

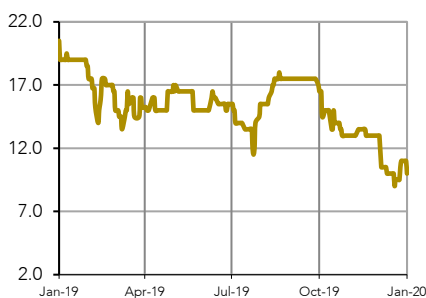
MINING FLASHNOTE

Phoenix Copper Ltd (PXC AIM)

29 January 2020

Stock Data

Share Price:	10.00p
Market Cap (M):	£4.5
EV (M):	£4.3

Price Chart

52 Week Range

20.50p	10.00p	9.00p
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Company Summary

Phoenix Copper Ltd is aiming to restart the Empire Copper Mine as a heap leach SX/EW mine in Idaho, USA. Following a successful restart, funds will be directed to exploration to extend mine life and develop a sulphide mine.

MAIN SHAREHOLDERS	HOLDING
Management	10.17%
Cheviot Capital Nominees	15.56%
JIM Nominees	12.75%
Lynchwood Nominees	6.67%
Pershing Nominees	6.59%
ExGen Resources	3.11%
Brandon Hill Capital	3.10%

Source: Bloomberg & Phoenix Copper

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

Phoenix Announces Red Star strike length extended to 320m and open at both ends

Event

Phoenix Copper Ltd ("Phoenix") has announced the results of ongoing exploration at the Company's Red Star silver deposit, ("Red Star" or the "Red Star Zone") adjacent to the Company's Empire copper deposit in Idaho, USA.

Highlights

- The Red Star vein has been extended to 320m in length and is open at both ends
- Two additional veins have been discovered
- Surface sampling results returned similar values to those from the outcrop that forms the current maiden NI 43-101 resource
- Both the new vein exposures are situated on the patented Empire property

Comment

During the Q4 2019 drill road-building work, two additional veins were identified. These new veins are particularly exciting as they may be indicative of a much larger, multi-vein shear zone. It is interesting that the original vein has been proven to extend to the south-west as in this direction it comes up against the granite.

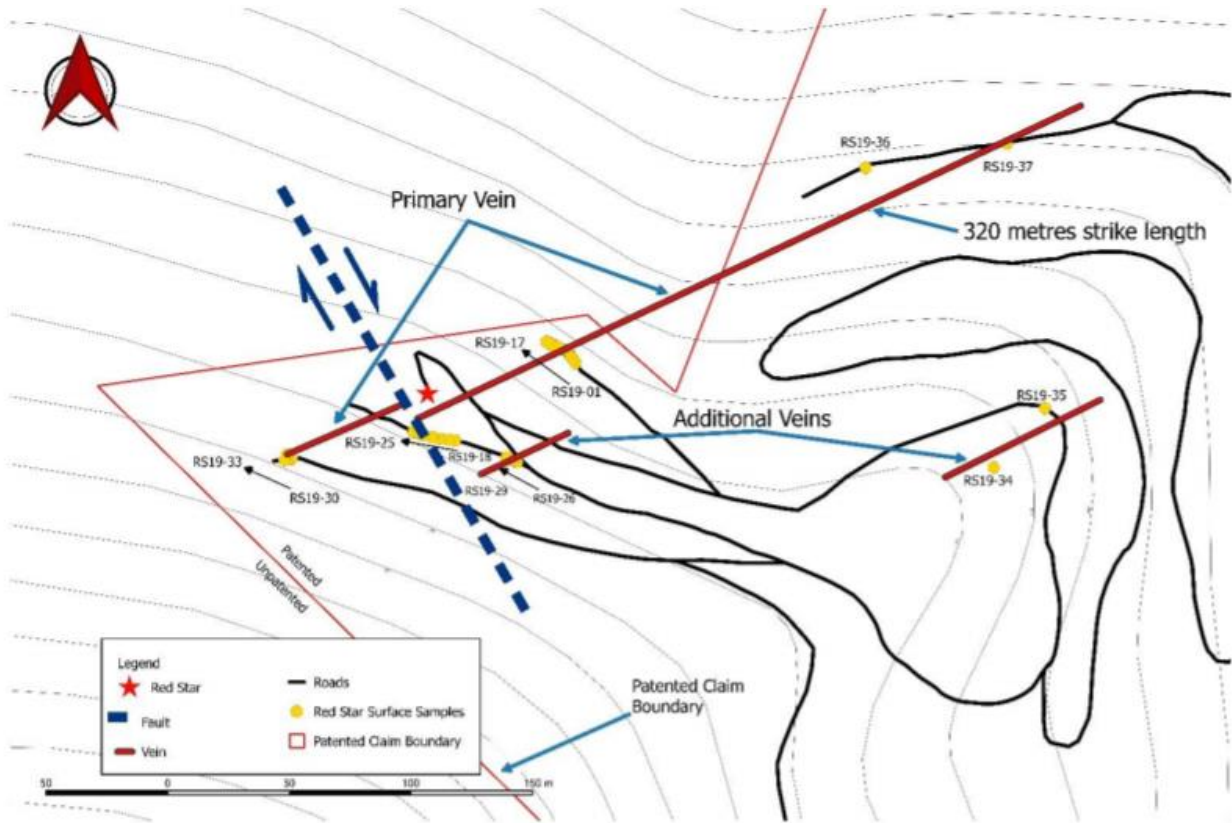
It is worth noting that after the drilling of only three holes, Phoenix were able to generate a maiden NI 43-101 compliant resource of some 103,500 tonnes, grading 173.4g/t silver, 0.85g/t gold, 0.33% copper, 3.85% lead and 0.92% lead at Red Star. Overall this resource contains over 0.5M oz of silver.

Individual holes have reported significantly higher grades than this with one un-numbered hole reported in the 2018 drilling as being 15.24m grading 160g/t silver, 2.83% lead and 1.4% zinc. The 2018 drilling programme obtained numerous high-grade interceptions, including grades of 12.05% copper, 20% lead, 5.83% zinc, 2.52 g/t gold and 580 g/t silver. These are seriously good grades and definitely worth following up.

The 2019 road cut and trench samples are low grade, but they were "dirty" samples contaminated with overburden. Once they are drilled properly, it is expected that the grades will more closely resemble the assays from the original drilling which are quoted above.

During 2020 the Company plans to complete a drilling programme on Red Star to generate a Measured and Indicated resource sufficient to justify a small underground "adit mine with a flotation process plant to produce lead-silver, copper-gold and zinc concentrates. The scale of operations will be in the region of 450 tpd or 155,000 tonnes a year.

Exhibit 1: Location of new veins relative to Red Star



Source: Phoenix Copper

The veins were tracked using high manganese levels which are seen as a use indicator for determining the mineralised rock. The proposed drilling campaign is expected to determine whether the potential small mine will be narrow vein or bulk mining. BHC expects that the since one of the new veins is located approximately 40m from the primary vein, and close to the outcrop, then both veins could be mined in one open pit. There is also some speculation that there may be more parallel veins awaiting discovery.

Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

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Research disclosure as of 29 January 2020

Company Name	Disclosure
Phoenix Copper Limited (PXC AIM)	1, 2, 7, 8, 9

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Brandon Hill Contact List

International Sales

Oliver Stansfield

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

Corporate Finance & Broking

Jonathan Evans

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

Wei Jiao

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

Research

Peter Rose

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

Enzo Aliaj

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com