

# ASX ANNOUNCEMENT

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Phillips River Mining NL  
ABN 61 004 287 790

Unit 46/328 Albany Highway  
VICTORIA PARK WA 6100

T: 08 6250 4600  
F: 08 6250 4699  
info@phillipsriver.com.au

## CONTACT

Jason Stirbinskis  
Managing Director

## WEBSITE

www.phillipsriver.com.au

## ASX CODE

PRH



# Phillips River

## QUEEN SHEBA RESOURCE DOUBLED

### PHILLIPS RIVER— FORMERLY TECTONIC RESOURCES

#### HIGHLIGHTS

- **Near doubling of previous Resource to 49,000oz Au taking Company gold inventory to 0.93Moz**
- **Significant potential to expand resource.**
- **Potential repeat of Trilogy mineralization**

Phillips River Mining NL (“Phillips River” or “The Company”, ASX:PRH) is pleased to announce the upgraded Resource Estimate (table 1) for the Queen Sheba deposit, located only 2.0km from the proposed Trilogy mine and processing plant.

QUEEN SHEBA - RESOURCE TABLE: AUGUST 2011				
RESOURCE CATEGORY	Tonnes (000)	Au g/t	Ag g/t	Cu %
MEASURED				
INDICATED				
INFERRED	802	1.90	4.0	0.04
<b>TOTAL</b>	<b>802</b>	<b>1.90</b>	<b>4.0</b>	<b>0.04</b>

GLOBAL RESOURCE TABLE: CONTAINED METAL				
	(000)	(000 Oz)	(000 Oz)	(000 t)
MEASURED				
INDICATED				
INFERRED	802	49.0	102.6	0.3
<b>TOTAL</b>	<b>802</b>	<b>49.0</b>	<b>102.6</b>	<b>0.3</b>

Table 1: Queen Sheba Resource table (resource calculation details below)

The revised Resource takes the Company's gold inventory to 0.93Moz (Table 4) and was completed by the company's geologists following recent drilling.

The Company's Managing Director, Jason Stirbinskis said “This is a great result as it fits ideally into the larger Phillips River Project strategy. Queen Sheba is located close to the planned processing plant at our Trilogy project, within the current mining lease and on The Company's freehold farm property. **Not only has recent drilling at Queen Sheba increased the resource but it has also significantly enhanced the potential to expand the size of the resource and further extension drilling will be conducted after the end of winter**”.

Trilogy and Kundip projects form the Phillips River Project which is expected to generate ~\$1B in revenue predominantly from copper and gold and is targeted for production in 2013. Mr Stirbinskis added "The polymetallic Trilogy deposit is interpreted as SedEx in style and these often occur in clusters. We are seeing similarities between Queen Sheba and Trilogy that suggest we may have found another SedEx. **Compounding our enthusiasm for Queen Sheba is that we are observing mineralized zones which are substantially wider than Trilogy's and our deepest drill hole actually ended in copper mineralization (Fig 3)**".

The Queen Sheba Resource is located within two moderately dipping parallel lodes within the Proterozoic Mount Barren Group sediments, which also host the Trilogy deposit. Mineralisation extends from near surface to about 160m below surface, with about 550m strike identified. The resource is open at depth, with stronger base metal values within the fresh rock portions. Depleted base metals values in the oxide portion are similar to Trilogy; and oxidation extends to near the base of defined mineralisation. Further drilling is planned to test the down-plunge limits to mineralisation

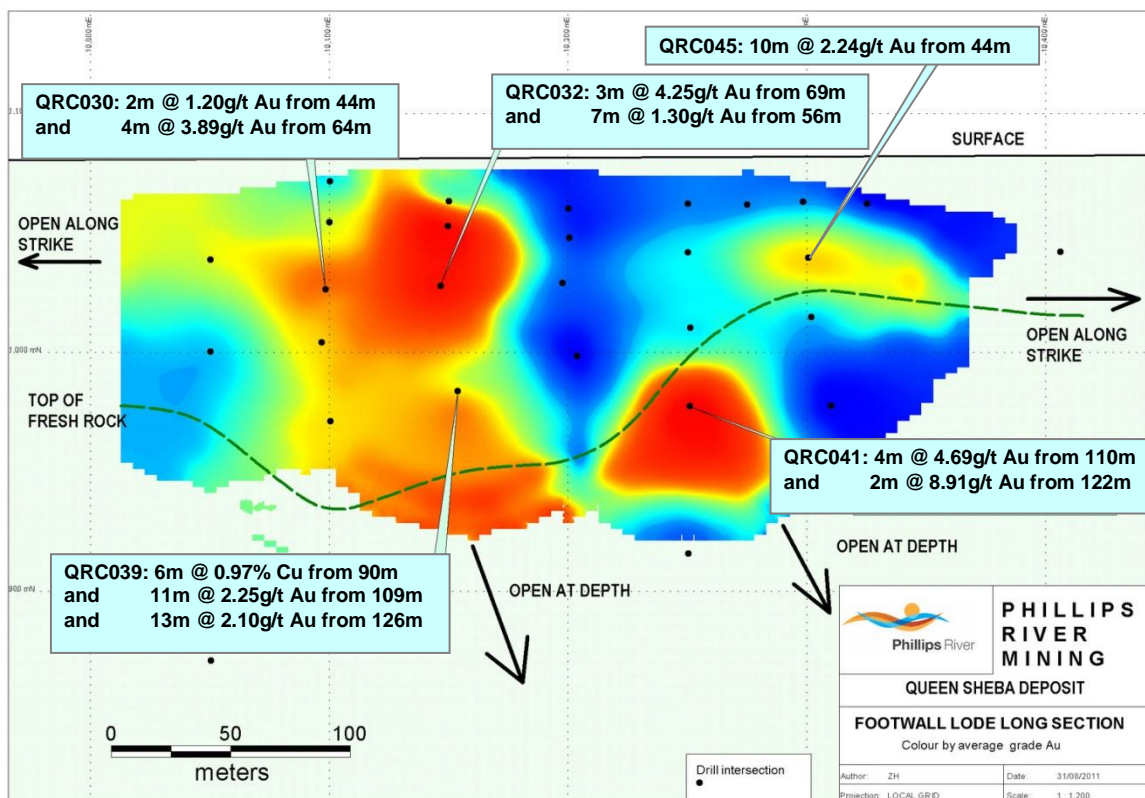


Figure 1: Queen Sheba long-section showing Au mineralisation and previously announced drill hole intersection points.

For further information please contact:

Jason Stirbinskis  
 Managing Director  
 (08) 6250 4600

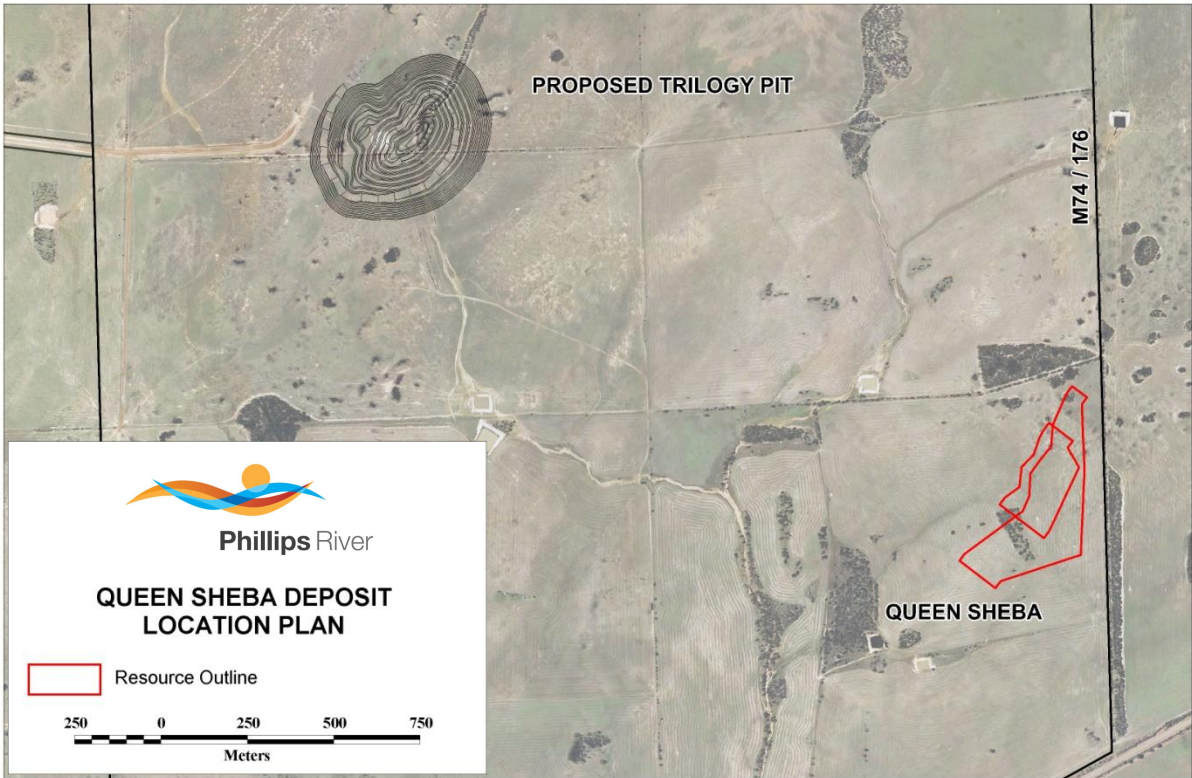
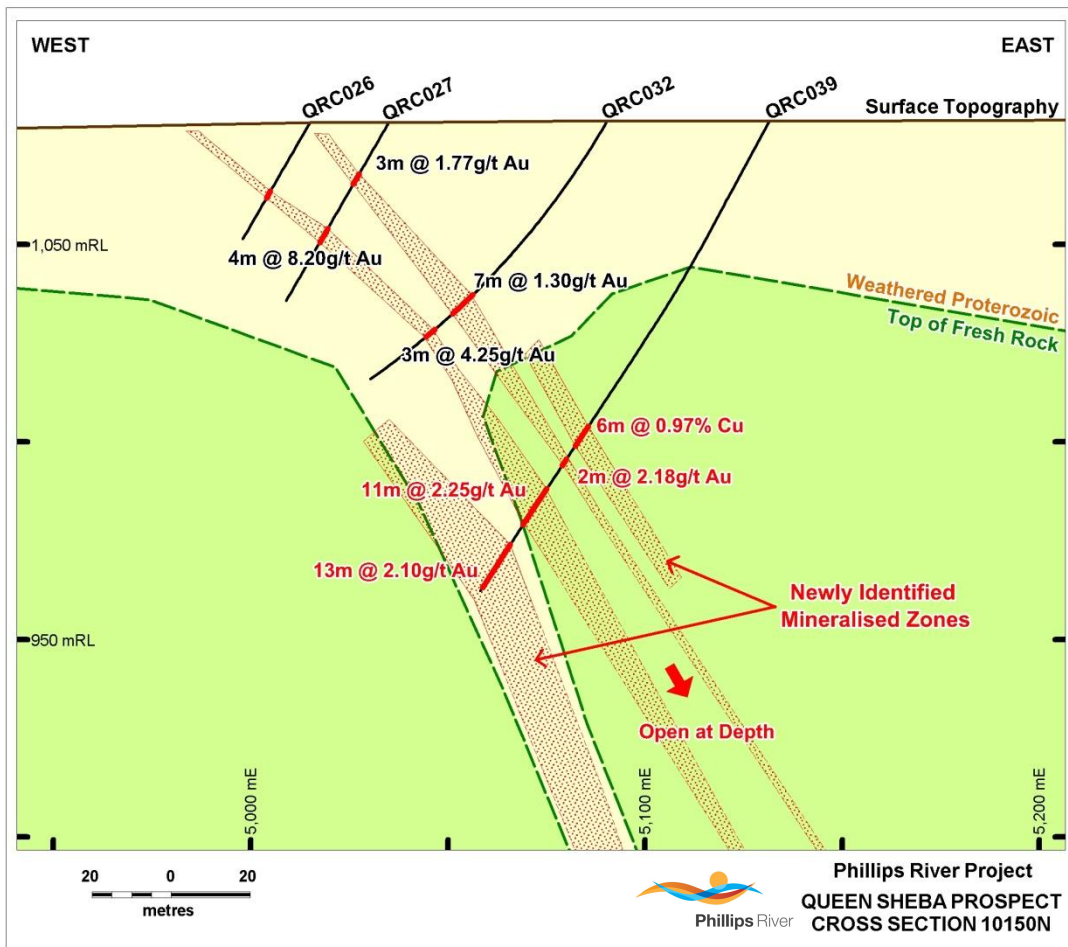


Figure 2: Plan view, Queen Sheba Resource in relation to proposed Trilogy pit  
 Figure 3: Queen Sheba exploration drilling results cross section 10150N. All results announced previously. Results in 'red' announced 17/06/11



## ABOUT PHILLIPS RIVER

Phillips River Mining NL ("Phillips River") has highly prospective and considerable holdings in Western Australia's southern region near Ravensthorpe, about 180kms from the sea port of Esperance.

<b>DFS OUTPUTS - Announced 11/2/11</b>	
Capital cost	\$133m
Total Revenue	\$1.05b
Life of Mine (LOM)	10 years
Gross operating cost LOM	\$589m
Cashflow before tax over LOM	\$224m
NPV (8%)	\$72.4m
IRR pretax	26%
IRR after tax and gearing	22.40%
Payback	5 years
Development time	15 months

The Phillips River Project is the company's flagship project and consists of 4 mines containing gold, copper, silver, zinc and lead mineralisation and a ~1Mtpa processing facility. The company is targeting construction in 2012 and production in 2013. Based on current studies, the Company expects the Phillips River Project to generate ~AUD\$1 Billion in revenue through gold dore and copper and base metal concentrates sales. The Company is confident that operating life will extend well beyond the initial 10 years given that mines comprising the project remain open at depth and the Company has a very significant (~2500km<sup>2</sup>) and prospective portfolio in the area.

<b>PHILLIPS RIVER PROJECT RESERVE – Announced 11/2/11</b>							
<b>Mine</b>	<b>Classification</b>	<b>Mt</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (%)</b>	<b>Pb (%)</b>	<b>Zn (%)</b>
Trilogy Pit	Proved	0.3	2.2	45	0.4	0.2	0
Trilogy Pit	Probable	4.04	0.8	57	1.1	2.7	1.6
Trilogy U/G	Probable	0.28	1	26	1.3	1.9	1.8
<b>Subtotal Trilogy Ore Reserve</b>		<b>4.63</b>	<b>0.9</b>	<b>55</b>	<b>1.1</b>	<b>2.5</b>	<b>1.5</b>
Flag Pit	Probable	0.21	4	3.5	0.5		
Harbour View Pit	Probable	0.2	3.2	1.5	0.38		
Kaolin Pit	Probable	1.27	2.8	1.7	0.18		
Flag U/G	Probable	0.24	5	3.5	0.45		
Harbourview U/G	Probable	0.75	3.5	4	0.68		
Kaolin U/G	Probable	0.14	4.4	3.2	0.28		
<b>Subtotal Kundip Ore Reserve</b>		<b>2.81</b>	<b>3.4</b>	<b>2.7</b>	<b>0.38</b>	<b>0</b>	<b>0</b>
Subtotal Proved	Proved	0.3	2.2	45	0.35	0.15	0.01
Subtotal Probable	Probable	7.13	1.8	35	0.82	1.62	0.97
<b>Total PRP Ore Reserve</b>		<b>7.44</b>	<b>1.8</b>	<b>35</b>	<b>0.8</b>	<b>1.56</b>	<b>0.93</b>

PHILLIPS RIVER MINING - GLOBAL RESOURCE TABLE: September 2011							
GOLD AND COPPER RESOURCE TABLE: KUNDIP PROJECT AND OTHERS*							
CATEGORY		Mt	Au	Ag	Cu	Pb	Zn
			(g/t)	(g/t)	(%)	(%)	(%)
MEASURED		0.00	0.00	0.0	0.0		
INDICATED		4.39	3.41	2.5	0.4		
INFERRED		3.61	2.45	2.7	0.4		
<b>SUB TOTAL</b>		<b>8.00</b>	<b>2.97</b>	<b>2.6</b>	<b>0.4</b>		
BASE METAL RESOURCE TABLE: TRILOGY PROJECT**							
MEASURED		0.31	2.4	41	0.3	0.1	0.0
INDICATED		5.75	0.7	48	1.1	2.1	1.3
INFERRED		0.18	0.6	12	0.8	0.2	0.2
<b>SUB TOTAL</b>		<b>6.24</b>	<b>0.82</b>	<b>47</b>	<b>1.0</b>	<b>2.0</b>	<b>1.2</b>
GLOBAL RESOURCE TABLE: GRADE							
MEASURED		0.31	2.4	41.2	0.3	0.1	0.0
INDICATED		10.14	1.9	28.3	0.8	1.2	0.7
INFERRED		3.80	2.4	3.2	0.4	0.0	0.0
<b>GRAND TOTAL</b>		<b>14.25</b>	<b>2.03</b>	<b>21.9</b>	<b>0.7</b>	<b>0.9</b>	<b>0.5</b>
GLOBAL RESOURCE TABLE: CONTAINED METAL							
		Mt	M Oz	M Oz	t (000)	t (000)	t (000)
MEASURED		0.31	0.02	0.41	0.9	0.4	0.0
INDICATED		10.14	0.62	9.21	78.1	122.5	73.9
INFERRED		3.80	0.29	0.39	16.2	0.3	0.3
<b>GRAND TOTAL</b>		<b>14.25</b>	<b>0.93</b>	<b>10.01</b>	<b>95.3</b>	<b>123.3</b>	<b>74.3</b>

Table 4: Phillips River Mining – Global Resource

\*- Based on wire-framing to drill holes on a 1.0g/t Au cut-off for shallow resource, and 3.0g/t Au. for deeper mineralisation, and reporting to a 1g/t Au cut-off.

\*\* -Based on wire-framing to drill holes on a 0.5% Cu equivalent cut-off and reporting to a 1% Cu equivalent cut-off.

Oxide Cu eq. = (Au ppm \* 9775)+(Ag ppm \* 150.4) +(Cu ppm):

Sulphide Cu eq. = (Au ppm \*4720)+(Ag ppm \* 75.5)+(Cu ppm)+(Pb ppm \* 0.2384) + (Zn ppm \* 0.1925)

### Competent Person's Statement

The information in this report that relates to Exploration Results, and information in this Ore Reserve statement that relates to Mineral Resource estimates defined as part of the June 2010 Mineral Resource are based on information compiled by Mr Bruce Armstrong, who is a Member of The Australasian Institute of Geoscientists. Mr Armstrong is a full time employee of Phillips River Mining, and has sufficient experience which is relevant to the style of mineralisation under consideration 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'.

The information in this Ore Reserve statement that relates to Ore Reserve estimates is based on information compiled by Mr Geoff Davidson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Davidson is a Principal Consultant and Director of Mining and Cost Engineering Pty Ltd and has sufficient relevant experience 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'.

The Competent Persons have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This announcement contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements. No representation or warranty, express or implied, is made by Phillips River Mining that the material contained in this presentation will be achieved or prove to be correct