



MILLING OF KINTORE WEST LOW GRADE ORE CONTINUES TO DELIVER POSITIVE CASH FLOW

ASX: PXG

KEY POINTS

- *Successful completion of a second milling campaign for Kintore West stockpiled ore*
- *108,117 tonnes of ore treated at average grade of 0.81g/t Au for 2,505 ounces of gold*
- *Positive cash flow of approximately A\$0.57 million from the campaign*
- *A further campaign now underway targeting processing of +100,000 tonnes*

Phoenix Gold Limited (**ASX: PXG**) ("**Phoenix**" or the "**Company**") is pleased to announce the successful completion of a further milling programme from its Kintore West mine near Coolgardie in Western Australia.

Following the promising results of the initial low grade campaigns carried out at FMR's Greenfields Processing Plant in June and July this year, which delivered positive cash flow to the Company, Phoenix commenced a toll milling campaign on August 8 which was completed on September 6, 2015.

The latest campaign treated 108,117 tonnes of ore from the low grade stockpiles at Kintore West at an average grade of 0.81 g/t with 2,505 ounces of gold sold to the Perth mint. Significantly, the campaign delivered further positive cash flow to the Company of approximately A\$570,000 over the four weeks of milling.

To reduce the costs of this most recent campaign and any subsequent campaigns, Phoenix negotiated improved terms with both FMR and the trucking contractor, MLG Oz. Furthermore, mill performance improved throughout the campaign significantly increasing mill throughput and reducing reagent consumptions without compromising recoveries to any great extent, further reducing the milling cost per tonne.

After completion of the latest campaign, the remaining stockpile at Kintore West was approximately 550,000 tonnes. The low grade stockpile has no attributable mining costs, no carrying value and will only incur costs for haulage and treatment.

Phoenix has commenced a new campaign which will again target in excess of 100,000 tonnes of ore and is expected to run through to the end of October or early November 2015.

Executive Chairman Dale Rogers said "We are very pleased to be able to recover incremental value from the existing low grade stockpiles at the Kintore West mine. We will continue to mill the low grade ore as the programme continues to be cash flow positive. The positive cashflow will enable us to move ahead with further work on our tenements."

Phoenix Gold Ltd
ABN 55 140 269 316

Unit 2/53 Great Eastern
Highway
West Kalgoorlie WA 6430
Phone +61 8 9021 2704
Fax +61 8 9021 3393

www.phoenixgold.com.au
info@phoenixgold.com.au



9 October 2015



Primary Mill – FMR's Greenfields Processing Facility

ENDS

For further information please contact

Investors

Dale Rogers, Executive Chairman
(08) 9021 2704

info@phoenixgold.com.au

Media

James Tranter
FTI Consulting

(08) 9485 8888 or 0408 951 780

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.