

Phoenix Global Mining (PGM AIM)

07 May 2019

Stock Data

Share Price:	15.50p
Market Cap (M):	£6.0
EV (M):	£4.2

Price Chart

52 Week Range

40.50p	15.50p	13.50p
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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	11.1%
Morebath Fund	6.9%
ExGen Resources	3.4%

Source: Bloomberg & Phoenix Global Mining

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Phoenix Announces Substantial Increase in Metal Content of Resource Event

Phoenix Global Mining ("Phoenix") has announced an updated NI 43-101 Resource for the Empire Copper Mine oxide open pit in Idaho, USA.

Highlights

The key metal increases are:

- Measured and Indicated Resources have increased by 45.6% to 15.17Mt based on a cut-off grade of 0.184% copper
- Contained copper has increased by 37.4% to 73,872t
- Contained zinc has increased by 108.3% to 29,813t
- Contained gold has increased by 75.9% to 139,000oz.
- Contained silver has increased by 69.6% to 6,038,000oz.

Comment

The revised ore resources are:

CLASS	Tonnes (x1000)	Average-Grade				Metal-Content			
		Cu %	Zn %	Ag g/t	Au g/t	Cu tonnes	Zn tonnes	Ag ozs	Au ozs
Measured	6,176	0.49	0.21	12.2	0.26	30,419	12,864	2,419,000	51,000
Indicated	8,993	0.48	0.19	12.5	0.30	43,453	16,949	3,618,000	88,000
M+I	15,169	0.49	0.20	12.4	0.28	73,872	29,813	6,038,000	139,000
Inferred	4,271	0.44	0.13	9.8	0.32	18,993	5,449	1,340,000	44,000

The most important aspect of the new resource figures is that approximately 5Mt has been upgraded from the Inferred category into the Measured and Indicated categories, which represents a significant de-risking of the project.

Only the Measured and Indicated Resources will be used in the proposed low capital cost fast-track open pit oxide operation, to produce 8,000 tonnes of combined copper and zinc annually. Using a cut-off grade of 0.325% copper, gives 10Mt grading 0.61% copper, which will form the basis for the proposed development, being a heap-leach SX-EW operation. Previously we had mentioned that we thought that it might be an agitated leach, but the added cost of this would appear to have eliminated it. The lower grade ore, that between 0.184% and 0.325% copper will be stockpiled and processed once the higher grade material has been utilised. Whilst the gold and silver represents a sizable inventory, this will be extracted after the copper.

At Red Star, 3 drill holes have established a small high grade indicated silver resource of 103.5t grading 173.4g/t silver, 0.85g/t gold and 3.85% lead, with minor amounts of copper and zinc. Whilst currently very small, this certainly warrants follow-up drilling, once the SX-EW copper plant is in production. This certainly warrants follow-up drilling, once the SX-EW copper plant is in production.

Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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 07 May 2019

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

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