

Overview

Phoenix Gold Limited (**ASX: PXG**) ("**Phoenix**" or the "**Company**") is pleased to announce it has agreed terms for a strategic partnership with Evolution Mining Limited (**ASX:EVN**) ("**Evolution**") covering the Broads Dam, Kundana North, Carbine and Zuleika north project areas (Figures 1 and 2).

The agreement means Phoenix and Evolution, as a new strategic partner, can start work in the June Quarter on an accelerated exploration programme on the Company's highly prospective Zuleika shear zone in the heart of the Western Australian Goldfields.

Evolution has agreed to subscribe for up to a total of 105.9 million fully paid ordinary shares in Phoenix at an average price of 8.5 cents per share representing a 18% premium to the 10 day Volume Weighted Average Price to raise A\$9.0 million.

The first tranche of 44 million shares at an issue price of 7.5 cents per share will give Evolution a 9.4% stake in Phoenix and will occur 5 business days after execution of a Share Subscription Agreement. The first tranche will be issued out of the Company's discretionary placement capacity.

The second tranche of 61.9 million shares at an issue price of 9.2 cents per share taking Evolution to a 19.9% stake in Phoenix will occur subject to shareholder approval at a planned General Meeting in June 2015.

The Board unanimously recommends that shareholders vote in favour of the resolution to approve the issue of the second tranche of shares to Evolution and each of the directors who hold shares in the Company intend to vote in favour of that resolution.

"The agreement with Evolution, a proven Australian gold producer, demonstrates confidence in the Phoenix story and the underlying potential of the Company's project holdings in the Kundana region. Furthermore, the investment provides additional financial capacity for the Company to advance its growth strategy," Managing Director Jon Price said.

"The Zuleika shear has demonstrated its ability to continue delivering new high grade open cut and underground discoveries and to partner with Evolution on an accelerated and extensive drilling programme is a great result for the business."

"Phoenix has over 15 kilometres of strike immediately north of the Kundana gold field that remains largely untested and we look forward to working closely with the Evolution team as we continue the search for the next significant gold discovery in the WA Goldfields," Mr Price said.



Key transaction terms

1 May 2015

- Binding share subscription agreement executed
- Tranche 1 – Evolution will subscribe for 44 million fully paid ordinary shares in Phoenix at an issue price of 7.5 cents per share, subject to certain conditions precedent, including the average daily spot price for gold not falling below A\$1,300/oz for three consecutive days prior to completion of Tranche 1
- Tranche 2 – Evolution will subscribe for a further 61.9 million fully paid ordinary shares in Phoenix at an issue price of 9.2 cents per share subject to certain conditions precedent, including:
 - Evolution obtaining FIRB approval;
 - Phoenix shareholder approval and regulatory approvals;
 - ASX granting a waiver in respect of the anti-dilution right; 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
- Both tranches total 105.9 million shares at an average price of 8.5 cents per share – equivalent to a total investment of A\$9.0 million and a 19.9% shareholding in Phoenix
- Phoenix will allocate a 60% share of the total A\$9.0 million investment to accelerating exploration on Phoenix's highly prospective Zuleika shear gold projects
- Evolution to review and assess Phoenix's exploration and feasibility programs and provide technical, strategic and financing input where appropriate
- Upon completion of the second tranche of shares to Evolution, Evolution will have a right to nominate a director to the Phoenix Board of Directors
- Upon completion of the second tranche of shares to Evolution, Evolution will have a right to participate in any new issues of shares in Phoenix 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 (subject to compliance with any shareholder or regulatory approvals that may be required for any such issue)
- Upon completion of the second tranche of shares to Evolution, Evolution will hold a first right of refusal over any future potential tenement sales or joint venture developments in the area located within a 75km radius from the Mungari processing plant where there are no pre-existing agreements and obligations already in place



Exploration programme

The project area sits on the highly prospective Zuleika shear zone in the heart of the Western Australian Goldfields (Figure 2). The project is 45 kilometres northwest of the City of Kalgoorlie – Boulder on existing roads with minimal on site infrastructure required to service the projects and workforce.

1 May 2015

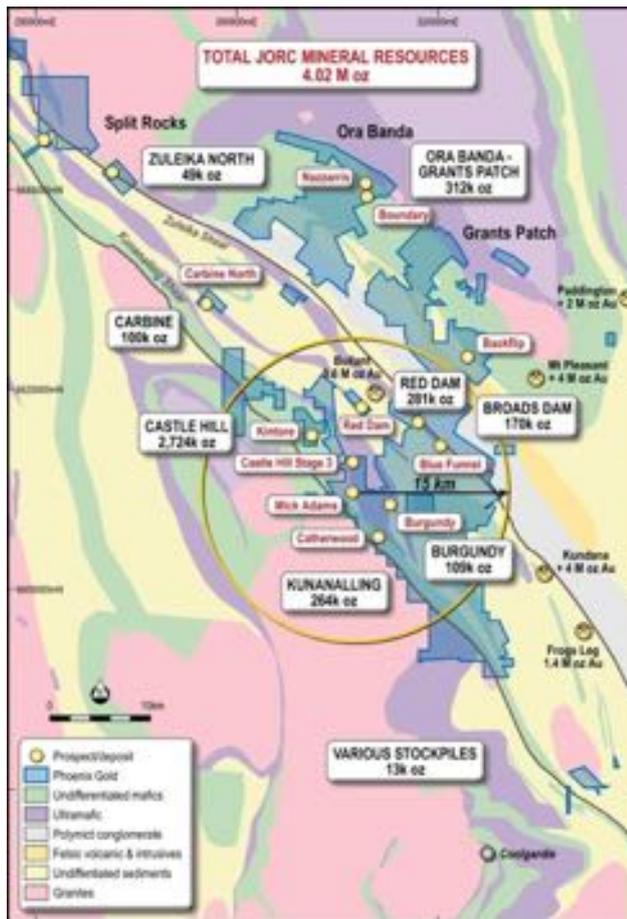


Figure 2: Phoenix project locations and regional geology

Phoenix has had considerable exploration success since listing in 2010 with 595,000 ounces in Resource to a current 4 million ounces Mineral Resource including a 1.1 million ounce Ore Reserve¹. While the focus has been on the Kunanalling shear over the last 3 years, a core asset of the Company is the tenure owned on the Zuleika shear zone north of the Kundana gold field.

As announced on 25 February 2015, Phoenix, in conjunction with the University of Western Australia’s Centre for Exploration Targeting (CET), released findings of an intensive research programme covering the Company’s assets (Figure 2).

The study was aimed at documenting the lithostratigraphic, structural evolution and associated gold mineralisation within the Coolgardie, Depot and Ora Banda Domains, in the south-eastern Yilgarn Craton, through the integration of the stratigraphic, structural, metamorphic and alteration histories of the region.

¹ As announced to the ASX on 4 February 2014, 14 and 19 January 2015. See Table 1 on Page 7 See also Qualification Statements on pages 8 and 9.

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Datasets from the study have been integrated and used to generate two and three dimensional geological models of the mineralising system in the Kunanalling-Zuleika belt with the data ultimately to be used to create a 4D (3D + time) tectonostratigraphic reconstruction of the study area.

The study identified key targeting criteria for specific areas of the Phoenix tenure which include, but is not limited to, the Kunanalling and Zuleika districts (Figure 2), the Powder Sill, Ora Banda and Carbine.

This detailed study will form the basis for an extensive exploration programme to test high priority targets identified on the Zuleika shear tenure. A technical committee comprising Phoenix and Evolution staff and external experts as required will develop the programme in the June Quarter with exploration drilling expected to commence early in the September Quarter.

Zuleika Targeting

Recent work on the Zuleika district has highlighted a high degree of structural and lithological complexity which has been previously unrecognised. Historical maps of the Company's Zuleika tenements indicated that the stratigraphy to the SW of the Zuleika Shear Zone consisted of Black Flag volcanoclastic sediments with doleritic intrusions. It has been shown that segments of the underlying greenstone stratigraphy are present in the area (Figure 3) similar to the stratigraphic relationships observed at the Kundana Camp located directly south east of Phoenix's Zuleika tenements.

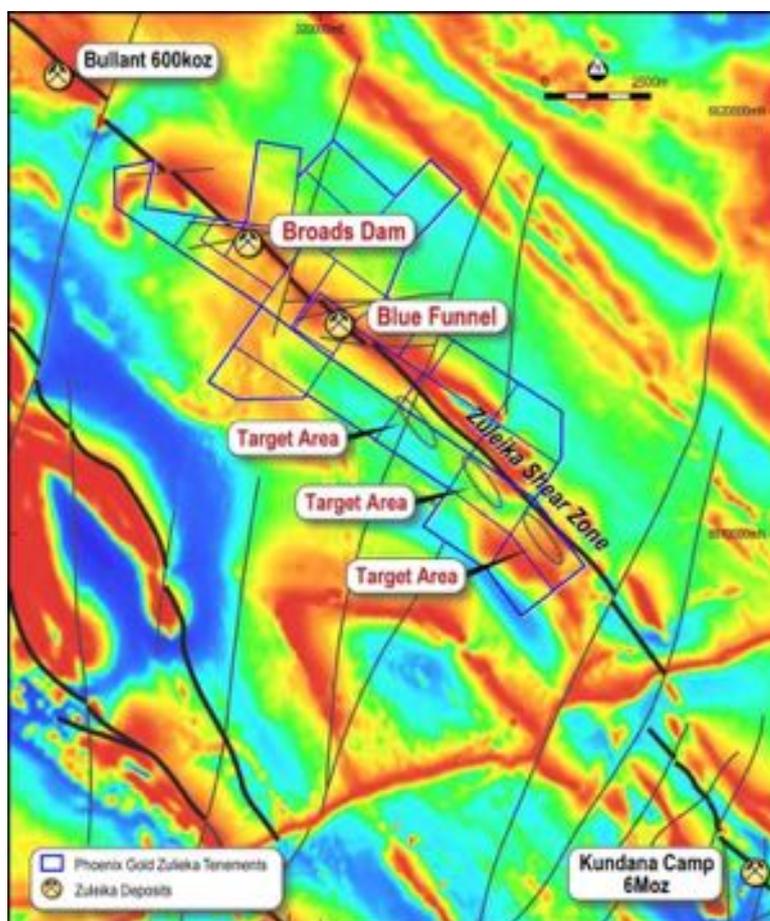


Figure 3: Phoenix tenements and target areas on the Kundana North project area



1 May 2015

Significant mineralisation at Kundana has been identified on the lithological contacts adjacent to the main Zuleika structure, and these contacts represent sites of significant exploration potential in Phoenix's Zuleika tenure.

Although there has been significant historical, near surface drilling in the Zuleika area, lithological contacts have been poorly tested and represent highly prospective targets. An additional control on mineralisation is the presence of cross-cutting structures which have been demonstrated to be critical in the formation of gold deposits in places such as the Mount Pleasant mining camp (Micklethwaite and Cox, 2006) and at the nearby Kundana gold camp.

The significant depth of weathering in parts of the Zuleika corridor constrains bedrock geological information to areas where deep drilling has occurred and therefore some parts of the Zuleika tenure remain completely unexplored. Filtering and interpretation of geophysical datasets has also highlighted significant structures linking the Kunanalling and Zuleika shear zones which host mineralisation (e.g. Red Dam). These structures remain untested and represent new exciting targets.

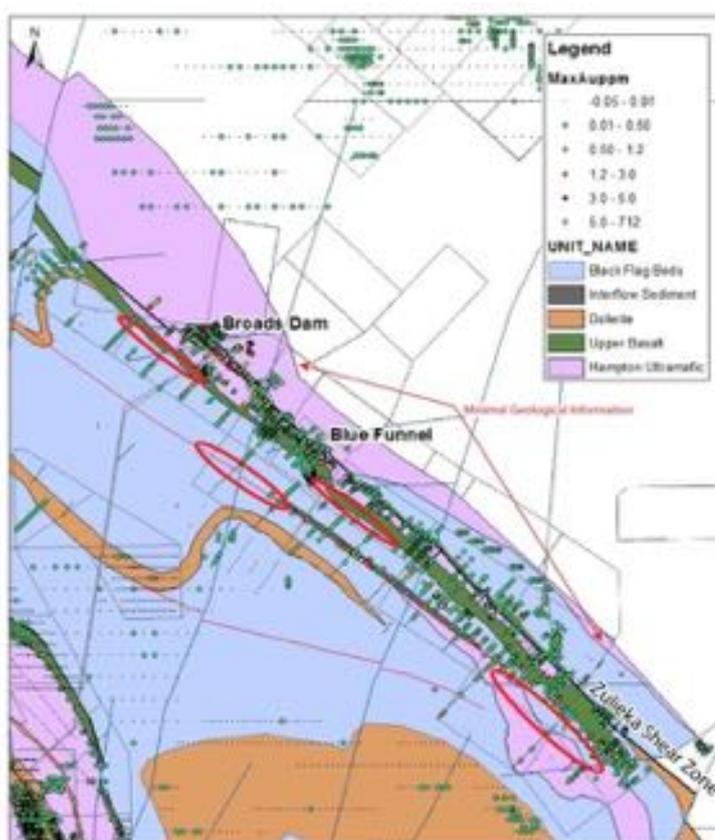


Figure 4: Interpreted bedrock geological map of Phoenix's Zuleika tenements with Max gold in hole values. Significant lengths of lithological contacts adjacent to the Zuleika Shear Zone remain untested.

Alteration and multi-element geochemical work has also highlighted more oxidised and reduced areas (Figure 4). This is important as mapping geochemical gradients can aid in the delineation of fluid pathways providing vectors to sites of mineralisation. At St Ives, studies (eg. Neumayr et al., 2008; Walshe and Hough, 2014) have successfully mapped redox gradients related to gold occurrences using zoning in alteration mineralogy.



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	4.39	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	45,000
Kunanalling				0.46	2.4	35,000	4.12	1.7	229,000	4.58	1.8	264,000
Ore Banda				2.36	2.0	149,000	2.79	1.8	163,000	5.15	1.9	312,000
Caroline				1.70	1.6	84,000	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				4.68	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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Visit us at www.phoenixgold.com.au

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1 May 2015



Qualification Statements

1 May 2015

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 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.



Forward Looking Statements

1 May 2015

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