

4 January 2023

Phoenix Copper Limited
('Phoenix' or the 'Company')

Additional Results of Metallurgical Core Drilling at the Empire Open Pit Copper Project, Idaho

Phoenix Copper Ltd (AIM: PXC, OTCQX: PXCLY), the AIM-quoted USA focused base and precious metals emerging producer and exploration company is pleased to report the assay results from a further two metallurgical core holes at its Empire Open Pit Copper Project, in Custer County, Idaho, USA (the 'Empire Open Pit'). 1,077 metres ('m') of a planned 1,500 m metallurgical core drilling programme were completed during 2022 and will provide samples and technical information for further metallurgical testing, geotechnical studies, and geological modeling.

Significant drill results from the fourth and fifth holes of the programme are listed in Table 1, including the following highlights:

Hole KXD22-04

- 11.00 m of 1.59% copper, 45.60 grammes / tonne ('g/t') silver, and 0.37% zinc starting at the surface
 - Including 5.20 m of 2.00% copper and 56.30 g/t silver from the surface
 - And including 1.20 m of 5.19% copper, 149.00 g/t silver, and 1.61% zinc from 9.80 m
- And 0.60 m of 2.55% copper and 58.80 g/t silver from 12.80 m
- And 2.70 m of 0.597 g/t gold and 13.60 g/t silver from 80.30 m

Hole KXD22-05

- 17.70 m of 0.59% copper, 20.10 g/t silver, and 0.39% zinc starting at a depth of 22.60 m
 - Including 1.20 m of 7.43 g/t gold and 10.50 g/t silver from 29.30 m
 - And including 3.40 m of 1.98% copper, 0.32 g/t gold, 60.30 g/t silver, and 0.90% zinc from 35.40 m

The 2022 metallurgical exploration programme was designed to collect material from each of the metallurgical domains, to evaluate the metallurgical variability within the Empire Open Pit, while improving the understanding of the geologic and structural controls on mineralisation. The results continue to confirm the continuity of mineralisation, which appears along structures striking northeast and dipping steeply to the southeast. The Phoenix team is assessing these results for inclusion in updated geological models and to target additional drilling programmes.

Ryan McDermott, Chief Executive Officer, said, "We are pleased to announce the assays from the fourth and fifth metallurgical core holes drilled in 2022. Holes KXD22-04 and KXD22-05 represent 551.5 feet (168.1 metres) of the nine-hole drilling program. Drilling commenced in early June and assay certificates for holes four and five were received in late December. The Phoenix team targeted specific zones within the Empire resource in order to collect samples that are representative of the geology and grade characteristics of the deposit as a whole. The samples will be used in the additional testing of ammonium thiosulfate as a recovery agent for copper, gold, and silver, which may enable us to bring forward production of gold and silver, currently scheduled as a second phase of the Empire Open Pit project.

"Consistent with the copper, gold, and silver values previously reported for holes KXD22-01 through KXD22-03, holes KXD22-04 and KXD22-05 show equally robust values including 11 metres grading 1.59% copper and 45.60 g/t silver in KXD22-04 and 17.70 metres of 0.59% copper and 20.10 g/t silver, including 1.20 metres of 7.43 g/t gold. Most importantly, the intercepts in the first five holes of the program meet the ore type-grade-interval length necessary for the metallurgical test work currently being undertaken.

"The metallurgical testing program is progressing as planned; however, assay results are taking longer than originally anticipated due to laboratory backlog.

"We look forward to reporting additional assays from this year's drilling as they become available and appreciate everyone's patience while the assay laboratory clears the sample backlog."

Table 1 - Empire Drilling Results December 23, 2022

Drill Hole	Intersection Metres			g/tonnes		%	%	%	ppm	ppm
Number	From	To	Interval	Au	Ag	Cu	Pb	Zn	Mo	W
KXD22-04	0	11.0	11.0	0.072	45.6	1.59	0.03	0.37	31.4	168.9
including	0	5.2	5.2	0.114	56.3	2.00	0.01	0.08	10.6	157.7
including	9.8	11	1.2	0.090	149.0	5.19	0.17	1.61	126.0	110.0
and	12.8	13.4	0.6	0.050	58.8	2.55	0.01	0.08	27.0	60.0
and	31.2	34.7	3.5	0.094	13.6	0.84	0.01	0.11	58.7	40.9
and	46.6	52.7	6.1	0.028	0.6	0.00	0.00	0.01	435.6	11.5
and	80.3	83.1	2.7	0.597	13.6	0.17	0.04	0.32	230.4	120.6
and	90.8	92.4	1.5	0.110	15.5	0.08	0.01	0.04	337.0	90.0
and	107.4	109.9	2.4	0.020	38.4	0.03	0.01	0.02	63.0	420.0
KXD22-05	22.6	40.2	17.7	0.645	20.1	0.59	0.05	0.39	54.9	47.1
including	23.9	25.3	1.4	0.140	40.1	0.64	0.01	0.38	157.0	110.0
including	29.3	30.5	1.2	7.430	10.5	0.14	0.00	0.24	9.0	10.0
including	35.4	38.7	3.4	0.320	60.3	1.98	0.24	0.90	160.0	100.0
and	49.4	57.0	7.6	0.110	4.4	0.16	0.05	0.38	26.0	32.4
including	49.4	50.4	1.1	0.140	19.4	0.67	0.31	1.53	31.0	110.0

* Length along hole (not equivalent to true width).



Assay Quality Control

All PQ and HQ drill core is logged by Konnex personnel at Phoenix's drill core facility located in Mackay, Idaho, USA. The drill core is then cut in half. One half is sent to a commercial laboratory for assaying, and the other half is kept for future reference. A strict QA/QC programme is in place by integrating duplicates, blanks, and certified reference standards into the core sample sequence.

Qualified Person

The foregoing technical information in this news release has been reviewed and verified by Zachary J. Black, SME-RM, General Manager. Mr. Black is a resource geologist with more than 17 years of domestic and international experience in the mining and construction industries. Mr. Black has a degree in Geological Engineering from the University of Nevada, Reno and is a registered member of the Society for Mining, Metallurgy, and Exploration, Inc. He is a Qualified Person under the AIM Rules. Mr. Black consents to the inclusion of the information in the form and context in which they appear.

Environmental, Social, and Corporate Governance

Phoenix is committed to meeting and exceeding the environmental standards required by law as a core value of the Company. The baseline environmental data collected to date will be used for furthering the permitting process, but as importantly, will be used as the building blocks for the Company's ongoing Environmental, Social, and Corporate Governance (ESG) platform, overseen by the Company's ESG & Sustainability Committee.

Market Abuse Regulation (MAR) Disclosure

The Company deems the information contained within this announcement to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014, which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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Notes

Phoenix Copper Limited is a USA focused, base and precious metals emerging producer and exploration company, initially targeting copper and zinc production from an open pit mine.

LARGING COPPER AND ZINC PRODUCTION FROM AN OPEN PIT MINE.

Phoenix's primary operations are focused near Mackay, Idaho in the Alder Creek mining district, at the 80% owned Empire Mine property, which historically produced copper at grades of up to 8%, as well as gold, silver, zinc and tungsten, from an underground mine.

Since 2017, Phoenix has carried out extensive drill programs which have defined a NI 43-101 compliant PEA (preliminary economic assessment) for an open pit heap leach solvent extraction and electrowinning ("SX-EW") mine, which was updated in October 2020. The contained metal in all NI 43-101 compliant categories of resources, Measured, Indicated and Inferred, stand at 129,641 tonnes of copper, 355,523 ounces of gold, 10,133,772 ounces of silver and 58,440 tonnes of zinc. Phoenix updated its economic model in February 2021 to include the processing of all contained metals through a two phased approach.

In addition to Empire, the district includes the historic Horseshoe, White Knob and Blue Bird Mines, past producers of copper, gold, silver, zinc, lead and tungsten from underground mines. A new discovery at Red Star, 330 metres northwest of the Empire Mine proposed open pit, has revealed high grade silver / lead sulphide ore, and from three shallow exploration drill holes a maiden inferred resource of 103,000 tonnes containing 173.4 g/tonne silver, 0.85 g/tonne gold and 3.85% lead (1.6 million ounces silver equivalent) was reported in an NI 43-101 technical report published in May 2019. Additionally, the district includes Navarre Creek, a volcanic hosted precious metals target in a 14.48 sq km area. The Company's total land package at Empire comprises 8,034 acres (32.51 sq kms).

At Empire, it is estimated that less than 1% of the potential ore system has been explored to date and, accordingly, there is significant opportunity to increase the resource through phased exploration. The stated aim of the Company is to fund this phased exploration through free cashflow generated by its initial mine. A Plan of Operations in respect of the initial open pit mine was filed with the relevant regulatory authorities in June 2021.

Phoenix also has two wholly owned cobalt properties on the Idaho Cobalt Belt to the north of Empire. An Earn-In Agreement has been signed with Electra Battery Materials (formerly First Cobalt Corporation), Toronto, in respect of one of those properties.

Phoenix is listed on London's AIM (PXC), and trades on New York's OTCQX Market (PXCLF and PXCLY (ADRs)). More details on the Company, its assets and its objectives can be found on PXC's website at <https://phoenixcopperlimited.com/>

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