PhosCo

SUSTAINABLE PHOSPHATE | ASX PHO

ASX Announcement 18 January 2024

# PHOSCO SECURES $1,000,000 IN WELL SUPPORTED CAPITAL RAISE

## HIGHLIGHTS

- Binding commitments for $1,000,000 converting note raise (before costs) from current shareholders and new sophisticated investors.
- High impact & low-cost work program currently being planned for Sekarna ahead of maiden drilling campaign (post grant of permit).
- Significant progress recently made with in-country relationships at the highest levels of government in Tunisia.
- Proceeds to be used to fund on ground exploration at the Simitu Project (assays pending), along with planning the high-impact exploration work program for the Sekarna Phosphate Project and for general working capital.

PhosCo Ltd (ASX:PHO, **PhosCo** or the **Company**) is pleased to announce that it has received binding commitments from existing and new investors for $1,000,000 in Converting Notes. Proceeds from the capital raising will be used to fund on ground exploration work at the Simitu Project, along with 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.

The capital raise was led by Cumulus Wealth Pty Ltd (**Lead Manager**). PhosCo Executive Director, Taz Aldaoud has committed to an investment of $200,000 in the capital raise (subject to shareholder approval).

### PhosCo Managing Director, Simon Eley commented:

*"We are extremely pleased with the successful raise of $1,000,000, which was well supported and oversubscribed. We extend our gratitude to Cumulus Wealth for efficiently conducting this transaction and welcome the new investors. The funds will be applied to our ongoing exploration program at Simitu, with soil sample results expected very soon from the exciting Bey prospect and working capital while we await grant of the permits for the Sekarna & Amoud projects. PhosCo remains steadfastly committed to its primary objective of assembling a district-scale phosphate project in Tunisia's northern basin and the recent strengthening of in-country relationships is testament to the progress we are making. The anticipation of an 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 early March 2024, details of which will be announced in due course.

## Indicative Timetable*

| Summary of Key Dates | Date/Time |
|---|---|
| Trading Halt | 16 January 2024 |
| Announcement of the Capital Raising and Trading in PHO Shares recommences | 18 January 2024 |
| General Meeting of shareholders to approve the issue of the Converting Notes | Early March 2024 |
| Settlement of the Converting Notes (following shareholder approval) | Early March 2024 |
| Issue of the Converting Notes | Early March 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). The recently granted Copper-Gold Simitu Project offers near-term exploration news-flow with exploration currently underway. 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.**

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**Appendix 1: Key terms of the Converting Note**

| | |
|---|---|
| **Type of Security** | Unsecured Converting Note |
| **Total Principal Amount** | $1,000,000 |
| **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 the date which is 12 months from the issue date (**Maturity Date**). |
| **Conversion Terms** | The Company will convert the Converting Notes into Shares at the relevant Conversion Price upon:<br>(a) the occurrence of a Capital Raising Event; or<br>(b) the Maturity Date,<br>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.<br>(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). |

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|---|---|
| **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. |