



Phoenix Copper Limited

ABN 67 127 446 271

ASX Code: PNX

Issued Capital as at 30/04/13: 179,707,749

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 30/04/2013:

Long Fortune Limited	15.07%
Asia Image Limited	13.67%
Talis SA	11.77%

Share Registry:

Computershare Investor Services Pty Limited
Level 5 115 Grenfell Street
Adelaide South Australia 5000
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Phoenix Copper Limited

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PHOENIX COPPER LIMITED

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REPORT FOR QUARTER END

31st March 2013

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HIGHLIGHTS

Exploration - Yorke Peninsula

- Drilling successfully completed over iron-oxide, copper, gold targets defined by coincident gravity and magnetic anomalies
- Shallow drilling intersected a widespread magnetite alteration system at the Balgowan Prospect - open at depth and to the south
- Elevated copper was identified at the basement interface coincident with geophysical anomalies at the Cross Prospect - may be associated with primary mineralisation at depth

Exploration - Burra

- Additional gold and copper targets identified
- Documentation in place to facilitate access for drill testing priority targets (planned to commence late May)
- Assaying hanging wall mineralisation in drillhole PCD0038 to the east of the significant copper sulphide mineralisation at Eagle resulted in:
 - 4.3m at 19.5g/t silver from 56m, and
 - 0.7m at 109.6g/t silver from 62.2m
- Additional gold targets within copper anomalies at Black Hill
- Regional field work undertaken resulting in a number of new target areas identified, including Burra West (Cu-Ag)

Operations

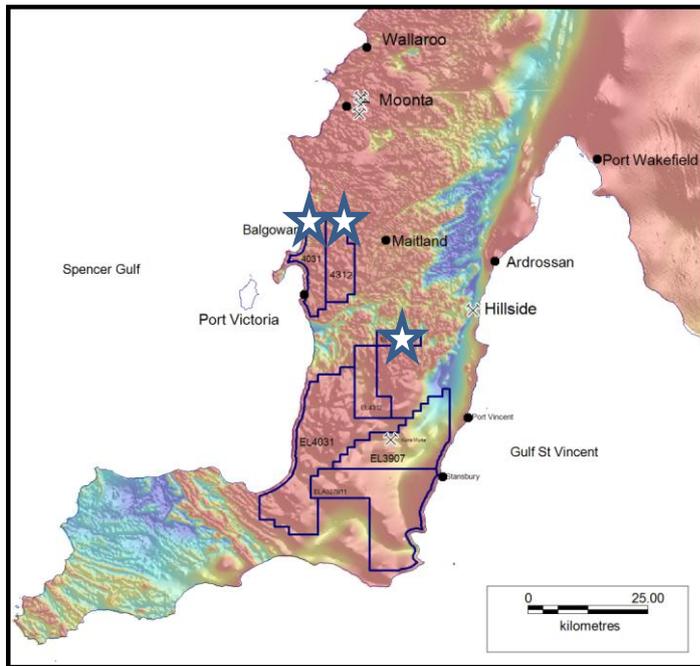
- Further analysis and modeling of mini pilot plant (MPP) Ion Exchange (IX) data by InnovEco on Phoenix Copper's Paltridge North ore was undertaken
- Additional copper resources (Lynda and Lorna Doone) from the region incorporated in test work and development program



1 EXPLORATION

1.1 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 1**). 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.



Four areas were tested during a 3,074m, 100 hole aircore (AC) and slimline reverse circulation (RC) drilling program conducted during the quarter, and all are characterised by coincident geophysical anomalies consistent with the signature of IOCG mineralisation. Depth of cover above the prospective basement host rock ranged from 10m-30m allowing a significant number of holes to be drilled over a large area. This initial phase of drilling aimed to identify shallow secondary geochemical dispersion patterns associated with primary mineralisation, to confirm the source of the coincident geophysical anomalies, and to gain a greater understanding of the geochemistry in this environment.

Figure 1: Phoenix Copper’s Yorke Peninsula tenements and prospects (white stars)

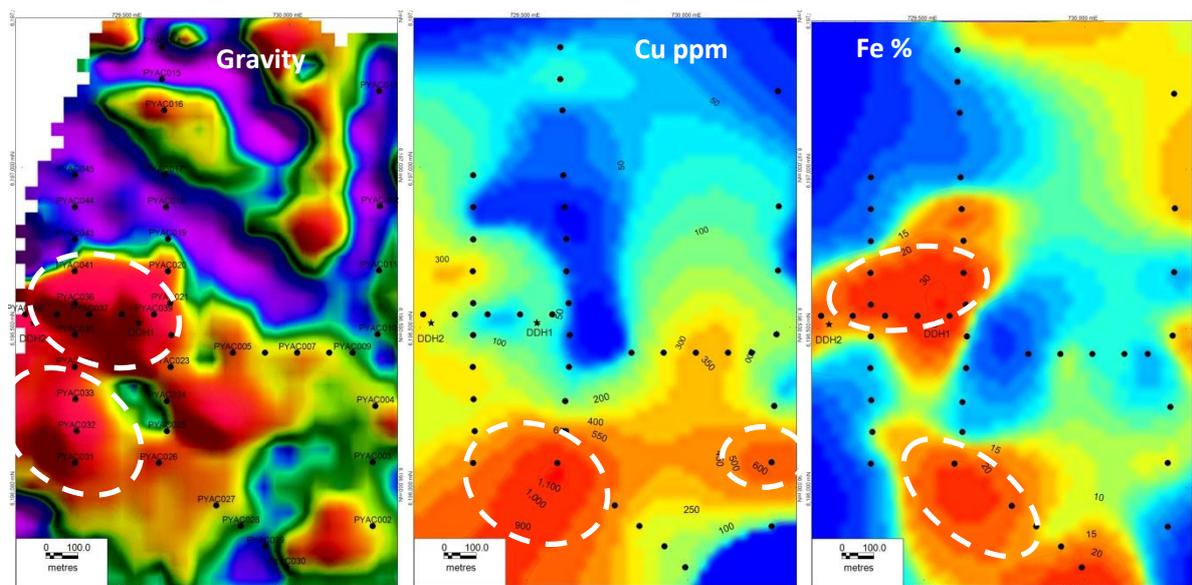


Figure 2: Balgowan prospect: a) drillhole locations over gravity image; b) Copper assay grid c) Iron assay grid. White rings are geochemical and geophysical highs.

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Anomalous copper was observed in all areas tested (Tables 1-3) with the best results coming from the Cross Prospect. Here drilling defined elevated copper at the basement interface coincident with gravity and magnetic anomalies that may indicate primary mineralisation at depth (Figure 3). Deeper drill testing of the Cross target is warranted.

The Balgowan prospect was drilled to delineate the lateral extend of the IOCG mineralisation intercepted in historic diamond drill holes DDH1 and DDH2 completed in 1955. The recent drilling intercepted anomalous geochemistry in prospective rocks, including massively altered magnetite, biotite, calcsilicate metasomatic rocks (containing high percentages of iron over a large area) which are possibly associated with a regional mineralising event (Figure 2). The alteration system

identified is still untested at depth as the deepest drillhole (PYAC0039) was still within massive magnetite mineralisation at 100m downhole depth. The iron (magnetite) intercepts in the two deeper holes are shown below:

- PYAC0039: 86.0m grading 16.8% iron, from 14.0m to the end of the hole
- PYAC0026: 31.0m grading 16.7% iron, from 39.0m to the end of the hole

Broad spaced drilling over the SGVT1 and SGVT 9 prospects shows subtle copper highs associated with VTEM anomalies and magnetite-hematite alteration.

Overall, the results from this shallow drilling program were very encouraging. Prospective geology and geochemistry within a significant alteration system has been identified together with a new area that has the potential for mineralisation at depth.

The next stage of exploration will plan to test the depth extents of the surface anomalies at Cross and Balgowan through basement drilling, along with further interpretation and analysis of recent geochemical results. Access for basement drilling will be limited until cropping has been undertaken, this will likely be towards the end of 2013.

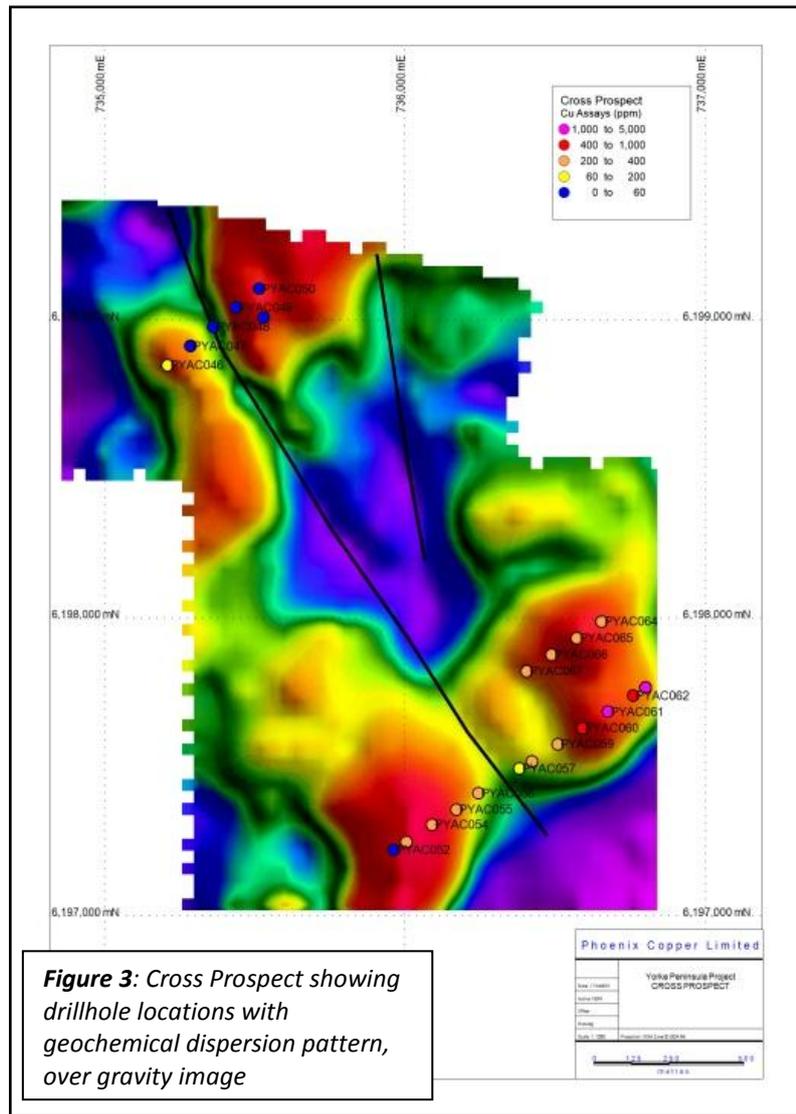


Figure 3: Cross Prospect showing drillhole locations with geochemical dispersion pattern, over gravity image

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1.2 BURRA PROJECT

Burra North – Eagle Prospect

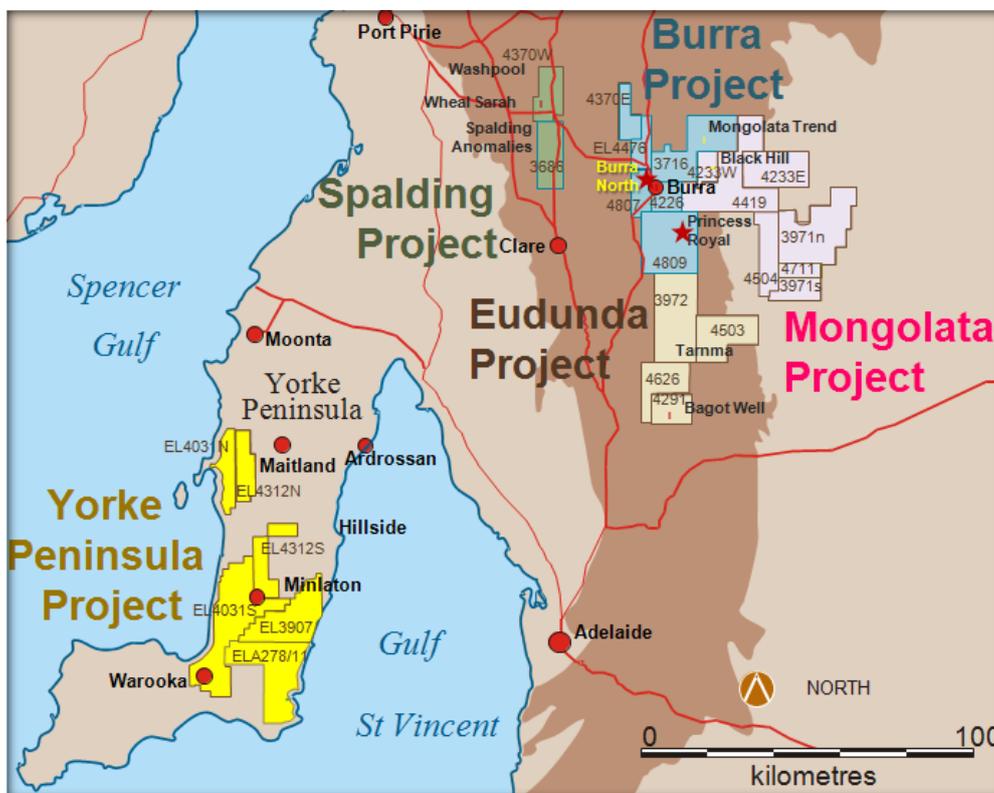


Figure 4: Burra North and Yorke Peninsula tenement and prospect location plan.

A compilation and desk top study of results received to date from the Eagle prospect has led to re-analysis of drill data to further our understanding of the prospect and controls on mineralisation. Assaying of a sulphide zone in the hanging wall to the east of mineralisation at the Eagle Prospect in PCD0038 (drilled March 2012) that was previously thought to be barren has returned elevated copper and silver values including:

- 4.3m at 19.5g/t silver from 56m, and
- 0.7m at 109.6g/t silver from 62.2m

This result is significant as it demonstrates that the footprint of the mineralising system at Eagle extends outside the higher grade envelope thus providing a larger target for exploration purposes (**Table 5**).

In the 1960s an IP survey was conducted by the Department of Mines South Australia (DMSA) in the vicinity of the Monster Mine. Induced polarisation is a particularly useful tool for detecting disseminated sulphide minerals, and can provide an indication of the mineralisation potential of an area at depth. Phoenix Copper has had this data reprocessed by an independent consultant utilising modern day modelling software and the resultant detailed images are consistent with the drilling results at the Eagle Prospect and provide a more accurate determination of drill targets.

It is evident from the drilling to date and the reprocessed IP data 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 (**Figures 5 and 6**).



The company has outlined a number of geophysical targets similar to that observed over Eagle, all of which warrant follow up drill testing, and all having potential for mineralisation similar to that intercepted at the Eagle Prospect.

Documentation was put into place to allow access to all the drill targets identified by reprocessing of the Induced Polarization data. Drilling will commence once these approvals and waivers have been obtained.

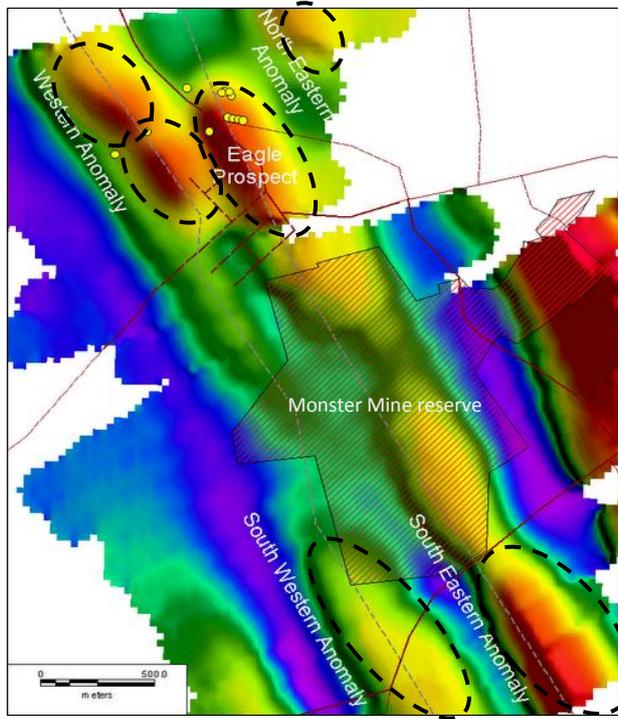


Figure 5: Reprocessed IP data at Eagle, targets (highs) are highlighted by the black dashed line.

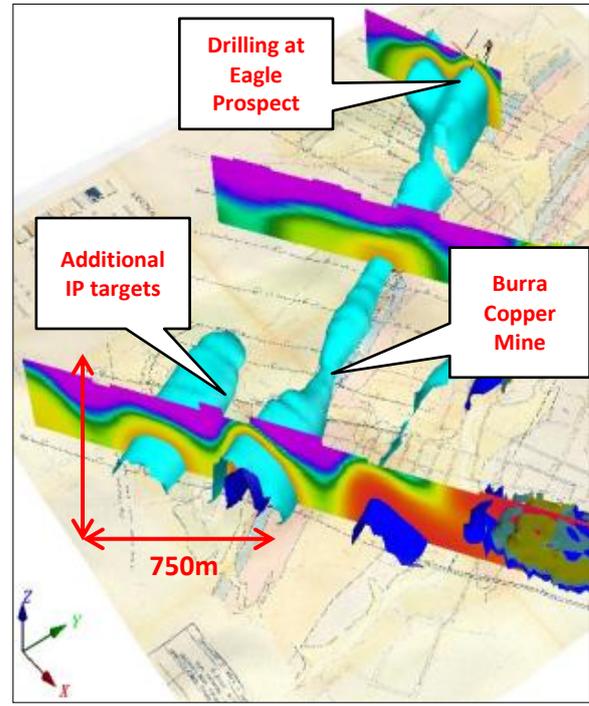


Figure 6: Reprocessed IP data in 3D at Eagle showing IP highs as light blue shape

Black Hill

A detailed review of all previous work on the Black Hill Prospect (**Figure 7**) is currently being undertaken to gain a clearer understanding of the structural controls on the gold mineralisation.

Drilling by Phoenix Copper in 2009 at the Black Hill Prospect, as per ASX announcement 25th November 2009, intercepted:

- **PCRB014:** 39m @ 3.77g/t Au from 65m, including
 - 6m at 23.35g/t Au
- **PCRB009:** 5m @ 15.00g/t Au from 47m, including
 - 3m at 24.91 g/t Au

A preliminary analysis of rotary air blast (RAB) and diamond drilling samples shows a proximal association of silver, copper and lead to the gold mineralisation. A multi element analysis by four acid digestion is being completed on the RAB sample pulps previously only analysed for gold. Results will give a clearer understanding of associated mineralogy and assist in designing a geophysical program for this area.

Based on the outcome of the geological review, it is anticipated that geophysical and geochemical work programs will be carried out in the next quarter.

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Figure 7: Location of Mongolata and Black Hill gold prospects.

Mongolata

A geochemical orientation survey to determine the effectiveness of pan-concentrate stream sediment sampling was carried out at the Mongolata Project (**Figure 8**). Three of the fourteen samples of pan-concentrate collected for analysis contained visible gold, with gold assays returning 0.36g/t, 0.17g/t and 0.11g/t. The samples were taken from several streams over a strike length of approximately 5km draining off the SugarLoaf Range which hosts the historic Mongolata gold mine to the south. Further geochemical exploration for gold is planned in the area.



Figure 8: Sample location points at Mongolata

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LEIGH CREEK PROJECT

No significant exploration activity has been conducted during the quarter.

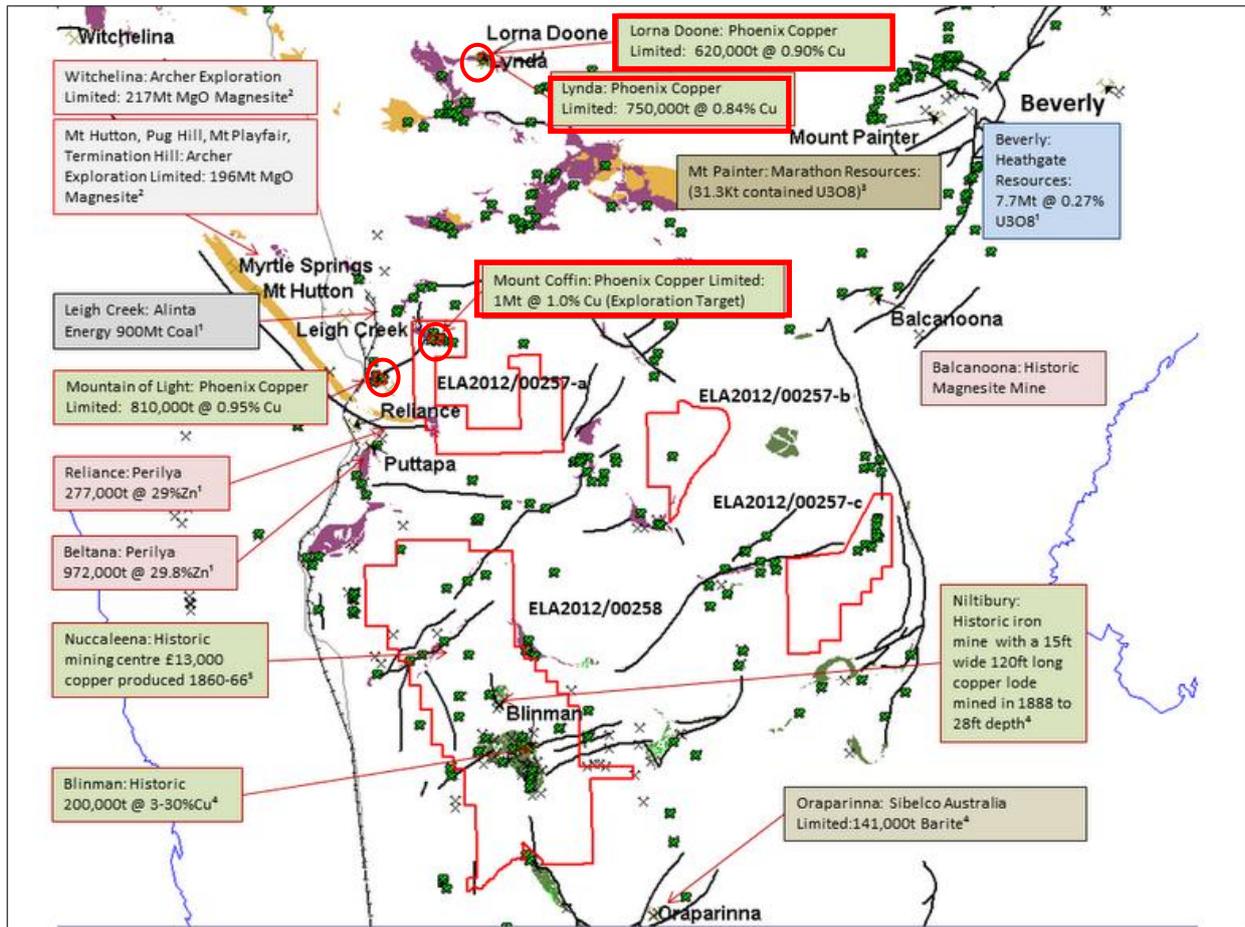


Figure 9: New Exploration License Applications and nearby projects. Data from DMITRE South Australia's Major Operating Mines and Mineral Development Project, Resource Estimates and Production Statistics; and DMITRE SARIG database.

Phoenix Copper mining leases and ELAs are outlined in red.

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2 OPERATIONS – LEIGH CREEK

Mining and processing operations at Mountain of Light (MoL) remain under care and maintenance.

Additional copper resources (Lynda and Lorna Doone) from Phoenix Copper's mining leases have also been incorporated in the test work and development program, and a more detailed analysis and feasibility studies on an Ion Exchange plant is ongoing.

Ion Exchange is the preferred processing method due to its high overall copper recovery, low residence time, and the ability to process fine high clay ore.

3 FINANCIAL & CORPORATE

As at 31st March 2013, Phoenix Copper had cash of \$0.54 million. During the quarter, exploration expenditure was \$0.23 million and administrative expenditure was \$0.42 million. Exploration costs related primarily to the Yorke Peninsula RC/aircore shallow drilling program described earlier. Corporate administration costs (mainly head office salaries, overheads, insurance, and legal/professional fees) were on budget.

Forecast exploration costs for the June 2013 quarter of \$150k relate primarily to the drilling of copper sulphide targets at Burra North. The Company is expecting cash inflows in the June 2013 quarter of \$65k regarding approved PACE funding, and approximately \$390k in relation to the Company's Research & Development claim for the 2012 tax year.

Equity

At 31st March 2013, the Company had on issue a total of 179,707,749 fully paid ordinary shares and 250,000 performance rights, unchanged from the previous quarter end. At 31 March 2013, the Company had 16.6 million unquoted options on issue, of which 15.3 million (with 15 cent exercise price) expire on 30th June 2013. During the March 2013 quarter, 10.8 million unquoted options expired unexercised.



4 DRILL TABLES

Table 1: Balgowan Prospect - Significant Drill Intercepts above 400ppm Copper (showing additional elements)

Hole ID	Northing	Easting	Azi	Dip	From m	To m	Interval m	Cu ppm	Fe %	U ppm	Ni ppm
PYAC003	6196077	730260	360	-90	31	33	2	763			
PYAC008	6196420	730125	360	-90	37	38	1	438	10.16		
PYAC022	6196475	729634	360	-90	23	24	1			401	
PYAC026	6196075	729595	360	-90	39	70	31		16.68		
PYAC026	including				43	45	2	966	13.90		433
PYAC026	including				43	44	1	1440	15.23	32	615
PYAC027	6195942	729774	360	-90	24	25	1	445			
PYAC031	6196075	729335	360	-90	28	29	1	475			
PYAC039	6196540	729580			14	100	86		16.84		
PYAC039	Including				99	100	1		39.98		
PYAC040	6196540	729279	360	-90	39	40	1			206	
PYAC041	6196674	729334	360	-90	46	47	1	478	6.82	19	432
PYAC042	6196540	729180	360	-90	32	34	2	811	3.42	14	
PYAC042	Including				34	40	6		13.37		

Table 2: Cross Prospect – Significant Drill Intercepts above 400ppm Copper

Hole ID	Northing	Easting	Azimuth	Dip	From m	To m	Interval m	Cu ppm
PYAC060	6197632	736592	360	-90	18	19	1	421
PYAC061	6197687	736677	360	-90	28	29	1	3393
PYAC061	6197687	736677	360	-90	31	32	1	413
PYAC062	6197741	736760	360	-90	20	25	5	450
PYAC063	6197768	736801.9	360	-90	19	20	1	633
PYAC063	Including				23	25	2	960
PYAC063	Including				23	24	1	1462

Table 3: SGVT1 Prospect – Significant Drill Intercepts above 400ppm Copper

Hole ID	Northing	Easting	Azimuth	Dip	From m	To m	Interval m	Cu ppm
PYAC086	6169548	748051	360	-90	31	33	2	495

Notes: Co-ordinates are in GDA94 Z53. Intersections are downhole lengths. QAQC procedures as per industry best practice using certified reference standards, duplicates and blanks. Sample preparation by dry pulverisation and multi element analysis by four acid digest and ICP-OES and ICP-MS to acceptable detection limits and Au by AR25/SAA by Intertek Genalysis. Lower cut off 400ppm Cu.

Table 4: Burra drill collar locations and copper results.

Hole ID	Northing	Easting	Azi	Dip	Total depth m	From m	To m	Interval m	Grade %
PCD0035	6272610	306832	276	-60	205.3	-	-	-	NSI
PCD0036	6272623	307106	61	-50	177.5	-	-	-	did not reach target depth
PCD0037	6272682	307204	0	-90	46.0	-	-	-	NSI
PCD0038	6272680	307234	280	-60	121.0	94.9	117.4	22.5	0.81% Cu
including						102.6	110.7	8.1	1.46% Cu

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PCD0039	6272500	306700	266	-60	144.7	-	-	-	missed target
PCD0040	6272682	307203	281	-60	77.0	50.7	77	26.3	2.86% Cu
including						61.1	74.8	13.7	5.23% Cu
PCD0041	6272682	307204	200	-60	87.0	54.1	70.8	16.7	0.63% Cu
including						64.7	70.8	6.1	0.95% Cu
PCD0042	6272682	307204	200	-47	73.0	47	58.9	11.9	0.48% Cu
PCD0043	6272687	307184	201	-60	52.9	31	36	5.0	0.44% Cu
PCD0044 A	6272787	307193	215	-60	144.0	-	-	-	NSI
PCD0045	6272683	307203	202	-74	98.7	69.2	82.5	13.3	1.22% Cu
including						69.3	75.3	6.0	1.61% Cu
PCD0046	6272677	307243	236	-62	108.0	-	-	-	did not reach target depth
PCD0047	6272804	307184	206	-75	199.0	-	-	-	NSI
PCD0048	6272800	307156	215	-74	39.0	-	-	-	RC pre-collar
PCD0049	6272805	307162	257	-60	47.0	-	-	-	RC pre-collar
PCD0050	6272820	307162	220	-52	109.5	-	-	-	NSI
PCD0051	6272678	307426	205	-55	132.5	107.2	113.2	6.0	0.41% Cu

Notes: Co-ordinates are in GDA94 Z54. Copper assays determined by 4A and 4AHBR/OE by Intertek Genalysis, QA/QC samples indicated acceptable analytical quality. Intersections are down hole lengths, true widths will be determined by further drilling. Grade intercepts calculated as a weighted average grade above 0.4% copper. No significant intersection (NSI).

Table 5: Burra – PCD038 Sulphide Zone - drill collar location, and silver and copper results.

Hole ID	Northing	Easting	Azi	Dip	From	To	Interval	Ag (g/t)
PCD038	6272680	307234	280	-60	56	60.3	4.3	19.46
PCD038		Including			57	59	2	25.7
PCD038		And			60.9	62.9	2	47.27
PCD038		Including			62.2	62.9	0.7	190.6

Notes: Co-ordinates are in GDA94 Z54. Silver and Copper values determined by four acid digest and ICP-OES (4A/OE) by Intertek Genalysis, QA/QC samples indicated acceptable analytical quality. Intersections are down hole lengths, true widths will be determined by further drilling.

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 2004 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.

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