

Phoenix Copper Limited

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ASX ANNOUNCEMENT – 21 JUNE 2011

ISSUE OF CONVERTIBLE NOTE

Phoenix Copper Limited (ASX: PNX) is pleased to advise that it has negotiated a subscription agreement and terms with TALIS (TALIS SA, Registry of Commerce and Companies of Paris No. 404 387 748) (the 'holder') for a convertible note for a principal amount of \$750,000. Completion will be achieved Thursday 23 June and Phoenix Copper will draw down the first \$500,000 immediately to fund working capital requirements and the remaining \$250,000 is available to be drawn by Phoenix Copper at its discretion. The terms of the convertible note are as follows:

- Interest on the facility is 7% per annum, payable quarterly in arrears,
- A term of 12 months from drawing of the funds,
- Conversion into PNX ordinary shares is at the option of the holder (2 days business notice), at a conversion price equal to 80% of the volume weighted average sale price of PNX shares over the 30 ASX trading days preceding the date of conversion,
- A 1% line fee payable quarterly on the \$250,000 provisional line of credit under the convertible note until drawn down.

Phoenix Copper has the option to repay the drawn principal in whole or in part, at the end of each quarter, over the term of the convertible note.

This convertible note satisfies the short term funding requirements referred to in the announcement of 9 June 2011 and will allow the company to complete the current mining and processing activity at the Mountain of Light heap leach operations.

For further information, please contact:

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