MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Phoenix Copper Corporation
1730 – 400 Burrard Street
Vancouver, BC V6C 3A6

Item 2 Date of Material Change

December 17, 2012

Item 3 News Release

The news release December 17, 2012 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Please refer to attached news release.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Lewis Dillman, CEO & Director (604) 568-1823

Item 9 Date of Report

December 17, 2012

December 17, 2012 **News Release** **TSX-V Symbol: PHC**

Kabba Option Agreement

Vancouver, B.C.: Phoenix Copper Corporation ("**Phoenix**" or the "**Company**") (TSX-V Symbol: PHC) is pleased to announce it has entered into a binding letter of intent (the "LOI") with Bell Copper Corporation ("Bell"), pursuant to which the Company has been granted an option (the "Option") to acquire a 51% interest in and to certain Arizona Mineral Exploration Permits and certain leased ground held by Bell known as the Kabba Project (the "Property").

Under the terms of the LOI, Phoenix may earn a 51% interest in the Property by completing $5 million in expenditures on the Kabba Project on or before the date which is five years from the date of the LOI with the following minimum expenditures within the time indicated:

- $1,000,000 within eighteen months of the date of the LOI; and
- a minimum of $500,000 during each twelve month period after the initial eighteen months from the date of the LOI.

During the term of the Option, Phoenix shall act as manager of the Property and is required to keep the Property in good standing including a lease with a third party that covers part of the Property. The "Closing Date" for the purposes of the LOI is to be within 15 days of obtaining any required regulatory and/or shareholder approvals. Upon exercise of the Option, Phoenix and Bell will form a joint venture for further exploration and development of the Property on the basis of Phoenix having an initial 51% interest in the Property and Bell having an initial 49% interest in the Property.

Qualified Person

Dr. Timothy Marsh, PhD, PEng, President of the Company, a qualified person as defined by National Instrument 43-101, has reviewed and approved the scientific and technical content in this press release.

On behalf of the Board of Directors of
Phoenix Copper Corporation

"Brian Leeners"

Brian Leeners, CEO & Director

For further information please contact the Company
Tel: 604.568.1823