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**ASX ANNOUNCEMENT, 20 DECEMBER 2011
DOMINANT YORKE PENINSULA LAND POSITION CONSOLIDATED - ADDITIONAL ELA**

Highlights

- An additional Exploration License Application (ELA) will **expand Phoenix Copper's significant land holding** on the Yorke Peninsula to over 1,200 square kilometres (if granted),
- Reinforces the company's commitment to significant exploration in the region
- Access to the Pine Point Fault, interpreted to be within and close to the boundary of EL4031S is greatly enhanced by the ELA,
- ELA is **contiguous** with the southern portion of Phoenix Copper's existing EL4031S,
- **Several magnetic anomalies** identified from DMITRE (Department of Manufacturing, Innovation Trade, Resources and Energy), data.

Phoenix Copper Limited (ASX:PNX) (Phoenix Copper) is pleased to advise it has applied for another substantial exploration license (ELA) over the Yorke Peninsula, (see Figure 1). If granted this would increase the total land Phoenix Copper has under exploration licenses in this "new copper region" on the Yorke Peninsula to more than 1,200 square kilometres. Rex Minerals Limited (Rex) has the largest tenement holding on the Yorke Peninsula.

There are several reasons that this ELA has value, but in particular it covers an area of what is interpreted to be the continuation of the Pine Point Fault, the host to Rex's Hillside Deposit. The Pine Point Fault is estimated to be close to the south-eastern boundary of the existing EL4031S held by Phoenix Copper. The inclusion of this ELA would provide greater certainty for any exploration planned over this prospective area of the (interpreted) Pine Point Fault.

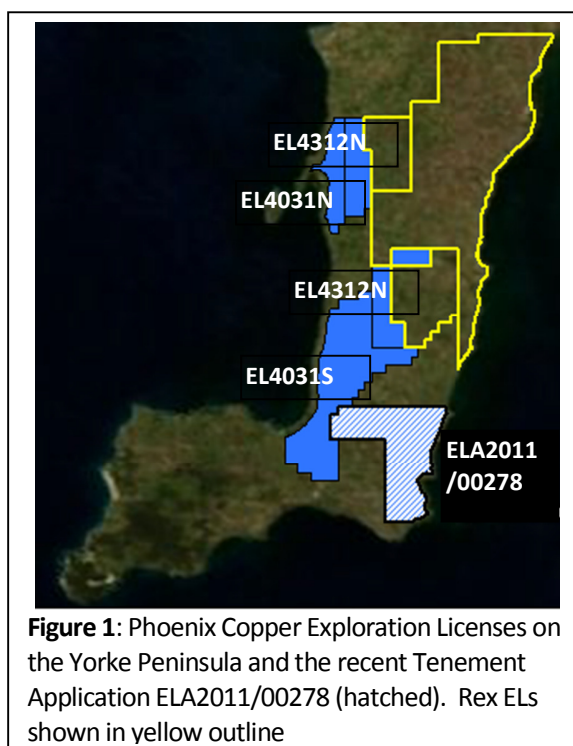


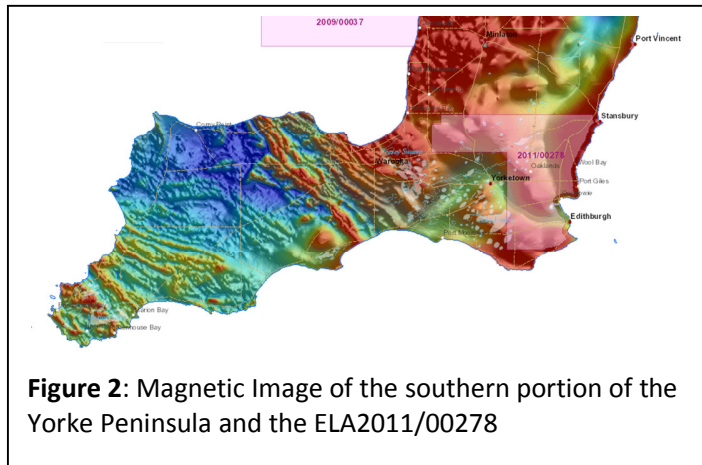
Figure 1: Phoenix Copper Exploration Licenses on the Yorke Peninsula and the recent Tenement Application ELA2011/00278 (hatched). Rex ELs shown in yellow outline

Several magnetic anomalies are evident from the magnetic data available from DMITRE, (See Figure 2), albeit the cover may be deeper in this ELA than in much of EL4031S. If granted, initial exploration work would entail the determination of the depth of cover over the more

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prospective areas and the potential of the airborne VTEM surveys to assess the likely potential for structures and mineralisation associated with the magnetic anomalies. Several salt lakes occur within the tenement and these will need to be considered when determining conductivity of the rocks within the area and the appropriate form of geophysical exploration.

As the ELA is contiguous with the southern portion of Phoenix Copper's existing EL4031, this will allow a greater degree of flexibility in planning the exploration programme for the southern portions of both EL4031 and EL4312.



The results of the recently completed VTEM survey over the northern portions of EL4031 and EL4312 and the interpretation of those results – expected early-January, will provide a significant benefit in interpreting the prospects over the southern portions of the existing ELs and the new ELA.

BURRA NORTH DRILLING PROGRAMME

A drilling contract will be signed this week for the drilling programme at Burra North. Drilling is expected to commence before the end of January. The targets are two parallel IP (Induced Polarisation) anomalies, less than 800 metres north of the existing Monster Mine pit and which appear to lie within the projected strike extension and width of the known Monster Mine orebody. An initial programme of 6 holes is planned – three in each of the east and west “limbs” of the IP anomalies.

All approvals have been received to permit drilling to commence.

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on and accurately reflects information compiled by Mr Mark Manly. Mr Manly has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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”. Mr Manly consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

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