

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



ASX ANNOUNCEMENT – 22nd December 2010

Phoenix Copper Limited has previously announced the ramp up of production at its Mountain of Light Copper operation near Leigh Creek in South Australia and advised that it planned to achieve an interim milestone of four tonnes of contained copper per day in copper cement product by the end of January, 2011.

The project continues to increase production, however, the schedule of mining from the small primary pit has been adversely affected by several rain events, limited face availability and unavailability of personnel in a lead up to, and during the holiday period. Consequently, this has delayed the availability of fresh ore to the leach pads and the achievement of production milestones has also been revised. A revised target of three tonnes of contained copper per day has been set for the end of February and once this has been consolidated, further projections of expansion will be advised, as additional mining capacity and additional pits are prepared.

PREPARATION FOR DRILLING – YORKE PENINSULA

In December 2010 Phoenix Copper Pty Ltd assisted by GroundProbe Geophysics Pty Ltd undertook detailed planning and research into the use of geophysical techniques to investigate targets previously identified from regional interpretation of airborne magnetic data on the Company's Yorke Peninsula tenements.

Several anomalies in the Northern Blocks indicate high prospectivity for dual target types – IOCG and Moonta-style deposits and the Southern Blocks are more indicative of IOCG deposits.

Phoenix Copper has now resolved to undertake both an airborne electromagnetic survey (helicopter platform) and airborne gravity survey to map possible mineralisation associated with inferred geological structures and targets generated from interpretation of aeromagnetic data, covering the northern block as well as the northern part of the southern block of Phoenix's Yorke Peninsula tenements.

It is estimated that the statutory notifications and licensing to allow the surveys to proceed will be in place by March and that the surveys, subject to airborne system availability, could commence in April 2011. Depending upon land access and cropping it is anticipated that drilling may commence late in the second quarter 2011.

Paul J Dowd
Managing Director
Phone: +61 (0) 437 380 007
+61 (0) 8 8364 3188

For further information, please direct queries to pnx@insynces.com.au

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