

Phoenix Copper Limited / Ticker: PXC / Sector: Mining

11 January 2022

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

**Acquisition of additional Empire Mine production royalty  
Appointment of Joint Broker**

Phoenix Copper Ltd (AIM: PXC; OTCQX: PXCLF; OTCQX ADR: PXCLY), the AIM quoted USA focused base and precious metals emerging producer and exploration company, is pleased to announce that it has entered into a further agreement with Honolulu Copper Corporation ("Honolulu") to acquire the remainder of the 2.5% net smelter royalty ("NSR") payable on future production from the Empire Mine property, which includes the Empire Mine Oxide open-pit, the Red Star silver – lead project, and the historically mined sulphide deposit below the open pit, in Idaho, USA.

Pursuant to the terms of the agreement, Phoenix has acquired the remaining 1.25% of the 2.5% Honolulu NSR for an additional payment of \$450,000. As reported by the Company on 27 October 2021, the Company purchased an initial 1.25% of the Honolulu NSR, and all of Honolulu's patented and unpatented mining claims, as well as 1% of the 2.5% NSR payable to Mackay LLC ("Mackay") for a total consideration of \$1.3 million, \$800,000 of which has been paid with \$500,000 payable in two further installments of \$250,000 each, due on 31 December 2022 and 31 December 2023 respectively.

Following the acquisition of the NSR, Konnex Resources Inc, the Company's 80% owned Idaho registered subsidiary and operator of the Empire Mine ("Konnex"), will pay a 2.5% NSR to Phoenix from future production originating on the former Honolulu claim block, and a 1.5% NSR to Mackay plus a 1% NSR to Phoenix from future production originating on the Mackay claim block, based on the order in which the respective claim blocks are mined.

**Richard Wilkins, Chief Financial Officer of Phoenix Copper, commented:** *"Our preliminary economic model for the Empire open pit mine, which is based on a \$3.60 copper price, forecasts gross revenue of \$836 million over an initial 10-year project life. The entirety of the Honolulu 2.5% NSR now payable to Phoenix, plus the 1% NSR purchased from Mackay LLC, should therefore represent significant additional revenue to Phoenix over the same period and is intended to contribute additional funds to the corporate dividend policy which we plan to adopt for the benefit of our shareholders in due course."*

**Appointment of Joint Broker**

The Company is also pleased to announce that it has appointed Tavira Securities Limited ("Tavira") to act as joint broker with effect from 1 January 2022. Tavira has recruited senior personnel from the Company's previous joint broker, Brandon Hill Capital Limited ("Brandon Hill"), and accordingly both Brandon Hill and the Company have terminated their relationship from that date and by mutual consent.

**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 information contained within this announcement is deemed by the Company 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 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 from late 2022.

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 compliant PEA (preliminary economic assessment) for an open pit heap leach solvent extraction and electrowinning ("SX-EW") mine, which was updated in October 2020. The contained metal in all NI 43-101 compliant categories of resources, measured, indicated and inferred, stand at 129,641 tonnes of copper, 355,523 ounces of gold, 10,133,772 ounces of silver and 58,440 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 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 Corporation (formerly First Cobalt Corporation), Toronto, in respect of one of those properties.

More details on the Company, its assets and its objectives can be found on PXC's website at <https://phoenixcopperlimited.com>.