

Phoenix Copper Limited / Ticker: PXC / Sector: Mining

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**Phoenix Copper Limited
(‘Phoenix’ or the ‘Company’)**

Further 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 three metallurgical core holes at its Empire Open Pit Copper Project, in Custer County, Idaho, USA (the ‘Empire Open Pit’). As announced on 4 January 2023, 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 seventh, eighth and ninth holes of the programme are listed in Table 1, including the following highlights:

Hole KXD22-07B

- 24.38 m of 1.99% copper, 107.4 grammes/tonne (‘g/t’) silver, 247 ppm molybdenum, and 421 ppm tungsten starting at 12.80 m.
 - Including 10.97 m averaging 3.94% copper, 214.5 g/t silver, and 421 ppm tungsten from 21.49 m.
 - And including 0.91 m of 10% copper from 25.76 m.
 - And including 1.07 m of 12.80% copper from 26.67 m.

Hole KXD22-08

- 8.84 m of 0.73% copper, 43.1 g/t silver, 100 ppm molybdenum, and 204 ppm tungsten starting at 17.68 m.
- Including 2.29 m averaging 2.33% copper and 142.3 g/t silver from 17.68 m.

Hole KXD22-09

- 8.96 m of 0.62% copper and 0.78% zinc starting at 174.04 m.
- Including 1.37 m of 1.63% copper, 82.5 g/t silver, 0.51% lead, 3.43% zinc and 505 ppm molybdenum from 174.04 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 targeting additional drilling.

Ryan McDermott, Chief Executive Officer, said, “We are pleased to report the assay results from the final three metallurgical core holes KXD22-07B, KXD22-08, and KXD22-09. All of the core samples designated for metallurgical testing have now been shipped to the metallurgical laboratory to complete the test program.

“The 2022 metallurgical drilling program 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 the 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 KXD22-07, holes KXD22-07B, KXD22-08, and KXD22-09 continue to show robust metal values. Hole KXD22-07B includes 80 feet (24.38 m) grading 1.99% copper and 107.4 g/t silver, including an impressive 36 feet (10.97 m) averaging 3.94% copper and 214.5 g/t silver (in which contains 3.6 feet (1.1 m) of 12.8% copper, and 9.8 feet (3.5 m) averaging 2.06 g/t gold and 2.28% zinc). Holes KXD22-08 and KXD22-09 also returned robust values, including 29 feet (8.84 m) of 0.73% copper and 43.1 g/t silver, and 4.6 feet (1.37 m) of 1.63% copper and 82.5 g/t silver, respectively.

“Most importantly, the intercepts in the drilling program thus far are consistent with the team’s expectations and meet the material type-grade-interval length necessary for the metallurgical test work currently being undertaken.

“We look forward to reporting the results of the metallurgical testing as they become available. We also look forward to reporting the assay results for the Redstar/North Pit reverse-circulation drilling completed in 2022. We expect those results to become available in the near future.”

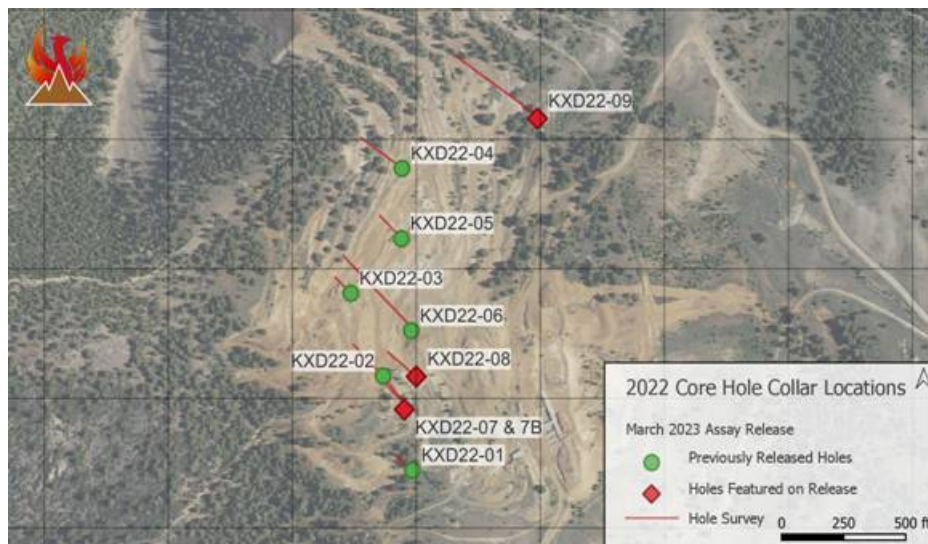
Table 1 - Empire Drilling Results March 10, 2023

Drill Hole	Intersection Metres			g/tonnes		%	%	%	ppm	ppm
Number	From	To	Interval*	Au	Ag	Cu	Pb	Zn	Mo	W
KXD22-07B	12.80	37.19	24.38	0.015	107.4	1.99	0.008	0.05	247	421
including	21.49	22.86	1.37	0.010	97	2.36	0.004	0.01	32	540
	23.01	23.93	0.91	0.010	104	2.24	0.005	0.04	259	210
	23.93	24.99	1.07	0.040	302	5.77	0.012	0.02	211	2840

	24.99	25.76	0.76	0.010	136	2.79	0.006	0.01	118	530
	25.76	26.67	0.91	0.100	476	10.00	0.031	0.01	211	1650
	26.67	27.74	1.07	0.005	691	12.8	0.025	0.03	445	700
	27.74	29.11	1.37	0.030	173	2.08	0.014	0.06	427	110
	29.11	31.09	1.98	0.020	96.2	0.72	0.013	0.05	459	210
	31.09	32.61	1.52	0.010	65.1	1.71	0.007	0.04	698	140
KXD22-07B	41.45	58.22	16.76	0.019	17.2	0.81	0.210	0.17	324	149
including	41.45	43.28	1.83	0.005	6.5	1.07	0.004	0.09	195	150
	43.28	44.81	1.52	0.010	17.6	1.36	0.501	0.33	963	170
	44.81	46.63	1.83	0.005	1.2	0.10	0.002	0.01	139	80
	46.63	48.16	1.52	0.005	10.6	0.68	0.002	0.20	99	110
	48.16	49.38	1.22	0.010	7.1	0.83	0.002	0.10	542	280
	49.38	50.60	1.22	0.010	8.5	0.45	0.006	0.09	167	170
	50.60	51.66	1.07	0.050	27.4	3.02	0.010	0.09	211	180
	51.66	53.19	1.52	0.030	7	1.03	0.004	0.16	730	290
including	55.17	56.69	1.52	0.040	70.1	0.52	0.939	0.43	233	110
	56.69	58.22	1.52	0.050	26.6	0.34	0.765	0.26	225	70
KXD22-07B	81.38	100.28	18.90	0.421	5.5	0.09	0.006	1.71	55	13
including	87.36	88.09	0.73	0.060	3.3	0.09	0.005	2.37	48	20
	88.09	89.61	1.52	0.030	9.5	0.17	0.003	4.54	95	20
	89.61	91.44	1.83	0.320	3.8	0.02	0.004	3.58	27	20
	91.44	92.96	1.52	2.890	3.8	0.02	0.004	2.48	18	10
	92.96	94.49	1.52	1.230	4.5	0.02	0.005	2.08	31	5
KXD22-08	17.68	26.52	8.84	0.032	43.1	0.73	0.004	0.03	100	204
including	17.68	18.75	1.07	0.130	205	3.52	0.010	0.04	230	130
	18.75	19.96	1.22	0.060	87.5	1.28	0.009	0.03	80	50
KXD22-09	174.04	183.00	8.96	0.195	22.0	0.62	0.084	0.78	86	25
including	174.04	175.41	1.37	0.100	82.5	1.63	0.509	3.43	505	70
	175.41	177.24	1.83	0.040	15.9	0.33	0.004	0.06	8	10
	177.24	178.77	1.52	0.100	20.5	0.86	0.025	0.79	35	60
	178.77	179.98	1.22	0.140	3.1	0.15	0.002	0.35	2	5

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

**KXD22-07 was terminated in a historical mine working at 18.3m: KXD-22-7B was drilled at a different dip.



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.

Two of the standards inserted in the KXD22-08 sample exceeded the 3 standard deviations limit, one of which followed a high-grade copper intercept. Consistent with that protocol, the Company has instructed the laboratory to re-run 10 sample intervals immediately preceding the standards and 10 sample intervals immediately following the standards. The Company will report any significant variances that may exist following the completion of the assay re-runs.

Qualified Person

The foregoing technical information in this news release has been reviewed and verified by Zachary J. Black, SME-RM. 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.

Diamond core drilling was conducted by AK Drilling of Butte, Montana, and was supervised by the Konnex exploration team. All assays reported are uncut unless otherwise stated. Samples reported herein were assayed by ALS USA, Inc. of Reno, Nevada which is independent of Phoenix. All HQ core assays reported were obtained using a four-acid digestion and ICP-AES finish with overruns completed on values exceeding 10,000 ppm for Cu, Zn, and Pb and 100 g/t for Ag. The only exception being that Au assays reported were obtained using a fire assay with AA-finish or using gravimetric finish for values over 100.0 g/t Au.

Intercepts cited do not necessarily represent true widths, unless otherwise noted, however, drilling is generally intersecting interpreted mineralized zones at angles between $\pm 30^\circ$. True width determinations are not estimated due to the irregular shape of the skarn mineralization.

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.

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 programmes which have defined a NI 43-101 completed PEA (preliminary economic assessment) for an open pit heap leach solvent extraction and electrowinning ("SX-EW") mine, which was updated in October 2020. From the 2020 PEA, the measured and indicated resource is: 22,909,059 tonnes at an average grade of 0.38% copper, 0.324 g/t gold, 10.3 g/t silver, and 0.19% zinc. The contained metal for the measured and indicated resource is 87,543 tonnes of copper, 238,406 ounces of gold, 7,595,198 ounces of silver and 43,871 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, 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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