

MINING FLASHNOTE

Phoenix Global Mining (PGM AIM)

26 February 2019

Stock Data

Share Price:	19.00p
Market Cap (M):	£7.3
EV (M):	£5.5

Price Chart



52 Week Range

50.75p	19.00p	17.00p
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Company Summary

Phoenix Global Mining is aiming to restart the Empire Copper Mine as a heap leach SX/EW mine in Idaho, USA. Following a successful restart, funds will be directed to exploration to extend mine life and develop a sulphide mine.

MAIN SHAREHOLDERS	HOLDING
Management	12.4%
Morebath Fund	7.5%
ExGen Resources	4.0%

Source: Bloomberg & Phoenix Global Mining

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Phoenix Releases Final Drill Results from the 2018 Drilling Programme

Event

Phoenix Global Mining ("Phoenix") has announced the final assays from the 2018 Empire Mine drilling programme.

Highlights

This highlights of the programme were:

Step-out Oxide Copper Intercepts

- KX18-59 4.6m @ 1.10% Cu equ from 41.4m, including 1.5m @ 1.75% Cu equ from 42m

Infill Oxide Copper Intercepts

- KXD18-58 1.5 m @ 2.11% Cu equ from 32.0m and 1.5m @ 1.10% Cu equ from 42.7M

Step-out Sulphide Copper Intercepts

- KX18-62 6.1m @ 3.78% Cu equ from 126.5m, including 1.5m @ 12.80% Cu equ from 129.5m

Comment

Phoenix has released the results of the last seven drill holes from the 2018 Empire drill programme. The results include infill and step-out drilling in the north-western portion of the Empire property and are consistent with company expectations.

The step-out sulphide copper intercepts are of particular note, as this hole aligns with a nearby, historically drilled intercept of similar sulphide grade and adds credence to the larger, high-grade sulphide picture that is beginning to develop. In addition, the KX18-62 sulphide intercept is open to the west and at depth.

It is interesting that Phoenix has moved to reporting copper equivalent assays. This strongly suggests that the idea of a heap leach has been replaced by an agitated leach. Although agitated leach plants have a higher capital cost, they do results in around a 20% increase in copper recoveries and within 24hrs typically rather than the 3 months for a heap leach. A massive further advantage is that they will enable the gold and silver to be recovered sequentially rather than waiting for the copper heap leach to finish first. All of these improvements should result in a significant increase to the net present value.

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 26 February 2019

Company Name	Disclosure
Phoenix Global Mining (PGM AIM)	1, 2, 7, 8, 9

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