



PHOENIX GOLD RELEASES TARGET'S STATEMENT

DIRECTORS UNANIMOUSLY RECOMMEND THAT SHAREHOLDERS **REJECT** ZIJIN'S INADEQUATE TAKEOVER OFFER

ASX: PXG

KEY POINTS

- Phoenix Directors have unanimously recommended that shareholders **REJECT** Zijin's Offer by taking no action.
- The Offer for Phoenix at \$0.10 per share is inadequate and does not reflect fair value.
- Key reasons why shareholders should **REJECT** the Offer:
 - The Independent Expert values a Phoenix share at between \$0.156 and \$0.244 and has concluded that the Zijin Offer is **NEITHER FAIR NOR REASONABLE**.
 - The Zijin Offer does not fairly reflect the value of the Phoenix Assets.
 - Evolution Mining has announced its intention to make a competing offer at a headline price of \$0.12 per Phoenix Share, representing a 20% premium to the Zijin Offer.
 - The Zijin Offer represents just a 2.0% premium to the closing Phoenix Share price on the last trading day prior to the announcement of Zijin's intention to make a takeover bid.
 - The Phoenix Share price has consistently traded above the \$0.10 offer price subsequent to announcement of the Zijin Offer.
 - Accepting Zijin's Offer will remove your exposure to any potential increase in value that the Phoenix Assets offer.

Phoenix Gold (ASX:PXG, "**Phoenix**" or the "**Company**") has released its Target's Statement in response to the off-market takeover offer made on 20 August 2015 by Zijin Mining Group Co., Ltd ("**Zijin Offer**"). The Directors of Phoenix have unanimously recommended shareholders **REJECT** the Zijin Offer, which undervalues the Company, by taking no action.

Phoenix's Directors carefully reviewed the Zijin Offer and commissioned an Independent Expert, leading financial services firm BDO Corporate Finance (WA) Pty Ltd, to consider whether the Offer is fair and reasonable to shareholders. The Independent Expert valued Phoenix in the range of 15.6 cents to 24.4 cents per Share, while the Offer is valued at 10.0 cents per Phoenix Share and concluded that the Zijin Offer is Neither Fair Nor Reasonable.

Phoenix Executive Chairman Dale Rogers said: "The Directors consider that the Zijin Offer does not reflect the inherent value of Phoenix and is designed to secure opportunistic control. If Zijin were successful they would capture value that the Board believes rightly belongs to all our shareholders."

Each of the Directors who holds or controls Phoenix shares intends to **REJECT** the Zijin Offer in relation to those shares.

The Directors also note that as at the date of this Target's Statement, the Phoenix Share price continues to trade at or above the Zijin Offer price on the ASX.

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Further information, including the detailed reasons for the Phoenix Directors' recommendation, is set out in the Target's Statement.

3 September 2015

All company announcements and information on the Zijin Offer are available on the Phoenix website at www.phoenixgold.com.au. Shareholders can also receive further information on the Zijin Offer by calling the Phoenix Shareholder Information Line below:

Within Australia: 1300 889 468
Outside Australia: +61 2 8022 7902

RBC Capital Markets is acting as financial advisor and Allion Legal as legal advisor to Phoenix.

ENDS

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