



Phoenix Copper Limited

ABN 67 127 446 271

ASX Code: PNX

Issued Capital: 53,975,500 Ordinary Shares

Board & Management:

Chairman: Graham G Spurling
Managing Dir: Paul J Dowd
Non Exec Dir: Peter J Watson
Company Sec: Peta Marshman

Top Shareholders:

Asia Image Limited	23.16%
GDE Exploration (SA) Pty Ltd	7.47%
PJ & J Watson Super Fund	7.41%
HSBC Custody Nominees (Australia) Limited	5.81%

Share Registry

Computershare Investor Services Pty Limited
Level 5 115 Grenfell Street
Adelaide South Australia 5000
Phone: 1300 305 232 (within Australia)

Phoenix Copper Limited

ABN 67 127 446 271

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PHOENIX COPPER LIMITED REPORT TO SHAREHOLDERS JUNE QUARTER 2009

Highlights

- **A significant coincident copper gold surface soil anomaly defined at Black Hill, 7.3km NE of the old Mongolata battery. Very encouraging gold analyses** found in the **1.5 km NNW** trending anomaly within wholly-owned EL3716.
- A report **“Burra Copper Mine – The Third Phase of Production”** detailing the potential in and around the Burra Monster Mine presented to the Minister Mineral Resources Development as a prerequisite for lifting the “reserve” over the area and **granting mineral rights to Phoenix Copper.**
- **Princess Royal EL3549** - Field Portable X Ray Fluorescence (FPXRF) analyses and rock chip samples defined **a 3 km long NNW trending anomaly** in the tenement immediately south of EL4226, containing the historic Princess Royal mine. Previous workers including “SAMIN” in 1973 completed Resource Estimates on the remaining copper mineralisation at Princess Royal. These were estimated before 1989 and predate the JORC code and are not reported here however those resources remain insitu.
- **Spalding EL3686** FPXRF analyses taken and six strong coherent copper anomalies inside and around the Spalding Inlier better defined. Many smaller copper anomalies also identified.
- **Minlaton EL4031** - FPXRF analyses, soil and calcrete sampling better defined the boundaries of a buried Fe and Ni rich magnetic unit. Application ELA155/09 lodged over highly prospective ground, contiguous with **EL4031** and **adjacent Rex Minerals Ltd, Hillside Project.**
- **Cash at Hand** at end of quarter \$4.13M.

Overview

Although the prospectivity for copper and gold within the exploration licenses held by Phoenix Copper, through the methodical exploration programme, continues to intensify and greatly exceed our original expectations, the most prospective areas for realisation of **immediate** mineralisation and further discoveries are within the area over and immediately adjacent to the Burra Monster Mine pit. This area is reserved from the Mining Act and therefore Phoenix Copper is precluded from the mineral rights, as was highlighted in the original Prospectus.

The primary focus of the last 12 months has been to compile data and present this with data from technology not previously utilized in this area, to determine the economic prospectivity of remnant ores within the pit and additional mineralisation, including sulphides below the current pit. This has been the subject of a substantial report based upon sound technical data – updated and upgraded, and presented in Vulcan 3D graphics to identify previously uninterpreted plunges of ore and grade trends. The previously mined orebody has been meticulously recreated in Vulcan 3D graphics and superimposed over previous drilling, designed to test for ore continuity at depth. Surprisingly, some of the very few drill holes did intersect mineralisation, consistent with the newly detected grade trend and ore plunge to the north, north east while many of the remaining drillholes simply paralleled the ore plunge, without piercing the ore zone.

This detailed and thorough work has identified the prospect of mineralisation continuity at depth and under reasonable economic parameters, may well provide a basis for development, **but the mineral rights are reserved to the Crown in this area.**

The resultant substantive report – “Burra Copper Mine – The Third Phase of Production” has been presented to PIRSA, with a formal request to the Minister Mineral Resources Development to lift part of the “reserve” (from the Mining Act) to allow a scoping study to commence, including drilling to test for continued mineralisation along the recently interpreted ore plunge. Phoenix Copper anticipates that the **mineral rights** would revert to Phoenix Copper in any area in which the Minister “lifted the reserve”.

At Mongolata, systematic geochemical soil analysis has led to the definition of a second coincident gold and copper anomaly, the **Black Hill Prospect**, centered 7.3km north east of the historic Mongolata Gold Battery and approximately 5 km east of Phoenix Copper’s recent Mongolata drilling programme. 1678 FPXRF analyses and 13 rock chip samples were taken during the quarter and a 1.5km long, north north west trending rock chip and soil anomaly containing values up to 0.6 g/t Au and 0.16 % Cu was defined. The anomaly overlies a partially subcropping zone of iron oxide and copper rich quartz carbonate veining in the Watervale Sandstone unit of the Neoproterozoic Saddleworth Formation. Unlike the previous drill sites at Mongolata, this site is accessible from an existing track and is situated in gently undulating to flat ground and is conducive to initial low cost RAB drilling.

A programme of RAB drilling is being planned for the fourth quarter.

At Spalding FPXRF analysis continues to demonstrate high prospectivity and similar conditions to Burra, including the mapped presence of NMS9 – the rock unit identified by PIRSA as the host rock to copper mineralisation at the Monster Mine in similarly aged rocks

and geological environments. 4,435 analyses were taken during the quarter and **six strong anomalies** centered within and on the fault bounded eastern edge of the Spalding Inlier were well defined. These anomalies include copper values up to 0.9% Cu at six **new prospects**.

At Princess Royal - 1,957 FPXRF analyses and 12 rock chip samples were taken during the period. This work defined **a 3 km long NNW trending anomaly centered on the old Princess Royal Mine**. This recent sampling has covered most of the prospective stratigraphy between the old workings at the Burra Monster Mine and Princess Royal and has identified two new copper anomalies:

- **Stein Hill**, a two km long north north west striking anomaly with copper values to 2200ppm centred 1km south of Stein Hill; and
- **Burra Creek**, a 5km long north north west striking anomaly with copper values to 2022ppm in the creek between Burra and the Princess Royal homestead.

During the period Phoenix Copper undertook a detailed review of Princess Royal data and has entered all identified previous drilling and geochemical information into a database from which a set of sections and 3D block model will be generated in the coming quarter.

It is notable that **previous workers** have generated several estimates of mineralisation remaining in the Princess Royal. These were estimated before 1989 and predate the JORC code and are not reported here, however, those mineralised estimates remain insitu and are included in reports by:

1) Gold Copper Exploration Ltd 1972: (PIRSA open file report ENV3346)

- Main Lode (thin near vertical vein) + 1500' of strike to 40' depth at varying cut-offs (0.5 - 1% Cu)
- All mineralization" (all rock) over same length/depth but to 60' width, no cut-off :-.

2) SAMIN 1973: (PIRSA open file report ENV3346)

- A diluted mining reserve calculated for an open pit to 50' depth.
- Another on the basis of the further 900' of mineralisation outcropping to the south

3) Adelaide & Wallaroo Fertilizers Ltd 1980: (PIRSA open file report ENV3346)

- Based on a further 196 holes an ore reserve was estimated using a 0.5% Cu cutoff grade.

At Minlaton – 971 FPXRF analyses, 17 soil samples and 50 calcrete samples were taken during the quarter. The boundaries of an underlying iron and nickel rich magnetic unit were better defined and structures potentially important to mineralisation identified.

An Exploration License Application ELA155/09 was lodged over the highly prospective ground, contiguous with **EL4031** and **adjacent to Rex Minerals Ltd, Hillside Project**.

Tenement Details

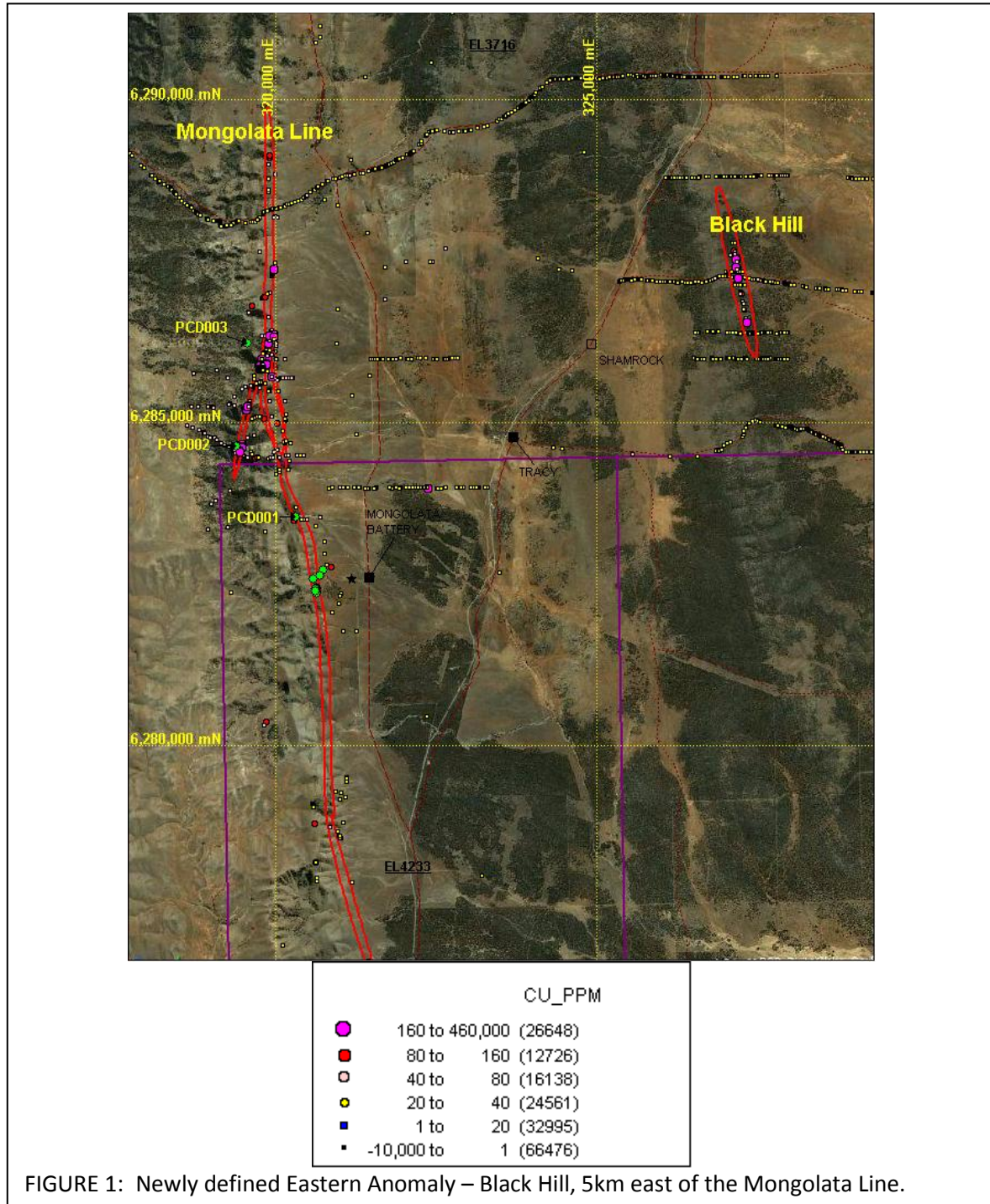
Phoenix Copper has eight tenements and three exploration license applications covering an area of in excess of 2,450 km² in the historically significant and highly prospective Burra and Yorke Peninsula regions of South Australia.

EL No	EL Name	Registered Holder	Area sq km	Application/Grant Date	Expiry Date	Annual/Term Expenditure Commitment
4226	Burra Central	Phoenix Copper Limited	84	24/02/2009	23/02/2011	\$160,000: over 2 years
3604	Burra West	Phoenix Copper Limited	86	25/07/2006	24/07/2009	\$120,000: between 25/7/06 & 24/7/09
3716	Burra North	Phoenix Copper Limited	300	6/03/2007	5/03/2011	\$120,000: between 6/3/09 and 5/3/11
4233	Mongolata	Phoenix Copper Limited	283	10/03/2009	9/03/2010	\$120,000
3686	Spalding	Phoenix Copper Limited	157	2/01/2007	1/01/2011	\$90,000: between 2/1/09 & 1/1/11
4031	Minlaton	Wellington Exploration Pty Ltd	547	21/01/2008	20/01/2010	\$170,000: between 21/1/08 & 20/1/10
4032	Mount Bryan	Wellington Exploration Pty Ltd	116	21/01/2008	20/01/2011	\$120,000: between 21/1/08 & 20/1/11
3549	Princess Royal	Phoenix Copper Limited	314	1/05/2006	30/04/2010	\$240,000 between 1/5/06 & 30/4/10
ELA 33/09	Mt Tinline	Phoenix Copper Limited (Application)	197	27/12/2008		
ELA 85/09	Bagot Well	Phoenix Copper Limited (Application)	114	2/04/2009		
ELA 155/09	Koolywurtie	Phoenix Copper Limited (Application)	255	3/06/2009		

Individual Tenement Exploration

EL 4233 - Mongolata

At *Mongolata*, systematic geochemical soil sampling, initially on a 1.5km by 20m grid and



followed up on 80m by 20m grid, has led to the definition of a second coincident gold and copper anomaly, the **Black Hill Prospect**, centered over a cluster of minor surface diggings 7.3km north east of the historic Mongolata Gold Battery and approximately 7 km east of Phoenix Copper’s recent Mongolata drilling programme.

1,678 FPXRF analyses and 13 rock chip samples were taken by Phoenix Copper during the quarter and a 1.5km long, north north west trending rock chip and soil anomaly containing values up to 0.6 g/t Au and 0.16 % Cu was defined. The historical records indicate that the Black Hill workings produced 11.25 tonnes for 33g (1oz, 3dwt, 11gr) i.e. 2.91g/t Au.

The anomaly overlies a subcropping zone of quartz carbonate veining in the Watervale Sandstone unit of the Neoproterozoic Saddleworth Formation. The veins are rich in iron and copper oxides and in iron and copper sulphides, pyrite and chalcopyrite. The zone is anomalous where it outcrops and slightly anomalous where it subcrops and is interpreted to continue for a further 7.5 km undercover along strike to the north.

Another zone of interest is the Cox sandstone on the eastern limb of the Baldina anticline about 7km east of the Mongolata Line and 2km west of the Black Hill trend.

Unlike the previous drill sites at Mongolata, this site is accessible from an existing track and is situated in gently undulating to flat ground and is conducive to initial low cost RAB drilling.

A programme of RAB drilling is being planned for the fourth quarter.

The Six Monthly Report to 3rd April 2009 and the Annual Technical Report for EL3716 and the Final Annual Technical Report for EL3164 were written and submitted to PIRSA during the period.

EL 4226 – Burra Central

A report *“Burra Copper Mine – The Third Phase of Production”* detailing analysis of the potential for both extensional and additional mineralisation at Burra, around, under and along strike from the Monster Mine has been presented to the Minister Mineral Resources Development.

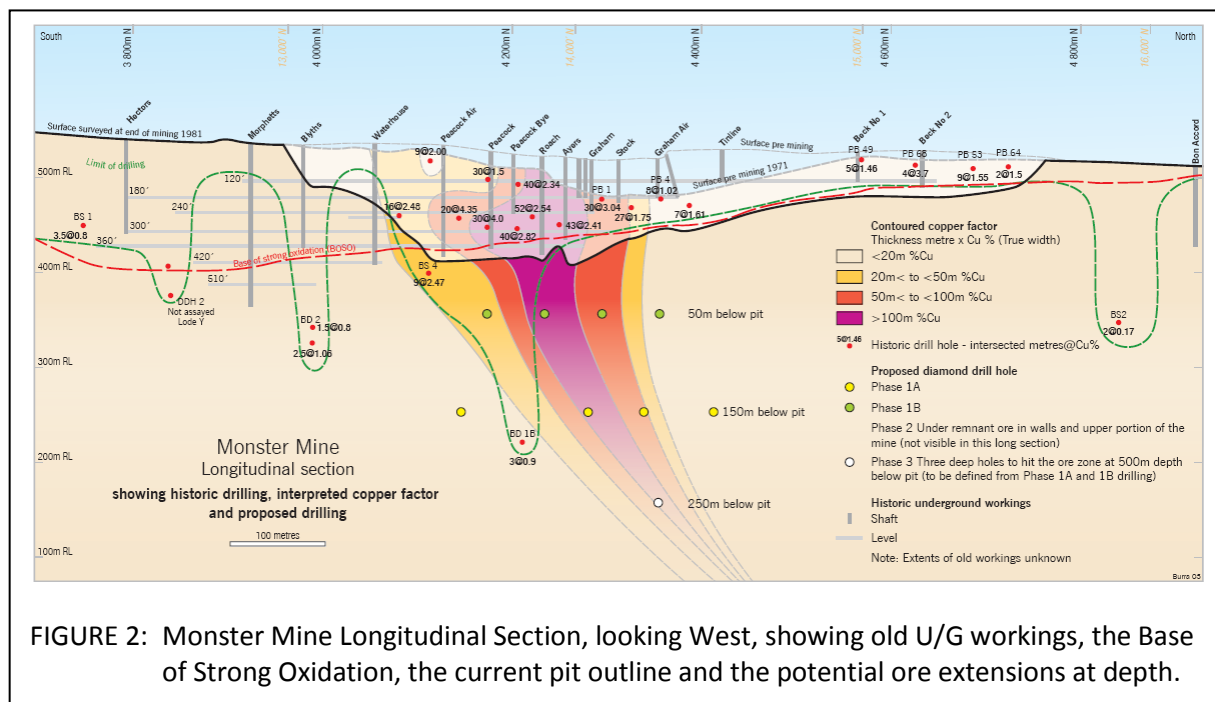


FIGURE 2: Monster Mine Longitudinal Section, looking West, showing old U/G workings, the Base of Strong Oxidation, the current pit outline and the potential ore extensions at depth.

The revised long section of the Monster Mine, above, outlines the exploration program proposed to PIRSA in Phoenix Copper's report. This program, includes:-

- **Stage 1A** Diamond Drilling 4 holes targeting mineralisation 150m below the pit floor.
- **Stage 1B** Diamond Drilling 4 holes targeting mineralisation 50m below the pit floor,
- **Stage 2** Drilling 20 holes to test remnant mineralisation mapped in the current pit walls.
- **Stage 3** A further 3 diamond drill holes to test the system to 500m depth.

If those holes were to intersect economic grades of copper, the prospect of delineating an ore body, more significant than the original Monster Mine, would be high. Should a source be detected or an economic mineralised zone be identified in this work the prospectivity of the entire Adelaide Geosyncline would be dramatically increased.

To encourage further exploration in the Adelaide Geosyncline it is proposed that PIRSA follow up the excellent work undertaken by the "Exploration Geophysics Section of the Geological Survey Section of the Department of Mines" in 1963-68, and the Geological Mapping of Drexel, McCallum and Preiss.

Potential exists for >3Mt @ about 1.5% Cu within 120m of the pit floor - 160% of the historically mined tonnage.

This is NOT, nor is it purported to be, a resource (Phoenix Copper DOES NOT HOLD THE MINERAL RIGHTS). It merely identifies the potential for mineralisation and the potential economic significance as a compelling reason for the Minister to consider lifting the "reserve" and the consequential grant of mineral rights to Phoenix Copper.

EL 3604 – Burra West

The Burra West tenement renewal report was written and submitted to PIRSA during the quarter.

EL 3549 Princes Royal

At Princess Royal - 1,957 FPXRF analyses and 12 rock chip samples were taken on a nominal 400m by 20m grid from Stein Hill to the old Utica copper mine during the quarter. This work compliments the 100m by 50m spaced soil sampling undertaken by Copper Range Limited and better defines ***the 3 km long NNW trending anomaly centered on the old Princess Royal Mine.***

Recent sampling by Phoenix Copper has now covered most of the prospective stratigraphy between the old workings at Burra Monster Mine and Princess Royal and along with better defining the Princess Royal anomaly has ***identified two new copper anomalies:***

- **Stein Hill**, a two km long North North West striking anomaly with copper values to 2200ppm centered 1km South of Stein Hill and overlying thin units of Auburn dolomite within siltstones and shales of the Neoproterozoic Saddleworth Formation
- **Burra Creek**, a 5km long North North West striking anomaly with copper values to 2022ppm in and adjacent to the Burra Creek between Burra and the Princess Royal

homestead. This anomaly mainly occurs over alluvium in the centre of the creek and over the adjacent Woolshed Flat Shales of Saddleworth Formation to the east and dolomitic units NMS6 and 7 of the Skillogalee Dolomite to the west.

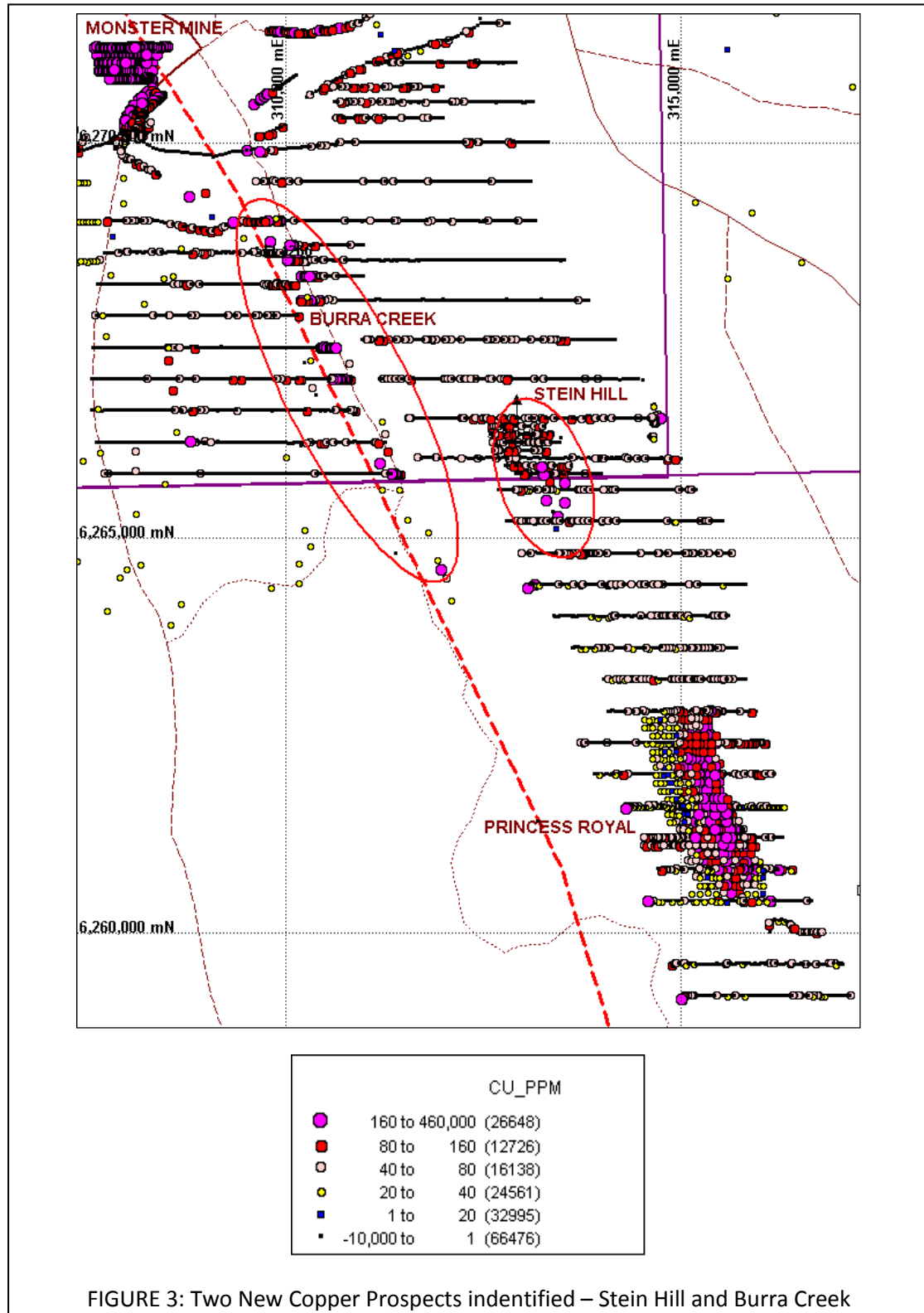


FIGURE 3: Two New Copper Prospects identified – Stein Hill and Burra Creek

During the period Phoenix Copper undertook a detailed review of Princess Royal data and have entered all identified previous drilling and geochemical information into a database from which a set of sections and 3D block model will be generated in the coming quarter.

It is notable that **588 tonnes @ 27% Cu** was mined from Princess Royal in the period 1851 to 1855 and 46 tonnes at 18% Cu from Utica in the period 1867 to 1868.

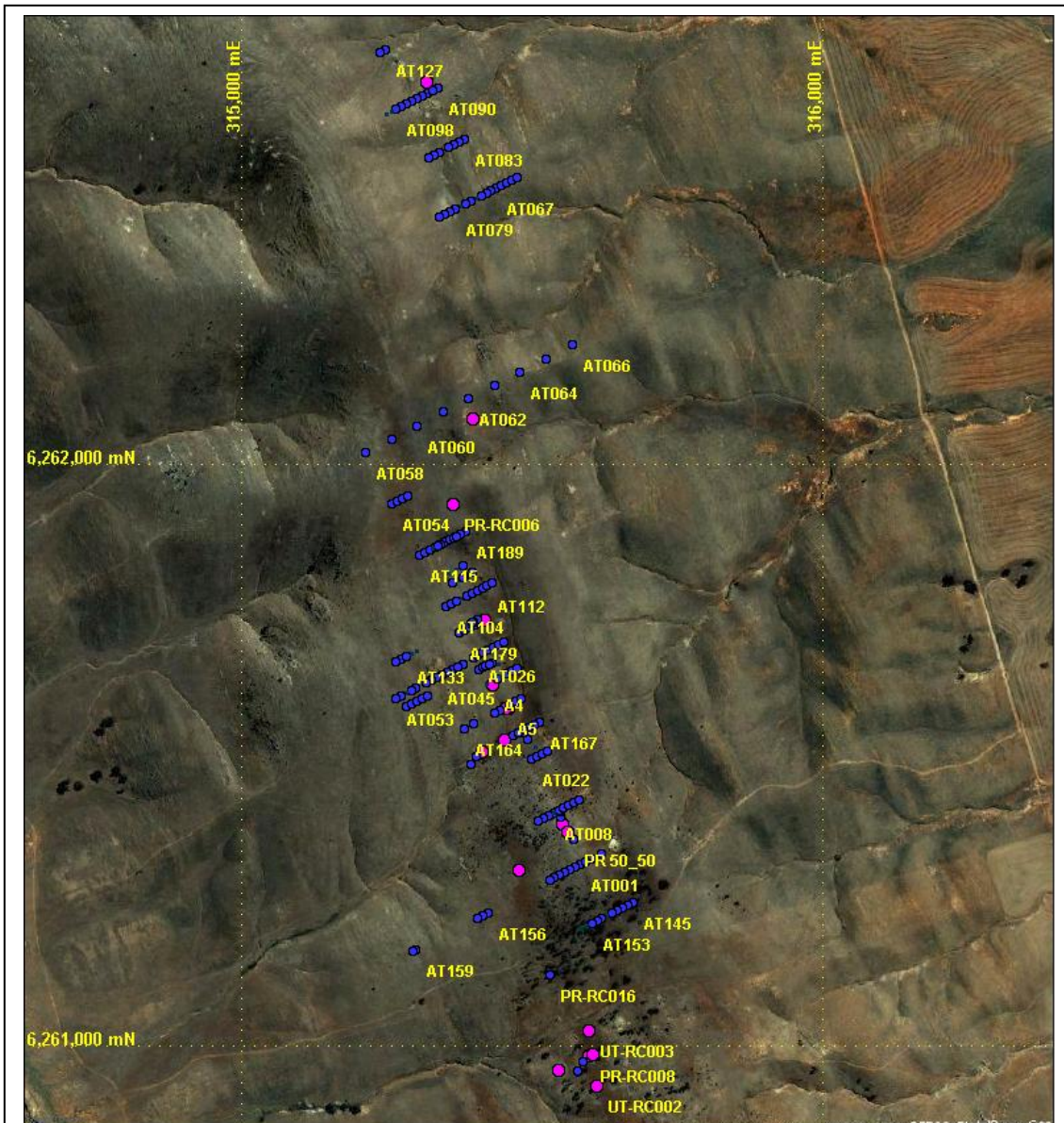


FIGURE 4: Holes over 50m depth Purple, all other holes in blue are 50m deep or less

Previous explorers have drilled 244 holes on the Princess Royal – Utica prospect, however **only 16 of these holes were greater than 50m deep**. See figure 4.

Previous explorers have generated several estimates of mineralisation remaining in and around the immediate vicinity of the Princess Royal mine. These were estimated before 1989 and predate the JORC code and are not reported here, however, those mineralised estimates remain insitu and are included in reports by:

1) Gold Copper Exploration Ltd 1972: (PIRSA open file report ENV3346)

- Main Lode (thin near vertical vein) + 1500' of strike to 40' depth at varying cut-offs (0.5 - 1% Cu)
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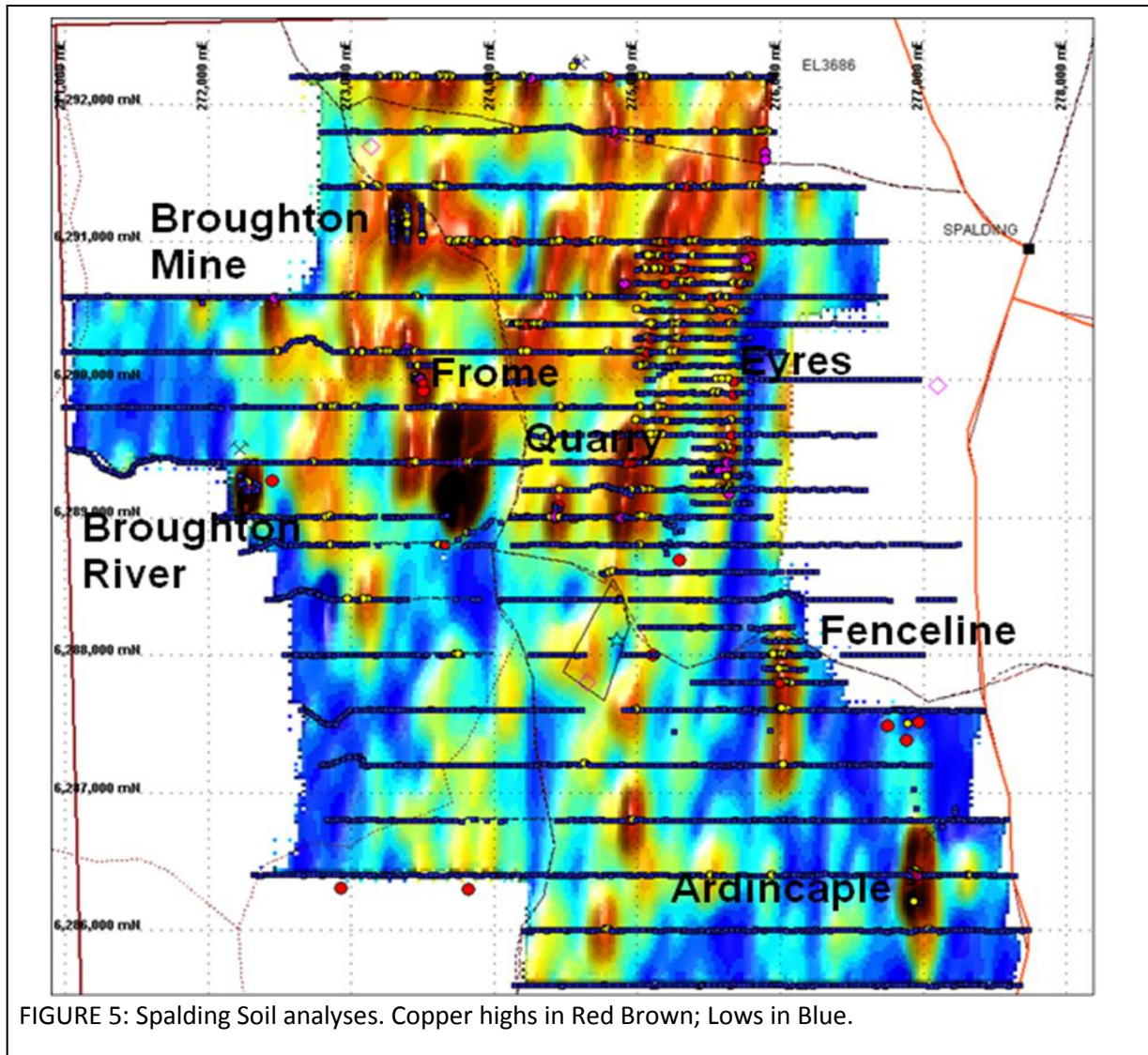
3) Adelaide & Wallaroo Fertilizers Ltd 1980: (PIRSA open file report ENV3346)

- Based on a further 196 holes an ore reserve was estimated using a 0.5% Cu cutoff grade.

The Six Monthly Report to 1st May 2009 and the Annual Technical Report for EL3549 were written and submitted to PIRSA during the period.

EL3686 – Spalding

XRF analysis continued throughout the period. This quarter 4,435 FPXRF analyses were taken north, south and west of previous work and many anomalies were defined. The strongest and most consistent anomalies were the Ardincaple, Fenceline, Eyres, Quarry, Frome and Broughton trends. Similar conditions exist at Spalding to those observed and



mapped at Burra, including the mapped presence of NMS9 – the rock unit identified by PIRSA as the host rock to copper mineralisation at the Monster Mine in similarly aged rocks and geological environments. The FPXRF analyses taken during the quarter have better defined **six strong anomalies** centered within and on the fault bounded eastern edge of the Spalding Inlier.

These anomalies include:-

- **Ardincaple**, values up to 9000ppm Cu hosted in a 2.5km long North South striking siltstone unit of the Neoproterozoic Saddleworth Formation centered 4.7km south south west of Spalding around the old Ardincaple mine workings.

- **Fenceline**, values up to 203ppm Cu hosted in a 3.7km long North South striking siltstone unit of the Neoproterozoic Saddleworth Formation centered 3.5km south west of Spalding.
- **Eyres**, values up to 7200ppm Cu hosted in a 4.5km long portion of the North South striking Anama siltstone unit of the Neoproterozoic Rhynie Sandstone, close to the faulted contact with overlying Skillogalee Dolomite to the east. The Eyres prospect is centered 2km west of Spalding.
- **Quarry**, values up to 265ppm Cu hosted in a 4.0km long North South striking package of siltstone and limestone units of the Neoproterozoic River Broughton Beds part of the Spalding Inlier. The Quarry prospect is centered 2.5km west of Spalding, extending north from Clare Quarries dolomite quarry through to the Spalding Gulnare road.
- **Frome**, values up to 225ppm Cu hosted in a 2.5km long North South striking package of siltstone and limestone units of the Neoproterozoic River Broughton Beds part of the Spalding Inlier. The Frome prospect is centered 3.6km west of Spalding.
- **Broughton** values up to 2580ppm Cu hosted in a 1.5km long arcuate blob of siltstone and limestone units of the Neoproterozoic River Broughton Beds. The Broughton prospect is centered 4.5km west of Spalding around the old Broughton Copper Mine workings.

EL4032 – Mt Bryan

No work was undertaken on this project during the period.

EL4031 – Minlaton

At Minlaton – 971 FPXRF analyses, 17 soil samples and 50 calcrete samples were taken during the quarter over the Balgowan Magnetic high, centered 2.2km south east of the Balgowan township. See figure 6.

The boundaries of the underlying magnetic unit were better defined and structures potentially important to mineralisation identified. Contours of iron and nickel geochemical XRF analyses clearly differentiated between Fe and Ni rich strongly magnetic units to the north east and relatively Fe and Ni poor units to the south west of a line drawn through the ridge of the magnetic high indicating a contact between the rock units that may be important in allowing mineralising fluid access.

Historic diamond drilling in the 1950s found elevated Nickel and Copper values in Balgowan DD1 and Balgowan DDH2 drilled one km south west of the bounding structure. A line of -60 degree west dipping Rotary Air Blast drill holes is planned to cover the ground between Balgowan DD1 and the zone of anomalous nickel and iron to the north east.

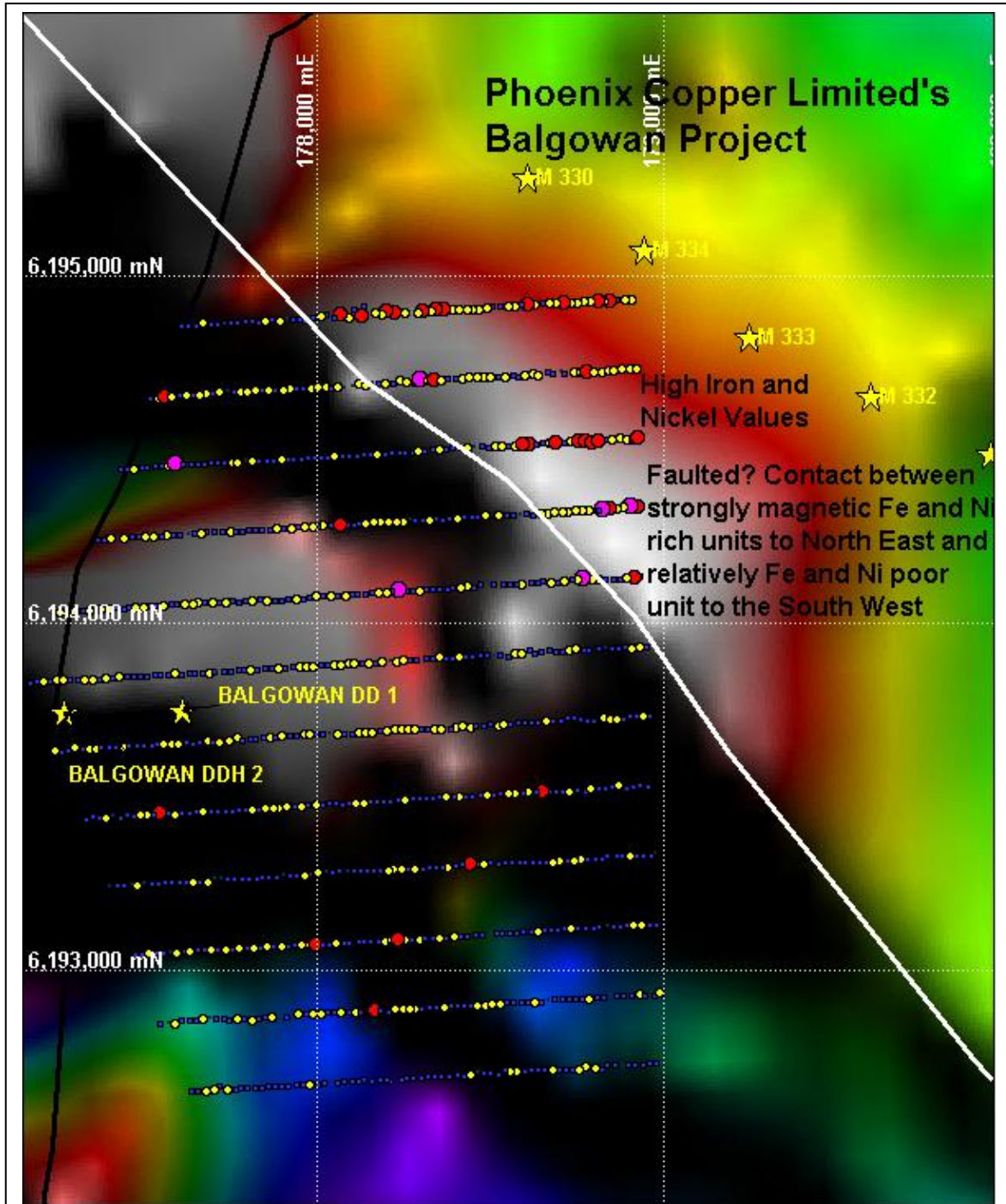


FIGURE 6: Geochemical Analyses of Nickel against Total Magnetic Image at Balgowan.

Nickel ppm

●	45 to 460,000	(747)
●	35 to 45	(862)
●	20 to 35	(2048)
■	1 to 20	(2427)
·	-10,000 to 1	(1147)

An Exploration License Application ELA155/09 was lodged over the highly prospective ground, contiguous with **EL4031** and **adjacent to the tenement that hosts Rex Minerals Ltd, Hillside Project**. See figure 7.

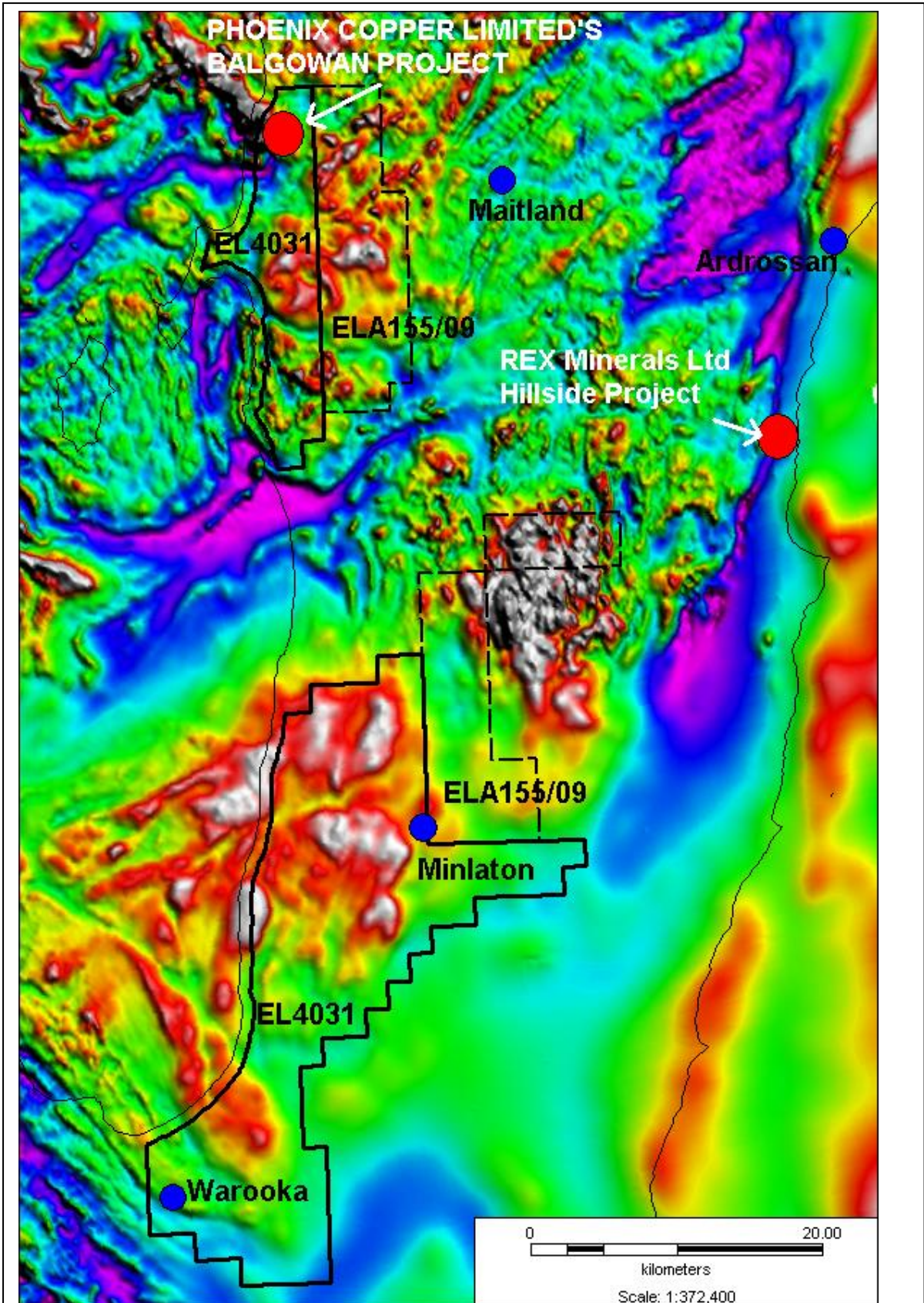


FIGURE 7: Balgowan Project Location Plan over Total Magnetic Intensity

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Manly who is a member of the Australasian Institute of Mining and Metallurgy. Mark Manly is a full-time employee of Phoenix Copper Limited. Mark Manly has sufficient experience which is relevant to the style of mineralisation and type of deposit 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'. Mark Manly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:-

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Email: info@phoenixcopper.com.au

Website: www.phoenixcopper.com.au