29 September 2022

Phoenix Copper Limited

(“Phoenix” or the “Company”, together with subsidiaries the “Group”)

Interim Results

Phoenix Copper Ltd (AIM: PXC, OTCQX ADR: PXCLY), the AIM quoted USA focused base and precious metals emerging producer and exploration company, is pleased to announce its unaudited interim results for the six months ended 30 June 2022 (the “period”).

Year to date Highlights

Corporate & Financial

- Investment in Empire Mine increased to $29.73 million (2021: $18.61 million)
- Net assets increased to $38.22 million (2021: $37.70 million)
- Group reports loss of $1.052 million (2021: $199,481), after charging an unrealised foreign exchange loss on sterling denominated assets of $503,593 (2021: foreign exchange gain of $303,077)
- Period end cash balance of $9.05 million (2021: $22.88 million)
- Company loans to operating subsidiaries increased to $25.23 million (2021: $16.19 million)
- Company acquisition of third-party royalties payable by Empire Mine
- Issue of floating rate, listed, secured, non-convertible, minimum 8.5% copper bonds due 2028-2032 underway. Initial tranche currently under negotiation

Operational

- Ongoing core drilling at the Empire open pit copper mine to support metallurgical recovery and process design using non-toxic, environmentally friendly ammonium thiosulphate
- Ongoing feasibility engineering and environmental permitting at the Empire open pit copper mine
- Further mineralisation encountered at both Red Star silver-lead deposit and the Navarre Creek gold project
- Further exploratory drilling commencing at Red Star
- 2023 Navarre Creek drilling programme approved by US Forest Service
- Local Community Advisory Team created as part of the Company’s ESG Programme

Chairman's Statement

We entered 2022 optimistic that we were close to finalising our financial model and mine plan. We had already had very positive discussions with potential financiers seeking to fund construction of the Empire open pit mine. Our strategy of getting into early production of copper and using the proceeds to fund further exploration of the underground, high-grade sulphides that lie beneath the open pit, which have already given exciting indications of their potential, was well on track.

However, the outlook has deteriorated, at least in the short-term. Copper and sterling have both been extremely volatile, and currently sit at around 30% below their highs for the year. The aftermath of Covid and the war in Ukraine, with the associated effects on energy prices, reagent costs and steel supply, have made it nearly impossible to complete an accurate feasibility study, which needs stable and firm quotes in order to estimate operating and sustaining capital costs through the life of the operation. Less visible, but just as important, supply chain difficulties are having a hugely disruptive effect on the mining industry: damaged parts can take months to replace, a problem affecting everything from drilling parts to tyres.

However, this is not necessarily bad news for Phoenix Copper. As a company that is not yet in production, we are able to design our processes with an eye on these challenges. We are extremely confident in the long-term demand for the metals which will define the coming decades and which the Empire Mine holds in abundance.

Our activity in the past six months has focused on two areas: fundraising and optimising our plans to be as robust and profitable as possible. Our steadfast aim remains that of getting into production with no further equity issues, and we have embarked upon our corporate copper-linked bond issue, which, despite the current inflation and interest rate outlook, has attracted significant demand. We hope to update you more fully on this in the near future.

We have also used this hiatus in what we still believe to be a long-term bull market in copper and other critical metals, to optimise our mining and processing plans, and look forward to updating you with progress on all fronts in the coming months. We are refining our engineering plans and examining methods of improving cashflow through environmentally innovative ore haulage and recovery processes. If successful, this would significantly reduce our spend on diesel and reagents, which are typically in the region of 60% of the cost of metal production.

During the current state of volatility, and with the temporary weakness in the copper price, it makes sense to bide our time, refine our plans, and make sure that we can fully realise the value of the Empire Mine for our shareholders. Many market commentators predict a global recession in the near future. If a slowdown does occur, as we await permitting and prepare to go into production, this may ultimately work in our favour, leading as it should, to a sharp recovery in the copper price when the global economy rebounds.

The recent share price performance has mirrored the weakness in markets in general, and the mining sector in particular. Many funds holding small cap and mining stocks have faced a stream of redemptions, as investors worry about the ability of non-cash generating companies to continue to finance development. As I write, sterling is trading at $1.08, its lowest level for a generation. However, I am glad to report that, after our fund raise of March 2021, our cash balances remain healthy. We converted sufficient funds for our non-capex related US dollar requirements at a rate of $1.38. The vast majority of our assets are, and all our earnings will be, in US dollars.

We have also been spending a great deal of time on optimising already strong relationships with the local community and other stakeholders. I draw your attention to Catherine Evans's report, and would like to thank her and Lenie Wilkie, and the rest of the team for all the hard work they have done on enhancing our ESG credentials.

In summary, your Company is well-positioned to weather the current crisis. I would like to thank you all for your support and perseverance and look forward to delivering good news, not only at Empire, but also at Red Star, where we are planning to drill anomalies revealed by last year's magnetics survey, at Navarre Creek, where we have been granted permission to drill, and from our cobalt joint venture at Redcastle.

Marcus Edwards-Jones

Chairman

Chief Executive Officer's Report

The Company entered 2022 encouraged by a bull copper market climbing through $5.00/lb and gold and silver topping $1,800/oz and $23/oz, respectively. Carrying on from a string of positive accomplishments in 2021, the Phoenix team constructed and executed robust work plans for 2022 that include continued feasibility engineering and environmental permitting on the Empire Open Pit Copper Mine, exploration at the North Pit/Red Star silver-lead deposit, Navarre Creek Gold Project, and the underground copper sulphides, as well as the advancement of the Company's ESG Program and PR and IR initiatives. Work being conducted this year ties-in perfectly with the announcement of the US Defense Production Act, which provides for an increase in the domestic production of metals for national defense, electric vehicles, and the transmission and storage of renewable energy necessary to achieve these goals. At the same time, media reports from the likes of S&P Global, Wood Mackenzie, and Goldman Sachs continue to highlight the effect of increased demand for metals like copper on dwindling global supply, with shortfall anticipated to exceed seven million tonnes by 2030.

2022-2023 Drilling Programs

Core drilling in the Empire open pit copper deposit was initiated in June for the purpose of collecting samples three-dimensionally representative of the oxide portion of the deposit for copper, gold and silver recovery testing using the environmentally friendly cyanide alternative, ammonium thiosulfate ("ATS"). The program anticipates the completion of 5,000 feet of core drilling and will run through November. The North Pit/Red Star project is also scheduled for approximately four weeks of drilling beginning in October. Drilling will target magnetic anomalies identified in the 2021 ground magnetics survey.

The Company completed a core drilling program in the Empire underground sulphides in 2021, encountering the first notable copper sulphide intercept of 8.3% in the sulphide horizon situated below the open pit. That intercept provided us with valuable information regarding the "roots" of the sulphide system and will anchor future drilling programs targeting the deeper sulphides. The Company also completed ground magnetics and hyperspectral mineral geophysical surveys at Red Star, Horseshoe, and Navarre Creek. The results of those surveys were positive and have provided critical targeting information for future drilling programs, which are anticipated for 2023.

The Company's Navarre Creek drilling plan was approved by the US Forest Service in August, clearing the way for a 2023 drilling program comprised of up to 60 reverse-circulation ("RC") drill holes on 30 drill pads that will target geochemical and geophysical anomalies identified from surface sampling programs conducted over the past several years.

Additional long-term monitoring wells will be constructed in October and located northeast of the proposed processing facility. These wells will expand the current monitoring well network completed in 2021. Data from the monitoring wells will augment data collected in a Controlled Source Audio-frequency Magnetotellurics ("CSMAT") survey conducted in late summer and designed to identify geologic structures and rock characteristics that control groundwater movement, providing vital hydrological information for future operations.

Open Pit Permitting and Feasibility Engineering

The environmental permitting process for the Empire open pit mine began in late 2017 with the initiation of environmental baseline studies, which have all been completed with no critical issues identified, and enabled the submission of an initial Plan of Operations to the regulatory authorities in 2021. The mine and process design engineering necessary for completing a feasibility study is in progress and combines all the drilling, analytical, and engineering data collected on the project to date. The Feasibility Study is designed to convert the existing Empire resource into a reserve category using average metal prices and current equipment, reagent, and supply pricing. The current preliminary economic assessment level cash flow model shows pre-production capital of $52 million with payback in less than two years; gross revenue of $836 million over 10 years of mine life, and $43 million post-tax cash flow in year one at a $3.60/lb copper price. These project economics are expected to improve significantly as a result of ongoing economic and environmental optimization.

Cobalt

The Company's cobalt holdings at the Redcastle Idaho Cobalt Belt property in Lemhi County were signed to an earn-in agreement with Electra Battery Materials ("Electra") in 2021. Electra, the Toronto-based owner of the Iron Creek cobalt mine that shares a common border with the Redcastle property, initiated an IP Geophysical Survey and core drilling this year on an area of cobalt mineralization known as the Ruby Zone. Redcastle is located 1.2 kilometers south of the Ruby Zone and shares similar stratigraphy. Electra announced they will be conducting further exploration on the Redcastle property. The earn-in agreement includes an initial payment of cash and Electra shares to Phoenix, followed by two work commitments of $1,500,000 each over a five-year period, thereby earning Electra a 75% interest in the property.

Other Business

2022 also saw the formation of our Konnex Resources community advisory team, KCAT, which is comprised of citizens and business owners near our Empire Mine project in Custer County, Idaho. The KCAT group was developed out of our ESG Program and has been promoted by Catherine Evans and Lenie Wilkie, our ESG Director and ESG Coordinator. This group of liaisons provides a valuable link between the Company and the community, and an avenue for community input regarding the Company's proposed operations.

I have said this many times before, and I will repeat it again. Phoenix has been provided a unique opportunity with the variety and grade of mineralization located on our Idaho properties. The mix of "green metals" like copper and cobalt, and the prospective gold and silver targets, all residing within the Company's current claim holdings, puts us in an enviable position for near term production and years of exploration potential.

2022 has not been without its challenges. Equipment and supply shortages, contractor staffing shortages, and the wildly volatile metals and supply markets are presenting delays that are being shared by the industry as a whole and will likely not be resolved in the immediate future. However, the Phoenix team has the singular focus to accomplish the goals outlined for 2022 and beyond. I fully expect that we will continue to encounter many of the same supply chain and staff challenges as we move forward, and I also fully expect that our team will continue to overcome those challenges as they are presented to us.

Mineral Resources

An updated NI 43-101 compliant resource was completed by Hardrock Consulting in October 2020 and reported for the polymetallic Empire Mine open pit oxide deposit. The updated resource showed a 51% increase in the Measured and Indicated category from the previous year's resource. Including the Inferred resources, the Empire open-pit oxide deposit now contains 129,641 tonnes of copper, 58,440 tonnes of zinc, 10,133,772 ounces of silver and 355,523 ounces of gold.

Mineral Resource Statement for Empire Mine, after Hard Rock Consulting October 2020

CLASS	Tonnes	Cu Equiv %	Average Grade				Metal Content				
			Cu	Zn	Ag	Au	Cu	Zn	Ag	Au	Cu Equiv
			%	%	g/t	g/t	Tonnes	tonnes	Ozs	Ozs	Tonnes
Measured	8,289,719	0.81	0.42	0.22	11.4	0.327	34,655	18,160	3,031,791	87,036	67,013
Indicated	14,619,340	0.72	0.36	0.18	9.7	0.322	52,888	25,711	4,563,407	151,370	105,899
M+I	**22,909,059**	**0.75**	**0.38**	**0.19**	**10.3**	**0.324**	**87,543**	**43,871**	**7,595,198**	**238,406**	**172,912**
Inferred	*10,612,556*	*0.75*	*0.4*	*0.14*	*7.4*	*0.343*	*42,098*	*14,569*	*2,538,574*	*117,117*	*79,296*

Red Star is a high-angle silver-lead vein system hosted in andradite-magnetite and located 330-metres north-northwest of the Empire oxide pit. In early May 2019, the Company announced a small maiden Inferred sulphide resource of 103,500 tonnes, containing 577,000 ounces of silver, 3,988 tonnes of lead, 957 tonnes of zinc, 338 tonnes of copper, and 2,800 ounces of gold.

Class	Tons	Ag	Ag	Au	Au	Pb	Pb	Zn	Zn	Cu	Cu
	(x1000)	g/t	oz	g/t	oz	%	Lb	%	lb	%	Lb
	(x1000)		(x1000)		(x1000)		(x1000)		(x1000)	%	(x1000)
Inferred	114.13	173.4	577.3	0.851	2.8	3.85	8,791.20	0.92	2,108.80	0.33	745

Outlook

We have seen significant volatility in the metals markets so far this year, with copper ringing in 2022 at $4.42/lb, rising to an all-time high of $5.03/lb in March, and retreating to $3.20/lb in September. Gold has also seen fluctuations of $377/oz and silver over $8.50/oz since the beginning of the year. We are seeing similar volatility in the pricing of leaching reagents, structural steel, heavy equipment, and fuel. I am not surprised to see fluctuations in the price of metals so much as I am surprised at the wild fluctuation in the cost of equipment, supplies, and consumables required for constructing and maintaining a modern mining operation. The volatility across all of these sectors creates challenges in estimating capital and operating costs, particularly when estimating future costs. I think it is well understood that current market volatility has resulted from a combination of material and labor shortages in the manufacturing and fabrication sectors arising from Covid-19, the war in Ukraine, and global inflation. While I am growing increasingly frustrated by using Covid as an excuse for manufacturing and delivery delays, it appears to be a reality that we must accept for the time being.

Despite all of this, the fact remains that copper is in the top three of the most consumed metals in the world, trailing only behind iron and aluminum. The heavy focus on green energy metals for power generation, transmission, and transportation will increase demand, as we are already beginning to realize. Clean energy initiatives in the United States, Canada, and Europe have already begun to drive demand for copper, cobalt and lithium. As other countries develop similar initiatives, demand will outweigh global supply. Some analysts are estimating copper demand to exceed supply beginning as early as 2024. Should the war in Ukraine begin to resolve, the reconstruction of the country will place an additional demand on metal resources.

Although the copper price has decreased on the year, it remains significantly higher than in the few years preceding Covid, during which the average price was below $3.00/lb. Compared to those years, the copper market continues to perform well, with prices holding above $3.50/lb and cobalt above $55,000/tonne. I expect to see the metals markets, particularly copper and cobalt, continue to perform well as the EV and "green energy" initiatives continue to grow globally. I also expect that the spending on the 10 year, $1.2 trillion US Infrastructure Bill and the recently introduced U.S. Defense Production Act will increase metal demand and boost pricing in the short term. The roughly $550 billion earmarked for the construction of roads, bridges, ports, power transmission, and large water projects, as well as the advancing EV initiatives, will require significant quantities of metal.

The mineralized systems at our Idaho projects contain a variety of EV metals, as well as precious and other base metals, all of which will feed the numerous infrastructure and green energy projects in the global pipeline. This variety provides the Company significant optionality in a world of fluctuating prices. Our story becomes even stronger with the realization that these resources are all located in known mining districts in the geopolitically stable, pro-mining jurisdiction of Idaho, USA.

While I fully anticipate further challenges as we move forward, I also fully anticipate that our talented and dedicated team of hardworking professionals, our supportive shareholder base, and our strong relationship with the local community will overcome the current market headwinds. My outlook for the Company remains positive and I am excited to see and report our accomplishments in 2022.

Key Performance Indicators ('KPIs')

To date the Group has focused on the delivery of the project evaluation work programs to assess the available mineral resources and the extraction methods to apply, each within the available financial budgets. This work will continue until the relevant feasibility studies are completed, and construction commences.

At that stage the Group will consider and implement appropriate operational performance measures and related KPIs as the objective of recommencing commercial production at the Empire Mine nears fruition.

Conclusion

We are well positioned to become a producer of metals that are vital to our everyday lives. The transportation, manufacturing and energy sectors are dependent upon the suite of metals hosted by our Idaho projects, and in turn we are dependent upon the goods and services provided by those sectors. We remain well funded and have the right team to move the Empire Mine into production and to properly explore the Navarre Creek, Red Star, and the Empire underground sulphides projects.

I would like to thank all our professional staff, consultants and advisors, all of whom work tirelessly to accomplish our common goal of metal production. And I would like to thank our community liaisons, shareholders, and directors for their considerable support. I look forward to reporting further positive news as we continue our exploration and development programs during 2022.

Ryan McDermott

Chief Executive Officer

ESG & Sustainability Committee Chairman's Report

It gives me great pleasure to report on the significant progress we have made with respect to ESG & Sustainability in the last six months. Our central aim remains clear: to build and run a clean mining operation with as low a carbon footprint as possible.

The new Phoenix website went live in August of this year, and we have placed a great deal of emphasis on providing clear information on metrics relating to ESG and Sustainability to interested parties. Konnex will soon have its own website, the key benefit being communicating ESG & Sustainability issues and local activities to those of our stakeholders who will be directly affected.

We regard gaining and maintaining the support of our community as the cornerstone of our success. As we reported in February 2022, we formed the KCAT, the Konnex Community Advisory Team, comprised of three representatives of Phoenix/Konnex, our Idaho registered operating subsidiary, and ten independent residents of Custer or Butte Counties with diverse experience from one or more of the following sectors: citizens, municipal, land-users, socio-economic (business) and research/training. We are highly fortunate to have such interested and engaged individuals with such a wealth of experience to facilitate open communication between the Company and the community. Since its formation, the committee has met four times, including a visit to the site of Empire Mine. As detailed on our website, the role of the KCAT is to finalise the formation of a Good Neighbour Agreement, to formulate a grievance process which will address concerns and complaints, and to be instrumental in their resolution. Further, we wish the KCAT to identify ways in which the Company can be of benefit to the community and to compile a local vendor/supplier list so that we can support local businesses wherever possible.

Drawing on SASB's (Sustainability Accounting Standards Board) Metals & Mining Standard 2021, the ESG Team has spent a great deal of time focusing on Materiality Assessments in order to determine what our current ESG risks are and what they will be when we are in production. We have determined these risks not only from our own perspective, but have also taken into account issues of concern to our stakeholders. The KCAT will be able to provide a great deal of qualitative input into this project, and will have an important role in refining and verifying this data.

In our ongoing effort to provide investors and stakeholders with transparent and reliable information on our activities, we have contracted with Digbee ESG, an ESG disclosure platform for the mining industry, offering 'a future-looking, right-sized set of frameworks, aligned to the key global standards.' We have supplied highly detailed information to Digbee via two questionnaires: one corporate and the other project-specific, focused on the Empire Mine. This information will subsequently be verified by Satarla, a risk & ESG training consultancy & research firm. For reasons of confidentiality, our responses to their questions will not be available for public view, but they will award us with an overall score which can be viewed and accepted by leading stakeholders. Each mining project is unique, and from an investor standpoint, Digbee allows fair comparisons between them from an ESG perspective.

We are confident that Digbee has been able to provide us with the larger part of a solution to a highly complex problem. ESG & sustainability disclosure requirements are becoming increasingly onerous, and we will continue to monitor the disclosure horizon carefully.

At all stages of our decision-making process, ESG & Sustainability considerations are awarded high priority. As reported in February 2022, we continue to investigate the feasibility of building an aerial tramway to transport ore from the mine site to the leach pads, instead of using trucks. The tram remains our preferred option for a large number of environmental reasons, including a substantial reduction in water requirement, and will considerably reduce operating costs over the life of the mine, thereby justifying the necessary upfront investment. The development of the Empire open pit mine will provide high quality employment opportunities, and will also generate business for local suppliers and entrepreneurs, but we remain mindful that we are operating in an area of outstanding natural beauty and are determined to make every effort to ensure that we are good neighbours and good long-term stewards of the environment.

We look forward to providing further updates on our progress in the near future.

Catherine Evans

Non-Executive Director

Financial Overview

The Group reports a loss for the six months of $1.052 million (2021: loss of $199,481). This includes an unrealised foreign exchange loss on sterling denominated assets of $503,593 (2021: foreign exchange gain of $303,077), and a charge of $36,623 (2021: $90,953) relating to non-cash share-based payments attributable to warrants or options extended or granted during the period, and which amount is simultaneously credited back to the retained deficit.

Net assets at 30 June 2022 totalled $38.22 million (2021: $37.70 million), including cash of $9.05 million (2021: $22.88 million).

During the period the Company raised a further $1.39 million through the issue of 5,055,942 ordinary shares pursuant to the exercise of warrants. Since the period-end a further 157,000 ordinary shares have been issued pursuant to further warrant exercises. The outstanding share capital of the Company is currently 122,628,622 shares.

During the period the Company charged its subsidiary entities $465,000 (2021: $405,000) in respect of management services provided, and $610,653 (2021: $361,678) in respect of interest at 6% per annum on the Company's inter-company loan to Konnex Resources Inc ("Konnex"), owner of the Empire Mine, the latter eliminating on consolidation. At 30 June 2022 the Company's loan to Konnex stood at $22.95 million (2021: $15.33 million). The Company has also advanced $2.28 million (2021: $859,900) to Lost River Resources Inc, a wholly owned subsidiary of the Company, to acquire real estate commercial and residential property and mining claim blocks to support the Empire Mine. These loans will be repaid from Konnex's operating cash flow in due course and are intended, together with royalties receivable from Konnex, to form a platform for a future proposed dividend policy to return money to shareholders.

During the period the Group acquired the remaining 1.25% royalty payable by Konnex Resources to Honolulu Copper Corporation ("Honolulu") for consideration of $450,000. The Group had previously acquired 1% of the 2.5% royalty payable to Mackay LLC, and 1.25% of the royalty payable to Honolulu, as well as Honolulu's underlying patented and unpatented mining claims, for consideration of $1.3 million. As a result, Konnex Resources will now pay a 1% royalty or a 2.5% royalty to the Company from future production at Empire, depending which claim blocks are being mined.

The Company is currently undertaking a corporate copper bond financing in order to accelerate the ongoing development of the Empire Mine and surrounding mineralised district. The bonds are non-convertible, and repayable after 10 years, unless the Company offers early redemption after five years, and the bondholder accepts, or the bondholder requests early redemption after six years. The bonds will pay a semi-annual coupon linked to the average monthly closing copper price on the London Metal Exchange during any given coupon period, subject to a minimum annual coupon of 8.5% at a $3.60 / lb or lower copper price, and a maximum annual coupon of 20% at a $11.26 / lb or higher copper price. The bonds will be secured on the Company's patented mining claims and listed on The International Stock Exchange in the Channel Islands. An initial tranche is currently under negotiation.

The Directors recognise the importance of sound corporate governance and have applied the Quoted Companies Alliance's Corporate Governance Code 2018. The Company's Corporate Governance Statement dated 25 March 2022 can be viewed on the Company's website at https://phoenixcopperlimited.com.

Richard Wilkins

Chief Financial Officer

Condensed consolidated income statement	Note	Unaudited 6 months to 30 June 2022 $	Unaudited 6 months to 30 June 2021 $	Audited 12 months to 31 December 2021 $
Continuing operations				
Revenue	3	-	-	-
Exploration and evaluation expenditure		-	-	-
Gross loss		-	-	-
Administrative expenses	4	(1,057,717)	(295,368)	(1,065,950)
Other operating income	9	-	106,340	106,340
Loss from operations		(1,057,717)	(189,028)	(959,610)
Finance income		6,107	-	3,708
Finance costs		-	(10,453)	(13,348)
Loss before taxation		(1,051,610)	(199,481)	(969,250)
Taxation		-	-	-
Loss for the period		(1,051,610)	(199,481)	(969,250)
Loss attributable to:				
- Owners of the parent company		(1,038,033)	(185,550)	(942,850)
- Non-controlling interests		(13,577)	(13,931)	(26,400)
		(1,051,610)	(199,481)	(969,250)
Basic and diluted loss per share – cents	5	(0.86)	(0.20)	(0.90)

The revenue, expenditures and operating result for each period is derived from acquired and continuing operations in North America and the United Kingdom.

Condensed consolidated statement of comprehensive income	Unaudited 6 months to 30 June 2022 $	Unaudited 6 months to 30 June 2021 $	Audited 12 months to 31 December 2021 $
Loss for the period and total comprehensive income for the period	(1,051,610)	(199,481)	(969,250)
Total comprehensive income for the period			
Owners of the parent company	(1,038,033)	(185,550)	(942,850)
Non-controlling interests	(13,577)	(13,931)	(26,400)
	(1,051,610)	(199,481)	(969,250)

Condensed consolidated statement of financial position

	Note	Unaudited 30 June 2022 $	Unaudited 30 June 2021 $	Audited 31 December 2021 $
Non-current assets				
Property, plant and equipment – mining property	**6**	29,731,139	18,606,061	26,124,030
Intangible assets	**7**	345,844	310,665	330,844
Total non-current assets		30,076,983	18,916,726	26,454,874
Current assets				
Trade and other receivables	**8**	780,299	140,721	365,778
Finance assets	**9**	56,340	56,340	56,340
Cash and cash equivalents		9,045,669	22,875,013	13,046,529
Total current assets		9,882,308	23,072,074	13,468,647
Total assets		39,959,291	41,988,800	39,923,521
Current liabilities				
Trade and other payables	**10**	478,302	619,099	883,196
Other liabilities	**11**	250,000	2,907,500	250,000
Total current liabilities		728,302	3,526,599	1,133,196
Non-current liabilities				
Other liabilities	**11**	250,000	-	250,000
Provisions	**12**	757,702	757,702	757,702
Total non-current liabilities		1,007,702	757,702	1,007,702
Total liabilities		1,736,004	4,284,301	2,140,898
Net assets		38,223,287	37,704,499	37,782,623
Equity				
Share capital	**13**	-	-	-
Share premium account		44,848,384	42,981,253	43,460,747
`Retained deficit		(6,684,755)	(5,362,458)	(5,751,359)
Translation reserve		(18,588)	(18,588)	(18,588)
Capital and reserves attributable to the owners of the parent company		38,145,041	37,600,207	37,690,800
Non-controlling interests		78,246	104,292	91,823
Total equity		38,223,287	37,704,499	37,782,623

Condensed consolidated statement of changes in equity

	Share premium $	Retained deficit $	Translation reserve $	Total $	Non-controlling interests $	Total Equity $
Balance at 1 January 2021	19,251,964	(5,517,549)	(18,588)	13,715,827	118,223	13,834,050
Loss for the period	-	(185,550)	-	(185,550)	(13,931)	(199,481)
Total comprehensive income for the period	-	(185,550)	-	(185,550)	(13,931)	(199,481)
Shares issued in the period	25,539,057	-	-	25,539,057	-	25,539,057
Share issue expenses	(1,809,768)	-	-	(1,809,768)	-	(1,809,768)
Share-based payments	-	340,641	-	340,641	-	340,641
Total contribution by owners	23,729,289	340,641	-	24,069,930	-	24,069,930
Balance at 30 June 2021	42,981,253	(5,362,458)	(18,588)	37,600,207	104,292	37,704,499
Loss for the period	-	(757,300	-	(757,300	(12,469)	(769,769)
Total comprehensive income for the period	-	(757,300)	-	(757,300)	(12,469)	(769,769)
Shares issued in the period	479,494	-	-	479,494	-	479,494
Share issue expenses	-	-	-	-	-	-
Share-based payments	-	368,399	-	368,399	-	368,399
Total contribution by owners	479,494	368,399	-	847,893	-	847,893
Balance at 31 December 2021	43,460,747	(5,751,359)	(18,588)	37,690,800	91,823	37,782,623
Loss for the period	-	(1,038,033)	-	(1,038,033)	(13,577)	(1,051,610)
Total comprehensive income for the period	-	(1,038,033)	-	(1,038,033)	(13,577)	(1,051,610)
Shares issued in the period	1,387,637	-	-	1,387,637	-	1,387,637
Share issue expenses	-	-	-	-	-	-
Share-based payments	-	104,637	-	104,637	-	104,637
Total contribution by owners	1,387,637	104,637	-	1,492,274	-	1,492,274
Balance at 30 June 2022	44,848,384	(6,684,755)	(18,588)	38,145,041	78,246	38,223,287

Condensed consolidated statement of cash flows	Unaudited 6 months to 30 June 2022 $	Unaudited 6 months to 30 June 2021 $	Audited 12 months to 31 December 2021 $
Loss before taxation	(1,051,610)	(199,481)	(969,250)
Adjustments for:			
Share-based payments	36,623	90,953	191,856
Consideration equity shares	-	(56,340)	-
	(1,014,987)	(164,868)	(777,394)
Changes in working capital			
(Increase)/decrease in trade and other receivables	(414,521)	(18,421)	(299,818)
Increase/(Decrease) in trade and other payables	(404,894)	425,162	689,259
Cash (used in)/generated from operating activities	(1,834,402)	241,873	(387,953)
Investing activities			
Purchase of intangible assets	(15,000)	(33,770)	(53,949)
Purchase of property, plant and equipment	(3,539,095)	(3,567,369)	(10,238,492)
Net cash outflow from investing activities	(3,554,095)	(3,601,139)	(10,292,441)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	1,387,637	25,539,057	25,939,203
Share-issue expenses	-	(1,809,768)	(1,809,770)
Proceeds from the issue of loan notes	-	2,100,000	-
Repayment of loan notes-	-	(741,500)	(1,549,000)
Net cash inflow from financing activities	1,387,637	25,087,789	22,580,433
Net (decrease)/increase in cash and cash equivalents	(4,000,860)	21,728,523	11,900,039
Cash and cash equivalents at the beginning of the period	13,046,529	1,146,490	1,146,490
Cash and cash equivalents at the end of the period	9,045,669	22,875,013	13,046,529

An amount of $68,014, (30 June 2021: $249,688, 31 December 2021: $517,184) in respect of the charge for share-based payments was capitalised into mining property.

1. Basis of preparation and principal accounting policies

This condensed consolidated interim financial information was approved for issue by the Board on 28 September 2022.

This condensed consolidated interim financial information has not been audited and does not include all of the information required for full annual financial statements. While the financial figures included within this interim report have been computed in accordance with IFRS applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as set out in International Accounting Standard 34: Interim Financial Reporting.

Basis of consolidation

Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated on the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains of transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment to the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of financial position respectively.

2. Information on the Group

Phoenix Copper Limited (the "Company") and its subsidiary undertakings (the "Group") are engaged in exploration and mining activities, primarily precious and base metals, primarily in North America. The Company is domiciled and incorporated in the British Virgin Islands on 19 September 2013 (registered number 1791533). The address of its registered office is OMC Chambers, Wickhams Cay 1, Road Town, Tortola VG1110, British Virgin Islands. The Company is quoted on London's AIM (ticker: PXC) and trades on New York's OTCQX Market (ticker: PXCLF; ADR ticker PXCLY).

3. Revenue

The Group is not yet producing revenues from its mineral exploration and mining activities. During the period the Company charged its subsidiary entities $465,000 (30 June 2021: $405,000; 31 December 2021: $885,000) in respect of management services provided.

4. Administrative expenses

Administrative expenses include $503,593 of foreign exchange losses (30 June 2021: foreign exchange gains of $303,077; 31 December 2021: foreign exchange gains of $173,358).

Administrative expenses also include share-based payments of $36,623 (30 June 2021: $90,953; 31 December 2021: $191,856). The related credits to equity are taken to the retained deficit.

5. Loss per share

	Unaudited 6 months to 30 June 2022 $	Unaudited 6 months to 30 June 2021 $	Audited 12 months to 31 December 2021 $
Loss for the period attributable to equity holders of the parent company	(1,038,033)	(185,550)	(942,850)
	Number	**Number**	**Number**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	121,105,350	91,856,320	104,213,499
Loss per share – basic and diluted (cents)	(0.86)	(0.20)	(0.90)

Non-current assets

6. Property, plant and equipment – mining property

	Mining Property $
Cost or valuation	
At 1 January 2021	14,789,004
Additions	3,817,057
At 30 June 2021	18,606,061
Additions	7,517,969
At 31 December 2021	26,124,030
Additions	3,607,109
At 30 June 2022	29,731,139
Depreciation	
At 30 June 2021, 31 December 2021 and 30 June 2022	-
Net book value:	
30 June 2021	18,606,061
31 December 2021	26,124,030
30 June 2022	29,731,139

Mining property assets relate to the past producing Empire Mine copper – gold – silver – zinc project in Idaho, USA. The Empire Mine has not yet recommenced production and no depreciation has been charged in the statement of comprehensive income. Due to the ongoing development of the property, no impairment has been charged in any period.

The property is owned by Konnex Resources Inc, an 80% owned subsidiary of the parent company, registered and domiciled in Idaho.

7. Intangible assets

	Exploration and evaluation expenditure $
Cost or valuation	
At 1 January 2021	276,895
Additions	33,770
At 30 June 2021	310,665
Additions	20,179
At 31 December 2021	330,844
Additions	15,000
At 30 June 2022	345,844
Net book value:	
30 June 2021	310,665
31 December 2021	330,844
30 June 2022	345,844

Exploration and evaluation expenditure relates to the Bighorn and Redcastle properties on the Idaho Cobalt Belt in Idaho, USA. The Bighorn property is owned by Salmon Canyon Resources Inc. The Redcastle property is owned by Borah Resources Inc. Both companies are wholly owned subsidiaries of the parent entity, and are both registered and domiciled in Idaho. The Redcastle property is subject to an Earn-In Agreement with First Cobalt Idaho, a wholly owned subsidiary of Electra Battery Materials Corporation (formerly First Cobalt Corporation) of Toronto, Canada.

8. Trade and other receivables

	Unaudited 30 June 2022 $	Unaudited 30 June 2021 $	Audited 31 December 2021 $
Other receivables	671,335	88,845	207,949
Prepayments	108,964	51,876	157,829
	780,299	140,721	365,778

Other receivables include $464,417 of costs incurred in respect of a proposed corporate bond issue currently being undertaken by the Company. These costs will be allocated against the bond proceeds when the issue is concluded.

9. Financial assets

	Unaudited 6 months to 30 June 2022 $	Unaudited 6 months to 30 June 2021 $	Audited 12 months to 31 December 2021 $
Quoted investments	56,340	56,340	56,340

In May 2021 the Group entered into an earn-in agreement with First Cobalt Idaho, the wholly owned subsidiary of Toronto-based Electra Battery Materials Corporation (formerly First Cobalt Corporation) ("Electra"), in respect of the Group's Redcastle cobalt property on the Idaho Cobalt Belt. The Group received consideration of $50,000 and 200,000 shares in Electra valued at $56,340, a total initial consideration of $106,340.

10. Trade and other payables

	Unaudited 30 June 2022 $	Unaudited 30 June 2021 $	Audited 31 December 2021 $
Trade creditors	478,302	597,667	862,907
Other creditors	-	21,432	20,289
	478,302	619,099	883,196

11. Other liabilities

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	$	$	$
Current liabilities			
Loan notes	-	2,907,500	-
Deferred consideration	250,000	-	250,000
	250,000	2,907,500	250,000
Non-current liabilities			
Deferred consideration	250,000	-	250,000

In April 2021 the Group entered into an agreement with Mackay LLC to acquire 1% of the 2.5% net smelter royalty payable on mining leases on the Empire Mine in Idaho, USA. Total consideration payable to Mackay LLC is $800,000, of which $300,000 has been paid. Deferred consideration comprises two further payments of $250,000 each, due on 31 December 2022 and 31 December 2023.

12. Provisions

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	$	$	$
Decommissioning provision	100,000	100,000	100,000
Potential future royalties payable	657,702	657,702	657,702
	757,702	757,702	757,702

The provision of $100,000 for decommissioning the Empire Mine is based on the directors' estimate after taking into account appropriate professional advice, and is included within mining property.

The other provision of $657,702 arises from a business combination in 2017 and comprises potential royalties payable in respect of future production at the Empire Mine. This liability will only be payable if the Empire Mine is successfully restored to production and will be deducted from the royalties payable.

13. Share capital

	Unaudited 30 June 2022 Number	Unaudited 30 June 2021 Number	Audited 31 December 2021 Number
Allotted and issued			
Ordinary shares with no par value	122,471,622	116,328,102	117,415,680

The Ordinary Shares rank pari passu.

In the period the Company issued 5,055,942 ordinary shares pursuant to the exercise of warrants raising $1,387,637 with an average issue cost of 27.4 pence.

Since the period end a further 157,000 ordinary shares have been issued pursuant to the exercise of warrants.

14. Events after the reporting date

Since the period end the Company has commenced a corporate copper bond financing in order to accelerate the ongoing development of the Empire Mine and surrounding mineralised district. The bonds are non-convertible, and repayable after 10 years, unless the Company offers early redemption after five years, and the bondholder accepts, or the bondholder requests early redemption after six years. The bonds will pay a semi-annual coupon linked to the average monthly closing copper price on the London Metal Exchange during any given coupon period, subject to a minimum annual coupon of 8.5% at a $3.60 / lb or lower copper price, and a maximum annual coupon of 20% at a $11.26 / lb or higher copper price. The bonds will be secured on the Company's patented mining claims and listed on The International Stock Exchange in the Channel Islands.

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.

Contacts

For further information please visit www.phoenixcopperlimited.com or contact:

Phoenix Copper Limited	Ryan McDermott Brittany Lock Richard Wilkins	Tel: +1 208 954 7039 Tel: +1 208 794 8033 Tel: +44 7590 216 657
SP Angel (Nominated Adviser)	David Hignell / Caroline Rowe	Tel: +44 20 3470 0470
Tavira Financial Limited (Joint Broker)	Jonathan Evans / Oliver Stansfield	Tel: +44 20 7100 5100
WH Ireland (Joint Broker)	Harry Ansell / Katy Mitchell	Tel: +44 207 2201666
Panmure Gordon (UK) Limited (Joint Broker)	John Prior / Hugh Rich / Ailsa Macmaster	Tel: +44 20 7886 2500
EAS Advisors (US Corporate Adviser)	Matt Bonner / Rogier de la Rambelje	Tel: +1 (646) 495-2225
BlytheRay (Financial PR)	Tim Blythe / Megan Ray	Tel: +44 20 7138 3204

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 our 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/