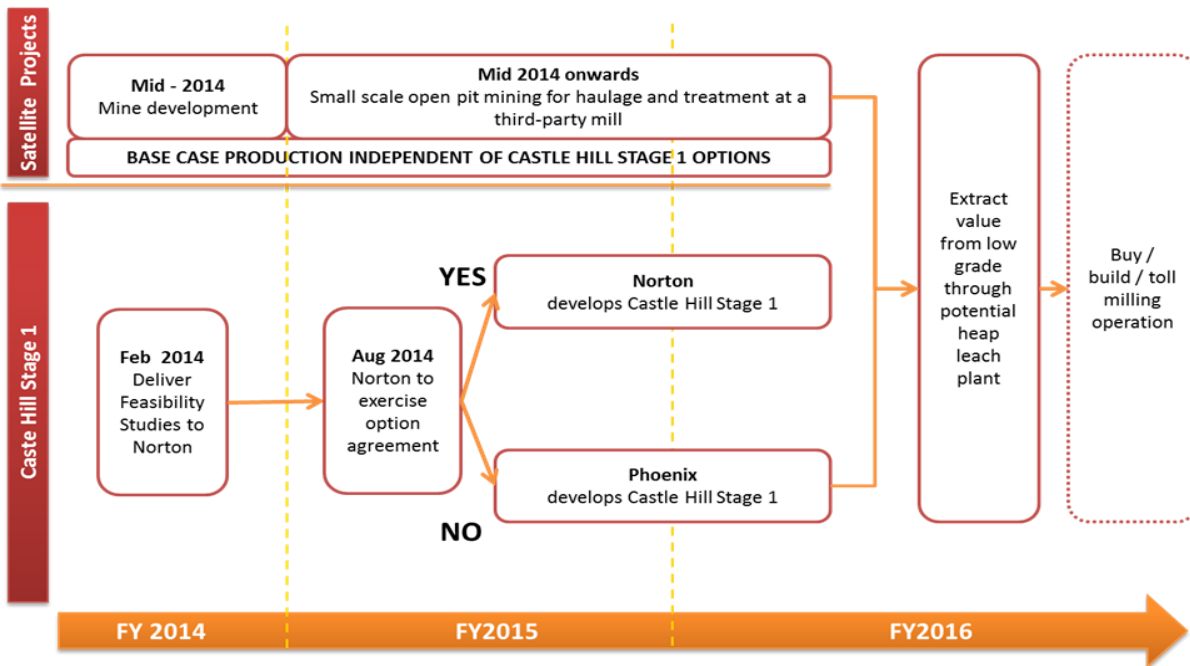


Figure 3: Phoenix stage development decision tree

Staged development rationale

Against a backdrop of recent market volatility particularly experienced in the gold sector, a more conservative staged development strategy will deliver benefits including:

- **Lower Cost:** capital management benefits via reduced up-front capital and debt/equity funding requirements
- **Earlier Production:** allows for a more rapid development leading to earlier production and positive cash flow to fund future growth
- **Retain Larger Development Flexibility:** staged development does not impact the ability for Phoenix to develop its own mill at Castle Hill and expand the project
- **Allows Phoenix to pursue production:** generate cash flow while the Norton outcome regarding Castle Hill Stage 1 is pending.

Funding

Progression of funding arrangement for the staged development strategy is ongoing through the March Quarter.

Permitting and environmental studies

The projects are located on granted Mining Leases which have a grant life of 21 years and are renewable indefinitely.

There have been no significant matters identified as a result of the environmental studies and mining application process that would impede the mining operations commencing as planned. All required fauna, flora and heritage surveys have been completed together with hydrological and waste characterisation studies. Clearing permits are either granted or under application and Mining proposals are prepared for submission as required.



DEFINITIVE FEASIBILITY STUDY

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The DFS includes development of Phoenix's 100% owned Castle Hill and Red Dam gold projects together with a number of smaller satellite projects within a 15km radius. Detailed supporting information is presented in Appendix 1. The Study was based on the current Mineral Resource and Ore Reserves as released to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014 (see Mineral Resources and Ore Reserves section further below).

The Study has been completed under Phoenix management with major components completed by prominent independent consultants, including:

- Cube Consulting and Quantitative Group (geological modeling and Resource estimation)
- Golder Associates (geotechnical, mine optimisation and design and Reserve estimation)
- Independent Metallurgical Operations (mill and heap leach metallurgical test work)
- Mintrex (CIL process plant design, capital and operating costs to +/-15%)
- Cardno BEC, Rockwater and Worley Parsons for energy, hydrology and civil engineering respectively

Operating Parameters

Open cut mining will be conducted using truck and shovel excavation methods under a contract mining operation. The DFS found that the following deposits could be economically mined based on a gold price of A\$1,310/oz:

- Castle Hill Stage 1, comprising the Mick Adam and Wadi open pits (located 500m from the proposed Castle Hill processing plant)
- Castle Hill Stage 2, comprising the Kintore pits (6.5km from Castle Hill processing plant)
- Red Dam, (11.5km from Castle Hill processing plant)
- Various satellite deposits.

Contract open cut mining under Phoenix management will commence at the Mick Adam and Wadi pits (Castle Hill Stage 1, see Figure 6) and will produce the majority of the mill feed for the first 5 years of operation. The Red Dam and smaller satellite pits will commence as required to ensure efficient mine fleet scheduling and optimal ore blending through the processing plant. The proposed heap leach plant (funded through internal cash flow) is planned to commence in Year 2 to treat the lower grade material from Castle Hill to complement the milling operation.

Haulage of ore to the Castle Hill plant will utilise existing haul road infrastructure where required with pricing received from a number of local haulage contractors. Ore from the Mick Adam and Wadi open pits will be delivered to the run of mine (ROM) pad by the contract mining fleet directly from the mine with the ability to direct tip the ore in to the primary crusher chamber with significant cost savings.

Plant design (Figure 7) is based on a nominal 2Mtpa throughput capacity utilising a primary and secondary crusher and a 6MW single stage SAG mill followed by conventional gravity and carbon in leach circuits. The circuit, designed by Mintrex, utilises well proven and conventional technology very similar to the installation recently completed by Regis Resources at the Duketon, Garden Well and Moolart Well gold projects. Dore bullion will be shipped by armoured vehicle to Kalgoorlie airport and flown to the Perth Mint for refining.



The results of the DFS show a robust project with the following operating parameters:

Physicals - All projects		
Mining Summary		
Ore Mined	Tonne	29,940,400
Waste Mined	Tonne	137,826,200
Stripping ratio – waste to ore	T : T	4.6
Milling summary		
Ore milled	Tonnes	16,318,600
Gold grade	g/t Au	1.74
Recovery	%	94.5
Recovered gold	Ounces	864,800
Average Annual throughput rate	Tonnes	2,000,000
Heap leach summary		
Ore heaped	Tonnes	13,621,800
Gold grade	g/t Au	0.56
Recovery	%	70
Recovered gold	Ounces	171,600
Average Annual throughput rate	Tonnes	2,000,000
Project Life		
Mine life	yrs	8
Max annual production	ounces	138,200 (Yr5)
Min annual production	ounces	114,000 (Yr 3)
Average annual production	ounces	129,550

Table 1: Phoenix DFS high level physicals summary

Capital Costs

Mine capital development is estimated at A\$17.5m to facilitate the removal of overburden waste material in the open pit, building of an ore stockpile for start-up operations and provision of suitable material for tailings storage facility construction.

Capital costs for the Castle Hill processing plant have been derived by Mintrex Pty Ltd to an accuracy level of +/- 15% and based on detailed metallurgical testwork and process design criteria completed by Independent Metallurgical Operations (IMO).



The processing plant is based on a nominal 2Mtpa on the proposed blend at P80 125µm grind size. The plant design proposed is simple but robust and broadly comprises two stage open circuit crushing to a low aspect single stage SAG grinding circuit (SS SAG) with recycle crusher. The SAG mill is 5.8 metres in diameter and 9.2 metres long powered by a 6MW motor. The gravity circuit comprises of two Knelson concentrators discharging into an in-line Leach Reactor.

The Plant has six CIL tanks, each with a nominal capacity of 1,500 m³, providing a slurry residence time in the leach circuit of 24 hours at 2Mtpa throughput. A 12m³ elution column is used for desorption. All metallurgical testwork indicates that processing recoveries range between 93-96% after 16 hours leach time.

Key capital costs for the operation are detailed in Table 2 below:

Capital Costs – 2 Mtpa Castle Hill processing plant		
Construction overheads	A\$M	6.90
Bulk earthworks	A\$M	1.70
EPCM costs	A\$M	8.19
Crushing	A\$M	11.39
Milling and Classification	A\$M	23.34
Leaching and Adsorption	A\$M	11.27
Tailings Storage facility	A\$M	4.75
Metal recovery and refining	A\$M	3.34
Reagents	A\$M	1.55
Services	A\$M	2.56
Plant buildings	A\$M	3.11
Project infrastructure	A\$M	3.72
Other infrastructure	A\$M	1.23
Other costs (spares, first fills)	A\$M	3.12
Owners Costs	A\$M	2.32
Total Capital Cost (Plant)	A\$M	88.50
Capital Costs – Other		
Mine establishment (including pre-strip)	A\$M	17.5
Heap Leach facility in Year 3 (funded from internal cash flow)	A\$M	30.00

Table 2: Phoenix DFS capital cost summary



Operating Costs

Phoenix conducted a pricing process for contract earthmoving, drill and blast services and road haulage where required.

Operating costs for the processing plant have been estimated by Mintrex based on metallurgical testwork from IMO on all ore domains to an accuracy of +/- 15%. This produced an operating cost for the plant of A\$18.48/t at a nominal 2Mtpa processing rate. The operating cost model assumes increased throughput rates for treatment of oxide material and nominal rates for transitional and fresh material. Over the 8 year mine life blend, operating costs averaged \$18.10/t.

One of the key advantages of the Castle Hill Gold Project is its close proximity to the city of Kalgoorlie-Boulder. The operations will leverage off well established mining infrastructure and services that exists in the region. The high skill level and experience of the labour force in the local community will minimise the need to employ staff from outside the Eastern Goldfields region. This will ensure a seamless transition from commissioning to operations with no requirement for an accommodation village or airstrip.

Phoenix will have a total site workforce of 55 employees across processing and maintenance (31), mining (14), and administration (10) - inclusive of Environmental, Health and Safety and management. Contractor numbers will vary during the course of the operation but shall approximate 62 for the first year of operations.

Key operating costs are detailed in Table 3 below:

Life of mine cash operating costs		
Mining (per ore tonne milled)	\$/t	28.50
Haulage where required (per total ore tonne milled)	\$/t	0.75
Milling	\$/t	18.10
Heap Leaching	\$/t	8.25
Administration	\$/t	1.50
Royalties	\$/t	1.70
Total Operating costs (milling and CIL processing)	\$/t	50.55
Total Operating Costs (heap leach processing)	\$/t	11.45

Table 3: Phoenix DFS operating cost summary

The DFS assumes mining costs are attributed to the high grade ore mined with no costs attributed to the low grade heap leach ore stockpiled and subsequently processed. In addition, pregnant solution from the heap leach is pumped to the mill for gold recovery within the CIL circuit. No cost from the gold recovery process is attributed to the heap leach. The heap leach operating cost includes both an overhaul component for delivery of the low grade stockpiled ore during active mining and a loader feed component for ore feed to the crushing circuit.



Heap Leach Operation

The open pit Ore Reserve studies and subsequent DFS have highlighted the significant potential for the development of a 2Mtpa heap leach operation at Castle Hill to complement milling operations. During the course of mining the higher grade feed for the mill, a considerable quantity of lower grade material is mined. This ore would typically be stockpiled separately and treated at the end of the mine life.

Historic and recent metallurgical testwork on the Castle Hill ore has demonstrated high amenability to heap leaching with recoveries ranging from 70 to 88% with moderate to low reagent consumption and low slumpage rates. The proposed circuit design comprises 3 stage crushing to 12mm, agglomeration and stacking on 10m pads for irrigation. Collected solution is recycled through the heap twice with the pregnant solution either pumped to the milling circuit for recovery or treated through a dedicated carbon in column (CIC) circuit for gold recovery.

For the DFS and financial model, it is assumed that a 2Mtpa heap leach operation (Figure 9) is constructed in Year 2 in close proximity to the Castle Hill processing plant. Lower grade ore is directed to the Heap leach ROM pad by dump truck and fed to the heap leach crushing circuit by front end loader. Pregnant solution from the heap is pumped to the mill for adsorption on to carbon with a total gold recovery assumed at 70%.

Capital costs can be minimised by utilising a contract crushing circuit and developing the heap leach pads progressively over time that will also avoid UV degradation of the HDPE underlay. Capital costs under this scenario are estimated at A\$30m with total operating costs estimated at A\$11.45/t.

Permitting and Environmental Studies

There have been no significant matters identified as a result of the environmental studies that would impede the mining operations at the projects. Management strategies have been developed to address clearing of vegetation, wildlife interaction and rehabilitation of waste rock dumps.. Work on the remaining Kintore projects is ongoing and will be progressed closer to the time of mining.

The projects are situated on granted Mining Leases which have a grant life of 21 years and are renewable indefinitely. Miscellaneous Licences have been pegged which connect all of the satellite operations to Castle Hill Stage 1. These licenses have either been granted or are in the process of being granted. Mining Proposals relating to road construction on these licences will be submitted on an as needs basis.

Environmental works will also be conducted on the other satellite deposits on an as needs basis.



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MINERAL RESOURCES AND ORE RESERVES

The Study has been based on the current Mineral Resource and Ore Reserve statements as announced to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014. Please refer to the announcements available both on the ASX platform or the Phoenix website for more detail on Resource and Reserve calculation methodology and associated evaluation parameters. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

The current Mineral Resource and Ore Reserves are summarised in Table 1 and 2 below:

Table 4: Phoenix Gold – Summary of Mineral Resources¹ (including Ore Reserves)

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

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

Total FEB 2014	0.59	2.7	52,000	54.63	1.2	2,037,000	48.18	1.1	1,711,000	103.40	1.1	3,800,000
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Table 5: Phoenix Gold – Summary of Ore Reserves¹

Project - Mill Feed	Proven Ore Reserve			Probable Ore Reserve			Total Ore Reserve			Cut off
	Mt	Au (g/t)	Au Oz	Mt	Au(g/t)	Au oz	Mt	Au (g/t)	Au Oz	
Castle Hill (Stage 1)				10.68	1.71	588,380	10.68	1.71	588,380	0.8
Kintore (Castle Hill Stage 2)				2.00	1.33	86,100	2.00	1.33	86,100	0.8
Red Dam				1.60	2.19	110,900	1.60	2.19	110,900	1.0
Kunanalling	0.35	2.09	24,000	0.02	1.63	1,000	0.37	2.07	25,000	0.9
Ora Banda				0.58	2.33	44,000	0.58	2.33	44,000	0.8
Carbine				0.40	1.70	23,800	0.40	1.70	23,800	1.0
Sub total - mill feed	0.35	2.09	24,000	15.28	1.74	854,180	15.63	1.75	878,180	
Project - Heap leach feed										
Castle Hill				12.16	0.58	227,450	12.16	0.58	227,450	0.4-0.8
Kintore (Castle Hill Stage 2)				2.60	0.54	46,000	2.6	0.54	46,000	0.4-0.8
Stockpiles				0.20	1.10	7,000	0.20	1.10	7,000	
Sub total - Heap leach feed				14.96	0.58	280,450	14.96	0.58	280,450	
Total	0.35	2.09	24,000	30.24	1.17	1,134,630	30.59	1.18	1,158,630	

Note: The reserve estimates have been modified with dilution and mining recovery factors

Tonnes and ounces are rounded, rounding errors may occur

MT = million tonnes, Au (g/t) = gold in grams per tonne

¹As announced to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014. Also see qualifying statement on Page 16



Ore Reserve¹

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Material assumptions used by Golder Associates in estimation of the Probable Ore Reserves are summarised below and detailed in the summary technical report and JORC Tables announced to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014. These Ore Reserves give the Company reasonable basis for reporting a production profiles.

- Pit optimisation using wall angles based on geotechnical drill holes, detailed geotechnical assessment and allowances for ramps
- Mining costs based on budget quotations provided by local mining contractors
- Metallurgical test work from samples collected from diamond drilling representing all ore domains within the project and historic ore treatment results (see Table 6)
- Assumption of a purpose built conventional CIL processing plant is constructed at Castle Hill together with a heap leach processing plant in Year
- Milling and other operating costs based cost estimation completed by Mintrex based on recent metallurgical results and ore characteristics
- Mining Recovery and mining dilution varied by deposit width and geometry (see Table 7)
- All Inferred Resources were excluded from the optimisation for estimation of reserves
- A gold price of \$A1,310 per ounce was used to estimate reserves
- W.A. state and third party royalties were subtracted from the gold price as part of the optimisation process (see Table 8 below)
- Bulk densities were derived from test work
- A discount factor of 10% was applied for all optimisations
- Reserves have been depleted up to and including 31 December 2013

Table 6 – Metallurgical Recoveries used for the mining Ore Reserve study.

Deposit	CIL Recovery (%)	Heap Leach Recovery (%)	Basis
Castle Hill	94.0	63	Test work
Kintore	94.0	63	Assumed
Red Dam	90.0		Assumed
Blue Funnel	95.0		Test work
Catherwood	94.5		Test work
Nazzaris	94.5		Production
Carbine	94.0		Test work
Kunanalling	94.5		Assumed
Backflip	94.5		Assumed

¹ As announced to the ASX on 27 December 2013, 9 January 2014 and 4 February 2014. Also see qualifying statement on Page 16

**Table 7 – Mining Dilution and Recovery factors applied in the mining Ore Reserve study**

Project	Mining Dilution (%)	Mining Recovery (%)
Backflip	25	95
Blue Funnel	10	95
Broads Dam	25	95
Carbine	10	96
Nazzaris	10	95
Kunanalling	25	95
Red Dam	10	96
Castle Hill	4	98
Kintore	4	98

Table 8 – Selling cost parameter applied in the mining Ore Reserve study

Project	State	Third Party	Total
Backflip	37.5	0	37.5
Blue Funnel	37.5	0	37.5
Carbine	37.5	20.0	57.5
Nazzaris	37.5	0	37.5
Kunanalling	37.5	20.0	57.5
Catherwood	37.5	20.0	57.5
Red Dam	37.5	20.0	57.5
Castle Hill	37.5	22.0	59.5
Kintore	37.5	20.0	57.5



About Phoenix

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

Kalgoorlie-based Phoenix is aiming to significantly grow its JORC-classified resources, complete a definitive feasibility study on core projects and to self-fund aggressive exploration through the development of advanced mining projects that can deliver cash flow in the short term.

The 100% owned Castle Hill gold project is emerging as a flagship asset with the potential to become a multi-million ounce gold mine with excellent metallurgy and close to all major infrastructure. Castle Hill is one of many well-endowed gold systems within Phoenix's portfolio.

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

Table 9: Phoenix Gold – Summary of Mineral Resources

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

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

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

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

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

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

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



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Forward Looking Statements

This release contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, The Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company's public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law. This release may contain certain forward looking statements and projections regarding: estimated resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives.

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



Appendix 1: DFS results supporting information

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Annual Gold Production and AISC Costs per Oz

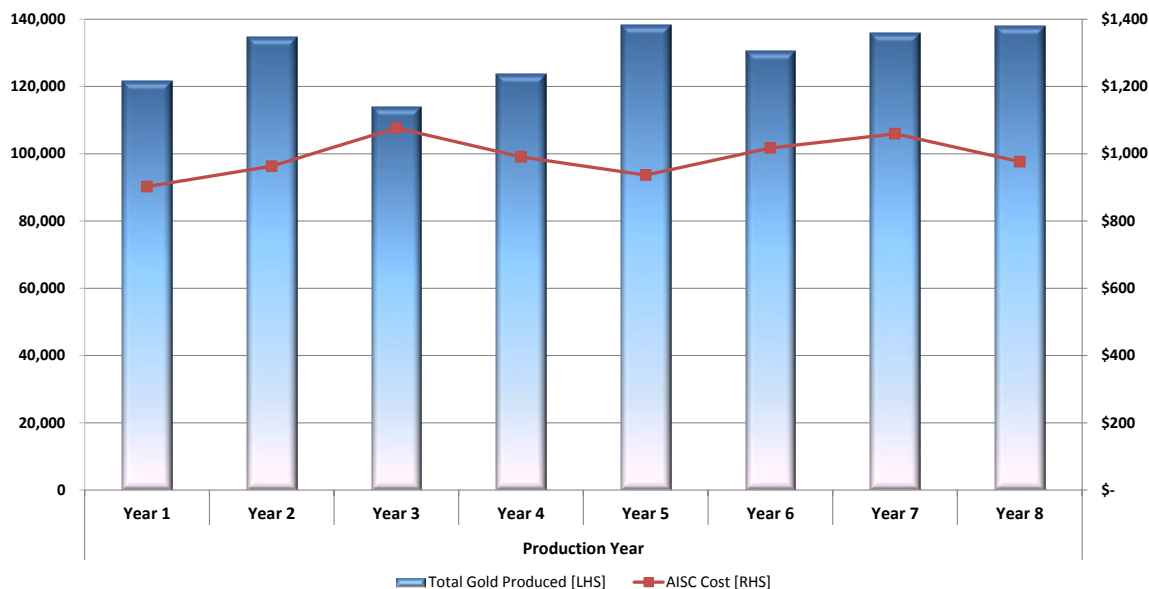


Figure 4: Gold production and AISC by year

Impact on Changing Gold Price		A\$1,200	A\$1,350	A\$1,500
Project Revenue	\$M	1,244	1,399	1,554
Net Cash Flow (after CAPEX; before Tax)	\$M	113	264	416
NPV (8%)	\$M	46	153	260
IRR	%	14	30	46

Table 10: Sensitivity analysis: gold price Vs project metrics

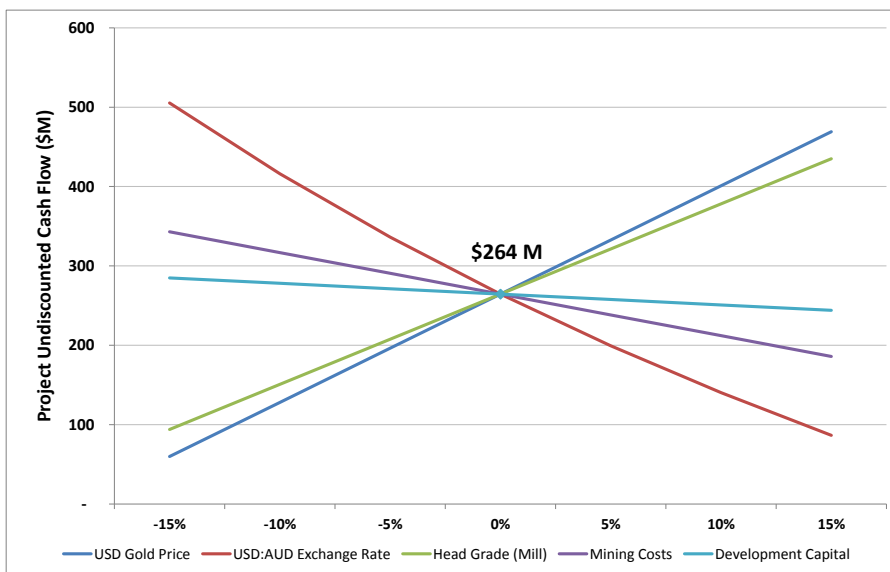


Figure 5: Sensitivity analysis: NCF Vs operating parameters

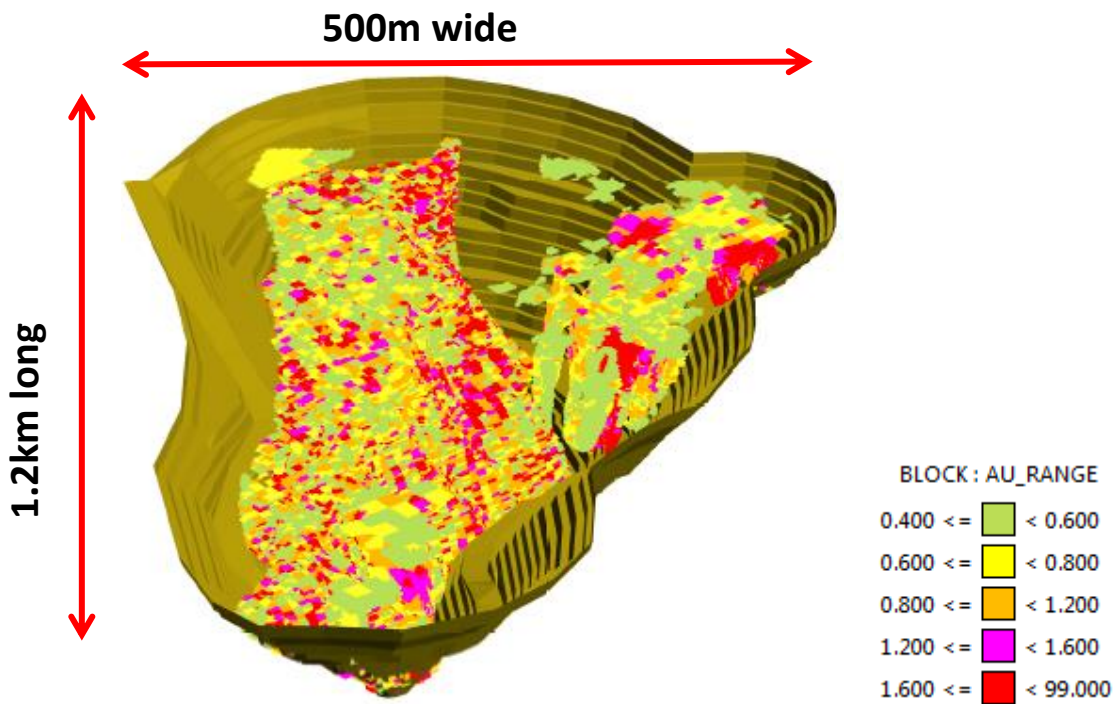


Figure 6: Mick Adam mine design and ore blocks to 200m depth

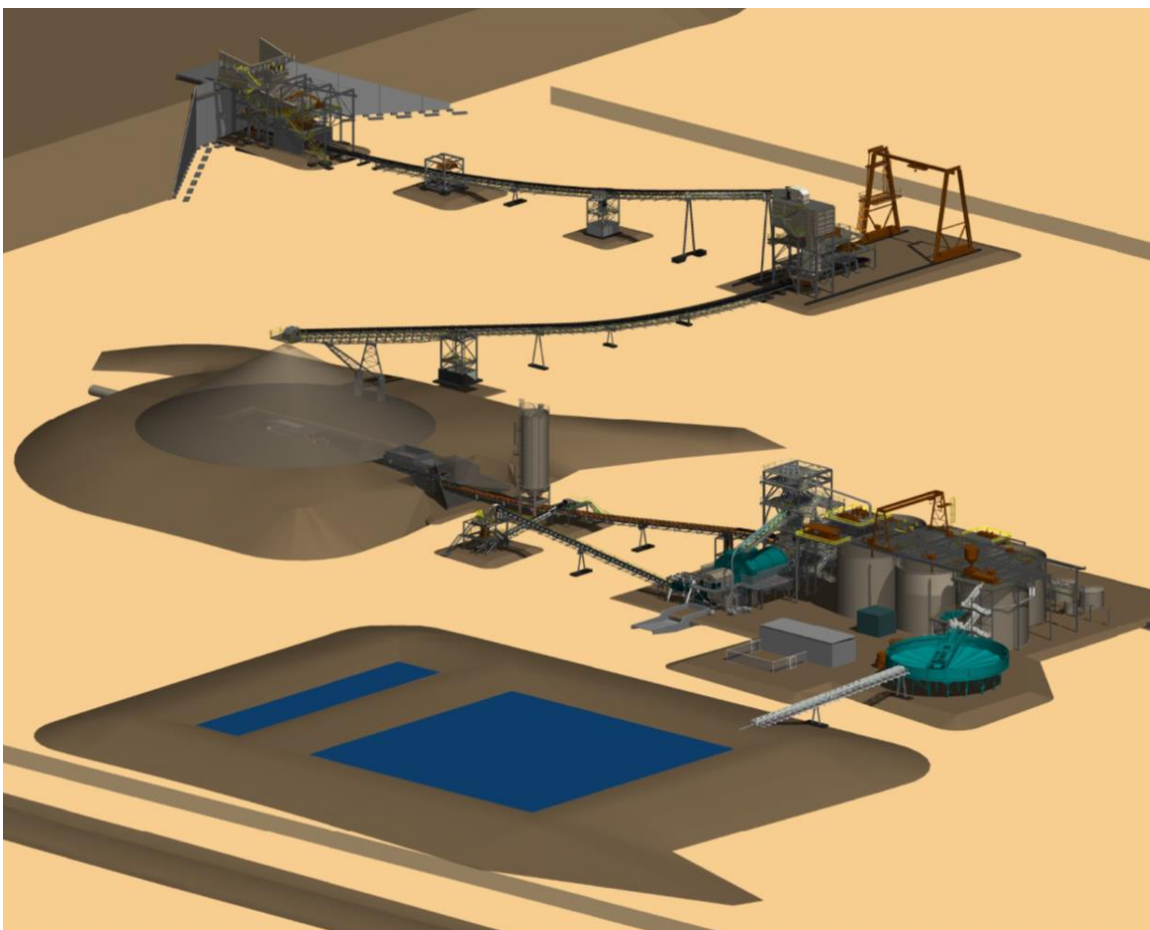


Figure 7: Castle Hill processing plant design schematic



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Figure 8: Castle Hill heap leaching pad design schematic