

Mining Flash Note

Phoenix Global Mining*

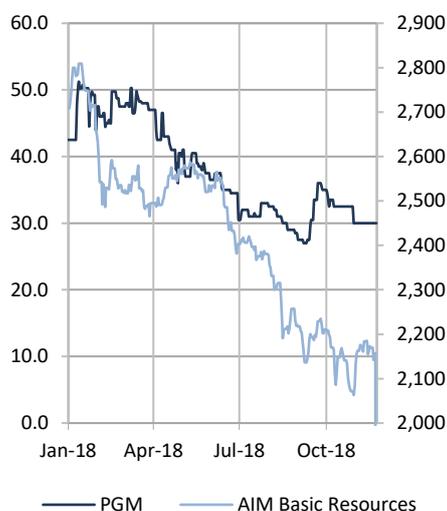
PGM LN

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Stock Data

Ticker	PGM LN
Share Price:	30p
Market Cap:	£9.5m

Price Chart



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Starting to connect the mineralisation at Empire

Key Points

- Recent exploration at the Empire mine suggests continuity of mineralisation over 3.5km of strike length from the oxide pit area, through Red Star to the Horseshoe Claim Block.
- Deeper drilling is starting to open a window on the underlying sulphide potential and a possible feeder zone to the mineralisation.
- Empire mine mineral resource update due during Q1 2019.
- BFS on the Empire mine oxide pit, heap leach, and SXEW plant expected in Q4 2019

Phoenix Global Mining has now demonstrated mineralisation over approximately 3.5km of strike length within the expanded 1,837-acre (approximately 743 hectares) project area at the historic Empire mine site in Idaho.

The company points out that *“it is estimated that only 5% of the potential ore system has been explored to date and, accordingly, there is significant opportunity to increase the resource through phased exploration”* and that the existing resource estimate of 19.4mt at an average grade of 0.47% copper, 0.13% zinc, 10g/t silver and 0.3g/t gold *“relates to the oxide resource only, which remains open along strike and does not include the deeper, higher grade sulphides.”*

Phoenix Global Mining also draws attention to comments made, in 2016, by its consulting geologist who described the skarn mineralisation developed at Empire as *“poorly understood”* and described *“the footprint of the Empire deposit(s) is that of a major mineralised system. Indeed, to date, the Empire Mine remains largely unexplored as a result of the history of the exploration of this project which, since the closure of the underground high-grade copper mine, has largely focused on a shallow copper oxide resource and has, importantly, almost totally ignored the entire supergene and protore sulphide copper - gold - silver - zinc - tungsten resource.”*

Among drilling results reported recently are several wide intersections including:

- A 19.7m wide intersection, from a depth of 18.9m in hole KXD18-16 at an average grade of 1.10% copper, 1.1% zinc, 0.23g/t gold and 12g/t silver;
- An 18.3m wide intersection, from a depth of 103.6m in hole KX18-52 at an average grade of 1.28% copper, 0.1% zinc, 0.22g/t gold and 18.2g/t silver; and
- An 18.9m wide intersection, from a depth of 41.8m in hole KXD18-18 at an average grade of 1.26 copper, 0.15% zinc, 1.01g/t gold and 12.8g/t silver;

Several of the holes contain multiple mineralised intersections from a mix of both infill drilling aimed at firming up the existing resource envelope and step-out holes intended to expand the overall resource base.

In September, the company reported that it had hit sulphide mineralisation in high grade veins below the oxide resource identified for initial mining. The sulphides are interpreted as providing *“extensive evidence that a high-grade feeder system exists below the Empire*

oxide resource and demonstrate the existence of such a sulphide system within the Empire Mine”.

Among the results, which intersected chalcopyrite and bornite mineralisation are

- A 24.7m wide intersection averaging 1.58% copper, 1.96% zinc, 1.2g/t gold and 28.7g/t silver from a depth of 7.3m in hole KXD18-10; and
- A 19.8m wide intersection averaging 1.88% copper, 0.65% zinc, 0.79g/t gold and 44.8g/t silver from a depth of 164.6m in hole KX18-44 from within the open pit area; and a number of results from step-out drilling beyond the pit area with sulphide intersections including
- An intersection of 18.3m averaging 0.96% copper, 0.08% zinc, 0.83g/t gold and 26.3g/t silver from a depth of 54.9m in hole KX18-47 which also intersected 4.6m at an average grade of 2.54% copper, 0.07% zinc, 2.85g/t gold and 57.0g/t silver from a depth of 77.7m; and
- A 2.7m wide intersection averaging 2.99% copper, 5.07% zinc, 0.33g/t gold and 39.2g/t silver from a depth of 26.4m in hole KXD18-9

In addition to the drilling results, Phoenix Global Mining also reports the results of channel and rock-chip sampling from the Red Star zone, located approximately 330m north-west of the northern edge of the current mineral resource and which *“appears to be a continuation of the Empire orebody’s mineralisation trend which, in turn, continues on into the Horseshoe block of claims towards the old Horseshoe Mine approximately 1km along strike from Empire.”*

Channel sampling of 1.5m long samples at Red Star showed an aggregate of 18.3m of continuous mineralisation at an average grade of 0.65% copper, 0.12% zinc, 0.36g/t gold and 16.4g/t silver. *“Individual 1.5m samples ranged in grade from 0.15% copper to 1.69% copper and were all included in the grand composite”.*

A total of 20 rock chip samples taken from the Horseshoe Block *“represents a small portion of the proposed exploration programme for the area in 2019”* however grades reported in today’s announcement range as high as 9.19% copper (sample no. 458509) with 5 samples reporting in excess of 1% copper. Grades of other metals range as high as 5.83% zinc (sample no. 458503, which also showed 20% lead and 580g/t silver), and up to 2.02g/t gold in sample no. 458523.

Commenting on the results and the progress of exploration, CEO, Dennis Thomas said that *“The results of the current programme suggest we have a district style opportunity along a 3.5km strike. We have only really begun to understand the scale of the opportunity following the mapping, sampling and drilling work outside the oxide resource envelope which has been the focus of our attention to-date.”*

Mr. Thomas went on to explain that *“The newly discovered Red Star zone is located 330m north west along strike from the present northern limit of the Empire open pit resource envelope and appears to be a continuation of the Empire orebody’s mineralisation trend which, in turn, continues on into the Horseshoe block of claims towards the old Horseshoe Mine approximately 1km along strike from Empire.”*

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