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Phoenix Global Mining Ltd / Ticker: PGM / Sector: Mining

19 September 2018

Phoenix Global Mining (PGM) (the "Company" or "Phoenix") Interim Results

Phoenix Global Mining Ltd (AIM:PGM.L), the AIM quoted North American focused base and precious metals exploration and development company, is pleased to announce its unaudited interim results for the six months ended 30 June 2018.

Highlights

Empire Copper Mine:

- Preliminary Economic Assessment ("PEA") on Empire Mine open pit completed
- Bankable Feasibility Study ("BFS") underway
- 25% increase in forecast copper recovery
- 16% increase in target copper production
- Further 33% increase in Empire Mine land position to 1,837 acres
- 12,200 metre, five drill rig, drilling programme well underway and returning high grade assay results for both infill drilling, within the proposed open pit area, and step out drilling in all directions, with several significant new mineralised extensions to the orebody already identified
- Deep scout hole drilling into the high-grade underground orebody confirms the presence of both significant skarn structure and mineralisation at depth, and the present drilling programme confirms the presence of higher grade sulphide mineralisation beneath the proposed open pit

Cobalt and Gold:

- 2018 field season underway on two claim blocks on the Idaho Cobalt Belt
- Option to acquire 80% of the high-grade Gordon Lake gold project in Northwest Territories, Canada

Corporate:

- £3 million (\$4.05 million) placing and subscription completed in June 2018
- 1 for 10 share consolidation completed in August 2018
- Dual listing on New York's OTCQX Market underway

Financials:

- Continued tight cost control - loss before tax of \$679,817 (six months ended 30 June 2017: \$727,790)
- Strong balance sheet - net assets of \$9,613,925 (31 December 2017: \$6,300,951)
- Cash balance of \$2,501,811 (31 December 2017: \$1,903,742) with no borrowings

Chairman's Statement

Dear Shareholders

I would like to thank you for your continued support in what has, so far, been a frustrating year for "risk-on" assets in general, and the metals and mining sector in particular. Despite the uncertain market conditions, we were pleased to raise funds in an oversubscribed placing and subscription after the publication of our PEA on the Empire Mine open pit project, and we are grateful to all of you who participated. The sabre-rattling between the global trading heavyweights and subsequent weakness in the copper and cobalt prices will hopefully be short-lived, and the strong fundamentals will reassert themselves.

I believe that we have added considerable underlying value to our Company since our AIM listing last year, and we will continue to work on improving the economics of the Empire project. To date, our major endeavours have been focused on the near surface oxide cap, where we have significantly increased the resources. We have also expanded the footprint of the project by acquiring new, adjoining, claim blocks, where drilling is already underway.

It is our intention to demonstrate the medium and long-term strategic value of our deposits during the current setback in metal prices. It is noteworthy to acknowledge a significant pick up in M&A activity in the copper sector recently, with the bidding war between Lundin and Zijin Mining for Serbia-based Nevsun, as well as the acquisition of a 6.1% stake in Ecuador-focused Solgold by BHP Billiton for \$35 million, while some momentum-driven commentators were calling the copper price, and mining stocks, lower in the short term. The \$1.4 billion all cash offer by Zijin Mining for Nevsun is significant. Nevsun owns 100% of the Upper Zone of the Timok deposit in the Bor region of Serbia. This is a new mine in the making with a resource of 28.7 million tonnes containing 3.7% copper and 2.4 grammes per tonne ("g/t") of gold. The historic copper grades from the old underground Empire Mine are not dissimilar to those of the Timok project and, having largely completed the resource drilling on the oxides at Empire for the BFS, we too will now focus activities on quantifying our higher grade and deeper sulphide resources.

We also see Kaz Minerals' recent purchase of a copper deposit in the Russian Far East for \$900 million, along with Anglo-American's approval of a \$5 billion copper project in Peru, as further evidence of the industry's attempts to counter what promises to be a shortage of copper going into the 2020s.

We were also pleased to see Idaho placed firmly in the spotlight by Barrick's 20% acquisition of our neighbours, Midas Gold, for \$38 million, and by First Cobalt's all-share purchase of US Cobalt for \$149.9 million. US Cobalt's Iron Creek project adjoins our 600 acre Redcastle claims

at the southern end of the Idaho Cobalt Belt, and we are looking forward to receiving the first assay results from Redcastle and also our 580 acre Bighorn claims at the northern end of the Idaho Cobalt Belt, adjacent to the Salmon Canyon mine. The combination of a mining friendly federal government, with the business-like 'can-do' attitude of Governor Otter's Idaho Office of Energy and Mineral Resources should lead to further investment in the state by mining majors.

With regard to our listing in London, we are finding that recent legislative changes to the system of distributing UK sell-side analysts' research on smaller companies in the UK have made it harder to communicate our story to investors. We hope that our impending New York OTCQX listing will enable us to reach a wider audience, and bring North American investors onto our register.

I would finally like to express my thanks to my fellow Directors and our operating staff for their dedication and hard work during the period, and to welcome the new team we have hired to help us with the expansion of our resources both at Empire, and the two cobalt properties, Bighorn and Redcastle, in Idaho, as well as the Gordon Lake high grade gold deposit in the Northwest Territories, Canada.

Marcus Edwards-Jones
Chairman

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Principal activities and review of the business

I am pleased to report that it has been a continued period of achievement of our goals set for the Company, which augurs well for our future plans and outlook for all of our projects, which are summarised below.

The Empire Mine

At the Empire Mine, we successfully increased the open pit oxide resources at the end of 2017, giving us an all-categories resource of 21.4 million tons at 0.47% copper for 99,565 tons (90,324 tonnes) of contained copper metal, in addition to significant credits of gold, silver and zinc. This underpinned the subsequent work programme in the first part of 2018, which led to the successful completion of our PEA at the end of April 2018.

The PEA pulled together the Empire Mine's operational mining and processing planning options, along with our continuing environmental programme, and produced some very encouraging conclusions based on open pit oxide copper production and excluding any potential revenue from gold, silver or zinc. These were announced in April 2018, the highlights of which were:

- i) 8,124 tonnes of annual copper production, an increase of 16% above the originally projected output of 7,000 tonnes per annum
- ii) Eight year mine life at 0.24% copper cut-off grade
- iii) 76% heap leach copper recovery, up from 61% originally estimated
- iv) \$61.2 million pre-production capex
- v) \$4,068 per tonne copper cash cost of production
- vi) \$53.66 million after tax NPV (7.5% discount); \$70.58 million (5% discount)
- vii) 23.5% IRR after tax

The completion of the PEA gave us a positive base from which to proceed into our BFS, which is currently underway and scheduled for completion in 2019. We consider there to be plenty of scope for improvement, especially in the optimisation of the PEA economics, both in terms of capital and operating costs.

Additionally, during the period, the Company has increased its land holding position by 33% to 1,837 acres through the acquisition of an additional 54 claims in the Horseshoe Block to the north of the existing Empire Mine claim block, and the Granite claim group of four claims to the south of the Empire open pit. The Horseshoe claims are a particularly prospective area for the Company as they give the Company the ground which contains the northern extension of the Empire Mine skarn orebody through to the old Horseshoe lead/zinc/copper mine. The acquisition of the Granite claims secures the land required for the completion of the southern end of the Empire open pit, whilst offering potential additional mineralised extension to the Empire orebody southwards.

Since the beginning of June, five drill rigs have embarked on a 12,200 metre programme of reverse circulation ("RC") and diamond drilling. The drilling programme has proceeded rapidly and consists of RC infill drilling aimed at upgrading the present mineral resources, and step out/exploration drilling to test the ore potential outside the open pit to the east of the Empire open pit boundary already identified in the PEA, and along the northern extension of the Empire skarn orebody towards the Horseshoe Mine. Additional holes are being drilled for further metallurgical, geotechnical and hydrological information necessary for inclusion in the BFS programme.

The step out drilling has been very successful and has already identified several significant mineralised extensions in previously untested areas which are outside of the November 2017 Resource Model reported by Hardrock Consulting. Examples of significant intersections include 12.2 metres of 0.95% copper, 6.1 metres of 1.09% copper, 3.0 metres of 1.14% copper and 18.3 metres of 0.96% copper. These figures indicate a potentially serious expansion of the known orebody and this untested ground is still open to the east, north and south and, importantly, at depth into the underlying sulphide zone. We are targeting follow-up drilling into these areas.

We have also discovered a new zone of surface mineralisation in the Empire block, now referred to as Red Star. Red Star is located approximately 330 metres north-northwest of the northern end of the Empire resource area and is a 20 metre wide surface outcrop across the structure. The mineralisation is a mix of oxides and sulphides, with strong chrysocolla and bornite showings, exposed in a heavily timbered canyon. This is an exciting find, confirming our belief that the presently identified Empire orebody continues along strike northwards towards the Horseshoe Mine. We plan to drill Red Star before the year end.

The infill drilling to date has also shown excellent continuity within the known mineralised zone with numerous intervals showing grades in excess of the 0.52% average copper grade in the current 'measured and indicated' resource. For example, high grade intercepts have been returned, notably 19.8 metres of 1.88% copper, including 1.6 metres of 8.85%, and 24.7 metres of 1.58% copper and also including 0.9 metres of 7.72% copper in hole KX18-44, demonstrating our belief that these results will have a positive effect on the overall grade and tonnage in the existing resource. Furthermore the 19.8 metre intercept sits entirely below the Empire PEA pit shell which should have a further positive effect on the expansion of the resource in that area. Additionally, our Empire team will use these higher-grade intervals to continue defining the deeper, oxide/sulphide transition zone. All new results will be used to update the resource model and our hope is that continued drilling results, similar to those already reported, will have a positive effect on the overall grade and tonnage of the resource, which will materially enhance the economics of the project. We are also noting elevated tungsten, gold and silver values associated with a number of the high grade copper intersections. We will continue to report new assay figures over the coming weeks as further drilling and channel sample results are received from the ALS Global laboratory in Nevada.

In early 2018, I was also very pleased to report that the results from our two deep exploration core holes, drilled in late 2017, confirmed the presence of favourable ore-hosting geology below the current oxide resource and the presence of higher grade polymetallic mineralisation in the skarn structures at depth. Both of the core holes intersected mineralised skarn over much of their length and the analytical data from both drill holes intersected numerous significant intervals of copper, gold, silver, zinc, lead, and tungsten throughout their depths. The tungsten values were particularly interesting as they positively reinforced the Company's consultant's predictions of the Empire system hosting significant values of tungsten at depth. From these holes we gained valuable information regarding the polymetallic "roots" of the mineralised system at the Empire Mine. However, our 2018 drilling programme has produced five drill hole intercepts containing predominantly copper sulphide mineralisation as chalcopyrite and bornite in high-grade vein structures. We are placing significant importance on the results from hole KX18-47 (5.53% copper, 7.67 g/t gold, 120 g/t silver), hole KX18-36 (1.14% copper, 1.25 g/t gold), and hole KXD18-11 (1.61% copper, 0.7g/t gold), because they are further north of any historical underground mining. The gold and silver grades are also major considerations, ranging to 7.93 g/t gold and 256 g/t silver. The sulphide containing interval grading 5.19% copper in hole KXD18-9 is also important in that it is located adjacent to historical underground workings and is evidence that previous operations in the vicinity did not mine all the higher-grade vein material. As we have stated in the past, we believe that a high-grade feeder system exists below the Empire oxide resource and these results further confirm the existence of the sulphide system and orebody, also providing the Empire team the information necessary to follow up and define a deeper copper sulphide resource.

Additionally, as part of our deeper sulphide exploration programme, during early 2018, we gained access to the historical 700 level of the mine. Access was achieved for approximately 1,000 feet, where strong mineralisation was seen. However, underground conditions were deemed too unsafe to allow sampling or further access to take place, due to the manner in which the historic workings had been abandoned in the 1940s. Access to the 1,100 level has proved more amenable and work will continue at this level.

In summary, our highly skilled and specialised Mackay-based team of geologists have been gathering information from our drilling and sampling programme on the skarn orebody which hosts the Empire Mine mineralisation. Skarn orebodies are complex by nature but, for the first time in the mine's history, a much clearer picture of the nature and structure of the mineralisation is being understood, which makes the future planning and development of the orebody in its entirety, both in the near-surface oxides and exploration of the underlying sulphides, a very exciting project. The Empire Mine and ore system as a whole, including our newly acquired claims, are presenting a very positive prospect as we progress with our BFS and exploration programme, and results to date confirm our robust confidence in both our resources and development plans. Our Empire Mine development programme offers great potential in the form of early production from the oxide open pit as well as excellent exploration potential from both oxides along the lateral strike extensions, especially to the north into the Horseshoe Block, and greater tonnage and higher grade potential of the underlying sulphides at depth.

Bighorn and Redcastle Cobalt Projects

Given the world's growing need for battery metals and cobalt in particular, our Redcastle and Bighorn properties represent a very timely and positive acquisition for the Company, strategically located in the USA's only prospective cobalt region, the Idaho Cobalt Belt, approximately 100 miles north of the Empire Mine. In early 2018 we announced the results of our reconnaissance programme undertaken at the end of 2017. These confirmed that all 46 surface grab samples taken from the Company's iron-rich cobalt/copper claims showed cobalt values above detection limits and ranged from 2 ppm to 3,120 ppm or 0.31% cobalt. The sample results showing cobalt values greater than 100 ppm and copper values greater than 0.5% were considered significant and have proved a firm base from which to start our 2018 exploration programme, which is now well underway. It is hoped that before the end of the 2018 field season, a short shallow drilling programme on the Bighorn property and, conditions allowing, the Redcastle property, will also be completed.

Gordon Lake High Grade Gold Project

In February 2018, the Company signed an option agreement with ExGen Resources Inc to earn into an 80% interest in the Gordon Lake high grade, shear-hosted gold exploration project located 68 miles northeast of Yellowknife, in the Northwest Territories, Canada. The property

consists of two mining leases covering an area of 1505 acres and contains 17 zones of high grade shear hosted gold mineralisation, over a one kilometre strike length. 59 mineralised diamond core holes have previously been drilled into four zones returning high grades of gold, including 4.8m at 34.1 g/t and 7.4m at 19.4 g/t. It is proposed that Aurora Geosciences of Yellowknife will be commissioned to complete a project review and report, with a view to proposing an exploration programme for 2019.

Outlook

Despite recent fluctuations in metal prices, copper and cobalt in particular, I believe we can look forward into 2019 and beyond with confidence and optimism. Market expectations are that both copper and cobalt prices will recover on the back of underlying strong fundamentals, which do not appear to have changed. It is also reassuring to note that the Company is operating in geopolitically stable jurisdictions and that our projects represent a diversified and robust portfolio of projects with early production potential and significant exploration upside, across a diverse suite of in-demand metals, including copper, cobalt, gold and tungsten.

This diversification, combined with our team of highly professional staff, consultants and advisers, will allow us to continue to adapt our work programmes to market conditions as appropriate in order to maximise medium and long-term benefit for the Company and our various stakeholders. We also look forward to obtaining the New York OTCQX listing and to engaging directly with the North American market, where our projects are located.

Dennis Thomas
Chief Executive Officer

Financial Overview

On 1 January 2018 the Company changed its functional currency from Sterling to US Dollars. These interim financial results are therefore reported in US Dollars and the 30 June 2017 comparatives have been restated into US Dollars. At 31 December 2017 the Company used the US Dollar, rather than Sterling, as its presentational currency. These unaudited interim financial results have been prepared using accounting policies consistent with International Financial Reporting Standards.

The Group reports a loss for the six months ended 30 June 2018 of \$679,817 (2017: \$727,790), of which \$672,393 (2017: \$727,790) is attributable to the owners of the Company. This loss is after charging \$99,629 in share-based payments relating to options and warrants issued by the Company, and \$47,384 relating to foreign exchange, both of which are included in administrative expenses. Net assets totalled \$9.6 million, including \$7.53 million relating to the Empire Mine, and \$2.95 million in cash and receivables.

In June 2018 the Company completed a £3 million (\$4.05 million) placing and subscription of 85,714,286 shares at 3.5 pence per share. On 14 August 2018 the Company consolidated its share capital on the basis of one new share for every 10 existing shares, reducing its issued share capital from 318,000,759 shares to 31,800,075 shares. This consolidation was required to enable the Company to proceed with a proposed dual listing on the New York OTCQX Market. With the Company's assets located in North America, and a focus on Idaho, the Board considered it appropriate that the Company also listed on a recognised US exchange, thereby offering improved access to the Company's shares to a wider range of North American investors. The OTCQX listing is scheduled for early October. The Company's primary listing will remain on AIM.

Further to the consolidation the Company also adjusted outstanding options and warrants in the same ratio. As a result, the Company has 1,523,554 warrants in issue, 327,094 exercisable at 60 pence and expiring on 31 December 2019, 127,962 exercisable at 21 pence and expiring on 14 June 2020, 641,156 exercisable at 40 pence and expiring on 28 June 2020, and 427,342 exercisable at 35 pence and expiring on 30 June 2020. The Company also has 1,225,000 options issued to Directors and officers, exercisable at 45 pence and expiring on 21 June 2020.

During the period Marcus Edwards-Jones, previously Non-Executive Chairman, was appointed Executive Chairman, and Jason Riley, CEO of ExGen Resources Inc, the Company's 20% partner in the Empire Mine and the Gordon Lake gold project, was appointed a Non-Executive Director. From 1 September 2018 Ryan McDermott, CEO of Konnex Resources Inc and General Manager of the Empire Mine, has also been appointed Chief Operating Officer of the Company.

The Directors recognise the importance of good corporate governance, and have a policy that the Company will work to implement the recommendations of the Quoted Companies Alliance's Corporate Governance Code 2018. The Company will publish its initial Corporate Governance Statement on the Company's website by the required date of 28 September 2018. This Statement will set out how the Company complies with the code, as well as an explanation of any departures from the code. The Statement will be reviewed annually.

Richard Wilkins
Chief Financial Officer

Condensed consolidated income statement	Note	Unaudited	Unaudited	Audited
		6 months to 30 June 2018	6 months to 30 June 2017 Restated	Year to 31 December 2017
		\$	\$	\$
Revenue		-	-	-
Cost of Sales		(13,516)	(2,274)	(3,824)
Gross loss		(13,516)	(2,274)	(3,824)
Administrative expenses		(668,010)	(423,679)	(1,053,902)
Exceptional items	3	-	(301,837)	(302,867)
Total administrative expenses		(668,010)	(725,516)	(1,356,769)
Loss from operations	4	(681,526)	(727,790)	(1,360,593)
Finance income		1,709	-	1,903

Loss before taxation	(679,817)	(727,790)	(1,358,690)
Taxation	-	-	-
Loss for the period	<u>(679,817)</u>	<u>(727,790)</u>	<u>(1,358,690)</u>
<i>Loss attributable to:</i>			
- Owners of the parent	(672,393)	(727,790)	(1,346,635)
- Non-controlling interests	(7,424)	-	(12,055)
	<u>(679,817)</u>	<u>(727,790)</u>	<u>(1,358,690)</u>
Basic and diluted loss per share - cents	5	(2.80)	(7.30)
			(8.20)

The revenue, expenditures and operating result for each period is derived from acquired and continuing operations in North America and the United Kingdom.

Condensed consolidated statement of comprehensive income

	Unaudited 6 months to 30 June 2018 \$	Unaudited 6 months to 30 June 2017 Restated \$	Audited Year to 31 December 2017 \$
Loss for the period and total comprehensive income for the period	(679,817)	(727,790)	(1,358,690)
Currency translation differences	-	(72,153)	204,227
Total comprehensive income for the period	<u>(679,817)</u>	<u>(799,943)</u>	<u>(1,154,563)</u>
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent company	(672,393)	(799,943)	(1,142,408)
Non-controlling interests	(7,424)	-	(12,055)
	<u>(679,817)</u>	<u>(799,943)</u>	<u>(1,154,563)</u>

Condensed consolidated statement of financial position

	Note	Unaudited 30 June 2018 \$	Unaudited 30 June 2017 Restated \$	Audited 31 December 2017 \$
Non-current assets				
Property, plant and equipment	6	7,531,057	3,300,116	5,282,596
Intangible assets	7	253,522	-	67,569
Total non-current assets		<u>7,784,579</u>	<u>3,300,116</u>	<u>5,350,165</u>
Current assets				
Trade and other receivables	8	449,009	3,987,425	14,250
Cash and cash equivalents		2,501,811	1,130,738	1,903,742
Total current assets		<u>2,950,820</u>	<u>5,118,163</u>	<u>1,917,992</u>
Total assets		<u>10,735,399</u>	<u>8,418,279</u>	<u>7,268,157</u>
Current liabilities				
Trade and other payables		363,772	885,846	199,762
Total current liabilities		<u>363,772</u>	<u>885,846</u>	<u>199,762</u>
Non-current liabilities				
Provisions	9	757,702	761,529	767,444
Total non-current liabilities		<u>757,702</u>	<u>761,529</u>	<u>767,444</u>
Total liabilities		<u>1,121,474</u>	<u>1,647,375</u>	<u>967,206</u>
Net assets		<u>9,613,925</u>	<u>6,770,904</u>	<u>6,300,951</u>
Equity				

Share capital	10	-	-	-
Share premium account		12,927,703	8,648,841	9,034,541
Retained deficit		(3,449,604)	(2,277,036)	(2,876,840)
Translation reserve		(18,588)	225,206	(18,588)
Capital and reserves attributable to the owners of the parent company		<u>9,459,511</u>	<u>6,597,011</u>	<u>6,139,113</u>
Non-controlling interests		154,414	173,893	161,838
Total equity		<u>9,613,925</u>	<u>6,770,904</u>	<u>6,300,951</u>

Condensed consolidated statement of changes in equity - restated

	Share premium	Retained deficit	Translation reserve	Total	Non-controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2017	2,432,093	(1,634,314)	297,359	1,095,138	-	1,095,138
Loss for the period	-	(727,790)	-	(727,790)	-	(727,790)
Other comprehensive income for the period	-	-	(72,153)	(72,153)	-	(72,153)
Total comprehensive income for the period	-	(727,790)	(72,153)	(799,943)	-	(799,943)
Shares issued in the period	6,964,841	-	-	6,964,841	-	6,964,841
Share issue expenses	(902,944)	-	-	(902,944)	-	(902,944)
Share-based payments	-	85,068	-	85,068	-	85,068
Exchange adjustments	154,851	-	-	154,851	-	154,851
Acquisition of non-controlling interest	-	-	-	-	173,893	173,893
Total contribution by owners	<u>6,216,748</u>	<u>85,068</u>	<u>-</u>	<u>6,301,816</u>	<u>173,893</u>	<u>6,475,709</u>
Balance at 30 June 2017	8,648,841	(2,277,036)	225,206	6,597,011	173,893	6,770,904
Loss for the period	-	(618,845)	-	(618,845)	(12,055)	(630,900)
Other comprehensive income for the period	-	-	(243,794)	(243,794)	-	(243,794)
Total comprehensive income for the period	-	(618,845)	(243,794)	(862,639)	(12,055)	(874,694)
Shares issued in the period	70,523	-	-	70,523	-	70,523
Share issue expenses	(50,146)	-	-	(50,146)	-	(50,146)
Share-based payments	-	19,041	-	19,041	-	19,041
Exchange adjustments	365,323	-	-	365,323	-	365,323
Total contribution by owners	<u>385,700</u>	<u>19,041</u>	<u>-</u>	<u>404,741</u>	<u>-</u>	<u>404,741</u>
Balance at 31 December 2017	9,034,541	(2,876,840)	(18,588)	6,139,113	161,838	6,300,951
Loss for the period	-	(672,393)	-	(672,393)	(7,424)	(679,817)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	(672,923)	-	(672,393)	(7,424)	(679,817)
Shares issued in the period	4,195,901	-	-	4,195,901	-	4,195,901
Share issue expenses	(302,739)	-	-	(302,739)	-	(302,739)
Share-based payments	-	99,629	-	99,629	-	99,629
Total contribution by owners	<u>3,893,162</u>	<u>99,629</u>	<u>-</u>	<u>3,992,791</u>	<u>-</u>	<u>3,992,791</u>
Balance at 30 June 2018	12,927,703	(3,449,604)	(18,588)	9,459,511	154,414	9,613,925

Condensed consolidated statement of cash flows

	Unaudited 6 months to 30 June 2018	Unaudited 6 months to 30 June 2017 Restated	Audited Year to 31 December 2017
	\$	\$	\$
Loss before taxation	(679,817)	(727,790)	(1,358,690)
<i>Adjustments for:</i>			
Depreciation			
Share-based payments	99,629	85,068	104,109
Exchange differences	-	21,999	408,639
Other reserve movements	(9,742)	-	161,838
	<u>(589,930)</u>	<u>(620,723)</u>	<u>(684,104)</u>

Changes in working capital			
(Increase)/decrease in trade and other receivables	(7,543)	(12,943)	71,850
Increase/(decrease) in trade and other payables	164,010	64,461	(140,415)
Cash (used in)/generated from operating activities	(433,463)	(569,205)	(752,669)
Investing activities			
Purchase of intangible assets	(185,953)	-	(67,569)
Purchase of property, plant and equipment	(2,248,461)	(1,112,199)	(2,723,300)
Cash transferred with business combination	-	-	(798,664)
Cash acquired with business	-	144,458	144,456
Net cash outflow from investing activities	(2,434,414)	(967,741)	(3,445,077)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	4,195,901	6,964,841	7,035,364
Share calls waiting receipt	(427,216)	(3,883,883)	-
Share-issue expenses	(302,739)	(902,944)	(953,090)
Share-issue expenses waiting payment	-	466,548	-
Net cash inflow from financing activities	3,465,946	2,644,562	6,082,274
Cash and cash equivalents at beginning of period	1,903,742	1,107,616	1,884,528
Net increase in cash and cash equivalents	598,069	23,122	19,214
Cash and cash equivalents at end of period	2,501,811	1,130,738	1,903,742

1. Basis of preparation and principal accounting policies

The condensed consolidated interim financial information in this report has been prepared under the measurement principles of International Financial Reporting Standards ('IFRS') as adopted by the European Union ('IFRS as adopted by the EU'), using accounting policies and methods of computation consistent with the Group's Consolidated Financial Statements for the year ended 31 December 2017.

The Group has adopted two International financial Reporting Standards ('IFRSs') for the period to 30 June 2018. IFRS9: Financial Instruments and IFRS15: Revenue from Contracts with Customers. There was no effect on the Group's consolidated income or net assets.

Restatement

On 1 January 2018 the Company changed its functional currency from Sterling to US dollars. The Company's results at 31 December 2017 were presented in US dollars. The change has been applied prospectively from 1 January 2018. There was no effect on the Group's consolidated income or net assets. The Group's interim financial statements for the six month period ended 30 June 2017 have been restated in US dollars.

The condensed consolidated interim financial information was approved for issue by the Board on 18 September 2018.

This condensed consolidated interim financial information has not been audited and does not include all of the information required for full annual financial statements. While the financial figures included within this interim report have been computed in accordance with IFRS applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as set out in International Accounting Standard 34: Interim Financial Reporting.

Basis of consolidation

Basis of consolidation

The condensed consolidated financial information incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries) (together the "Group") for each period. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra group transactions, balances, income and expenses are eliminated on consolidation.

2. Information on the Group

Phoenix Global Mining Limited is engaged in exploration and mining activities, primarily precious and base metals, primarily in the United States of America.

The Company is domiciled and incorporated in the British Virgin Islands (registered number 1791533). The address of its registered office is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

3. Exceptional costs

	Unaudited 6 months to 30 June 2018	Unaudited 6 months to 30 June 2017 Restated	Audited Year to 31 December 2017
	\$	\$	\$
Expenses of Initial Public Offering	-	301,837	302,867

4. Share-based payments

Total administrative expenses include share-based payments of \$99,629; 30 June 2017: \$85,068; 31 December 2017: \$104,109. The related credits to equity are taken to the retained deficit.

5. Loss per share

	Unaudited 6 months to 30 June 2018 \$	Unaudited 6 months to 30 June 2017 Restated \$	Audited Year to 31 December 2017 \$
Loss for the period attributable to equity holders of the parent company	(672,393)	(727,790)	(1,346,635)
	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	23,657,058	9,913,395	16,498,154
Loss per share - basic and diluted (cents)	(2.80)	(7.30)	(8.20)

On 14 August 2018 the Company consolidated its share capital on the basis of one new ordinary share for every ten existing shares, reducing the number of issued shares from 318,000,759 to 31,800,075 shares at that date.

As required by IAS33: Earnings per Share, the calculation of basic and diluted earnings per share for all periods has been presented based on the new number of shares in issue.

6. Property, plant and equipment

	Mining Property \$	Mining development Assets \$	Total \$
Cost or valuation			
<i>At 1 January 2017</i>	-	1,429,987	1,429,987
Exchange movements	-	4,377	4,377
At date of acquisition of Konnex	-	1,434,364	1,434,364
Reclassification	1,434,364	(1,434,364)	-
Fair value adjustment on acquisition of subsidiary	684,338	-	684,338
Additions	1,112,199	-	1,112,199
Exchange adjustments	69,215	-	69,215
<i>At 30 June 2017 restated</i>	3,300,116	-	3,300,116
Additions	1,611,101	-	1,611,101
Exchange adjustments	371,379	-	371,379
<i>At 31 December 2017</i>	5,282,596	-	5,282,596
Additions	2,248,461	-	2,248,461
<i>At 30 June 2018</i>	7,531,057	-	7,531,057
Depreciation			
At 30 June 2017, 31 December 2017 and 30 June 2018	-	-	-
Net book value:			
30 June 2017	3,300,116	-	3,300,116
31 December 2017	5,282,596	-	5,282,596
30 June 2018	7,531,057	-	7,531,057

Mining development assets relate to the past producing Empire Mine copper - gold - silver - tungsten project in Idaho, USA. The Empire Mine has not yet recommenced production and no depreciation has accordingly been charged in the statement of comprehensive income. There has been no impairment charged in any period due to the early stage in the Company's project to reactivate the mine.

A provision for decommissioning costs of \$100,000 has been recognised at 30 June 2018 and 31 December 2017 based on directors' estimates

and taking into account appropriate qualified professional advice. The cost of the decommissioning asset is included within mining development assets.

7. Intangible assets

	Exploration and evaluation expenditure \$	Total \$
Cost or valuation		
<i>At 1 January 2017</i>	-	-
<i>Additions</i>	-	-
<i>At 30 June 2017</i>	-	-
Additions	67,569	67,569
<i>At 31 December 2017</i>	67,569	67,569
Additions	185,953	185,593
At 30 June 2018	253,522	253,522

Exploration and evaluation expenditure relates to the Bighorn and Redcastle properties for the Group's two claim blocks on the Idaho Cobalt Belt in the USA of \$98,342 (31 December 2017 \$67,569, 30 June 2017 \$nil) and to Gordon Lake where the Group has an exclusive option to acquire 80% of the high grade Gordon Lake gold property in the Northwest Territories, Canada of \$155,180 (31 December 2017 \$nil, 30 June 2017 \$nil).

8. Trade and other receivables

	Unaudited 6 months to 30 June 2018 \$	Unaudited 6 months to 30 June 2017 Restated \$	Audited Year to 31 December 2017 \$
Other receivable	19,813	12,943	14,250
Issued shares called but not paid	427,216	3,974,482	-
Prepayments	1,980	-	-
	449,009	3,987,425	14,250

9. Provisions

	Unaudited 6 months to 30 June 2018 \$	Unaudited 6 months to 30 June 2017 Restated \$	Audited Year to 31 December 2017 \$
Decommissioning provision	100,000	105,211	109,742
Potential future royalties payable	657,702	656,318	657,702
	757,702	761,529	767,444

10. Share capital

	Unaudited 30 June 2018 Number	Unaudited 30 June 2017 Number	Audited 31 December 2017 Number
Allotted and issued			
Ordinary shares with no par value	318,000,759	229,755,522	229,755,522

At 30 June 2018, the Ordinary Shares rank pari passu. There have been no changes to the voting rights of the ordinary shares since 30 June 2017.

In June 2018 the Company completed a £3 million (\$4.05 million) placing and subscription at 3.5p per share issuing 85,714,286 shares. On 14 August 2018 the Company consolidated its share capital on the basis of one new share for every ten existing shares, reducing its issued

share capital from 318,000,759 shares to 31,800,075 shares. This consolidation enables the Company to proceed with a proposed dual listing on the New York OTCQX Market, scheduled for early October 2018. The Company will remain listed on AIM.

Notes

Phoenix Global Mining Ltd (AIM: PGM) is a North American focused, base and precious metal explorer and developer, which is fast-tracking the historically-producing Empire Mine in Idaho, USA, back into production, and exploring for cobalt in Idaho and gold in Canada.

PGM's flagship project is a brownfield, past producing, copper, gold, silver, zinc and tungsten underground mine, the Empire Mine near Mackay in Idaho. PGM acquired an 80% interest in the property in 2015. Based on a total of 315 drill holes a NI 43-101 compliant oxide resource was completed in late 2017. A PEA (preliminary economic assessment) for an open pit heap leach solvent extraction and electrowinning (SX-EW) mine was completed in April 2018 with a design capacity of 8,000 tonnes of copper cathode a year. In June 2018 a campaign consisting of 12,200 metres of reverse circulation (RC) and diamond core drilling was started. This programme is designed to upgrade and increase the oxide reserves, provide samples for ongoing metallurgical testwork, geotechnical and hydrological studies and condemnation drilling for the heap leach pad site, waste dump and plant site. At the same time the consultants were appointed to complete a NI 43-101 compliant BFS (bankable feasibility study). The lead consultant is RPM Global who are supported by Samuel Engineering, both based in Denver, Colorado. Cascade Earth Sciences of Pocatello, Idaho have been working on environmental and permitting issues since 2016 and form part of the BFS team. Golder Associates are designing the heap leach pad and ponds, and Call and Nicholas are carrying out the open pit slope stability studies.

At Empire, 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; the current resource relates to the oxide resource only, which remains open along strike and does not include the deeper, higher grade sulphides. In addition, PGM has increased the claim area from 813 acres at the time of its acquisition to 1,837 acres, mainly to the northwest, and in so doing has increased the potential for additional oxide and sulphide resources by a total strike length of approximately 1,500 metres towards another brownfield mine, the Horseshoe Mine, which is now within the property boundary.

The Company also holds two prospective cobalt properties in Idaho, US, which are located north of the Empire Mine. These are situated close to the town of Cobalt and are close to projects being advanced by Canadian junior miners, including eCobalt Solutions and First Cobalt. Exploration will continue during 2018 to identify drilling targets. Fieldwork is already underway.

The Company has also acquired an exclusive option to explore and develop the Gordon Lake Project, in the Northwest Territories, Canada, which is a high-grade shear hosted gold project comprising of 17 known mineralised zones of which only four have been tested with 59 diamond drill holes. The Company will proceed to examine the optimal way forward to develop the project as a low-cost underground gold producer.

With a management team that has successfully constructed, commissioned and operated mines and low risk, mining-friendly jurisdictions with excellent infrastructure, Phoenix is looking to fulfil its ambitions to become a mid-tier base metal, precious metal and cobalt production company, offering exposure to three high value and high demand metals with compelling demand/supply fundamentals.

More details on the Company, its assets and its objectives can be found on PGM's website at <https://www.pgmining.com/>

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