

12 July 2022

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

2022 Drilling Programme Underway at Empire

Phoenix Copper Ltd (AIM: PXC, OTCQX: PXCLF), the AIM quoted USA focused base and precious metals emerging producer and exploration company, is pleased to announce that the Company's 2022 drilling programme is underway at the Empire Mine Project in Idaho, USA.

The 2022 drilling programme is expected to further Phoenix's understanding of Ammonium Thiosulfate ("ATS") as a non-toxic, environmentally friendly reagent for the recovery of copper, gold, silver, and zinc from the Empire open pit resource. The Company will also examine the possibility of bringing forward the production of precious metals. In addition to the collection of PQ-diameter core samples (85 millimetres) for metallurgical testing, geotechnical data for enhanced pit slope stability studies and resource assaying for enhanced continuity of copper, gold, silver, and zinc grades will be gathered from the same core. Following the PQ-core drilling in the Empire open pit, the drill rig will move to the Red Star silver-lead resource and the Empire deep sulphide target to conduct further exploratory drilling through to late autumn.

In addition to the drilling programme, the Company is completing ongoing open pit engineering trade-off studies for further economic and environmental optimisation as part of the feasibility study process.

Ryan McDermott, CEO of Phoenix Copper Limited, said: "Our 2022 drilling season kicked off as scheduled in early June with the arrival of a core drilling rig capable of drilling PQ-diameter core. The drilling program will initially focus on collecting core samples for metallurgical and geotechnical studies from the Empire open pit, which remains our flagship project. The results of these studies may enable us to bring forward production of gold and silver, currently scheduled as a second phase of the open pit project. Once the Empire open pit drilling is completed, the rig will begin further exploratory drilling in the Red Star and Empire Sulphides areas. We are actively searching for further drilling capacity for this season and will contract additional drill rigs when and if they become available.

"The Empire Open Pit Feasibility study remains in progress whilst our engineers complete further trade-off and optimization studies. The global volatility in pricing for everything from structural steel to chemical reagents has also slowed progress on the study. However, we are receiving some indications that markets are slowly calming and supply backlogs are shortening.

“The Phoenix team is continuing to focus on what we know and what we can control. We know that the Empire open pit copper mine is ideally suited to provide copper for the world’s transition to clean energy and, as a result, will be in high demand in the coming years. Our team is working diligently to collect the necessary data, permits, and funds so that we can advance the project in a way which will be most economic, while minimizing our environmental footprint. I look forward to providing updates on the 2022 drilling program and progress on the feasibility study and engineering.”

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.

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.

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 (formerly First Cobalt Corporation), 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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