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News Release

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PHOENIX COPPER'S RISING EXPECTATIONS

Mineral explorer Phoenix Copper Limited says a meticulous and carefully targeted approach to exploration is starting to pay dividends. These include the recently released significant gold intercepts at Black Hill.

The SA-based Company, which has established a significant portfolio of tenement holdings in the State's Mid North and on the Yorke Peninsula, has had success with its first drilling program at its Black Hill prospect, north east of Burra.

Managing Director Paul Dowd, speaking at the Mining South Australia Conference in Whyalla today, says the Company deliberately adopted a low-key approach while it undertook a rigorous surface exploration program and acquired further tenements to secure strategic landholdings.

Phoenix Copper is currently focusing on its Princess Royal and Black Hill prospects. However, the Company has also submitted a report to the State Government regarding potential exploration of the Burra Monster Mine, currently reserved from mining activities, while also managing to do some initial drilling at one of its six copper prospects at Spalding. Results of geochemical soil sampling have been encouraging and the Company is keen to explore more extensively in this virtually virginal copper territory as soon as possible. The drilling was stopped due to the perceived unacceptable risk of fire and the exploration program revised to promote earlier drilling at Princess Royal.

"We think that where we are situated in the Adelaide Geosyncline may well be the next major focus for copper exploration in South Australia, in an area that has been largely ignored in recent history," Mr Dowd says.

"Phoenix Copper is the first Company in this area to amass a group of tenement holdings that provides an opportunity to see the 'big picture' potential from a regional perspective.

"We are also confident of a strong growth in the copper price, particularly due to anticipated market growth in China."

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Mr Dowd says this patient and deliberate strategic approach has proven to be a smart choice, with significant gold intercepts in the company's first Rotary Air Blast (RAB) drilling program at Black Hill, part of the Mongolata Project.

"The Black Hill gold intercept results have been excellent, but we certainly haven't taken our eye off our main focus, which remains copper," he says.

"We believe gold provides the best opportunities to provide early cash flow as we build steadily upon our copper exploration.

"Phoenix Copper has been quietly and methodically building a significant geological, geophysical and geochemical database from which we have generated many copper and gold anomalies.

"This has meant employing an appropriate mix of modern technology to better identify drill targets defined by the low-cost, high confidence geochemistry and geophysics.

"Princess Royal, where we have just begun RAB drilling, is an important copper prospect, and with the initial success of recent drilling at our Black Hill gold exploration project it means we're in the fortunate position of having competing priorities for our future drilling program.

"We've also been working with a company called Ultrasort on an automated mini ore-sorter that is designed to differentiate between ore-bearing malachite/azurite material such as is found at Princess Royal, from waste material. The 'proof of concept' of this technology has been successful and we will now undertake further research to determine the potential for commercial viability of this beneficiation technique.

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.

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