PhosCo

SUSTAINABLE PHOSPHATE | ASX PHO

ASX Announcement 13 March 2024

PHOSCO SECURES STAY OF EXECUTION AHEAD OF EXPEDITED APPEAL HEARING

HIGHLIGHTS

- PhosCo holds 51% of the Chaketma Phosphate Project[1] in Tunisia and is seeking the remaining 49% held by TMS for non-payment of A$6.3m damages, costs and interest owed by TMS to PhosCo.
- As previously announced, the Court of Appeal refused PhosCo's application to commence the process to sell shares in CPSA held by TMS[2]; contradicting previous Court of Cassation decisions regarding the validity and enforceability of the arbitral award[3].
- PhosCo lodged an appeal on 16 February 2024 with the Court of Cassation (Tunisia's highest court) contesting this decision.
- The Court of Cassation has reviewed PhosCo's appeal and effective 8 March 2024 granted a stay of execution thereby suspending the recent Court of Appeal decision, and allowing PhosCo's seizure over TMS' assets, including its 49% interest in CPSA, to remain in place.
- The Court of Cassation has expedited the hearing of PhosCo's appeal to 3 April 2024.

TUNISIA'S HIGHEST COURT PRESERVES PHOSCO'S RIGHT OVER SEIZURE – EXPEDITED DATE SET FOR APPEAL HEARING

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[4] and subsequently management control of CPSA from TMS[5].

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. The latest Court of Appeal case sought to implement this Court of Cassation judgment to commence the procedure to sell the 49% interest in CPSA held by TMS.

As announced on 5 January 2024, the Tunisian Court of Appeal refused PhosCo's application to commence the sale process. This decision contradicts prior rulings by the Court of Cassation judgment that the arbitration award is valid and enforceable in Tunisia. The Court of Appeal also determined that the seizure over CPSA shares held by TMS should be lifted.

The Court of Cassation has reviewed PhosCo's appeal and, in view of both the local law and notes from the Attorney General, has granted a stay of execution, preserving PhosCo's right of seizure over TMS's CPSA shares until the appeal is determined. This prevents TMS otherwise dealing with its CPSA shares and frustrating PhosCo's efforts to secure 100% of CPSA.

Due to PhosCo's successful stay of execution application, the first hearing of the appeal has been expedited and is set for 3 April 2024. It is also worth noting that PhosCo has been wholly successful in all matters brought before the Court of Cassation, the highest court in Tunisia, where it has sought compliance with the original enforcement decision.

In the meantime, the Company remains committed to its 100% held applications for phosphate projects in the northern basin (Amoud and Sekarna).

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

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[1] Following the denial of an application for a Mining Concession and resulting termination of the underlying exploration permit as announced on 3 January 2023, PhosCo continues meaningful engagement with the Tunisian government regarding the status of the Chaketma Phosphate Project. In consultation with, and as recommended by the Tunisian Ministry of Industry, Mines & Energy, CPSA has applied for a new Exploration Permit over Chaketma, mirroring the original permit boundary.
[2] See ASX announcement "Unfavourable appeal decision delays seizure" dated 5 January 2024.
[3] See ASX announcement "Celamin wins final appeal" dated 23 September 2019.
[4] See ASX announcement "Chaketma Project Recovered" dated 13 November 2020.
[5] See ASX announcement "Celamin takes control of Chaketma Phosphate Project" dated 11 October 2021.