13 September 2024

Dear Shareholder,

PhosCo Ltd – General Meeting of Shareholders, 14 October 2024

Notice is hereby given that the General Meeting of Shareholders of PhosCo Ltd (**Company)** will be held at Level 2, 175 Flinders Lane, Melbourne, Victoria 3000 at 10.00am (AEDT) on Monday, 14 October 2024 ("General Meeting", "GM" or "Meeting").

Recent legislative changes to the Corporations Act 2001 (Cth) mean there are new options available to shareholders as to how the communication from the Company can be received. The Company will not be dispatching physical copies of meeting documents and notices, including the Notice of Meeting for the GM, unless you request a physical copy to be posted to you.

The Notice of Meeting and accompanying explanatory statement **("Meeting Materials")** are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website http://www.phosco.com.au/ or at the Company's share registry's website https://investor.automic.com.au/#/loginsah.

- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "PHO".

- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

Shareholders can still elect to receive some or all of their communications in physical or electronic form, or elect not to receive certain documents such as annual reports. To review your communications preferences or sign up to receive your shareholder communications via email, please update your details at https://investor.automic.com.au/. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Automic at meetings@automicgroup.com.au or by phone on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 5:00pm (AEDT) Monday to Friday, to obtain a copy.

Yours sincerely,

Stefan Ross
Company Secretary
PhosCo Ltd

PHOSCO LTD
ABN 82 139 255 771

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Monday, 14 October 2024

Time of Meeting:
10.00am (AEDT)

Place of Meeting:
Level 2, 175 Flinders Lane, Melbourne VIC 3000

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

PHOSCO LTD

ABN 82 139 255 771

Registered office: Level 4, 96-100 Albert Road, South Melbourne Victoria 3205

Notice is hereby given that the General Meeting of Members of PhosCo Ltd ("PhosCo" or the "Company") will be held at the offices of Level 2, 175 Flinders Lane, Melbourne VIC 3000 at 10.00am (AEDT) on Monday, 14 October 2024 ("General Meeting" or "Meeting").

Recent legislative changes to the *Corporations Act 2001* (Cth) mean there are new options available to shareholders as to how the communication from the Company can be received. The Company will not be dispatching physical copies of meeting documents and notices, including the Notice of Meeting, unless you request a physical copy to be posted to you.

The Notice of Meeting and accompanying explanatory statement ("**Meeting Materials**") are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website http://www.phosco.com.au/ or at the Company's share registry's website https://investor.automic.com.au/#/loginsah.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market Announcements page at www.asx.com.au under the Company's ASX code "PHO".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

Shareholders can still elect to receive some or all of their communications in physical or electronic form, or elect not to receive certain documents such as annual reports. To review your communications preferences or sign up to receive your shareholder communications via email, please update your details at https://investor.automic.com.au/. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting, being **10.00am (AEDT) on Saturday, 12 October 2024**. To lodge your proxy, please follow the directions on your personalised proxy form.

The Company will conduct a poll on each resolution presented at the Meeting. The Company will accept questions during the meeting.

The Company is happy to accept and answer questions submitted prior to the Meeting by email to stefan.ross@vistra.com. The Company will address relevant questions during the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

PHOSCO LIMITED

ABN 82 139 255 771
Registered office: Level 4, 96-100 Albert Road, South Melbourne Victoria 3205

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Resolution 1: Approval to issue Converting Notes to unrelated parties

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

> "That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 300,000 Converting Notes each with a face value of $1.00, the number of Shares and free attaching Options to be issued on conversion of the Converting Notes, to the Unrelated Party Recipients on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution.

Resolution 2: Approval to issue Converting Notes to related parties

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

> "That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the *Corporations Act 2001* (Cth) and for all other purposes, Shareholders approve the issue of 600,000 Converting Notes each with a face value of $1.00, the number of Shares and free attaching Options to be issued on conversion of the Converting Notes, to the Related Party Recipients, on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution.

BY ORDER OF THE BOARD

Stefan Ross
Company Secretary
13 September 2024

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.

2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on Saturday, 12 October 2024. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

3. **Proxies**

   a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.

   b. Each shareholder has a right to appoint one or two proxies.

   c. A proxy need not be a shareholder of the Company.

   d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.

   e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.

   f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.

   g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the corporation's constitution and Corporations Act.

   h. To be effective, proxy forms must be received by the Company's share registry (Automic) no later than 48 hours before the commencement of the General Meeting, this is no later than 10.00am (AEDT) on Saturday, 12 October 2024. Any proxy received after that time will not be valid for the scheduled meeting.

4. **Corporate Representative**

   Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. **How the Chairman will vote Undirected Proxies**

   Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

6. **Voting Exclusion Statement:**

   The Company will disregard any votes cast in favour of the resolution (as set out in the table below) by or on behalf of:

   a. the named person or class of persons excluded from voting (as set out in the table below); or

   b. an associate of that person or those persons.

Resolution	The named person or class of persons excluded from voting
Resolution 1: Approval to issue Converting Notes to unrelated parties	Each Unrelated Party Recipient, being a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 2: Approval to issue Converting Notes to related party	Each Related Party Recipient, being a person who is to receive the securities in question, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

   However, this does not apply to a vote cast in favour of the resolution by:

   a. a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

   b. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

   c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

      i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

      ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. **Enquiries**

   Shareholders are invited to contact the Company Secretary, Stefan Ross on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of General Meeting ("**Notice**") for the General Meeting ("**Meeting**") to be held at the offices of Level 2, 175 Flinders Lane, Melbourne VIC 3000 at 10.00am (AEDT) on Monday, 14 October 2024.

The Notice incorporates, and should be read together, with this Statement.

1. Summary of Resolutions

a) Background

On 29 August 2024, the Company announced that it had received binding commitments from existing investors, being the Unrelated Party Recipients and the Related Party Recipients, for $900,000 in Converting Notes. The principal of the Converting Notes will accrue interest at a rate of 10% per annum. Each Converting Note converts into Shares ("**Conversion Shares**") and at conversion, the Company will issue one Option exercisable at $0.05 and expiring two years after the issue date ("**Conversion Option**") for every Conversion Share issued. The Converting Notes have the same terms as the converting notes that were issued on 15 March 2024, and for which shareholder approval was obtained on 7 March 2024.

Resolutions 1 and 2 seek approval for the issue of these Converting Notes which, subject to Shareholders approving Resolutions 1 and 2, will be convertible into such number of Shares based on the Conversion Price. If the Converting Notes convert, depending on the Conversion Price, a minimum of 18,749,589 Conversion Shares and 18,749,589 Conversion Options, and a maximum of 93,747,945 Conversion Shares and 93,747,945 Conversion Options, will be issued on conversion of the Converting Notes.

b) Term of the Converting Notes

The key terms of the Converting Notes are set out at Schedule 1. A summary of the key terms are as follows:

(i) Total Principal Amount

$900,000.

(ii) Issue Price

Face value of $1.00 per Converting Note.

(iii) Maturity

The Converting Notes are to be converted on or before 15 March 2025 ("**Maturity Date**").

(iv) Conversion of Converting Notes

The Company must automatically convert the Converting Notes and issue the Conversion 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 redeemed where an Event of Default has occurred.

The Company will also issue one Conversion Option for every Conversion Share issued. The terms of the Conversion Options are set out at Schedule 2.

(v) Conversion Price

If the Converting Notes convert on:

(a) 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; or

(b) 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 of 17 January 2024 to the Maturity Date, subject to a ceiling price of $0.05 and a floor price of $0.01.

(vi) Interest

Interest on the Principal Amount will accrue from the issue date until the Converting Notes are either converted into Shares or redeemed at a rate of 10% per annum, accruing on daily balances on the basis of a year of 365 days.

If the Converting Notes are converted to Conversion Shares on the occurrence of a Capital Raising Event or on the Maturity Date, all accrued but unpaid interest will be capitalised and converted into Shares (at the same Conversion Price used to calculate the number of Conversion Shares at the relevant time) and issued on the same date as the Conversion Shares.

If the Converting Notes are redeemed by the Company as a result of an Event of Default occurring, all accrued but unpaid interest must be paid to the Noteholder in cash within two business days of the redemption date.

(vii) **Compliance with Laws**

The Converting Notes may not be converted into Conversion Shares if such conversion would cause the Company or the holder to breach the Corporations Act, the rules of any applicable stock exchange or any other applicable laws or regulations. This includes where the relevant interest of any noteholder may increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%, unless an exception applies. The Company notes that the Company is not seeking shareholder approval for the purposes of item 7 of section 611 of the Corporations Act for the issue of the Converting Notes.

c) Dilution and effect on capital structure

(i) Summary

The issue of the Converting Notes will have a diluting effect on the percentage of existing Shareholders' holdings if the Converting Notes are converted and the Conversion Shares and Conversion Options are issued.

(ii) Minimum dilutionary effect

The minimum dilutionary effect based on the highest Conversion Price of $0.05, assuming conversion occurs on the Maturity Date, is as follows:

	Shares	**Options**[1]	**Performance Rights**	**Converting Notes**	**Dilution to shareholders**[2]
Securities on issue of Converting Notes					
Existing securities	279,748,177	-	9,633,335	1,000,000	-
Resolutions 1 and 2 - Converting Notes issued	-	-	-	900,000	-
Securities issued on conversion[3]					
Conversion Shares and Conversion Options issued under existing Converting Notes[4]	22,000,000	22,000,000		(1,000,000)	12.18%
Resolution 1 – Conversion Shares and Conversion Options issued to Unrelated Party Recipients	6,249,863	6,249,863	-	(300,000)	3.46%

Resolution 2 - Conversion Shares and Conversion Options issued to Related Party Recipients	12,499,726	12,499,726	-	(600,000)	6.92%
Total	**320,497,766**	**40,749,589**	**9,633,335**	**0**	**22.56%**

[1] As set out in the Company's ASX announcement on 29 August 2024, the Company proposes to issue 1,000,000 Shares to Cumulus, as advisor to the Converting Note raise, on completion of the Converting Note raise.

[2] Dilution is expressed as the increase of Shares over the existing Shares on issue, assuming the conversion of the Converting Notes into Conversion Shares and Conversion Options, and exercise of the Conversion Options.

[3] Assuming the Converting Notes convert into Conversion Shares at $0.05, and the Conversion Options are issued (on the basis of one Conversion Option for every one Conversion Share issued). This represents the minimum dilution that Shareholders may incur through the issue of the Converting Notes.

[4] The terms of the existing 1,000,000 converting notes on issue are the same as the Converting Notes proposed to be issued on the terms set out in this Notice.

If the Converting Notes are converted prior to the Maturity Date (for example, when a Capital Raising Event Occurs prior to the Maturity Date) then the dilution may be less than that set out in the above table.

(iii) Maximum dilutionary effect

The maximum dilutionary effect based on the lowest Conversion Price of $0.01, assuming conversion occurs on the Maturity Date, is as follows:

	Shares	**Options**[1]	**Performance Rights**	**Converting Notes**	**Dilution to shareholders**[2]
Securities on issue of Converting Notes					
Existing securities	279,748,177	-	9,633,335	1,000,000	-
Resolutions 1 and 2 - Converting Notes issued	-	-	-	900,000	-
Securities issued on conversion[3]					
Conversion Shares and Conversion Options issued under existing Converting Notes[4]	110,000,000	110,000,000		(1,000,000)	32.01%
Resolution 1 – Conversion Shares and Conversion Options issued to Unrelated Party Recipients	31,249,315	31,249,315	-	(300,000)	9.09%
Resolution 2 - Conversion Shares and Conversion Options issued to Related Party Recipients	62,498,630	62,498,630	-	(600,000)	18.19%
Total	**483,496,122**	**203,747,945**	**9,633,335**	**0**	**59.29%**

[1] As set out in the Company's ASX announcement on 29 August 2024, the Company proposes to issue 1,000,000 Shares to Cumulus, as advisor to the Converting Note raise, on completion of the Converting Note raise.

[2] Dilution is expressed as the increase of Shares over the existing Shares on issue, assuming the conversion of the Converting Notes into Conversion Shares and Conversion Options, and exercise of the Conversion Options.

[3] Assuming the Converting Notes convert into Conversion Shares at $0.01, and the Conversion Options are issued (on the basis of one Conversion Option for every one Conversion Share issued). This represents the maximum dilution that Shareholders may incur through the issue of the Converting Notes.

[4] The terms of the existing 1,000,000 converting notes on issue are the same as the Converting Notes proposed to be issued on the terms set out in this Notice.

d) Listing Rules

i. Listing Rule 7.1

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Converting Notes proposed under Resolution 1 does not fit within any of the exceptions to Listing Rule 7.1 and the maximum number of Conversion Shares and Conversion Options that may be issued on conversion of the Converting Notes is greater than the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 1 therefore seeks Shareholder approval for the purposes of Listing Rule 7.1.

ii. Listing Rule 10.11

Subject to a number of exceptions, ASX Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to a related party, an associate of a related party or certain other persons specified in ASX Listing Rule 10.11, unless it obtains the approval of its shareholders. The issue of the Converting Notes proposed under Resolution 2 does not fit within any of the exceptions to Listing Rule 10.11.

Resolution 2 therefore seeks Shareholder approval for the purposes of Listing Rule 10.11.

e) Chapter 2E of the Corporations Act

In accordance with section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act provides that member approval is not needed to give a financial benefit on terms that:

(a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or

(b) are less favourable to the related party than the terms referred to in paragraph (a) above.

Resolution 2 contemplates the giving of a financial benefit to a related party of the Company by way of an issue of the Converting Notes, and the Conversion Shares and Conversion Options on conversion of the Converting Notes, to the Related Party Recipients. However the Company does not propose to seek Shareholder approval for the proposed giving of the financial benefit under Resolution 2 due to the exception in section 210 of the Corporations Act as the Converting Notes are being issued on the same terms as the Converting Notes for which Shareholder approval is sought under Resolution 1.

2. Resolution 1: Approval to issue Converting Notes to unrelated parties

a) Background

For the purposes of Listing Rule 7.1, Resolution 1 seeks Shareholder approval to issue up to a maximum of:

i. 300,000 Converting Notes with a face value of $1.00 per Converting Note;

ii. 31,249,315 Conversion Shares issued on conversion of the Converting Notes; and

iii. 31,249,315 Conversion Options (being one Conversion Option for every Conversion Share issued) issued on conversion of the Converting Notes,

to the Unrelated Party Recipients (which are also existing investors) to raise a total of $300,000.

The proposed issue of these Converting Notes, Conversion Shares and Conversion Options was set out in the Company's ASX announcement on 29 August 2024. The issue of these Converting Notes, and the Conversion Shares and Conversion Options issued on conversion of the Converting Notes, were offered subject to Shareholder approval being obtained.

b) Summary of material terms of Converting Notes

A summary of the material terms and conditions of the Converting Notes is set out at Schedule 1.

c) Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Converting Notes:

i. The Converting Notes will be issued to the following Unrelated Party Recipients:

(a) Lion Selection Group Limited or its nominee subscribing for $250,000 worth of Converting Notes; and

(b) another investor that was identified by the Directors subscribing for $50,000 worth of Converting Notes. This Unrelated Party Recipient is not a related party of the Company or an associate of any of them, or a party to whom an issue of equity securities requires Shareholder approval under ASX Listing Rule 10.11. This Unrelated Party Recipient is not a person whose identity would be deemed to be material in terms of the criteria in ASX Listing Rules Guidance Note 21, being members of Key Management Personnel, Company advisers, substantial shareholders, or associates of any of these parties, who will be issued more than 1% of the Company's current issued capital.

ii. The maximum number and class of securities to be issued:

(a) Converting Notes - a maximum of 300,000 being that number which, when multiplied by the Face Value of the Converting Notes, is equal to $300,000.

(b) Conversion Shares - a maximum of 31,249,315 Shares at a Conversion Price of $0.01 (being the Conversion Price floor price).

(c) Conversion Options - a maximum of 31,249,135 Options (on the basis that the Conversion Price for the Conversion Shares is the floor price of $0.01).

iii. The material terms of the securities:

(a) Converting Notes - the Converting Notes are to be issued on the terms and conditions set out in Schedule 1.

(b) Conversion Shares - the Conversion Shares will be fully paid ordinary shares in the capital of the Company and ranking equally in all respects with the Company's existing Shares on issue.

(c) Conversion Options - the Conversion Options are to be issued on the terms and conditions set out in Schedule 2.

iv. The Converting Notes are intended to be issued as soon as practicable after the date of the Meeting, and in any event, no later than three months after the date of the Meeting.

v. The Converting Notes will be issued with a Face Value of $1.00 each. The relevant Conversion Price of the Converting Notes into Shares is set out in Section 1(b)(v). A total of $300,000 will be raised from the issue of these Converting Notes. Upon conversion of the Converting Notes, the Conversion Shares and the Conversion Options will be issued for nil further consideration.

vi. The purpose of the Converting Notes is to raise funds to fund the high-impact exploration work program for Sekarna Phosphate Project and for general working capital of the Company.

vii. The Converting Notes will be issued under Binding Terms Sheets pursuant to which the Unrelated Party Recipients provided a binding commitment to subscribe for the Converting Notes on the material terms and conditions summarised in Schedule 1 and otherwise on terms considered standard for agreements of this nature.

viii. A voting exclusion statement is included in the Notice.

d) Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Converting Notes. Once issued, the Converting Notes will be convertible into a maximum number of Conversion Shares and Conversion Options as set out in Section 2(c)(ii) under Listing Rule 7.2 Exception 9. Accordingly, the issue of the Converting Notes, and the subsequent conversion into Conversion Shares and Conversion Options, will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to issue the Converting Notes and the Company will return any amounts advanced by the Unrelated Party Recipients for the proposed issue of the Converting Notes.

e) Additional information

Resolution 1 is an ordinary resolution.

f) Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. Resolution 2: Approval to issue Converting Notes to related parties

a) Background

For the purposes of Listing Rule 10.11, Resolution 2 seeks Shareholder approval to issue up to:

i. 600,000 Converting Notes with a face value of $1.00 per Converting Note;

ii. 62,498,630 Conversion Shares issued on conversion of the Converting Notes; and

iii. 62,498,630 Conversion Options (being one Conversion Option for every Conversion Share issued) issued on conversion of the Converting Notes,

to the Related Party Recipients to raise a total of $600,000.

The proposed issue of these Converting Notes, Conversion Shares and Conversion Options was set out in the Company's ASX announcement on 29 August 2024. The issue of these Converting Notes, and the Conversion Shares and Conversion Options issued on conversion of the Converting Notes, were offered subject to Shareholder approval being obtained.

b) Summary of material terms of Converting Notes

A summary of the material terms and conditions of the Converting Notes is set out at Schedule 1.

c) Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Converting Notes:

i. The Converting Notes will be issued to the following Related Party Recipients:

   (a) Lion Manager Pty Ltd or its nominee;

   (b) Mr. Taz Aldaoud or his nominee; and

   (c) Mr. Robin Anthony Widdup or his nominee.

ii. The Related Party Recipients fall within the following categories:

   (a) Lion Manager Pty Ltd is an associate under Listing Rule 10.11.4 as it is related to Mr Robin Widdup, a Director of the Company, and Mr Craig Smyth, the Chief Financial Officer of the Company;

   (b) Mr Taz Aldaoud is a related party under Listing Rule 10.11.1 as he is a Director of the Company; and

   (c) Mr. Robin Anthony Widdup is a related party under Listing Rule 10.11.1 as he is a Director of the Company.

iii. The maximum number and class of securities to be issued:

   (a) A maximum of 600,000 Converting Notes as follows:

(A)	Lion Manager Pty Ltd	100,000 Converting Notes, raising $100,000.
(B)	Mr Taz Aldaoud	250,000 Converting Notes, raising $250,000.
(C)	Mr. Robin Anthony Widdup	250,000 Converting Notes, raising $250,000.

   (b) A maximum of 62,498,630 Conversion Shares at a price of Conversion Price of $0.01 (being the Conversion Price floor price), with the following breakdown:

(A)	Lion Manager Pty Ltd	10,416,438 Shares.
(B)	Mr Taz Aldaoud	26,041,096 Shares.
(C)	Mr. Robin Anthony Widdup	26,041,096 Shares.

   (c) A maximum of 62,498,755 Conversion Options (being the Converting Notes Conversion Price for the Conversion Shares at $0.01), with the following breakdown:

(A)	Lion Manager Pty Ltd	10,416,438 Options.
(B)	Mr Taz Aldaoud	26,041,096 Options.
(C)	Mr. Robin Anthony Widdup	26,041,096 Options.

iv. The material terms of the securities:

   (a) Converting Notes - the Converting Notes are to be issued on the terms and conditions set out in Schedule 1.

   (b) Conversion Shares - the Conversion Shares will be fully paid ordinary shares in the capital of the Company and ranking equally in all respects with the Company's existing Shares on issue.

(c) Conversion Options - the Conversion Options are to be issued on the terms and conditions set out in Schedule 2.

v. The Converting Notes are intended to be issued as soon as practicable after the date of the Meeting, and in any event, no later than one month after the date of the Meeting.

vi. The Converting Notes will be issued with a Face Value of $1.00 each. The relevant Conversion Price of the Converting Notes into Shares is set out in Section 1(b)(v). A total of $600,000 will be raised from the issue of these Converting Notes. Upon conversion of the Converting Notes, the Conversion Shares and the Conversion Options will be issued for nil further consideration.

ix. The purpose of the Converting Notes is to raise funds to fund the high-impact exploration work program for Sekarna Phosphate Project and for general working capital of the Company.

vii. The Converting Notes are not issued to remunerate or incentivise the Director, as the Converting Notes are being issued on the same terms as the Converting Notes proposed to be issued under Resolution 1.

viii. The Converting Notes will be issued under a Binding Terms Sheet pursuant to which the Related Party Recipients provided a binding commitment to subscribe for the Converting Notes on the material terms and conditions summarised in Schedule 1 and otherwise on terms considered standard for agreements of this nature.

ix. A voting exclusion statement is included in the Notice.

d) Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Converting Notes. Once issued, the Converting Notes will be convertible into the maximum number of Conversion Shares and Conversion Options as set out in Section 3(c)(iii) under Listing Rule 10.12 Exception 7. Accordingly, the issue of the Converting Notes, and the subsequent conversion into Conversion Shares and Conversion Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1 pursuant to Listing Rule 7.2 Exception 14.

If Resolution 2 is not passed, the Company will not be able to issue the Converting Notes and the Company will return any amounts advanced by the Related Party Recipients for the proposed issue of the Converting Notes.

e) Additional information

Resolution 2 is an ordinary resolution.

f) Board recommendation

The Board, with the Related Party Recipients abstaining, recommends that Shareholders vote in favour of Resolution 2.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**$**" means Australian Dollars;

"**ASX**" means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

"**AEDT**" means Australian Eastern Daylight Time;

"**Binding Terms Sheet**" means the binding terms sheets between the Company and each Noteholder dated 29 August 2024;

"**Board**" means the Directors acting as the Board of Directors of the Company or a committee appointed by such board of Directors;

"**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, excluding the issue of converting notes on 15 March 2024 and the issue of Converting Notes under this Notice of Meeting;

"**Chairman**" means the person appointed to chair the Meeting of the Company convened by the Notice;

"**Company**" means PhosCo Limited ABN 82 139 255 771;

"**Constitution**" means the constitution of the Company as at the date of the Meeting;

"**Conversion Option**" has the meaning given in Section 1(a) and otherwise on the terms and conditions summarised at Schedule 2;

"**Conversion Price**" has the meaning given in Section 1(b)(v);

"**Conversion Share**" has the meaning given in Section 1(a);

"**Converting Notes**" means the converting notes the subject of Shareholder approval pursuant to Resolutions 1 and 2 and otherwise on the terms and conditions summarised at Schedule 1;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Cumulus**" means Cumulus Wealth Pty Ltd (ACN 634 297 279);

"**Director**" means a Director of the Company;

"**Equity Security**" has the same meaning as in the Listing Rules;

"**Exercise Price**" means $0.05;

"**Expiry Date**" means two years from the date of issue;

"**Explanatory Statement**" means the explanatory statement which forms part of the Notice;

"**Face Value**" means $1.00 each;

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"**Listing Rules**" means the Listing Rules of the ASX;

"**Maturity Date**" has the meaning given in Section 1(b)(iii);

"**Meeting**" has the meaning given in the introductory paragraph of the Notice;

"**Noteholder**" means the Unrelated Party Recipients and the Related Party Recipients;

"**Notice**" means this Notice of Meeting including the Explanatory Statement;

"**Option**" means an option to acquire a Share;

"**Proxy Form**" means the proxy form attached to the Notice;

"**Related Party Recipients** means the related party recipients of the Converting Notes proposed to be issued Converting Notes pursuant to Resolution 2, as detailed in Section 3(c);

"**Resolution**" means a resolution referred to in the Notice;

"**Schedule**" means a means a schedule to the Notice;

"**Section**" means a section of the Explanatory Statement;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means shareholder of the Company;

"**Unrelated Party Recipients**" means the unrelated party recipients of the Converting Notes proposed to be issued Converting Notes pursuant to Resolution 1, as detailed in Section 2(c); and

"**VWAP**" means volume weighted average price.

SCHEDULE 1 – SUMMARY OF TERMS OF CONVERTING NOTES

A summary of the material terms and conditions of the Converting Notes are as follows:

1. (**Noteholder**): The proposed noteholders are the Unrelated Party Recipients and the Related Party Recipients.

2. (**Principal Amount**): A total of $900,000.

3. (**Face value**): $1.00.

4. (**Shareholder Approval**): The issue of the Converting Notes is conditional on and subject to the Company obtaining Shareholder approval.

5. (**Maturity**): The Converting Notes are to be converted on or before 15 March 2025.

6. (**Interest**): Interest on the Principal Amount will accrue from the issue date until the Converting Notes are either redeemed or converted into Shares at a rate of 10% per annum, accruing on daily balances on the basis of a year of 365 days.

   If the Converting Notes are converted to Conversion Shares on the occurrence of a Capital Raising Event or on the Maturity Date, all accrued but unpaid interest will be capitalised and converted into Shares (at the same Conversion Price used to calculate the number of Conversion Shares at the relevant time) and issued on the same date as the Conversion Shares.

   If the Converting Notes are redeemed by the Company as a result of an Event of Default occurring, all accrued but unpaid interest must be paid to the Noteholder in cash within two business days of the redemption date.

7. (**Conversion Shares**): 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 redeemed.

8. (**Conversion Price**): 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.

   If the Converting Notes convert on the Maturity Date and a Capital Raising Event has not occurred, 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 of 17 January 2024 to the Maturity Date, subject to a ceiling price of $0.05 and a floor price of $0.01.

9. (**Conversion Options**): Upon conversion, the Company will issue the Noteholder one Conversion Option for every one Conversion Share issued on conversion of the Converting Note. Each Conversion Option is exercisable at $0.05 and expiring two years from the Conversion Date, and otherwise on the terms and conditions set out in Schedule 2.

10. (**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, excluding the issue of converting notes on 15 March 2024 and the issue of Converting Notes under this Notice of Meeting.

11. (**Redemption**): The Company must redeem the Converting Notes for their Face Value (plus any accrued interest outstanding) within 10 business days of the date an Event of Default occurs (or where the Event of Default is to be remedied within a prescribed period, within 10 business days of the date that prescribed period ends if the Company has failed to remedy the relevant Event of Default), unless otherwise agreed by the Subscriber.

12. (**Compliance with Laws**) The Converting Notes may not be converted into Conversion Shares in accordance with these terms if such conversion would cause the Company or holder to breach the Corporations Act, the rules of any applicable stock exchange or any other applicable laws or regulations.

13. (**Event of Default**): The Converting Notes are subject to standard events of default including the Company's failure to pay or repay any amount due by it under the Binding Terms Sheet, unremedied failure to comply with the terms of the Binding Terms Sheet, insolvency, appointment of an administrator, winding up or suspension of its debts generally.

14. (**Voting and other rights**): The Converting Notes do not confer on the Noteholder the right to attend and vote at shareholder meetings or receive dividends. The Converting Notes do not impinge upon the Company's rights to seek alternative funding in the future.

15. (**Unsecured**): The Converting Notes are unsecured.

16. (**Non-quoted**): The Converting Notes will not be quoted on ASX.

SCHEDULE 2 –TERMS AND CONDITIONS OF CONVERSION OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (AEDT) on or before the date that is two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

Subject to these terms, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

PhosCo

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

PhosCo Ltd | ABN 82 139 255 771

Your proxy voting instruction must be received by **10.00am (AEDT) on Saturday, 12 October 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.
By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE:
https://automicgroup.com.au/

PHONE:
1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of PhosCo Ltd, to be held at **10.00am (AEDT) on Monday, 14 October 2024 at Level 2, 175 Flinders Lane, Melbourne VIC 3000** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2 - Your voting direction

	Resolutions	For	Against	Abstain
1	Approval to issue Converting Notes to unrelated parties			
2	Approval to issue Converting Notes to related parties			

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY)

/ /

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

AUTOMIC

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