



ASX ANNOUNCEMENT, 4 OCTOBER 2011

FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE TO RAISE APPROXIMATELY A\$3.9 MILLION

The directors of Phoenix Copper Limited (ASX Code: "PNX") (**Phoenix Copper**) are pleased to announce a fully underwritten 3 for 5 renounceable pro rata rights issue, with 1 free attaching "piggy back" option for every 2 new shares subscribed for (**Rights Issue**).

The Rights Issue is priced at 6.5 cents per new share. Each new free attaching option will be exercisable at 10 cents per share and will expire on 30 June 2012. If a new option is exercised before it expires on 30 June 2012 the new option holder will be entitled to receive 1 new share and 1 secondary option. The secondary option will be exercisable at 15 cents per share and will expire on 30 June 2013.

Patersons Securities Limited has agreed to fully underwrite the Rights Issue, and has secured sub-underwriting commitments for the full amount underwritten. Accordingly, the Rights Issue will raise gross proceeds of approximately A\$3.9 million (before costs and expenses of the Rights Issue), subject to the terms of the Underwriting Agreement.

The net funds raised by the Rights Issue will be applied towards Phoenix Copper's current commitments and working capital requirements and then to an aggressive exploration program on Phoenix Copper's two most prospective projects:

- Yorke Peninsula – exploration for Moonta – IOCGU style deposits in Phoenix Copper's tenements in the Olympic Domain, which are adjacent or otherwise nearby to those held by Rex Minerals Limited, hosting the recently discovered Hillside Deposit; and
- Burra North - exploration to target the potential for repetition of copper mineralization immediately to the north west of the historic Monster Mine.

Proceeds will also be applied towards progressing test work and field trials aimed at recommencing operations at Phoenix Copper's Mountain of Light project at Leigh Creek, South Australia.

The maximum number of new shares and options to be issued under the Rights Issue is 60,905,523 and 50,754,603 respectively (based on the diluted share capital of Phoenix Copper as at the close of trade on 3 October 2011, including 20,301,841 options to be issued to the sub-underwriters of the Rights Issue (assuming Phoenix Copper shareholders approve of the issue of those options to the extent they exceed the number permitted under the 15% limit prescribed by ASX Listing Rule 7.1) and without taking into account the impact of rounding).

Shares and free attaching options being offered under the Rights Issue will only be offered to registered holders of shares with registered addresses in Australia or New Zealand as at 5.00pm Adelaide time on 13 October 2011 (**Eligible Shareholders**). Eligible Shareholders will also be offered the opportunity to apply for shares and free attaching options in excess of their entitlements.

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The Rights Issue will be conducted under a prospectus for continuously quoted securities in accordance with section 713 of the *Corporations Act 2001* (Cth).

Full details of the Rights Issue, including details of the underwriting, are set out in the Prospectus and Appendix 3B lodged with the Australian Securities and Investments Commission and ASX today. The Prospectus is available to download from both the ASX website (at www.asx.com.au) and Phoenix Copper's website (at www.phoenixcopper.com.au) and is expected to be sent out to Eligible Shareholders on 18 October 2011. Phoenix Copper will not be sending an offer under the Rights Issue to any shareholder who does not have a registered address in Australia or New Zealand as at the record date.

Shareholders are encouraged to read the Prospectus in full before making a decision in respect of the Rights Issue.

To accept entitlements under the Rights Issue shareholders will need to complete the acceptance form that will accompany the Prospectus to be sent to shareholders.

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – announcement of Rights Issue, Prospectus and ASX Appendix 3B lodged with ASX	Tuesday 4 October 2011
Notice to Shareholders – notice sent to Shareholders containing information required by Appendix 3B	Wednesday 5 October 2011
Ex date and Rights trading commences – the date on which Shares commence trading without the entitlement to participate in the Rights Issue and Rights trading commences	Friday 7 October 2011
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Thursday 13 October 2011
Prospectus sent to Shareholders – despatch of Prospectus and Entitlement and Acceptance Forms– Rights Issue opens for acceptances	Tuesday 18 October 2011
Last day of Rights trading	Tuesday 25 October 2011
Closing Date – The last day for receipt of acceptance forms (5.00pm Adelaide time)	Wednesday 2 November 2011
Shortfall notification date	Monday 7 November 2011
Despatch date – Allotment of New Shares	Thursday 10 November 2011
Expected commencement of normal trading in New Shares (and New Options, if admitted to quotation) on ASX	Friday 11 November 2011

Phoenix Copper reserves the right to amend this timetable subject to the Listing Rules and the terms of the underwriting agreement.

Shareholders with queries concerning the Rights Issue should contact their stockbroker or other professional adviser or Phoenix Copper's Share Registry – Computershare Investor Services Pty Ltd on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia).