

24 October 2023

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

**Operational Update for Navarre Creek Exploratory Drilling
Additional Claims Added to Navarre Creek Claim Block**

Phoenix Copper Ltd (AIM: PXC, OTCQX: PXCLF and PXCLY (ADRs)), the AIM-quoted USA-focused base and precious metals company, is pleased to provide an update on the 2023 Navarre Creek exploratory drilling programme in Idaho, USA.

Highlights:

- Assay results from 28 reverse circulation ("RC") drill holes are currently being assessed and analysed
- Initial analysis of the first seven holes indicates zone of continuous, low-grade gold mineralisation, open along strike and down-dip
- 20 additional unpatented mining claims totalling 400 acres staked on the southwest end of the contiguous Navarre Creek claim block
- Total Navarre Creek claim block size increased to 3,977 acres (16.09 sq. km)

Ryan McDermott, Chief Executive Officer, said, *"We have received the initial assay results from our 2023 Navarre Creek exploratory drilling program, the first drilling program to be conducted on the property. 28 RC holes were completed at four different target areas within the 3,577-acre claim block. We are currently assessing all of the results, so that we can put them into context with the geologic system as we currently understand it. However, gold values from the first target area, comprised of seven holes along the strike of the Lehman Creek fault, show a clearly defined low-grade gold bearing zone that is continuous across each drill hole. The zone appears to trend off the property to the southwest. As such, we have added 400-acres of unpatented mining claims to the claim block on the southwest to ensure control of the property while we finish our evaluation of the results. The results at the other target areas are presently under evaluation.*

"In addition to the evaluation of the Navarre Creek drilling results and the additional claim staking, we are also in the process of updating the Empire mine open pit resource model to include last year's metallurgical drilling results, finalising metallurgical testing and completing an updated feasibility study for the open pit mine, as well as preparing for winter operations in the Idaho mountains.

"The Empire mine open pit process design and development is well underway, including the engineering evaluation of the footprint proposed as the site of the processing facility on the Company's patented land near the future open pit. The final process design is critical to the success of the mining operation as it is the step that ensures maximum metal recovery and maximum revenue. We are advancing through the engineering studies at a pace reasonable to maintain the integrity of the final design.

"We will release the results of the Navarre Creek exploratory drilling once they have been fully evaluated and placed in the context of the geologic system as a whole, to assist us to determine the drilling priorities for the remaining 32 holes within our planned 60 hole RC drilling program and application for additional drill permitting for the 2024 field season. I understand that everyone is keenly interested in our progress and I very much appreciate everyone's patience as we complete all of the work necessary to maximize the project's economic potential."

Background on Navarre Creek

During the 2021 field season, Phoenix contracted Magee Geophysical Services to acquire approximately 169 line-km of total field magnetic measurements at the Company's Navarre Creek project and SpecTIR, LLC of Reno, Nevada to complete an airborne hyperspectral survey of the same Navarre Creek area to identify prospective exploration targets in an area, many of which are largely concealed by glacial till.

The ground magnetics survey looked specifically for magnetite and magnetic-bearing minerals, some of which have been identified in limited outcroppings, while the hyperspectral imaging helps to identify alteration minerals often associated with precious metal deposition.

Hyperspectral imaging incorporates a small airplane with mounted infrared lights and sensors to detect a wide range of wavelengths, mineral absorption and reflectance within the target area. The wavelength data collected in this survey are VNIR (Visible and Near-Infrared), SWIR (Short-Wave Infrared), and LWIR (Long-Wave Infrared). The human eye can detect wavelengths (colours) from 390 nanometers ('nm') to 700nm. The VNIR and SWIR sensors collected wavelength data from 390nm to 2,450nm, while the LWIR sensors ranged from 8,000nm to 12,000nm.

The Navarre Creek project is located within an intrusive dome complex, where the magnetic components in overlying volcanic lithologies are destroyed by silicic alteration associated with steam-heated, acidic, and oxidised hydrothermal fluids. The survey highlighted several such areas including the Lehman Creek fault, one or more porphyry plugs, and several contacts/faults.

The survey identified volcanic-associated alteration that is both acidic and of fairly high temperature as evidenced by pyrophyllite and dickite. As would be expected in the Challis Volcanic Field, the white mica is Al-rich (paragenetic) and also shows zoned crystallinity patterns, typical of intermediate-to-high sulfidation systems, and is likely proximal to a magmatic heat source. The presence of iron oxide associated with some of these zones adds prospectivity. The alteration pattern is useful in developing an exploration model to optimise future drill targets.

During the summer of 2020, Konnex Resources' exploration team previously mapped and sampled the Company's Navarre Creek gold property, which was then comprised of 2,420 acres of unpatented mining claims, located approximately 5km north-northwest of the Empire Mine. 90 rock chip and grab samples were collected in the hydrothermally altered volcanic rocks that make up the Navarre Creek claims and sent to ALS Laboratories in Reno, USA for geochemical analysis.

Of the 90 samples, 53 were above the detection limit for gold with a high of 0.569 grammes per tonne ('g/t'), and 25 above the detection limit for silver.

The Navarre Creek claim block now covers 3,977 acres (16.09 km²), representing over 6km of prospective strike length, including an area of secondary alteration thought to be epithermal in nature, with over 2.5km of highly brecciated, west-trending jasperoid intersecting argillically and silicically altered Eocene Challis volcanics.

Qualified Person

The foregoing technical information in this news release has been reviewed and verified by Dennis Thomas, ACSM, FIMMM, FGS, CEng, Eurlng, co-founder of Phoenix Copper Limited and Member of the Company's Advisory Board. Mr. Thomas has held both executive and non-executive roles in a number of international private and public natural resources companies and is a chartered mining engineer from

the Camborne School of Mines. He is a Qualified Person under the AIM Rules and consents to the inclusion of the information in the form and the 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 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 inaugural 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.

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Notes

Phoenix Copper Limited is a USA focused, base and precious metals emerging producer and exploration company, initially targeting copper, gold and silver 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 grammes per tonne ("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.

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/t silver, 0.85 g/t 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 16.09 sq km area. The Company's total land package at Empire comprises 8,434 acres (34.13 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 a 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/>