

GASSAAT PERMIT APPROVED LANDMARK MOU SIGNED WITH TUNISIAN GOVERNMENT AND EBRD

Gassaat permit approved

- The Consultative Committee of Mines (CCM) has approved the Gassaat Phosphate Exploration Permit (100% PhosCo).
- Gassaat encapsulates the Chaketma Phosphate Mineral Resource Estimate of 146Mt @ 20.6% P_2O_5 as well as additional phosphate targets immediately north of the deposit.
- Gassaat is key to developing Tunisia's Northern Phosphate Basin with formal grant now pending subject to final approval by the Ministry of National Defence and publication in the gazette.
- Gassaat project is aligning on the social agenda of the Tunisian government and aim to include local communities as partners of the project through community companies.
- The news comes following the CCM approval of nearby Sekarna (also 100% PhosCo) last month, the first ever phosphate permit authorised at 100% to a foreign investor, where formal gazetting is expected imminently.

In a major breakthrough, PhosCo Ltd (ASX: PHO) ('PhosCo' or 'the Company') is pleased to announce that the CCM has approved Gassaat and that the Company has entered a ground-breaking memorandum of understanding (non-binding) with the Ministry of Industry, Mines and Energy (the Ministry), and the European Bank for Reconstruction and Development (EBRD).

MOU signed with Tunisian Government and EBRD

- PhosCo has signed a non-binding MoU with the Tunisian Ministry of Industry, Mines and Energy, and the European Bank for Reconstruction and Development (EBRD) to collaborate on exploring and developing Tunisia's Northern Phosphate basin hub, as well as study processing technology to convert phosphogypsum into inert materials.
- The MOU also has a strong focus on enhancing regional development through well structured support to communities and Small and Medium Enterprises (SMEs).
- The pioneering agreement signed by the Tunisian government is a first for the country's phosphate industry and will see PhosCo work with EBRD for financing of the feasibility study and development of a financing package for the Project.



MOU signing ceremony at the Ministry of Industry, Mines & Energy.

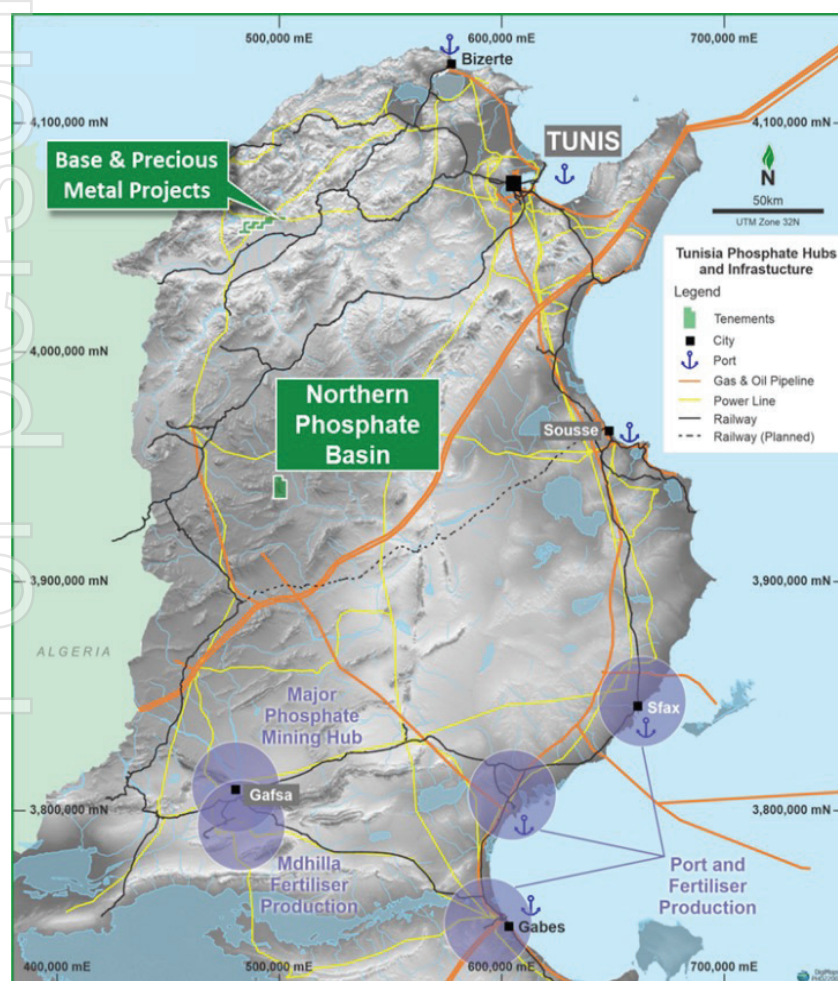
PhosCo Managing Director, Taz Aldaoud commented:

"We are deeply honoured by the trust placed in us by the Tunisian government, as evidenced by the approval of PhosCo's Gassaat permit application and the signing of the MOU with PhosCo and EBRD. This marks a significant milestone in advancing Gassaat and Tunisia's Northern Phosphate Basin."

The Gassaat permit is pivotal in realising our vision for a regional phosphate processing hub. The MOU formalises our excellent relationship with EBRD and the Tunisian Government, establishing a collaborative framework to support the region's development. We're already seeing the immediate benefits of this partnership through meaningful cooperation between all parties involved."

We're particularly mindful of the critical role phosphate plays in addressing global food security concerns. This project not only aligns with that crucial need but also emphasises our commitment to positive community impact. Local support and meaningful community participation are cornerstone elements of our strategy to develop Tunisia's Northern Phosphate Basin."

This collaborative effort, backed by the Government and EBRD, underscores our shared commitment to responsible development that benefits the local community, the region, and contributes to global food security. We're excited about the potential this project holds and are committed to its successful and sustainable implementation."



Location of PhosCo's Tunisian Projects and Permit Applications.

Gassaat Phosphate Permit

In a major breakthrough, PhosCo is pleased to announce it has received written confirmation that the CCM has approved its Gassaat application (100% PhosCo) for a new Exploration Permit in Tunisia's Kasserine Region.

The Gassaat permit covers an area of 112km² that encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit. Gassaat represents PhosCo's most advanced Phosphate project with a 146.4Mt @ 20.6% P₂O₅ Resource¹ and is integral to PhosCo's plan to develop Tunisia's Northern Phosphate Basin.

Gassaat is key to developing Tunisia's Northern Phosphate Basin with formal grant now pending subject to final approval by the Ministry of National Defence and publication in the gazette.

Memorandum of Understanding with Tunisian Government and EBRD

PhosCo has signed a non-binding MOU with the Ministry, and the EBRD. The MOU is to establish a close cooperation and collaboration for mutual support and align the interests of all stakeholders 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.

The Ministry will support PhosCo developing its tenements within the Northern Phosphate Basin (the Project) including the Gassaat and Sekarna permits once they are formally approved, subject to compliance with applicable Tunisian legislation. The MOU brings together technical capacity, finance and government support to facilitate building the Project to international standards and will also support building an integrated phosphate hub in the region.

The ceremony was attended by Minister of Industry, Energy and Mines H.E. Ms Fatma Thabet Chiboub, Mark Davis Managing Director of the Southern and Eastern Mediterranean region for EBRD, PhosCo Managing Director Taz Aldaoud and Executive Director Mehdi Ben Abdallah along with other representatives.

The partners will collaborate on supporting PhosCo to develop a phosphate hub in Tunisia's Northern Phosphate Basin. This is envisaged to include a feasibility study and development of a phosphate rock beneficiation plant, with further assessment to build an integrated fertilizer/ phosphoric acid plant.

As the Project progresses, EBRD aims to assist with funding for a feasibility study and subsequently with a financing package for the development of a long-life phosphate project, subject always to EBRD's due diligence, internal approvals, legal documentation and compliance with EBRD's environmental and sustainability guidelines. The Company's relationship with EBRD is seen as being highly strategic, bringing important in-country connections, project financing capacity and the possibility of parallel investment in government infrastructure to support the project.



MOU signing ceremony at the Ministry of Industry, Mines & Energy. L – R: Taz Aldaoud, Managing Director PhosCo Ltd, Her Excellency, Ms Fatma Thabet Chiboub, Minister of Industry, Mines & Energy, Mark Davis, Managing Director for the Southern and Eastern Mediterranean (SEMED) region at the European Bank for Reconstruction and Development.

PhosCo will leverage the Company's technical capability and engage internationally renowned consultants to deliver exceptional ESG benefits and wide-ranging benefits for all stakeholders including:

- Use of best available technologies to minimise environmental footprint.
- Use of renewable electricity.
- Prioritising practices to reduce water and energy consumption.
- Investment in initiatives to alleviate phosphogypsum tailings, including remediation of historic tailings.

Value creation for local communities and Tunisian Government is a critical facet of PhosCo's development approach.

- Generating strong engagement and support from local communities and governments.
- Significant regional job creation.
- US\$900 million in corporate taxes and royalties over life of project².

The MOU reflects the intentions of the parties to co-operate in relation to the advancement of the Project in good faith but without creating any legal or financial obligations.

Other Applications

PhosCo has confirmed that the process for Military approval of the Sekarna permit is underway, with formal gazetting of the permit anticipated shortly thereafter.

PhosCo has also been advised that its initial application for the Amoud Phosphate Permit adjacent to the multi-billion tonne Sra Ouertane project has not been successful. The Company remains in active discussions with the Ministry about this project that would add materially to the scale of the Northern Phosphate Basin.

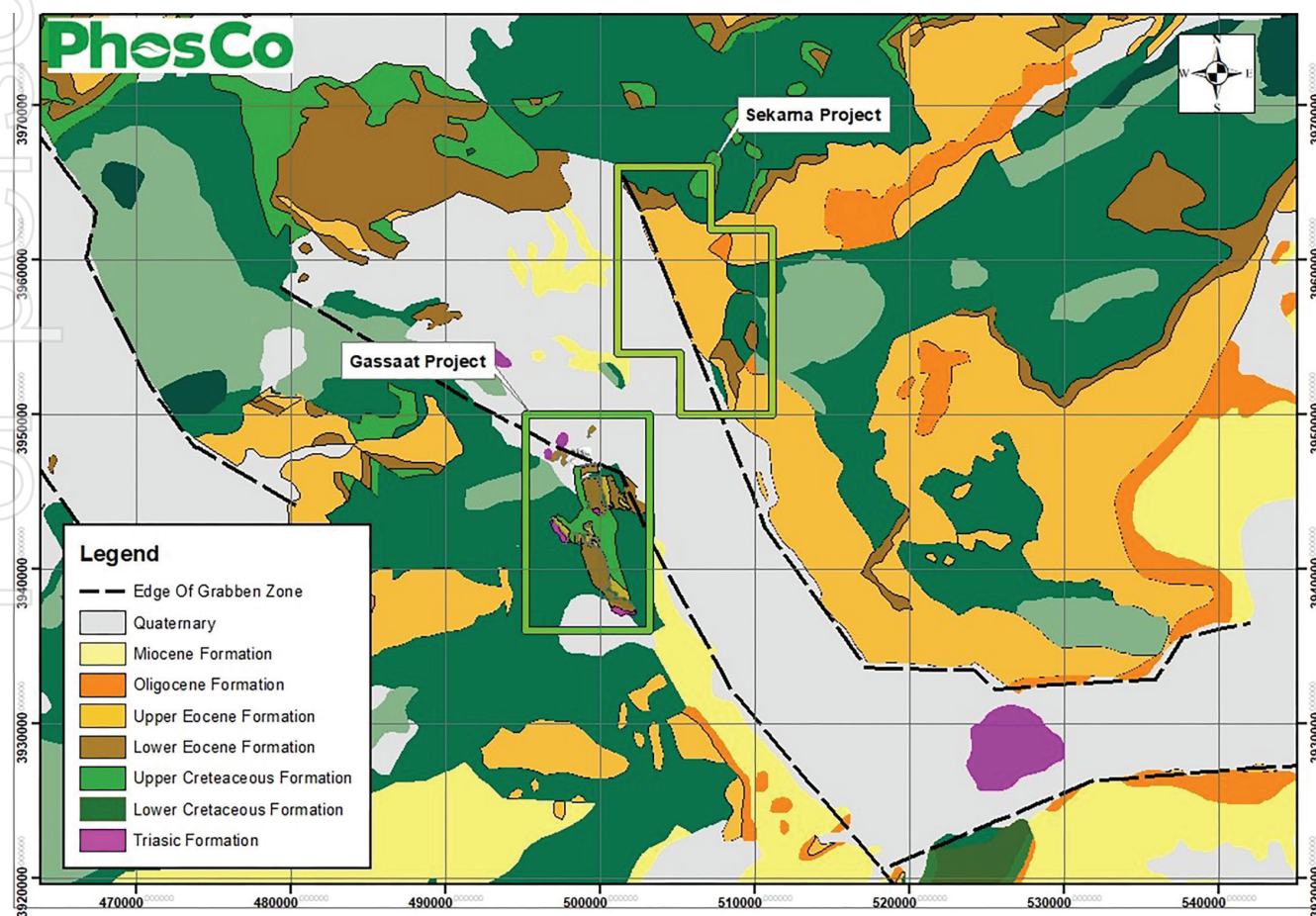
Chaketma Phosphates SA (CPSA, in which PhosCo has 51% through Celamin) also had an application pending with the Mines Department for the Chaketma Phosphates Project. With the approval of Gassaat that encapsulates Chaketma it is understood that the Chaketma application has not been successful. PhosCo is reviewing its investment in CPSA in light of this development.

In addition to the significant breakthrough of Gassaat's approval (100% PHO), PhosCo is also still owed damages, costs and interest by Tunisian Mining Services (TMS) amounting to TND14M (A\$6.7M). The Company reserves the right to use the means necessary to execute the Arbitral Award to seek enforcement from TMS for non-payment of these damages.

About the European Bank for Reconstruction and Development

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 73 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well governed, green, resilient and integrated. To date, the EBRD has invested more than €200 billion through more than 7100 projects. 80 per cent of these funds have been channelled to private-sector companies.

Since the start of its operations in Tunisia in 2012, the EBRD has invested more than €1.4 billion across 57 projects in the country, in both the private and public sectors.



About Gassaat

The Gassaat permit covers an area of 112km² that encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit. Gassaat represents PhosCo's most advanced Phosphate project with a 146.4Mt @ 20.6% P₂O₅ Resource¹. PhosCo announced a Scoping Study on the project on 9 December 2022.

PhosCo's Gassaat application was lodged in cooperation with local communities in the region to provide meaningful community participation. PhosCo recently signed a Memorandum of Understanding (MOU) with the parliament representative of the Jedelienne community for the Gassaat 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 Gassaat 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 US\$657M with IRR of 54%	Phosphate Concentrate Production 68Mt Over 46 years	Annual Net Cashflow US\$93.4M Years 1–10	Operating Cost First 10 Years US\$79/t Phosphate Concentrate	Payback After Tax 1.5 years	Development Capital US\$170M
--	--	---	---	---------------------------------------	--

Scoping Study¹ assumes US\$150/t phosphate price.
Several opportunities also identified for further project optimisation.

Gassaat Phosphate Project

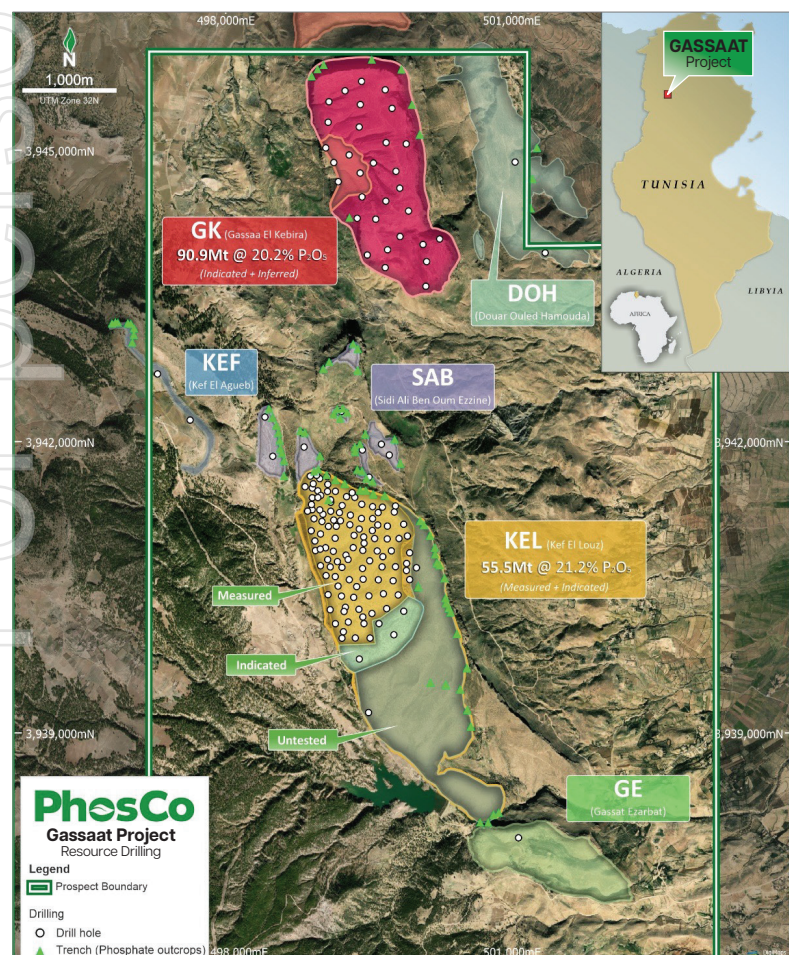
On 9 December 2022, PhosCo announced the results of a Scoping Study for the development of a potential large-scale, world-class mining operation at its Gassaat Phosphate Project in Tunisia, strategically located in close proximity to key export markets/end users.

Key Parameters

- Low risk open-pit mining and processing to deliver 1.5Mtpa of high-quality concentrate at greater than 30% P₂O₅ and less than 1% MgO.
- Construction of a processing facility to accommodate 2.7Mtpa to 3.5Mtpa of ore.
- Production target of 128Mt @ 19.9% P₂O₅, 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.
- 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 Deposits and Resources

Gassaat Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P ₂ O 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% P₂O₅

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'.

This ASX release was authorised by the PhosCo Ltd Board.

For further information please contact:

Taz Aldaoud

Managing Director

M: + 61 (0) 473 230 558

 Follow [PhosCo](#) on LinkedIn

 Follow [@PhoscoLtd](#) on Twitter