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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, 11 NOVEMBER 2011

### VTEM SURVEY ON THE YORKE PENINSULA TO COMMENCE 16 NOVEMBER 2011

#### PACE TARGETING 2011 FUNDING WON FOR VTEM SURVEY

Phoenix Copper Limited (**Phoenix Copper**) (ASX: PNX) refers to its three (3) for five (5) renounceable fully underwritten pro rata entitlement issue, with one (1) free attaching option for every two (2) shares subscribed, announced on 4 October 2011 (**Rights Issue**).

The directors of Phoenix Copper are delighted with the success of the Rights Issue, which would have been an excellent result in a buoyant market, but is even more so given current market conditions. Over 200 shareholders participated in the Rights Issue. Two of the Company's substantial shareholders agreed to sub-underwrite the Rights Issue rather than take up their entitlements and still Phoenix Copper received valid acceptances for 24,401,566 new shares (with 12,200,789 free attaching options). The Rights Issue has raised a total of \$3.958 million (before costs and expenses). The directors have welcomed this result as an indication of support for the two exciting exploration programmes at Burra North and Yorke Peninsula.

Additionally, Phoenix Copper is pleased to announce a **grant of \$57,500** under the South Australian Governments PACE Targeting 2011 Program. The funds will assist in undertaking the planned helicopter borne VTEM (Versatile Time-Domain Electro Magnetics) survey in the northern Yorke Peninsula.

**The survey, commencing on 16 November 2011**, will be conducted over Phoenix Copper's Yorke Peninsula tenements EL4031 and EL4312 (See Figure 1), which **abut** Rex Minerals Ltd's tenement that host the **Hillside** deposit containing **1.5 million tonnes of copper and 1.4 million ounces of gold**<sup>1</sup>.

The survey is **designed to detect massive sulphides** and will help **precisely locate drill collars** on broad target zones defined from 3D modelling of the regional aeromagnetics.



Figure 1: VTEM Survey Location Plan red dotted circles.

**The aim is to discover indicators of copper-gold mineralisation in Hiltaba suite rocks** (host to the Olympic Dam, Prominent Hill and Carapateena deposits), cut by structures interpreted to be splays off the Pine Point fault (host to the Hillside Deposit) in the Mid-Western Yorke Peninsula.

The airborne geophysical survey will commence near Balgowan where drilling by the Department of Mines in 1965 intersected copper to 3000ppm and Nickel to 3100ppm in a metasomatised mafic rock containing scapolite, chlorite, chalcopyrite, pyrrhotite and up to 25% magnetite, **similar to pre ore alteration found proximal to Iron Oxide Copper Gold deposits** in the Mt Isa Inlier.<sup>ii</sup>

The survey itself will comprise a helicopter flying 140 east-west flight-lines at 200m spacing, approximately 80m above ground level, for a total of 1001 line kilometres. An electro-magnetic loop will be towed beneath the helicopter at a height of approximately 40m above ground level. Survey work is anticipated to take approximately 4-7 days to complete, including standard flight and equipment testing.

### **Competent Person's Statement**

The information in this report that relates to Exploration Targets and Exploration Results is based on and accurately reflects information compiled by Mr Mark Manly. Mr Manly has sufficient experience relevant to the style of mineralisation and the type of deposits 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". Mr Manly consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Paul J Dowd, Managing Director  
Telephone: +61 (0)8 8364 3188  
Email: [info@phoenixcopper.com.au](mailto:info@phoenixcopper.com.au)  
Website: [www.phoenixcopper.com.au](http://www.phoenixcopper.com.au)

For further information, please direct queries to [pnx@insyncs.com.au](mailto:pnx@insyncs.com.au)

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<sup>i</sup> RXM; ASX release 27th July 2011, 217 Mt at 0.7% CU and 0.2g/t AU

<sup>ii</sup> Alteration and Mineralisation in the Moonta - Wallaroo Copper gold Mining Field Region, Olympic Domain South Australia, in Porter, T.M., (ed), 2010 - Hydrothermal Iron Oxide Copper-Gold and Related Deposits: A Global Perspective - Advances in the Understanding of IOCG Deposits, Volume 3, PGC Publishing, Adelaide.