

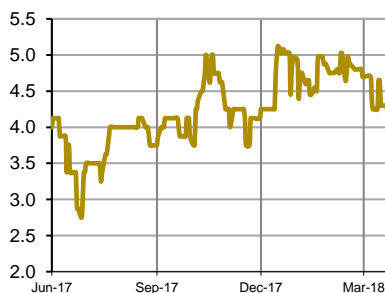
MINING FLASHNOTE

Phoenix Global Mining (PGM AIM)

19 April 2018

Stock Data

Share Price:	4.30p
Market Cap (M):	£10.0
EV (M):	£9.25

Price Chart

52 Week Range

5.125p	4.30p	2.75p
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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	25.6%
ExGen Resources	9.9%
Cheviot Capital	3.4%

Source: Bloomberg

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Phoenix Announces Completion of the Preliminary Economic Assessment for the Empire Mine

Event

Phoenix Global Mining ("Phoenix") has announced the results of the Preliminary Economic Assessment (PEA) for its Empire Mine project in Custer County, Idaho, USA.

Highlights

This highlights of the PEA are, based on 6,200tpd:

- The heap leach copper recovery has risen to 76% from 61%.
- Consequently, annual copper production is forecast to average 8,124t pa with an 8 year mine life
- At a cash cost of US\$4,068/t or US\$1.85/lb
- The NPV is US\$53.66M using a 7.5% discount rate and a US\$3.75/lb copper price with an IRR of 23.5% after tax.

Comment

This is a very good outcome for Phoenix. The original BHC NPV was US\$50.6M so the outcome has not changed dramatically. However, what has changed is a significant improvements in recovery from an original forecast of 61% to 76%, based on more detailed test work. BHC thinks that this figure will also improve as the heaps will be irrigated for longer than 3 months. In practice, they will be irrigated until copper stops coming out of them.

This increase in recovery has been offset by an increase of approximately 55% on the initial capital expenditure, which is now forecast to be US\$61.2M pre-production. The strip ratio was originally forecast to be 1.35:1 but following the extensive drilling programme last summer, this has increased to 2.68:1 but the high grade ore tonnage has increase 50% to 18.122t. One has to be careful here as the current PEA is based on short tons and pounds of copper whereas previous work was quoted in metric units.

Mine life has increased from 6 years to 8 years, a figure BHC expects to increase once the next round of drilling is completed later in 2018. And total copper production has climbed from around 40kt to 65kt (metric units). This PEA does not include any by-products and the orebody is known to contain gold, silver and zinc.

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 19 April 2018

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

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