

8 June 2022

Phoenix Copper Limited
(“Phoenix” or the “Company”)

Engagement of broking syndicate to place floating rate corporate bonds due 2032

Phoenix Copper Limited (AIM: PXC; OTCQX ADR: PXCLY), the AIM quoted USA focused base and precious metals emerging producer and exploration company, is pleased to announce that it has engaged a syndicate of brokers to execute the placement of floating rate corporate bonds (the “Bonds”) in order to finance the construction and development of the Empire Open Pit Copper Mine in Idaho, USA (the “Empire Open Pit Mine”) (the “Bond Placement”).

Highlights

- Syndicate of brokers and advisers engaged to execute the Bond Placement
 - Joint lead brokers in the US: EAS Advisors LLC, acting through Odeon Capital Group LLC, and Tigress Financial Partners LLC
 - Joint lead brokers in the UK: WH Ireland Ltd and Panmure Gordon (UK) Ltd
- Expected minimum gross raise of \$60 million
- The Bonds will have a denomination of \$25,000 each, will be non-convertible and repayable after 10 years
 - Non-dilutive to existing shareholders
- The Bonds will pay a semi-annual coupon linked to the copper price with a minimum of 7.5% per annum (at a \$3.60 / lb or lower copper price) and a maximum of 20% per annum (at a \$11.95 / lb or higher copper price)
- It is intended to list the Bonds on The International Stock Exchange (“TISE”) in the Channel Islands as soon as practical after issue

Richard Wilkins, Chief Financial Officer of Phoenix, commented: “I am excited to announce our plans for this relatively novel form of mine finance, and to be working with such an experienced team of joint lead brokers, as well as the other members of the broking and advisory syndicate. With Tigress as one of the joint lead brokers, we also have one of the leading diversity broker dealers in the US, underscoring our commitment to Environmental, Social and Corporate Governance (“ESG”) both in operational practice and in the capital raising process.

“We have previously indicated that we intended to finance construction of the Empire Open Pit Mine with minimal or no dilution to existing shareholders, and we expect the Bond Placement to achieve this, as the Bonds will be non-convertible. Furthermore, with repayment scheduled after 10 years, the Bond Placement should free up significant additional cash during the initial few years of the mine life, which would otherwise have been used to repay more traditional forms of mine finance. It is intended that this additional early cash will enable us to accelerate exploration and development of the mineralised district surrounding the Empire Open Pit Mine, including the Red Star silver-lead deposit, the Navarre Creek gold project, and the historically mined sulphide copper deposit below the Empire Open Pit Mine.

“We look forward to providing shareholders with further updates regarding the Bond Placement as and when appropriate.”

Further details

Further to the announcement dated 30 March 2022, the Company has engaged EAS Advisors LLC, acting through Odeon Capital Group LLC, and Tigress Financial Partners LLC as joint lead brokers in the US, and WH Ireland Ltd and Panmure Gordon (UK) Ltd as joint lead brokers in the UK, to lead a syndicate of brokers and advisers, working with the Company, to execute the Bond Placement.

The Company expects to raise a minimum of \$60 million (gross) via the issue of the Bonds to institutional and other investors.

The Bonds will have a denomination of \$25,000 each, will be non-convertible and repayable after 10 years.

The Bonds will pay a semi-annual coupon linked to the average closing copper price on the London Metal Exchange during any given coupon period, subject to a minimum coupon of 7.5% per annum (3.75% per coupon period) at a \$3.60 / lb or lower copper price. Each \$0.10 (or part thereof) increase in the average copper price above \$3.60 / lb will result in a 0.15% (or part thereof) increase in the coupon, subject to a maximum coupon of 20% per annum (10% per coupon period) at a \$11.95 / lb or higher copper price. At the current copper price of \$4.33 / lb the coupon would be 8.60% per annum (4.30% per coupon period). Any increase in the coupon payable above the minimum of 7.5% per annum is expected to be covered approximately 10 times over by the corresponding increase in revenue received as a result of the higher copper price.

It is intended to list the Bonds on TISE in the Channel Islands as soon as practical after issue. The Bonds will be secured on the Company’s patented mining claims in so far as they relate to the Empire Open Pit Mine.

Although the Directors are confident that the Bond Placement will proceed and be fully placed, the issue is not underwritten so there can be no certainty in this regard, or that the final terms agreed with investors will be consistent with those set out in this announcement.

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.

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](https://phoenixcopperlimited.com).