

MINING FLASHNOTE

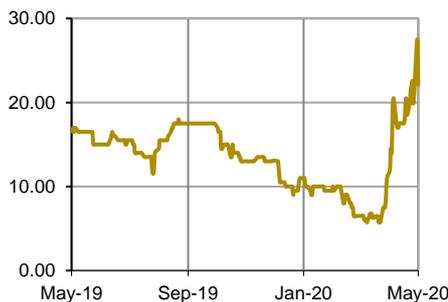
Phoenix Copper Ltd (PXC AIM)

27 May 2020

Stock Data

Share Price:	22.15p
Market Cap (M):	£11.06
EV (M):	£11.49

Price Chart



52 Week Range

28.75p	22.15p	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

Cheviot Capital Nominees	27.74%
Board & management	9.44%
JIM Nominees	8.30%
WB Nominees	5.82%
Lynchwood Nominees	5.62%
Pershing Nominees	5.62%
Hargreaves Lansdowne	5.39%

Source: Bloomberg & Phoenix Copper

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Phoenix announces Oversubscribed Placing & Subscription to Raise £1.76M

Event

Phoenix Copper Ltd ("Phoenix") has announced that it has raised a total of £1,760,000 (before expenses) by way of a placing and subscription for ordinary shares of no par value each.

Comment

The net proceeds from this fundraising will be used to enable the expansion of the Red Star drilling programme throughout the Red Star shear zone. In particular, this will lead to an upgraded resource estimate and the completion of a preliminary economic assessment.

At Red Star, work is progressing well, now that the weather is turning toward drier, summer conditions. As the network of roads and drill pads in the shear zone has been expanded, several additional mineralised structures have been exposed in the dozer cuts below the alluvium. These structures have been added to the list of drill targets in the Red Star zone. This is very promising for a significant increase in the size of the resource.

By raising more than they had planned for, the additional funds will be used to conduct additional drilling at the Empire mine. In particular, when Phoenix were focused on copper, the areas of high gold values were not infill drilled. This is expected to move some of the inferred gold ounces into the indicated and measured category.

As shown in Table 1 below, there are 10.5Mt grading 0.368g/t gold, 7.9g/t silver and 0.46% copper in the inferred category. This contains an inferred 125k oz of gold, 2.68M oz of silver and 48kt of copper. The grades in the inferred category are actually higher than those in the measured and inferred categories. If all goes well, the de-risking of the Empire mine will also raise the overall grades of copper and gold, and with the exception of silver, has the potential to raise contained metal by up to 50% in measured and indicated resources. In addition, metallurgical test work is being conducted on the precious metal trends in the Empire open-pit and this work will be incorporated into an updated PEA.

Finally, the additional funds will allow a focused, geophysical and geochemical programme at the Navarre Creek claim block where very little work has been performed to date.

Table 1: Mineral Resource Statement for Empire Mine, after Hard Rock Consulting, May 2020

CLASS	Tonnes	Cu Equiv %	Average Grade				Metal Content				
			Cu %	Zn %	Ag g/t	Au g/t	Cu tonnes	Zn tonnes	Ag ozs	Au ozs	Cu Equiv Tonnes
Measured	6,389,000	0.82	0.46	0.22	11.8	0.315	29,134	14,184	2,423,810	64,703	52,408
Indicated	12,913,000	0.79	0.41	0.18	10.6	0.368	52,814	23,502	4,400,649	152,797	102,094
M+I	19,302,000	0.80	0.42	0.20	11.0	0.351	81,948	37,685	6,824,460	217,500	154,502
<i>Inferred</i>	10,544,000	0.81	0.46	0.12	7.9	0.368	47,975	12,864	2,678,035	124,749	85,043

Source: Phoenix Copper

Research Disclosures

Peter Rose

Peter has 34 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 27 May 2020

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

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