



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, 18th May 2010

Mineralisation confirmed in PCD008 the Last of Five Black Hill Diamond Drillholes

Pace Funding Application Successful

Black Hill - Gold

On the 1st of March, 2010 Phoenix Copper Limited, (the Company), completed Phase 1 of a diamond drilling program at its Black Hill prospect on EL3716. Five holes, PCD004-PCD008, were drilled for a total of 414m and assay results from **PCD008** have just returned. Better results from PCD004 to PCD007 released previously included;

- PCD004 returned **4m@0.02g/t Au** from 81.4m
- PCD005 returned **7m@0.05g/t Au** from 61m
- PCD006 returned **3m@0.15g/t Au** from 59m and
- PCD007 returned **1m @0.24g/t Au** from 27m

PCD008 was designed to test the prospective sheared footwall contact of the Watervale Sandstone and underlying Saddleworth Siltstones immediately below Rotary Air Blast hole PCRB0009 on cross section 6287550N, that had intersected 3m @ 20.84 g/t Au from 47m (Figure 1).

PCD008 intersected the prospective contact zone approximately 0.5m south and 8m below the significant grade gold intercept in PCRB0009 and the higher grade intercepts returned confirm the presence of gold close to the contacts of the sandstone with under and overlying siltstones, (see Figure 1). Better results included;

- **1m @ 0.17 g/t Au** from 12m on the upper or hanging wall contact and
- **1m @ 0.11 g/t Au** from 43m on the lower or footwall contact

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

Phoenix Copper has been awarded PACE funding to undertake a substantial portion of this work which will ensue once the structural mapping, core logging and interpretation is complete.

The Black Hill prospect has produced two of the most significant gold intersections found in the Adelaide Geosyncline in recent years. Phoenix Copper remains confident that further exploration will unlock the full potential of the mineralisation in this area.

For personal use only

For personal use only

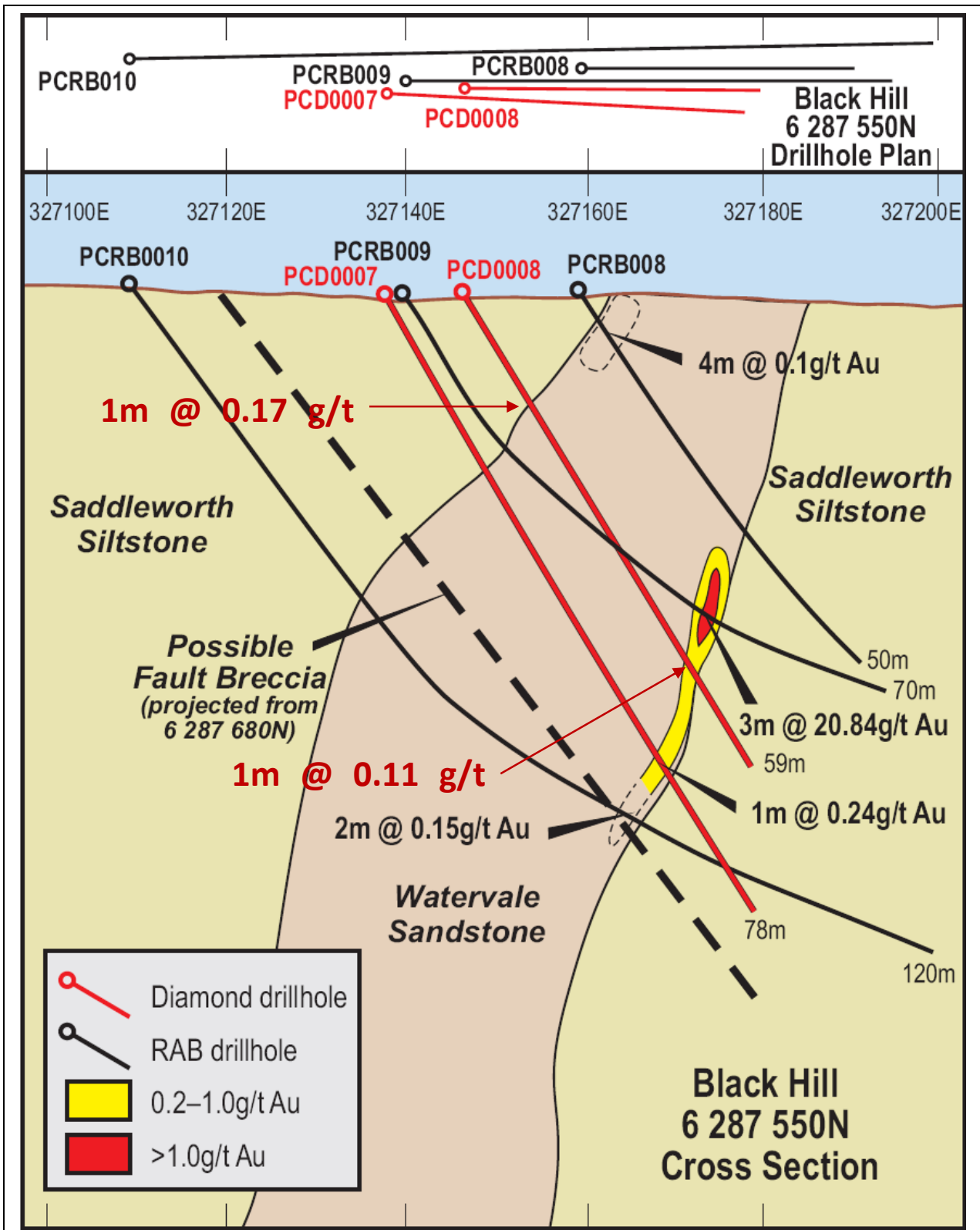


Figure 1. Black Hill Schematic Cross Section 6287550N

Competent Person Statement

The information in this presentation 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 presentation of the matters based on his information in the form and context in which it appears.

For further information, please contact:

Paul J Dowd
Managing Director
Phone: +61 (0) 437 380 007
+61 (0) 8364 3188

For personal use only