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ASX ANNOUNCEMENT, 25th September 2014

PARTIALLY UNDERWRITTEN RIGHTS ISSUE TO RAISE UP TO \$2.7 MILLION

Phoenix Copper Limited (ASX:PNX) (**Phoenix Copper**) is pleased to announce a partially underwritten one (1) for two (2) non-renounceable pro rata rights issue at an issue price of \$0.023 per new Phoenix Copper share to raise up to approximately \$2.7 million (before costs and expenses) (**Rights Issue**).

The issue price for the Rights Issue represents a discount of approximately 16% to the volume weighted average market price of Phoenix Copper shares on the 20 ASX trading days on which those shares traded prior to 25 September 2014. The issue price also represents a 34% discount to the \$0.035 market price at which Phoenix Copper shares last traded prior to today.

The maximum number of shares to be issued under the Rights Issue is 117,363,629¹, based on the undiluted share capital of Phoenix Copper as at the close of trade on 25 September 2014, without taking into account the impact of rounding.

The Rights Issue is non-renounceable. This means that shareholders' right to subscribe for new Phoenix Copper shares under the Rights Issue are not transferable.

CPS Capital Group Pty Ltd (**Underwriter**) has agreed to underwrite 58,681,815 shares, or \$1.35 million, representing approximately 50% of the Rights Issue for a fee equal to 5% of the total amount underwritten by it. Any shares validly subscribed for by Shareholders in excess of 52,173,193 (approximately \$1.2 million) will reduce the Underwriter's obligations. The Rights Issue will therefore raise a minimum amount of approximately \$1.35 million (before costs and expenses), subject to the terms and conditions of the underwriting agreement. The Underwriter may engage sub-underwriters at its own cost and expense.

Phoenix Copper has also been advised that certain major shareholders currently intend to support the rights issue to an extent aggregating to \$1.2 million (comprised of their respective entitlements plus Shortfall Shares, if available).

After payment of the costs and expenses of the Offer, the Company intends to apply the funds raised (to the extent they are sufficient) as follows:

- a) predominantly to fund exploration and development activities in the Northern Territory² over the next 12 months, including:

¹ Figure will be reduced by the number of shares held by ineligible overseas shareholders as of the 1 October 2014 Record Date, expected to be approximately 100,000.

² subject to completion of the Company's transaction with Crocodile Gold Australia Pty Ltd, to occur no later than 14 November 2014.

- (i) drilling at the Hayes Creek project, in order to attempt to further define and expand the mineralisation at Iron Blow and Mount Bonnie, and undertaking a baseline metallurgical assessment of the deposits;
 - (ii) undertaking initial regional exploration around the Burnside, Moline and Chessman exploration projects comprising ground based geological fieldwork, geophysics and drill testing of priority targets; and
- b) for Phoenix Copper's general working capital purposes (including the maintenance of its South Australian tenements).

As announced in Phoenix Copper's ASX release dated 18 August 2014, the Company has signed an agreement to acquire 15 mining leases and earn-in to up to 90% of 21 exploration licences and 4 mining leases, all in the Northern Territory. The mining leases to be acquired include the Mount Bonnie high-grade massive sulphide deposit, and an NI 43-101 compliant Inferred mineral resource estimate at Iron Blow of 3.17Mt @ 2.08g/t Au, 100.9g/t Ag, 3.28% Zn, 0.76% Pb, and 0.19% Cu.³

The earn-in exploration projects at Burnside, Moline and Chessman comprise over 1,700km² within the Pine Creek Orogen. The area is highly prospective for the discovery of new base metal and gold mineralisation and contains a number of priority drill-ready targets that offer excellent exploration potential.

Further detail on the Phoenix Copper's new Northern Territory projects are available on the ASX website at www.asx.com.au using the Company's code PNX, and in particular in the Company's ASX release of 23 August 2014 '**Investor Update Presentation**'.

Shares being offered under the Rights Issue will only be offered to registered holders of shares with registered addresses in Australia or New Zealand as at 6.30pm Adelaide time on 1 October 2104 (**Eligible Shareholders**).

Holders of existing options for Phoenix Copper shares have been given notice of their right to exercise their options in order to be eligible to participate in the Rights Issue in respect of the shares underlying their options.

The Rights Issue will be conducted without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**).

Full details of the Rights Issue, including details of the underwriting and sub-underwriting, are set out in the Offer Memorandum and Appendix 3B lodged with ASX today. The Offer Memorandum will be sent to Eligible Shareholders on 7 October 2014.

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX	25 September 2014
Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue	29 September 2014
Record Date – the date for determining entitlements of shareholders to	1 October 2014

³ Refer to Phoenix Copper's ASX release dated 18 August 2014. There is no new information or data that materially affects the resource estimate, and all supporting information provided in the 18 August 2014 announcement is materially unchanged and continues to apply.

participate in the Rights Issue (6:30pm Adelaide time)	
Offer Memorandum sent to Shareholders – despatch of Offer Memorandum and Acceptance Forms – Rights Issue opens for acceptance	7 October 2014
Closing Date – the last day for receipt of Acceptance Forms or BPAY payment (5.00pm Adelaide time)	16 October 2014
Shares quoted on deferred settlement basis	17 October 2014
Shortfall notification date	21 October 2014
Issue date – allotment of new shares. Deferred settlement trading ends.	23 October 2014
Expected commencement of normal trading in new shares on ASX	24 October 2014
Despatch of Holding Statements	27 October 2014

Phoenix Copper reserves the right to amend this timetable subject to the Listing Rules and the terms of the underwriting agreement.

Shareholders with queries concerning the Rights Issue should contact Computershare Investor Services Pty Ltd on 1300 305 232 or +613 9415 4657 or Phoenix Copper's Company Secretary, Tim Moran on +618 8364 3188.

James Fox, CEO

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