

Phoenix Copper Limited / Ticker: PXC / Sector: Mining

5 June 2024

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

Drawdown of Bond Finance and Issue of Shares

Phoenix Copper Ltd (AIM: PXC, OTCQX ADR: PXCLY), the AIM-quoted USA-focused base and precious metals company, is pleased to confirm that, further to its announcement on 15 May 2024 and passing of the resolutions at the Company's Annual General Meeting on 29 May 2024, the Company has received the first tranche of US\$5 million (the "Initial Drawdown") from NIU Invest SE (the "Bonds Investor"), a European private equity company, against its US\$80 million fully subscribed corporate copper bond issue (the "Bonds").

The net proceeds from the Bonds issuance will be used to fully fund the construction of the Company's Empire open pit mine in Idaho, USA for the production of copper, gold and silver, and for general working capital.

Against receipt of the Initial Drawdown, the Company is issuing the Bonds Investor 33,884,031 new ordinary shares of no par value in the Company in lieu of an arrangement fee ("New Ordinary Shares"), and warrants to subscribe at no cost for a further 22,589,354 new ordinary shares in lieu of a drawdown fee ("Warrants"). The Warrants will vest pro-rata over drawdown of the first US\$30 million of Bonds, and remain valid for a period of five years from Initial Drawdown. Following the issue of the New Ordinary Shares, the Bonds Investor will have an interest in approximately 18.36% of the total issued share capital of the Company, with voting rights.

Cevdet Caner, the principal shareholder of NIU Invest, said: "Phoenix Copper has solid fundamentals and experienced leadership and NIU Invest has great confidence in the team's ability to deliver. This project advances our strategy of investing in critical materials that are essential for driving the transition to cleaner energy, the electrification of transport and the digital revolution."

Marcus Edwards-Jones, Chairman of Phoenix Copper, said: "We are delighted to have found in NIU Invest a strategic investor who shares our vision of creating a new clean metals producer in the western United States and has participated in this innovative form of financing linked to the copper price, giving us a clear path to production."

Further information on NIU Invest SE can be found on <https://niu-invest.com>.

Application to trading on AIM

Application has been made to the London Stock Exchange for the admission of the New Ordinary Shares to trading on AIM ("Admission"). Admission is expected to become effective at 8.00 a.m. on or around 12 June 2024. The New Ordinary Shares will be issued fully paid and will rank pari passu in all respects with the existing issued ordinary shares of the Company.

Total Voting Rights

The total number of ordinary shares of no par value in the Company ("Ordinary Shares") following Admission will be 184,535,054. For the purposes of the Disclosure Guidance and Transparency Rules, shareholders may use this figure as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the issued share capital of the Company. No Ordinary Shares are held in treasury.

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 to further 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. The Company has recently published its 2023 Sustainability Report, which can be viewed on the Company's website.

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 an emerging producer and exploration company specialising in base and precious metals, with an initial focus on copper, gold, and silver extraction from an open-pit mining operation within the United States.

Located in the historic Alder Creek mining district near Mackay, Idaho, Phoenix's flagship asset is the Empire Mine, in which the Company holds an 80% ownership stake. The historic Empire underground mine, located beneath the surface of the Company's proposed open pit, boasts a rich history of producing high-grade copper, gold, silver, zinc, and tungsten.

Since 2017, Phoenix has executed extensive drilling initiatives, resulting in an expansion of the Empire Open-Pit resource by over 200%. In May 2024 the Company published its inaugural mineral reserve statement for the Empire Open-Pit Mine. Proven and Probable mineral reserves are 10.1 million tonnes containing 109,487,970 lbs of copper, 104,000 ounces of gold and 4,654,400 ounces of silver. This reserve was estimated using assay data from 485 drill holes, extensive geological modelling, metallurgical recovery test work, geotechnical evaluation, and mine design. The reserve represents a combined 66,467 tonnes of copper equivalent metal.

In addition to the Empire Mine, Phoenix's holdings in the district also encompass the Horseshoe, White Knob, and Blue Bird Mines, all of which have been producers of copper, gold, silver, zinc, lead, and tungsten from underground operations, a new high-grade silver and lead orebody at Red Star, and the Navarre Creek gold exploration project, which was first drilled in 2023. The Company's land package at Empire spans 8,434 acres (34.13 sq km).

Phoenix also owns two cobalt properties situated along the Idaho Cobalt Belt to the north of Empire. An Earn-In Agreement has been established with Electra Battery Materials, Toronto, concerning one of these 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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