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ASX ANNOUNCEMENT – 31 DECEMBER 2009

ACQUISITION OF TENEMENT

On 26 October 2009, Phoenix Copper Limited (**Company**) announced that it had agreed, subject to necessary ministerial approval, to purchase tenement EL3244 from Flinders Mines Limited (FMS) (**Flinders Mines**). Copper Range (SA) Pty Ltd (**Copper Range**) had earned a 50% beneficial interest in certain mineral rights in respect of EL3244. Flinders Mines agreed to sell EL3244 with Copper Range's consent and subject to the surrender of Copper Range's earned mineral rights.

The Company is pleased to announce that it completed the acquisition of EL 3244 today by:

- paying Flinders Mines and Copper Range \$25,000 each;
- issuing 250,000 of the Company's fully paid ordinary shares to each of Flinders Mines and Copper Range;
- granting a 1.5% net smelter return royalty (Flinders Mines and Copper Range receiving half each);
- granting Flinders Mines of access to EL3244 for the purpose of exploring for and, if applicable, mining and processing diamonds, barium, talc and phosphate in accordance with a mineral rights agreement between the Company and Flinders Mines.

Copper Range's earned mineral rights in respect of EL3244 were surrendered today and cease to exist.

EL3244 is a 209km² tenement which is in two parts. The western part of the tenement lies immediately north of the Company's Spalding tenement, EL3686.

Managing Director Paul Dowd said the purchase of EL3244 provides the Company with an expanded opportunity to continue its regional approach to exploration in this highly significant yet largely ignored mineral province. The purchase is significant to the Company's exploration objectives and finalises the consolidation of highly prospective tenements in the Burra/Spalding area, where the Company has commenced a major drilling programme over a six month period.

For further information, please contact:

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