ASX Announcement 11 March 2025

GASAAT PHOSPHATE PROJECT GRANTED AND FUNDED

HIGHLIGHTS

- **PhosCo has taken another key step towards becoming a global fertiliser supplier by formally securing 100% ownership of its flagship Gasaat Phosphate Project in Tunisia.**
- **The Gasaat Project is double the size of the original Chaketma project, which is located within Gasaat, and is fully owned by PhosCo.**
- **Gasaat already hosts a significant JORC Resource[2] of 146.4Mt at 20.6% P_2O_5. The mineralisation is open and numerous drilling targets have been identified.**
- **PhosCo has launched a fully underwritten A$5.0m entitlement offer, with PhosCo Directors and major shareholder Lion Selection Group Ltd (ASX: LSX) committing to priority sub-underwriting commitments totalling $3.25M. Lion Selection Group and Managing Director, Taz Aldaoud have also agreed to advance a loan to PhosCo for $1.5 million to fast track work on Gasaat and Sekarna.**
- **PhosCo has concurrently announced the signing of a Mandate Letter with the European Bank for Reconstruction & Development (EBRD) for a potential US$5.0m strategic investment. These funds will contribute towards a Gasaat Bankable Feasibility Study.**
- **Major drilling program to commence immediately, including:**
    - **Extensional drilling at Gasaat**
    - **Scout drilling at Sekarna prospect**
- **Drilling is anticipated to grow PhosCo's total inventory and forecast production rate ahead of a Bankable Feasibility Study.**
- **Recognised phosphate expert Sam Lancuba appointed to PhosCo Board, bringing 45 years of global fertiliser industry experience.**

PhosCo Managing Director, Taz Aldaoud said: *"Securing formal ownership of the Gasaat Phosphate Project is a pivotal event in PhosCo's journey to becoming a global fertiliser producer. The Company is now embarking on a major drilling program expected to expand its already substantial resource base.*

"Expanding the Gasaat inventory underpins potential increases in the forecast production rate and free cashflow generation. This strategy will then be reflected in an updated feasibility study.

"Our strategy is supported by the fully underwritten $5.0m entitlement offer announced today. The underwriting is led by the Board and major shareholder Lion Selection Group and is a telling endorsement of the project and our plan to unlock huge value.

"The Mandate Letter with EBRD opens up a due diligence process for a potential US$5.0m strategic investment in the Gasaat feasibility study. The Mandate Letter follows the recent MoU between PhosCo, EBRD and the Government of Tunisia to develop Tunisia's northern phosphate basin, with EBRD's investment decision expected later in 2025.

"There is growing global demand for critical fertilisers such as phosphate. With the project now officially granted, Gasaat has a clear pathway to production and cashflow, ensuring it is very well-positioned to capitalise on this opportunity".

Gasaat Permit Granted

PhosCo Ltd (ASX: PHO) is pleased to advise that the Gasaat Phosphate Project exploration permit has formally been granted, enabling a major resource drilling program to start immediately.

The rapid granting of Gasaat reinforces the critical support for PhosCo from the Government of Tunisia and the importance of the Memorandum of Understanding (MoU) announced on 26 November 2024[1] between PhosCo, the Government of Tunisia and EBRD – notably, the first of its kind for Tunisia.

Gasaat is a large-scale phosphate development project discovered by PhosCo in 2010. The project is now advancing rapidly with strong Government and community support. The new permit is owned 100% by PhosCo and is approximately double the size of the original Chaketma project.

Gasaat contains a high confidence Mineral Resource[2] of 146.4Mt @ 20.6% P_2O_5 JORC 2012 and is technically advanced, including a December 2022 Scoping Study[3]. The resource is defined from drilling at only two out of nine prospects, all with broad exposures of outcropping rock phosphate and some with existing drill holes.

Gasaat has proactive local support, with communities to benefit from 10% project participation. Gasaat also aligns with the Tunisian Government's social agenda, with the aim of including local communities as partners of the project through community companies.

EBRD Potential Strategic Investment

PhosCo has entered a Mandate Letter with the European Bank for Reconstruction and Development (EBRD), confirming EBRD's interest in participating in an equity investment of US$5 million towards funding the Gasaat Bankable Feasibility Study (BFS), subject to due diligence and internal approvals. Such an investment would represent a significant portion of the funding required for the BFS.

EBRD's interest in a potential investment and expertise are warmly welcomed by PhosCo as the Gasaat Project moves through the BFS, permitting, project finance and ultimately establishing PhosCo as global phosphate supplier.

The Mandate Letter sets out the following indicative terms for EBRD's investment:

- Investment amount of US$5 million in one or more tranches at a price of A$0.05/share
- Customary minority rights applicable to a listed company
- The right to appoint a Director

[1] Refer to ASX announcement dated 26/11/24: 'Gassaat Permit Approved, MOU with Tunisian Government & EBRD'.
[2] Refer to ASX announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' & ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.
[3] Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.

- The potential to provide PhosCo further support as it progresses the Gasaat Project, including participation in future funding rounds
- Any issue of shares by PhosCo will comply with the ASX Listing Rules and Corporations Act and Foreign Investment Review Board approval (if required).

Any decision in respect of EBRD's investment and its terms and conditions will be determined after EBRD has sufficiently advanced its due diligence process in respect of the BFS. Any decision to invest shall be in EBRD's discretion following the outcomes of (i) preliminary work defining the scope of the BFS, (ii) completion of EBRD's investment processes and (iii) EBRD's internal approvals. There can be no guarantee that the signing of the Mandate Letter will result in an investment from EBRD. PhosCo has agreed to meet the legal costs of EBRD's due diligence.

The Mandate Letter has been entered into in furtherance of the MoU between PhosCo, EBRD and the Government of Tunisia to establish a close cooperation and collaboration for the finance, development, construction, and operation of phosphate processing facilities in Tunisia's northern basin that are socially and environmentally sustainable and globally competitive.

Fully Underwritten Entitlement Offer

PhosCo has today launched a fully underwritten entitlement offer to raise gross proceeds of approximately A$5 million with shareholders having the ability to take up over subscriptions up to A$1 million. The details of the issue are provided in a separate announcement, with the key terms as follows:

- 1 for 2.84 Non-renounceable Entitlement Offer to raise up to approximately $5 million;
- Directors Taz Aldaoud and Robin Widdup have agreed to sub-underwrite the Entitlement Offer on a priority basis for $2 million and $250,000 respectively, with cornerstone shareholder Lion Selection Group also sub-underwriting for $1 million on a priority basis;
- Ability for shareholders to apply for oversubscriptions for up to additional $1 million;
- Attractively priced at $0.05 per share consistent with the EBRD Mandate Letter, representing a discount of 28.8% to the last price of $0.0665 and 30-day VWAP of $0.07, and a discount of 27.9% to the 60-day VWAP of $0.069;
- All existing Converting Notes will convert upon completion of the entitlement offer at a price of $0.04 per share representing a discount of 20% to the entitlement offer price in accordance with the terms of the Converting Notes. All holders of the Converting Notes have agreed to extend the maturity date of the Converting Notes from 15 March 2025 to allow completion of the Entitlement Offer. Converting Options will also be issued with an exercise price of $0.05 per share in accordance with the terms of the Converting Notes. Refer to the separate announcement for more information.
- Funds to be used to undertake exploration work, carry out metallurgical testwork, update the scoping study with respect to the Company's Gasaat and Sekarna Exploration Permits, cover the costs of the Offers and to add to working capital
- The Entitlement Offer is fully underwritten by Westar Capital Limited, with Cumulus Wealth acting as sole Lead Manager & priority sub-underwriter.

Loan To Fund Early Works

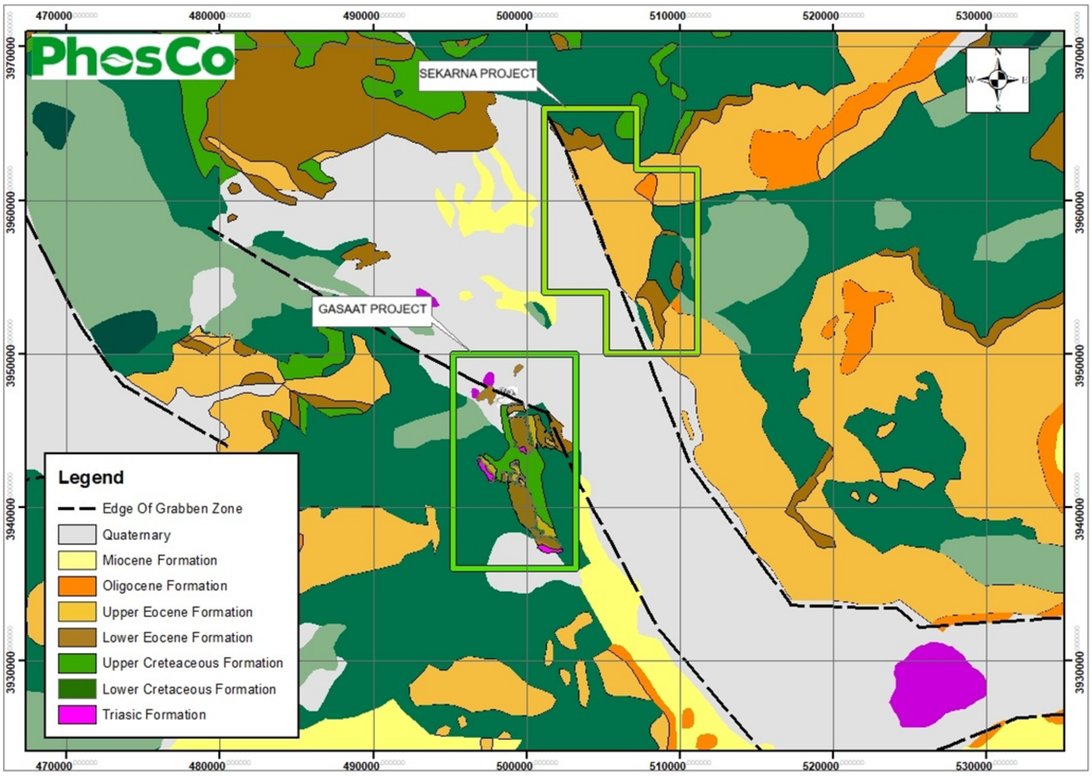
PhosCo is pleased to advise that it has entered into a $1,500,000 working capital loan facility agreement with shareholders Lion Selection Group Limited ($500,000) and Aldaoud Pty Ltd, an entity associated with Managing Director Mr Taz Aldaoud ($1,000,000) (collectively referred to as the Lenders). The loan facility permits the Company to draw down up to $1,500,000 funding if required enabling the company to immediately commence technical work on Gasaat and Sekarna. The facility is intended to be repaid by the issue of shares, offset against the priority sub-underwriting commitments, to the Lenders under the Entitlement Offer and extends until 31 December 2025 with interest applicable at 10% per annum payable on the loan.

Appointment of Non-Executive Director

Recognised phosphate expert Sam Lancuba has agreed to join the board as a Non-Executive Director following completion of the entitlement offer. Mr Lancuba was appointed as Technical Board Advisor in November 2024 following the approval of the Sekarna and Gasaat exploration permits. He is an expert in the global fertiliser industry, with extensive technical and market experience of phosphate processing operations and products throughout the world. Mr Lancuba brings more than 45 years' experience in all aspects of the global fertiliser industry, following an extensive career with Incitec Pivot Limited. He is a qualified chemical engineer and has consulted to industry clients in Australia, New Zealand, USA, South America, Europe, India and China.

About Gasaat

Gasaat represents PhosCo's most advanced phosphate project with a 146.4Mt @ 20.6% P_2O_5 Resource[2]. On 9 December 2022, PhosCo announced the results of a Scoping Study for the development of a potential large-scale, world-class mining operation at its Gasaat Phosphate project in Tunisia, strategically located in close proximity to key export markets/end users.



PhosCo's Gasaat application was lodged in cooperation with local communities in the region to provide meaningful community participation. PhosCo recently signed a Memorandum of Understanding with the parliament representative of the Jedelienne community for the Gasaat Phosphate Project. The MoU is non-binding and establishes a framework for cooperation and outlines commitments from both parties. The MoU outlines a 10% Project Participation arrangement for communities impacted by the Project, through a community company. The communities potential project participation aligns with Tunisia's social development goals and significantly strengthens PhosCo's Gasaat Phosphate project positive impact on the community and the region.

Scoping Study Highlights

Initial 46 Year Mine Life at 1.5Mt Product

Post Tax NPV_{10}	Phosphate Concentrate Production	Annual Net Cashflow	Operating Cost First 10 Years	Payback After Tax	Development Capital
US$657M with IRR of 54%	**68Mt** Over 46 years	**US$93.4M** Years 1–10	**US$79/t** Phosphate Concentrate	**1.5 years**	**US$170M**

Scoping Study[1] assumes US$150/t phosphate price.
Several opportunities also identified for further project optimisation.

Gasaat Key Parameters

- Low risk open-pit mining and processing to deliver 1.5Mtpa of high-quality concentrate at greater than 30% P_2O_5 and less than 1% MgO.
- Construction of a processing facility to accommodate 2.7Mtpa to 3.5Mpta of ore.
- Production target of 128Mt @ 19.9% P_2O_5, from overall 46-year mine life.
- First 18 years of production from KEL Resource with strip ratio of 3.6:1, scheduled from Measured (88%) and Indicated (12%) KEL Resource.

Significant Upside Potential

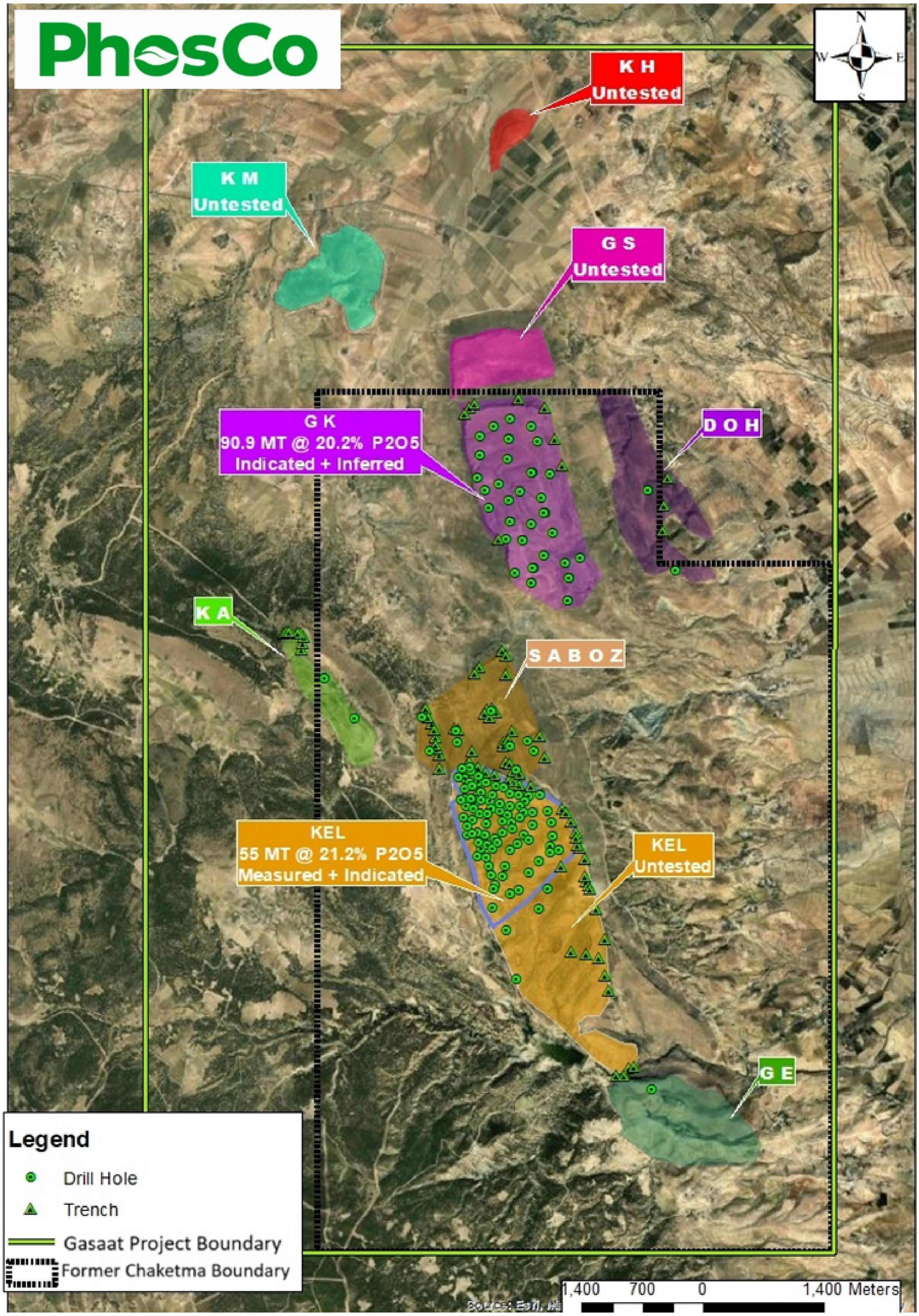
- Large resource could support higher production rate above 1.5Mtpa to match market demand.
- Nearby deposits identified for lower mining costs, including SAB prospect and new targets in the expanded new tenement.
- Mining optimisation for greater utilisation of strip mining.
- Potential to direct ship material in higher grade layer B early in project life.
- Simplified processing via single stage flotation and/or washing.
- Economies of scale, such as extension of a rail connection to site for lower cost logistics yet to be considered.

Gassaat Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P_2O_5
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
	Total	**55.5**	**21.2**
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
	Total	**90.9**	**20.2**
Global Resources	Measured	49.1	21.3
	Indicated	90.1	20.2
	Inferred	7.2	20.1
	Total	**146.4**	**20.6**

1. Refer to ASX announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' and ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.
   - All Mineral Resources are reported in accordance with the 2012 JORC Code
   - The Mineral Resource is reported at a cut off grade of 10% P_2O_5

   All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
2. Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.



Gasaat Deposits and Resources

Next Steps

PhosCo is seeking to immediately recommence field work, with focus on areas of upside identified in the 2022 scoping study, and accounting for the near doubling of the project tenement size. Key work streams include:

- Mapping, trenching and exploration drilling to define several key prospects within the extended Gasaat project, with maiden mineral resource estimates to be established for key prospects progressively.
- Metallurgical work reassessing the optimal processing flowsheet for Gasaat noting improvements in reagents available since pilot work in 2017 by Jacobs Engineering, including the evaluation of:
  - Viability of single stage flotation
  - Impact of phosphate mineralogy variability across the different layers
  - Potential for alternative processing options.
- Mapping, trenching and scout drilling program at Sekarna to understand the prospectivity of the project and sighter metallurgical test work to understand the ability to produce a saleable product.
- Infrastructure, Water and Transport - update previous study work to assess optimal options and requirements for further work.
- Marketing, Scalability and Downstream Processing – study work to understand the market appetite and pricing for Gasaat phosphate rock exports, and potential for domestic sales noting the under-utilisation of existing downstream facilities. Given the anticipated large scale mineral endowment of the Gasaat Phosphate Project, PhosCo will review the optimal throughput of the project. In addition, the Company intends to engage with fertiliser industry players about collaboration to fast-track downstream processing options to capture more of the value-add of further beneficiation.

Results from these work streams is planned to be used to update the 2022 Scoping Study prior to commencing a bankable feasibility study on the Gasaat Phosphate Project.

This ASX release was authorised on behalf of the PhosCo Ltd Board by:

Taz Aldaoud, Managing Director

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Competent Persons Statement

The information in this announcement that relates to historic data and Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Aymen Arfaoui, who is a Member of The Australasian Institute of Mining and Metallurgy and an employee of PhosCo Limited. Mr Arfaoui has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arfaoui consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Previously Reported Results

There is information in this announcement relating to historic data and Exploration Targets, Exploration Results or Mineral Resources which were previously announced on 15 March 2022, 17 November 2022, 9 December 2022, 3 October 2024, 26 November 2024 and 13 January 2025. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The information in this announcement relating to the Company's Scoping Study are extracted from the Company's announcement on 9 December 2022 titled 'Scoping Study Confirms Outstanding Economics for Chaketma'. All material assumptions and technical parameters underpinning the Company's Scoping Study results referred to in this announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement