

For personal use only



Phoenix Gold
Limited

An Emerging Western Australian Gold Company

Investor update presentation

JON PRICE
October 2013

Disclaimer & Important Information



Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, production levels or rates, resources or potential growth of Phoenix Gold Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Please also see qualifying statements on page 28.

This presentation may describe Measured, Indicated and/or Inferred Resources. Inferred Resources have a greater amount of uncertainty as to their existence and greater uncertainty as to their economic feasibility. It cannot be assumed that all or any part of any Inferred Resource will ever be upgraded to a higher category. Exploration is an inherently risky proposition and investors are advised that most exploration projects fail to identify economic resources. The Company has at present not confirmed the economic viability of any resources at the project. The Company plans further drilling programs and studies with the objective of confirmation of any deposits and ultimately completing a feasibility study to demonstrate the economics of the resources.

The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Phoenix Gold Limited, their directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

The information on exploration targets in this presentation are based on a conceptual range of targets as follows:

Tonnage	2 million to 20 million
Grade	1.5g/t Au to 5 g/t Au
Ounces	0.1 million to 2 million

Phoenix Gold – in a nutshell



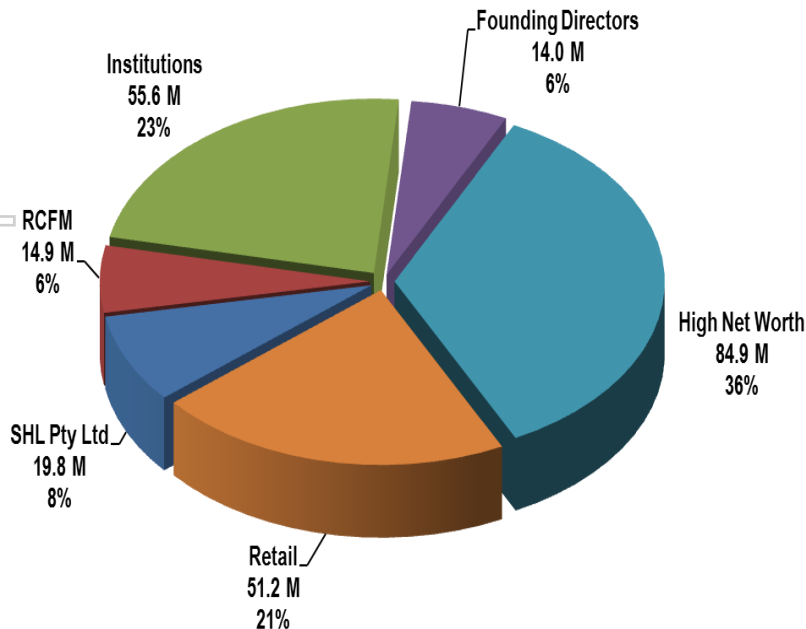
For personal use only

- **Tenure consolidated in world class gold producing region**
- **Resources grown to 3Moz at 1.7g/t, Reserves - 559koz¹**
- **A\$19.5m, 217,000m drilling programme on track**
- **Castle Hill emerging as a new large scale gold camp**
 - **Independent Resource totals 1.62Moz at 1.6g/t¹**
 - **Indicated Category increased to 822,000oz at 1.7g/t¹**
- **A\$16M cash (EO Jun) and generating cash internally**
- **DFS on track for Dec 2013 completion**
- **Indicative financial model and budget costs in place**

Corporate Overview



ASX Code: PXG, PXGOA	
Ordinary shares	240 million
Options (listed/unlisted)	54 million
Market cap (undil.)	~\$40 million
Average daily volume	~300,000
Cash (end of Jun Qtr)	A\$16.4 million



Directors and Senior Management

Dale Rogers	Non executive Chairman
--------------------	-------------------------------

Jon Price	Managing Director
------------------	--------------------------

Stuart Hall	Non executive Director
--------------------	-------------------------------

Tim Manners	CFO
--------------------	------------

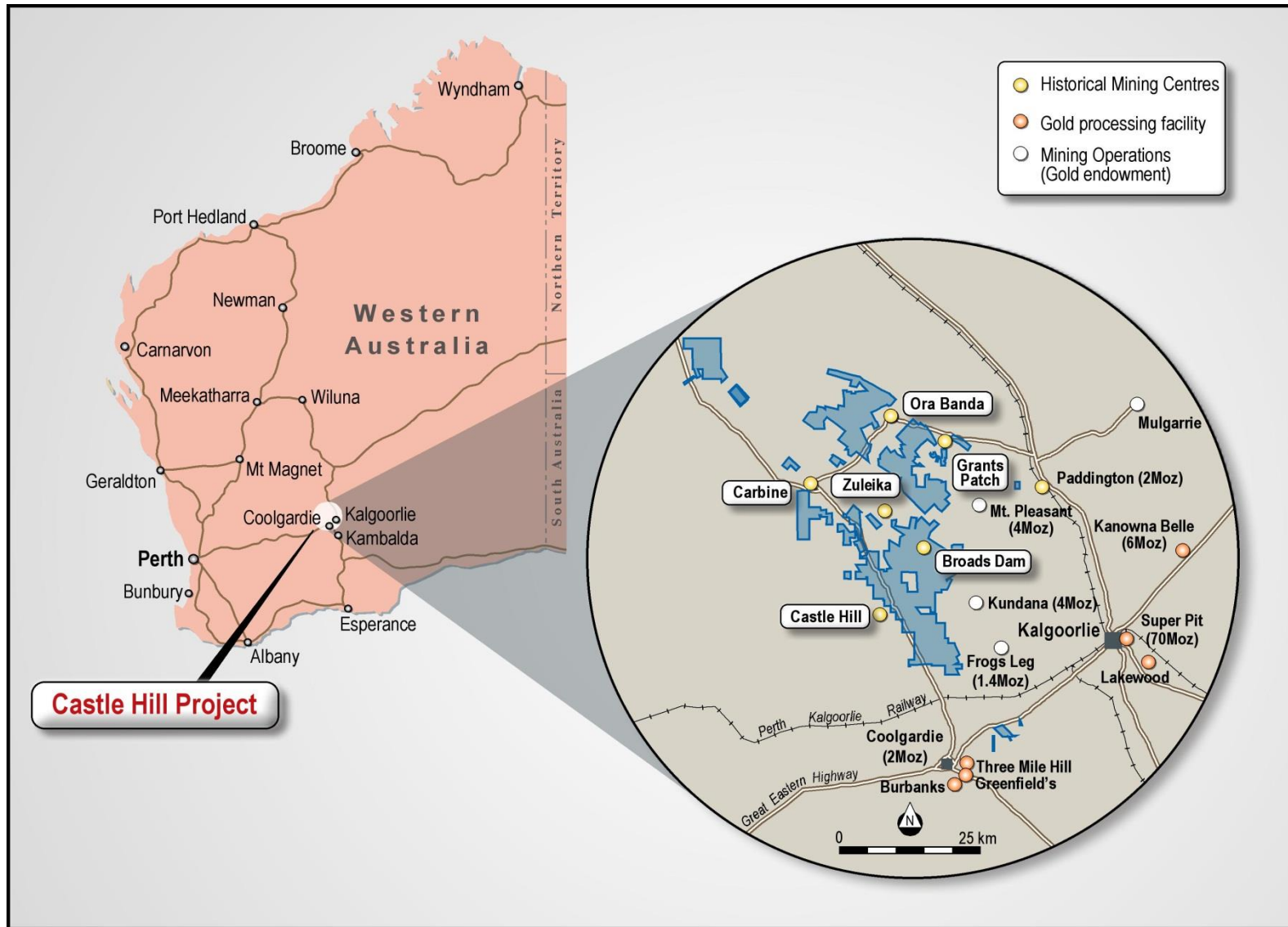
Ian Copeland	GM – Exploration
---------------------	-------------------------

Grant Haywood	GM – Development
----------------------	-------------------------

Located in the heart of the WA Goldfields



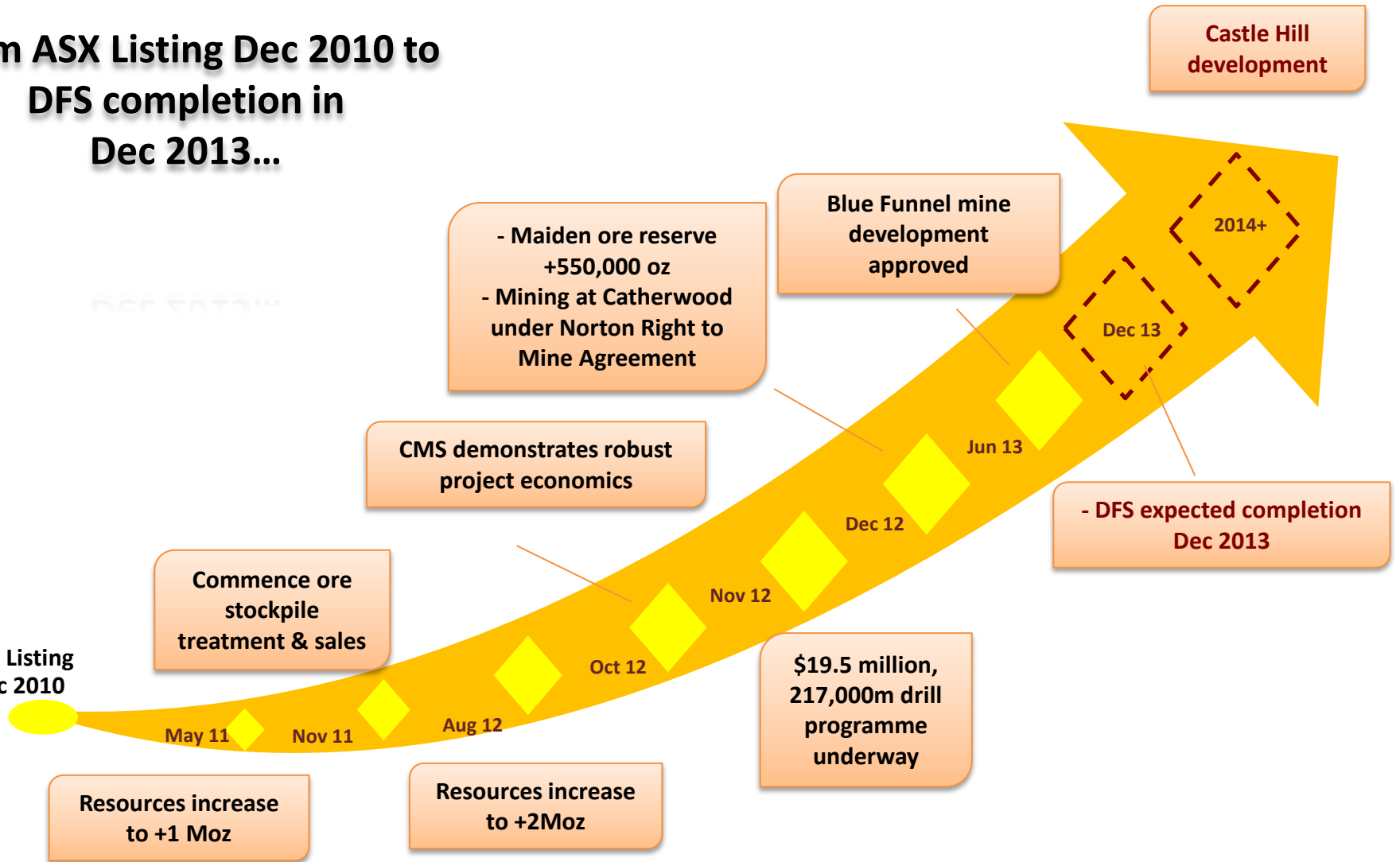
For personal use only



Building a Solid Pathway to Production

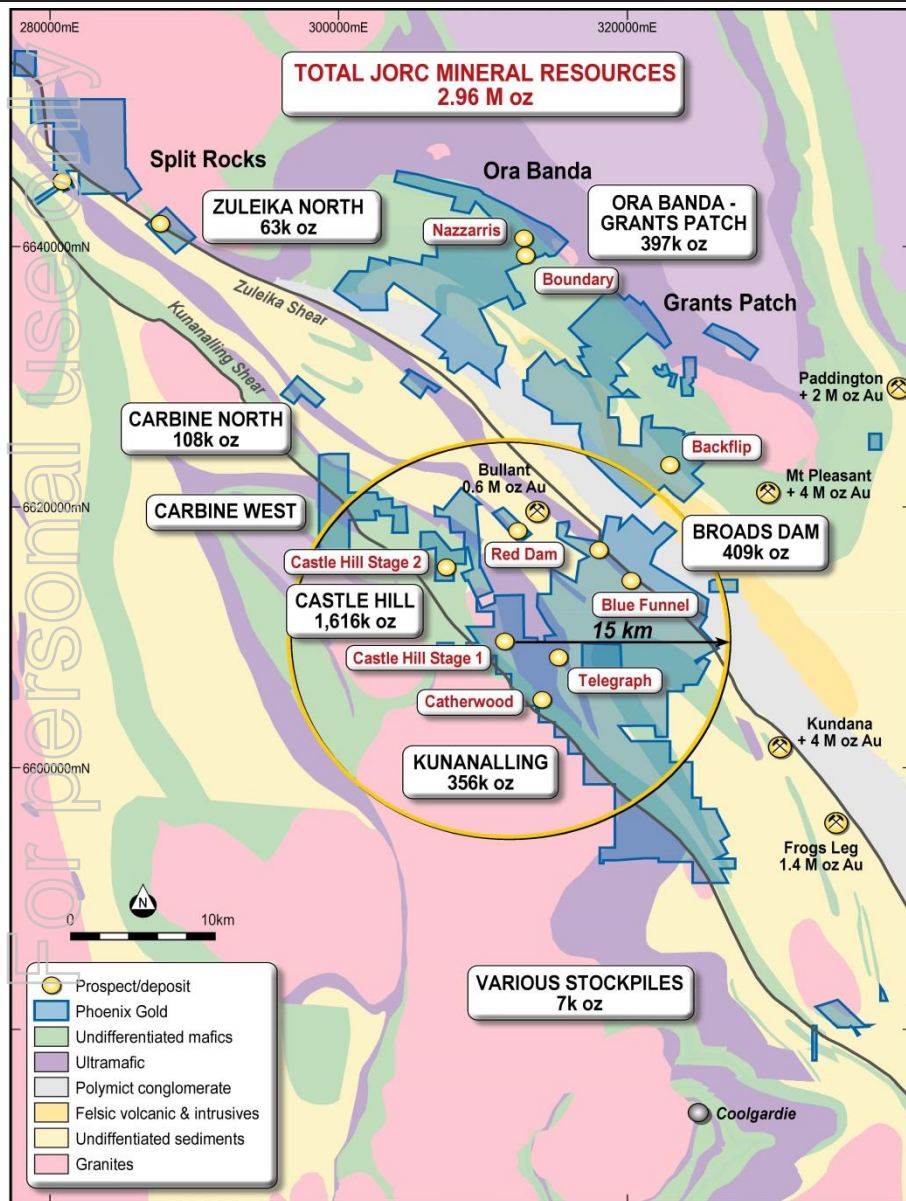


**From ASX Listing Dec 2010 to
DFS completion in
Dec 2013...**



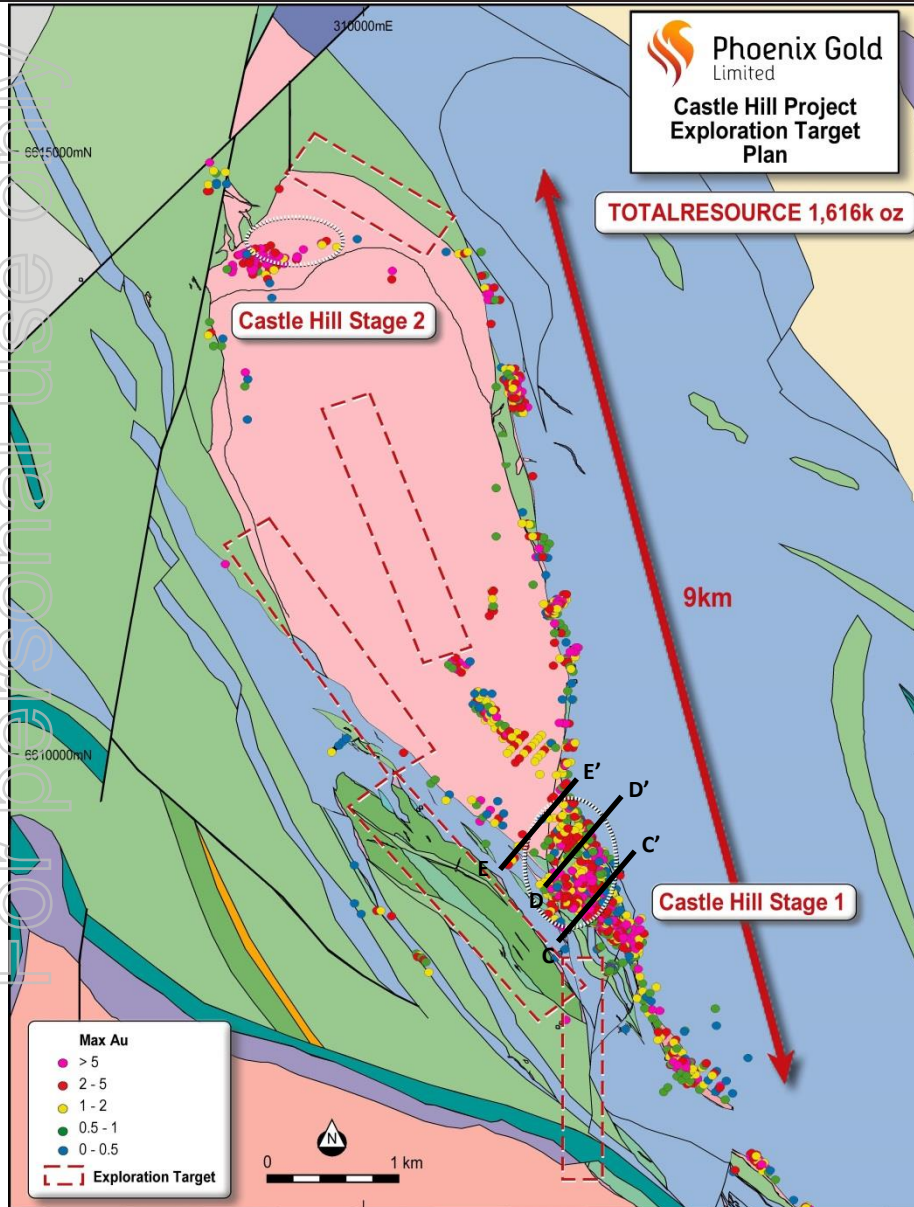
For personal use only

Tenure on world class shear zones



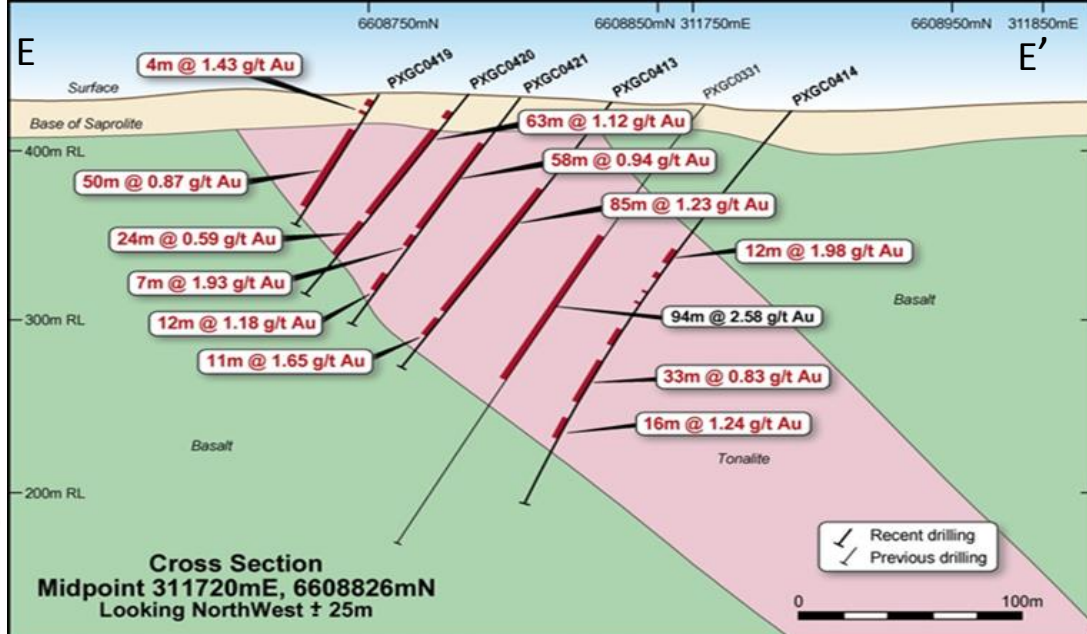
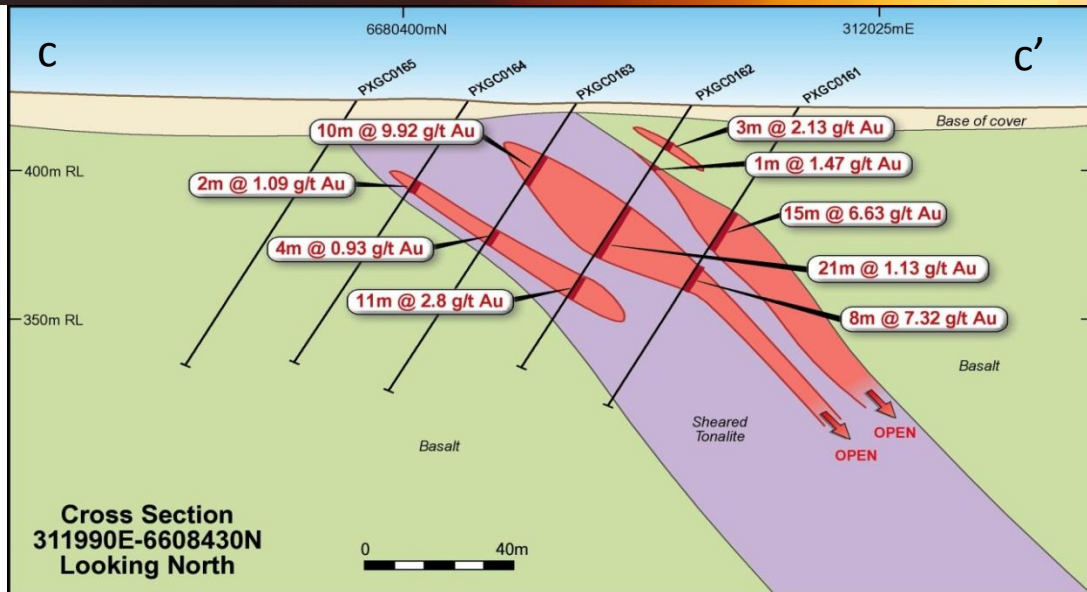
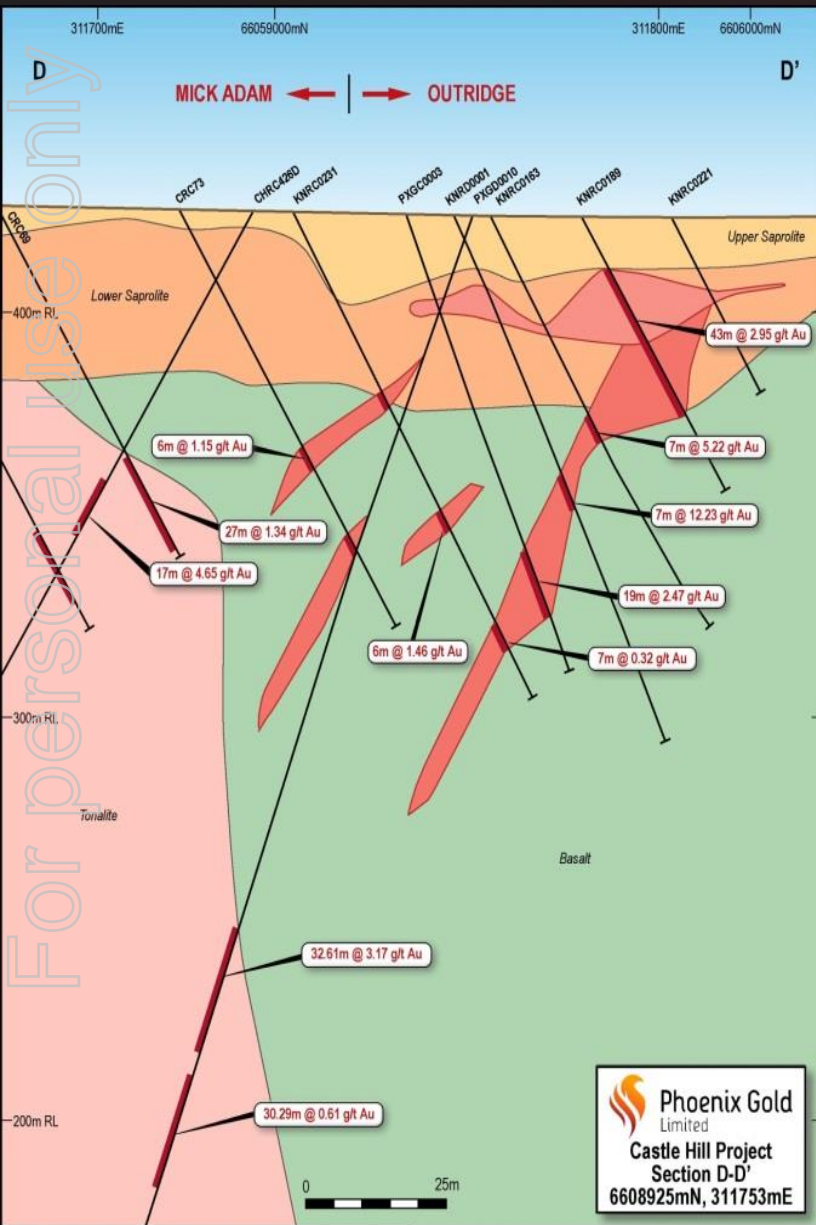
- **2 world class shear zones**
 - Kunanalling Shear
 - Historic drilling limited to top 80m
 - Modern structural geology absent
 - Home to the **Castle Hill** gold project
 - Zuleika Shear
 - Higher grade open pit and underground potential
 - Home to **Broads Dam**, untested along strike and at depth
- 2Moz within 15 km radius on existing roads
- Conventional open cut and u/g mining
- Free milling ore with excellent metallurgy
- Close to required infrastructure
- Exploration budget of A\$19M for 2013/2014

Castle Hill – emerging as a new gold camp



- Fragmented ownership for +15 yrs
- Historic shallow sporadic drilling
- Initial resource of 253k oz at 1.5g/t
- Over 75,000m drilled by Phoenix
- 9 km strike length defined
- Basalt with tonalite intrusive
 - Multiple veins sets in multiple orientations within multiple rock types
 - Entire system appears mineralised
 - Large endowment per vertical metre
- Remains open in all directions
- Recent deeper drilling to 500m confirms mineralisation at depth
- Infill drilling completed, extensional drilling down to 750m continues

Castle Hill Stage 1: 3 styles of mineralisation

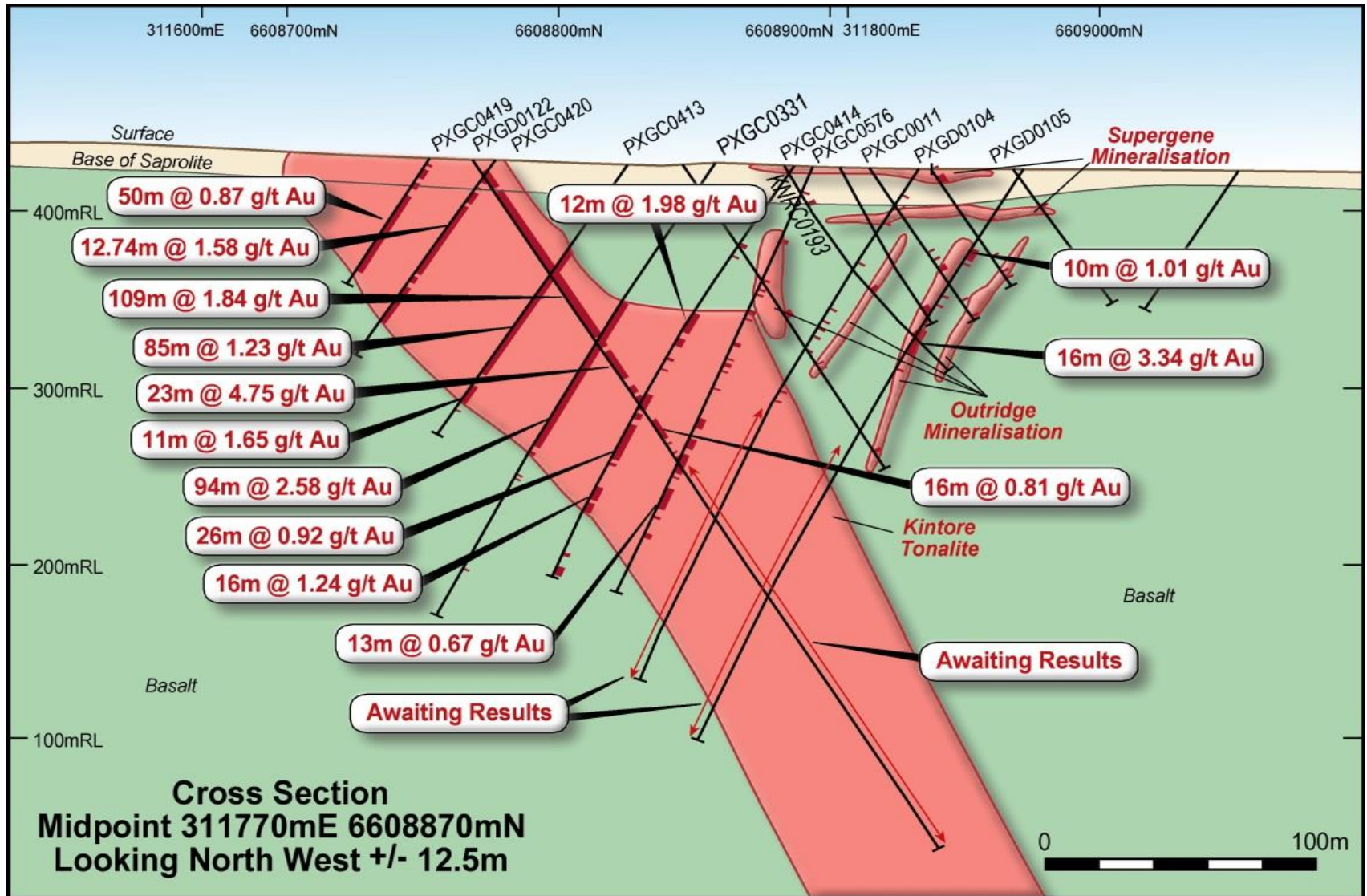


Phoenix Gold Limited
 Castle Hill Project
 Section D-D'
 6608925mN, 311753mE

Castle Hill Stage 1: significant depth potential



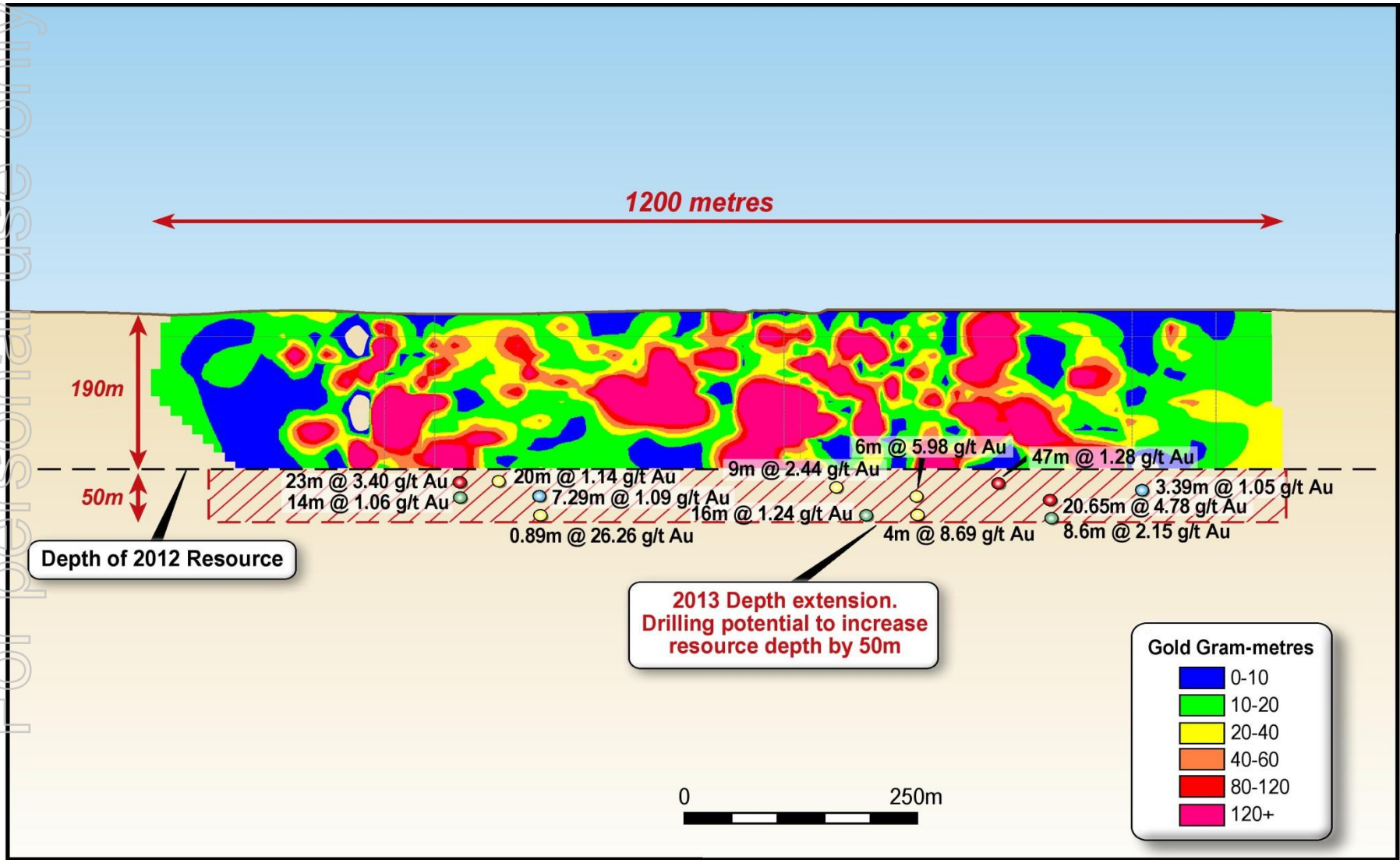
For personal use only



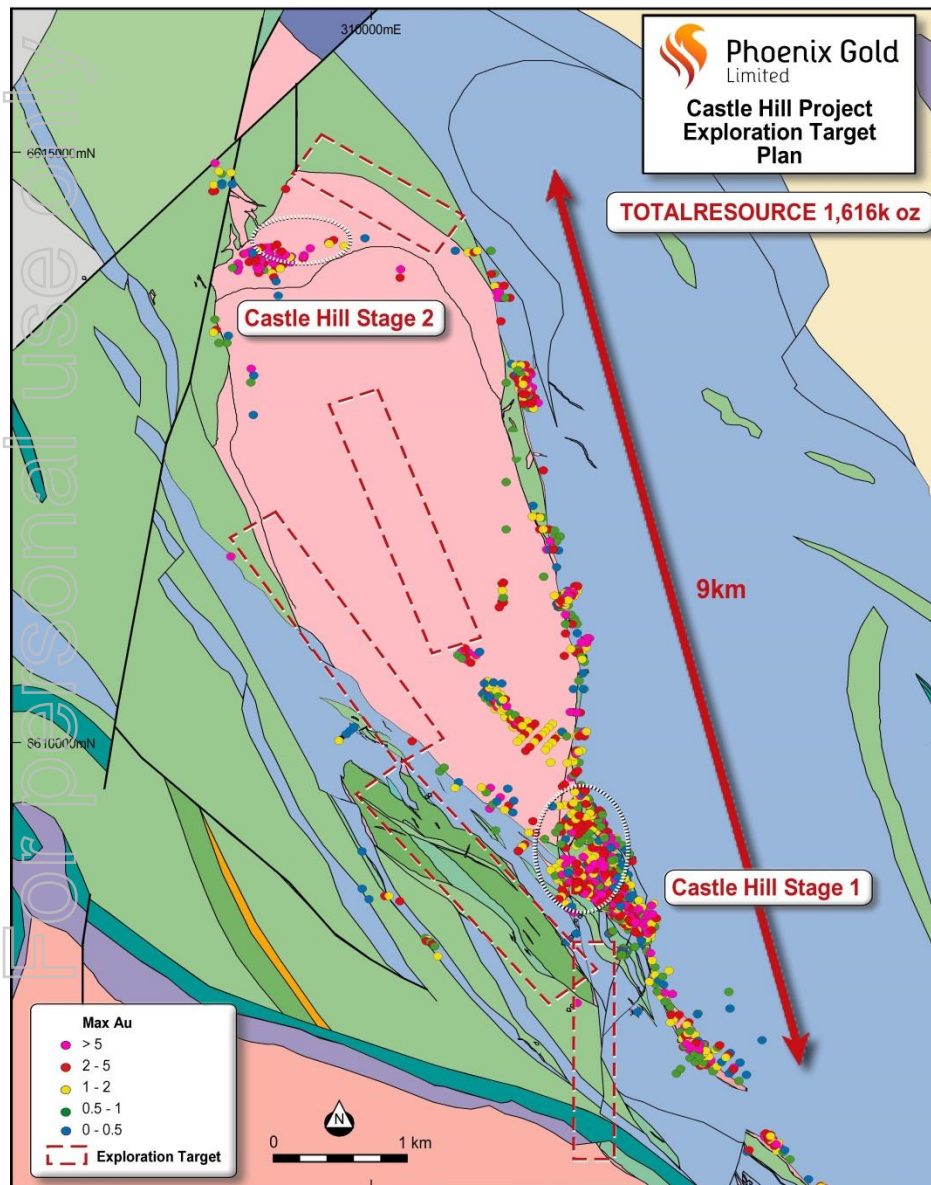
Stage 1 – Independent and JORC 12 compliant



For personal use only

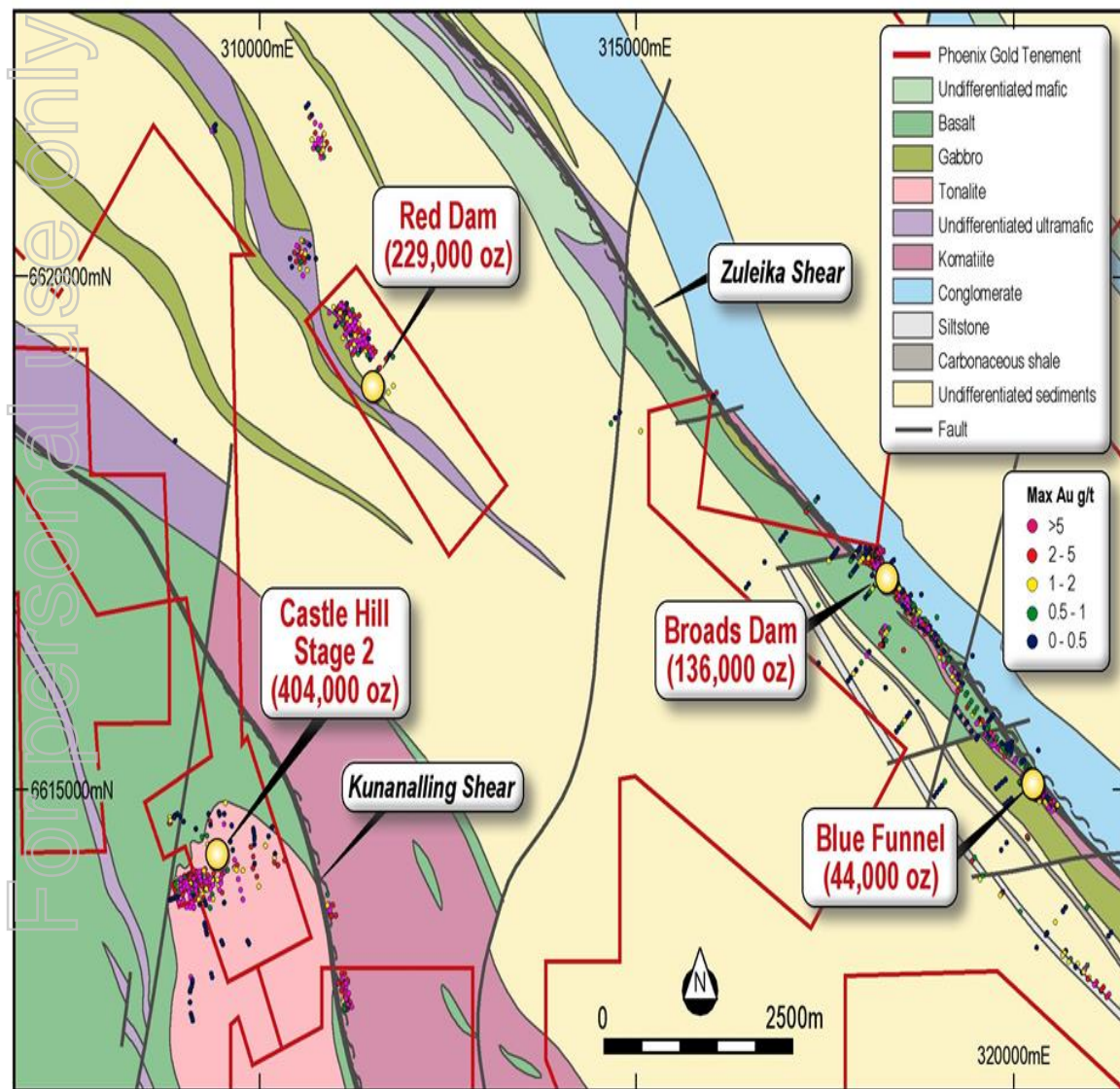


Castle Hill Stage 2 – upside to Stage 1



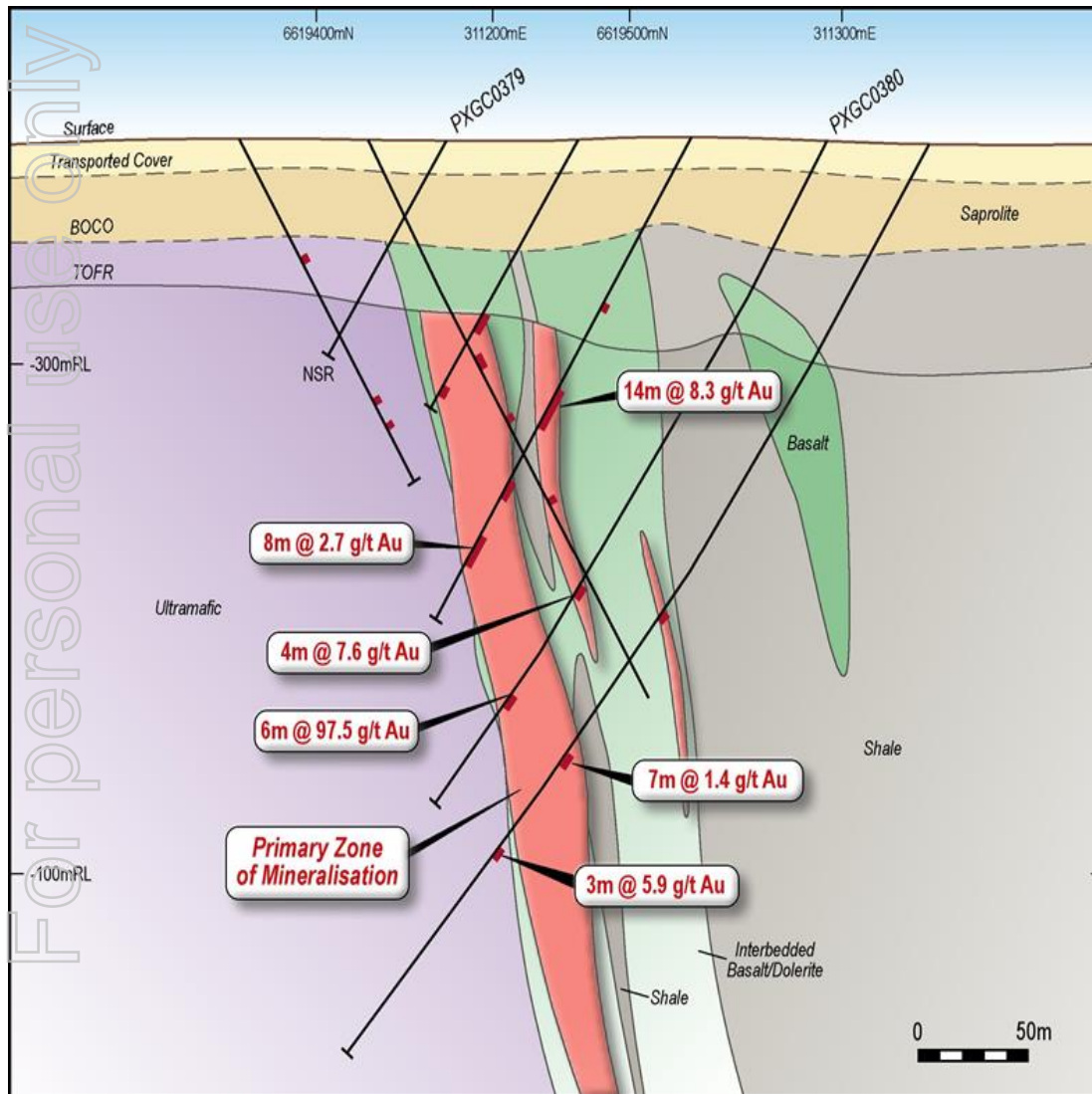
- Historic drilling only 70m deep
- Resource of 404,000oz at 1.5g/t¹
- Open in all directions
- Modern exploration absent
- Similar geology to Stage 1
 - Continuous mineralisation in the tonalite
 - Multiple veins sets
 - High grade quartz veins within basalt
- Latest extensional intercepts include:
 - 19m at 2.9g/t Au from 110m
 - 19m at 2.8g/t Au from 119m
 - 21m at 2.4g/t Au from 80m
 - 7m at 8.5g/t Au from 139m
- Extension drilling planned for second half 2013 and 2014

Broads Dam – exploring for high grade



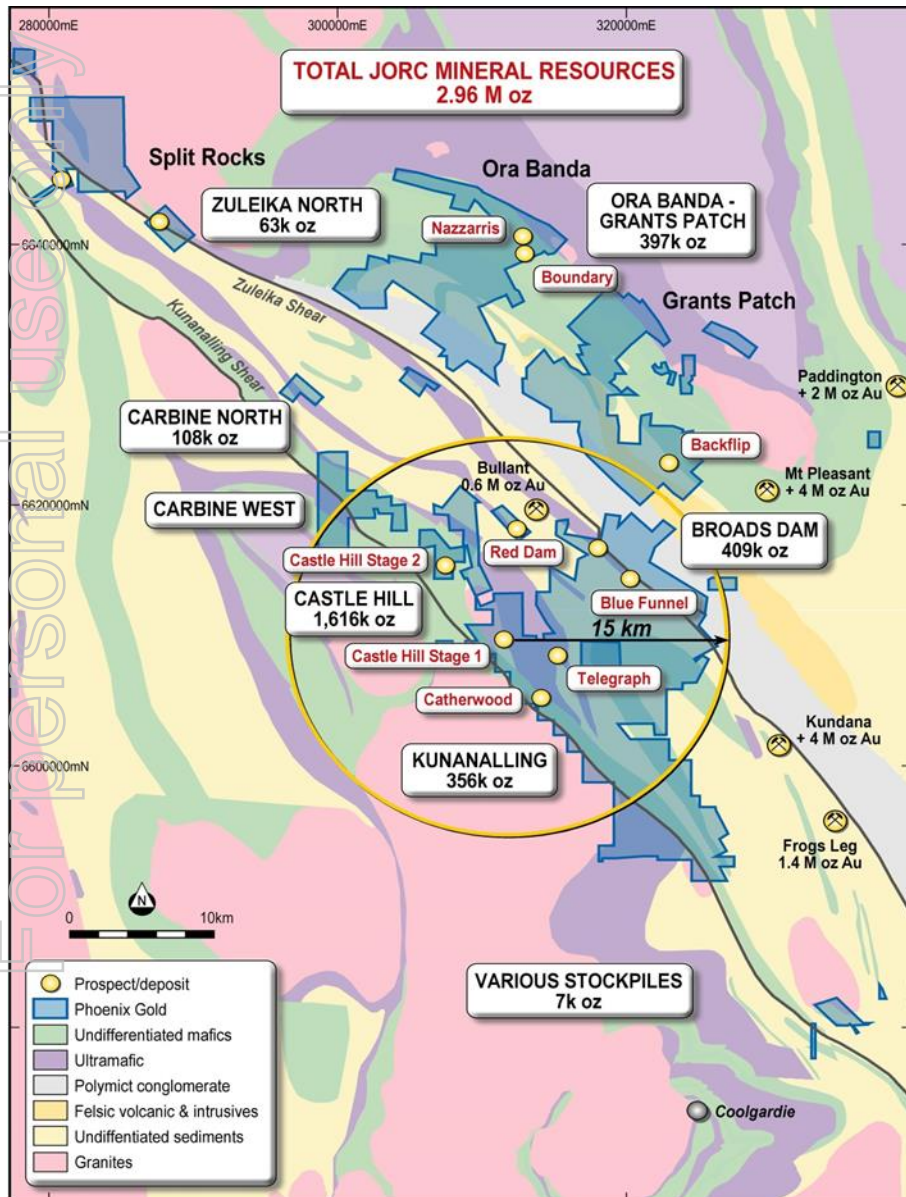
- Located on Zuleika Shear 15 km by existing road from Castle Hill
- Open in all directions
- High grade with excellent metallurgy
- Immediately north of +4Moz Kundana field with the same geological setting
- 15,000m diamond and reverse circulation drilling completed
- Open cut and decline potential

Red Dam – open cut and u/g potential



- Recent discovery, 12 km from Castle Hill within Broads Dam
- Current Resource
 - **229,000oz at 2.1 g/t¹**
- Open on strike and at depth
- Enriched supergene zone
- Drill results include:
 - **6m at 97.5g/t from 256m**
 - **5m at 53.1g/t from 32m**
 - **9m at 22.9g/t from 50m**
 - **12m at 20.1g/t from 105m**
- Cube Consulting reviewing current resource model
- Resource update expected in Dec Qtr

Considerable exploration upside



- Ora Banda – Grants Patch
 - Little activity for over 15 years
 - Greenfields exploration and structural geology work commenced
 - Nazzaris / Boundary potential medium scale oxide ore open cut mines at +2g/t¹
- Zuleika North / Split Rocks
 - Grass roots targets identified on Zuleika shear
- 3D geological evolution study commenced to identify priority grass roots exploration targets
- Utilising latest research methods and technology available in conjunction with the University of Western Australia's Centre for Exploration Targeting



Ore sales and Blue Funnel deliver cash

For personal use only

Stockpiles

- Stockpile sales currently generating cash flow and ongoing through 2013

Catherwood

- Catherwood right to mine agreement in place with Norton mining Stage 1
- Deal provided risk free cash flow to Phoenix
- Mining and ore processing complete, final ore reconciliation underway

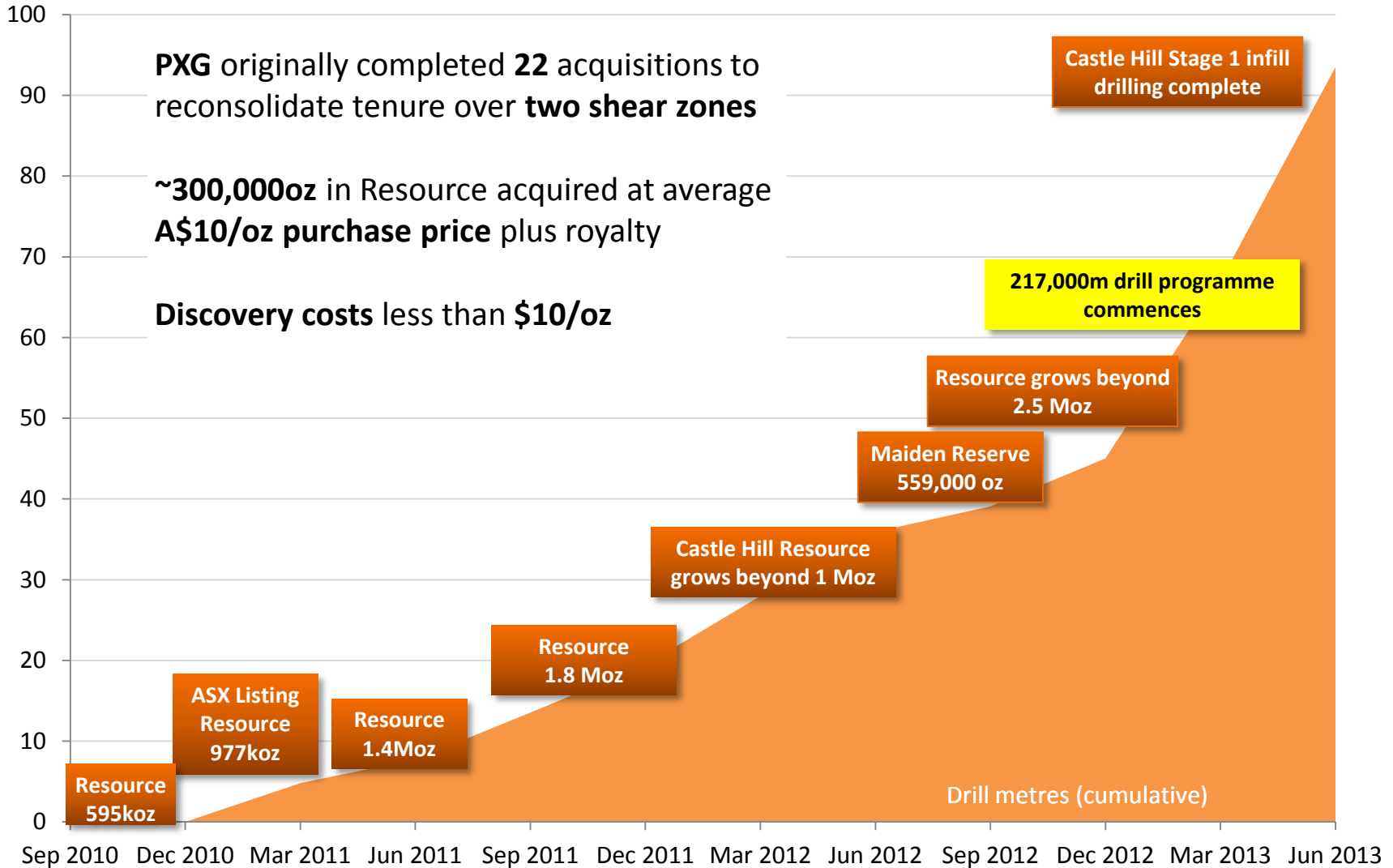
Blue Funnel

- Development under Phoenix management approved for Stage 1 within existing pit
- Short term 3 month mine life at modest \$0.2M capital cost
- Mining commenced using local contractors at highly competitive rates
- Ore treatment at FMR Investments' Greenfield's toll mill commenced
- Blue Funnel second in a series of small mining projects to generate cash internally
- Targeting over \$3M near term net cash at A\$1,350/oz

Aggressive drilling programme leading to DFS



For personal use only





- On track for December 2013 completion
- Optimisation work and mine design on receipt of independent Resource
- Key consultants engaged under internal management
 - Cube Consulting (Resources)
 - Golder Associates (Reserves and open cut mine study and geotechnical)
 - IMO (metallurgical test work), Mintrex (process plant design)
- 10 year mine plan centred on Castle Hill and Red Dam
 - conventional 2 Mtpa processing facility
 - targeting +100,000 ounces per annum at 1.6– 1.8g/t mill feed grade at 94% recovery¹
 - Castle Hill Stage 1 developed with Red Dam followed by Castle Hill Stage 2
 - Complementary heap leach plant for Castle Hill under review
- Statutory approvals process well advanced, key applications lodged
- Finance model developed, project financing discussions progressing

Castle Hill – Mining and Geotechnical

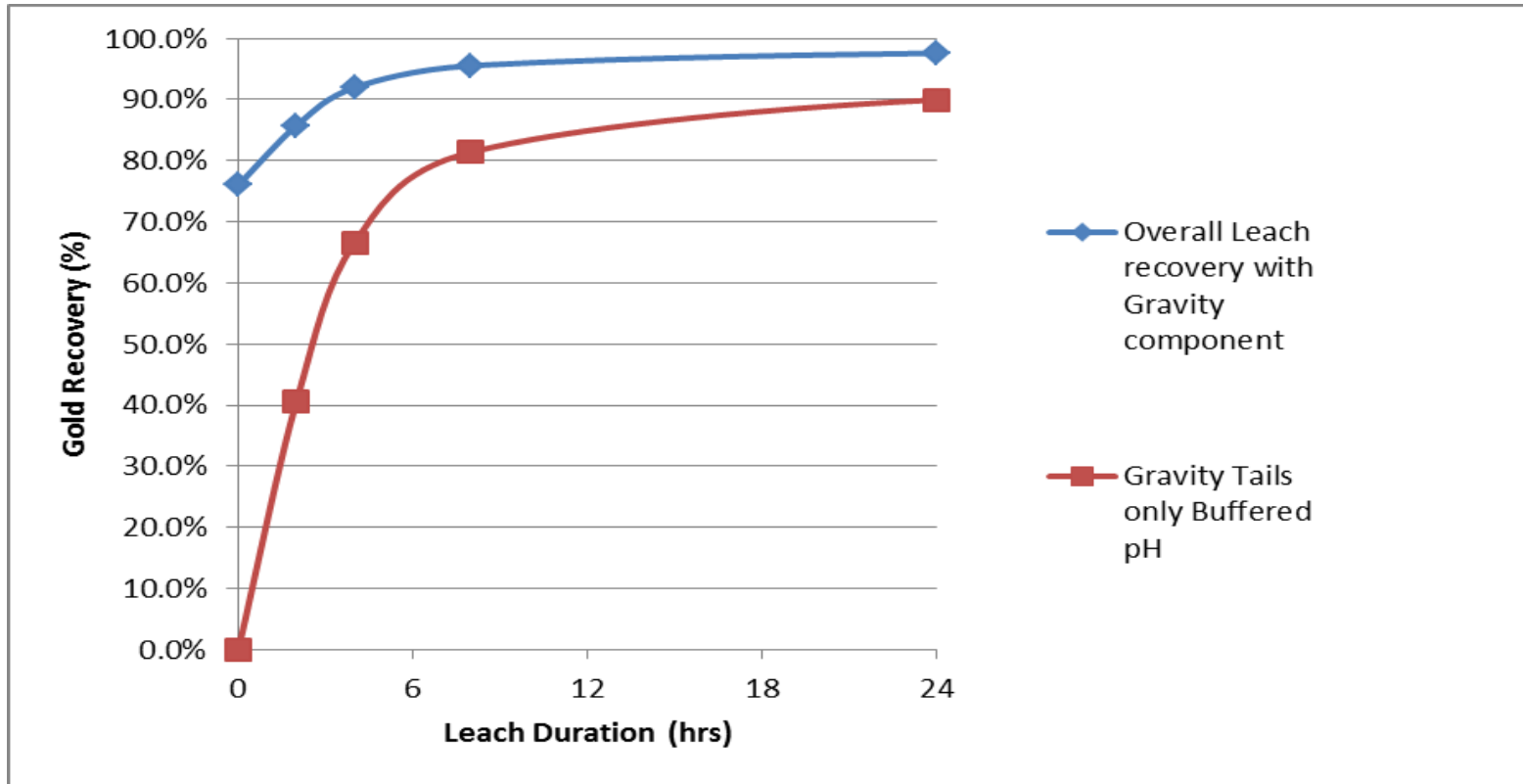


- DFS Interim Pit Design - order of magnitude larger than CMS pit
 - 1,000m long, 500m wide, 200m deep
- Large mining fleet (300t digger, 785 dump trucks)
- Favourable geotechnical conditions
 - Oxide and Transitional material as expected
 - Fresh rock highly competent with little structure - better than expected
- Improved wall angles
 - Conceptual Mining Study pit walls @ 43°
 - Updated Interim Design pit walls @ 54°
- Leads to improved economics with lower waste movement and improved strip ratios

Castle Hill Plant - Metallurgy



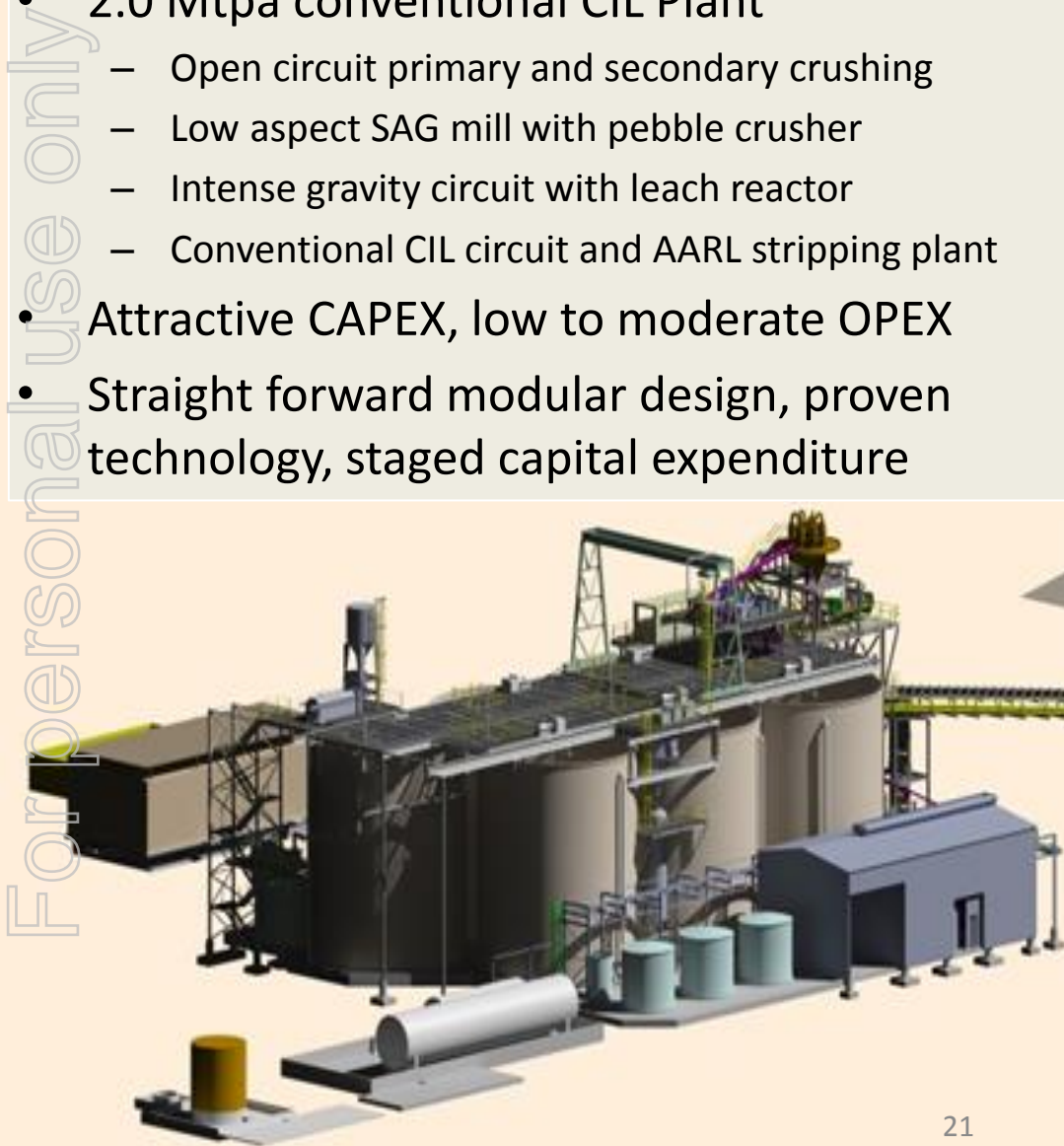
- Free milling with coarse grind (P80 – 106um), excellent recoveries (94-98%)
- Medium to highly competent ore (Bwi – 13-17kwhr/t), (Ai – 0.35)
- High gravity recoverable gold (initial tests up to 76%)
- Favourable leach kinetics, 18 - 20 hours residence time projected



Castle Hill Processing Plant



- 2.0 Mtpa conventional CIL Plant
 - Open circuit primary and secondary crushing
 - Low aspect SAG mill with pebble crusher
 - Intense gravity circuit with leach reactor
 - Conventional CIL circuit and AARL stripping plant
- Attractive CAPEX, low to moderate OPEX
- Straight forward modular design, proven technology, staged capital expenditure



Castle Hill Project – Indicative Financials



Key Outcomes and Assumptions:

- **All figures subject to completion of DFS and are preliminary only**
- CAPEX ~\$90M with mine development plus working capital of ~\$20 - \$25M
- Construction period can be completed Jun Quarter 2015
- Annual production +100,000 oz per annum
- Operating Costs per tonne:

Preliminary Operating Costs	A\$/Tn
Mining & Haulage	26
Milling	18
G&A	2
Royalties & Other	5
TOTAL	51

- “All In” sustaining costs of ~A\$950 per ounce
- Heap leach currently not included in “Base Case” model. Could add ~25,000 oz production per annum at an incremental cost of ~A\$500 per oz.



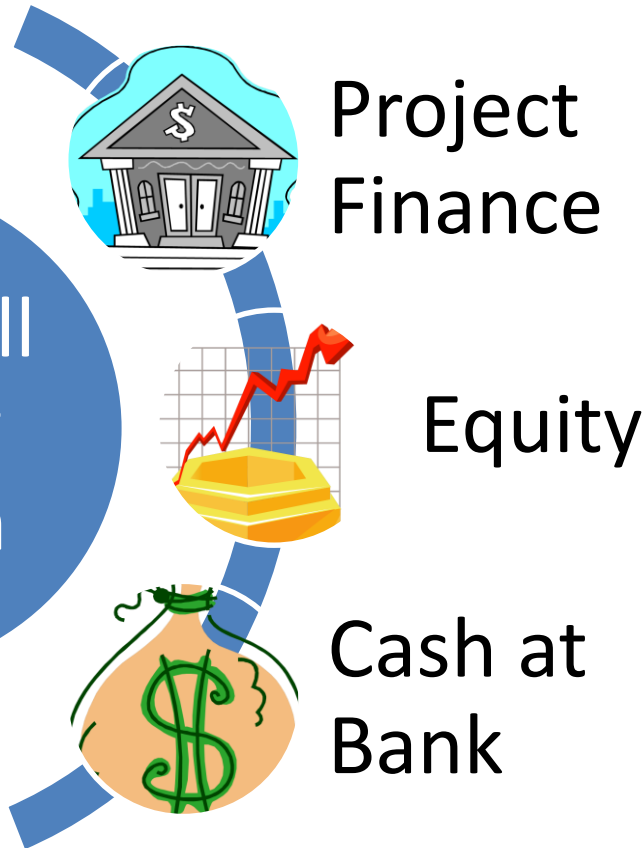
- **The Company's development options include:**
 - 1. Develop and construct new +2Mtpa plant at Castle Hill**
(higher capex, longer term development phase)
 - 2. Development JV arrangement with existing producer**
(low capex, short to medium term development phase)
 - 3. Develop Castle Hill and utilise spare milling capacity**
(low capex, short term development phase, lower production)
- **All options being assessed to deliver best NPV outcome**
- **Project finance for each option under evaluation**
- **Assessment of options on completion of the DFS**

Castle Hill - Funding



For personal use only

Castle Hill Funding Solution



- Significant interest from financial institutions
- Short listing of banks underway
- Modest hedging as part of risk management
- Independent advisors appointed
- All alternatives being reviewed with a recommended solution to be tabled in coming months

In Summary – focussed on delivery



For personal use only

- Re-consolidating underexplored tenements in safe jurisdiction
- Castle Hill emerging as a large scale gold camp with multiple stages
- Drilling programme on track, infill complete – extensional underway
- Independently verified resource update completed
- Stockpiles and small mining projects generating cash flow
- \$16M cash at June 2013 – well funded beyond drilling programme and DFS completion
- Low risk open cut mining and conventional milling 50 km from a major regional mining centre
- Attractive on any investment metric (EV/Resource <\$20/oz)
- Completion of DFS in December 2013

JORC Mineral Resources¹



Project	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource			Total Mineral Resource		
	Mt	Au (g/t)	Au Oz	Mt	Au(g/t)	Au oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz
Castle Hill	0.18	3.4	20,000	14.83	1.7	822,000	15.94	1.5	774,000	30.95	1.6	1,616,000
Broads Dam				2.37	2.2	168,000	3.44	2.2	242,000	5.81	2.2	409,000
Kunanalling	0.58	2.4	45,000	1.34	1.6	70,000	4.40	1.7	241,000	6.32	1.8	356,000
Ora Banda				3.11	1.9	187,000	3.53	1.9	210,000	6.64	1.9	397,000
Carbine				1.97	1.6	103,000	0.09	1.8	5,000	2.06	1.6	108,000
Zuleika North				0.51	2.5	41,000	0.27	2.5	22,000	0.78	2.5	63,000
Stockpiles				0.14	1.5	7,000				0.14	1.5	7,000
Total	0.76	2.6	65,000	24.27	1.8	1,397,000	27.66	1.7	1,494,000	52.69	1.7	2,956,000

Notes:

1. Stockpiles report material mined from historical mining operations at Lady Jane, Broads Dam, Premier, Catherwood, Bluebell, Mick Adam and Shamrock.
2. See slide 28 for Competent Persons Statement
3. Information that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.
4. The information on exploration targets is based on a conceptual range of targets as follows: Tonnage range: 2 million to 20 million tonnes, grade range: 1.5 g/t Au to 5 g/t Au

JORC Mineral Reserves



Project - Mill Feed	Proven Mineral Reserve			Probable Mineral Reserve			Total Mineral Reserve			Cut off
	Mt	Au (g/t)	Au Oz	Mt	Au(g/t)	Au oz	Mt	Au (g/t)	Au Oz	g/t
Castle Hill	0.05	2.69	5,000	4.43	1.31	186,000	4.49	1.32	191,000	0.7
Broads Dam				1.67	2.14	115,000	1.67	2.14	115,000	0.7
Kunanalling	0.54	2.10	36,000	0.02	1.72	1,000	0.56	2.09	38,000	0.9
Ora Banda				0.58	2.33	44,000	0.58	2.33	44,000	0.8
Carbine				1.27	1.51	62,000	1.27	1.51	62,000	0.7
Sub total - mill feed	0.59	2.16	41,000	7.97	1.59	408,000	8.57	1.63	450,000	
Project - Heap leach feed										
Castle Hill				5.4	0.60	104,000	5.36	0.60	104,000	0.4
Stockpiles				0.14	1.52	7,000	0.14	1.52	7,000	
Sub total - Heap leach feed				5.50	0.63	111,000	5.5	0.63	111,000	
Total	0.59	2.15	41,000	13.47	1.20	518,000	14.07	1.24	559,000	

Note: The reserve estimates have been modified with dilution and mining recovery factors (see Appendix 1, table 2)

Tonnes and ounces are rounded, rounding errors may occur

MT = million tonnes, Au (g/t) = gold in grams per tonne

See slide 28

Competent Persons Statements



For personal use only

The information in this report that relates to Exploration Results is based on information compiled by Lyndal Money and Ian Copeland who are employees of the company and fairly represent this information. Ms Money is a Member of the Australasian Institute of Mining and Metallurgy. Mr Copeland is a Member of the Australasian Institute of Mining and Metallurgy. Ms Money and Mr Copeland have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and the activities undertaken, to qualify as Competent Persons 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. Ms Money and Mr Copeland consent to inclusion in this report of the matters based on 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 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 other resources included in the Total Castle Hill resource estimate is based on information compiled by Mr Ian Copeland, who is an employee of the company. Mr Copeland is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscience. Mr Copeland 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves” (JORC Code). Mr Copeland consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.