

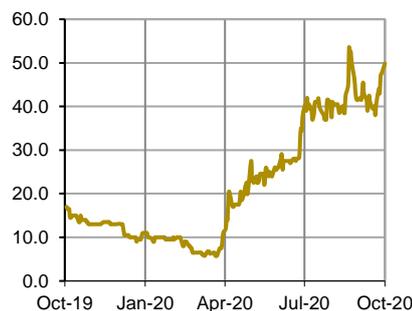
MINING FLASHNOTE

Phoenix Copper Ltd (PXC AIM)

26 October 2020

Stock Data

Share Price:	49.84p
Market Cap (m):	£31.49
EV (m):	£32.81

Price Chart

52 Week Range

64.7p	49.84p	4.5p
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Company Summary

Phoenix Copper Ltd is developing the Empire Mine District in Idaho, USA which was historically mined as a high-grade underground copper mine. The Company is focused on two advanced projects: the Empire copper-gold-silver open pit mine and the Red Star silver-lead underground mine.

MAIN SHAREHOLDERS

MAIN SHAREHOLDERS	HOLDING
Martin Hughes	21.59%
Board & management	8.70%
Hargreaves Lansdown	6.54%
Pershing Nominees	6.29%
Bank of New York Nominees	5.80%
Cheviot Capital Nominees	5.56%

Source: Phoenix Copper Ltd

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Phoenix announces increase in gold, silver, copper and zinc from Empire Mine Open Pit deposit with updated NI 43-101 compliant resource statement

Event

Phoenix Copper Ltd (“Phoenix”), the AIM quoted North American focused base and precious metals company, announced an updated NI 43-101 compliant resource for its Empire Mine Open Pit project in Idaho, USA.

Highlights

Updated NI 43-101 compliant resource for the Empire Mine Open Pit deposit

- **19% increase in the Measured and Indicated categories representing a US\$122m increase in contained metal value**
- **Measured and Indicated resource now stands at 22.9Mt up from 19.3Mt from the May 2020 resource statement**
- **10% increase in contained gold to 238,406oz (217,500oz in May 2020)**
- **11% increase in contained silver to 7.59Moz (6.82Moz in May 2020)**
- **7% increase in contained copper to 87,543t (81,948t in May 2020)**
- **17% increase in contained zinc to 43,871t (37,650t in May 2020)**
- **Updated NI 43-101 resource based on 32 drill hole programme with a direct cost of less than US\$300,000 and representing 7% of the total 445 drill holes used in the current resource model**
- **Updated Preliminary Economic Assessment (“PEA”) currently underway on the Empire Mine Open Pit.**

Comment

A 19% increase in the overall Measured and Indicated resource from the May 2020 resource is positive news for Phoenix. More importantly, the cost of additional drilling was less than US\$300,000 while increasing the contained metal value, all things being equal when compared with the May 2020 resource statement, by c US\$122m.

We note that when including the Inferred resources, The Empire Open Pit mine now has 129,641t of copper, 58,440t of zinc, 10.1Moz silver and 0.36Moz gold. At current metal prices (US\$6,907/t Cu, US\$1,907/oz Au, US\$24.8/oz Ag and US\$2,578/t Zn) this equates to a total metal value of US\$1.4bn, or the equivalent of 203kt of contained copper or 0.734Moz of contained gold. As such, we look forward to the updated 2020 PEA study on the back of today’s resource statement, which is currently under way.

Research Disclosures

Sheldon Modeland, P.GEO

Sheldon is a registered professional geoscientist with over 18 years' experience in the mining industry. Having started his career as an exploration geologist in Canada with Falconbridge (now Glencore) and BHP Billiton, he then spent several years as a research geoscientist with the Saskatchewan Geological Survey. Followed by eight years as a project geologist with AREVA Resources (now Orano). More recently, Sheldon has spent the past nine years on the sell-side as a mining analyst in London covering a range of production, development and exploration companies from FTSE 100 to micro-cap.

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Research disclosure as of 26 October 2020

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

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