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Dear Shareholder

I am writing to thank you, a special and loyal shareholder, for supporting Phoenix Copper's recent equity raising.

We are very pleased with the overall result. We have achieved our targeted funds for the completion of the purchase of the Leigh Creek Copper Mine which will transform us from explorer to both explorer and producer of copper.

If shareholders pass the resolutions to be considered at our 22 July general meeting the purchase of the Leigh Creek Copper Mine will be completed. The resulting cash flow from the sale of the mine's output will in turn fund further exploration on our tenements in Burra, Spalding and Yorke Peninsula regions as well as on the tenements in the Leigh Creek region acquired as part of the purchase. Our intent is to become a self funding exploration company and we are planning early cash flow from the mine on final completion of the acquisition. We plan to consummate the purchase and commence operations within the month of August 2010.

On the exploration side, very recently we have announced exciting results in the Spalding /Washpool region where a strong target for a copper deposit has been identified, and during the next month we will be placing high priority on our additional validation drilling for copper in the Burra/Princess Royal region.

Our team is enthusiastic and highly capable so you can have confidence that we will be spending your equity wisely with a continuing eye on results and financial success.

Thank you very sincerely, from us all.

Graham Spurling  
Chairman

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