



EVOLUTION STRATEGIC ALLIANCE – MARKET UPDATE

Phoenix Gold Limited (**ASX: PXG**) (“**Phoenix**” or the “**Company**”) is pleased to advise that ASX has granted a waiver from Listing Rule 6.18, fulfilling a condition precedent to a proposed issue of shares associated with its strategic alliance with Evolution Mining Limited (**ASX:EVN**) (“**Evolution**”) announced on 1 May 2015.

Under the Share Subscription Agreement (**Agreement**), upon completion of the issue of the second tranche of shares to Evolution and subject to certain conditions, Evolution will have a right to participate in any new issues of shares in Phoenix. This will be on the same terms as other participants in that share issue, up to such additional number of equity securities as is sufficient to enable Evolution to maintain its ownership percentage in Phoenix. It will also be subject to compliance with any shareholder or regulatory approvals that may be required for any such issue.

Furthermore, the Company has been informed by Evolution that the Agreement is no longer subject to Evolution obtaining FIRB approval.

A Notice of Meeting to approve, amongst other things, the second tranche share issue to Evolution was dispatched to shareholders last week. The meeting is scheduled for 23 June 2015 at 10 am. The only remaining material conditions precedent¹ include:

- Phoenix shareholder approval; and
- the average daily spot price for gold not falling below A\$1,300/oz for three consecutive days prior to completion of tranche 2.

“We are pleased to be advancing satisfaction of conditions precedent to the Agreement with Evolution. We look forward to the shareholder meeting in June where we aim to conclude the second tranche placement with Evolution and commence the accelerated exploration programme on our Zuleika project,” Executive Chairman Dale Rogers said.

The Board recommends Shareholders vote in favour of the resolution approving the issue of the second tranche shares to Evolution and each of the directors of Phoenix intend to vote any shares held by them in favour of that resolution.

ENDS

For further information please contact:

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¹ Please see the Company’s explanatory statement accompanying its notice of meeting dated 20 May 2015 for a full list of the conditions to the Agreement. Other than the FIRB condition and the ASX waiver outlined above, each other condition remains.

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 definitive feasibility studies on core projects and to continue aggressive exploration.

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 1: Phoenix Gold – Summary of Mineral Resources

Project (Mill Feed)	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource			Total Mineral Resource		
	MI	Au (g/t)	Au Oz	MI	Au (g/t)	Au oz	MI	Au (g/t)	Au Oz	MI	Au (g/t)	Au Oz
Mick Adams/Wadi				18.09	1.5	894,000	6.39	1.3	274,000	24.48	1.5	1,168,000
Kintore				3.03	1.6	140,000	4.21	1.8	239,000	7.24	1.7	399,000
Castle Hill Stage 3				2.38	1.4	109,000	1.36	1.3	59,000	3.74	1.4	168,000
Red Dam				2.05	2.1	140,000	1.04	2.2	74,000	3.09	2.2	214,000
Broads Dam				0.13	2.9	12,000	2.16	2.3	158,000	2.29	2.3	170,000
Burgundy	0.49	2.0	31,000	0.40	2.3	29,000	0.09	1.5	4,000	0.98	2.0	65,000
Kunanalling				0.46	2.4	35,000	4.12	1.7	229,000	4.58	1.8	264,000
Ora Banda				2.36	2.0	149,000	2.79	1.8	163,000	5.15	1.9	312,000
Carbine				1.70	1.6	86,000	0.21	2.1	14,000	1.91	1.6	100,000
Zuleika North							0.62	2.5	49,000	0.62	2.5	49,000
Stockpiles				0.08	1.4	4,000				0.08	2.5	4,000
Total	0.49	2.0	31,000	30.68	1.6	1,618,000	22.99	1.7	1,263,000	54.16	1.7	2,913,000

Project (Heap leach feed)	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource			Total Mineral Resource		
	MI	Au (g/t)	Au Oz	MI	Au (g/t)	Au oz	MI	Au (g/t)	Au Oz	MI	Au (g/t)	Au Oz
Mick Adams/Wadi				21.54	0.6	400,000	10.98	0.6	198,000	32.52	0.6	598,000
Kintore				6.68	0.6	131,000	7.87	0.6	156,000	14.55	0.6	287,000
Castle Hill Stage 3				3.80	0.6	68,000	2.01	0.6	36,000	5.81	0.6	104,000
Burgundy	1.04	0.6	22,000	0.86	0.6	18,000	0.22	0.6	4,000	2.12	0.6	44,000
Red Dam				1.89	0.7	44,000	0.97	0.7	23,000	2.86	0.7	67,000
Stockpiles				0.48	0.6	9,000				0.48	0.6	9,000
Total				35.25	0.6	670,000	22.05	0.6	417,000	58.34	0.6	1,109,000

Total Jan 2015	0.49	2.0	31,000	65.93	1.1	2,288,000	45.04	1.2	1,680,000	112.50	1.1	4,022,000
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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.



28 May 2015

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 3 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 Mineral Resource Estimation for Red Dam and Burgundy is based on information compiled by Dr Sia Khosrowshahi Principal Consulting Geologist for Golder Associates Pty Ltd. Dr Khosrowshahi is a Member of the Australasian Institute of Mining and Metallurgy. Dr Khosrowshahi 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). Dr Khosrowshahi 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 Ian Copeland who is an employee of the company and fairly represent this information. Mr Copeland has sufficient experience of relevance to the styles of mineralization and the types of deposits under consideration, and the activities undertaken, to qualify as a Competent Person 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. Mr Copeland consents to inclusion in this report of the matters based on his information in the form and context in which it appears.