

Phoenix Copper Limited / Ticker: PXC / Sector: Mining

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

**2022 Red Star Exploration Drilling Results at the Empire Mine, 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 the Red Star exploration drilling at its Empire Mine in Custer County, Idaho, USA (the ‘Empire Mine’). In total, 268 metres (‘m’) of reverse circulation (‘RC’) drilling was completed in late 2022 and will provide samples and technical information for geological and resource modeling.

Significant drill results are listed in Table 1, including the following highlights:

**Hole RS22-01**

- 1.52 m of 1.44% lead, 19.9 grammes/tonne (‘g/t’) silver, 565 parts per million (‘ppm’) molybdenum starting at 30.48 m.

**Hole RS22-02**

- 7.62 m of 0.36% copper, 142.7 g/t silver, 2.94% lead, and 1.54% zinc starting at 32.00 m.
  - Including 1.52 m averaging 1.01 g/t gold, 332 g/t silver, 1.35% copper, 2.18% lead, 1.39% zinc and 156 ppm molybdenum from 33.53 m.
  - Including 6.10 m averaging 175.3 g/t silver, 3.68% lead and 1.89% zinc from 33.53 m.

**Hole RS22-03**

- 3.05 m of 0.53 g/t gold and 0.21% copper starting at 3.05 m.
  - Including 1.52 m averaging 0.87 g/t gold, 0.28% copper from 4.57 m.

**Hole RS22-04**

- 9.15 m of 1.56 g/t gold and 0.32% copper starting at 1.52 m.
  - Including 1.52 m averaging 0.62 g/t gold, 42.7 g/t silver and 0.64% copper from 3.05 m.
  - Including 1.52 m averaging 7.59 g/t gold and 0.58% copper from 9.14 m.

**Ryan McDermott, Chief Executive Officer, said, “I am pleased to report the assay results from the Company’s 2022 reverse circulation drilling program at Red Star.**

*“The drilling targeted the boundaries of the magnetic anomalies identified in the 2021 ground magnetics survey, with the aim of further define the extents of those anomalies and to provide depth and geometry to the mineralized subsurface. The results continue to build on our understanding of the Red Star/North Pit area, and further demonstrate the extensive polymetallic mineralization at Empire.*

*“Holes RS22-02 and RS22-04 show robust metal values consistent with the results of previous drilling in the area. Hole RS22-02 includes 4.99 feet (1.52 m) grading 1.01 g/t of gold, 332 g/t silver, 1.35% copper, 2.18% lead, 1.39% zinc and 156 ppm molybdenum. Hole RS22-04 also returned robust metal values, including 4.99 feet (1.52 m) of 7.59 g/t gold and 0.58% copper.*

*“While we were only able to complete 268 m of drilling due to the limited availability of the drill rig, the data and results that we collected have added significantly to our understanding of the mineralization and the boundaries of the magnetic anomalies and will aid in future drilling, modeling and ultimately updating of the resource.*

*“It is important to understand that the drilling results seen thus far in the Red Star area are indicative of higher-grade, narrow vein mineralization which may best lend itself to underground mining methods. Conversely, the longer and lower grade drilling intercepts in the Empire open pit area lend themselves to bulk tonnage, open pit mining methods. The close proximity of both styles of mineralization speaks volumes about the potential size and complexity of the Empire system.”*

**Background**

In 2018, exploratory drilling at Red Star, located approximately 330 m northwest of the Empire Mine proposed open pit, intercepted a near-surface high-grade silver and lead zone. In 2019, a maiden inferred resource of 103,000 tonnes containing 173.4 g/t silver, 0.85 g/t gold and 3.85% lead (1.6 million ounces silver equivalent) was reported at Red Star in the Company’s NI 43-101 technical report. A ground magnetics survey was conducted in the area during the 2021 field season to help identify the possible location of mineralized structures below the vegetative cover. The survey identified three subsurface magnetic anomalies east of the Red Star discovery outcrop. In response to those findings, seven RC drill holes were completed that year in various locations throughout the anomalous zones. The results of the 2021 RC drilling campaign confirmed magnetite-related mineralisation focused along several northerly trending structures. The Red Star mineralisation appears as discrete zones plunging steeply to the east along the structures mapped in the geophysical survey, similar to the well-understood magnetite zones encountered in the open pit area on the southern end of the project.

The 2022 RC drilling programme targeted the extensions of these structures. This effort was part of a larger plan to gather geochemical data and better understand the boundaries and characteristics of the magnetic anomalies. The geological structures in the area can be challenging to drill because of the highly variable material they contain and the steep topography typical of the area. The geological formations in the area consist of a mix of hard garnet skarn and granite porphyry, as well as softer and more friable material. Due to this variation in material, drilling progress can be slow in order to maintain a high quality of samples.

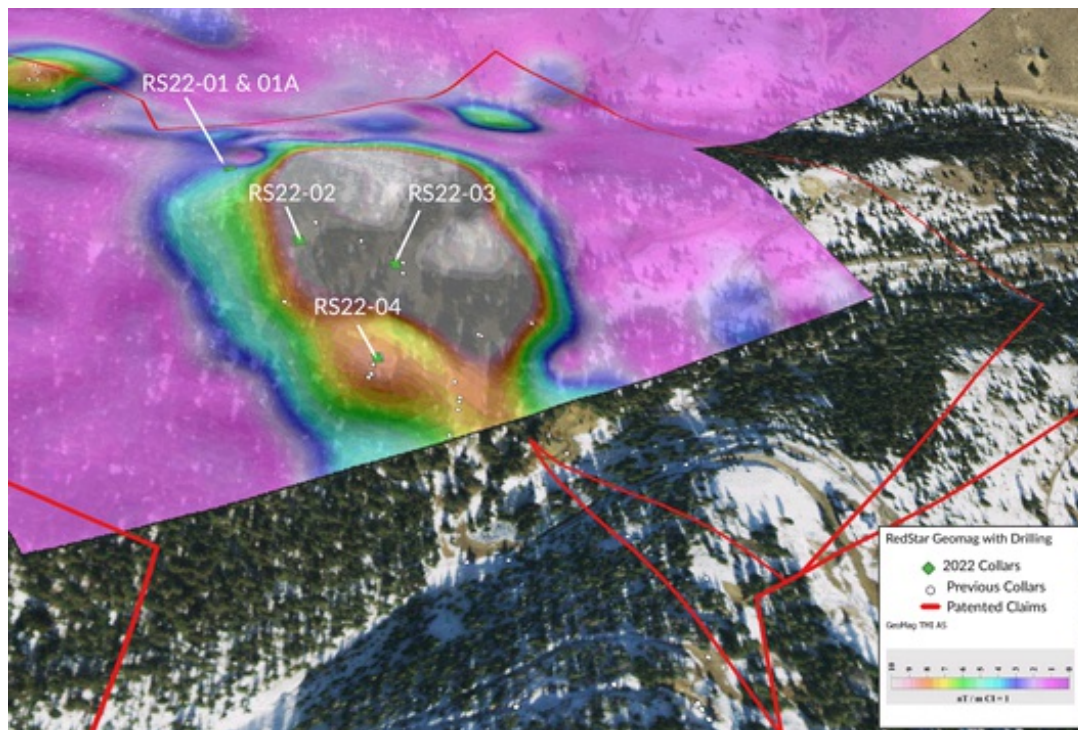
**Table 1 - Red Star Drilling Results**

Drill Hole	Intersection Metres			g/tonnes		%	%	%	ppm	ppm
Number	From	To	Interval*	Au	Ag	Cu	Pb	Zn	Mo	W
RS22-01**	30.48	32.00	1.52	0.05	19.9	0.02	1.440	0.07	565	20
RS22-02***	32.00	39.62	7.62	0.42	142.7	0.36	2.940	1.54	74.6	52
including	33.53	35.05	1.52	1.01	332	1.35	2.180	1.39	156	70
	35.05	36.58	1.52	0.15	116	0.11	3.010	2.31	36	60
	36.58	38.10	1.52	0.29	119	0.05	4.710	2.06	33	60
	38.10	39.62	1.52	-	134	0.07	4.800	1.78	139	40
RS22-03	3.05	6.10	3.05	0.53	11.4	0.21	0.007	0.19	2	12.5
including	4.57	6.10	1.52	0.87	18	0.28	0.007	0.16	2	5
RS22-04	1.52	10.67	9.15	1.56	15.8	0.32	0.004	0.02	2.3	5
including	3.05	4.57	1.52	0.62	42.7	0.64	0.009	0.03	3	5
including	9.14	10.67	1.52	7.59	22.5	0.58	0.005	0.03	2	5

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

\*\*RS22-01 was terminated due to the hole collapsing. RS22-01A was collared and redrilled approximately 10 feet to the southwest of the original hole. **RS22-01A did not have any significant intervals to report.**

\*\*\*RS22-02 sample starting at 38.10 m did not have sufficient material for an Au assay after the completion of multi-element digest and over limit assays.



Red Star geomagnetic survey and drill hole locations.

#### Assay Quality Control

All RC chips are logged by Konnex personnel at Phoenix's drill core facility located in Mackay, Idaho, USA. The RC chips are split at the drill rig. 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 RC sample sequence.

#### 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 it appears.

Reverse Circulation (RC) drilling was conducted by Midnight Sun Drilling, Whitehorse, Yukon Territory, Canada, 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 Reverse Circulation 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 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

Company. The Economic Environmental data collected to date will be used for tailoring the permitting process, but 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.

#### Contacts

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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. Phoenix updated its economic model in February 2021 to include the processing of all contained metals through a two phased approach.

Since 2017, Phoenix has conducted extensive drilling programmes to define the potential of an open-pit heap leach SX-EW mine. In October 2020, a Preliminary Economic Assessment was completed in accordance with NI 43-101. The 2020 PEA reports the measured and indicated resource at 22.9 million tonnes at an average grade of 0.38% copper, 0.324 g/t gold, 10.3 g/t silver, and 0.19% zinc, with a total of 87,543 tonnes of copper, 238,406 ounces of gold, 7,595,198 ounces of silver, and 43,871 tonnes of zinc.

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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