

## MINING FLASHNOTE

# Phoenix Copper Ltd (PXC AIM)

14 November 2019

### Stock Data

Share Price:	15.00p
Market Cap (M):	£6.4
EV (M):	£6.2

### Price Chart



### 52 Week Range

31.00p	15.00p	11.00p
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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 Global Mining

**Peter Rose**

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Phoenix Announces Equity Subscription and Loan Placing Note to Raise £850,000

### Event

Phoenix Copper Ltd ("Phoenix") has announced that it has raised a total of £850,000 (US\$1,085,200) (before expenses) by way of a subscription for new ordinary shares of no par value each and the issue of unsecured loan notes (the "Fundraising").

### Highlights

Of the £850,000, £340,000 (US\$435,200) has been raised by way of a subscription for 2,000,000 new Ordinary Shares of no par value each at a price of 17 pence per share, and £510,000 (US\$650,000) by way of an issue of 12 per cent unsecured loan notes, repayable on 31 January 2021. The Company will also grant a total of 650,000 warrants to the loan note holders which will be exercisable at 20 pence per share and valid until 31 July 2022 (the "Warrants"). The Warrants will not be listed.

The proceeds will be primarily used to develop the resources at the Company's Red Star silver deposit adjacent to the proposed Empire Mine open pit copper project in Idaho, USA as well as provide the Company with additional working capital.

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. Viewed differently, the average equivalent silver grade is a little above 15oz per tonne which is worth US\$255/t before the lead and zinc are accounted for.

The money raised should be sufficient to drill around 15 shallow holes along strike and considerably increase the resource. The line of strike is well established with numerous historical mine sites showing the way. Further, as the drill pads are prepared, the road cuts to these sites should reveal any mineralisation under shallow cover which will also be sampled.

With the drilling expected to be completed before spring 2020, Phoenix should be assured of good news flow over the next few months.

## 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 14 November 2019

<u>Company Name</u>	<u>Disclosure</u>
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](mailto:oliver.stansfield@brandonhillcapital.com)

### Corporate Finance & Broking

#### **Jonathan Evans**

Tel: +44 20 3463 5016

Email: [jonathan.evans@brandonhillcapital.com](mailto:jonathan.evans@brandonhillcapital.com)

#### **Wei Jiao**

Tel: +44 20 3463 5019

Email: [wei.jiao@brandonhillcapital.com](mailto:wei.jiao@brandonhillcapital.com)

### Research

#### **Peter Rose**

Tel: +44 20 3463 5034

Email: [peter.rose@brandonhillcapital.com](mailto:peter.rose@brandonhillcapital.com)

#### **Enzo Aliaj**

Tel: +44 20 3463 5026

Email: [enzo.aliaj@brandonhillcapital.com](mailto:enzo.aliaj@brandonhillcapital.com)