

Phoenix Copper Limited

ABN 67 127 446 271

ASX Code: PNX

Issued Capital as at 28/04/14: 207,641,828

Board & Management:

Chairman:	Graham Ascough
Non Exec Director:	Paul J Dowd
Non Exec Director:	Peter J Watson
Non Exec Director:	David Hillier
Chief Executive:	James Fox
CFO/Co Secretary:	Tim Moran

Top Shareholders as at 28/04/14:

Long Fortune Limited	13.04%
Asia Image Limited	11.83%
Talis SA	10.19%

Share Registry:

Computershare Investor Services Pty Limited
Level 5 115 Grenfell Street
Adelaide South Australia 5000
Phone: 1300 305 232 (within Australia)
+61 3 9415 4657 (outside Australia)



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PHOENIX COPPER LIMITED

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REPORT FOR QUARTER END

31st March 2014

HIGHLIGHTS

Exploration

- Corporate activities looking to grow Phoenix Copper continued to take precedence over exploration this quarter.
- Exploration focused on community engagement, landholder consultation and regulatory approvals for proposed exploration programs at Burra. Phoenix Copper now has all approvals to access the three priority drill targets at Burra.
- Phoenix Copper is in discussions with several potential joint venture partners for its Iron Oxide Copper Gold (IOCG) project on the Yorke Peninsula.

Leigh Creek Copper Mine

- Discussions with parties interested in acquiring Leigh Creek Copper Mine are ongoing.

Corporate

- A further 3.8 million shares in Avalon Minerals Ltd (ASX: AVI) were acquired during the quarter, bringing Phoenix Copper's holding in Avalon to 10.7%.

1 EXPLORATION

Phoenix Copper's exploration is primarily focussed on copper and gold minerals in three main project areas within South Australia (Figure 1).

Exploration work over the quarter was focussed on seeking landholder access agreements, drill program planning and accessing areas for Field Portable X-Ray Fluorescence (fpXRF) analysis. Desktop geological analyses are also ongoing. The detailed modelling of geophysical data in conjunction with geological and geochemical information has clearly defined the areas to test at the Eagle Prospect, with the strongest Induced Polarisation (IP) responses to be drilled as soon as possible.

All tenements are in good standing with all regulatory reporting up to-date.



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Phoenix Copper’s exploration personnel and exploration equipment including fpXRF instruments and vehicles have been hired out on a part time basis to various other exploration companies to assist with reducing the Company’s costs.

1.1 Adelaide Geosyncline

Eagle Prospect – North Burra

Subject to timing and funding, drilling is planned at the targets identified (Figure 3) to test the effectiveness of IP as a method with which to further identify copper sulphides in the area. Interpretation of previous drilling by Phoenix Copper and the reprocessed IP data has indicated that the high grade copper drill intercepts at the Eagle prospect are all located close to the surface and in the northern portion of a north-west trending IP high approximately 600m in length (Figure 3). The targets all have the

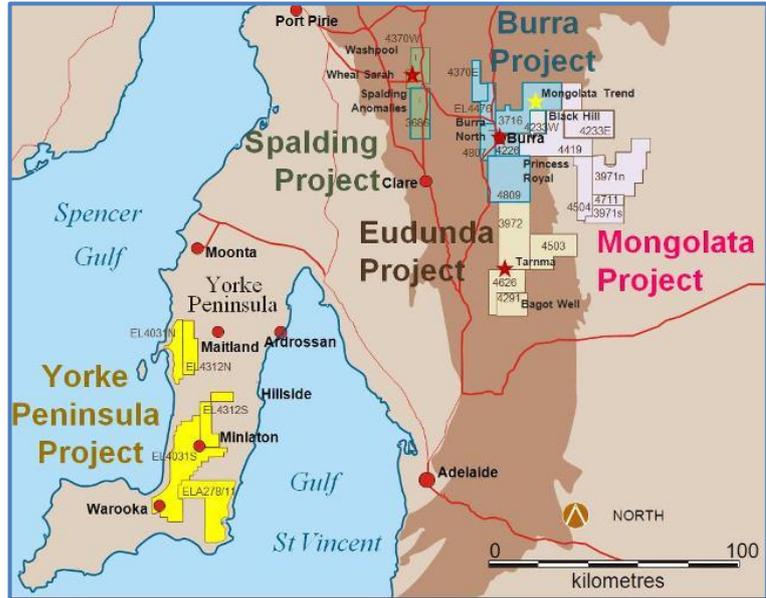


Figure 2: Phoenix Copper tenure, South Australia

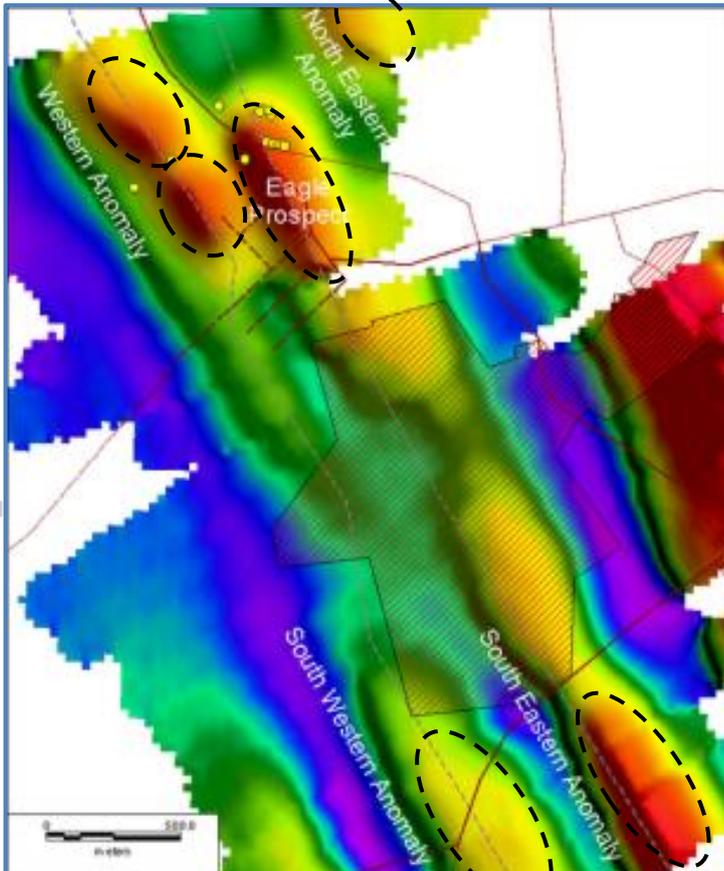


Figure 3: Reprocessed IP data at Eagle, targets (highs) are highlighted by the black dashed lines

potential for copper sulphide mineralisation similar to that observed at Eagle where the best results from PCD0040 were 26.3m at 2.86% copper from 50.7m, including 15.7m at 4.65% copper from 61.1m, and 2.4m at 11.28% copper from 65.0m.

Landholder access to the South Eastern target has now been established, with an fpXRF program scheduled for the start of May to identify any surface anomalies prior to drill testing.

Mongolata and Black Hill

The Mongolata goldfields which also contains the Black Hill prospect are located approximately 15km north-east of the town of Burra, with opportunities for discoveries along the 12km line of old surface workings and at depth into primary mineralisation (Figure 2). Gold was discovered at Mongolata in 1930, and since that time small tonnages of high grade ore have been mined¹. No exploration activities were undertaken during the quarter.

¹ The Mongolata Goldfield, I Plimer 1997. Redfire Resources NL

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Grove Prospect – North of Eagle

The Grove Prospect lies 5km north of Burra (Figure 2), and is a copper target which relates to the continuation of the north-south trending Kingston Fault associated with copper mineralisation at the Burra Mine (Monster Mine) and Eagle Prospect. No exploration was undertaken during the quarter.

1.2 Yorke Peninsula Project

Phoenix Copper's 100% owned highly prospective Yorke Peninsula tenure consists of four Exploration Licenses and covers a significant land area of 1,419km² (Figure 4). The tenements are adjacent to Rex Minerals' Hillside deposit and within the Olympic Domain which hosts a number of large scale iron-oxide copper gold (IOCG) deposits.

Prospective geology and geochemistry within a significant alteration system has been identified together with a new area at the Cross Prospect that has the potential for mineralisation at depth.

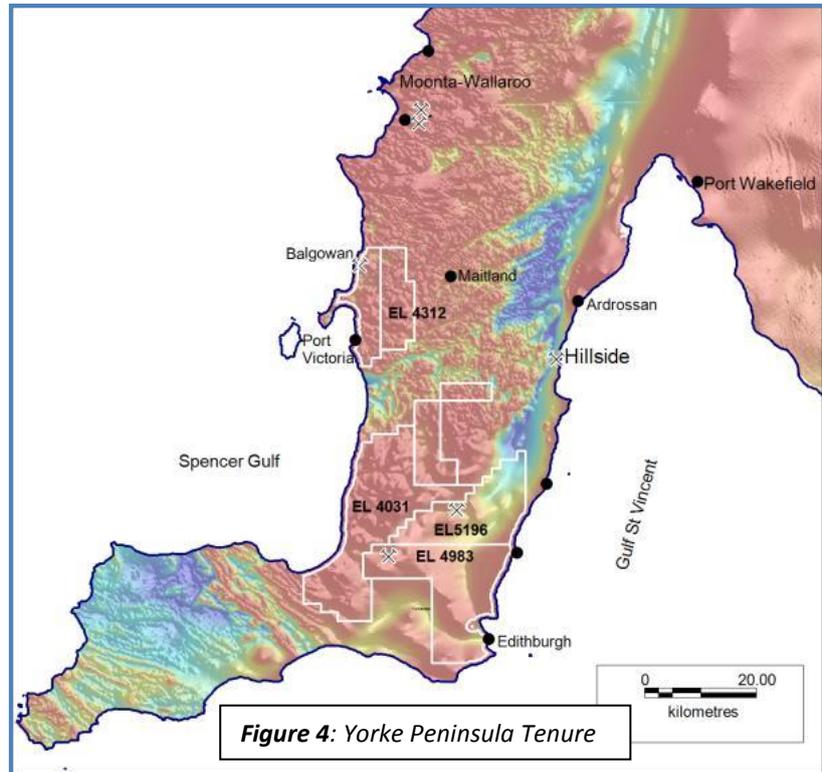


Figure 4: Yorke Peninsula Tenure

Phoenix Copper is currently in discussions with several potential joint venture partners for our extensive IOCG Yorke Peninsula tenements and will update the market when information becomes available.

1.3 Leigh Creek Project

No exploration activities were undertaken over the two exploration licenses EL5264 and EL5300.

2 OPERATIONS – LEIGH CREEK (LCCM)

LCCM holds three mining leases and associated processing facilities including the Mountain of Light operation located near Leigh Creek in South Australia. During the 18 months to 31st December 2011, approximately 425 tonnes of copper were produced and sold from the Mountain of Light operations. These operations have been under care and maintenance since January 2012.

Discussions with parties that have expressed interest in acquiring LCCM are ongoing.

3 FINANCIAL & CORPORATE

As at 31st March 2014, Phoenix Copper had cash of \$0.67 million.

Phoenix Copper acquired an additional 3.8 million shares in Avalon Minerals Ltd on market during the quarter. The Company now holds 10.7% of Avalon and believes it to be a significant investment in a company with a quality copper asset. Strategic options regarding this investment are still being considered.

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Avalon's flagship asset is the Viscaria Copper-Iron Project located in northern Sweden. The project is immediately adjacent to the LKAB's Kirunavaara iron-ore operation and is in close proximity to established infrastructure including power, high-capacity rail and port facilities. An ASX announcement on 9th July 2013 by Avalon stated "scoping study results indicate that the potential NPV 10% REAL (pre-tax) of an Open Pit Mining Scenario on the Viscaria Project is now US\$373 million dollars" and a more recent ASX announcement on 9th April 2014 by Avalon stated that there has been a "Significant Upgrade to the Discovery Zone Mineral Resource Estimate for Copper, Gold and Iron".

Capital Structure

At 31st March 2014, the Company had on issue 207,641,828 fully paid ordinary shares, 1.5 million performance rights, and 1.3 million unquoted options, the latest of which expire in July 2015.

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Nicole Galloway Warland (BSc (Hons)), a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Phoenix Copper Limited. Ms Galloway Warland has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken 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". Ms Galloway Warland consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

James Fox, CEO

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