ASX Announcement 29 August 2024

PHOSCO SECURES $900,000 FUNDING

HIGHLIGHTS

- **Binding commitments for $900,000 converting note raise secured from current investors, subject to shareholder approval.**
- **The capital raising was strongly supported by company management and cornerstone shareholder, Lion Selection Group Limited (LSX.ASX).**
- **Progress continues with in-country relationships at the highest levels of government in Tunisia.**
- **The raising will ensure PhosCo is well funded in anticipation of the issue of new phosphate licences.**

PhosCo Ltd (ASX:PHO, **PhosCo** or the **Company**) is pleased to announce that it has received binding commitments from existing investors for $900,000 in Converting Notes. Proceeds from the capital raising will ensure that the Company is well funded in anticipation of the issue of new phosphate licences, including planning the high-impact exploration work program for the Sekarna Phosphate Project and for general working capital. This issue of the Converting Notes is subject to shareholder approval. The key terms of the Converting Notes are set out in Appendix 1.

PhosCo was advised by Cumulus Wealth Pty Ltd (**Advisor**).

The raising was strongly supported by company management and cornerstone shareholder Lion Selection Group Limited. Commitments include PhosCo directors Robin Widdup ($250,000) and Taz Aldaoud ($250,000), along with existing substantial shareholders Lion Selection Group Limited ($250,000) and Lion Manager Pty Ltd ($100,000).

PhosCo Managing Director, Taz Aldaoud commented:

"We are extremely pleased with the successful raise of $900,000 which was strongly supported by our management and cornerstone investor, Lion Selection Group. PhosCo is eagerly awaiting award of several exploration permits that comprise a district-scale phosphate project in Tunisia's northern basin. Our strong in-country relationships give us confidence that we are making progress, and the team is putting their money where their mouth is. The phosphate sector continues to present a compelling investment opportunity, driven by increasing demand from both agricultural applications and the burgeoning electric vehicle industry. The anticipation of a phosphate exploration permit grant in the near term is a key milestone in our journey towards realising this goal and presents a key value catalyst for shareholders."

The issue of the Converting Notes is subject to obtaining shareholder approval. The Company expects to hold a General Meeting in October 2024, details of which will be announced in due course.

Indicative Timetable*

Summary of Key Dates	Date/Time
Announcement of the Capital Raising	29 August 2024
General Meeting of shareholders to approve the issue of the Converting Notes	Mid-October 2024
Settlement of the Converting Notes (following shareholder approval)	Mid-October 2024
Issue of the Converting Notes	Mid-October 2024

** The above timetable is indicative only and may change at the sole discretion of the Company.*

About PhosCo

PhosCo is an ASX-listed public company (ASX:PHO) assembling a district-scale phosphate portfolio in Tunisia's Northern Phosphate Basin. The Company has pending exploration permit applications for the Sekarna and Amoud Phosphate Projects (100% PHO) and is also seeking reinstatement of tenure at the globally significant Chaketma Phosphate Project (51% PHO). PhosCo has made significant progress recently with its in-country relationships at the highest levels of government in Tunisia.

This announcement is authorised for release to the market by the Board of Directors of PhosCo Ltd.

For further information, please contact:

Taz Aldaoud
Managing Director
T: +61 473 230 558
E: taz.aldaoud@phosco.com.au

Follow PhosCo on LinkedIn

Follow @PhoscoLtd on Twitter

Appendix 1: Key terms of the Converting Note

Type of Security	Unsecured Converting Note
Total Principal Amount	$900,000
Issue Price	Face value of $1.00 per Converting Note
Interest Rate	10% per annum. Interest on the Face Value will accrue from the issue date until the Converting Notes are either redeemed or converted into Shares, accruing on daily balances on the basis of a year of 365 days.
Maturity Date	The Converting Notes are to be converted on or before 15 March 2025 (**Maturity Date**).
Conversion Terms	The Company will convert the Converting Notes into Shares at the relevant Conversion Price upon: (a) the occurrence of a Capital Raising Event; or (b) the Maturity Date, unless the Converting Notes are otherwise redeemed where an Event of Default occurs.
Conversion Price	(a) If the Converting Notes convert on the occurrence of a Capital Raising Event, each Converting Note will be convertible into Shares at a conversion price equal to a 20% discount to the capital raising issue price of the relevant Capital Raising Event, subject to a ceiling price of $0.05 and a floor price of $0.01. (b) If the Converting Notes convert on the Maturity Date, each Converting Note will be convertible into Shares at a conversion price of an amount equal to a 20% discount to the lowest 5-day VWAP during the period from 17 January 2024 to the Maturity Date, subject to a ceiling price of $0.05 and a floor price of $0.01.
Conversion Options	On conversion of the Converting Notes, the Company will also issue the noteholder one Conversion Option for every one Share issued on conversion. Each Conversion Option is exercisable at $0.05 and expires two years from the issue date of the Conversion Option.
Redemption	The Company must redeem the Converting Notes for their Face Value (plus any accrued interest outstanding) within 10 business days of an Event of Default occurring (being standard events of default including the Company's failure to pay or repay any amount due in relation to the Converting Notes, unremedied breach, insolvency, appointment of an administrator, winding up or suspension of the Company's debts generally).

Capital Raising Event	A **Capital Raising Event** means a capital raising undertaken by the Company subsequent to 17 January 2024 to raise a minimum of $1,000,000 by a placement of Shares.
Advisor Fee	Subject to successful completion of the converting note raise, PhosCo will issue to the Advisor (or its nominee/s) 1,000,000 shares at $0.03 per share in consideration for advisory services provided in relation to the raising.