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ASX Announcement

18 November 2014

DRILLING COMMENCES AT HAYES CREEK PROJECT

- **Initial 1,000m diamond drill program has commenced at Iron Blow and Mount Bonnie**
- **The aim of this initial drill program is to define new mineralised positions, build confidence in grade continuity, and obtain samples for metallurgical test work**
- **Downhole electromagnetic survey to follow drilling to identify potential new massive sulphide zones in addition to those already known**
- **Regional exploration has also commenced to investigate a number of promising base metals targets within the Hayes Creek project area**

Phoenix Copper Limited (**ASX:PNX**) is pleased to announce that drilling has commenced at the Hayes Creek Project in the Pine Creek region of the Northern Territory (Figure 1). The drill program will comprise 1,000 metres of diamond drilling (4 holes) targetting the Iron Blow and Mount Bonnie deposits (Figures 2 and 3, and Table 1).

The recent successful capital raising has enabled this initial drill program to commence prior to the onset of the wet season.

The primary objectives of the drill program are to define new mineralised zones, obtain samples for metallurgical test work, build confidence in grade continuity within the existing resource and to undertake down hole electromagnetic (EM) surveys.

Previous drilling (Figures 2 and 3) at Iron Blow (IB) and Mount Bonnie (MB) returned[1]:

- IBDH007 – 20.3m @ 5.89g/t Au, 481.6g/t Ag, 13.92% Zn, 3.10% Pb and 0.61% Cu from 193m
- MBDH001 – 9.6m @ 2.55g/t Au, 312g/t Ag, 13.16% Zn, 3.47% Pb and 0.65% Cu from 75.2m

An Inferred Mineral Resource Estimate (reported in accordance with 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) was recently completed for the Iron Blow deposit (Table 2).

CEO Comment

The CEO of Phoenix Copper James Fox said, *"We are excited to be on the ground drilling and undertaking fieldwork at the Hayes Creek Project. Excellent potential exists at Iron Blow and Mount Bonnie to define new mineralised positions near to the existing high-grade mineralisation. We will also undertake downhole and detailed surface EM to target new areas of massive sulphide mineralisation. Obtaining samples for metallurgical testwork will also allow a flotation program to commence shortly."*

The drill program is expected to take approximately 4 weeks to complete and assays should be available in late January 2015.

[1] Refer ASX release 18 August 2014

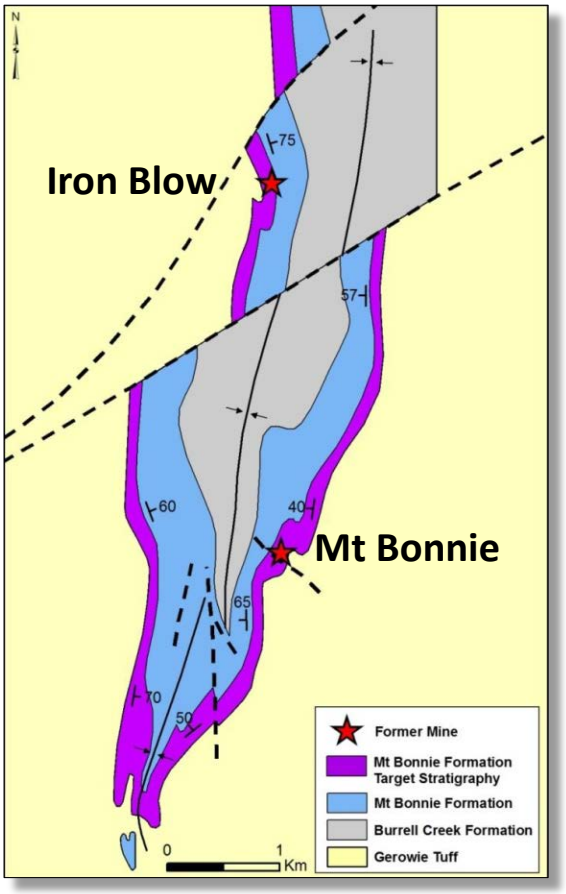

***Figure 1**: Iron Blow and Mount Bonnie deposits at the Hayes Creek Project*

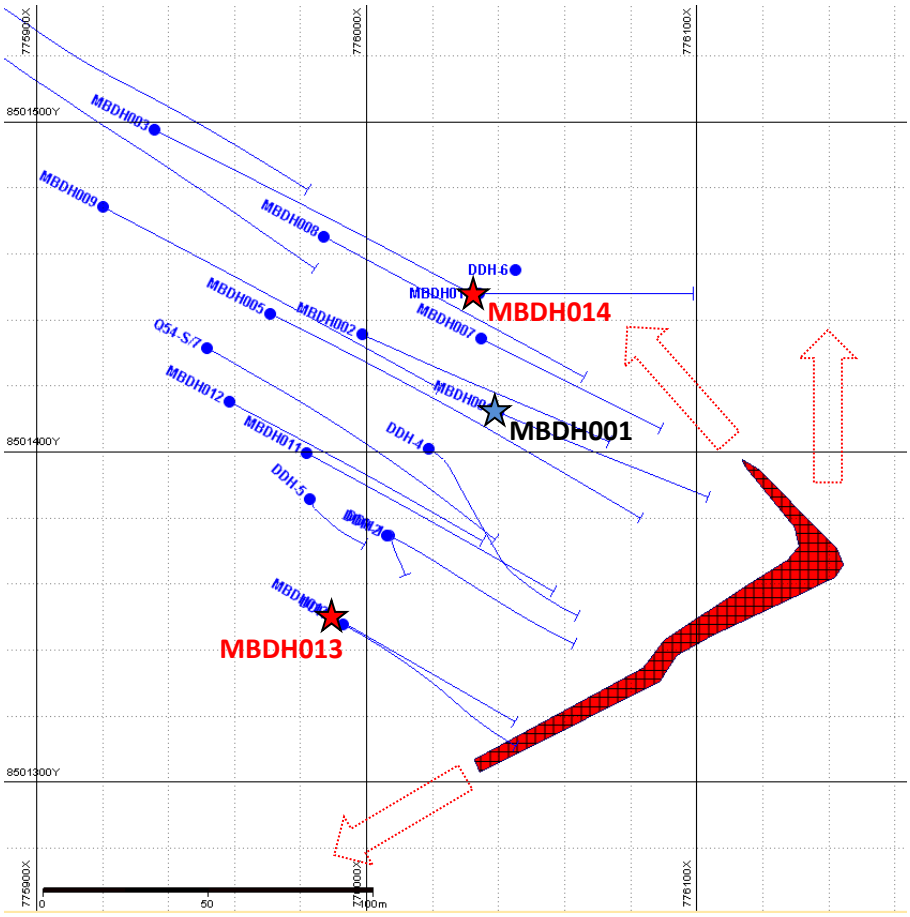

***Figure 2:** Mount Bonnie drill location plan with the massive sulphide lode (red hatched area) projected to the 100m RL. The proposed holes are highlighted as red stars with red arrows indicating open areas.*

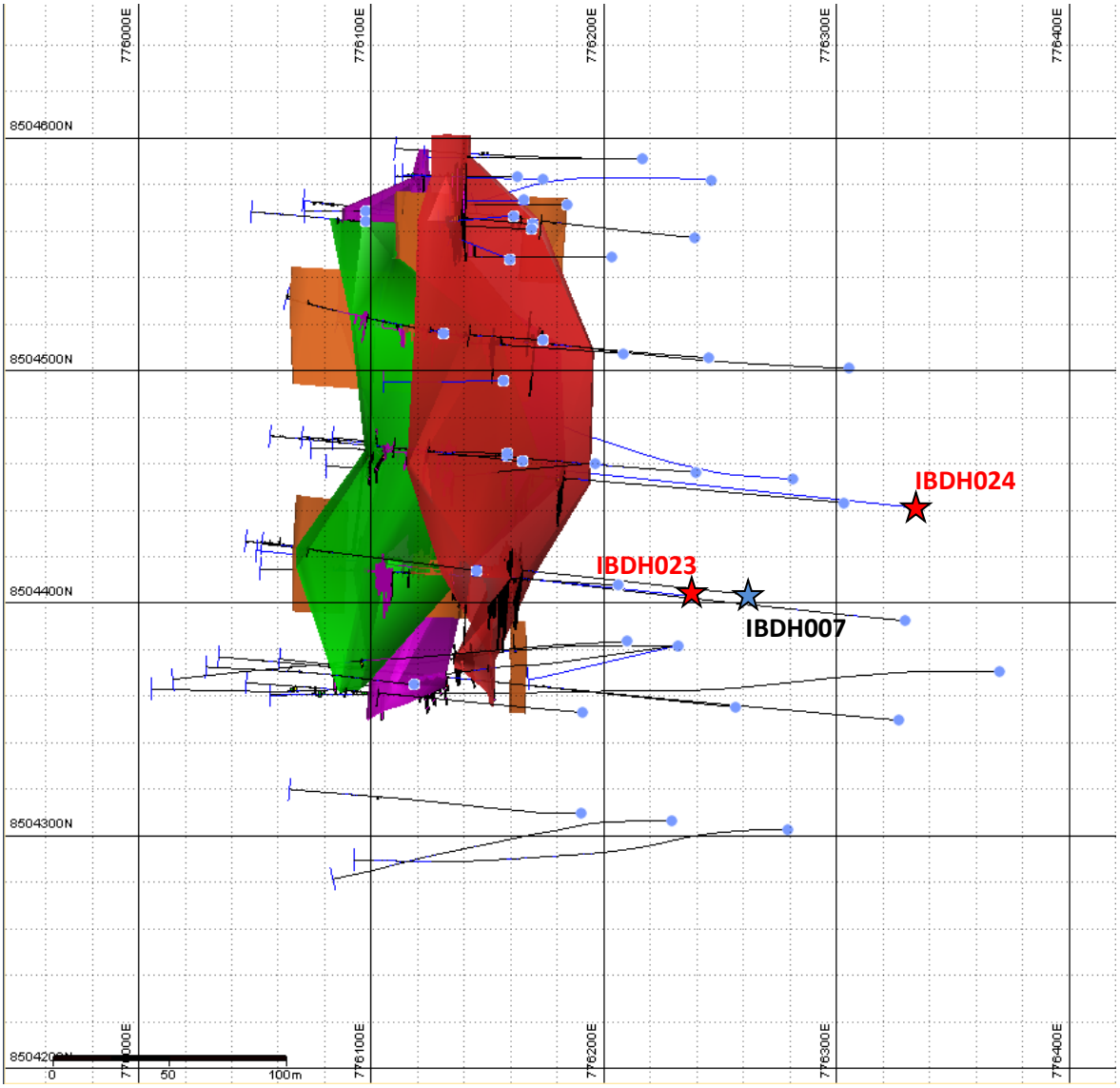

Figure 3: *Drill plan of Iron Blow deposit showing proposed holes highlighted by red stars. Colour-coded mineralisation outlines taken from AMC Consultants Pty Ltd's resource model.*

Prospect	Hole ID	MGA East	MGA North	Dip	MGA Azimuth	Depth
Iron Blow	IBDH023	776238	8504403	-60	276	350m
Iron Blow	IBDH024	776335	8504441	-60	276	375m
Mount Bonnie	MBDH013	775963	8501369	-55	120	150m
Mount Bonnie	MBDH014	776034	8501448	-60	90	130m
Total						1,005m

Table 1: *Iron Blow and Mount Bonnie proposed drill collars. Note – drill hole locations and depths are indicative only. The final coordinates will be dependent on local site access and the accuracy of the GPS used to locate the sites, usually ±8m.*

Depth	AuEq cut-off (g/t)	Tonnes	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	ZnEq %
> -90 mRL	0.7	2.2Mt	6.7	2.4	140	0.3	1.0	4.9	11.8
< -90 mRL	3.0	0.4Mt	5.6	2.7	71	0.4	0.4	4.1	10.0
Total Inferred Mineral Resource		2.6Mt	6.5	2.4	130	0.3	0.9	4.8	11.5
Total Contained Metal			**543,000 oz**	203,000 oz	10,700,000 oz	7,000 t	23,000 t	125,000 t	**300,000 t**

Table 2: *Iron Blow Inferred Mineral Resource Estimate as at 8th October 2014. See ASX release 3 November 2014, 'High Grade Mineral Resource Estimate for Iron Blow Deposit', where further details are provided. Note there has been no material change in the Mineral Resource Estimate since it was first reported.*

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Garsed, a Competent Person who is a Member of the Australian Institute of Geoscientists and a consultant to the company. Mr Garsed 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". Mr Garsed consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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