

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



28 January 2009

Dear Shareholder,

On 12 February 2009 Phoenix Copper will celebrate its first anniversary. It is again time to update you on our progress and also to comment on how we are handling the current economic climate.

We are making significant progress following six months of actual in-field work, and our prospects now are more exciting than when we began.

We are achieving our goals of:-

- Carefully planning, designing and executing our exploration program in close consultation with PIRSA - the South Australian State Government department responsible for minerals.
- Retaining a meaningful cash balance in excess of \$4million by April 2009 followed by a strategic review to decide on the next steps.
- Assiduously maintaining and increasing our relationships with local communities and landowners.

I can summarize activity in each of our regions of exploration as follows:

#### **BURRA**

Burra is one of the most underexplored 'brown fields' in South Australia.

Phoenix Copper is the first company to attempt to find the source of the rich Monster Mine ore body. With the recent purchase of EL 3549, we have now assembled a contiguous package of tenements to the North and the South of the Monster Mine and in our planning are carefully avoiding the areas that are currently precluded from exploration and mining. We are also very conscious of the proximity of residential areas. During the first quarter of 2009 we will continue with assessing and planning a drilling program in the region.

#### **MONGALATA**

During February 2009 we will commence drilling for gold at Mongalata.

We consider this a logical step to open the door to early potential positive cash flow. If we discover gold in this underexplored and undrilled area, the big challenge will be to establish just how economically viable any potential lode may be.

#### **MINLATON**

A desktop study of Minlaton indicates the potential presence of copper and nickel. It could well be fortuitous that we are adjacent to Rex Minerals who have recently issued a very positive statement regarding the area. We plan to maintain our rights in this region with minimum expenditure.

#### **SPALDING**

Our recent surface exploration has produced some extraordinary and unexpected positive results showing presence of copper in the vicinity of old workings. We will definitely maintain our exploration rights here and for the time being with minimal spending.

Your Board is very conscious of the economic conditions and is also very aware of the need to maintain a worthwhile amount of liquidity. We will not squander our current strong cash position. We will continue to develop our intellectual property and will evaluate all options open to us in the future.

I commend for your reading the detailed information contained in our recently released quarterly report.

Sincerely,

Graham Spurling  
Chairman

For personal use only