

Dated: 6 August 2015



Phoenix Gold
Limited

PHOENIX ADVISES SHAREHOLDERS TO TAKE NO ACTION FOLLOWING RELEASE OF ZIJIN'S BIDDER'S STATEMENT

Phoenix Gold Limited (**ASX: PXG**) ("**Phoenix**" or the "**Company**") reaffirms its advice to shareholders to **TAKE NO ACTION** on the proposed takeover bid from Zijin Mining Group Co., Ltd ("**Zijin**") following receipt today of Zijin's Bidder's Statement.

On 22 June 2015 Zijin announced an all cash off-market takeover offer to acquire all of the ordinary shares that it does not already own in Phoenix at a price of \$0.10 per share (the "**Zijin Offer**"). This Zijin Offer is unsolicited and conditional, including that Zijin must acquire a relevant interest in at least 50.1% of Phoenix shares.

Phoenix notes the last trading day before the Zijin Offer was announced was **19 June 2015** and that the closing price on that day was \$0.098. Consequently, the Zijin Offer represents only a **2%** premium over the closing price on the day before the Zijin Offer was announced.

Phoenix does not consider the reference by Zijin to 17 June 2015 being the "last undisturbed trading day" to be correct in this regard. As previously disclosed, Phoenix was unaware of Zijin's intentions until the approach by Zijin which occurred after market closed on 19 June 2015.

As has been previously advised, the Directors of Phoenix continue to engage with a number of parties to consider alternative, value maximising, proposals for Phoenix and its assets. While there is no guarantee that this engagement will result in a Superior Proposal, these discussions are ongoing.

Also subsequent to the Zijin Offer and as announced on 27 July 2015, Evolution Mining Limited ("**Evolution**") increased its stake in the Company to 19.8% becoming Phoenix's largest shareholder. The on-market acquisition of 49 million shares at \$0.12 per share was at a 20% premium to the Zijin bid.

Phoenix Executive Chairman Dale Rogers said: "The Directors of Phoenix will review the Bidder's Statement and respond formally through a Target's Statement in due course. Until the Phoenix Board provides shareholders with a formal recommendation we advise all shareholders to **TAKE NO ACTION.**"

"In assessing this, or any alternative proposals that may arise, the Board will focus on maximising Phoenix shareholder value. In this context, we will give consideration to our extensive tenement holdings on two world class shear zones in the Western Australian goldfields that sit alongside several gold camps and near established processing facilities, carrying significant strategic value for a number of parties in the region," Mr Rogers said.

The Directors have commissioned BDO International to prepare an Independent Expert Report ("**IER**") to opine on whether the Zijin Offer is fair and reasonable to Phoenix shareholders. The IER will be included in the Company's Target's Statement.

Phoenix's share price has traded at a volume weighted average price of \$0.1143 per share between 22 June 2015, the date of Zijin's announcement, and 5 August 2015 and closed at \$0.11 per share on 5 August 2015.

A copy of the Bidder's Statement is expected to be sent by Zijin to Phoenix shareholders on 20 August after which the Zijin Offer will be required to remain open for at least a month. The Zijin Offer will not be capable of acceptance until it is despatched to Phoenix shareholders.

The Phoenix Directors will keep shareholders fully informed of further developments as they occur and will provide a formal recommendation on the Zijin Offer in ample time for shareholders to make an informed decision.

ASX: PXG

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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.

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