

Phoenix Copper Limited is an ASX listed minerals exploration company, with a vision of being a successful explorer and sustainable and profitable gold and base metals producer. Phoenix Copper has a significant base and precious metals tenement portfolio in the Northern Territory and South Australia.

ASX: PNX

Issued Capital as at 29/10/15:
427,775,689

Board & Management:

Chairman: Graham Ascough
Non Exec Director: Paul J Dowd
Non Exec Director: Peter J Watson
Non Exec Director: David Hillier
MD/CEO: James Fox
CFO/Co Secretary: Tim Moran

Top Shareholders as at 29/10/15:

HSBC Custody Nominees	12.9%
Asia Image Limited	10.2%
Talis SA	8.9%

Share Registry:

Computershare Investor Services Pty Ltd
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Adelaide South Australia 5000
Phone: 1300 305 232 (within Australia)
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September 2015 Quarterly Activities Report

Exploration Highlights:

- Diamond and RC drill program completed at the Hayes Creek Project extending known mineralisation and testing new targets
- Field mapping and geochemistry on regional prospects in the Burnside Project area identifies new gold and base metal targets
- Metallurgical optimisation test ongoing and continuing to show high levels of recovery of zinc, gold and silver. Full results expected by end of November 2015

Corporate Highlights:

- \$0.9 million raised during the quarter and commitments received for a further \$0.6 million subject to shareholder approval
- Cash on hand at 30 September 2015 was \$1.2 million
- Proposed change in the Company's name to 'PNX Metals Limited' subject to shareholder approval at the Company's 4 November 2015 AGM

Planned Activities – December Quarter:

- Complete initial resource estimate for Mt Bonnie deposit
- Complete metallurgical optimisation test work to demonstrate recovery of base and precious metals to saleable products
- Commence a Scoping Study to demonstrate the economic viability of the Hayes Creek Project
- Continue exploration at Hayes Creek and Burnside areas to generate a pipeline of high priority, drill-ready prospects

Northern Territory Exploration Hayes Creek Project

The Iron Blow and Mt Bonnie Zn-Au-Ag deposits and the Joplin prospect form part of Phoenix Copper Limited's (PNX or Company) Hayes Creek Project within the Pine Creek region of the Northern Territory, 180km south of Darwin (Figure 1). The Iron Blow and Mt Bonnie deposits are situated on granted Mining Leases wholly owned by PNX. The Joplin prospect is situated on EL23540, one of 20 Exploration Licenses and 4 Mining Leases covering 1,700km² where the Company is earning up to a 90% interest from Crocodile Gold Australia Pty Ltd (now Newmarket Gold NT Holdings Pty Ltd) ('Newmarket'). 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 in late 2014 (Table 1), and contains approximately 200,000oz of gold, 10.7Moz of silver and 125,000t of zinc at potentially mineable grades (ASX release 3 November 2014).

The Company aims to define sufficient resources at the Hayes Creek project and complete metallurgical optimisation work to provide inputs to complete a Scoping Study. The Study, which would be completed by the beginning of 2016, will be used to demonstrate the potential viability of the project and guide further drilling and other testing to allow the commencement of a full feasibility study.

PNX will also 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.

Summary of Physical Activity completed at the Hayes Creek and Burnside areas during the September quarter:

- *Drilling (Jul-Sept only):*
 - 2 RC holes and 5 pre-collars at Mt Bonnie for 341.7m
 - 2 Diamond drill holes at Mt Bonnie for 331.4m
 - 1 RC hole and 1 pre-collar at Joplin for 113.7m
 - 1 Diamond drill hole at Joplin for 120.8m

Total metres drilled: 907.6m

- *Geochemistry:*
 - 1,812 field portable XRF sample measurements
 - 706 laboratory gold in soil analyses
 - 108 rock chip samples
 - 77 laboratory historical core assays from Burnside Project

Total geochemical sampling: 2,703 measurements

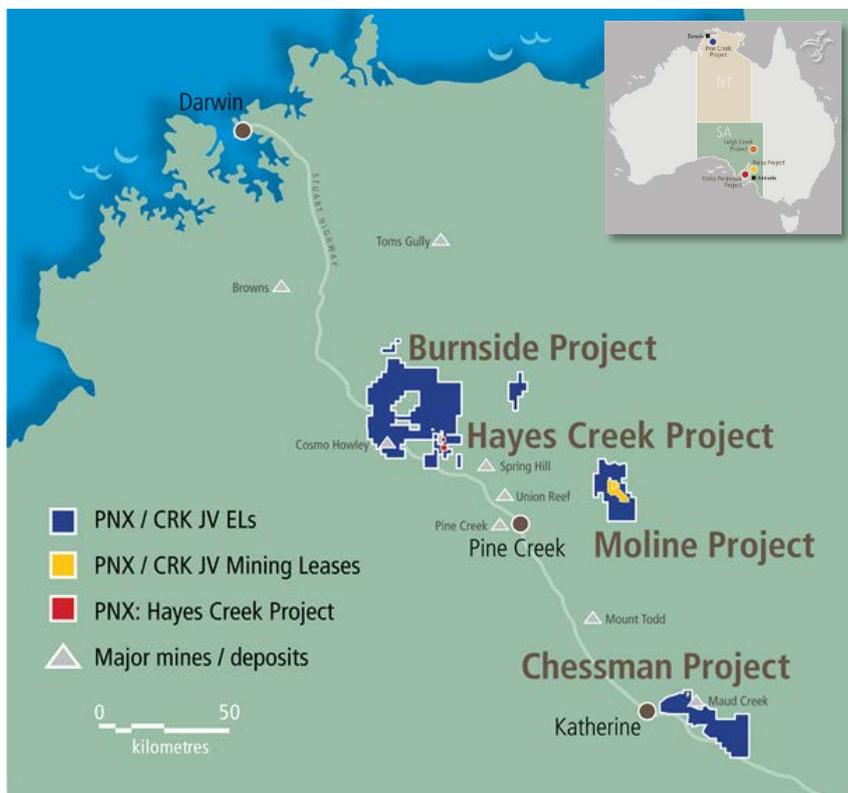


Figure 1: Project Location Plan

Hayes Creek Drill Program – Mt Bonnie and Joplin



Figure 2: Drilling at Joplin

Mt Bonnie

907.6 metres, of a planned of an approximate 1,800m RC and diamond drill program, were drilled at Mt Bonnie and Joplin (Figure 2) during the quarter. This program was completed successfully in mid-October 2015. The assays from this program will be a key component of an initial JORC compliant resource estimate for Mt Bonnie to be developed later in the year. All assays are expected by the end of November.

The twelve RC and diamond holes drilled at Mt Bonnie in this program (Figure 3) were designed and drilled to target potential extensions to existing high-grade massive sulphide mineralisation and to obtain further information for modelling of supergene silver near-surface, and a gold rich zone in the footwall. Early visual indications of the diamond core from this program are that mineralisation has been intersected at depth where predicted. This drilling follows up RC drilling earlier in the year which identified 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**

The recently completed drilling aimed to extend this mineralised zone down-dip to the north-west where it was previously untested at depths below the limit of existing drilling. The zone of massive sulphides is also open along strike to the south, where previously untested gossan outcropping at surface highlights the potential for near-surface southerly extensions to mineralisation in a readily accessible extension to the existing historical open pit.

The initial resource at Mt Bonnie, combined with the existing resource at Iron Blow, will underpin the completion of a Scoping Study to demonstrate the economic potential of the Hayes Creek project.

¹ Refer ASX release 3 June 2015

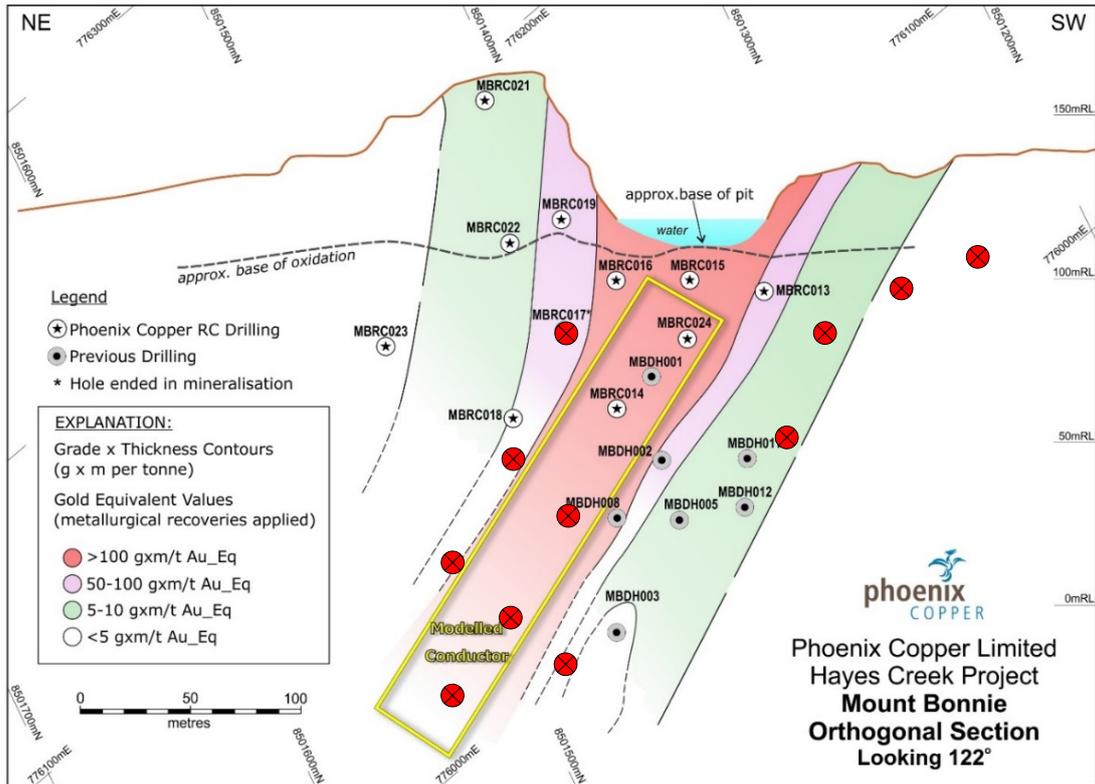


Figure 3: Mount Bonnie Orthogonal Section showing approximate location of current holes in red

The northern wall of the Mt Bonnie historical open pit has been accessed due to low water levels for a sample traverse across its face. Approximately 20 samples were collected for analysis and will be surveyed for use in building the resource model (Figure 4). Structural measurements at the southern extent of the pit have helped to define folding at surface and will similarly assist in building the geological model.

Areas disturbed by drilling such as tracks and sumps will be rehabilitated prior to the wet season as required by the approved Mine Management Plan, including the capping of the drill holes.

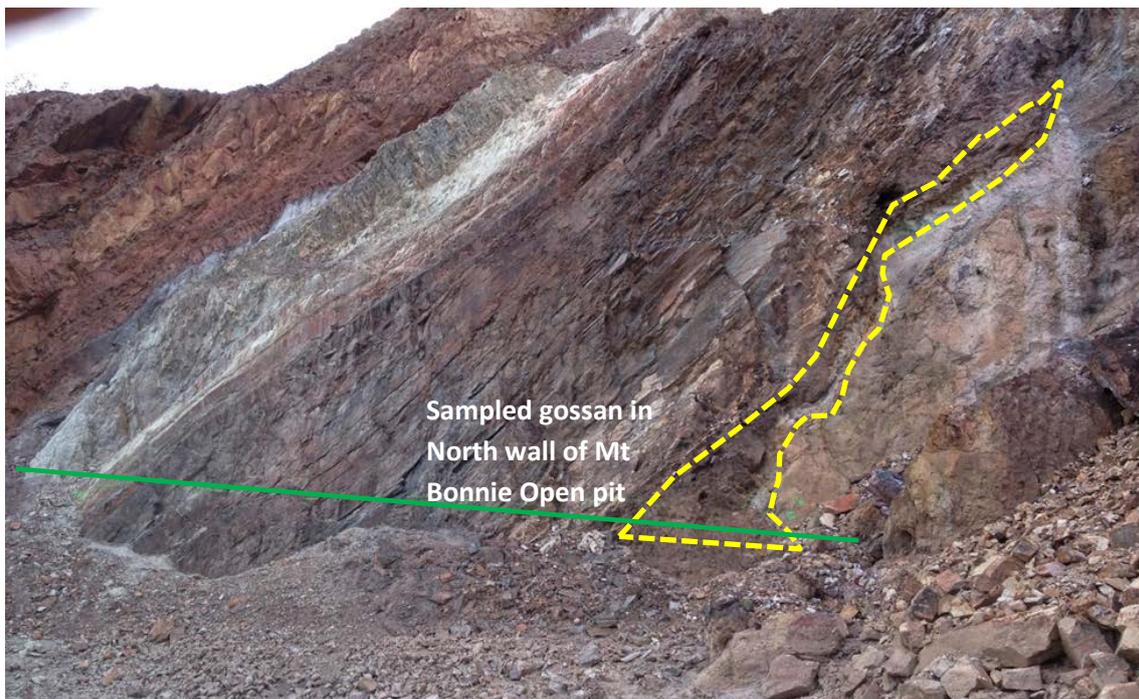
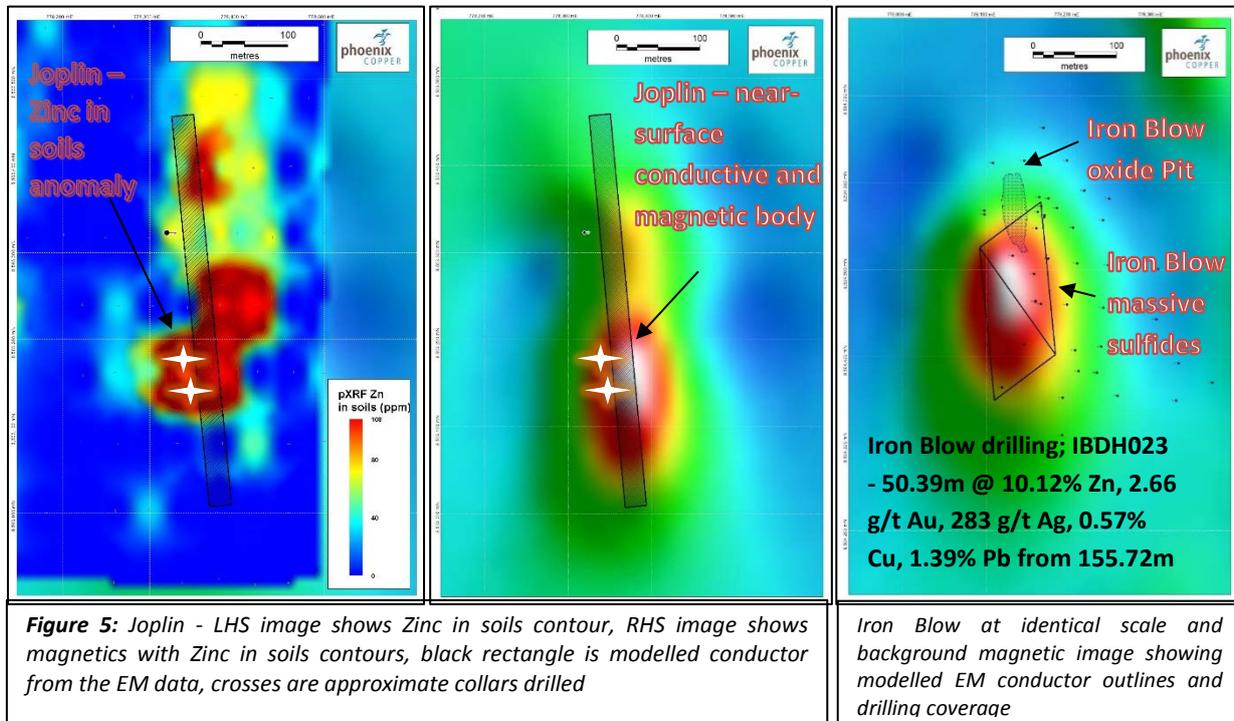


Figure 4: Mt Bonnie North Wall showing sampling traverse (green) and gossan exposure (yellow)

Joplin

At Joplin, two drill holes (one RC hole to the south and one diamond hole to the north) targeted a near-surface coincident conductive and magnetic body with a discrete zone of base metals anomalism in soil samples (Figure 5). The Joplin target is located less than 3km to the south-east of Iron Blow and less than 3km to the north-east of Mt Bonnie. 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, justified testing for a potentially new mineralised system.



The diamond drill core from the northern-most hole (drilled to 120.8m) exhibited a highly altered vein system (Figure 6) underlain by a ~9m zone of strongly sulphidic (pyrrhotite rich) sediments, containing mainly stringer and a portion of massive sulphides. This is clear evidence of a new mineralised system which is consistent with the style of mineralisation seen on margins of the Iron Blow and Mt Bonnie deposits. The Company is very encouraged that through a process of using geophysical data from airborne EM combined with follow up ground based mapping and geochemistry a target was defined and drilled successfully. Gold and base metals assay results are expected during November.



Figure 6: Examples of mineralised veins intersected at Joplin

Hayes Creek Research and Development program - Metallurgy

Earlier in 2015 an initial series of test work was completed on the Iron Blow resource (non-optimised sighter flotation, magnetic separation, QEMSCAN and optical mineralogy) to provide a baseline set of data and allow for further optimisation in subsequent test programs.

The results from this first stage diagnostic program were highly encouraging. The separations and recoveries observed from using entirely non-specific chemical regimes across two tests are viewed by the Company as being potentially economic and warrant the completion of optimisation test work.

A second round of more detailed metallurgical testing commenced during the quarter and will provide the basis for a Scoping Study. The resources at Iron Blow have been split into two distinct zones for testing, a massive sulphide zone and a gold zone.

A laboratory test work flowsheet has been created for both zones. Flexibility has been introduced into the program to further optimise the flowsheet when new data becomes available.

Grind variability flotation tests are being conducted at various sizes (p80 of 75 µm, 53 µm and 38 µm) to assess the impact of liberation on the creation of a sequential copper/lead concentrate and zinc concentrate flotation process.

As this is an ongoing program and the results will be released and discussed in detail once completed, expected to be towards the end of November.

Regional Exploration - Burnside, Chessman and Moline Projects

The Burnside, Moline and Chessman Projects contain exciting opportunities for brownfields discoveries with promising new conceptual targets to test. The Company recognises these as longer term propositions that represent excellent growth potential beyond the Hayes Creek Project.

Regional exploration projects at Burnside, Chessman and Moline (Figure 1) are under joint venture with Newmarket, with PNX earning up to a 90% interest in two stages through total expenditure of \$4 million over four years. This includes up to \$500,000 spent on the Iron Blow and Mt Bonnie prospects in each 2 year stage of the earn-in. By the end of the September 2015 quarter, total expenditure for the purpose of the first stage of the farm-in was approximately \$1,100,000 (including 15% overheads). A further \$0.9 million is required to be spent by December 2016 to achieve the 51% stage one earn-in.

During the quarter, numerous structural, geochemical and geophysical targets were evaluated in the field within the Burnside and Hayes Creek Project areas including the Joplin Target. Two of the most promising areas are discussed below:

- **Thunderball North gold prospect** - defined as two distinct and highly auriferous geochemical and structural targets, each over 300m in strike length. Both are located close to Rocklands Resources' Thunderball uranium deposit, where RC hole TPCRC066 (drilled and reported in September 2010) intersected 12m @ 4.7 g/t gold in the western limb of an anticlinal structure - typical of many deposits in the region. A recently completed soil sampling program by the Company returned elevated levels of gold. This information will be used to design a program to further test this area for the potential of significant gold mineralisation.
- **Maze prospects** - mapping and sampling less than 1km to the east of Mt Bonnie (Figure 7) has identified a 2km NNW/SSE trending mineralised structure containing three coherent zones of gold-arsenic anomalism. Gold and arsenic anomalism occurs together in several places along the contact of Zamu Dolerite within the Koolpin Formation and concentrated within fold hinges of a prominent NNW trending anticlinal structure. This is consistent with the well-known strong association of gold deposits with anticlinal fold hinges in the Pine Creek region. Further soils and rock chip analysis and compilation of results are in progress.

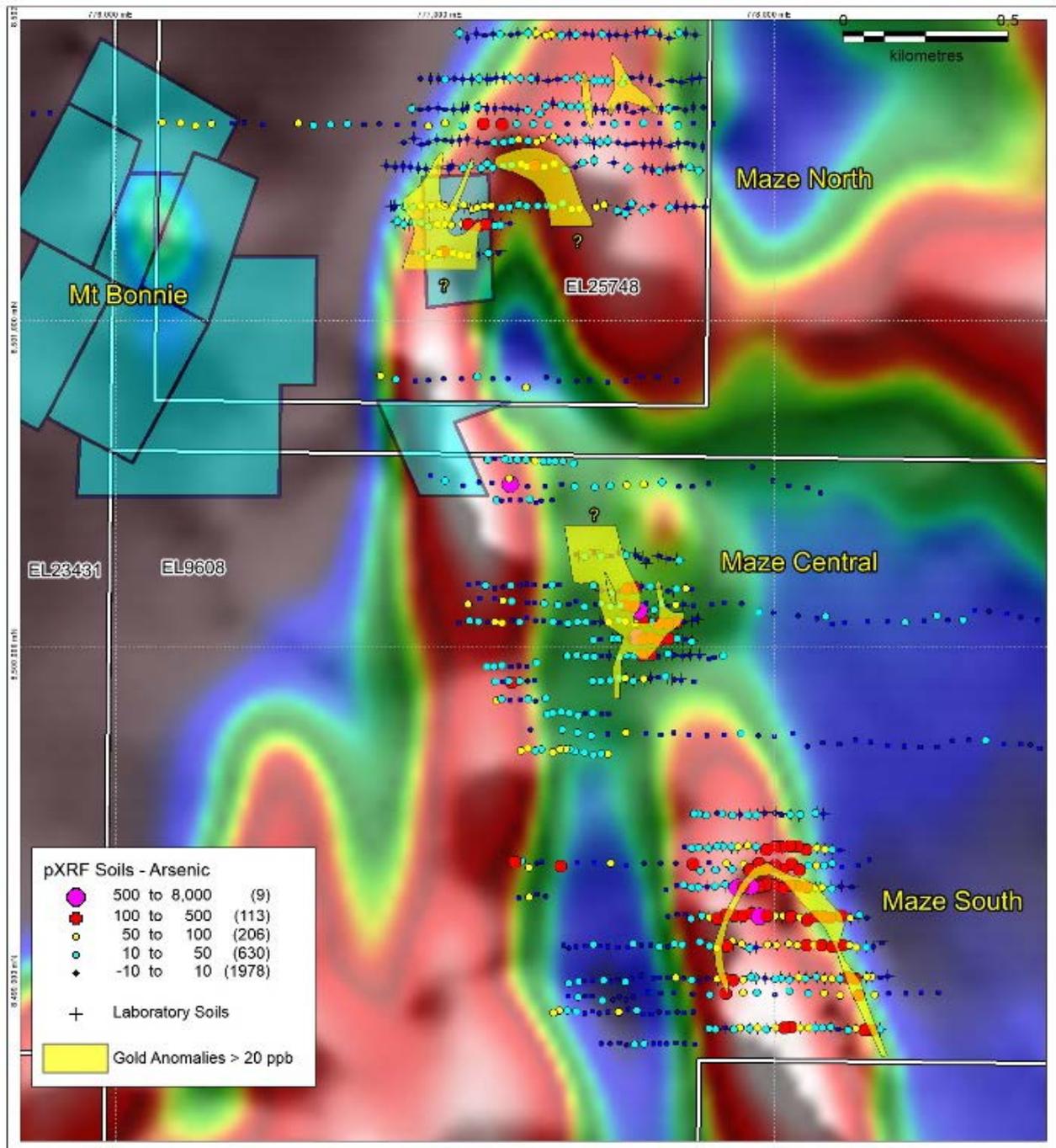


Figure 7: Maze prospects structural corridor on RTP magnetic image

The geological team will continue to map and collect fpXRF soil and rock chip data over numerous structural and geophysical targets within the Burnside leases.

South Australia Exploration

Yorke Peninsula & Adelaide Geosyncline Projects



Figure 8: South Australia Tenure

No on-ground exploration activities were undertaken during the quarter on the Company's Yorke Peninsula, Adelaide Geosyncline or Leigh Creek exploration tenements (Figure 8).

Access to the Mullaby structural and magnetic target north-east of Burra was investigated, with a TAFE student scheduled to commence a small magnetic, EM and geochemical survey in November.

LEIGH CREEK COPPER MINE

Hillsgold Resources Pty Ltd continues to hold an option to acquire Leigh Creek Copper Mine Pty Ltd (**LCCM**) as well as two exploration licences held by Phoenix Copper Limited in the vicinity of Leigh Creek. The option was granted to Hillsgold in return for preparing and submitting to the State government updated environmental plans (PEPRs) for the three mining leases, and also preparing certain feasibility studies on the leases, within 9 months of the date of the Agreement (by mid-January 2016). The PEPRs have been submitted and are awaiting approval.

The option can be exercised at any time during the 9 month period. Should Hillsgold exercise the option, it will acquire LCCM, and the two exploration licences mentioned, from the Company for nil up-front consideration (other than the assumption of the rehabilitation obligations at Mountain of Light) and a contingent payment to the Company of \$100,000 if and when 3,000 tonnes of copper are produced from future operations at any of the three mining leases.

Resources Table and Tenement Schedule

Table 1: Iron Blow Inferred Mineral Resource Estimate as at 8th October 2014*

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

* See ASX release 3 November 2014 for details, 'High Grade Mineral Resource Estimate for Iron Blow Deposit', where further details are provided. All material assumptions and technical parameters underpinning the resource estimate announced on 3 November 2014 continue to apply and have not materially changed. Results of drilling by Phoenix Copper since October 2014 have not been included in the estimate but if they were, they would not likely have a material change on the October 2014 resource estimate.

Northern Territory

Tenement	Name	Holder	Area Hectare
ML30512	Mt Bonnie	Phoenix Copper Ltd 100%	6.4
ML30589	Mt Bonnie	Phoenix Copper Ltd 100%	31.6
MLN1033	Mt Bonnie	Phoenix Copper Ltd 100%	4.8
MLN1039	Mt Bonnie	Phoenix Copper Ltd 100%	1.2
MLN214	Iron Blow	Phoenix Copper Ltd 100%	6.3
MLN341	Iron Blow	Phoenix Copper Ltd 100%	14.9
MLN342	Mt Bonnie	Phoenix Copper Ltd 100%	13.7
MLN343	Iron Blow	Phoenix Copper Ltd 100%	14.9
MLN346	Mt Bonnie	Phoenix Copper Ltd 100%	16.0
MLN349	Iron Blow	Phoenix Copper Ltd 100%	15.0
MLN405	Mt Bonnie	Phoenix Copper Ltd 100%	12.0
MLN459	Mt Bonnie	Phoenix Copper Ltd 100%	15.0
MLN811	Mt Bonnie	Phoenix Copper Ltd 100%	8.1
MLN816	Mt Bonnie	Phoenix Copper Ltd 100%	8.1
			168.0

Northern Territory - Farm-in Tenements*

Tenement	Name	Holder	(Area sq km)
Burnside Project			
EL10012	Mt Ringwood	Crocodile Gold 100%	14.9
EL10347	Golden Dyke	Crocodile Gold 100%	10.0
EL23431	Thunderball	Crocodile Gold 100%	13.4
EL23536	Brocks Creek	Crocodile Gold 100%	70.4
EL23540	Jenkins	Crocodile Gold 100%	16.7
EL23541	Cosmo North	Crocodile Gold 100%	3.3
EL24018	Hayes Creek	Crocodile Gold 100%	23.4
EL24051	Margaret River	Crocodile Gold 100%	86.9
EL24058	Yam Creek	Crocodile Gold 100%	3.3

EL24351	McCallum Creek	Crocodile Gold 100%	30.1
EL24405	Yam Creek	Crocodile Gold 100%	4.1
EL24409	Brocks Creek South	Crocodile Gold 100%	22.1
EL24715	Mt Masson	Crocodile Gold 100%	56.8
EL25295	Margaret Diggings	Crocodile Gold 100%	10.0
EL25748	Burnside	Crocodile Gold 100%	643.1
EL9608	Mt Bonnie	Crocodile Gold 100%	10.0
ELR97	Western Arm	Crocodile Gold 100%	6.5
Chessman Project			
Tenement	Name		
EL25054	Maud	Crocodile Gold 100%	64.0
EL28902	Maud	Crocodile Gold 100%	288.2
ML30293	Chessman	Crocodile Gold 100%	1.1
Moline Project			
Tenement	Name		
EL28616	Moline	Crocodile Gold 100%	262.5
ML24173	Moline	Crocodile Gold 100%	31.3
MLN1059	Moline	Crocodile Gold 100%	4.2
MLN41	Mt Evelyn	Crocodile Gold 100%	0.1
			1676.4

*Phoenix Copper's beneficial interest in all farm-in tenements as of the date of this report is zero

South Australia

Exploration Licences	Name	Holder	(Area sq. km)
Adelaide Geosyncline			
EL5382	Burra Central	Phoenix Copper Ltd 100%	84
EL4807	Burra West	Phoenix Copper Ltd 100%	69
EL4970	Burra North	Phoenix Copper Ltd 100%	300
EL5411	Mongolata	Phoenix Copper Ltd 100%	60
EL4809	Princess Royal	Phoenix Copper Ltd 100%	314
EL5601	Red Banks	Phoenix Copper Ltd 100%	396
EL4711	Burra Creek Plain	Phoenix Copper Ltd 100%	68
EL5473	Bagot Well	Phoenix Copper Ltd 100%	71
EL4626	Bagot Well North	Phoenix Copper Ltd 100%	99
EL5169	Tarnma	Phoenix Copper Ltd 100%	128
EL4886	Spalding	Phoenix Copper Ltd 100%	157
EL5557	Washpool	Phoenix Copper Ltd 100%	135
			1,881
Yorke Peninsula			
ELA281/12	Minlaton	Wellington Exploration Pty Ltd 100%	547
EL5491	Koolywurtie	Phoenix Copper Ltd 100%	255
EL4983	Weaver Hill	Phoenix Copper Ltd 100%	104
EL5196	Coonarie	Phoenix Copper Ltd 100%	254

			1,160
Leigh Creek			
EL5264	Nantawarrinna	Phoenix Copper Ltd 100%	317
EL5300	Mt Elkington	Phoenix Copper Ltd 100%	618
			935
		TOTAL ELs - South Australia	3,976
Mineral Leases	Name	Holder	(Area Hectare)
ML5467	Mountain of Light	LCCM 100%	250
ML5741	Mount Coffin	LCCM 100%	200
ML5498	Lorna Doone	LCCM 100%	122

Financial & Corporate

Cash on hand at 30 September 2015 was \$1.2 million.

During the quarter, the Company raised \$0.9 million from share placements at 1.3 cents to sophisticated investors and received commitments for placements of a further \$0.6 million at the same price subject to shareholder approval at the Company's Annual General Meeting on 4 November 2015.

At the November AGM, shareholders will also be asked to approve a change in the name of the Company to 'PNX Metals Limited'. The proposed new name reflects the fact that the Company's key exploration activities in the NT are focused on gold and base metals (with zinc being the predominant base metal). There are also a number of companies in Australia using the name 'Phoenix', including another ASX listed company, which has caused public confusion around the Company's people, projects and strategies. The Board believes a new name will facilitate an improved understanding of the Company's business and strategies.

Capital Structure

At 30 September 2015, the Company had on issue 427,775,689 fully paid ordinary shares and 1,500,000 performance rights. During the quarter 1,250,000 unquoted options expired unexercised.

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) and a full-time employee of Phoenix Copper Limited. 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.

For further information, please contact:

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