



News Release

April 8, 2010

PHOENIX COPPER SEEKS PACE FUNDING TO DETERMINE GOLD POTENTIAL AT BLACK HILLS

Mineral explorer Phoenix Copper Limited will seek funding under the South Australian government's PACE program to appraise the potential of its Black Hills prospect, which has produced two of the most significant gold intersections found in the Adelaide Geosyncline in recent years.

The announcement came today with the completion of Phoenix Copper's first phase of diamond drilling at its Black Hills prospect.

In November last year, Phoenix announced that drilling had revealed a 6 metre gold intercept at an average grade of 23.35 grams per tonne, less than 60 metres below the surface.

The latest drill results showed elevated traces of gold but did not reflect the very high value of previous drill results. Assay results ranged from 3m @ 0.15g/t Au at 59 metres to 1m @ 0.24g/t Au at 27 metres.

Phoenix Copper managing director, Mr Paul Dowd, said the "nuggetty" nature of the field had been demonstrated by CRA's exploration of the previously commercial Byles gold mine at Mongalata, seven kilometres south-west of the Black Hills prospect, where the best intercept returned 0.79m @ 1.84g/t Au.

Mr Dowd said that while gold distribution in the system is "extremely erratic", previous intercepts had shown grades could be "very high".

"Although the gold prospect continues to be very promising, the gold mineralization in this previously unexplored region is complex and the structural controls remain to be fully identified," Mr Dowd said.

"The prospect will therefore be structurally mapped and the core structurally logged in detail before a denser pattern of drilling over the entire strike length of the exposed anomalous sandstone unit is undertaken to fully appraise the potential of the prospect. Accordingly, Phoenix Copper has applied for PACE funding to undertake a substantial portion of this work."

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Company background

Phoenix Copper listed on the Australian Stock Exchange in February 2008. The Company's primary focus is the discovery of copper and gold within its highly prospective Burra, Spalding and Mongolata projects in the Burra region of South Australia and its Minlaton Project on the Yorke Peninsula near the historic mining town of Moonta.

In the mid 1800s, Burra was the world's second largest copper mine while in 1875 Moonta surpassed Cornwall as the largest copper mining centre in the British Empire.

FURTHER INFORMATION: Please contact
Paul J Dowd on 08 8364 3188 (office) or 0437 380 007 (mobile)

ISSUED BY HUGHES PUBLIC RELATIONS: Please contact
Mark Williams on 08 8412 4100 (office) or 0401 147 558 (mobile)

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