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19 August 2008

Dear Shareholder,

Since listing on 12 February 2008, Phoenix Copper has been hard at work achieving its short-term objectives including putting in place an exploration team that I am confident can achieve success for our company. The experience and expertise of our Managing Director, Paul Dowd, sets us apart from many other "Junior Explorers." He is guiding the team with wisdom during these formative months.

This competitive advantage has been further enhanced by having Chief Geologist Mark Manly join the team. Mark, from Broken Hill, has been twenty years in his profession working with WMC, North Limited, Paragon Resources and Coolgardie Gold. Most recently he was Regional Exploration Manager for Perilya Limited. He has been a pioneer in the application of the high productivity X-ray Hand-held device, which revolutionizes mineral exploration by providing instantaneous analysis of surface geology.

In his first few months at Phoenix Copper Mark has created a new team and led the efforts to:

- Study, collate and digitize existing data particularly from the Burra region. The objective is to define the geology that caused the Burra mine to be created. Personally, I find this activity both exciting and very worthwhile;
- Visit, meet and negotiate approvals with landowners on our tenements in the three regions of Burra, Spalding and Minlaton. At the same time Mark is providing confidence and assurance that Phoenix Copper policy is to respect their rights and their land. Clearly, a cooperative approach will enhance our exploration progress;
- Establish an Operations Field Headquarters at Burra. Located at HQ are the planning of operations, analysis of results, and cutting and storage of drilling samples. All field personnel are located there in order to facilitate their easy access to Burra and Spalding tenements where we have prioritized our initial major activities;
- Develop an understanding and implement preliminary assessment of the Minlaton tenements; and
- Plan and cost a detailed work schedule for the coming two years.

Our Management is continuing to search for talented people to enable and even accelerate our activities. There is a high degree of excitement for the challenge combined with professional, cautious optimism.

The Board has a clear commitment to responsible governance in all phases of Phoenix Copper activity. We know how to translate policy into ethical operations. It is our intention to communicate clearly and regularly with you, our shareholders. The company's quarterly reports and ASX announcements are distributed by email to persons who have given us their email address for this purpose. If you would like to be included on our email list for receipt of quarterly reports and ASX announcements when they are lodged with ASX, please email our company secretary, Peta Marshman, at pkmarshman@yahoo.com.au and she will gladly add you to our list.

Thank you for your support. We really want you to share both the excitement and the fruits of all our efforts.

Sincerely,

Graham Spurling
Chairman

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