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## ASX ANNOUNCEMENT, 4<sup>th</sup> September 2014

### HIGH GOLD AND COPPER VALUES IN ROCK CHIPS FROM NEW NT PROJECTS

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- **Results of assays from recent field visit highlight untested potential for discovery of additional economic mineral resources in the region**
- **Surface rock chip sample from Iron Blow returned up to 13.4 g/t gold**
- **Coppertop prospect sample at Burnside returned 3.8g/t gold and 12.4% copper**
- **Highest copper assays from surface rock chip samples of 32.8% returned from Mount Ellison prospect also at Burnside**
- **Mapping and geochemical surveys over key VTEM targets to commence shortly to prioritise areas for drill testing**
- **Foreign Investment Review Board approval for the overall NT transaction has now been received**

Phoenix Copper (**ASX:PNX**) is pleased to announce that assay results from rock chip samples taken on a recent reconnaissance field visit to its Burnside and Chessman (previously named Maud Creek) exploration projects in the Northern Territory (Figure 1) returned high values of base and precious metals, including copper and gold (Table 1).

Apart from the rock chips collected at Iron Blow and Mount Bonnie the remainder of the samples were taken from new prospects which have not been drill tested, highlighting the significant prospectivity of the tenure.

In addition, rock chip samples collected in 2012 as part of a ground reconnaissance survey at El Dollarado within the Moline Project were spectacularly mineralised in silver, lead and zinc (Table 1). These surface rock chip samples are adjacent to an approximate 1,500m x 400m gold and base metal in soils anomaly and a strong VTEM anomaly (Figure 2). The El Dollarado prospect is located just north of the Kakadu Highway and is entirely underlain by the Mount Bonnie Formation, host to significant mineralisation at the Iron Blow (where a NI43-101 compliant inferred mineral resource estimate exists containing 212,000oz Au, 10.3M oz Ag, 24,000t Pb, 104,000t Zn and 6,000t Cu)<sup>1</sup>, and Mount Bonnie deposits at the Hayes Creek project.

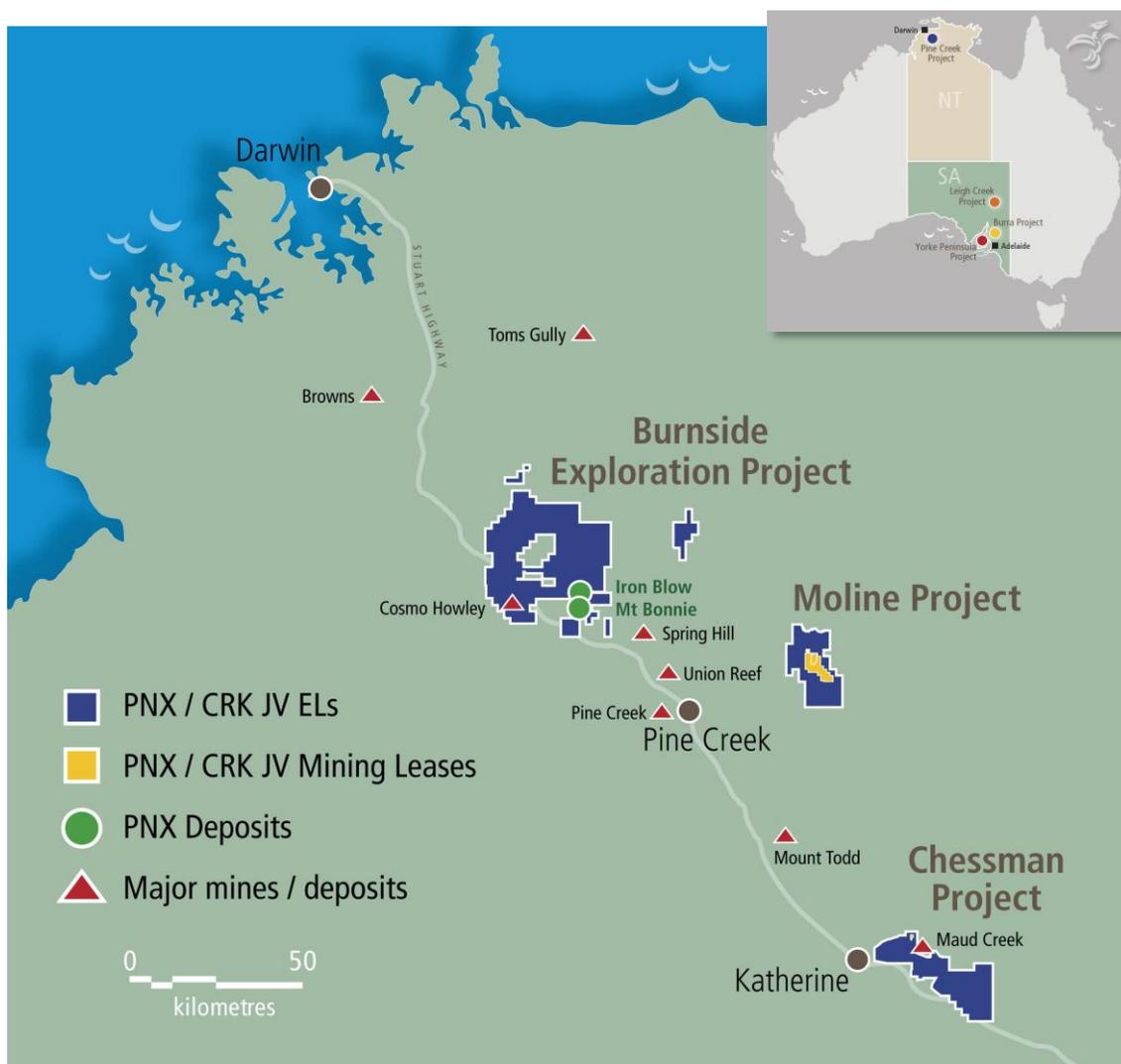
The El Dollarado target is ready for drill testing, planned to commence prior to the onset of the wet season once the appropriate approvals have been obtained.

Phoenix Copper CEO James Fox: "These very promising results from a recent field visit to the Burnside and Chessman exploration projects highlight the significant untested potential for discovery of additional economic mineral resources in the region. We aim to be back on the ground shortly to systematically work through these and other targets and prioritise them for the purpose of drill testing. In addition we are looking forward to establishing a new JORC 2012 compliant resource estimate at the

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<sup>1</sup> Refer PNX ASX release 18 August 2014

Iron Blow massive sulphide deposit. We expect to be in a position to update the market with this information before the end of September.”



**Figure 1:** Burnside, Moline and Chessman Exploration Projects

### Planned Activities

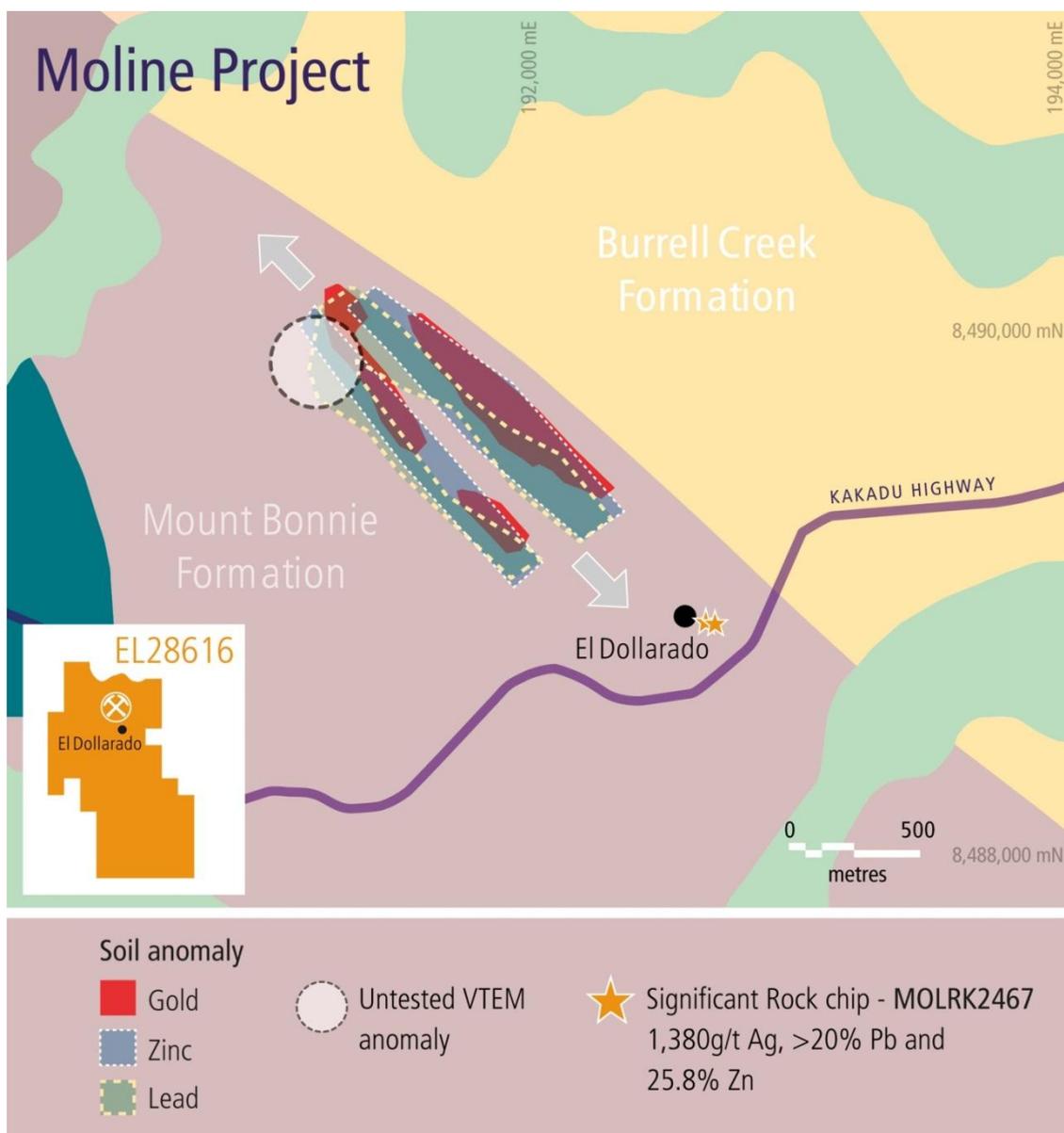
Exploration will focus on defining the extent of mineralisation at the Iron Blow and Mount Bonnie high-grade massive sulphide deposits, drill testing the current exploration targets and prioritising regional VTEM targets.

- Upgrade Iron Blow inferred mineral resource estimate to JORC 2012, undertake diamond drilling for QA/QC purposes and to provide samples for metallurgical test work
- Diamond drilling at Mount Bonnie to support the definition of a JORC compliant mineral resource in addition to providing samples for metallurgical test work
- Test VTEM targets in close proximity to and in a similar geological setting to Iron Blow and Mount Bonnie
- Drill test known prospects and newly defined targets at Moline, prioritising existing geochemical anomalies and geophysical targets in favourable lithological and structural settings
- Re-interpret VTEM data to prioritise and confirm targets
- Follow up with geochemical ground based fieldwork, mapping and RC drilling

**Table 1: Surface Rock Chip Sample Location and Assay Results**

Prospect	Projection		Easting (m)	Northing (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
Mt Bonnie	MGA94 Zone 52	BHCRK001	776,090	8,501,370	0.64	30	0.11	<b>1.69</b>	0.17
Mt Bonnie	MGA 94 Zone 52	BHCRK002	776,130	8,501,330	<b>3.71</b>	8	0.15	<b>1.03</b>	0.64
Iron Blow	MGA 94 Zone 52	BHCRK003	776,240	8,504,610	<b>13.4</b>	15	0.13	0.47	0.55
Coppertop	MGA 94 Zone 52	BHCRK004	757,300	8,511,400	<b>3.88</b>	19	<b>12.43</b>	0.03	0.01
Mt Ellison (Figure 3) Olive	MGA 94 Zone 52	BHCRK005	771,200	8,522,400	0.09	<b>114</b>	<b>32.81</b>	0.06	0.02
Copper Breccia	MGA 94 Zone 53	MCPRK007	230,170	8,398,140	0.05	13	<b>4.66</b>	0.02	0.00
El Dollarado	MGA 94 Zone 53	MOLRK2469	192,843	8,489,037	0.04	<b>1,380</b>	0.21	<b>&gt;20</b>	<b>25.8</b>
El Dollarado	MGA 94 Zone 53	MOLRK2470	192,809	8,489,044	0.005	<b>26.8</b>	0.25	<b>3.61</b>	<b>8.12</b>

Refer to Appendix 1 for further detail



**Figure 2: El Dollarado project showing soils anomaly, VTEM anomaly and rock chip sample location.**



**Figure 3:** Surface material at the Mount Ellison Prospect (Burnside Project) where sample BHCRK005 was taken

As announced on 18<sup>th</sup> August 2014, Phoenix Copper has signed an agreement to acquire 100% of the Iron Blow and Mount Bonnie deposits (contained within the newly named 'Hayes Creek' project) and to earn up to 90% interest in the Burnside, Moline and Chessman base metals and gold exploration projects in the Northern territory.

The agreement contains a number of conditions precedent, one of which was Foreign Investment Review Board approval. We are pleased to announce this has now been received. All other conditions precedent relating to assignment and assumption of various agreements must be satisfied or waived on or before the 15<sup>th</sup> November 2014.

Phoenix Copper is also pleased to confirm that the historical agreement referred to in its ASX release of 18<sup>th</sup> August 2014 has been terminated and therefore has no bearing on the Company's rights to the Sale Tenements (Hayes Creek project).

#### **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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**APPENDIX 1 - Assessment and Reporting Criteria Mineral Resource – JORC 2012**

**Section 1: Sampling Techniques and Data**

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
<b>Sampling Techniques</b>	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Rock chip samples were random chips collected as part of site orientation.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Measures taken by the previous operator to ensure sample representivity are unknown to PNX. Sample co-ordinates are in UTM grid (GDA94 Z52/3) and have been measured by hand-held GPS with an accuracy of ±4 metres
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Rock chips analysis was carried out by NLS with Fire assay for Au and 4 acid digest for Ag, Cu, Pb, Ni, Zn, As, Cr & Mn.
<b>Drilling Techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	No drilling results reported
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	No drilling results reported
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	No drilling results reported

	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling results reported
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	All geological, structural and alteration related observations were recorded.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of rock chip samples is of a qualitative nature.
	<i>The total length and percentage of the relevant intersections logged.</i>	All rock chip samples logged.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No core results reported in this Report
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Rock chip samples were collected dry
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation and analysis was undertaken by NLS laboratory service in Pine Creek, Northern Territory. Analysed by FAA (Au, Pt & Pd) and AAS (Cu, Zn, Pb, Ag, As, Co, Mn, Cr). Sample preparation by dry pulverization to 90% passing 75 micron.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Samples were selected to weigh less than 3kg to ensure total preparation at the pulverisation stage.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Sample collection followed PNX sampling protocol. No field duplicates were collected.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate for the commodities and elements explored and analysed for.
<b>Quality of Assay and laboratory test</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Northern Australian Laboratories (NAL) at Pine Creek, Northern Territory analysed all samples. Analysis by Fire assay for Au, Pt & Pd and 4 acid digest for Cu, Zn, Pb, Ag, As, Ni, Co, Mn & Cr.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools were used to estimate mineral or element percentage.

	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained. Repeat or duplicate analysis for samples reveals that precision of samples is within acceptable limits.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	At least two company representatives verify significant intersections including the Chief Executive Officer and Geology Manager.
	<i>The use of twinned holes.</i>	No drilling results reported
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	The information was validated and compiled into master SQL database.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	All maps and Rock chip sample locations were in UTM grid (GDA94 Z52/53) and measured by hand held GPS with an accuracy of +/- 4metres
	<i>Specification of the grid system used.</i>	Rock Chip sample locations have been located in UTM MGA94 Zone 52 & 53.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	The rock chip samples were collected randomly
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The mineralisation has not yet been demonstrated to have sufficient continuity to support the definition of Mineral Resource and Reserves under the classification applied under the JORC 2012 Code.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The precise dip and strike of the mineralisation is not yet known and it is unclear at this stage whether any sampling has a set bias.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No orientation based sampling bias is known at this time.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by PNX. PNX delivered samples to NLS laboratory where the samples were stored in locked facility before analysis.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	PNX review of previous sampling techniques, they appear to have been conducted to industry standards.

<b>Section 2: Reporting of Exploration Results</b>		
<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
<b>Mineral Tenement and Land Tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Burnside (EL25748), Moline (EL28616) and Maud Creek (EL28902) exploration tenements are owned by Crocodile Gold with PNX earning up to 90% interest by spending \$4M expenditure over 4 years (ASX Announcement 18/08/14).
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Exploration and Mineral Leases are in good standing and no known impediments exist.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The historic data is currently being reviewed as part of Due Diligence study.  Rock chip sampling in August 2012 by Doug Cruikshank on behalf of Crocodile Gold was analysed by NLS  Historic soil sampling by Cyprus Minerals Australia in 1990 was analysed by ALS using FAA (Au) and AAS (Cu, Zn, Ag, Bi, Mo, Co, Mg, Fe). Some historic drilling by Crocodile Gold, GBS and Geopeko has been undertaken in different parts of the project areas and is not directly related to the current targets reported
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	Geology comprises Proterozoic metasediments of the Pine Creek Orogen. PNX is exploring for polymetallic gold deposits consistent with SEDEX and VHMS models.
<b>Drill hole Information</b>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar · elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar · dip and azimuth of the hole · down hole length and interception depth hole length.</i>	A detailed summary of rock chip locations and information is reported in Table 1.
<b>Data aggregation methods</b>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be</i>	The reported Exploration Results (Table 1) are given as absolute values and no cut-off grades have been applied.

	<i>stated.</i>	
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not relevant in this report.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used for reporting exploration results.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	An accurate dip and strike and the controls on mineralization are yet to be determined.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures and Table 1 in this Report.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Comprehensive reporting of exploration results is not practicable at this time.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	PNX is not aware of any information that may significantly impact the results in this report. PNX is currently reviewing all geological, geochemical and geophysical data relating to the project.
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	PNX is currently undertaking due diligence on the projects. An exploration work program incorporating geochemical and geophysical surveys, and a follow up RC drilling program is

	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</i>	proposed to progress these projects.
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