

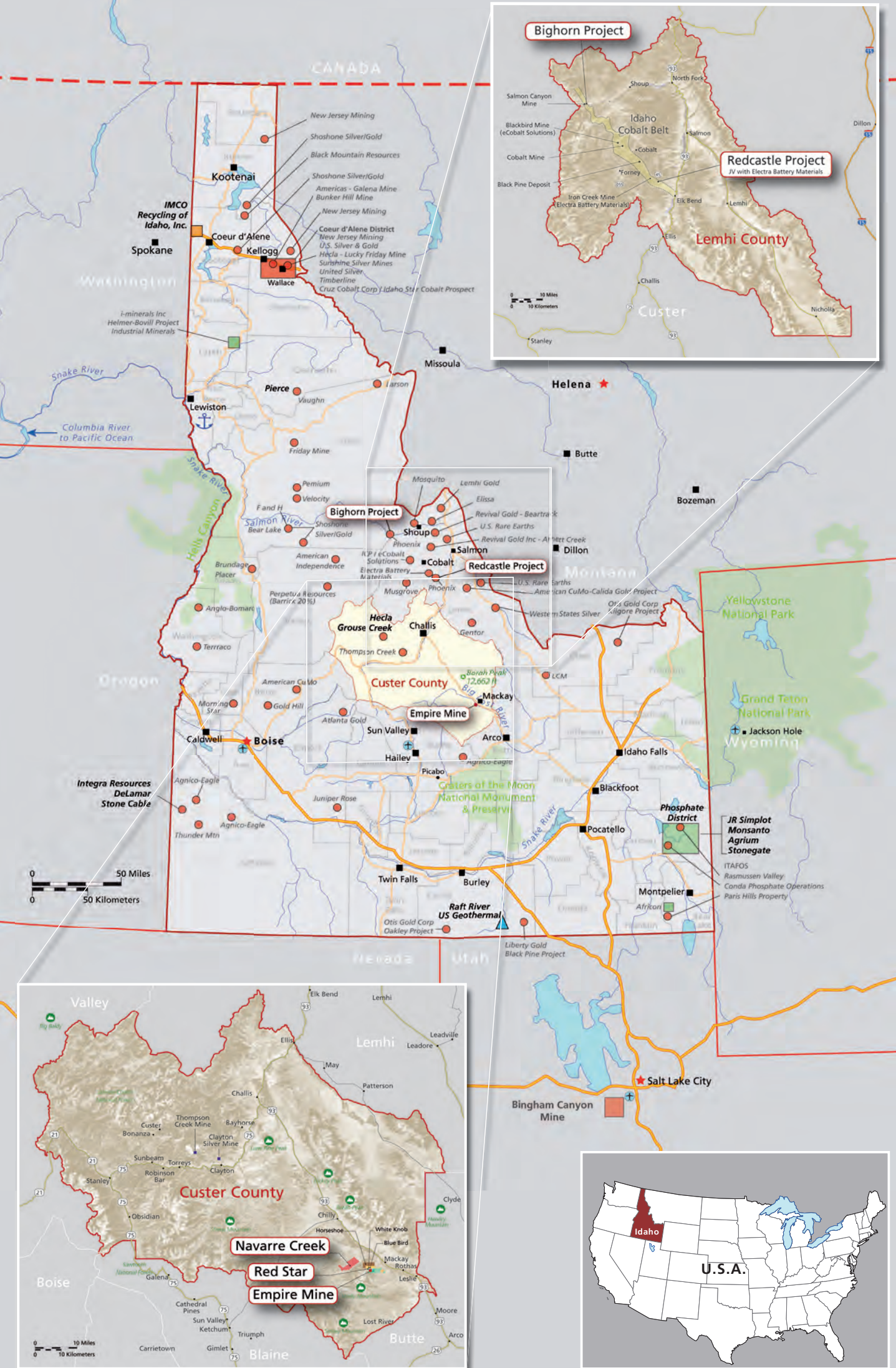
2024

ANNUAL REPORT & ACCOUNTS

Photo: Ball mill equipment delivered to Konnex
operational office in Mackay, Idaho.



AIM : PXC
OTCQX ADR : PXCLY





2024 Highlights

1

Production

Near-term open pit copper, gold and silver production

Mineral Reserves

66,467 tonnes of copper equivalent metal

Feasibility Study

\$153 million pre-tax cash flow; cash costs of \$2.44/lb

Upside Potential

39 sq km of mineralised claim blocks, including Idaho Cobalt Belt

Sustainable Operations

Sustainability Report published; Digbee ESG 'A' rating

Emerging producer of copper, gold and silver in Idaho, USA

Phoenix Copper Limited is an AIM listed and OTCQX traded USA focused base and precious metals emerging producer, with significant exploration upside within a prolific mineralised district.

- Developing the previously producing Empire Mine in Idaho
- Initial copper, gold and silver production from an open pit mine
- Supporting a clean economy, delivering copper into the US critical minerals programme

Corporate & Financial

- Investment in Empire Mine increased to \$43.77 million (2023: \$38.43 million)
- Group reports loss of \$6.27 million (2023: loss of \$1.57 million) after charging an exceptional \$4.60 million write-down of bond issue expenses
- Year-end Group net assets of \$40.93 million (2023: \$37.19 million)
- Company loans to Idaho operating subsidiaries increased to \$38.83 million (2023: \$32.54 million)
- Authorised class of \$300 million floating rate corporate copper bonds created. Initial \$5 million drawn down during the Year, and bonds listed on The International Stock Exchange ("TISE") in the Channel Islands. Letter of Intent to subscribe for a further \$75 million signed in June 2025
- Placing, subscription and retail offer to raise \$3.52 million completed in January 2024, and equity placings to raise \$1.07 million completed post-year end
- \$2 million unsecured short-term loan refinanced into 18-month unsecured term loan in March 2024
- Andre Cohen retired as a director and joined the Advisory Board
- Paul de Gruchy, VP of Investor Relations, also joined the Advisory Board

Operational

- Empire Mine open pit mineral resources upgraded to mineral reserves. Inaugural mineral reserve statement published
- Proven & Probable mineral reserves of 10.1 million tonnes containing 109,487,970 pounds ("lbs") of copper, 104,000 ounces ("oz") of gold and 4,654,500 oz of silver (66,467 tonnes of copper equivalent metal)
- Mineral reserves estimated using assay data from 485 drill holes, extensive geological modelling, metallurgical recovery test work, geotechnical evaluation, and mine design
- Empire Mine open-pit Pre-Feasibility Study ("PFS") published. Pre-tax cumulative net free cash flow of \$153 million over 8-year mine life; total cash costs of \$2.44/lb
- Life of mine production of 40,424 tonnes copper, 40,161 oz gold and 1.76 million oz silver
- Initial Empire Mine open-pit equipment delivered to site, including two pre-owned ball mills and a fully equipped assay laboratory, purchased at significant discounts to the price of the same equipment when new
- Areas of significant and consistent mineralisation identified at the Navarre Creek gold claim block. 20 additional mining claims totalling 400 acres staked
- Earn-In Agreement on the Redcastle cobalt property renewed with Electra Battery Materials

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Chairman's statement

Dear Shareholders

While we are not in the business of creating a political chat forum, it would be unrealistic to say that we are not monitoring current events with huge interest. We have been hoping for some time that the US would react to the fact that around 45% of its annual refined copper consumption is imported. We are therefore very encouraged that the Trump Administration has decided to address this issue and take steps to increase domestic production of critical minerals, and copper in particular.

At the time of writing, our main basket of metals is trading at or close to historically high prices. As mentioned before, due to Covid and the Ukraine war's disruptions, we took the opportunity to redraft the Pre-Feasibility Study ("PFS") for our Empire open-pit copper, gold and silver project in Idaho USA, streamlining it into a more compact and efficient process. The PFS that we published in September 2024 has been worth the wait, generating net (after repaying capex) pre-tax cashflow of \$153 million over an 8-year mine life, using \$4.45/lb copper, \$2,325/oz gold and \$27.25/oz silver. This compares with initial capital expenditure of \$62.6 million, and also produces a 5% Net Present Value ('NPV') of \$105 million and Internal Rate of Return ('IRR') of 46%. If we adjust the precious metal prices to current (\$3,350/oz gold and \$34.50/oz silver), the net pre-tax cashflow increases to \$204 million, the NPV to \$143 million and the IRR to 57%.

This is no mean achievement. The copper equivalent grade of 0.66% is higher than the global "in production" grade of 0.53% and significantly higher than the estimated 0.39% for mines under development. Relative costs are also competitive. Total cash costs at Empire, including royalties, are forecast at \$2.44/lb. These compare favourably with Cerro Verde and Copper Mountain (\$2.58), Morenci (\$2.66), Bagdad (\$2.73) and Olympic Dam (\$2.88), to name a few (source: S & P Capital IQ, copper total cash cost 2024). Our place beckons amongst western copper producers.

On the global stage, we are always keeping an eye on China, consuming as they do approximately 50% of the world's copper. It is reassuring to see strong growth rates still prevailing in electric vehicles ("EVs"), with recent rates of 18% showing no signs of slowing down. The Chinese EV market is forecast by some to grow as high as \$780 billion between now and 2029 from its current \$377 billion. However, there are newer consumers to consider. Annual copper consumption per capita in India is now close to 1kg, compared with a global average of 3.2kg or more than 7kg in China and the US. It is notable that in 2023, India consumed 1.5 million tonnes, a 16% increase from 2022, while China consumed 13 million tonnes.

Artificial intelligence and the gig economy are also emerging as key drivers of growth in demand. One gigawatt of power for a new data centre requires in excess of 25,000 tonnes of cabling. Sixteen GW of AI data centre-related capacity is likely to be added in the US by 2026, which will need 400,000 tonnes of copper – equivalent to the output of a major mine, costing \$3.2 billion at current prices. With Microsoft reportedly spending \$115 billion in this space, it is insignificant by comparison.

The jury may still be out on EVs, but not on solar, hydropower and wind. Solar requires between 2.45 and 7 tonnes of cable per megawatt, hydro 4 tonnes, onshore wind 2.5 to 6.4 tonnes and offshore 10.5 tonnes. While overhead high-tension cables are made from aluminium, submerged or buried cables are nearly always made from copper.

On the supply side, refined copper production has not grown much since 2016, and new mines are needed to replace depletion from existing mines. Global grades of copper reserves were higher than 1% in the 1980s. This figure has fallen to below 0.4%, which has raised costs, as more than twice the amount of rock has to be processed for the same amount of metal.

Many mining companies have boosted their reserves when the copper price was rising by rebooking lower grade waste rock as reserves, as the higher price made them economic to mine. This process has largely come to an end, and there is a distinct lack of new discoveries of the size to deal with the extra demand outlined above.

Many companies have also preferred to spend money on share buybacks and buying competitors rather than starting new projects.

There are some significant copper deposits that remain unexploited, since it has become increasingly difficult to obtain permits and funding for them. Although the situation may change under the Trump Administration, we are still looking at several years before we see any production from the likes of Resolution or Twin Rivers.

As a result, our bullish stance on copper remains intact.

Although it is disappointing that the \$80 million subscription for our corporate copper bonds, signed in June last year, remains only \$5 million drawn down, I am pleased to report that we have signed a Letter of Intent with an accredited US investor to subscribe for the additional \$75 million. This subscription, which is subject to the preparation and execution of definitive legal documentation, including the bond subscription letter, will enable us to complete construction and proceed into production at the Empire open-pit mine. We are hopeful that we will be able to commence drawdown on this additional funding later this month or early next.

Finally, I would like to thank all of you who have remained with us for your patience under trying circumstances. We appreciate that it has not been an easy ride and are ever grateful for your support.

Marcus Edwards-Jones
Executive Chairman
16 June 2025

Chief executive officer's report

The Company marked several notable achievements in 2024, including the publication of copper, gold, and silver mineral reserves in the Empire Open Pit, the Empire Open Pit Pre-Feasibility Study ("PFS"), and the receipt of the grinding mills at our Mackay, Idaho lay down yard. The mining industry as a whole also marked a couple of notable milestones over the past 12 months, here in the US with the inauguration of a pro-mining White House administration, and globally with record copper and gold prices.

The inaugural Empire mineral reserves statement was published in May and reported economically viable Proven & Probable reserves of 10.1 million tonnes containing 109,487,970 lbs of copper, 104,000 ounces ("oz") of gold and 4,654,400 oz of silver, for a total of 66,467 copper equivalent metric tonnes ("mt").

The Company's PFS was published in September. The modelling and engineering in the PFS resulted in an 8-year open pit mine life producing payable metal of 89,094,705 copper lbs (40,424 mt), 40,161 oz gold, and 1,759,717 oz silver, with an estimated \$62.6 million capex and total cash operating cost of \$2.44/lb of copper equivalent metal, and pre-tax economics of US\$87.86 million discounted net present value at 7.5% ("NPV7.5"), a 46.4% internal rate of return ("IRR"), and cumulative net free cashflow of US\$152.98 million over the life of the mine.

We have spent much of the past year sourcing equipment for the open pit operation, including a grinding circuit (ball mills) that were transported and offloaded in Mackay in the fall. We also purchased and transported two tailings filtration units to Mackay, as well as other lesser rolling stock and truck shop equipment. The Company has also invested in a mine office, core logging facility, and an equipment warehouse facility in Mackay, all of which will service the mine. Including the laboratory and assay equipment purchased from Auric in 2023, we are preparing the equipment and supplies necessary for mine construction and operation.

A new White House administration was voted into office in November and immediately positioned itself as pro-mining, pro-energy, and pro-industrial. The administration announced that it would attempt to fast-track federal mine permitting by utilizing a law created in 2015 known as "Fixing America's Surface Transportation Act – Title 41" (more commonly known as "FAST-41") to simplify and streamline the permitting process for a variety of business sectors, including mineral exploration and mining. Although FAST-41 does not alter any applicable statutory or regulatory requirements or laws and does not predetermine the outcome of any federal decision-making process with respect to infrastructure projects receiving program benefits, it is intended to promote more transparent timetables for the federal review process, and to reduce the duplicative processes encountered on complex projects that are subject to multiple federal agency reviews.

Based on the current FAST-41 requirements, Phoenix's Idaho projects do not meet the criteria for inclusion in the program. The Empire Open-Pit project does not meet the program's minimum investment/capital expenditure requirement. The Horseshoe-Windy Devil and Navarre Creek projects have required federal exploration permitting in the past and have not encountered exploration permitting delays and therefore do not need to be fast-tracked. Exploration of the Empire Copper Sulphides will be completed on private land and will not be subject to federal exploration permitting. Even though our Idaho projects do not meet the criteria for inclusion in the program, it is still advantageous to Phoenix to have an administration so willing to streamline and advance copper and other critical mineral projects. It is also a boost to the mining sector that the administration is fast-tracking energy and industrial projects, all of which use the same metals that will be mined at Empire.

While the Company hopes that the FAST-41 streamlined federal permitting process will eventually be applied to all mineral projects in the U.S., we are encouraged by the fact that the majority of our Idaho projects are either situated on privately-owned land or are in areas where favorable environmental conditions exist to support mineral exploration activities.

Copper reached an all-time high of \$5.24/lb in March of this year. As I write this, the price is \$4.52/lb with futures up 5% to \$4.90/lb. Gold has climbed through \$3,390/oz, closing in on April's all time high of \$3500/oz, and silver has also surged to \$34/oz. These metal prices are significant and exciting for Phoenix because the Empire mineral reserves host all three metals, and the crush-grind-flotation-tank leach-cementation circuit recently designed for processing Empire ore will recover all three metals. Copper, gold, and silver production is highlighted in the 2024 PFS and is made possible

employing standard open-pit mining methods and the recently designed milling process. The processing facility has been engineered with a small enough footprint for siting on the Company's patented mining claims near the open pit. The proximity of the mill to the open pit reduces the haulage distance of the ore to the crusher, which requires a smaller mining fleet in terms of truck count and size, and thereby reduces both capital and operating costs. The mill will produce two pay streams, a copper, gold, silver concentrate stream and a cement copper stream, both of which will be shipped to market without the need of further processing or refining at the Empire site.

In addition to processing ore from the Empire open pit, the flotation circuit will be capable of recovering copper, gold, and silver as a concentrate from the high-grade sulphide vein material that exists below the open pit and was mined extensively until the early 1940s. The Empire team is currently finalizing a plan to advance the exploration of the deeper sulphide vein system with an eye on augmenting the open pit ore with feed from the higher-grade sulphide vein system below the pit. The planning includes driving an adit toward known sulphide mineralization and developing underground drilling stations along the length of the adit. Known sulphide mineralization includes the 8.38% copper interval intercepted in the 2021 core drilling program, which also assayed 1.31 grammes per tonne ("g/t") gold and 120 g/t silver. Historically mined grades from the sulphide vein system below the open pit were recorded as high as 8% copper, with smelter recoveries of the time recorded as averaging 3.64% copper, 1.64 g/t gold, and 54 g/t silver. Resources permitting, we hope to commence underground work later this year.

The Phoenix team is currently in the process of finishing detailed engineering for the mine and processing facility, sourcing equipment and supplies for mine construction, completing land surveys, and preparing a plan of operations with the new processing design to submit to the federal regulatory authorities. Archaeological surveying of the waste rock facility and access road will be completed this month. Although this work has slowed to some degree while we continue on the funding front, progress is being made, and the Company's Idaho assets are being well maintained.

The Team is also making progress building an underground development plan for drilling the sulphide targets below the open pit reserve, resources permitting. The Navarre Creek gold exploration property and the Redcastle and Bighorn cobalt exploration properties are being well maintained and are positioned for exploration activities to continue once the detailed engineering and plan of operations are completed at Empire and resources permit. The earn-in agreement with Electra Battery Materials on the Company's Redcastle cobalt project was also renewed and extended in mid-2024.

2024 Empire Proven and Probable Mineral Reserves

A Proven and Probable reserve estimate was completed by Hardrock Consulting in April 2024 and reported for the polymetallic Empire Mine open pit oxide deposit. The estimate reports Proven and Probable reserves in the Empire open-pit oxide deposit of 10,097,000 tonnes containing 49,677 mt of copper, 104,000 oz of gold, and 4,654,400 oz of silver, for a combined 66,467 mt of copper equivalent metal. It was estimated using assay data from 485 drill holes, extensive geological modelling, metallurgical recovery test work, geotechnical evaluation, and mine design.

Mineral Reserve Statement for Empire Mine, after Hard Rock Consulting April 2024

Fully diluted tonnes at a Net Smelter Return ("NSR") cut-off of \$22.59/tonne

Classification	Tonnes (x1000)	Copper		Gold		Silver		Copper Equivalent		
		%	lb (x1000)	gpt	oz (x1000)	gpt	oz (x1000)	%	lbs (x1000)	tonnes
Proven	7,515	0.49	81,070.56	0.38	90.9	14.42	3,483.70	0.68	111,995.20	50,815
Probable	2,582	0.5	28,417.41	0.16	13.2	14.1	1,170.70	0.61	34,498.69	15,652
Proven + Probable	10,097	0.49	109,487.97	0.32	104	14.34	4,654.40	0.66	146,493.89	66,467

The mineral reserves reported herein for the Empire project have been estimated in a manner consistent with the NI 43-101 Committee of Mineral Reserves International Reporting Standards ("CRIRSCO"), of which both the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") are members.

2024 PFS - Summary of Economic Results

The economic analysis of the base case scenario for the Empire open-pit mine uses metal prices of \$4.45/lb for copper, \$2,325/oz for gold and \$27.25/oz for silver. The economic model shows a pre-tax NPV7.5 of \$87.86 million using a \$22.59/tonne NSR cut-off, as well as a pre-tax IRR of 46.4%. Table 1 summarises the projected cashflow, NPV at varying rates, IRR, years of positive cash flows to repay the negative cash flow ("Payback Period"), and multiple of positive cash flows compared to the maximum negative cash flow ("Payback Multiple") on both after-tax and before-tax bases.

Project Evaluation Overview	After Tax	Before Tax
Cumulative Net Cashflow	\$132.44	\$152.98
NPV @ 5.0%; (millions)	\$89.55	\$105.44
NPV @ 7.5%; (millions)	\$73.75	\$87.86
NPV @ 10.0%; (millions)	\$60.71	\$73.29
Internal Rate of Return	40.2%	46.4%
Payback Period	1.66	1.41
Payback Multiple	2.92	3.21
Benefit Cost Ratio	7.61	8.87
Initial Capital	\$62.60	\$62.60
Max. Neg. Cashflow (millions)	-\$69.09	-\$69.09

The metal prices used in the PFS economic analysis were based on near-term trailing averages at the time the PFS was being written and were considered to be conservative. While the current price of copper is similar to that used in the PFS analysis, the price of precious metals has increased considerably, gold in particular. There is no guarantee that metal prices will maintain their current levels, but in the event that metal prices remain at current levels during open pit production, the Company could expect to see an increase of roughly \$50 million in pre-tax cumulative net cashflow and a roughly \$30 million increased NPV7.5%. The Company will be reevaluating the metal prices as part of the detailed engineering work, and if determined prudent will reoptimize the economics using updated metal prices.

PFS - Metallurgy and Process Design

3,502 feet (1,067 metres) of core from the Empire copper oxide deposit was sampled and evaluated for the metallurgical recovery of copper, gold, and silver. The results of the metallurgical test work, as presented in the PFS, show that a crush-grind-flotation-tank leach milling process provides the optimum metal recoveries for the cost. The flotation-leaching circuit that has been designed for the Empire open pit ore has a much smaller footprint than a classic heap leach design, allowing for the processing plant to be sited on the Company's patented (private) mining claims near the open pit. The proximity of the plant to the open pit will reduce overall operating costs by reducing the ore haulage distance. The improved haulage cycle-time gained from the shortened haulage distance also allows for the use of smaller, less expensive haul trucks.

In addition to the cost benefits of a smaller footprint plant sited on private land, the flotation-leaching circuit will be capable of processing sulphide material currently being explored elsewhere on the Empire property. From an environmental permitting standpoint, siting the processing plant on private land should help to simplify the overall permitting process.

The flotation + leaching metallurgical recovery results and reserve pit optimization parameters are shown in the table below. Optimization of the processing circuit is ongoing.

Reserve Pit Optimization Parameters (Metric tons)	Units	Cu	Au	Ag
Commodity Prices	\$/oz or \$/lb	\$4.00	\$1,788	\$24.00
Flotation Process Recoveries				
Flotation _ Cu Concentrate	%	33.0%	50.0%	36.0%
Concentrate (Payables)				
Flotation_ Cu Concentrate (Au Payable based on grade)	%	95.0%	90-97%	95.0%
Cementation Process Recoveries				
Cementation (Total Copper Recovery after Flotation)	%	90.0%	0.0%	0.0%
Treatment/Refining Charges				
Copper Con. Refining	Ag \$/oz	0.40		
Copper Con. Refining	Au \$/oz	4.00		
Copper Con. Trucking & Shipping \$/t conc	wet	\$80.00		
Copper Con. Treatment \$/t conc	wet	\$90.00		
Copper Cementation Shipping \$/lb	Cu \$/lb	\$0.04		
Copper Cementation Shipping \$/lb	Cu \$/lb	\$0.02		
Operating Costs				
Mining Cost – Surface	\$/t mined	\$2.56		
Mining Cost - Incremental Increase for each 20ft depth	\$/t mined	\$0.018		
Processing Cost	\$/t milled	\$18.74		
G&A	\$/t milled	\$2.20		
Total Ore cost \$/t milled	\$/t milled	\$20.94		
Pit Slope Assumptions	Five sectors were modelled based on core logging with inter-ramp angles ranging from 42° to 45°			

Red Star – High grade silver Inferred Resource

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. Red Star was identified from a 20-metre wide surface outcrop across a skarn structure.

In 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, as summarized in the table below.

Class	Tonnes (x1000)	Ag g/t	Ag oz	Au g/t	Au oz	Pb %	Pb lb	Zn %	Zn lb	Cu %	Cu lb
	(x1000)		(x1000)		(x1000)		(x1000)		(x1000)	%	(x1000)
Inferred	103.56	173.4	577.3	0.851	2.8	3.85	8,791.20	0.92	2,108.80	0.33	745

Navarre Creek Gold Claim Block

During the summer of 2023, 28 reverse-circulation drill holes were completed into four (4) target areas within the 16.18 square kilometer Navarre Creek gold claim block. Drilling at two of the four target areas resulted in the identification of continuous, low-grade gold mineralization ranging from 4.5 metres to 22.9 metres thick in the Lehman Creek target area, and anomalous silver and antimony along a structure in the west fork of Navarre Creek.

The initial assays from the two Navarre Creek targets showed low-grade mineralization worthy of further investigation. As a result, an additional 400 acres of unpatented mining claims were staked to the south-west of the Lehman Creek fault target, expanding our Navarre Creek claim block to 197 unpatented claims covering 4,070 acres.

Empire Mine Expansion – Horseshoe, Whiteknob, and Windy Devil

The Horseshoe, Whiteknob, and Windy Devil claim blocks, located immediately north of the Empire Mine project, are situated within the core of the Empire mineralization and remain attractive exploration targets. The core Empire claim group has grown to 8,434 acres (34.13 sq kms) by expanding north to the former Horseshoe and Whiteknob Mines and onto Windy Devil. This expansion covers approximately 30 historic adits, shafts and prospects, which exhibit geology and mineralogy similar to Red Star, and which will be the subject of further exploration going forward.

Idaho Cobalt Belt – Redcastle and Bighorn Projects

The Company owns two strategically located properties on the Idaho Cobalt Belt in Lemhi County, Idaho - Redcastle and Bighorn. The Redcastle property is held by Borah Resources, our 100% owned, Idaho registered subsidiary. In May 2021, the Redcastle holding was signed to an earn-in agreement with Electra Battery Materials Corporation, the Toronto-based owner of the Iron Creek Cobalt Mine, which shares a common border with the Redcastle property. The earn-in agreement with Electra Battery Materials on the Company's Redcastle cobalt project was renewed and extended in mid-2024.

The Bighorn property, located on the northern end of the Idaho Cobalt Belt, is held by Salmon Canyon Resources, another 100% owned, Idaho registered subsidiary. Bighorn is situated east of the historic Salmon Canyon copper cobalt underground mine and shares a common border with New World Resources' Colson cobalt-copper project.

In addition to copper, cobalt is a critical metal for electric vehicles and global electrification projects. Cobalt deposits are rare, particularly in first world jurisdictions. The Company's cobalt projects are located in the USA's only prospective cobalt region, the Idaho Cobalt Belt, approximately 100 miles north of the Empire Mine. In 2018 we announced the results of our 2017 reconnaissance program of 46 surface grab samples, which gave cobalt values ranging from 2 ppm to 0.31% cobalt.

Outlook

Copper, gold, and silver prices are testing new ground and are remaining well above the prices used for the Empire mineral reserves estimation and for the reserve pit optimization and economics in the PFS. The current White House administration recognizes the importance of domestic metals production, as well as the development of domestic energy sources and domestic manufacturing in general, all of which creates a demand for the very minerals that we will produce on our Idaho projects.

We believe we have simplified the overall permitting process by siting the open pit and processing facility on private land. Our energy is currently focused on completing all of the necessary detailed engineering required to submit a plan of operations and successfully permit and construct the open pit mine. Additionally, and whilst we finalise further construction and development financing, we have identified the sources for the equipment and supplies necessary to complete construction and proceed into operation and mineral production.

In the meantime, we also continue plan development for our exploration properties to ensure those projects can be executed upon receiving the necessary resources.

Key Performance Indicators ("KPIs")

To date, the Group has focused on the delivery of the project evaluation work programs to assess the available mineral reserves and 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 final 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

The Company's focus in 2024 was to complete and publish an inaugural mineral reserve statement and PFS for the Empire open pit. Both reports were completed and published, memorializing the extensive geological and engineering efforts of the Phoenix team. The Company has now taken the information developed for the mineral reserve and the PFS, applied it to the detailed engineering, and ultimately into a plan of operations. Additionally, the team is developing an exploration plan for the high-grade sulphide mineralization below the open pit. Although we have seen some funding delays, our Idaho projects continue to move forward. Our team of engineers, geoscientists, and industry consultants continue to do an excellent job moving the Company into the next stage of development.

As I have said before, and will continue to say, thank you to all of 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.

Ryan McDermott
Chief Executive Officer
16 June 2025

ESG & sustainability committee chairman's report

I am delighted to report on the activities of the Environmental, Social & Governance ('ESG') & Sustainability ('ESG&S') Committee over the course of 2024.

The pre-feasibility study ('PFS') for the Empire open-pit mine published in Sept 2024 indicates with reasonably high confidence that almost all infrastructure, including the processing facility, will be confined to private land rather than federal land, meaning a shorter haulage distance between the pit and the processing facility, requiring not only fewer but also smaller trucks to transport ore. This will involve fewer drivers and less fuel, reducing the overall carbon footprint of the project as well as the operational costs. The ore milling process will use dilute sulphuric acid confined in stainless steel tanks installed within a larger containment area as a copper recovery reagent. The facility is designed as zero-discharge, i.e. all process waters will be recirculated, except that used for dust suppression. Tailings will be filtered and de-watered prior to stacking.

Construction of the mine will take place in phases, significantly reducing the impact on the community of construction workers. The build time is estimated at 6-9 months.

Investor funds were used to purchase pre-owned equipment, including ball mills, a full metallurgical/assay laboratory and a disk filtration circuit. Pre-owned equipment is a more environmentally sound option as it maximises the resources and energy already used to produce it, reduces industrial waste that would otherwise go to landfill or would require significant amounts of energy for its disposal, and also greatly reduces our capital outlay.

Our standing as a good neighbour is a high priority for us, as we cannot operate without the support of our community. The Konnex Community Advisory Team ('KCAT') continues to be a highly effective conduit of information between the Company and the community. Members come from diverse backgrounds: teaching, engineering, economic development, ranching, municipal management, business owners and employees. The age span of members varies from high school graduate to retired. Local concerns include minimizing the project footprint, minimizing the impact on public land, labour size, the mine access route, traffic, housing and infrastructure challenges, including accommodation for temporary workers during the construction phase. The PFS was well received, as it allayed some of these concerns and clearly shows our consideration for the impact on locals of our current and future activities. The KCAT continues to work on a local vendor list, ensuring that we use local contractors whenever possible.

The KCAT also decides how our community funds are distributed. Over the course of the past year, these funds have been used for three scholarships for graduating students and for multiple community events, including the local horse show, Custer County Fair, Mackay BBQ, American Legion, and rodeos.

The expectation is that our project will have many positive impacts on Mackay and the other surrounding towns: the provision of jobs and entrepreneurial opportunities, an increase in the local tax take, allowing for an increase in public spending, increasing the size of classrooms in the local schools and on ensuring year-round residents in what is currently a predominantly summertime community.

The Colorado School of Mines has been leading networking activities for all mines within south-east Idaho, enabling a pooling of resources and ideas. We are highly supportive of their efforts which have enabled us to make some useful connections.

Mackay High School has started construction of their new teaching facility. We continue to support their efforts to introduce a mechanics' programme. This is an ongoing effort, and we are working with the school to begin the training, as well as secondary training opportunities. This will provide us with a pool of mechanics to hire once they have completed the training. It will also enable our graduates to find local employment, rather than be obliged to leave the area.

From a governance perspective, the ESG&S Committee has implemented several internet security protocols and policies, critical for protecting our Company and employees.

For the third year running and having received an overarching score of 'A' in the first two years, we are working with Digbee ESG to ensure transparency and accountability of our ESG&S activities, and when available, we will publish the results on our website.

We look forward to providing further updates on our activities in the future. As always, all comments and suggestions to our ESG team are welcomed: esg@phoenixcopper.com.

Catherine Evans
Non-Executive Director
ESG & Sustainability Committee Chairman
16 June 2025

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2024.

Future developments

The performance of the Group and its future development are set out in the Chief Executive Officer's report on page 4. The Group's principal area of operation is North America.

Results and dividend

For the year ended 31 December 2024 the Group reports a loss of \$6.27 million (2023: a loss of \$1.57 million), after charging an exceptional \$4.60 million (2023: \$nil) write-down of bond issue expenses, an unrealised loss on sterling denominated assets and liabilities of \$0.02 million (2023: a gain of \$0.08 million), and \$0.07 million (2023: \$0.02 million) in share-based payments relating to options and warrants granted or amended during the year, which latter amount is simultaneously credited to retained reserves.

Net assets totalled \$40.93 million (2023: \$37.19 million), including \$43.77 million (2023: \$38.43 million) relating to the Empire mine, and \$0.88 million (2023: \$0.28 million) in cash. Further details are shown in the consolidated financial statements and related notes.

The Company reports a loss for the year ended 31 December 2024 of \$4.08 million (2023: a profit of \$0.51 million), and net assets of \$48.68 million (2023: \$42.75 million). During the year the Company charged its subsidiary entities \$0.90 million (2023: \$0.90 million) in respect of management services provided, and \$1.62 million (2023: \$1.76 million) in respect of interest on inter-company loans, the latter eliminating on consolidation. At 31 December 2024, the Company's loans to Konnex Resources and KPX Holdings stood at \$32.36 million (2023: \$29.78 million) and \$6.47 million (2023: \$2.76 million) respectively. These loans will be repaid from 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.

The directors intend to adopt a dividend policy that takes into account the Group's expected future profitability, underlying growth prospects, availability of cash and distributable reserves, and the need for funding to support the development of the business.

The Company's shares are quoted on London's AIM Market under the ticker PXC, and are also admitted to trading on New York's OTCQX Market in the form of American Depositary Receipts ("ADRs") under the ticker PXCLY, with each ADR comprising 10 ordinary shares. The Bank of New York Mellon sponsored the ADR Program and acts as ADR depositary, custodian and registrar.

The Company's corporate bonds are quoted on The International Stock Exchange ("TISE") in the Channel Islands under the ticker PHCOUSDN. The Bank of New York Mellon acts as the bond custodian and transfer / paying / settlement agent.

The financial statements are presented in US dollars, which is also the functional currency of each company within the Group. The principal operating activities of the Group are in the USA.

Capital structure

Details of the Company's share capital are disclosed in note 23 to the financial statements. The Company's shares have no nominal value.

In the year the Company issued 72,255,470 ordinary shares including 24,141,373 ordinary shares from a placing, subscription and retail offer, 33,884,031 ordinary shares issued to NIU Invest as part of a contract for an agreement to subscribe for 10-year Copper Bonds issued by the Company; 13,806,153 ordinary shares issued to a provider of short-term borrowings and 423,913 ordinary shares arising from the exercise of warrants to subscribe in the Company's shares. The issues of ordinary shares raised \$3.56 million in cash and to settle the short-term borrowing amounting to \$1.49 million. All shares were issued fully paid.

Since the year end the Company has issued a further 27,353,208 ordinary shares at \$0.045 including 22,500,000 ordinary shares from equity placings and 4,853,208 ordinary shares issued to a provider of short-term borrowings.

The Company currently has 224,537,300 ordinary shares in issue.

Directors

The directors of the Company are:

Marcus Edwards-Jones
 Ryan McDermott
 Richard Wilkins
 Andre Cohen (resigned 29 May 2024)
 Catherine Evans
 Jason Riley

The remuneration of the directors is disclosed in note 28.

Directors' interests

The beneficial interests of the directors in the share capital of the Company are as follows:

	31 December 2024 Number	31 December 2023 Number
Marcus Edwards-Jones	1,361,464	1,220,882
Ryan McDermott	606,429	465,847
Richard Wilkins	994,925	854,343
Andre Cohen	642,452	592,452
Catherine Evans	401,094	401,094
Jason Riley	40,298	40,298
	4,046,662	3,574,916

The beneficial interests of the directors in share options to subscribe for the share capital of the Company are as follows:

	31 December 2024 Number	31 December 2023 Number
Marcus Edwards-Jones	925,000	925,000
Ryan McDermott	1,025,000	1,025,000
Richard Wilkins	925,000	925,000
Andre Cohen	525,000	525,000
Catherine Evans	150,000	150,000
Jason Riley	325,000	325,000
	3,875,000	3,875,000

Since the year end all the above options have lapsed.

Events after the reporting date

In June 2025 the Company signed a non-binding Letter of Intent with an accredited US investor to subscribe for \$75 million of the Company's 10-year Copper Bonds. The subscription is subject to the preparation and execution of definitive legal documentation, including the bond subscription letter. In the same period, the Company also raised £800,000 from equity placings for working capital.

Employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The Group also operates an employee share option scheme.

The Group is committed to providing equal opportunity for individuals in all aspects of employment. The Group gives every consideration to applications for employment by disabled persons where the requirements of the job may be adequately filled by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under similar terms and conditions and to provide training, career development and promotion wherever appropriate.

Financial Review

The Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group requires funding in order to fully develop its business plan. The directors believe that the proceeds expected to be received from the further issue of 10-year Copper Bonds will be sufficient to cover projected construction costs for the Empire open pit mine, which will enable the Group to commence production and generation of income.

The results of the Group are set out above and in the accompanying financial statements.

During the year the Company raised \$3.56 million through a placing, subscription and retail offer for ordinary shares and the exercise of warrants, \$4.75 million through an issue of 10-year Copper Bonds and \$0.97 million through short-term borrowings.

The directors' assessment of going concern is set out in note 2 to the financial statements.

Corporate governance

The directors recognise the importance of sound corporate governance and apply the Quoted Companies Alliance's Corporate Governance Code 2018 (the "QCA Code").

The board is assisted by an Audit and Compliance Committee comprising Catherine Evans, who chairs it, and Andre Cohen; a Remuneration Committee comprising Catherine Evans, who chairs it, and Dennis Thomas; and an ESG & Sustainability Committee comprising Catherine Evans, who chairs it, Dennis Thomas and Harry Kenyon-Slaney.

During the year the Audit and Compliance Committee received and reviewed reports from the executive directors and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The objectivity and independence of the external auditors was safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company and tracking the level of non-audit fees payable to the auditors.

The Audit and Compliance Committee met three times during the year, for audit planning purposes and to review the 2023 annual financial statements and the interim financial statements to 30 June 2024. The Committee reviewed with the independent auditor its judgments as to the acceptability of the Company's accounting principles.

Since the year end the Audit and Compliance Committee has met further with the auditors to consider the 2024 financial statements. In particular, the Committee discussed the significant audit risks, and the application of new accounting standards. In addition, the Audit and Compliance Committee monitors the auditor firm's independence from Company management and the Company.

The Remuneration Committee met three times during the year in order to review and monitor the level of directors' remuneration, which had not been reviewed since 2021.

The Group's Environmental, Social and Governance (ESG) & Sustainability Committee, whose role is to oversee all aspects of the Group's ESG Programme, works closely with the Group's ESG Programme Coordinator based in Idaho, USA. The ESG & Sustainability Committee met three times during the year and the Committee Chairman's report is set out on page 10.

The directors' report in respect of corporate governance compliance and issues arising is set out above. The Company's Corporate Governance Statement is set out on pages 17 to 20.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

The directors are required to prepare financial statements for each financial year. The directors have elected to prepare the Group financial statements in compliance with UK adopted International Accounting Standards as it applies to the financial statements of the Group for the year ended 31 December 2024. The directors have also elected to prepare the parent company financial statements in accordance with those standards.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with UK adopted International Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Crowe U.K. LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual general meeting

The Company's Annual General Meeting will be held at The Washington Mayfair Hotel, 5 Curzon Street, London W1J 5HE on 27 June 2025 at 11.00 a.m. BST.

On behalf of the Board

Richard V L Wilkins
Director & Company Secretary
16 June 2025

The Corporate Governance arrangements that the board has adopted are designed to ensure that the Company delivers medium and long-term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the board.

It should be noted that all the directors and members of the Advisory Board are shareholders in the Company and in some cases are founder shareholders. The directors therefore view their own medium and long-term value to be integrally linked to the medium and long-term value of the Company, and as such the interests of the directors and members of the Advisory Board are directly aligned with those of the shareholders.

The QCA Code sets out 10 principles that should be applied. These are listed below with a short explanation of how the Company applies each of the principles together with an explanation of any divergence from these principles should there be any. Save as set out below there are no exceptions to report for the current or previous financial years.

Principle 1 – Business Model and Strategy

The Company is focused on North America and, in particular, Idaho in the USA, which is recognised as a pro-mining geopolitically stable jurisdiction. The directors intend to develop the flagship Empire copper mine in Idaho in stages, thereby enabling sound management of the development of the mine in a manner that is professional and efficient and does not burden the Company with excessive fundraisings and unnecessary dilution to shareholders. In addition, the Company's gold, silver and cobalt properties will be developed in a timely manner that does not distract from the main focus on the Empire copper mine, but will consistently add incremental value to the Company. The Company is assisted in its work by internationally recognised mineral consultants, where appropriate.

Principle 2 – Understanding Shareholder Needs and Expectations

The directors are themselves shareholders and therefore have aligned interests with the shareholder base as a whole. The Company has a close relationship with most of its shareholders. The Company is in ongoing dialogue with its strategic shareholder, ExGen Resources Inc, holds regular meetings with larger shareholders and brokers representing private shareholders, and also holds in-person meetings and / or webinar meetings with smaller private shareholders. The Company regularly updates its website, participates in podcasts and investor presentations, attends mining conferences, and releases news flow and operational updates in accordance with the AIM rules. Shareholders are also encouraged to attend the Annual General Meeting. The executive directors are also available by telephone and regularly receive calls from individual shareholders.

Principle 3 – Consider Wider Stakeholder and Social Responsibilities

The board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Group and its contractors, consultants, advisers, suppliers, regulators and other stakeholders, including the local communities where the projects are located. The board of the Company and the senior management of its operating subsidiaries make every effort to ensure that all stakeholders are communicated with effectively, that contractual terms are complied with, and that employees, in particular, are afforded a safe and enjoyable working environment, and are remunerated and incentivised appropriately.

The Group has an Environmental, Social and Governance ("ESG") & Sustainability Committee, whose role is to oversee all aspects of the Group's ESG Programme, working closely with the Group's ESG Programme Coordinator, who is based at the Empire Mine project site in Mackay, Idaho. The Committee met three times during 2024. The Group has also established the Konnex Community Advisory Team (KCAT), composed of three representatives from the Company and Konnex Resources, plus eleven independent residents of Custer and Butte Counties with diverse experience in the municipal sector, local business, entrepreneurship, and land use. The members act as an advisory group to facilitate communication between the Company and local residents and to identify ways to best benefit the local community. The KCAT meets on a quarterly basis. In addition, the local community is engaged on a regular basis via meetings with the local mayor and other officials, including project site visits, and at the State level, ongoing communication is maintained with the relevant regulatory authorities. Konnex Resources Inc, the Group's Idaho registered operating company, is also a member of the Idaho Mining Association.

In the interests of transparency and accountability, the Company has engaged with Digbee ESG, an independent ESG disclosure platform for the mining industry. Digbee has produced a detailed report which focuses on both the corporate level as well as specific project-level information pertaining to the Empire Mine. This report is updated annually and can be viewed on the Company's website.

Furthermore, the Group's overall ESG activities are summarised in the Group's Sustainability Report, published annually and also available on the Company's website. This Report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB), the Task Force for Climate-Related Disclosure (TCFD), and also makes reference to the UN's Sustainable Development Goals.

Principle 4 – Risk Management

The board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The board is assisted in this matter by an Audit and Compliance Committee. After consultation with the Company's external auditors, an internal audit function is not considered necessary or practical due to the size of the Company, and the close day to day control is exercised instead by the executive directors. This position will be reviewed on an annual basis by the board, in consultation with the Audit and Compliance Committee and the external auditors.

The Group also takes out relevant insurance as appropriate.

Principle 5 – A Well-functioning Board of Directors

The board consists of three executive directors, including an executive chairman, chief executive officer and chief financial officer, and two non-executive directors. Marcus Edwards-Jones chairs the board. The directors comprise a combination of technical (Ryan McDermott), financial (Richard Wilkins) and corporate (Marcus Edwards-Jones, Catherine Evans and Jason Riley) experience, specifically within the minerals sector worldwide. Ryan McDermott is also the chief executive officer of the Company's operating subsidiaries in Idaho. When possible, the board meets quarterly in person and regularly by telephone. The board has also established an Audit and Compliance Committee, a Remuneration Committee and an ESG & Sustainability Committee. The Company considers that, at this stage of its development, and given the current size of its board, it is not necessary to establish a formal Nominations Committee. This position will also be reviewed annually by the board.

Catherine Evans is considered to be an independent director and chairs all three Committees. The Audit and Compliance Committee met three times during 2024, the Remuneration Committee three times, and the ESG & Sustainability Committee three times. Jason Riley represents the Company's strategic shareholder, ExGen Resources Inc, and is therefore not considered to be an independent director. The QCA Code recommends that there be two independent directors, and the Company is looking to appoint a second independent director in due course.

The board is also assisted by an Advisory Board, currently comprising Dennis Thomas, Harry Kenyon-Slaney, Andre Cohen (a former independent director), and Paul de Gruchy, who between them have significant technical, corporate and legal experience within the mining sector worldwide.

The Company reports annually on the number of board and Committee meetings that have been held and the attendance record of individual directors. During 2024 the Company held a total of 15 board meetings, and an Annual General Meeting, at which all directors were present in person, or by telephone, or by proxy.

Principle 6 – Appropriate Skills and Experience of the directors

The board consists of five directors, including Richard Wilkins, a qualified chartered accountant, who also acts as company secretary. The Company believes that the current balance of skills within the board as a whole reflects a broad and appropriate range of commercial, technical and professional skills relevant to the mining sector and to the successful development of the Company within that sector. Each of the directors has direct experience in public markets.

Brief CVs of each of the directors and officers are set out on the Company's website.

Principle 7 – Evaluation of Board Performance

Internal evaluation of the board, its Committees and individual directors and officers is to be undertaken on an annual basis by reference to how the director or officer has performed in fulfilling his/her specific functions, attendance at board and Committee meetings as appropriate, and overall contribution to the Group as a whole. The executive chairman also consults periodically with key shareholders to obtain their feedback on the board's performance. All directors seek re-election as appropriate at the Annual General Meeting in accordance with the Company's Articles and the Companies Act. Although the Company is BVI registered, the Memorandum and Articles of Association were amended at the time of the AIM IPO in 2017 to be compliant with the UK Companies Act, and have since been further amended to ensure ongoing compliance.

The directors acknowledge that succession planning is also a vital task for boards, and the management of succession planning will represent an ongoing key responsibility of the board.

Principle 8 – Corporate Culture

The Company recognises the importance of promoting an ethical corporate culture, interacting responsibly with all stakeholders and the communities and environments in which the Group operates. The board considers this to be essential if medium and long-term value is to be delivered. Accordingly, the board has approved two Corporate Governance policies; a Code of Business Conduct & Ethics, and a Whistleblower Policy, both of which can be viewed on the Company's website. The directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback, particularly with regard to environmental, sustainability and related issues, and relevant to the ongoing successful development of the Company. The Group also participates in local community projects in Idaho and seeks to be regarded as a good corporate citizen within its spheres of operation, and in accordance with the Group's ESG Programme.

Principle 9 – Maintenance of Governance Structures and Processes

The board will review annually the effectiveness of its Corporate Governance structures and processes. The board currently considers that the balance between executive and non-executive directors, including the independent directors, and the roles of the Audit and Compliance Committee, the Remuneration Committee and the ESG & Sustainability Committee are appropriate for the Company's size and stage of development. The members and responsibilities of each Committee are set out on the Company's website. The Company has also created an Advisory Board to provide further expertise to the Company.

The board seeks to comply with a duty to act within its powers, a duty to promote the success of the Company, a duty to exercise independent judgment, a duty to exercise reasonable care, skill and diligence, a duty to avoid conflicts of interest, a duty not to accept benefits from third parties, and a duty to declare any interest in a proposed transaction or arrangement.

The Company has also implemented a code for directors' and employees' dealings in shares which is appropriate for a company whose shares are traded on AIM and is in accordance with the requirements of the Market Abuse Regulations which came into effect in 2016.

Principle 10 – Shareholder Communication

The board is committed to maintaining good communication and having constructive dialogue with its shareholders. The directors will continue to meet with and receive calls from shareholders, large and small, institutional and private, as appropriate. The Company will continue to keep its website up to date, participate in podcasts and investor presentations, attend mining conferences, and to release news flow and operational updates as appropriate.

Results of shareholder meetings and details of votes cast will be publicly announced through the Regulatory News Service, and also published on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against the proposed resolutions.

On behalf of the Board

Richard V L Wilkins
Director & Company Secretary
16 June 2025

Independent auditor's report to the members of Phoenix Copper Limited

Opinion

We have audited the financial statements of Phoenix Copper Limited (the "Company") and its subsidiary undertakings (the Group) for the year ended 31 December 2024, which comprise:

- the consolidated income statement for the year ended 31 December 2024;
- the consolidated statement of comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statements of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group is dependent on securing significant external financing in the near term to continue its operations and meet its obligations as they fall due. As at the date of our report, no binding agreement has been signed, and no further funds have been received in respect of the prospective bond financing. While management has indicated that discussions are ongoing with several prospective investors, there remains significant uncertainty regarding the timing and successful completion of this financing.

These conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following:

- We have obtained and reviewed the Board's going concern assessment and examined supporting working capital forecasts;
- We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment;

- We tested the integrity of the going concern model, reviewed and challenged the underlying data and key assumptions used to make the assessment;
- We discussed with management the prospect of the bond financing, reviewed the draft copies of the agreement, and agreed the quantum and timing to the cashflow forecast;
- We assessed the reasonableness and consistency of the cashflow forecast used within our impairment assessment; and
- We assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements.

We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be US\$490,000 (2023: US\$400,000) based on approximately 1% (2023: 1%) of the Group's total assets. We consider an asset-based measure to be appropriate because of the stage of development of the assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be US\$343,000 (2023: US\$280,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Compliance Committee to report to it all identified errors in excess of US\$24,000 (2023: US\$20,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our group audit strategy focused on identifying and responding to the risks of material misstatement in the group financial statements. Based on our risk assessment, we identified certain classes of transactions, account balances, and disclosures that were significant to the group audit. Some of these were located in USA, and audit procedures over these areas were performed by a local sub-contractor under the direction and supervision of the Group audit team. We reviewed their work remotely and maintained regular communication with both the audit teams and local management. The audit of the Company was conducted from the UK. All entities within the Group were included in the scope of our audit procedures, either through full scope audits or targeted procedures over specific financial statement areas.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matter described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter

Carrying value of mining property assets.

At the reporting date the carrying value of the Group's mining property assets was US\$43.8 million (2023: US\$38.4 million), as disclosed in note 15 to the financial statements.

Management is required to assess whether there is any indication that the mining property assets may be impaired. If any such indicators exist, then an impairment test must be performed by estimating the recoverable amount of the assets.

As part of our risk assessment, we determined that the carrying value of the asset is the core asset for the valuation of the Group and impairment assessment requires the use of judgment and estimates which are likely give rise to significant risk.

Initially, management did not identify any indicators of impairment. However, following our challenge management performed an impairment assessment using a value in use model. This model involved significant judgment, particularly in relation to production forecasts, metal price assumptions, and the discount rate applied.

Note 4 to the financial statements also provides further information on the critical accounting judgments and significant estimation uncertainty in relation to the carrying value of the mining property assets, the recoverability of which is inherently linked to the going concern assumption.

How the scope of our audit addressed the key audit matter

We obtained management's impairment indicator analysis and we discussed the key assumptions made in the assessment with management having regard to the impairment indicators in IAS 36 'Impairment of Assets'.

In considering this assessment we reviewed the following sources of evidence:

- board minutes, budgets and other operational plans setting out the Group's current plans for the continued commercial appraisal of the mining development assets;
- current year development of the site and whether any developments gave rise to new information that could indicate impairment;
- available copper and other ore reserve appraisals;
- considering reserve appraisals having regard to current and future copper and other ore prices; and
- current plans and intentions for the asset with management.

We challenged Management on the carrying value of the asset being more than market capitalisation of the group, which is an indication of impairment. In assessing this, management considered the recoverable value of the asset, which is determined by an economic NPV model. Having identified an impairment indicator, we carried out further procedures on the economic NPV model, which included:

- reviewing the arithmetic accuracy and consistency with the Pre-Feasibility Study (PFS);
- critically assessing key assumptions such as metal pricing, reserve estimates, capital expenditure, and operating costs, and corroborating them with third party evidence where available;
- performing sensitivity analysis on key assumptions including discount rates and metal prices;
- consulting with internal valuation specialists to assess the appropriateness of the discount rate used in the model;
- reviewing the competency and independence of the third party experts involved in preparing the PFS.

Based on the work performed, we concurred with management's assessment that no impairment provision is recognised, and considered the adequacy and appropriateness of the disclosure made in these financial statements including the sensitivities of key assumptions.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company and taxation legislation in the jurisdictions in which the Group operates and relevant technical and environmental regulations relating to mining activities in the state of Idaho, USA, which are mitigated and managed by management in conjunction with expert technical and regulatory consultants in order to monitor the latest regulations and planned changes to the regulatory environment.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 13 January 2025. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Charlton
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
16 June 2025

Consolidated income statement

	Note	Year Ended 31 December 2024 \$	Year Ended 31 December 2023 \$
Continuing operations			
Revenue	6	-	-
Exploration & evaluation expenditure		(12,394)	(28,839)
Gross loss		(12,394)	(28,839)
Administrative expenses	7	(1,596,931)	(1,564,759)
Other operating expenses	8	(4,592,868)	(14,372)
Loss from operations		(6,202,193)	(1,607,970)
Finance income		12,110	34,196
Finance costs	9	(58,209)	-
Loss before taxation		(6,248,292)	(1,573,774)
Tax on loss on ordinary activities	13	(23,817)	-
Loss for the year		(6,272,109)	(1,573,774)
Loss attributable to:			
Owners of the parent		(6,225,246)	(1,535,494)
Non-controlling interests		(46,863)	(38,280)
		(6,272,109)	(1,573,774)
Loss per share attributable to owners of the parent:			
Basic and diluted EPS expressed in US cents per share	14	(3.67)	(1.24)

The notes on pages 31 to 49 form part of these financial statements.

Consolidated statement of comprehensive income

	Year Ended 31 December 2024 \$	Year Ended 31 December 2023 \$
Loss for the year	(6,272,109)	(1,573,774)
Total comprehensive income attributable to:		
Owners of the parent	(6,225,246)	(1,535,494)
Non-controlling interests	(46,863)	(38,280)
	(6,272,109)	(1,573,774)

The notes on pages 31 to 49 form part of these financial statements.

Consolidated statement of financial position

	Note	31 December 2024 \$	31 December 2023 \$
Non-current assets			
Property, plant and equipment – mining property	15	43,770,586	38,432,522
Intangible assets	16	362,740	356,805
		44,133,326	38,789,327
Current assets			
Trade and other receivables	17	3,224,947	1,434,280
Financial assets	18	14,257	4,191
Cash and cash equivalents	19	879,476	283,721
		4,118,680	1,722,192
Total assets		48,252,006	40,511,519
Current liabilities			
Trade and other payables	20	813,339	426,723
Borrowings and other liabilities	21	1,986,502	2,238,501
		2,799,841	2,665,224
Non-current liabilities			
Borrowings	21	3,868,832	-
Provisions for other liabilities	22	657,702	657,702
		4,526,534	657,702
Total liabilities		7,326,375	3,322,926
Net assets		40,925,631	37,188,593
Equity			
Ordinary shares	23	-	-
Share Premium		54,858,134	45,390,217
Retained loss		(13,893,274)	(8,209,258)
Foreign exchange translation reserve		(18,588)	(18,588)
Equity attributable to owners of the parent		40,946,272	37,162,371
Non-controlling interests		(20,641)	26,222
Total equity		40,925,631	37,188,593

The financial statements were approved by the Board of Directors and authorized for issue on 16 June 2025.

On behalf of the Board

Richard V L Wilkins
Director

The notes on pages 31 to 49 form part of these financial statements.

Consolidated statement of changes in equity

	Ordinary shares \$	Share premium \$	Retained loss \$	Foreign exchange translation reserve \$	Total \$	Non- controlling interest \$	Total equity \$
At 1 January 2023	-	44,878,927	(7,086,480)	(18,588)	37,773,859	64,502	37,838,361
Loss for the year	-	-	(1,535,494)	-	(1,535,494)	(38,280)	(1,573,774)
Total comprehensive income for the year	-	-	(1,535,494)	-	(1,535,494)	(38,280)	(1,573,774)
Shares issued in the period	-	511,290	-	-	511,290	-	511,290
Share issue expenses	-	-	-	-	-	-	-
Share-based payments	-	-	412,716	-	412,716	-	412,716
Total transactions with owners	-	511,290	412,716	-	924,006	-	924,006
At 31 December 2023	-	45,390,217	(8,209,258)	(18,588)	37,162,371	26,222	37,188,593
At 1 January 2024	-	45,390,217	(8,209,258)	(18,588)	37,162,371	26,222	37,188,593
Loss for the year	-	-	(6,225,246)	-	(6,225,246)	(46,863)	(6,272,109)
Total comprehensive income for the year	-	-	(6,225,246)	-	(6,225,246)	(46,863)	(6,272,109)
Shares issued in the period	-	9,957,115	-	-	9,957,115	-	9,957,115
Share issue expenses	-	(489,198)	-	-	(489,198)	-	(489,198)
Share-based payments	-	-	541,230	-	541,230	-	541,230
Total transactions with owners	-	9,467,917	541,230	-	10,009,147	-	10,009,147
At 31 December 2024	-	54,858,134	(13,893,274)	(18,588)	40,946,272	(20,641)	40,925,631

The notes on pages 31 to 49 form part of these financial statements.

Consolidated statement of cash flows

	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities		
Loss before tax	(6,248,292)	(1,573,774)
<i>Adjustments for:</i>		
Share-based payments	65,328	18,991
Impairment of motor vehicles included in mining property (note 15)	296,524	-
Impairment of bond issue expenses (note 8)	4,602,934	-
Finance costs payable	58,209	-
Corporate taxes paid	(23,817)	-
Fair value adjustment to financial asset	(10,066)	14,372
	(1,259,180)	(1,540,411)
(Increase)/decrease in trade and other receivables	(2,600,032)	100,226
Increase/(decrease) in trade and other payables	328,405	(97,245)
Net cash used in operating activities	(3,530,807)	(1,537,430)
Cash flows from investing activities		
Purchase of intangible assets	(5,935)	(9,805)
Purchase of property, plant and equipment	(4,412,208)	(5,034,567)
Net cash used in investing activities	(4,418,143)	(5,044,372)
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares	3,559,994	511,290
Share issue expenses	(489,198)	-
Proceeds from short-term borrowings	968,436	2,000,000
Proceeds from issue of 10-Year Copper Bonds	4,750,000	
Repayment of deferred liability	(190,000)	(310,000)
Finance costs paid	(54,527)	-
Net cash generated from financing activities	8,544,705	2,201,290
Net increase/(decrease) in cash and cash equivalents	595,755	(4,380,512)
Cash and cash equivalents at the beginning of the year	283,721	4,664,233
Cash and cash equivalents at the end of the year	879,476	283,721

Significant non-cash transactions:

During the year an amount of \$541,230 (2023: \$412,716) was credited to the retained loss in respect of the charge for share-based payments, of which \$475,902 (2023: \$393,725) has been capitalised into mining property. Interest and fees of \$746,478 (2023: \$294,100) arising from borrowings have been capitalised into mining property. An amount of \$4,909,796 arising from an issue of ordinary shares in lieu of an arrangement fee (2023: \$nil) of which \$306,862 was allocated against the carrying value of the 10-year Copper Bond liability and the remaining balance of \$4,602,934 was expensed in the income statement.

The notes on pages 31 to 49 form part of these financial statements.

1 General information

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).

The subsidiaries of the Company are:

Incorporated in the United States of America

KPX Holdings Inc (100% equity holding)

Subsidiaries of KPX Holdings Inc:

Konnex Resources Inc (80% equity holding)

Borah Resources Inc (100% equity holding)

Lost River Resources Inc (100% equity holding)

Salmon Canyon Resources Inc (100% equity holding)

2 Going concern

The Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group requires funding in order to fully develop its business plan. The directors believe that the proceeds expected to be received from the further issue of 10-year Copper Bonds will be sufficient to cover projected construction costs for the Empire open pit mine, which will enable the Group to commence production and generation of income.

The directors have prepared annual budgets and forecasts for the period through to 30 June 2026 in order to ensure that they have sufficient liquidity in place and that they comply with the terms and conditions of their obligations in relation to the ongoing development of the mining assets and the Group’s environmental and other commitments.

At the date of approval of these financial statements, the Group remains dependent on securing additional financing to fund its operations and meet its obligations as they fall due. Although the Group experienced delays in receiving certain bond funds, management is in advanced discussions with several potential investors to secure necessary financing for the development of the Empire open-pit mine. However, to date no binding agreement has been signed, and no additional funds have yet been received.

Sensitivity analysis performed by the Group indicates that, in the absence of this financing, a cash shortfall could arise by August 2025, which would affect the Group’s ability to meet key obligations, including interest payments and creditor settlements.

In response, the directors have considered a number of contingency plans to manage liquidity in the event of a delay or failure to secure further bond financing. These include the deferral of discretionary expenditure, including directors’ and advisory board fees and non-essential project costs, temporary suspension of certain capital expenditure activities, and a potential equity funding, which management believes is feasible based on preliminary investor discussions and historical shareholder support. The Group is also due to repay its short-term loan at the end of August 2025, and any delay in funding may impact its ability to meet this obligation. Management is actively considering options to address this, including refinancing or restructuring the loan. On 7 April 2025 the Company raised £300,000 and on 13 June 2025 an additional £500,000 from equity placings for working capital.

These circumstances represent a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Nevertheless, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3 Basis of preparation

Summary of material accounting policies

The consolidated financial statements of Phoenix Copper Limited have been prepared in accordance with UK adopted International Accounting Standards.

The principal accounting policies applied by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented. The financial statements have been prepared on a historic cost basis except for certain financial assets which are measured at fair value.

New standards effective this year have not affected the recognition, measurement or disclosures.

New standards, interpretations and amendments not yet effective

At the date of authorisation of the Group's financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board but are not yet effective in the UK and have not been adopted early by the Group. The most significant of these which are applicable to the Group, are as follows, which are effective for the periods beginning after 1 January 2025:

- IFRS 18 Presentation and Disclosure in Financial Statements.
- Amendments to the Classification and Measurement of Financial Instruments.
- Annual Improvements to IFRS Accounting Standards—Volume 11.
- Lack of Exchangeability (Amendments to IAS 21)

All relevant standards, amendments and interpretations to existing standards will be adopted in the Group's accounting policies in the first period beginning on or after the effective date of the relevant pronouncement of adoption by the UK Accounting Standards Endorsement Board.

The directors do not anticipate that the adoption of these standards, amendments and interpretations will have a material impact on the Group's financial statements in the periods of initial application.

Revenue Recognition

The Group is not currently producing revenues from its mineral exploration and mining activities.

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.

Mineral rights acquired and exploration and evaluation expenditure capitalised

Mineral rights and exploration and evaluation costs arise from expenditure incurred prior to development activities and include the cost of acquiring and maintaining the rights to explore, investigate, examine and evaluate an area for mineralisation.

Exploration and evaluation expenditure is classified as an intangible asset and in the relevant area of interest comprises costs which are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalised costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest, and where the existence of a commercially viable mineral deposit has been established. Costs so capitalised are classified as an intangible asset until a decision to develop the mining site is made. On this decision being made the accumulated expenditure is tested for impairment and the expected recoverable amount is reclassified as a mining property within property, plant and equipment.

No amortisation charge is recognised in respect of these intangible assets. Mineral rights and exploration and evaluation expenditure are capitalised within non-current intangible assets until such time that the activities have reached a stage which permits a reasonable assessment of the existence of commercially exploitable reserves. Once this has occurred, the respective costs previously held as intangible assets are transferred to mining property within property, plant and equipment. Amortisation of mining properties commences on the commencement of commercial production.

Where the projects have not yet been granted a licence or are determined not to be commercially viable, the related costs are written off to the income statement.

Capitalised exploration and evaluation expenditure is assessed for impairment in accordance with the indicators set out in IFRS 6 Exploration for and Evaluation of Mineral Reserves. In circumstances where a property is abandoned, the cumulative costs relating to the property are written off.

Mining development assets

Development expenditures are costs incurred to obtain access to proven reserves and to provide facilities for extracting, treating, gathering and storing. The development assets are outside the scope of IFRS 6 and IAS 38, but this policy is based on the guidance in IAS 16 and IAS 38 which have been used as a framework.

Development assets are accumulated generally on an asset-by-asset basis and represent the cost of developing the commercial resource discovered and bringing it into production, together with any exploration expenditures incurred in finding commercial resource.

The cost of development assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, finance costs capitalised, and the cost of insuring or providing for future restoration and decommissioning of mining sites.

Property, plant and equipment

On initial recognition, land, property, plant and equipment are valued at cost, being the purchase price and the directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by the Company.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Cost also includes depreciation of the arising from the use of property, plant and equipment while the relevant long-term asset is being developed. Depreciation of these assets, on the same basis as other property assets, commences when the relevant principal mining assets are ready for their intended use and transferred to the appropriate category of property, plant and equipment.

Mining assets including any capitalised stripping costs and except for certain mining equipment and buildings, where economic benefits from the asset are not consumed in a pattern which is linked to the production level, are depreciated using a units of production method based on estimated economically recoverable reserves, which results in a depreciation charge proportional to the depletion of reserves. In applying the units of production method, depreciation is normally calculated using the quantity of material processed at the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proven and probable reserves.

Depreciation on all other assets is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Mining machinery and equipment	5 - 20 years
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Expenses incurred in respect of the maintenance and repair of property, plant and equipment are charged against income when incurred. Refurbishment development and improvement expenditure, which includes any relevant finance cost, depreciation and impairment, where the benefit is expected to be long lasting, is capitalised as part of the appropriate asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

The carrying value of property, plant and equipment is assessed annually and any impairment is charged to the income statement. The expected useful economic life and residual values of property, plant and equipment are reviewed annually.

Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are

independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired. The Group's assessments are disclosed in note 4.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

Any impairment loss arising from goodwill is not reversed.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets were acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair-value of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair-value of any asset or liability resulting from a contingent consideration arrangement, and
- fair-value of any pre-existing equity interest in the subsidiary.

Included in mining development assets of the Group at 29 June 2017 were costs of £1,103,357 (\$1,434,364) related to the business combination. On that date the Company achieved control of Konnex Resources Inc and those costs were transferred to the cost of investment in the Company's financial statements and reclassified on consolidation as the fair-value of consideration paid in respect of the 80% holding in Konnex Resources Inc acquired.

Identifiable assets and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair-values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the fair-value of the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair-value of any previous equity-interest over the fair-value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair-value of the net identifiable assets of the business acquired, the difference is recognised directly in profit and loss as a bargain purchase.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. At 31 December 2023 the Group had no financial assets in a qualifying hedging relationship and has not entered into any derivative-based transactions. The Group is not yet income producing and has no trade receivables.

Amortised cost

These assets arise principally from calls for share capital. They are carried at the value of the share capital applied for.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 and the probability of the non-payment of the receivables is assessed. On confirmation that the amount of the called share capital will not be collectible the related share capital is cancelled.

Other financial assets comprise security deposits paid by the Group. These are stated at fair-value less any amounts expected to be forfeit.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term bank deposits with a maturity on inception of less than 90 days.

Financial liabilities

Financial liabilities comprise trade and other payables and have all been classified as financial liabilities measured at amortised cost.

Borrowings

Borrowings, including Bonds issued by the Group, are initially recognised at fair-value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Transaction costs incurred prior to the receipt of borrowings are included with trade and other receivables until allocated. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised over profit and loss over the period of the borrowings using the effective interest rate method. Borrowing costs attributable to the development of mining properties are capitalised.

Borrowings are removed from the Statement of Financial Position when the obligation in respect of that borrowing has been discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Other borrowing costs are expensed in the period in which they are incurred.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

The tax effect of certain temporary differences is not recognised principally with respect to the initial recognition of an asset or liability (other than those arising in a business combination or in a manner that initially impacted accounting or taxable profit) and temporary differences relating to investments in subsidiaries to the extent that the Group can control the timing of the reversal of the temporary difference and it is probable the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Rehabilitation provision

The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closing plant and waste sites and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground is disturbed at the mine's location.

Where the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that such costs were incurred as a result of the mining operations, mine development and mine construction. If further similar obligations arise as mining operations continue these costs are also capitalised. Costs related to the obligation arising after mine operations have commenced are expensed as incurred unless related to a new mine area, whereupon they are capitalised as described above.

Changes to the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising adjustments to the rehabilitation liability together with a corresponding adjustment to the asset to which it relates.

Any reduction in the obligation and therefore from the corresponding asset may not exceed the carrying value of the asset to which it relates. If a change to value of the estimate results in a corresponding increase in the value of the corresponding asset the asset is tested for potential impairment. Any irrecoverable amount is expensed directly in profit and loss. Over time the discounted liability is increased for the change in present value based on discount rates that reflect current market assessment of the risks specific to the liability. Periodic unwinding of the discount is recognised in profit and loss as part of finance costs.

For closed sites changes to the estimated liability are recognised immediately in profit and loss.

The Group neither recognises the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the potential deferred tax liability in respect of the decommissioning asset.

Costs incurred in respect of mining site restoration and other environmental responsibilities are capitalised into mining property while the mine is under development. On commencement of production these capitalised expenses are amortised to profit and loss over the operating life of the mine and future operating expenditures in respect of the producing property are expensed as incurred.

Other provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in profit or loss in the period it arises.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

Share-based payments

Certain employees (including directors and senior executives) of the Group have received a proportion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised in the income statement or capitalised in the statement of financial position, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative charge recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No charge is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum charge recognised is the cost as if the terms had not been modified. An additional charge is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any charge not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Retirement and other employee benefits

The Group does not currently provide pension or other employee benefits. This will be reviewed by the Board as the Group develops its activities.

Foreign currencies

The financial statements of the Group are presented in the currency of the primary economic environment in which it operates which is US Dollars. The US Dollar is also the functional currency of each company within the Group.

In preparing the consolidated financial statements of the Company, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Operating Segments

The Board considers that the Group's project activity constitutes one operating and one reporting segment, as defined under IFRS 8.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial information. Current exploration and evaluation activities are undertaken in the United States of America.

4 Critical accounting estimates and judgments, key assumptions made and sources of estimation uncertainty.

The Group makes certain estimates and assumptions regarding the future. The significant judgments made by the Group are:

- The capitalisation of exploration and development mining property costs and the future recovery of the amounts capitalised amounting to \$44.13 million (2023: \$38.79 million). The recoverable amount has been determined based on a value in use calculation that assumes that the Group will obtain sufficient funds to execute the mining operational plan to realise the economic benefits of the asset. These calculations require the use of estimates together with the going concern assumption.
- The accumulation of bond issue expenses in other receivables amounting to \$1.34 million (2023: \$0.88 million) for allocation, as bond issue expenses, against the initial carrying value of future issues of 10-year Copper Bonds. Bond issue expenses include relevant arrangement fees and other specific expenses and are expected to be recognised against the liability when further bonds are issued.

- The balance included in other receivables of \$1.13 million (2023: \$nil), pertaining to a deposit paid in respect of a potential investment in mining operations. Management considers this amount to be recoverable on the basis that the Group will obtain sufficient funds to execute the transaction culminating in an earn-in agreement or such other similar agreement.

The principal estimates made by the Group include the projected value of net revenues, in the form of net present values, expected to arise from the extraction and sale of minerals potentially contained within both the Group's exploration and evaluation sites and its mining property. Projected net revenues include projected extraction expenses, projected sale and delivery expenses, the effect, if any, of a review of any potential impairment charges relating to the mining property and the expected provision for future site restoration and remedial works in respect of the Group's mining sites. These key assumptions are the primary source of estimation uncertainty within the Group.

The projected values expected to be achieved from the future production at the Group's mining properties are discussed in the Chairman's Statement on pages 2 to 3 and also in the Chief Executive Officer's Report on pages 4 to 9.

Copper price sensitivity

Using a discount rate of 7.5% the effect on the net present value, after recovering all capital costs, of the indicated results from the Group's projected mining operations is approximately \$21.1 million for every 10% change in the copper price, based on the after-tax model:

Copper price per pound	Indicative net present value after tax
\$3.56	\$31.47 million
\$4.10	\$52.62 million
\$4.45	\$73.75 million
\$4.90	\$94.89 million
\$5.34	\$116.02 million

If the copper price reduces to \$3.56 per pound for an extended period this would require an impairment review by the Group as a potential impairment would be indicated.

Discount rate sensitivity

Using the Group's projections with a copper price of \$4.45 per pound, the approximate current price, and using gold and silver prices of \$2,325 per ounce and \$27.25 per ounce, which are considerably below current prices, gives the following pre-tax and post-tax indicated results: life of mine cumulative net (after recovering all capital expenditure) cashflow of \$152.98 million and \$132.44 million, internal rates of return of 46.4% and 40.2% , and payback periods of 1.41 years and 1.66 years. The post-tax net present values at the following discount rates and at these metal prices are:

Discount rate	Indicative net present value before tax	Indicative net present value after tax
5.0%	\$105.44 million	\$89.55 million
7.5%	\$87.86 million	\$73.75 million
10.0%	\$73.29 million	\$60.71 million

Estimates and judgments are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The key assumptions made relate to the recovery of mineral resources from the Group's mining operations in the quantity and quality of grade projected within the Group's projections for these sites.

For a discussion of these refer to the Chief Executive Officer's Report on page 4 and also notes 15 (Non-current assets - Mining property) and 16 (Intangible assets: Exploration and evaluation expenditure).

5 Financial instruments – Risk management

The board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

Cash and cash equivalents are held in Sterling and US dollars and are placed on deposit in UK and US banks.

The Group is exposed to the following financial risks:**Liquidity risk**

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances and borrowing facilities to meet its expected cash requirements.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks. Credit risk is managed on a Group basis. Only major banks with a good credit rating are used.

Foreign currency risk

Foreign currency risk arises from the incurring of operating expenses in Sterling and in US dollars. Share capital is raised in both Sterling and US dollars. Foreign currency risk is managed on a Group basis. The Group does not presently use any currency hedging contracts.

At 31 December 2024 the Group held the following significant assets and liabilities in Sterling:

Cash £16,803 (2023: £20,364).

Trade and other receivables £602,002 (2023: £395,360).

Trade and other payables £212,205 (2023: £97,210).

Foreign currency risk

Foreign currency risk arises from the incurring of operating expenses in Sterling and in US dollars. Share capital is raised in both Sterling and US dollars. Foreign currency risk is managed on a Group basis. The Group does not presently use any currency hedging contracts.

Capital Management

The Group's capital is made up of share capital, share premium, retained earnings, foreign currency translation reserve and the value of non-controlling interests. These amounts totalled \$40.93 million at 31 December 2024 (31 December 2023: \$37.19 million).

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the statement of changes in equity. All working capital requirements are financed from existing cash resources.

6 Revenue

The Group is not yet producing revenues from its mineral exploration and mining activities. The Company charged its subsidiary entities \$900,000 (2023: \$900,000) in respect of management services provided.

7 Administrative expenses

	31 December 2024 \$	31 December 2023 \$
<i>Administrative expenses include:</i>		
Employee costs (note 11)	928,392	880,352
Share-based payments	65,328	18,991
Foreign currency losses/(gains)	15,943	(82,634)
Audit fees (note 12)	72,471	59,541

8 Other operating expenses

	31 December 2024 \$	31 December 2023 \$
Fair-value gain/(loss) on financial assets	10,066	(14,372)
Impairment loss in respect of bond-issue expenses	(4,602,934)	-
Net other operating expenses	4,592,868	-

The fair-value adjustment on financial assets arises from the Group's investment in Toronto-based Electra Battery Materials Corporation which are stated at fair-value through profit and loss. See also note 18.

The impairment loss in respect of bond issue expenses arises from the value of shares issued by the Company to a bondholder, as an arrangement fee, which were classified as other receivables pending allocation to the net carrying value of future bonds to be subscribed for. This subscription is no longer expected to take place.

9 Finance costs

	31 December 2024 \$	31 December 2023 \$
Finance costs	618,918	231,701
Amount capitalised into non-current assets - mining property	(560,709)	(231,701)
Net finance costs	58,209	-

The capitalisation rates are based upon the utilisation of the related borrowings and the finance costs arising from short-term borrowings and 10-year Copper Bonds. Finance costs include interest calculated using the effective interest rate method. There are no related foreign exchange differences.

10 Average number of people, including executive directors, employed:

	31 December 2024 Number	31 December 2023 Number
Administration	5	6
Operations	9	11
	14	17

11 Employee costs including directors

	31 December 2024 \$	31 December 2023 \$
Salaries and fees payable	1,687,726	1,747,902
Transferred to property, plant and equipment - mining property	(759,334)	(867,550)
	928,392	880,352

The remuneration of the directors and key management personnel is disclosed in note 28.

The Group's employees include the directors, management and other staff working in the subsidiaries. Share options have also been issued to the directors and senior management. These are disclosed in the Directors' Report on page 12.

12 Auditor's remuneration

	31 December 2024 \$	31 December 2023 \$
Fees payable for the audit of the Company's consolidated financial statements	72,471	59,541
	72,471	59,541

13 Taxation

	31 December 2024 \$	31 December 2023 \$
<i>Current tax</i>		
Income and corporation taxes	23,817	-
Total current tax	23,817	-
<i>Deferred tax</i>		
Origination and reversal of other differences	-	-
Total deferred tax	-	-
Income tax expense	23,817	-

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses in the consolidated entities as follows:

	31 December 2024 \$	31 December 2023 \$
Tax on loss from ordinary activities		
Loss before tax	(6,248,292)	(1,573,774)
Tax calculated at domestic tax rates applicable to profits and losses in the respective countries of 25.41% (2023: 25.14%)	1,568,749	396,968
Tax losses not recognised (Group)	(1,438,972)	(393,443)
Tax losses utilised (Company)	(129,777)	-
Overseas taxation	(23,817)	-
Other differences	-	(3,525)
Current tax	(23,817)	-

The Company is resident in the United Kingdom for corporate taxation purposes. The Group also has taxable operating activities in the USA. The Group has not recognised the benefit of tax losses potentially available in the UK or the US as the Group is not yet income producing. No deferred tax assets have been recognised in respect of tax losses available in either jurisdiction due to the uncertainty over the timing and extent of the future taxable profits against which the losses could be utilised. Potential tax losses in the US have not been confirmed and cannot be estimated at the present time. At 31 December 2024 the Company had available tax losses amounting to \$1,543,495 (2023: \$2,095,724). No deferred tax asset has been recognised in respect of the Group's share option scheme.

14 Loss per share

	31 December 2024 \$	31 December 2023 \$
Loss attributable to the parent used in calculating basic and diluted loss per Share	(6,225,246)	(1,535,494)
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic earnings per share	169,554,296	123,483,143
Weighted average number of shares for the purpose of diluted earnings per share	169,544,296	123,483,143
Basic loss per share (US cents per share)	(3.67)	(1.24)
Diluted loss per share (US cents per share)	(3.67)	(1.24)

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Where the Group has incurred a loss in a year the diluted earnings per share is the same as the basic earnings per share.

The Company has potentially issuable shares of 22,644,509 (2023: 15,446,457) all of which relate to the potential dilution in respect of warrants and share options issued by the Company. See also notes 23, 25 and 28.

15 Non-current assets

	Mining Property \$
<i>At 1 January 2023</i>	33,104,230
Additions	5,328,292
<i>At 31 December 2023</i>	38,432,522
<i>At 1 January 2024</i>	38,432,522
Additions	5,634,588
<i>Write off</i>	(296,524)
<i>At 31 December 2024</i>	43,770,586
Net book value	
<i>At 1 January 2023</i>	33,104,230
<i>At 31 December 2023</i>	38,432,522
<i>At 31 December 2024</i>	43,770,586

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. There has been no impairment charged related to the mine construction and related resources in any period due to the early stage in the Group's project to reactivate the mine. However, the market capitalisation of the Group is below the carrying value of the mining asset, which is an indicator of impairment. Management performed an impairment assessment and concluded that an impairment is not required - see note 4 for critical judgments and key estimates surrounding the impairment considerations. The write off amount of \$296,524 (2023: \$nil) relates to motor vehicles which have been scrapped in the year.

16 Intangible assets

	Exploration and evaluation expenditure \$
<i>At 1 January 2023</i>	347,000
Additions	9,805
<i>At 31 December 2023</i>	356,805
<i>At 1 January 2023</i>	356,805
Additions	5,935
<i>At 31 December 2024</i>	362,740
Net book value	
<i>At 1 January 2023</i>	347,000
<i>At 31 December 2023</i>	356,805
<i>At 31 December 2024</i>	362,740

Exploration and evaluation expenditure relates to the Bighorn and Redcastle properties on the Idaho Cobalt Belt in Idaho, USA and initial costs relating to the potential acquisition of mining rights in a producing copper project in the western 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 KPX Holdings Inc, a wholly owned subsidiary of the parent entity, and each of which are 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 of Toronto, Canada (see also note 18).

17 Other receivables

	31 December 2024 \$	31 December 2023 \$
Other receivables	1,763,997	382,179
Preliminary bond issue expenses	1,338,471	882,814
Prepaid expenses	122,479	169,287
	3,224,947	1,434,280

There were no receivables that were past due or considered to be impaired. There is no significant difference between the fair value of the other receivables and the values stated above.

Preliminary bond issue expenses relate to the 10-Year Copper Bonds and will be deducted from the proceeds of the bonds proportionately by tranche of issue of the bonds and amortised to finance expenses over the expected life of each tranche of bonds issued. See also notes 8 and 21.

Other receivables include an advanced payment of \$1,133,926 in respect of a potential investment in mining operations in the western USA. Subject to additional funding, the Company intends to continue discussions regarding this potential investment with a view to agreeing an earn-in or such other similar arrangement.

18 Financial assets

	31 December 2024 \$	31 December 2023 \$
Quoted investments	14,257	4,191

Quoted investments represent 11,111 shares in Toronto-based Electra Battery Materials Corporation. The shares have been valued at market price as at 31 December 2024. A fair value gain of \$10,066 (2023: a loss of \$14,372) has been taken to other operating income/expenses.

19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term bank deposits.

20 Trade and other payables

	31 December 2024 \$	31 December 2023 \$
Trade payables	730,126	410,448
Other payables	83,213	16,275
	813,339	426,723

All trade and other payables are payable on demand or have payment terms of less than 90 days. The Group is not exposed to any significant currency risk in respect of its payables.

21 Borrowings

	31 December 2024 \$	31 December 2023 \$
Current liabilities		
Short-term borrowings	1,986,502	2,048,501
Deferred consideration	-	190,000
	1,986,502	2,238,501
Non-current liabilities		
10-year Copper Bonds	3,868,832	-
Total borrowings	5,855,334	2,238,501

Net debt reconciliation of cash flows

	31 December 2024 \$	31 December 2023 \$
At 1 January 2024	2,238,501	500,000
New short-term borrowings	968,436	2,000,000
Proceeds of bonds issued net of discount	4,750,000	-
	5,718,436	2,000,000
Repayment of borrowings	(190,000)	(310,000)
Borrowings settled by the issue of share capital	(1,487,325)	-
Other non-cash movements	(369,751)	48,501
Interest paid	(54,527)	-
	(2,101,603)	(261,499)
At 31 December 2024	5,855,334	2,238,501

Short-term borrowings

In 2023 the Group entered a short-term unsecured funding arrangement of \$2,000,000, with an initial fixed 4% coupon, which was subsequently modified on several occasions. On 2 March 2024 the Company refinanced the facility into an 18-month term loan, repayable over 15 months following an initial 90-day repayment holiday. Since the year end the loan has been extended to 30 August 2025, unless the Company redeems the loan earlier. The loan remains unsecured and attracts interest at 15% per annum. The loan is potentially convertible, by the lender, into approximately 7.2 million new ordinary shares in the Company at a fixed subscription price of 20 pence per share.

Deferred consideration

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. The amount outstanding as at 31 December 2023 of \$190,000 was paid in the year.

10-year Copper Bonds

On 27 December 2023 the Company created a class of corporate copper bonds ("Bonds") in an authorised amount of \$300 million. \$110 million in principal value of Bonds were issued and deposited with The Bank of New York Mellon as Settlement Agent, pending onward transfer to Bonds investors.

The Bonds are not convertible, are secured on the Group's interests in the Empire open pit mine and are listed on The International Stock Exchange in the Channel Islands ("TISE"), under the ticker PHCOUSDN.

During the period the Company agreed an initial subscription for \$80 million of Bonds from an investor. The initial drawdown of \$5 million of Bonds was made in the year at a discount of \$250,000 which will be amortised over the remaining life of the bonds issued.

The Company paid an arrangement fee of \$4.96 million, settled by the issue of 33,884,031 ordinary shares of no par value to the Bond holder at a fair-value of 11.5 pence per share in lieu of an arrangement fee. \$0.31 million has been allocated proportionately against the first \$5 million of Bonds issued. The balance of \$4.60 million was recognised initially in other receivables pending allocation against future Bonds issues of up to \$75 million. This subscription from the Bond holder is no longer expected to take place and the remaining balance has been expensed (see also note 8).

Additionally the Company agreed a drawdown fee, conditional upon the drawdown by the Company of further tranches of Bonds, by way of warrants to subscribe at no cost for a further 22.59 million of new ordinary shares. These warrants have not vested and will now lapse.

\$1.34 million of other Bond issue expenses are carried forward to be amortised against the issue of further Bonds when drawn (see also note 8 and Note 17).

The Bonds have a final maturity of ten years with Bond investor option to request redemption at principal value after six years, and the Company's option to offer early redemption at a 10% premium to principal value after five years. The Bonds will remain listed on TISE until the earlier of redemption or maturity.

The Bonds pay a floating rate coupon subject to a minimum of 8.5% per annum and a maximum of 20%. The floating rate coupon is calculated as to the higher of a copper price coupon linked to the copper price on the London Metal Exchange, or an interest rate coupon linked to the US Federal Discount Rate. The coupon is only payable on the principal value of Bonds drawn down.

22 Provisions

	31 December 2024 \$	31 December 2023 \$
Royalties payable	657,702	657,702
	657,702	657,702

The 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. The amount of the provision will be reassessed as exploration work continues and on commencement of commercial production.

23 Share capital

	Group and Company Number 2024	Group and Company Number 2023
Number of ordinary shares of no par value		
At the beginning of the year	124,928,622	122,628,622
Issued in the year	72,255,470	2,300,000
At the end of the year	197,184,092	124,928,622

The Company does not have an authorised capital and is authorised to issue an unlimited number of no-par value shares of a single class.

In the year the Company issued 72,255,570 ordinary shares at an average issue price of \$0.14 per share to raise \$9.96 million gross, before share-issue expenses, including \$1.49 million to repay short-term borrowings (note 21) and \$4.91 million in lieu of an arrangement fee for 10-year Copper Bond issue expenses (notes 17 and 21).

Since the year end the Company has issued a further 27,353,208 ordinary shares at \$0.045 including 22,500,000 ordinary shares from equity placing and 4,853,208 ordinary shares issued to a provider of short-term borrowings.

The ordinary shares in the Company have no par value. All ordinary shares have equal voting rights in respect of shareholder meetings. All ordinary shares have equal rights to dividends and the assets of the Company.

The Company has issued warrants to subscribe for additional shares. Each warrant provides the right to the holder to convert one warrant into one ordinary share of no-par value at exercise prices ranging from £0 to £0.385. At 31 December 2024 the number of warrants in issue was 16,419,509 (2023: 9,221,457).

The Company has issued options to subscribe for additional shares to the directors and senior employees of the Group. Each option provides the right to the holder to subscribe for one ordinary share of no par-value, subject to the vesting conditions, at exercise prices ranging from £0.17 to £0.50. On 31 December 2024 the number of options in issue was 6,225,000 (2023: 6,225,000). Since the year end all the options have lapsed.

Since the year end a further 2,565,934 warrants have been issued at an exercise price of £0.07, and 3,775,000 warrants with exercise prices ranging from £0.18 to £0.50 have lapsed.

24 Capital and reserves

The Company's ordinary shares have no par value.

Share premium is the amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.

The foreign exchange translation reserve is the difference arising in 2017 on the translation of the financial statements of the Company from Pounds Sterling into US Dollars, the Group's presentational currency. On 1 January 2018 the Group determined that its functional currency was US Dollars.

Retained deficit is the cumulative loss of the Group attributable to equity shareholders.

Non-controlling interests is the value of equity in subsidiary companies owned by third parties.

25 Share-based payments

The Company has in issue 16,419,509 (2023: 9,221,457) warrants to subscribe for additional share capital of the Company. Each warrant entitles the holder to subscribe for one ordinary equity share in the Company. The right to convert each warrant is unconditional.

The Company has issued 6,225,000 (2023: 6,225,000) share options to directors and senior employees of the Group. Each share option entitles the holder to subscribe for one ordinary equity share in the Company once the vesting conditions have been satisfied. No new share options were issued or amended in the year ended 31 December 2024. Since the year-end these options have lapsed.

In the periods presented the Company has operated an equity-settled share based incentivisation schemes for employees.

Equity-settled share-based payments are measured at fair-value (excluding the effect of non-market-based vesting conditions) as determined through use of the Black-Scholes technique, at the date of issue. The warrants were issued as exercisable from the date they were issued and there are no further vesting conditions applicable.

Warrants issued

	Weighted Average Exercise price	31 December 2024 Number	31 December 2023 Number
At the beginning of the year	£0.38	9,221,457	7,521,457
Issued in the year	£0.12	1,602,827	-
Issued in the year	£0.18	-	2,000,000
Issued in the year	£0.20	8,951,779	-
Issued in the year	£0.42	-	2,000,000
Exercised in the year	£0.12	(423,913)	-
Exercised in the year – average exercise price	£0.18	-	(2,300,000)
Lapsed	£0.41	(2,932,641)	-
At the end of the year	£0.19	16,419,509	9,221,457

Share options issued

	Weighted Average Exercise price	31 December 2024 Number	31 December 2023 Number
At the beginning of the year	£0.34	6,225,000	6,225,000
Issued in the year	£0.30	-	-
At the end of the year	£0.34	6,225,000	6,225,000

The total share-based payment charge for all warrants and options in the year was \$541,230 of which \$65,328 has been charged to profit and loss and \$475,902 allocated to Mining Property (2023: \$412,716, \$18,991 and \$393,725 respectively). The share-based payment charge was calculated using the Black-Scholes model. All warrants issued vest immediately on issue. Share options vest up to a 36-month period from the date of issue, or on the achievement of certain vesting milestones.

Volatility for the calculation of the share-based payment charge in respect of both the warrants and the share options issued was determined using the historic volatility calculated over a year period by reference to movements in the Company's quoted share price on AIM.

The inputs into the Black-Scholes model for the warrants and share options issued were as follows:

	31 December 2024 Warrants issued	31 December 2023 Share options issued
Weighted average share price at grant date	£0.12	-
Weighted average exercise prices	£0.19	-
Weighted average expected volatility	108.5%	-
Expected life in years	1.00	-
Weighted average contractual life in years	1.00	-
Risk-free interest rate	3.5%	-
Expected dividend yield	-	-
Fair-value of warrants granted (pence)	£0.04	-

On 2 February 2024 the Company issued 1,602,827 warrants with an exercise price of £0.115, the share price on the date of issue was £0.114 and the fair-value of each warrant was £0.04. Issued fully vested.

On 2 March 2024 the Company issued 3,300,874 warrants with an exercise price of £0.20, the share price on the date of issue was £0.118 and the fair-value of each warrant was £0.03. Issued fully vested.

On 16 May 2024 the Company issued 1,550,905 warrants with an exercise price of £0.20, the share price on the date of issue was £0.22 and the fair-value of each warrant was £0.08. Issued fully vested.

On 30 September 2024 the Company issued 4,100,000 warrants with an exercise price of £0.20, the share price at the date of issue was £0.10 and the fair-value of each warrant was £0.02.

In the year 423,913 warrants of £0.12 were exercised and 2,932,641 warrants with an average price of £0.39 lapsed.

In the year 3,482,500 warrants with exercise prices ranging from £0.30 to £0.50 were modified to be exercisable at £0.20.

The warrants issued are all exercisable from the date of issue. The average volatility for the warrants issued was 108.5%.

No share options were issued or amended in the year. The number of outstanding share options are exercisable between £0.30 to £0.34.

The expected life of the outstanding warrants and options is up to 1 year.

Share-based payments allocation of charge

	31 December 2024 \$	31 December 2023 \$
Share options	-	54,262
Warrants including modification	541,230	358,454
Total charge	541,230	412,716
Allocation:		
Mining property	475,902	393,725
Administrative expenses	65,328	18,991
	541,230	412,716

The share-based payment charge has been simultaneously credited to retained deficit.

26 Capital commitments

There were no outstanding capital commitments at 31 December 2024 (2023: \$nil).

27 Events after the reporting date

In June 2025 the Company signed a non-binding Letter of Intent with an accredited US investor to subscribe for \$75 million of the Company's 10-year Copper Bonds. The subscription is subject to the preparation and execution of definitive legal documentation, including the bond subscription letter. In the same period, the Company also raised £800,000 from equity placings for working capital.

28 Related party transactions

The interests of the directors in the share capital, warrants and share options of the Company are disclosed in the Directors' Report on page 12. The amount charged within the income statement for the year in respect of share options, all of which are held by the directors, officers and employees, is set out in note 11.

The remuneration of the directors is included in note 11.

The remuneration of the directors was as follows:

	31 December 2024 \$	31 December 2023 \$
Marcus Edwards-Jones	222,253	187,308
Ryan McDermott	278,250	241,500
Richard Wilkins	222,253	187,308
Andre Cohen	47,155	44,550
Jason Riley	30,540	29,700
Catherine Evans	96,495	79,447
	896,946	769,813

Directors' remuneration comprises fees payable. Fees payable to executive directors and officers include an annual discretionary bonus equal to 15% of fees paid in lieu of benefits. The directors received no other benefits in the year.

In addition, Dennis Thomas received \$83,526 (2023: \$77,517), Harry Kenyon-Slaney received \$43,060 (2023: \$34,897), and Paul de Gruchy received \$25,115 (2023: \$nil) in respect of advisory board and consultancy fees for services provided to the Group.

The Company has advanced \$32,363,769 to Konnex Resources Inc (2023: \$29,776,142) and \$6,473,846 to KPX Holdings Inc (2023: \$2,763,846). The amounts advanced are in support of the mining and exploration operations at each of these subsidiaries, are classified as other receivables and eliminate on consolidation. During the year the Company charged interest to Konnex Resources Inc of \$1,621,627 (2023: \$1,641,850) and to KPX Holdings Inc of \$nil (2023: \$118,236).

During the year the Company paid \$100,000 (2023: \$100,000) to ExGen Resources Inc ("ExGen"), a company in which Jason Riley is a director, relating to a contractual annual payment on the Empire Mine. The requirement to pay the contractual annual payment has now lapsed.

ExGen owns a 20 per cent holding in Konnex. Royalties based upon future production will be payable to ExGen and a provision of \$657,702 is included within these financial statements (see note 22). No royalties have become payable in the year (2023 \$nil).

There are no other related party transactions.

29 Control

The Company has a diverse shareholding and is not under the control of any one person or entity.

Company information

Directors

Marcus Edwards-Jones
Ryan McDermott
Richard Wilkins
Catherine Evans
Jason Riley

Company Secretary

Richard Wilkins

Registered Office of the Company

OMC Chambers
Wickhams Cay 1
Road Town, Tortola VG1110
British Virgin Islands

Registered in the British Virgin Islands number:

1791533

Auditors to the Company

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Nominated Adviser

SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

Joint Brokers

Tavira Securities Limited
88 Wood Street
London EC2V 7DA

Zeus Capital Limited
125 Old Broad Street
London
EC2N 1AR

Panmure Liberum Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

Registrars

Computershare Investor Services (BVI) Limited
Woodbourne Hall
PO Box 3162
Road Town, Tortola VG1110
British Virgin Islands

American Depositary Receipts Program Sponsor and Corporate Bond custodian & transfer / paying / settlement agent

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

Solicitors to the Company (England and Wales)

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

Solicitors to the Company (USA)

Sawtooth Law Offices, PLLC
Golden Eagle Building
1101 W. River Street, Suite 110
Boise, Idaho 83702

Mintz Levin Cohn Ferris Glovsky & Popeo, PC
919 Third Avenue
New York, NY 10022

Bankers

Barclays Bank PLC
One Churchill Place
London E14 5HP

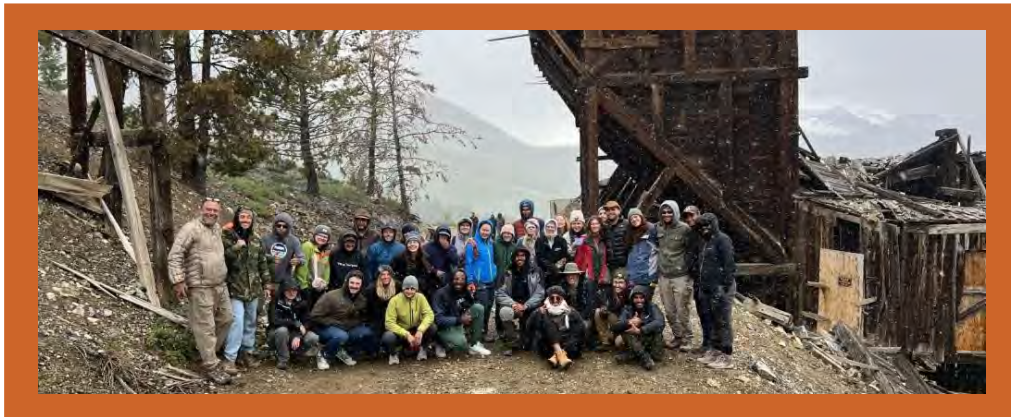
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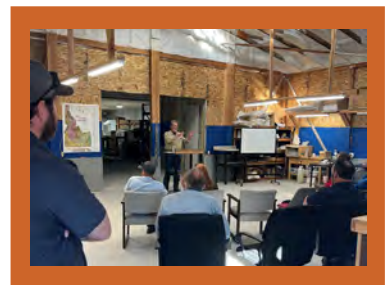
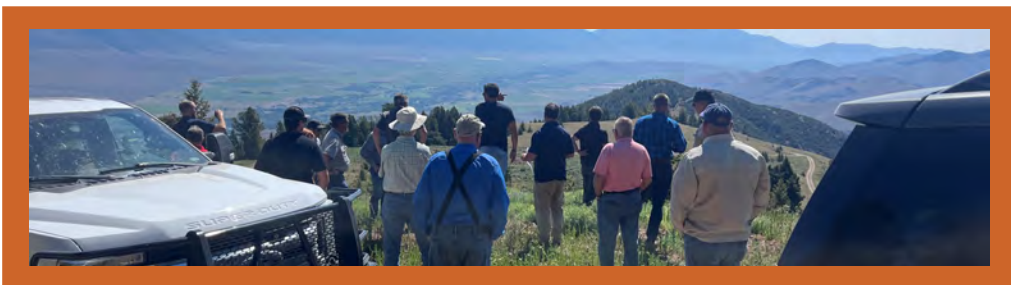
Photos: Ball mill equipment delivered to Konnex site in Mackay, Idaho.



Photos: University field camp tours Empire Copper Reserve Property.



Photo left: Konnex General Manager, Dave Jarvis, ESG Programme Lead, Lenie Wilkie, and Vice President of Public Relations, Brittany Lock, attend Custer County career fair.
Photo right: Vice President of Public Relations, Brittany Lock, with Idaho Mining Association Director at their annual conference.



Photos: Consultant tour of Empire Copper Reserve property.



Hello@PhoenixCopper.com

PhoenixCopperLimited.com

Konnex Site Office

1009 W. Custer St.
PO Box 329
Mackay, ID 83251

London Office

8 Shepherd Market
Suite 113
London W1J 7JY