PhosCo
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ASX Announcement 15 December 2023

SIMITU COPPER-GOLD PROJECT UPDATE

HIGHLIGHTS:

- **Adjustment in Permit Boundary due to Designated Military Zone**
- **Bey prospect soil geochemical sampling programs complete, assays pending.**

As announced on 9 November 2023, PhosCo Ltd (**PhosCo** or **the Company**) (**ASX:PHO)** was granted the Simitu copper-gold permit adding to PhosCo's existing base metals exploration tenure at Zeflana. PhosCo has been advised by the Ministry of Industry, Mines and Energy that part of the permit application was amended due to a military exclusion zone. The exclusion zone covers one of the Simitu prospects (Kef Agueb) where a geochemical anomaly had been identified by Albidon Limited.

This exclusion zone does not impact PhosCo's work program, with priority given to the Bey Prospect where soil and rock chip sampling programs have already been completed. Company geologists have recently returned from the field, noting that Bey is prospective for a large-scale open pit copper-gold project.

PhosCo's Chief Geologist Donald Thomson commented: *"PhosCo's geologists were very eager to commence work on the Bey Prospect. No time was wasted, with more than 170 samples already being collected. Preliminary screening using pXRF found elevated Cu, As, Sb, and Hg which are key pathfinder elements for gold mineralisation. We look forward to receiving laboratory assays to confirm these observations. Bey was previously mined for copper which is associated with narrow bedding parallel faults and the team observed extensive stockworks of iron and quartz veins which frequently contain copper and are documented to have gold. We look forward to updating the market as results come to hand in early 2024."*

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The Bey Prospect consists of a broad open anticline at the top of the sequence where limestone is found, giving way to shales at depth. The prospect is transected by deep erosion gullies that give good geological exposure. The shales are tightly folded and vertical in the core of the anticline, where multiple parallel shears are developed. These are frequently linked by extensive sheeted veins (Figures 4a and 4b) and stockworks of iron and quartz veins across tens of metres (Figures 6, 7 and 8). Historical mining exploited high grade massive sulphide copper mineralisation on one of these shears. Until now the potential of the stockwork veins to form part of the of a large mineralised system has been overlooked.

The Bey Prospect sits over a distinct 'dogleg' in a gravity ridge which also defines the trend of the prospective belt of silica alteration. At surface the prospect is characterized by a lack of vegetation that coincides with malachite (copper) bearing gossans and gossanous float over mixed clastic and carbonate sediments. The vegetation anomaly is an area where toxicity of the soil results from elevated metal content and measures approximately 1,800m by 750m. Prior to PhosCo, this area has never been subject to systematic exploration, although Albidon reported a stream sediment anomaly some distance down stream.

Results from the geochemical program are expected to take 6 – 8 weeks.

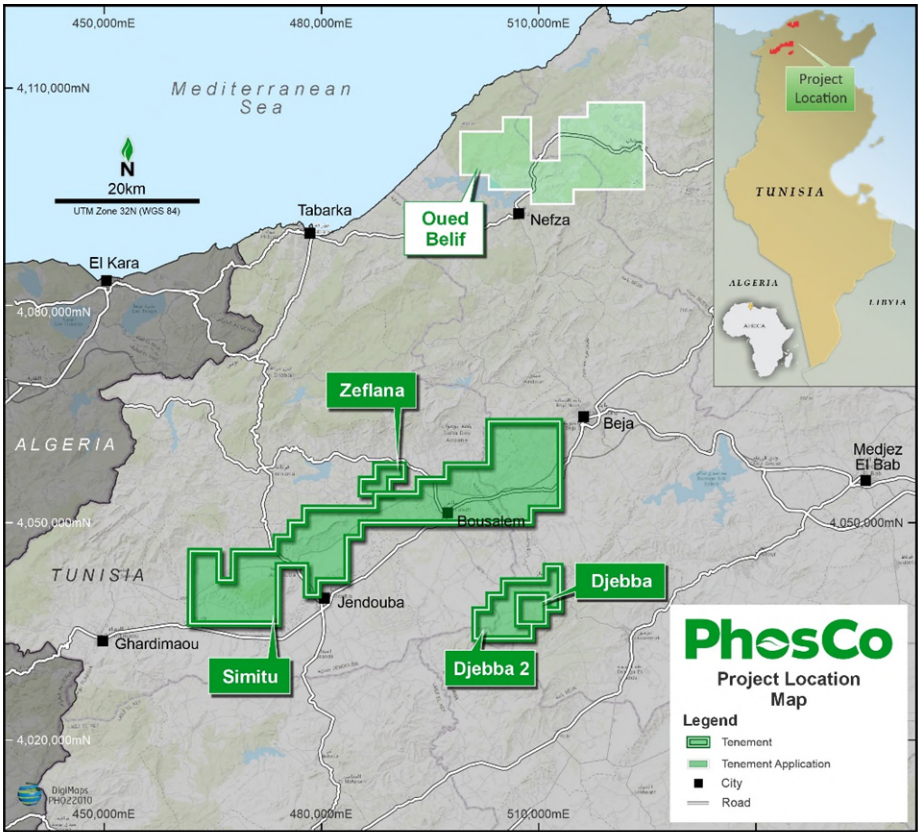

Figure 1. PhosCo's Base Metals & Gold tenements in Northern Tunisia

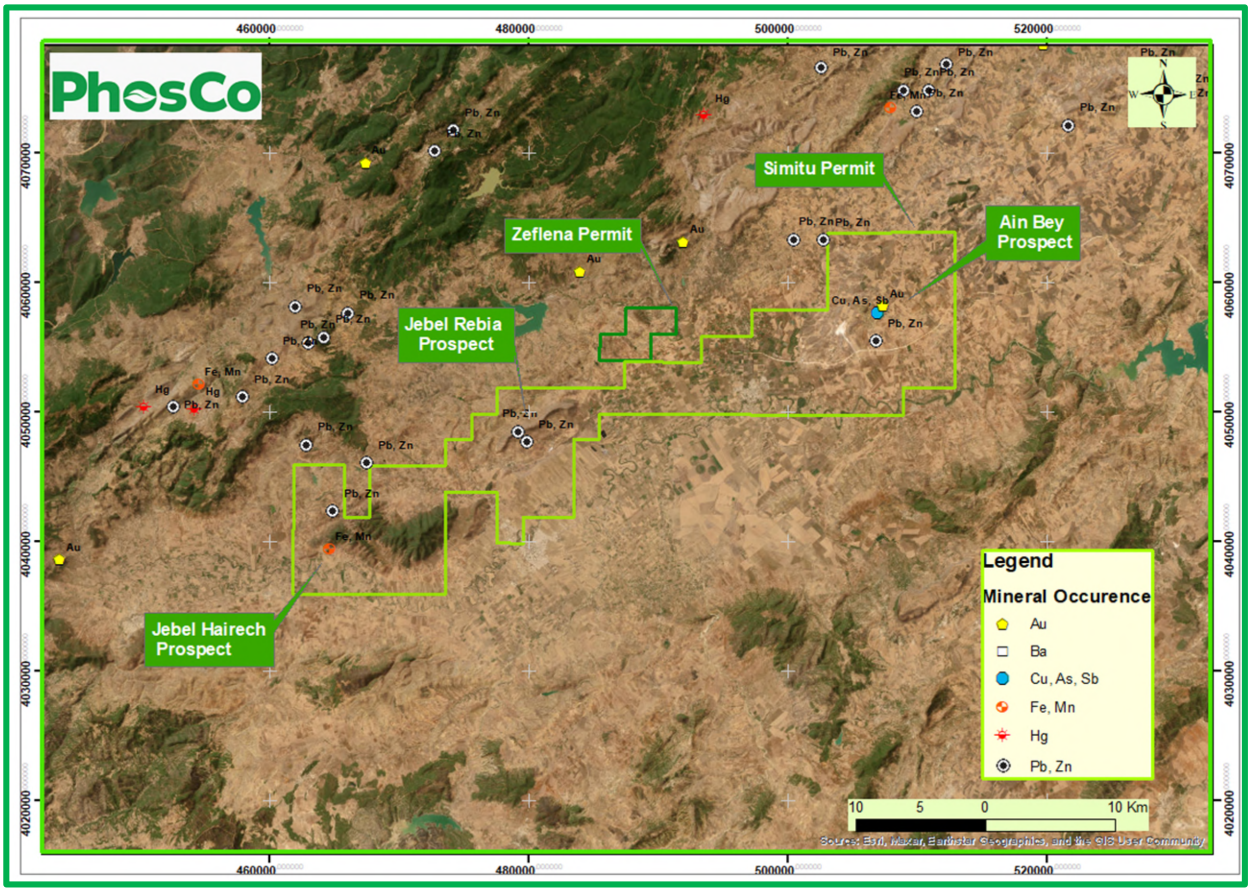

Figure 2. Simitu Permit area with prospects

Figure 3. View south from Bey prospect showing vegetation anomaly and gossanous outcrops in the foreground.

Figure 4a. sheeted quartz iron veins in shale

Figure 4b. Sheeted quartz iron veins in marl

Figure 5 Close up of veins in marl

Figure 6. Typical quartz iron veins found in the stockworks

Figure 7. Vertical bedding parallel shears exposed by deep erosion gullies

Figure 8. Well developed stockwork comprising bedding parallel shears and link structures

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

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Competent Person's Statement

The information in this report that relates to past exploration is based on information compiled by Mr Donald Thomson, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy, a full-time employee of Indigo Exploration Services Ptd Ltd, and is engaged by PhosCo as a consultant. Mr Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Thomson consents to the inclusion of the matters outlined in Appendix A in the form and context in which it appears.

The historic data referenced in this report comes from several sources (see below). The Company cannot vouch for its accuracy and includes the results in this report to explain the target selection process.

References

Albidon Limited (2005), New Gold Discovery Confirmed at Nefza, Tunisia -ASX Announcement 12 Apr 2005

Reynolds, NA, Allen MR, (2006) Albidon Ltd 2005 Evaluation of the Kef El Agueb Prospect Fernana-Nefza Project, Tunisia. CSA Report No. 107.2006

Reynolds, NA, Allen MR, (2006) Albidon Tunisia Limited 2005 Activity Report Exploration for Minerals of the 3rd Group Fernana-Nefza Permit, Northern Tunisia. CSA Report No. 113.2006