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## ASX ANNOUNCEMENT, 27<sup>th</sup> JANUARY 2010

### ANOMALOUS GOLD GRADES AT PRINCESS ROYAL PROSPECT

#### Introduction

On the 21<sup>st</sup> January 2010 Phoenix Copper Limited (PNX) announced significant copper assays from the RAB drilling programme completed in December 2009.

From previous work undertaken around the Monster Mine, 13 kms to the north of Princess Royal, it was concluded that gold was not associated with the copper mineralisation and indeed gold appeared only infrequently and at very low levels.

Although there is a history of some gold anomalism in soils at Princess Royal, it had been assumed that the copper mineralisation at Princess Royal would, similarly to the Monster Mine, not contain significant gold values. Nevertheless routine gold assaying was conducted.

#### Highlights

After copper assays from Princess Royal had been received and analysed, Phoenix Copper obtained the results of laboratory assays for gold from 570 of the 1434 samples assayed for copper from the RAB drilling programme. These results included a significant number of samples containing anomalous levels of gold.

This raw data will need to be more closely analysed, however the initial impression of these results identifies that there is no direct association of higher values of gold with higher grade copper. The presence of anomalous gold however is significant.

- The highest value received was 5.35 g/t gold.
- 11 samples reported gold values between 0.5 – 5.35 g/t gold
- Better intercepts include:-
  - PCPRRB013:- 12m @ 0.85g/t from 11m; including 3m @ 2.7g/t, including 1m @ 5.35g/t,
  - PCPRRB014:- 6m @ 0.52g/t from 24m; including 2m @ 1.02g/t and 1m @ 1.35g/t,
  - PCPRRB037:- 6m @ 0.66g/t from 33m; including 2m @ 1.5g/t

#### Results

Gold assays greater than or equal to 0.15 g/t are presented in the following table:-

HoleID	From	To	Intercept g/t	Including	Including
PCPRRB006	12	13	1m @ 0.17		
PCPRRB011	31	36	5m @ 0.24		
PCPRRB013	3	9	6m @ 0.23	1m @ 0.53	
PCPRRB013	11	23	12m @ 0.85	3m @ 2.7	1m @ 5.35
PCPRRB014	24	30	6m @ 0.52	2m @ 1.02	1m @ 1.35
PCPRRB014	32	36	4m @ 0.25		
PCPRRB015	34	37	3m @ 0.21		
PCPRRB018	2	6	4m @ 0.15		
PCPRRB024	1	6	5m @ 0.33	1m @ 0.9	
PCPRRB027	1	6	5m @ 0.17		
PCPRRB037	2	9	7m @ 0.36	2m @ 0.82	
PCPRRB037	33	39	6m @ 0.66	2m @ 1.5	

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### **Discussion**

Considerable analysis will now be required to determine the full significance (if any) of this data.

From the raw data the anomalous high grade gold intercepts do not appear to bear any direct relationship to the high grade copper intercepts however the anomalous gold and copper trends are closely geographically related.

Additional RAB drilling samples may be assayed for gold and additional drilling in respect to the gold anomalism (not previously planned in the copper exploration program) may be required to further investigate these intercepts.

It is possible that the follow up diamond drilling programme scheduled for continued copper exploration at Princess Royal will need to be modified to accommodate pending conclusions from these gold assay results.

### **Competent Person Statement**

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Manly who is a member of the Australasian Institute of Mining and Metallurgy. Mark Manly is a full-time employee of Phoenix Copper. Mark Manly has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Mark Manly consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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