

31 March 2021

**Phoenix Copper Limited
("Phoenix" or the "Company")**

**Awarding of Contract for Electromagnetic Surveys of Red Star and Navarre Creek Projects
Exercise of Warrants, Issue of Shares and Total Voting Rights**

Phoenix Copper Ltd (AIM: PXC, OTCQX: PXCLF), the AIM quoted North American focused base and precious metals emerging producer and exploration company, is pleased to announce that Magee Geophysical Services ("Magee") of Reno, Nevada, has been appointed to conduct geophysical surveys at the Company's Red Star silver-lead project and Navarre Creek gold project. These surveys will subsequently be processed and analysed to enable the exploration team to refine future targets for drilling and other exploration data.

Ryan McDermott, Chief Executive Officer, commented:

"I am pleased to announce that we have appointed Reno-based Magee Geophysical Services to conduct ground-based electromagnetic ("EM") surveys at our Red Star, Horseshoe and Navarre Creek properties.

"In November 2020, the Company issued an independent report on "Geologic Mapping and Structural Analysis in the North Pit Region, Mackay Mining District" (the "Report") focusing on the Red Star silver project. The Report confirmed the relationship between magnetite and the high-grade silver and lead vein system at Red Star. The Report also suggested the possible extension of the vein system carrying through to the historically mined Horseshoe and White Knob mines some 2.5 kilometres to the north. The Horseshoe and White Knob vein systems are high-grade silver and lead veins similar in character to Red Star. With the exception of the discovery outcrop, discernible outcrops of rock at Red Star are rare and make it difficult to determine the underlying geology. The same difficulty arises when targeting drill holes.

"We believe that a well-planned EM survey will highlight the subsurface occurrence of magnetite veins and magnetite bodies, providing valuable information for further exploration and drill hole targeting.

"Similar to the Red Star and Horseshoe areas, evidence of magnetite was discovered during an extensive geological mapping and sampling programme at our Navarre Creek gold property during the summer of 2020 and, like Red Star, outcropping of the magnetite material was rare but evident. For this reason, Magee will also be conducting a similar EM survey over the Navarre Creek claim block.

"Additional geophysical techniques and technologies are being evaluated at this time and may be incorporated into the overall geophysical programme, including drone-platform surveys.

"I want to highlight the fact that the Company is executing these field-based programmes using the results from the 2020 field season and utilising the funding from the recent equity raise. As always, the Company is putting shareholder dollars to work in well-planned field programmes that increase the likelihood of adding shareholder value. I look forward to sharing additional details of our 2021 programme in the near future."

Magee Geophysical Services are geophysical contractors who specialise in land gravity and ground magnetic surveys and bring to the Company over 40 years of international experience in geophysical contracting. As weather conditions permit, Magee will commence its programme at the Red Star and Horseshoe projects, surveying approximately 15.5 line kilometres using Geometrics Model G-858 Cesium Vapor magnetometers with a measurement resolution of 0.001 nT and a sample interval of two seconds (base and rovers). The results of the survey will be used to delineate drill targets for the 2021 diamond core drilling programme. This will be followed by the survey of approximately 262 line kilometres on the Navarre Creek project, and to delineate drill targets for the 2021 summer drilling programme.

Red Star, Horseshoe and Navarre Projects

The Red Star deposit is located approximately 330 metres north-northwest of the Empire open pit resource area within the Empire patented claim boundary and was discovered during field mapping and reconnaissance of the northern patented claim boundary and adjacent Horseshoe Block. In May 2019, Hard Rock Consulting estimated a maiden inferred resource at Red Star of 103,000 tonnes grading 173.4 grammes per tonne ("g/t") silver, 0.85 g/t gold, and 3.85% lead, with minor copper and zinc. In 2020, 10 HQ-core holes were completed at Red Star. Core holes RSD20-01 through RSD20-04, and RSD20-06, returned assays of 116.9 g/t (3.76 ounces per tonne ("oz/t")) to 359.8 g/t (11.57 oz/t) silver and lead values from 1.17% to 7.79%, respectively. Further drilling was hampered by ground cover hiding the skarn deposit, making this difficult to follow. The present magnetic survey is intended to overcome those difficulties.

The Navarre Creek claim block to the north west of the Empire Mine was acquired in 2019 and attracted attention as the geology appeared to be similar to volcanic hosted gold deposits on the Carlin Trend in Nevada, home to several multimillion ounce gold deposits. Of the 90 samples, 53 were above the detection limit for gold with a high of 0.569 g/t, and 25 were above the detection limit for silver. The gold grades in these initial geochemical Navarre Creek samples are anomalously high and indicative of higher-grade values in less weathered rocks below the surface oxidised zone. These results are similar to the historic grades encountered in the early exploration phases of the now multimillion ounce deposits on the Carlin Trend in Nevada.

Exercise of Warrants, Issue of Shares and Total Voting Rights

Following a recent exercise of warrants, the Company also announces that it has issued 106,176 new ordinary shares of no par value each ("Ordinary Shares") from its block listing authority of 6 October 2020 (the "Share Issue") for a total consideration of £25,730.

Following the Share Issue, the Company has the ability to issue a further 7,150,847 Ordinary Shares under its block listing facility.

The Company's new issued share capital comprises 116,313,396 Ordinary Shares. When calculating voting rights, shareholders should use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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Notes

Phoenix Copper Limited is a North American focused, base and precious metal emerging producer and exploration company, which has carried out a drilling programme and generated a copper, gold, silver and zinc resource on which it is carrying out a feasibility study to bring the historically producing Empire Mine in Idaho, USA, back into production. It is also evaluating the silver and gold resources around three other past producing mines within the 23 km² Empire claims block as well as cobalt in two claims blocks north of Empire in Idaho.

Phoenix's primary operations are focused near Mackay, Idaho in the Alder Creek mining district. This district includes the historical Empire, Horseshoe, White Knob and Blue Bird Mines, past producers of copper, gold, silver, zinc, lead and tungsten from underground mines in the first half of the twentieth century. Additionally, the district includes Navarre Creek a Carlin-trend gold discovery which hosts a 6.1 km gold strike length within a 9.8 km² area.

Phoenix acquired an 80% interest in the historical Empire Mine property in 2017 and, based on a total of 320 drill holes, an oxide resource was completed in late 2017. A NI 43-101 compliant PEA (preliminary economic assessment) for an open pit heap leach solvent extraction and electrowinning ("SX-EW") mine was completed in April 2018. In 2018 a further 8,600 metres in 93 holes was completed to upgrade the oxide resources, provide samples for ongoing metallurgical test work, geotechnical and hydrological studies and condemnation drilling for the heap leach pad site, waste dump and plant site. An updated NI 43-101 compliant resource was completed in early May 2020 and October 2020 for all metals. Present contained metal in all NI 43-101 compliant categories of resources, measured, indicated and inferred, stand at 355,523 ounces of gold, 129,641 tonnes of copper, 10,133,772 ounces of silver and 58,440 tonnes of zinc. Following the latest NI 43-101 compliant resource, Phoenix updated its economic model in February 2021 to include the processing of all contained metals through a two phased approach.

Since acquiring the Empire project, Phoenix has increased the claim area from 818 acres to 5,717 acres, mainly to the northwest and west, and in so doing has increased the potential for additional oxide and sulphide copper resources, as well as the potential for stand-alone gold and silver resources, along a strike length of approximately 5.4 km towards the other brownfield mines of the Horseshoe, White Knob and Blue Bird Mines now within the property boundary. In particular, a new discovery at Red Star, 330 metres north west of the Empire Mine proposed open pit, has revealed sulphide ore and from three shallow exploration drill holes a NI 43-101 compliant maiden resource of 1.6 million silver equivalent ounces was reported.

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.

More details on the Company, its assets and its objectives can be found on PXC's website at www.phoenixcopperlimited.com