

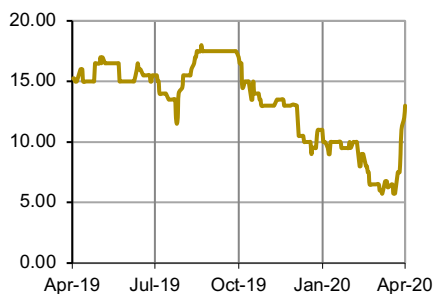
MINING FLASHNOTE

Phoenix Copper Ltd (PXC AIM)

28 April 2020

Stock Data

Share Price:	14.50p
Market Cap (M):	£6.85
EV (M):	£7.42

Price Chart

52 Week Range

19.00p	14.50p	4.5p
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Company Summary

Phoenix Copper Ltd was originally aiming to restart the Empire Copper Mine as a heap leach SX/EW mine in Idaho, USA. The focus, due to low copper prices, is now on expanding the high grade polymetallic Red Star discovery and building a small high grade underground mine.

MAIN SHAREHOLDERS HOLDING

Management	10.20%
Cheviot Capital Nominees	14.87%
JIM Nominees	11.67%
Lynchwood Nominees	6.37%
Pershing Nominees	6.30%
Hargreaves Lansdowne	5.86%
Brandon Hill Capital	3.27%

Source: Bloomberg & Phoenix Copper

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Phoenix announces Commencement of Second Phase Drilling at Red Star

Event

Phoenix Copper Ltd ("Phoenix") has announced that drilling commenced on 27 April 2020 on a 1,500m drilling programme at its high-grade silver/lead Red Star project.

Comment

Phoenix is refocusing its attention on Red Star where the value of the ore per tonne is substantially higher than at the Empire Copper Resource. Having raised US\$2M before expenses, Phoenix has commenced a 20 hole drilling programme at Red Star. The aim is to significantly increase the size of the maiden resource at the Red Star deposit, so that it can be brought into production in a short time frame.

Recent work has extended the vein length of Red Star to 320m and it is open at both ends. Further, an additional 2 veins have been discovered, both of which are undrilled. Red Star outcrops, and it is believed that substantial tonnages of polymetallic ore can be discovered at little cost. It is anticipated that the proposed drilling programme will quickly extend the resource along strike and into the newly discovered veins.

The Red Star resource currently stands at a NI-43-101 compliant 103,500 tons containing a silver equivalent of 1.6M oz of silver, when gold, lead, copper and zinc values are included. The value of the contained metal in the Red Star resource is US\$194/tonne of ore at today's metal prices, or US\$32M a year at a production rate of 155,000 tonnes of ore a year. Capital costs are anticipated to be in the region of US\$30M. That resource was based on only 3 holes, and BHC believes that with the addition of a further 20 holes, a significant increase in the size of the resource can be made.

The scale of the potential operation will be in the region of 450 tpd or 155,000 tonnes a year. BHC understands that this can be achieved quickly and economically due to the availability of good quality second hand processing equipment and the fact that the resources are located on patented claims which require minimal permitting.

Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 13 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.

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Research disclosure as of 28 April 2020

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

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