PhosCo

SUSTAINABLE PHOSPHATE | ASX PHO

ASX Announcement **29 May 2024**

UNFAVOURABLE SEIZURE APPEAL

HIGHLIGHTS

- PhosCo has received notification that the Court of Cassation in Tunis has refused PhosCo's appeal of the recent Court of Appeal seizure decision as previously announced on 5 February 2024.
- This decision denies PhosCo the ability to sell TMS's 49% interest in CPSA for non-payment of A$6.3m damages, costs and interest owed by TMS to PhosCo.
- PhosCo is seeking legal advice in relation to its options to pursue TMS for non-payment of A$6.3m damages, costs and interest still owed to PhosCo.

APPEAL DECISION

PhosCo Ltd (ASX: PHO) ('**PhosCo**' or '**the Company**') holds a majority interest (51%) in CPSA, the operating company that has re-applied for an exploration permit over the Chaketma Phosphate Project[1] (the **Project**). TMS holds a 49% interest in CPSA and has failed to pay TND13.5M (~A$6.3M) in damages, costs and accrued interest pursuant to the arbitral award issued on 29 November 2017 and enforced in Tunisia in September 2019.

Following the successful judgment of the Court of Cassation (Tunisia's highest court), enforcing the final arbitral award in September 2019, and TMS' non-compliance with any of its legal obligations, PhosCo commenced various actions in Tunisian courts seeking to compel TMS to comply with the award. In November 2020 PhosCo forced the return of its interest in CPSA[1] and subsequently management control of CPSA from TMS[2].

Once PhosCo secured majority interest in, and management of, the Project, PhosCo commenced an action to seize TMS' 49% interest in CPSA (amongst other assets) to offset the unpaid TND13.5m (A$6.3m) owed to PhosCo.

As announced on 5 January and 5 February 2024, the Tunisian Court of Appeal refused PhosCo's application to commence the sale process. This Court of Appeal decision has now been confirmed by the Court of Cassation. PhosCo awaits the formal written decision from the Court of Cassation to understand the reasoning behind the decision and in the meantime will seek legal advice regarding its options to enforce the arbitral award.

This decision does not impact the liability of TMS to pay PhosCo A$6.3m damages, costs and interest which continues to accrue daily.

In the meantime, the Company remains committed to its 100% held projects and permit applications.

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

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[1] See ASX announcement "Chaketma Project Recovered" dated 13 November 2020.
[2] See ASX announcement "Celamin takes control of Chaketma Phosphate Project" dated 11 October 2021.