

# 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](http://www.phillipsriver.com.au)

## ASX CODE

PRH



# Phillips River

## NEW EXPLORATION TENEMENTS

### HIGHLIGHTS

- **Grant of exploration tenement extending land holding to west of Trilogy deposit**
- **Prospective ground with previous shallow drilling**
- **Potential for Trilogy style mineralization**

Phillips River Mining NL (“Phillips River” or “The Company”, ASX:PRH) is pleased to announce the granting of two new exploration tenements close to existing exploration tenement holdings and planned milling infrastructure of the Phillips River Project

E74/462 is 46km<sup>2</sup> and located immediately west of the Trilogy deposit, and has been subject to previous modern exploration which has delineated anomalous intersections of 9m @ 0.22% Cu from 19m, and 7m @ 0.24% Cu from 38m to end of hole in RAB drilling. Neither of these intersections have been followed up with deeper drilling. There is a total of 332 RAB holes for 14,384m over the tenement area, which provides valuable data from which to re-commence exploration activities for Trilogy style mineralisation.

E74/474 is 11km<sup>2</sup> and located within the Albany-Fraser Belt, which is considered prospective for Tropicana style mineralisation. This tenement adds to the existing tenement package of 167,000Ha of exploration tenements granted earlier this year (announced 05/07/2011).

The Company’s Managing Director, Jason Stirbinskis said “acquiring these two tenements is part of the Company’s strategy to explore for further resources to add to the Phillips River Project mine life. **Of particular immediate interest is E74/462 which is very close to the proposed Trilogy plant and we suspect the Trilogy multi element geochemical anomaly is likely to extend in the direction of the new tenement**”.

For further information contact:  
Jason Stirbinskis – Managing Director  
+618 6250 4600

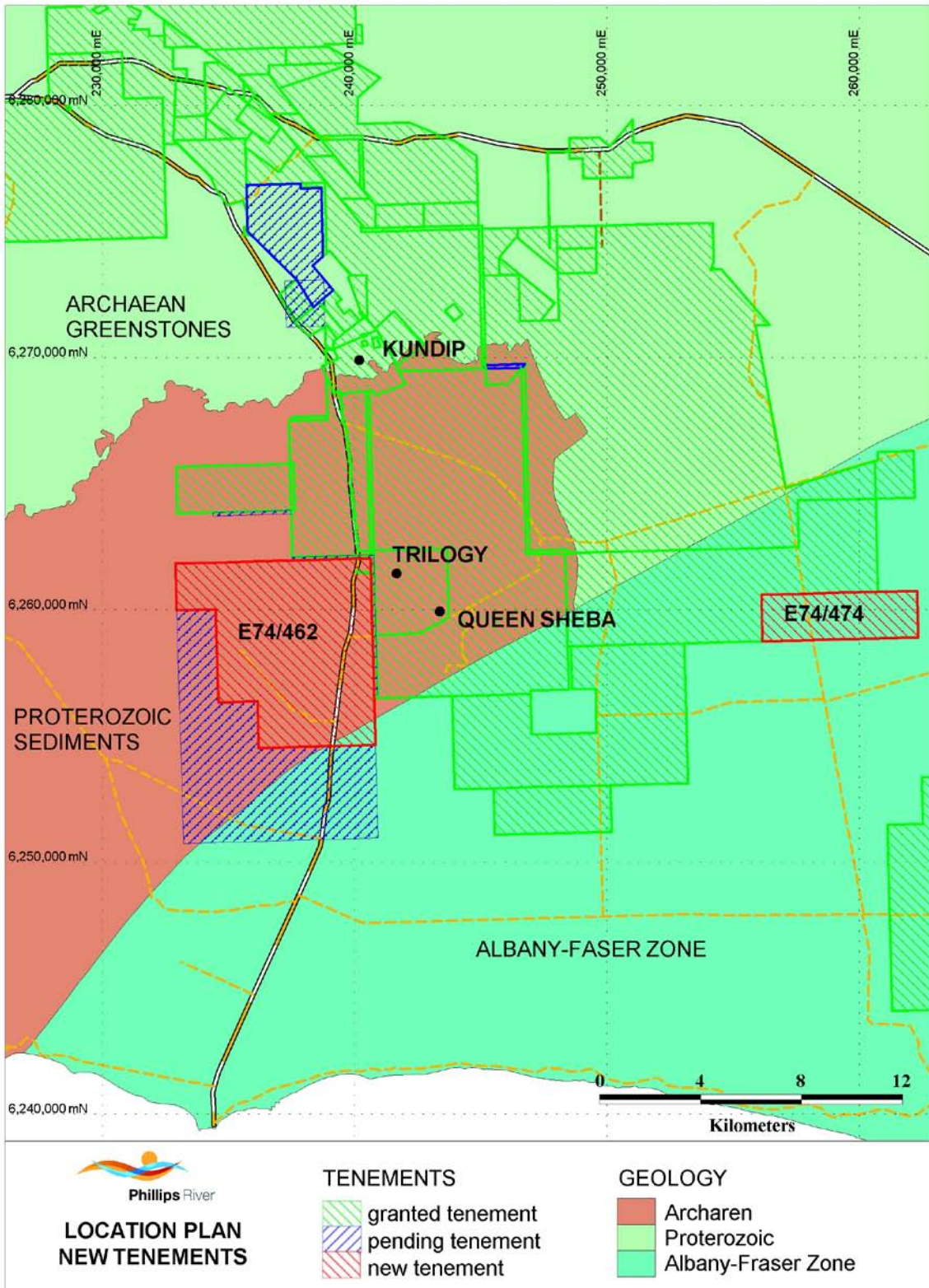


Table 1: Location of newly granted tenements

For further information please contact:

Jason Stirbinskis  
 Managing Director  
 (08) 6250 4600

## 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.

DFS OUTPUTS - Announced 11/2/11	
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\$1Billion 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.

PHILLIPS RIVER PROJECT RESERVE – Announced 11/2/11							
Mine	Classification	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
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>

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: 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