

MINING FLASHNOTE

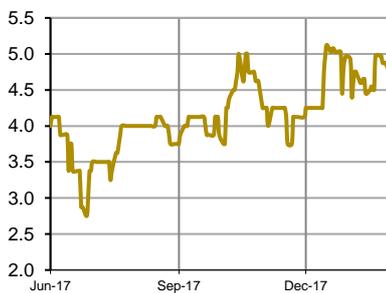
Phoenix Global Mining (PGM AIM)

28 February 2018

Stock Data

Share Price:	4.75p
Market Cap (M):	£10.9
EV (M):	£10.2

Price Chart



52 Week Range

5.125p	4.75p	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	14.74%
Banque Heritage	4.99%
ExGen Resources	4.92%
Cheviot Capital	4.29%

Source: Bloomberg

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Phoenix Announces Acquisition of the Gordon Lake Gold Property in Canada

Event

Phoenix Global Mining ("Phoenix") has announced that it has entered into an exclusive option to acquire 80% of the high grade Gordon Lake gold property in the Northwest Territories, Canada, from ExGen Resources Inc (EXG: TSX-V).

Highlights

This is a strategic expansion of its North American mineralised footprint which now includes three high-value and high-demand commodities: copper, cobalt and gold.

The Gordon Lake Gold Property has a similar high grade geological setting to previously producing mines in the area including the Con, Giant and Discovery Mines, with grades up to 21 g/t Au over 7.2m.

Previous exploration was limited to 4 of 17 identified zones with gold mineralisation open at depth, making it a potential low-cost underground gold mine.

Comment

The option cost of acquiring 80% of Gordon Lake is US\$25k. Under the terms of the agreement, Phoenix has to issue ExGen 2M shares within 90 days of the option and spend US\$250k on the project within 12 months. In addition, the Company has agreed to pay an annual payment of \$25k for the first two years, and \$50k per annum thereafter, until completion of the BFS. ExGen will retain a 20% carried interest until construction and a 2.5% NSR from commercial production. Jason Riley, who is currently the President of ExGen Resources, which is also a 20% partner in Konnex Resources Inc. the company that is developing the Empire Mine, will be appointed a non-executive director of Phoenix. In the short term, Phoenix will carry out a preliminary detailed assessment of Gordon Lake. The objective over the medium term will be to design and cost a field work programme to generate measured and indicated resources over a 2-3-year period to justify a small high-grade underground mine.

This property has been on Phoenix's radar for at least 12 months. Consequently, Phoenix knows the property well. Access is relatively easy in winter as there is an ice road that serves the diamond mines further to the north. The required spend should not pose too many problems as there are grants available from the North West Territory Government. The Gordon Lake property would probably been developed years ago had it remained with Boxxer, but when Boxxer evolved into ExGen, the focus of the company changed from development to that of being a royalty company, and the project was stymied by a lack of development inspiration.

Background on Gordon Lake

The Gordon Lake gold property consists of two mining leases covering an area of 609 hectares on the northern edge of Gordon Lake, some 110 kilometres northeast of Yellowknife in the Northwest Territories of Canada. It is accessed by the Lupin winter road which traverses the west side of the property.

The Project contains 17 zones of high grade shear hosted gold mineralisation, over a 1 kilometre strike length, which have been identified by geophysical surveys and 59 mineralised diamond core holes drilled into four of these 17 zones which include the following intersections:

Hole No.	Drill Intersections in Metres			Au Grade
	From	To	Intersection	Grams / Tonne
South Zone No 9 Vein Drill Intersections over 6 g/t				
88-41	12.30	17.10	4.80	34.1
88-42	27.40	31.20	3.80	10.4
88-62	46.10	53.50	7.40	19.4
88-64	80.70	83.80	3.10	14.1
88-69	109.50	116.70	7.20	21.0
88-70	124.20	126.90	2.70	8.6
88-73	167.50	170.00	2.50	9.7
88-74	161.10	164.40	3.30	11.3
88-77	159.35	159.50	0.15	47.6
88-79	201.80	203.80	2.00	7.5
88-80	240.00	246.45	6.45	11.3
VL9-05-06	46.75	47.40	0.65	7.9
	49.30	49.36	0.06	38.8
VL9-05-07	44.72	45.44	0.72	6.5
VL9-05-08	60.48	61.02	0.54	86.0
South Zone S3 Vein Drill Intersections over 6 g/t				
88-61	41.62	43.62	2.00	6.6
83-31	20.00	22.00	2.00	8.2
Union Zone Drill Intersections over 6 g/t				
88-52	34.95	37.95	3.00	7.0
88-56	45.70	46.70	1.00	7.0
VLU-05-02	26.09	27.02	0.93	13.1
VLU-05-03	34.56	35.66	1.10	10.1
VLU-05-04	33.81	34.31	0.50	8.3
	37.00	37.59	0.59	8.8
Main Zone Drill Intersections over 6 g/t				
88-46	9.68	10.70	1.02	8.7
88-47	62.75	64.30	1.55	6.5

NB Hole 88-69 intersection includes 75.2 gms/tonne over 2 metres

Source: NI 43-101 Report -

Gordon-Ven Lake Property Technical Report - Aurora Geosciences Ltd - June 29 2011

This series of closely spaced gold zones occur along a broad shear zone in a geological setting similar to that of the Giant, Con and Discovery mines to the south.

Gold had been discovered near the Great Slave Lake in the 1890s but significant gold exploration in the area only started in 1935. In 1938 the Con Mine started production and Giant Mine in 1948. In 1950 The Discovery Mine located 84 kilometres north of Yellowknife came on stream.

The production profiles of these mines were as follows:

Mine	Oz Gold Produced	Average Recovered Grade g/tonne	Years in Operation	
			From	To
Con Mine	5.30 million	14.85	1938	2003
Giant Mine	7.12 million	13.42	1948	2004
Discovery Mine	1.03 million	33.72	1950	1969

At Gordon Lake the shear zones have the same geological footprint as Con, Giant and Discovery. The zones explored to date are approximately 140 metres long, 1 to 11 metres wide and open at depth. The deepest hole to date is 246 metres in the No 9 Vein of the South Zone and open at depth in all 4 zones. The other 13 known zones have yet to be assessed.

Research Disclosures

Peter Rose

Peter has 31 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 10 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 28 February 2018

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

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