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ASX ANNOUNCEMENT, 26th April 2013

RESULTS FROM IOCG DRILLING ON THE YORKE PENINSULA

- Shallow basement drilling at the Cross Prospect intercepted elevated copper values coincident with geophysical anomalies over an area 500m x 350m
- Shallow drilling intersected widespread magnetite alteration at the Balgowan Prospect where the mineralisation and alteration system remain open at depth and to the south
 - PYAC0039: 86.0m grading 16.8% iron from 14.0m to the end of hole
 - PYAC0026: 33.0m grading 15.8% iron from 37.0m to the end of hole

Phoenix Copper Limited (ASX:PNX) is pleased to announce that results from its recently completed Yorke Peninsula shallow drilling programme have returned anomalous base metal geochemistry from altered rocks indicative of Iron Oxide Copper Gold (IOCG) mineralisation at the Balgowan and Cross Prospects.

Phoenix Copper's Yorke Peninsula Project (see **Figure 1**) lies within the highly prospective Olympic Domain, host to the world class Olympic Dam and Prominent Hill mines, and the Carrapateena and Hillside deposits. Its four wholly owned exploration licences cover an area of 1,419 km² adjacent to the Hillside iron oxide copper gold deposit of Rex Minerals Limited.

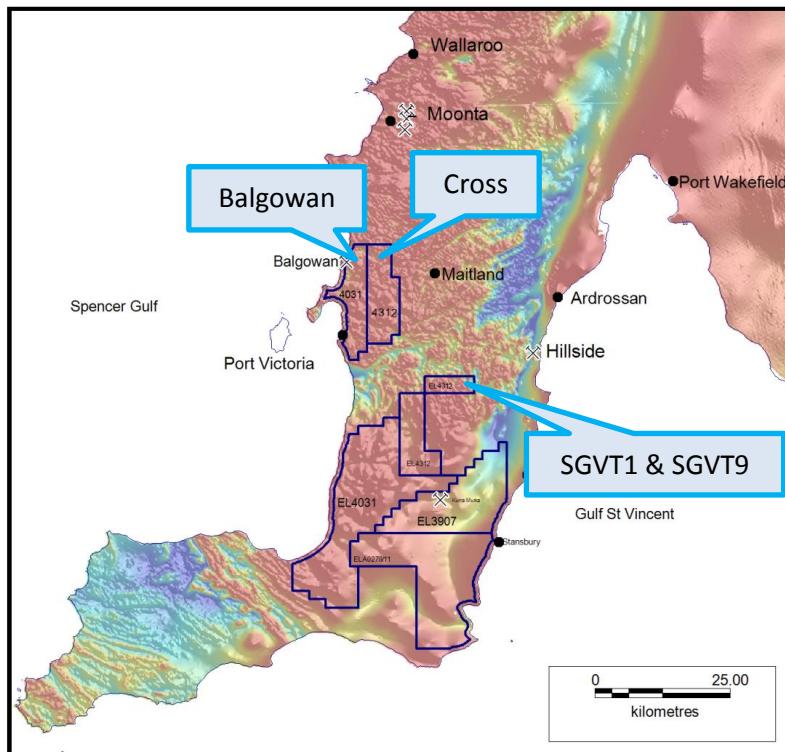


Figure 1: Phoenix Copper's Yorke Peninsula tenements and drill program locations

Three main areas (see **Figure 1,2,3 and 4**) were tested during the 3,074m, 100 hole aircore (AC) and slimline reverse circulation (RC) drilling program, all are characterised by coincident geophysical anomalies consistent with the signature of IOCG mineralisation. Depth of cover above the prospective basement host rock ranged from 10m-30m allowing a significant number of holes to be drilled over a large area. This initial phase of drilling aimed to:

- identify shallow secondary geochemical dispersion patterns associated with primary mineralisation,
- confirm the source of the coincident geophysical anomalies,
- gain a greater understanding of the geochemistry in this environment.

Elevated copper values were observed at two of the three areas tested (see **Table 1** and **2**). The best results were visible at the **Cross Prospect** (see **Figure 2**), where drilling defined a geochemical copper dispersion halo within metasediments at the basement interface. This was coincident with the gravity and magnetic anomalies and **may be associated with primary mineralisation at depth**. As the shallow drilling did not extend beyond the ‘contact’ nor did it identify the source of the geophysical anomalies, deeper drilling is warranted – *these are effectively ‘soil’ anomalies, typical of those that may cover a deeper mineralised zone*.

CEO James Fox commented, “The results at Balgowan and Cross are very encouraging, we have identified prospective geology and geochemistry within a significant alteration system, and have a new area with the potential for mineralisation at depth. We are now planning a follow-up basement drilling program.”

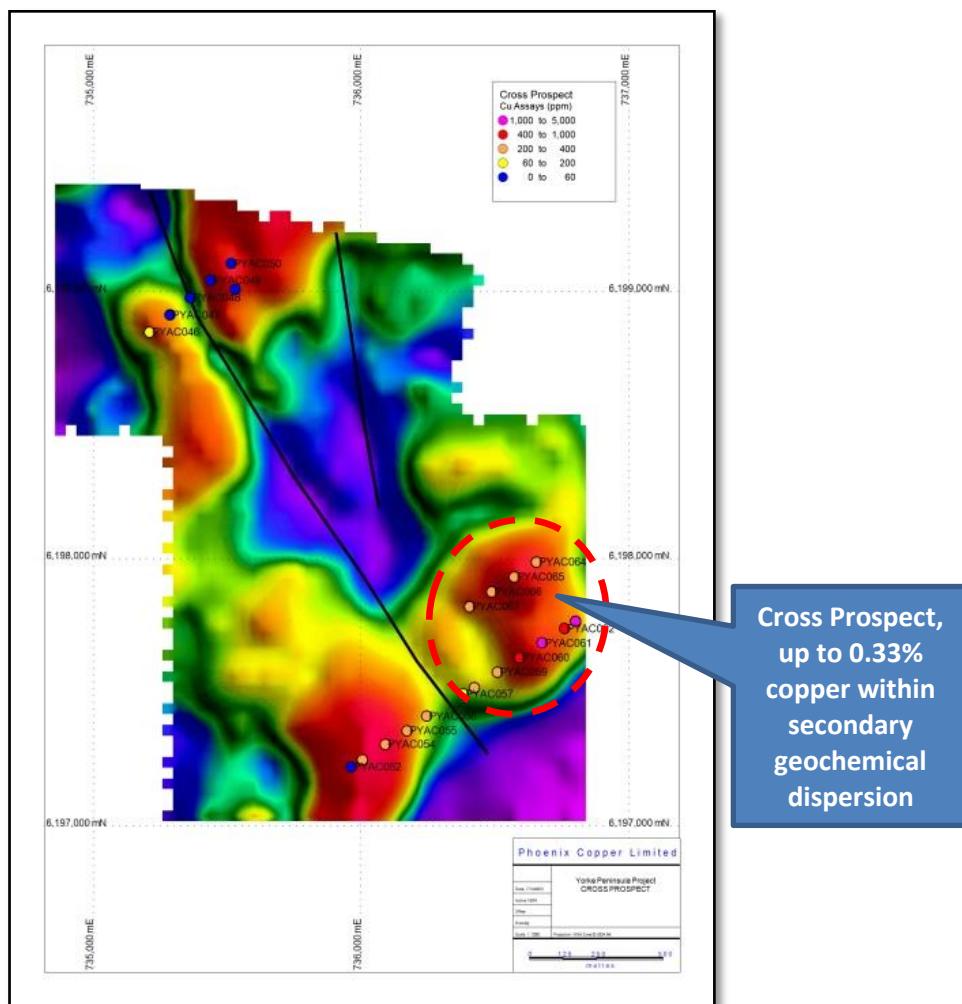


Figure 2 Cross Prospect showing drillhole locations with geochemical dispersion pattern, over gravity image

The **Balgowan Prospect** (see **Figures 1 and 3**) was drilled to delineate the lateral extent of the IOCG mineralisation intercepted in historic diamond drill holes DDH1 and DDH2 completed in 1955. The recent drilling intercepted anomalous geochemistry in prospective rocks, including massively altered magnetite, biotite, calcsilicate metasomatic rocks (containing high percentages of iron over a large area) which are possibly associated with a regional mineralising event. The alteration system identified is still untested at depth as the deepest drillhole (PYAC0038) was still within massive magnetite mineralisation at 100m when the limit of the drill compressor was reached.

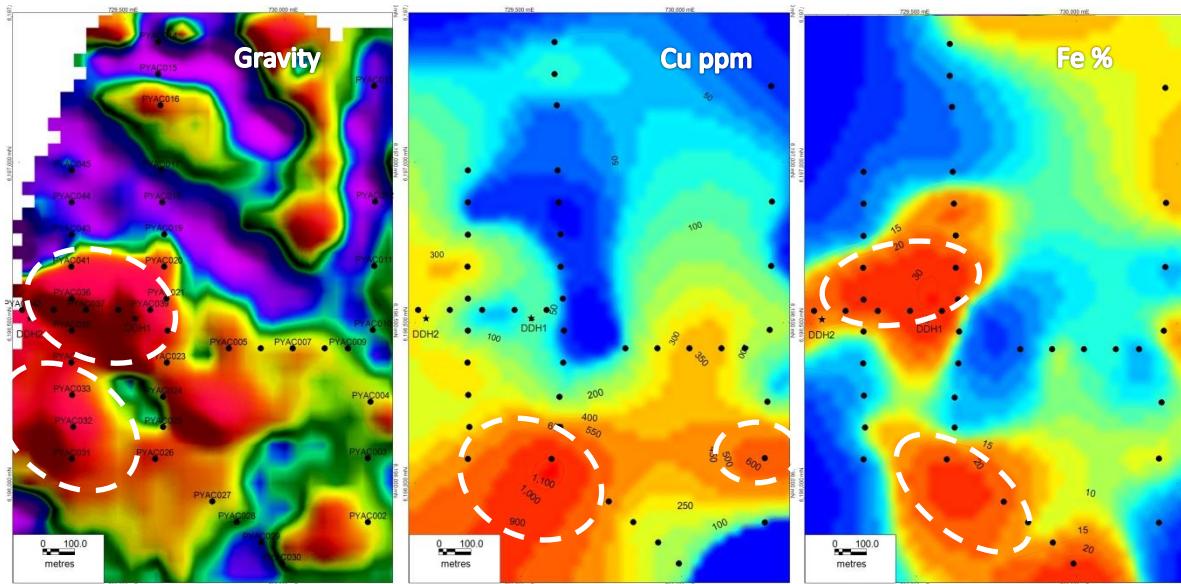


Figure 3: Balgowan prospect: a) drillhole locations over gravity image; b) Copper assay grid c) Iron assay grid, white rings are geochemical and geophysical highs

Broad spaced drilling over **SGVT1 and SGVT 9 Prospects** shows subtle copper highs associated with VTEM anomalies and magnetite-hematite alteration (see **Figure 4**).

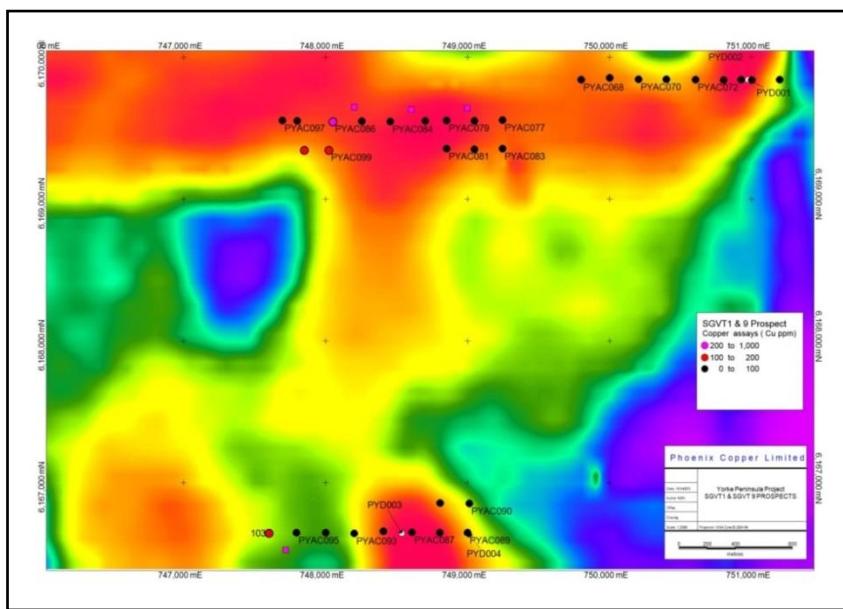


Figure 4: SGVT 1 and 9 Prospects showing drillhole locations over VTEM (150m depth slice)

About Phoenix Copper Limited (ASX:PNX)

Phoenix Copper is an ASX-listed minerals exploration company with a primary focus on copper and gold. The Company currently holds 20 exploration licenses (EL's) and 3 mining leases (ML's) in South Australia, with a tenement holding of 5,546km². The current exploration focus of the Company is on two primary areas; the Yorke Peninsula target iron-oxide copper gold and at the Burra region targeting copper and gold.

Table 1: Balgowan Prospect - Significant Drill Intercepts above 400ppm Copper (showing additional elements)

| Hole ID | Northing | Easting | Azi | Dip | From m | To m | Interval m | Cu ppm | Fe % | U ppm | Ni ppm |
|---------|-----------|---------|-----|-----|--------|------|------------|--------|-------|-------|--------|
| PYAC003 | 6196077 | 730260 | 360 | -90 | 31 | 33 | 2 | 763 | | | |
| PYAC008 | 6196420 | 730125 | 360 | -90 | 37 | 38 | 1 | 438 | 10.16 | | |
| PYAC022 | 6196475 | 729634 | 360 | -90 | 23 | 24 | 1 | | | 401 | |
| PYAC026 | 6196075 | 729595 | 360 | -90 | 39 | 70 | 31 | | 16.68 | | |
| PYAC026 | including | | | | 43 | 45 | 2 | 966 | 13.90 | | 433 |
| PYAC026 | including | | | | 43 | 44 | 1 | 1440 | 15.23 | 32 | 615 |
| PYAC027 | 6195942 | 729774 | 360 | -90 | 24 | 25 | 1 | 445 | | | |
| PYAC031 | 6196075 | 729335 | 360 | -90 | 28 | 29 | 1 | 475 | | | |
| PYAC038 | 6196540 | 729580 | | | 14 | 100 | 86 | | 16.84 | | |
| PYAC038 | Including | | | | 99 | 100 | 1 | | 39.98 | | |
| PYAC040 | 6196540 | 729279 | 360 | -90 | 39 | 40 | 1 | | | 206 | |
| PYAC041 | 6196674 | 729334 | 360 | -90 | 46 | 47 | 1 | 478 | 6.82 | 19 | 432 |
| PYAC042 | 6196540 | 729180 | 360 | -90 | 32 | 34 | 2 | 811 | 3.42 | 14 | |
| PYAC042 | Including | | | | 34 | 40 | 6 | | 13.37 | | |

Table 2: Cross Prospect – Significant Drill Intercepts above 400ppm Copper

| Hole ID | Northing | Easting | Azimuth | Dip | From m | To m | Interval m | Cu ppm |
|---------|-----------|----------|---------|-----|--------|------|------------|--------|
| PYAC060 | 6197632 | 736592 | 360 | -90 | 18 | 19 | 1 | 421 |
| PYAC061 | 6197687 | 736677 | 360 | -90 | 28 | 29 | 1 | 3393 |
| PYAC061 | 6197687 | 736677 | 360 | -90 | 31 | 32 | 1 | 413 |
| PYAC062 | 6197741 | 736760 | 360 | -90 | 20 | 25 | 5 | 450 |
| PYAC063 | 6197768 | 736801.9 | 360 | -90 | 19 | 20 | 1 | 633 |
| PYAC063 | Including | | | | 23 | 25 | 2 | 960 |
| PYAC063 | Including | | | | 23 | 24 | 1 | 1462 |

Table 3: SGVT1 Prospect – Significant Drill Intercepts above 400ppm Copper

| Hole ID | Northing | Easting | Azimuth | Dip | From m | To m | Interval m | Cu ppm |
|---------|----------|---------|---------|-----|--------|------|------------|--------|
| PYAC086 | 6169548 | 748051 | 360 | -90 | 31 | 33 | 2 | 495 |

Notes: Co-ordinates are in GDA94 Z53. QAQC procedures as per industry best practice using certified reference standards, duplicates and blanks. Sample preparation by dry pulverisation and multi element analysis by four acid digest and ICP-OES and ICP-MS to acceptable detection limits and Au by AR25/SAA by Intertek Genalysis. Lower cut off 400ppm Cu

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 2004 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.

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