



Phoenix Copper Limited
ABN 67 127 446 271
Level 1, 135 Fullarton Road
Rose Park, SA 5067
Australia
Telephone +61 (0) 8 8364 3188
Facsimile +61 (0) 8 8364 4288
info@phoenixcopper.com.au
www.phoenixcopper.com.au

ASX Announcement

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DRILLING TO TEST NEW MASSIVE SULPHIDE TARGETS AT HAYES CREEK, NT

- **1,900m Diamond and RC drill program has commenced at the Joplin prospect and at Mt Bonnie, both within the Hayes Creek Project in the Northern Territory**
 - **Drilling at Joplin to target a near-surface coincident conductive and magnetic body similar in intensity and appearance to the response from the Iron Blow and Mt Bonnie deposits less than 3km away**
 - **Drilling at Mt Bonnie aims to test extensions to known massive sulphide mineralisation identified by ground and downhole EM and untested by previous drill programs**
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Following its successful recent capital raising, Phoenix Copper Limited (**ASX: PNX**) is pleased to announce that a further drilling program has commenced at its Hayes Creek Project in the Pine Creek region of the Northern Territory.

The program will comprise approximately 1,350 metres of diamond drilling (9 holes), and 550 metres of RC drilling (3 holes).

At **Joplin**, two holes will target a near-surface coincident conductive and magnetic body with a discrete zone of base metals anomalism in soil samples (Figure 1). The coincidence of geochemical and geophysical anomalism combined with gossanous quartz veining at surface, and the close proximity to existing VMS deposits at Iron Blow and Mt Bonnie, provide excellent evidence for a potential new mineralised system. The Joplin target is considered highly prospective.

At **Mt Bonnie**, ten holes will target potential extensions to existing high-grade massive sulphide mineralisation, in particular a lower, deeper conductive zone which potentially represents new and untested mineralisation (Figure 2).

Previous drilling at Mt Bonnie by Phoenix Copper in May 2015 returned significant values¹, including:

- **8m @ 12.3% Zn, 2.41g/t Au, 321g/t Ag, 0.5% Cu, and 2.5% Pb from 89m in MBRC014**
- **12m @ 8.4% Zn, 2.57g/t Au, 228g/t Ag, 0.7% Cu, and 2.0% Pb from 48m in MBRC015**

The drill program is expected to take approximately two months to complete, with assays available in batches over that period. The drilling and assay results from Mt Bonnie will be a key component of an initial resource estimate to be developed later in the year.

¹ Refer ASX release 3 June 2015

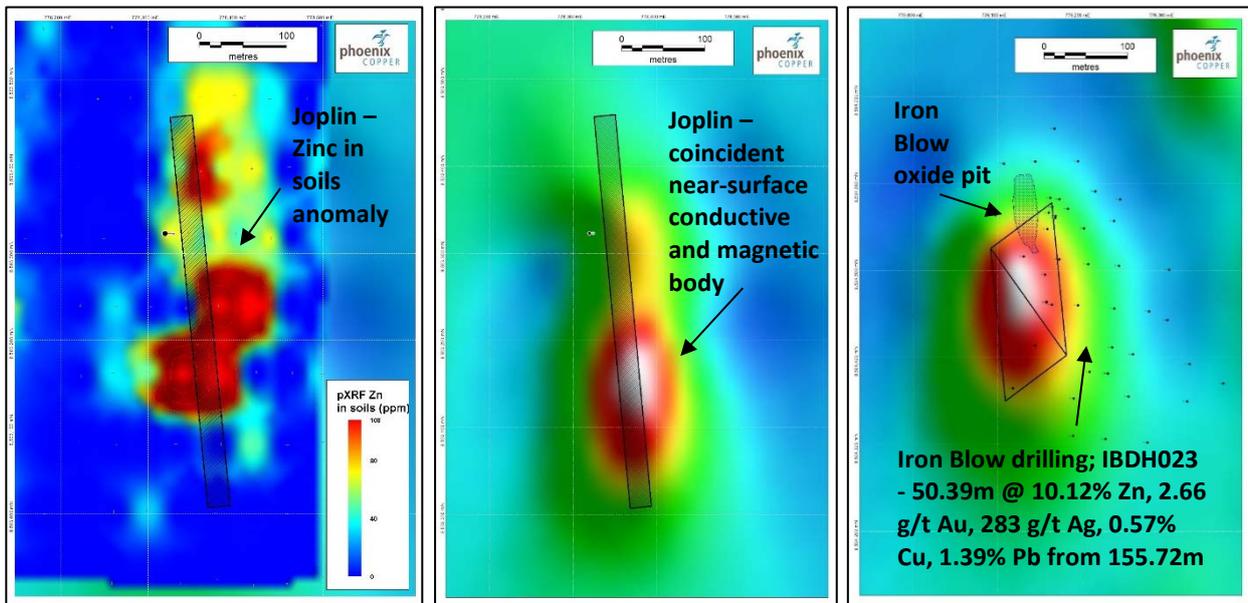


Figure 1: Joplin - LHS image shows Zinc in soils contour, RHS image shows magnetics with Zinc in soils contours, black rectangle is modelled conductor from the EM data

Iron Blow at identical scale and background magnetic image showing modelled EM conductor outlines and drilling coverage

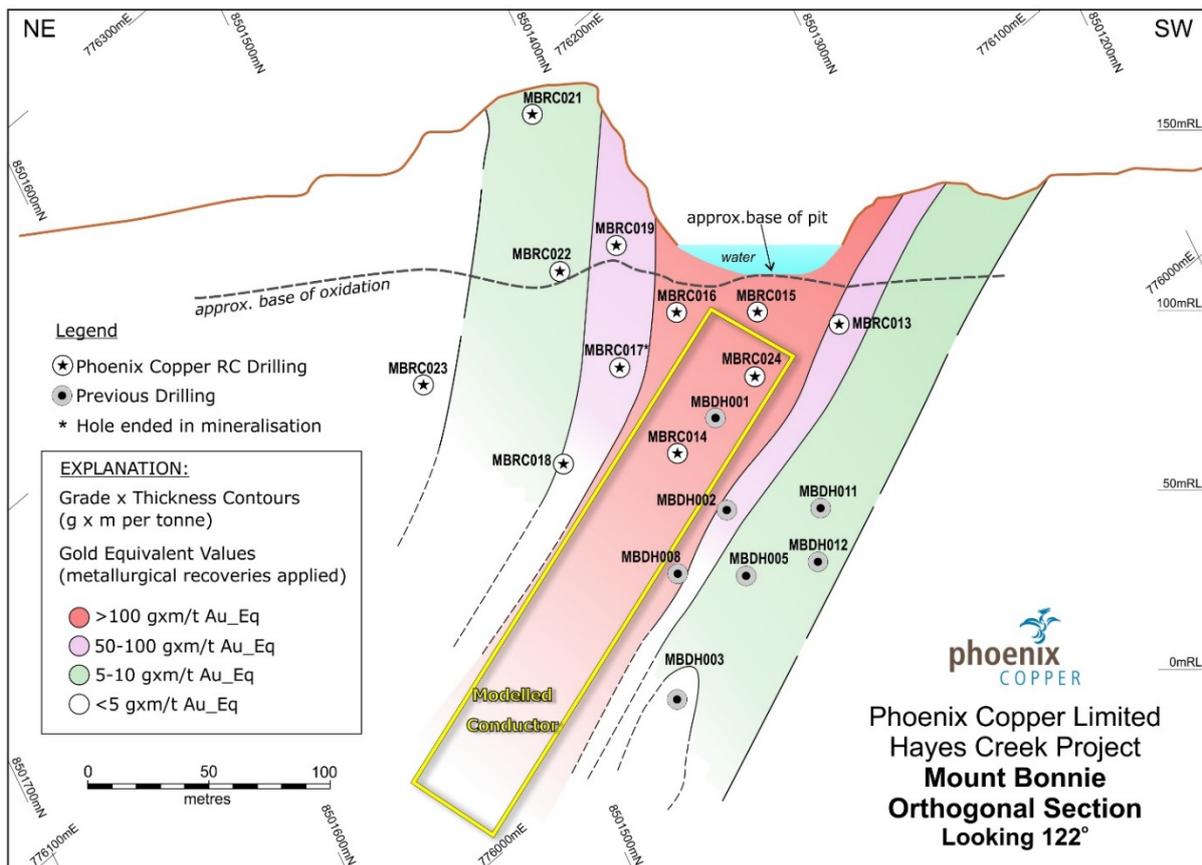


Figure 2: Mount Bonnie Orthogonal Section

About the Hayes Creek Project

The Joplin prospect, and the Iron Blow and Mt Bonnie deposits form part of Phoenix Copper's Hayes Creek Project within the Pine Creek region of the Northern Territory, 180km south of Darwin (Figure 3). The Iron Blow and Mt Bonnie deposits are situated on granted Mineral Leases. The Joplin prospect is situated on EL25430 where Phoenix Copper is earning up to 90% from Crocodile Gold Australia (a

subsidiary of TSX listed Newmarket Gold Inc). The Joplin prospect and Iron Blow and Mt Bonnie deposits are located close to infrastructure that includes rail, road, high voltage power lines and water.

The Iron Blow deposit was upgraded to a JORC (2012) compliant inferred mineral resource estimate by Phoenix Copper in late 2014 and contains approximately 200,000oz of gold, 10.7M oz of silver and 125,000t of zinc at potentially mineable grades (see ASX release 3 November 2014). The first hole drilled by Phoenix Copper into the Iron Blow deposit in late 2014, IBDH023 returned:

- **50.39m @ 10.12% Zn, 2.66 g/t Au, 283 g/t Ag, 0.57% Cu, 1.39% Pb from 155.72m²**

A recently completed drill program at Mt Bonnie was successful in delineating near-surface massive sulphide mineralisation containing high grades of Zn-Au-Ag.

Phoenix Copper will continue to test exploration targets with VMS and gold potential in proximity to Iron Blow and Mt Bonnie. Target stratigraphy can be traced on the surface for at least 10km with numerous additional areas identified within the broader Burnside project to be followed up. A regional exploration program is ongoing to map and sample the prospective horizon, and to ground truth new prospective areas.

During 2015 the Company aims to build on the existing resources at the Hayes Creek project to underpin a Scoping Study and to position the project to take advantage of anticipated strength in gold and zinc prices. The Study is expected to be completed by early 2016. The Board and management are confident the results of the Study will demonstrate the economic viability of the project, allowing a decision to progress to a full feasibility study.

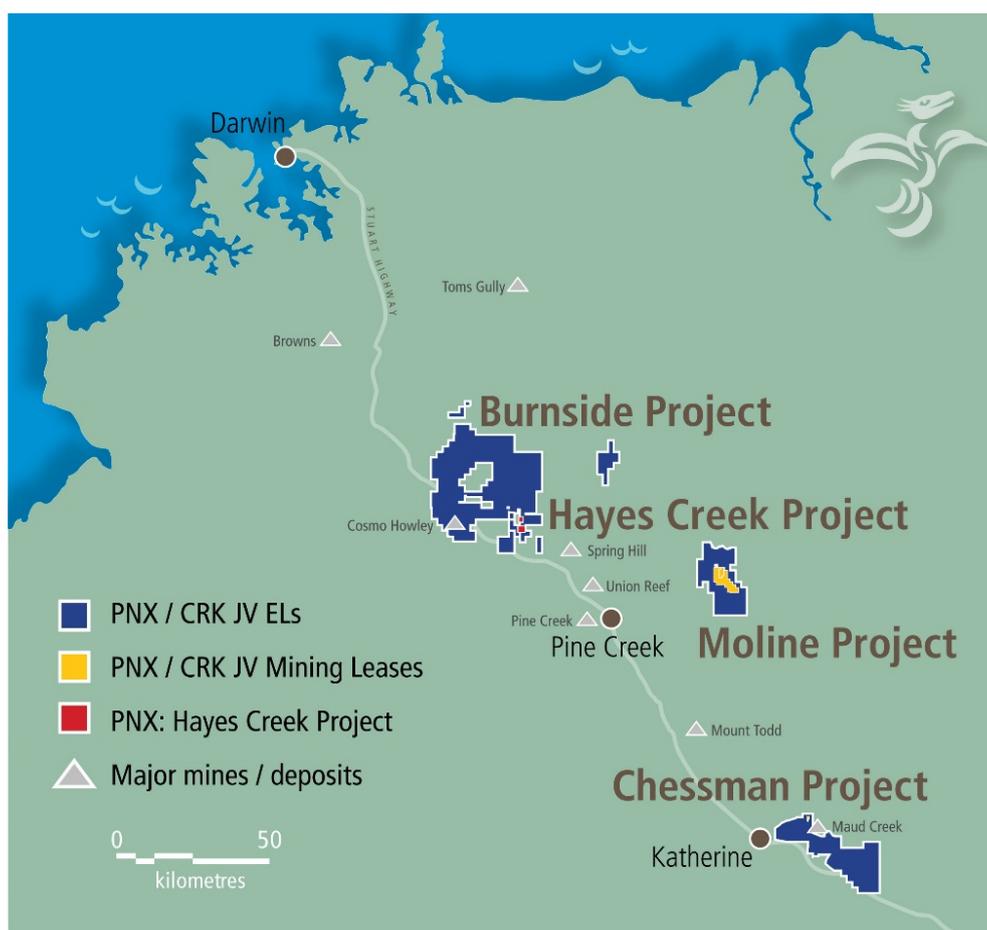


Figure 3: Hayes Creek Project and the Burnside, Moline and Chessman Exploration Projects

² See ASX release 22 January 2015

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bennett 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 Bennett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

James Fox

Managing Director & CEO

Telephone: +61 (0)8 8364 3188

Email: info@phoenixcopper.com.au

Website: www.phoenixcopper.com.au

Peter Taylor

Investor Relations

Telephone: +61 (0) 412 036 231

Email: peter@nwrcommunications.com.au