13 March 2025

Dear Converting Note holder

Non-renounceable Entitlement Offer, Oversubscriptions Offer and Conversions Options Offer – Letter to Converting Note holders

On 11 March 2025, PhosCo Ltd (**PHO** or **Company**) announced:

(a) a pro rata, non-renounceable rights issue of one (1) New Share for every (2.84) Shares held by Eligible Shareholders at the Record Date at an issue price of 5.0 cents ($0.05) per New Share to raise approximately $5,035,072.80 before issue costs, which is fully underwritten by Westar Capital Limited (**Entitlement Offer**);

(b) a placement facility to accept oversubscriptions from Eligible Shareholders participating in the Entitlement Offer of up to a further 20,000,000 New Shares at $0.05 per New Share to raise a further $1,000,000 before issue costs (**Oversubscriptions Offer**);

(c) up to 51,445,206 Conversion Options to the Converting Note holders on the basis of one free-attaching Conversion Option for every one Converting Share issued upon conversion of the Converting Notes currently on issue (**Conversion Options Offer**); and

(d) 3,000,000 Lead Manager Options to the Lead Manager (or its nominee) at an issue price of $0.00001 per Lead Manager Option (**Lead Manager Offer**),

(together, the **Offers**).

Full details of the Offers are contained in the Prospectus lodged with ASIC and the ASX on 11 March 2025, and is available to view on the ASX website under the Company's ASX code "PHO" and PHO's website at https://www.phosco.com.au/.

The Record Date to participate in the Entitlement Offer and Oversubscriptions Offer is 17 March 2025. The Offers are currently scheduled to close at 5:00pm (AEST) on 10 April 2025.

Under the terms of the Converting Notes you currently hold, there is no entitlement to participate in the Entitlement Offer and Oversubscriptions Offer, as conversion of the Converting Notes will occur after the Record Date.

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A term of your Converting Notes is that, upon the occurrence of a "Capital Raising Event", the Company must automatically convert the Convertible Notes into Conversion Shares, and all accrued but unpaid interest will be capitalised and converted into Conversion Shares. Each Convertible Note will be convertible into Conversion 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. A "Capital Raising Event" means a capital raising undertaken by the Company after 17 January 2024 to raise a minimum of $1 million by a placement of Shares. Assuming that the Entitlement Offer raises more than $1 million, the Entitlement Offer will be a Capital Raising Event.

Based on the Entitlement Offer issue price of $0.05 per New Share, and assuming that the Entitlement Offer raises more than $1 million (noting that the Entitlement Offer is underwritten), your Converting Notes and accrued interest will convert at $0.04 per Share on completion of the Entitlement Offer.

As a Converting Note holder, you are invited to participate in the Conversion Options Offer for the issue of Conversion Options on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Converting Notes. As a Converting Note holder, the Company will send you an Application Form for you to accept the Conversions Options Offer.

Cleansing Statements lodged by the Company in accordance with the Corporations Act on 15 March 2024 and 16 October 2024 will facilitate the on-sale of the Conversion Shares issued on conversion of the Converting Notes. However, the Conversion Options Offer under the Prospectus is necessary to facilitate the offer of the Conversion Options and the on-sale of the Conversion Shares issued upon exercise of the Conversion Options.

If you do not wish to participate in the Conversion Options Offer you do not need to take any action. However, you may not receive the Conversion Options that are to be issued on conversion of the Converting Notes. Before deciding whether to participate in the Conversion Options Offer, you should consider the Prospectus. If in any doubt, you should consult with your professional advisor.

Any enquiries regarding the Offers should be directed to:

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