



PHOSCO LTD
(ACN 139 255 771)

PROSPECTUS

A pro-rata non-renounceable offer to Eligible Shareholders of one (1) loyalty bonus option (**New Option**) for every ten (10) Shares held on the Record Date to subscribe one (1) fully paid ordinary Share at an exercise price of \$0.10 (**Exercise Price**) on or before 5.00pm (AEDT) on 31 August 2022 (**Options Offer**).

Important Notice

This document is important and should be read in its entirety. The Prospectus is a "transaction specific prospectus" issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investors may consult. If, after reading this Prospectus, you have any questions about the securities being offered or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The securities offered under this Prospectus should be considered highly speculative.

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1. OVERVIEW

1.1 SUMMARY OF THE OPTIONS OFFER AND INDICATIVE TIMETABLE

Summary

As announced on 3 December 2021, the Company proposes to make a pro-rata non-renounceable offer to the Eligible Shareholders of one (1) loyalty bonus option (**New Option**) for every ten (10) Shares held on the Record Date to subscribe one (1) fully paid ordinary Share at an exercise price of \$0.10 (**Exercise Price**) on or before 5.00 (AEDT) on 31 August 2022 (**Options Offer**). Fractional entitlements will be rounded up to the nearest whole number.

The rights attaching to the New Options are described in Section 6 of this Prospectus.

Indicative Timetable*

EVENT	DATE/ TIME (AEDT)
Options Offer announced	Friday, 3 December 2021
Prospectus lodged with ASIC	Tuesday, 1 February 2022
Prospectus and Appendix 3B lodged with ASX	Tuesday, 1 February 2022
Ex Date	5.00pm, on Friday, 4 February 2022
Record Date	5.00pm, on Monday, 7 February 2022
Issue Date and despatch of new holding statements	Monday, 14 February 2022
Option Expiry Date	5.00pm (Sydney Time), on Wednesday, 31 August 2022

** This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and the Corporations Act.*

1.2 IMPORTANT INFORMATION

Understanding this Prospectus

This Prospectus is dated 1 February 2022 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to vary any of the

important dates set out in this Prospectus without prior notice. No Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will not apply to ASX for the New Options to be granted Official Quotation.

No action has been taken to permit the Options Offer under this Prospectus in any jurisdiction other than Australia New Zealand and Guernsey.

The distribution of this Prospectus in a jurisdiction outside Australia, New Zealand and Guernsey may be restricted by law and therefore persons into whose possession this document comes should seek advice and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Options Offer which the Company has identified are summarised below and set out in further detail in Section 5 of this Prospectus.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 9.

Note to New Zealand residents – mutual recognition warning statements

This Options Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the Financial Market Conduct Regulations 2014.

This Options Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act and the regulations made under that Act set out how the Options Offer must be made.

There are differences in how financial products are regulated under Australian law.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Options Offer. If you need to make a complaint about this Options offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are unsure about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Options Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to change in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Important Notice to Guernsey Investors

This Options offer may only be offered or sold in or from within the Bailiwick of Guernsey to existing shareholders of the Company. No offer to subscribe for Options or underlying ordinary shares will be made to the public in Bailiwick of Guernsey.

Disclaimer

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Obtaining a copy of this Prospectus

A copy of the Prospectus can be downloaded from the website of the Company at www.phosco.com.au, or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an persons in Australia and must only access the Prospectus from within Australia.

Acceptance of Options Offer

Eligible Shareholders do not need to do anything to apply for or accept New Options. New Options will be issued to the Eligible Shareholders on the Issue Date.

The Company must receive your Notice of Exercise of New Option and payment by the Expiry Date to be eligible for the conversion into Shares in the Company. There is no obligation, to subscribe for an additional Share in the Company at the Exercise Price.

Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence

actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 2.10 for treatment of ineligible shareholders.

Overview of the Company

PhosCo Ltd is an ASX-listed company focused on the exploration and development of resource projects in North Africa with its primary project being the Chaketma Phosphate Project.

Further details on investment highlights and current activities can be found in Section 1.4 of this Prospectus.

No funds will be raised from the Options Offer pursuant to this Prospectus. However, if the maximum number of New Options are issued and all such New Options are exercised, the Company will raise approximately \$2,412,977.40. There is no certainty that any New Options will be exercised and the proportion exercised will depend on the Share price relative to the Exercise Price prior to the Expiry Date. It is currently intended that any funds raised by the exercise of the New Options will be used towards continued development on the Company's existing projects and for working capital.

Key Investment Risks

The risk factors set out in Section 5, and other general risks applicable to all investments in listed securities, may affect the value of the Company's securities, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

Risk Area	Further Details
Litigation Risk The Company regained the operational and management control of CPSA in October 2021 through the enforced arbitration awards against Tunisian Mining Services (TMS) delivered by the International Court of Arbitration of the International Chamber of Commerce (Final Award). The enforcement may still be challenged by TMS and be overturned by a higher court in Tunisia. No guarantee is given that the Company will recover any damages, costs or other compensation in relation to CPSA from TMS in the event this enforcement is challenged and overturned.	Section 5.2 (a)
Risks specific to Chaketma Phosphates SA The Company is currently undertaking a process to complete legal and accounting due diligence on CPSA for the period prior to the Company regaining operational control. As the due diligence is ongoing, the Company is unable to confirm the actual or contingent liabilities incurred in CPSA which may potentially result in the Company suffering from losses to fund these liabilities.	Section 5.2 (b)
Value of securities and share market conditions There is no guarantee that the share price will be greater than the exercise price of the New Options during the exercise period.	Section 5.2 (c)
Risks specific to the New Options There is no guarantee that the Exercise Price of New Options is less than the share price on-market during the exercise period.	Section 5.2 (d)
Risks specific to the Shares	Section 5.2 (e)

Risk Area	Further Details
<p>The share price of the Company may fluctuate due to recent global political, economic events and others.</p>	
<p>Government regulation risks</p> <p>The Company's tenements and activities may be subject to extensive regulation by local, state and federal governments. There is no assurance that future government policy will not change, and this may adversely affect the long-term prospects of the Company. Future changes in governments, regulations and policies may have an adverse impact on the Company.</p>	Section 5.2 (f)
<p>Title and permit risks</p> <p>Whilst a mining concession application has been lodged in relation to the exploration permit for the Chaketma Phosphate Project, there is no certainty a mining concession will be granted by the Tunisian Government or that, if granted, the mining concession will be of a size and on terms acceptable to the Company. In addition, mining and exploration permits and licences are subject to periodic renewal. There is no guarantee that current or future renewals will be approved.</p>	Section 5.2 (g)
<p>Adequacy of Funding</p> <p>Notwithstanding that the Company may raise funds from the exercise of New Options, until such time as the Company's projects generate sufficient cash flow, the Company is likely to require additional equity or debt funding. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development or force the Directors to pursue transactions which they would not pursue had sufficient funding been available.</p>	Section 5.2 (h)
<p>Exploration and development risk</p> <p>The business of exploration for phosphate and other minerals and their development involves a significant degree of risk. There is no assurance that future exploration expenditure will result in discoveries or upgrade existing mineralisation to the stage where such can be successfully commercially exploited.</p>	Section 5.2 (i)
<p>Mineral Reserves and Resources estimates risk</p> <p>The Reserve and Resource estimates for the existing mineral properties of the Company are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. No assurance can be given that any particular level of recovery of minerals from the Reserves and Resources will in fact be realised or that an identified Reserve or Resource will ever qualify as a commercially mineable (or viable) deposit that can be economically exploited.</p>	Section 5.2 (j)

Risk Area	Further Details
<p>Geopolitical and sovereign risks generally</p> <p>Changes in legislation and government policy in Australia and Tunisia (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.</p>	Section 5.2 (k)
<p>Tunisian country risk</p> <p>The Company is subject to the risks associated with operating in Tunisia. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in the loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.</p>	Section 5.2 (l)
<p>Environmental risks</p> <p>The operations and proposed activities of the Company are subject to Tunisian laws and regulations concerning the environment. It is the Company's policy to conduct its activities to the highest standard of environmental obligation. There is no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige the Company to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.</p>	Section 5.2 (m)
<p>Volatility in the price of minerals</p> <p>Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis.</p>	Section 5.2 (n)
<p>Volatility in the market price of securities</p> <p>There is no assurance that an active trading market for the Company's securities will be sustained.</p>	Section 5.2 (o)
<p>Contractual risk</p> <p>While there are no specific issues relating to the Company's material contracts currently known to the Company (apart from the matters outlined in Litigation Risk in Section 5.2(a)), the inability of contracting parties to meet contracted obligations can adversely affect the capacity of the other parties to carry out their own obligations or can cause a project to be unable to be implemented or continued because of their own lack of adequate financial capacity to meet the obligations of the defaulting party.</p>	Section 5.2 (p)

Risk Area	Further Details
<p>Reliance on key personnel</p> <p>The ability of the Company to achieve its objectives depends on its key personnel and external contractors. A loss of key personnel and external contractors may have an impact in the Company's operation.</p>	<p>Section 5.2 (q)</p>
<p>Potential acquisitions</p> <p>The Company may make potential acquisitions in other resource projects which may expose the Company to additional risks.</p>	<p>Section 5.2 (r)</p>

1.3 CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of PhosCo Ltd (**Company**), I am pleased to offer you the opportunity to participate in this Options Offer, which Eligible Shareholders are offered one (1) New Option for every ten (10) Shares held on the Record Date. Eligible Shareholders do not need to take any action in order to receive their New Options. Each New Option gives the Eligible Shareholders the opportunity, but not the obligation to subscribe for an additional Share in the Company at the Exercise Price of \$0.10 per New Option before 5.00p.m. (AEDT) on the Expiry Date.

As the New Options will be issued for nil consideration, no funds will initially be raised from the Options Offer. If the maximum number of New Options are issued and then exercised, the Company will raise approximately \$2,412,977.40 which it intends to use towards continued development on the Company's existing projects and for working capital.

The Company is undertaking the Options Offer primarily to reward its Shareholders who have supported the Company through a challenging period.

Eligible Shareholders are those persons who were the registered owners of Shares as at the Record Date with a registered address in Australia, New Zealand and Guernsey.

The Options Offer is non-renounceable and therefore the entitlement of New Options will not be tradeable on the ASX or otherwise.

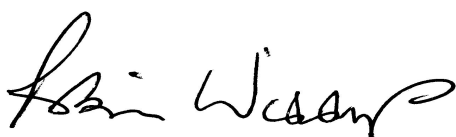
Further details of the Options Offer are set out in Section 2 of this Prospectus.

This Prospectus contains important information regarding the Options Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

On behalf of the Board of the Company, I take this opportunity to thank all Shareholders for their ongoing support of the Company.

If you have any queries about the New Options or your ability to take part in the Options Offer, please contact our Executive Director, Taz Aldaoud between the hours of 8.30am and 5.00pm (AEDT), Monday to Friday at 0473 230 558.

Yours sincerely



Robin Widdup

Chairman

1.4 INVESTMENT HIGHLIGHTS

The Company's key project is a 50.99% interest in the Chaketma Phosphate Project.

Chaketma is a potential large-scale, world-class phosphate development asset, which comprises six prospects over a total area of 56km². It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P₂O₅¹ with access by road, and proximal to rail and gas pipelines. This includes the flagship Kef El Louz deposit at Chaketma, with drilling announced on 4 November 2021² extending known mineralisation approximately 1km² to the south of the 2012 JORC Inferred Resource.

Chaketma is held by a joint venture company Chaketma Phosphate SA (**CPSA**), a Tunisian company. The Company has a 50.99% interest in CPSA. CPSA holds the Chaketma Exploration Permit.

On 13 November 2020, the Company announced that it had recovered its interest in CPSA following the transfer by a court appointed expert in accordance with the Final Award returning the Company's interest in Chaketma and payment of damages and costs amongst other matters. In addition, on 11 October 2021, the Company announced that it had assumed operational and management control over CPSA. Although the Company has recovered the 50.99% interest, the Company notes that various actions related to the enforcement of the arbitration orders remain before the courts, including clarification of the financial state of CPSA and the status of the CPSA equity.

CPSA applied to convert the Chaketma Exploration Permit to a Mining Concession in late 2017, ahead of the February 2018 deadline. As at the date of this Prospectus, the Chaketma mining concession had not been granted, and application remains under consideration by the Tunisian regulatory authorities.

The Chaketma Exploration Permit period is extended and remains valid whilst the application is being considered by the Tunisian regulatory authorities. The Company has made representations to the national government and local authorities to ensure tenure.

2. DETAILS OF THE OPTIONS OFFER

This Section provides details of the Options Offer made under this Prospectus. Before deciding whether to exercise New Options under this Prospectus, you should read this Prospectus in its entirety.

2.1 Options Offer

The Options Offer being made in this Prospectus comprises an offer of New Options to Eligible Shareholders on the following terms:

Option Offer Details	
New Options:	Each Eligible Shareholder will be offered one (1) New Option for every ten (10) Shares held by Shareholders registered at

¹ ASX announcements dated 9 November 2012 and 18 June 2013

² ASX Announcement – Exceptional New Phosphate Results (4 November 2021)

Option Offer Details	
	<p>the Record Date. The New Options each have an Exercise Price of 10 cents (\$0.10) and an Expiry Date of 31 August 2022.</p> <p>Based on the capital structure of the Company as at the date of this Prospectus, a total of 24,129,774 New Options could be issued pursuant to the Options Offer (assuming that no existing option or performance right is exercised prior to the Record Date).</p> <p>The terms and conditions attaching to the New Options are set out in Section 6.1.</p>
Issue price:	Nil consideration
Eligible Shareholders:	<p>Being the Shareholders who are the registered owners of Shares at the Record Date and have a registered address in Australia, New Zealand or Guernsey.</p> <p>See Section 2.9 for further information about eligibility.</p>
How to exercise New Option:	<p>Eligible Shareholders wishing to exercise the New Options offered to them need to complete their Notice of Exercise and submit it to the Company, together with payment prior to the Expiry Date.</p> <p>See Section 2.2 for more details on how to exercise.</p>

2.2 Exercise of New Options

- (a) You may exercise your New Option (in whole or in part) as follows:
- (i) duly completing and delivering the Notice of Exercise; and
 - (ii) arranging payment by BPAY® or a cheque or electronic funds transfer for the full payment of the Exercise Price,
- to the registered office of the Company on or prior to the Expiry Date.
- (b) if you do not wish to exercise all or part of your New Options, you are not obliged to do anything.

2.3 Change in control

The Options Offer is a pro-rata offer so that if all Eligible Shareholders exercise their New Options and no other securities are issued, the voting power of all Eligible Shareholders will remain substantively the same. In that event, there will be no actual or potential effect or consequences arising from the Options Offer on the control of the Company.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Eligible Shareholders exercise their New Options, the Company expects that the potential effect of the issue of Options Offer on the control of the Company will be minimal.

2.4 Eligibility for the Options Offer

The Options Offer is made only to Eligible Shareholders. The Options Offer is made personally to each Eligible Shareholder, and that offer is not transferable.

The Options Offer is not made to the public.

2.5 Transfer of Options Offer

The Options Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their New Options.

2.6 Allotment of New Options

New Options and new holding statements will be allotted and issued as soon as practicable after the Record Date, in accordance with Listing Rules and the indicative timetable set out in this Prospectus.

2.7 No ASX Quotation of New Options

The Company will not make an application for the New Options to be granted Official Quotation on ASX.

2.8 CHESS System

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Limited (ACN 008 504 532) (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Eligible Shareholders will not receive certificates for their New Options but will receive a statement of their holdings of their New Options.

Eligible Shareholders who are broker-sponsored will receive a CHESS statement from ASX Settlement.

Eligible Shareholders registered under the Issuer Sponsored subregister will receive a statement from Computershare Investor Services Pty Limited.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

2.9 Eligible Shareholders

The Company has determined not to make the Options Offer to any Shareholder with a registered address outside of Australia, New Zealand and Guernsey, having regard to:

- (a) the number of Shareholders resident in those jurisdictions;
- (b) the number and value of the New Options that would be offered to Shareholders resident in those jurisdictions; and
- (c) the cost of complying with the legal requirements, and requirements of a regulatory authority, in those jurisdictions.

2.10 Ineligible Shareholders

The Options Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The laws of jurisdictions outside of Australia, New Zealand and Guernsey may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand or Guernsey should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Options have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Any persons holding securities on behalf of persons who are resident outside Australia, New Zealand and Guernsey are responsible for ensuring that exercise of New Options does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Notice of Exercise will constitute a representation that there has been no breach of such regulations. Any person intending to exercise an New Option made under this Prospectus who are nominees are therefore advised to seek independent advice as how they should proceed.

2.11 Issue Expenses

The estimated expenses of the Options Offer including the legal fees, professional fees, printing and distribution and Share Registry expenses are approximately \$30,706.

2.12 Application of Funds Raised

Nil funds will be raised as a result of the Options Offer.

The Company will receive \$0.10 for each New Option exercised. If all New Options are issued and exercised, the Company will receive approximately \$2,412,977.40. There is no certainty that any New Options will be exercised and the proportion exercised will depend on the Share price relative to the Exercise Price prior to the Expiry Date. It is currently intended that any funds raised by the exercise of the New Options will be used towards continued development on the Company's existing projects and for working capital. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fee or executive fees, ASX and Share Registry fees, legal tax and audit fees and other liabilities. The Company

notes there are extra costs associated with the Options Offer. Upon exercise of New Options, the Company must lodge an Appendix 3B with the ASX and will, accordingly, incur further costs in this regard.

Further details are set out in Section 3.

2.13 Rounding

Fractional Entitlements will be rounded up to the nearest whole number.

2.14 Enquiries

Any questions concerning the Options Offer should be directed to Taz Aldaoud, Executive Director at 0473 230 558.

3. PURPOSE AND EFFECT OF THE OPTIONS OFFER

3.1 Purpose of the Options Offer

The Company is conducting this Options Offer with the objective of providing Shareholders a potential benefit of greater exposure to the anticipated future success of the Company. The purpose of the Options Offer is to reward Shareholders for continuing to support the Company and to provide the Company with a potential source of additional capital if the New Options are exercised.

Each Eligible Shareholder has the potential to benefit from the Options Offer by receiving one New Option for every ten (10) Shares held as at the Record Date.

No funds will be raised from the issue of the Options Offer pursuant to this Prospectus. However, if the maximum number of New Options are issued and all such New Options are exercised, the Company will raise approximately \$2,412,977.40.

3.2 Effect of the Options Offer on the Company

(a) Financial position

The New Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the New Options are exercised. This will affect the Company's balance sheet.

If the maximum number of New Options are issued and then exercised, the Company will receive approximately \$2,412,977.40 in current assets. However, the Company is not able to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of New Options to be ultimately exercised.

The Company's Annual Financial Statement for the financial year ended 30 June 2021 was released to ASX on 27 September 2021. The Annual Financial Statements can be viewed at www.phosco.com.au

Additional information, including copies of ASX releases and investor presentations, is also available on the Company's website: www.phosco.com.au

(b) Issued Capital

The effect of the Options Offer on the issued capital of the Company will be as follows:

(i) Shares

As a direct result of the Options Offer, there will be no change to the number of Shares expected to be on issue as at the Record Date. If the maximum number of New Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 24,129,774.

If any of the existing options or performance rights are exercised prior to the Record Date, additional New Options will be issued under the Options Offer under this Prospectus. If all existing options and performance rights on issue as at the

date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 32,147,535 Shares resulting in a total of 27,344,528 New Options being issued pursuant to this Prospectus. .

(ii) **Options and Performance Rights**

As at 1 February 2021, the Company has the following existing options and performance rights on issue:

No of securities issued	Holder	Exercise price	Expiry date
12,000,000 unquoted options	Various holders of unquoted PHOAB options	\$0.090	15 July 2022
3,500,000 unquoted performance rights *	Various holders of unquoted PHOAC performance rights	\$Nil	31 December 2023
10,647,535 unquoted options	Various holders of unquoted PHOAD options	\$0.10	31 August 2022
2,000,000 unquoted options	The joint corporate advisors hold the unquoted options	\$0.10	31 January 2024
2,000,000 unquoted options	The joint corporate advisors hold the unquoted options	\$0.15	31 January 2024
2,000,000 unquoted options	The joint corporate advisors hold the unquoted options	\$0.20	31 January 2024

*Performance rights vest on satisfaction of various performance hurdles.

4. SUMMARY OF THE COMPANY'S CURRENT AND PROPOSED ACTIVITIES

4.1 Background

The Company was admitted to the official list of the ASX on 17 December 2009 and had been traded under ASX ticker code 'CNL'.

On 24 January 2022, Shareholders resolved to approve a change of Company's name from Celamin Holdings to PhosCo Limited (under ASX ticker code 'PHO'). This change of name is to reflect the Company's dominant business purpose and strategy, given the Company has now assumed operational and management control of CPSA.

The Company is currently focused on the exploration and development of resource projects in North Africa, with its primary project being the Chaketma Phosphate Project.

4.2 Directors

Robin Widdup

Chairman

Robin is the founder and a director of one of the Company's largest shareholders, Lion Selection Group Limited. Robin has over 40 years of mining industry and equity market experience. Following working in a range of operations in the United Kingdom, Zambia and Australia, Robin joined the J B Were & Sons Resource Research team, prior to founding Lion Selection Group and Lion Manager in 1997. He is currently managing director of Lion Manager and director of Lion Selection Group Limited.

Robin holds a Bachelor of Science.

Other directorships of listed companies: Lion Selection Group Ltd (Director).

Simon Eley

Managing Director

Simon is a solicitor with vast experience in the resource sector. Simon was the chairman of Tierra Grande Resources Inc. (TGRI) on the NASDAQ until the company entered a merger with VNUE Inc. (OTCQB: VNUE). Simon's experience includes capital raisings, commercial agreements, dispute resolution, corporate management, strategy and acquisitions and divestments.

Simon holds a Bachelor of Law and a Bachelor of Arts.

Other directorships of listed companies: M3 Mining Ltd (Executive Director), Westar Resources Limited (Non-Executive Chairman).

Tarecq (Taz) Aldaoud

Executive Director

Taz is a chemist and entrepreneur. He has 15 years' experience in analysing and investing in resource projects at all stages of development, from exploration right through to mining and

production. Taz has business interests in the retail pharmacy sector as well as significant investments in both private and listed resources companies.

Taz holds a Bachelor of Pharmacy.

Other directorships of listed companies: None.

4.3 Current Projects

The Company's key project is the Chaketma Phosphate Project

Further details on investment highlights and current activities can be found in Section 1.4 of this Prospectus.

4.4 New Projects

While the Chaketma Phosphate Project remains the focus for the Company, the Company has been approached regarding several new opportunities which are currently being assessed. Currently all opportunities are confidential, early stage and incomplete.

5. RISK FACTORS

5.1 Introduction

An investment in the Company and the New Options offered under this Prospectus are considered highly speculative because of the inherent risks associated with mining operations and minerals exploration and, additionally because of the on-going legal and accounting due diligence on CPSA, a process which is currently being undertaken following regaining operational and management control of Chaketma Phosphate SA (CPSA), holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA in October 2021. Additionally, there are various other legal actions continuing in relation to the Chaketma Phosphate Project. No guarantee is given that the Company will be successful in any of these legal actions or recovering any damages or other compensation.

The Directors have considered and identified in this section of the Prospectus the critical areas of risk associated with investing in or dealing in New Options which may have a material impact on the financial performance of the Company and the market price of the securities. The risks identified by the Directors are not exhaustive and no assurances or guarantees of future performance of the Company are given. This Prospectus does not take into account the investment objectives, financial situation, particular needs or risk profiles of individual investors.

Before deciding to exercise New Options issued under this Prospectus, Shareholders should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying the risk factors that could affect the financial performance of the Company;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Specific risks are identified in Section 5.2 below being risks specific to the Company circumstances and by reason of its involvement in the resources industry.

General investment risks are set out in Section 5.3 being risks to the Company of a general economic nature.

5.2 Specific investment risks

(a) Litigation risk:

PhosCo's wholly owned subsidiary, Celamin Limited, has been in dispute with its joint venture partner, Tunisian Mining Services (**TMS**) since January 2015, regarding ownership and control of CPSA, which is the operating company responsible for development of the Chaketma Phosphate Project. The Company regained operational and management control of CPSA, holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA in October 2021 through the Final Award. The enforcement of this Final Award may still be challenged by TMS. If it is successful, the Final Award may be overturned by a higher court in Tunisia and no guarantee that the Company will recover any damages, costs or other compensation against TMS in relation to CPSA under such circumstances.

The Company also commenced other actions in the Tunisian Courts.

No guarantee is given that any of the current legal proceedings will be resolved in favour of the Company or that any legal remedy will ultimately be favourable. An adverse outcome in these legal proceedings

may result in loss including the cost of these legal proceedings and of responding to potential or actual litigation may also have a material adverse impact on financial performance.

(b) Risks specific to Chaketma Phosphates SA:

The Company is currently undertaking a process to complete legal and accounting due diligence on CPSA for the period prior to the Company regaining operational control, including determining the financial condition of CPSA and the status of CPSA's equity. As the due diligence exercise is ongoing, the Company is unable to confirm the actual or contingent liabilities which have been incurred in CPSA. The Company may suffer a loss or need to fund the liabilities of CPSA, and there is no guarantee that the Company can recover these costs from TMS or its directors responsible for any of these liabilities.

(c) Value of securities and share market conditions:

No guarantee can be given that the share price will be greater than the exercise price of the New Options during the period to the New Options Expiry Date. Accordingly, there is a risk that the New Options will be out of the money during the exercise period, which would affect the value of the New Options.

The trading price of the Company's Shares may fall as well as rise.

(d) Risks specific to the New Options:

The New Options entitle an Eligible Shareholder to subscribe for a Share at a price of \$0.10 (10 cents). As Shares are readily available on the market, a New Option is only valuable if it allows its holder to acquire a Share for a price less than the holder can acquire the Share on-market. As at the last trading day before the date of this Prospectus, the Company's Shares were trading at a price of approximately \$0.099 (9.9 cents). Eligible Shareholders should have regard to the fact that New Options will only have value if and to the extent that at a particular time, the New Option allows the holder to acquire a Share at less than the market price, or if, and to the extent at the time there is, a prospect that the New Option will in the future, but prior to the New Option Expiry Date, allow the holder to acquire a Share at less than the prevailing market price.

(e) Risks specific to the Shares:

The New Options following issue may be exercised and entitle the holder to increase their shareholding in the Company.

PhosCo Ltd, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the continuing threat of terrorism and the global financial climate, may cause share price fluctuations in the Australian share market and globally. Fluctuations in the price of the Shares are therefore a key risk for recipients of the New Options.

(f) Government regulation risks:

The Company's tenements and activities may be subject to extensive regulation by local, state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. There is a risk that approvals required for exploration and development programs and mining operations may not be forthcoming, either at all or

in a timely manner, or that they may not be able to be obtained on acceptable terms. A failure to obtain any approval would mean that the ability to participate in or develop any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

There can be no assurance that future government policy will not change and this may adversely affect the long term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

(g) Title and permit risks:

Whilst a mining concession application has been lodged in relation to the exploration permit for the Chaketma Phosphate Project, there is no certainty a mining concession will be granted by the Tunisian Government or that, if granted, the mining concession will be of a size and on terms acceptable to the Company. As at the date of this Prospectus, the Chaketma mining concession had not been granted, and application remains under consideration by the Tunisian regulatory authorities.

For granted permits or licences under which exploration or production activities can be undertaken these permits or licences are issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its permits or licences if conditions are not met or if sufficient funds are not available to meet work commitments. Any failure to comply with the work commitments or other conditions on which a permit or licence is held exposes the permit or licence to forfeiture or may result in it not being renewed as and when renewal is sought. Where permits or licences are cancelled, forfeited or refused renewal, no compensation is payable to the holder of the permit or licence except possibly in extreme circumstances.

Further, mining and exploration permits and licences are subject to periodic renewal. There is no guarantee that current or future renewals will be approved. Renewal of the term of a granted permit or licence is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(h) Adequacy of Funding:

The Company will have no operating revenue and it is unlikely to generate any revenue from operations in the short to medium term. Notwithstanding that the Company may raise funds from the exercise of New Options, until such time as the Company's projects generate sufficient cash flow, the Company is likely to require additional equity or debt funding.

Additional funds may be required to advance the Chaketma Phosphate Project toward production.

Some level of debt financing may be available to construct processing facilities as and when and if the Company makes a decision to commence mining operations. Until such time as any such debt financing is available, funding will likely be by way of the issue of shares, which may dilute existing Shareholders.

Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development or force the Directors to pursue transactions which they would not pursue had sufficient funding been available.

(i) Exploration and development risk:

The business of exploration for phosphate and other minerals and their development involves a significant degree of risk and depends on factors that include successful exploration and the establishment of Resources and Reserves within the meaning of the 2012 JORC Code and completion of feasibility and other studies in relation to such projects and the Company may not be successful in doing so.

There is no assurance that future exploration expenditure will result in discoveries or upgrade existing mineralisation to the stage where such can be successfully commercially exploited.

Exploration and development costs are based on certain assumptions with respect to the method and timing of activities. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. Exploration and development operations can also be hampered by force majeure circumstances and cost overruns from unforeseen events, including unexpected variations in geology and equipment malfunction. Increases in the costs of exploration and development may affect a company's ability to invest in projects, to purchase or hire equipment, supplies and services and to recruit skilled personnel. The reduced availability of equipment, services and skilled personnel may delay planned exploration and development activities, which may adversely affect operations and increase costs.

Success in development is dependent on many factors such as: access to adequate capital for project development; design and construction of efficient development and production infrastructure within capital expenditure budgets; securing and maintaining title to interests; obtaining regulatory consents and approvals necessary for the conduct of development, mining and production; securing plant and equipment on competitive and acceptable terms and conditions as and when required; and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants. Failure to achieve any one or more of those factors may have an adverse effect on the Company's development activities and its financial position.

Operations may be affected by various factors, including failure to achieve predicted grades or production rates in exploration and production; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(j) Mineral Reserves and Resources estimates risk:

The Reserve and Resource estimates for the existing mineral properties of the Company are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. In addition, by their very nature, estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurance can be given that any particular level of recovery of minerals from the Reserves and Resources will in fact be realised or that an identified Reserve or Resource will ever qualify as a commercially mineable (or viable) deposit that can be economically exploited.

The variables on which estimates of Resources and Reserves are made include a number of factors and assumptions such as historical production, assumed effects of regulation by government agencies,

assumptions regarding future prices and future capital and operating costs. Estimates of Reserves, Resources and production costs can also be affected by such factors as environmental regulations, weather, unforeseen technical difficulties, unusual and unexpected geological formations and work interruptions.

Material changes in Resources and Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Reserve and Resource estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations.

(k) Geopolitical and sovereign risks generally:

Changes in legislation and government policy in Australia and Tunisia (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.

The Company will be subject to the risks associated with operating in Tunisia generally which may include economic, social or political instability or change, hyperinflation, currency nonconvertibility and instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations and government control over mineral properties.

(l) Tunisian country risk:

The Chaketma Phosphate Project and exploration permits granted to Celamin Limited are located in Tunisia and, and the Company is subject to the risks associated with operating in that country, including various levels of political, sovereign, economic and other risks and uncertainties.

These risks and uncertainties also include, but are not limited to, terrorism, hostage taking, fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Tunisia may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company will conduct its operations in accordance with international laws and standards, which may not be consistent with local customs or practices that could result in loss, reduction of production, logistics and sales, in which the Company's operational and financial performance may be adversely affected.

Outcomes in courts in Tunisia may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Tunisia.

Any material adverse changes in government policies, legislation, political, legal and social environments in Tunisia or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

(m) Environmental risks:

The operations and proposed activities of the Company are subject to Tunisian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment.

It is the Company's policy to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige any company to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

Further, whether in Tunisia or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the operating parties will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.

Relevant government departments from time to time review the environmental bonds that are placed on tenements. Future bonding requirements may be detrimental to the financial position of the Company.

(n) Volatility in the price of minerals:

As an explorer and developer of phosphate and explorer for zinc, lead, gold, silver and, potentially, other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and Project development plans, together with the ability to fund those plans and activities.

(o) Volatility in the market price of securities:

There is no assurance that an active trading market for the Company's securities will be sustained.

Shareholders should recognise that the price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.

(p) **Contractual risk:**

All companies operate through a series of contractual relationships with operators, technical experts, project managers and contractors generally. Joint venture, access and farm in contracts may also be entered into in relation to various projects. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed.

While there are no specific issues relating to the Company's material contracts currently known to the Company (apart from the matters outlined in Litigation Risk in Section 5.2 above), the inability of contracting parties to meet contracted obligations can adversely affect the capacity of the other parties to carry out their own obligations or can cause a project to be unable to be implemented or continued because of their own lack of adequate financial capacity to meet the obligations of the defaulting party. To the extent that third parties default in their obligations under such documents, it may be necessary for the Company to approach a court to seek legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on favourable terms.

(q) **Reliance on key personnel:**

The ability of the Company to achieve its objectives depends on the access to key personnel and external contractors who provide technical expertise and other services. If the Company cannot secure key personnel or external contractors or if the services of the present key personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.

(r) **Potential acquisitions:**

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.

5.3 General investment risks

(a) **Share market and investment risks**

There can be no assurance that an active trading market will exist for the Company's securities. The price of Shares might rise or fall.

Factors affecting the price at which securities are traded on ASX could include local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.

Holding securities will be subject to risks of a general nature relating to investment in shares and securities. The Company will be small company in terms of market capitalisation. As a consequence there may be relatively few buyers and sellers of securities on ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for Shareholders seeking to liquidate their holdings. None of the Company, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.

(b) General economic conditions:

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

(c) COVID-19:

The global economic outlook is highly uncertain due to the current COVID-19 pandemic. The COVID-19 pandemic has had a significant impact on global capital markets, commodity prices and foreign exchange rates and is likely to continue to have a significant impact.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic impact the Company's operations or cashflow and may affect the supply of materials and limit the availability of appropriate workers required for the Company to progress the development of its projects.

In addition, should any Company personnel or contractors be infected by COVID-19, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

(d) Insurance risks:

Insurance of all risks associated with exploration, mining and production activities may not be available at all, or may only be able to be obtained at an unacceptable cost, and so in certain circumstances the Company's insurance may not be of a nature or level to provide adequate coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) Fiscal risks:

These risks involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(f) Litigation:

The Company is presently involved in a number of litigation matters described in Section 5.2 above. There is always the risk that the Company may become exposed to other litigation and to the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.

(g) Industrial action:

The Company will be subject to the risk of industrial action and work stoppages by future employees and employees of contractors who provide services which are necessary for the continued operation of the Company's operations, which may have a material adverse effect on the Company.

(h) **Safety Legislation:**

Current and future exploration and production facilities are subject to a range of safety legislation which may change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

(i) **Changes in accounting policies:**

The Company will be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Company.

(j) **Wars, terrorism, political and natural disasters:**

Events may occur within or outside Australia or within or outside Tunisia that could impact upon the world economy, the operations and exploration activities of the Company and the market price of the Company's Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.

(k) **Valuation:**

No formal valuation has been completed of the Company's projects or the Company itself. The Company makes no representation as to the value of the Company or its assets. It is recommended that intending investors and their advisers make their own assessment as to the value of the Company and its assets.

(l) **Unforeseen Expenditure:**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(m) **Taxation:**

An exercise of New Options offered under this Prospectus involves tax considerations which may differ for each Shareholders. Each Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

6. RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES

6.1 New Options

The following are the terms of the New Options to be issued pursuant to this Prospectus.

(a) ***Entitlement***

- (i) Each New Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of New Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) ***Exercise of New Option***

- (i) The New Options are exercisable at any time from the date of issue.
- (ii) The final date and time for exercise of the New Options is 5:00pm (Sydney time) on 31 August 2022.
- (iii) The exercise price of each New Option is 10 cents (\$0.10).
- (iv) Each New Option is exercisable by the Option holder signing and delivering a Notice of Exercise together with the exercise price in full for each Share to be issued upon exercise of each New Option to the Company's Share Registry.
- (v) All New Options will automatically lapse on the earlier of the:
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the New Option; and
 - (B) expiry of the final date and time for exercise of the New Option as set out in section 6.1(b)(ii).
- (vi) In the event of liquidation of the Company, all unexercised New Options will lapse.
- (vii) For every New Option that is exercised, the Option holder will receive one (1) Share.

(c) ***Quotation***

- (i) The Company does not intend to apply to the ASX for Official Quotation of the New Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any New Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) ***Participation in Securities Issues***

Subject to paragraph 7.20 below, the Option holder is not entitled to participate in new issues of securities without exercising the New Options.

(e) ***Participation in a Reorganisation of Capital***

- (i) In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the New Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in section 0, New Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of New Options will be consolidated in the same ratio as the ordinary Share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (B) in the event of a subdivision of the share capital of the Company, the number of New Options will be subdivided in the same ratio as the ordinary Share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (C) in the event of a return of the share capital of the Company, the number of New Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary Share;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of New Options and the exercise price of each New Option will remain unaltered;
 - (E) in the event of a pro-rata cancellation of Shares in the Company, the number of New Options will be reduced in the same ratio as the ordinary Share capital of the Company and the exercise price of each New Option will be amended in inverse proportion to that ratio; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of New Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on Shareholders.

(f) ***Adjustments to New Options and Exercise Price***

- (i) Adjustments to the number of Shares over which New Options exist and/or the exercise price may be made as described in section 6.1(e)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of section 6.1(f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(iii) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of a New Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the New Option.

O = the old exercise price of the New Option.

E = the number of underlying securities into which one New Option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(iv) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any New Options, the number of Shares received will include the number of bonus Shares that would have been issued if the New Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

(v) Takeovers and Schemes of Arrangement

If during the currency of any New Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has 60 days within which to exercise the New Options notwithstanding any other terms and conditions applicable to the New Options. If the New Options are not exercised within 60 days after notification of the offer, the New Options may be exercised at any other time according to their terms of issue.

If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise New Options within the period notified by the Company.

(g) ***Transfers***

The New Options are not transferable.

(h) ***Notices***

Notices may be given by the Company to the Option holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option holder.

(i) ***Rights to Accounts***

The Option holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Option holder is not a Shareholder, the Option holder will not have any right to attend or vote at these meetings.

6.2 Rights attaching to the Shares issued on exercise of the New Options

(a) ***General***

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the New Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(b) ***Variation of rights***

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (i) with the written consent of the holders of 75% of the Shares issued in that class; or
- (ii) with the approval of a special resolution passed at a meeting of the holders of Shares of the class.

(c) ***Voting rights***

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held, or in respect of which the person is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(d) ***General meetings***

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(e) ***Dividends***

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. Dividends shall be payable out of profits, out of any particular fund or reserve. A determination by the Directors as to the profits of the Company shall be conclusive. Dividends shall not carry interest as against the Company.

(f) ***Winding-up***

In a winding up, any assets available for distribution to Shareholders will, subject to the rights of the Shareholders issued on special terms and conditions, the Company's Constitution and the Corporations Act, be distributed amongst the Shareholders to return capital paid up on their Shares and distribute any surplus in proportion to the amount paid up (not credited) on Shares held by them.

(g) ***Change to Capital Structure***

(i) The Company may:

- (A) convert all or any of its Shares into a larger or smaller number of Shares. Any amount unpaid on the Shares being converted is divided equally among the replacement Shares; and
- (B) cancel Shares which have been forfeited.

(ii) Subject to the Corporations Act, the Company may reduce its capital in any manner including by way of distributing specific assets, including securities of the Company or of any other corporation, trust or entity.

(h) ***Transfer of Shares***

- (i) Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.
- (ii) The Company's Shares are quoted on ASX.

7. ADDITIONAL INFORMATION RELEVANT TO THE OPTIONS OFFER

7.1 The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. Our announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC or via ASIC's online services.

7.2 Section 713 Prospectus

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus, or options to acquire such securities. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Options are options to acquire continuously quoted Shares in the Company.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the offer on the Company; and
- (b) the rights and liabilities attaching to the securities being offered; and
- (c) where the securities are options, the rights and liabilities attaching to:
 - (i) the options themselves; and
 - (ii) the underlying securities.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

7.3 Right to Obtain Copies of Documents

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Expiry Date:

- (a) the annual financial report of the Company for the year ended 30 June 2021, being the annual financial report most recently lodged by the Company with the ASIC;
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 27 September 2021, being the date of lodgement of the 30 June 2021 annual financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

Date	Announcement
1 February 2022	Changes to management and remuneration structure
1 February 2022	Notification regarding unquoted securities – PHO
31 January 2022	Change of director's interest notices x3
31 January 2022	December 2021 quarterly activities and cashflow report
28 January 2022	Proposed issue of securities - PHO
28 January 2022	Appointment of corporate advisor
27 January 2022	Application for quotation of securities - CNL
25 January 2022	Notification regarding unquoted securities - CNL
25 January 2022	Notification regarding unquoted securities - CNL
25 January 2022	Application for quotation of securities - CNL
24 January 2022	Change of Company name from Celamin Holdings to PhosCo Ltd
21 January 2022	Results of annual general meeting
17 January 2022	Notification regarding unquoted securities - CNL

10 January 2022	Change in substantial holding
10 January 2022	Notification of cessation of securities - CNL
21 December 2021	Proposed issue of securities - CNL
21 December 2021	Notice of Annual General Meeting/Proxy Form
15 December 2021	Change in substantial holding from Lion Selection Group Limited
13 December 2021	Section 708A cleansing statement
13 December 2021	Application for quotation of securities - CNL
3 December 2021	Investor presentation
3 December 2021	Proposed issue of securities - CNL
3 December 2021	Proposed issue of securities - CNL
3 December 2021	Company secures \$3.2 million Placement & loyalty option
1 December 2021	Trading halt
4 November 2021	Exceptional new phosphate results
1 November 2021	Final Director's Interest Notice
28 October 2021	September 2021 quarterly activities and cashflow report
14 October 2021	Proposal of name change from Celamin Holdings Limited to PhosCo Ltd
11 October 2021	Company takes control of Chaketma Phosphate Project
27 September 2021	Appendix 4G and corporate governance statement
27 September 2021	2021 Annual Report to Shareholders

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (www.phosco.com.au). Copies of announcements can also be obtained from the Company on request. Investors are advised to refer to ASX's website

or the Company website for updated releases about events or matters affecting the Company.

The Company's Constitution and the consents referred to in Section 7.10 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office.

7.4 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with:
 - (i) its formation or promotion;
 - (ii) the Options Offer; or
- (c) the Options Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount and no benefit has been given or agreed to be given to give any benefit to any Director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a Director in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Options Offer.

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is as follows:

Director (including associated entities)	Current Shares (Direct and Indirect)	Unlisted Options (Direct and Indirect)
Robin Widdup	17,171,220	3,066,666
Simon Eley	7,655,675	7,366,666
Tarecq Aldaoud	10,026,106	3,400,000
Total	34,853,001	13,833,332

The Directors will be entitled to participate in the Options Offer and receive New Options to the extent of their shareholdings.

7.5 Remuneration of Directors

The following table shows each Director's total remuneration for the last financial years ended 30 June 2020 and 30 June 2021:

Director	Financial Year ending 30 June 2020	Financial Year ending 30 June 2021
Robin Widdup ^{1,2,3}	\$126,900	\$65,700
Simon Eley ^{1,2,3}	\$380,700	\$197,100
Tarecq Aldaoud ^{1,3}	\$105,000	\$43,800

¹ Director fees for Non-Executive Directors, and a portion of Simon Eley's annual salary for the period up to 30 September 2019 were settled in ordinary shares. Director fees for Robin Widdup, and a portion of Simon Eley's annual salary for the period 1 October 2019 to 30 June 2020 were also settled in ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a shares on the date of settlement. In addition, included in the above totals for each Director for the financial year ending 30 June 2020 were non-cash expenses for share-based payments relating to unlisted options, with \$61,200 being expensed to Robin Widdup, \$183,600 for Simon Eley, and \$61,200 for Tarecq Aldaoud.

² Director fees for Robin Widdup, and a portion of Simon Eley's annual salary for the period up to 30 September 2020 were settled in ordinary shares. Director fees for Robin Widdup and Tarecq Aldaoud, and a portion of Simon Eley's annual salary for the period 1 October 2020 to 30 June 2021 were also settled in ordinary shares, following shareholder approval at the Company's Annual General Meeting held on 21 January 2022. The value of the shares issued to settle amounts owing reflected the fair value of a shares on the date of settlement.

³ For details of director remuneration for the period from 1 February 2022, see, ASX release "Management changes to reflect renewed Company focus and commitment to cost control" dated 1 February 2022.

Further details of the remuneration of Directors are set out in the Company's 2021 annual report.

7.6 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and has obtained Shareholder approval where required. Otherwise, the Company considers all related party transactions have either proceeded on an "arm's length" basis or constitute reasonable remuneration.

The Board considers that the remuneration and benefits constitute reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

7.7 Expenses of the offer

All expenses connected with the Options Offer are being borne by the Company. The approximate costs of the Options Offer payable by the Company (exclusive of GST) are listed below:

Item	Fees
ASIC lodgement fee	\$3,206
Registry, management of issues, printing and mailing	\$15,000
Legal expenses	\$12,500
Total	\$30,706

7.8 Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, “**Prescribed Persons**”) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Options Offer; or
- (c) the Options Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Options Offer.

GrilloHiggins Lawyers will receive the sum of approximately \$12,500.00 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Options Offer.

7.9 Market Prices of Existing Shares on ASX

The highest and lowest market closing sale price of the Company’s Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: \$0.10 (10 cents) on 8 December 2021.

Lowest: \$0.08 (8 cents) on 1 November 2021.

The last market closing sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.099 (9.9 cents) on 31 January 2022.

7.10 Electronic prospectus

This Prospectus is available in a paper version and in electronic form. The electronic version will be available on the Company's website, www.phosco.com.au, from the date of this Prospectus until 31 August 2022. The Options Offer constituted by this Prospectus in electronic form is made only to Eligible Shareholders receiving this Prospectus in electronic form in Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

While the Company believes that it is extremely unlikely that during the period of the Options Offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any Eligible Shareholder in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company.

7.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.12 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholders	No. of Shares held as at the date of the Prospectus	Relevant interest(%)
Lion Selection Group Limited	35,544,780	14.73
Mr. Chris Retzos	31,600,372	13.10
Polo Resources Limited	27,714,915	11.49
Lion Manager Pty Ltd	15,611,590	6.47

7.13 Top 20 Shareholders

The top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 31 January 2022) are as follows:

No	Name	Number of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
1.	LION SELECTION GROUP LIMITED	35,544,780	14.73
2.	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	24,170,000	10.02
3.	LION MANAGER PTY LTD	15,611,590	6.47
4.	POLO INVESTMENTS LIMITED	13,800,000	5.72
5.	POLO INVESTMENTS LIMITED	10,989,256	4.55
6.	ALDAOUD PTY LTD <ALDAOUD FAMILY A/C>	8,526,106	3.53
7.	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TOM A/C>	6,616,127	2.74
8.	PASIAS HOLDINGS PTY LTD	5,930,000	2.46
9.	LANCASTER CONSULTANTS LIMITED	5,224,526	2.17
10.	NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	4,425,000	1.83
11.	CS LOGISTICS PTY LTD <JEPSAK DISCRETIONARY A/C>	4,244,036	1.76
12.	RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	3,300,000	1.37
13.	ATLANTIS MG PTY LTD <MG FAMILY A/C>	3,223,505	1.34
14.	SAM GOULOPOULOS PTY LTD <S GOULOPOULOS F/SUPER A/C>	3,070,000	1.27
15.	MAGEDO SUPER PTY LTD <MG FAMILY SUPER FUND A/C>	2,832,000	1.17
16.	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TD	2,745,075	1.14

No	Name	Number of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
	A/C>		
17.	HIGGINS (AUSTRALIA) PTY LTD <HIGGINS SUPER FUND A/C>	2,642,876	1.10
18.	YONDRO PTY LTD <PASIAS FAMILY A/C>	2,500,000	1.04
19.	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <THE DALY FAMILY SUPER A/C>	2,320,000	0.96
20.	TMENA PTY LTD <COMBIVAN PTY LTD ACCOUNT>	2,171,736	0.90
	Total	159,886,613	66.26

7.14 Subsequent events

Save for the information contained in the documents set out section 7.3 and otherwise as disclosed to ASX, there has not arisen in the interval between 27 September 2021 (being the date of issue of the 30 June 2021 Annual Financial Report) and the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.15 Litigation

Other than as disclosed at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.16 Consents

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Options Offer. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Automic Pty Ltd has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's share registry in the form and context in which it is named. Automic Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being

named as Share Registry to the Company. Automic Pty Ltd has not authorised or caused the issue of and expressly disclaims and takes no responsibility for, any part of this Prospectus.

7.17 Privacy Act

By submitting a Notice of Exercise, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

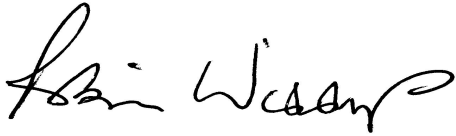
You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read 'Robin Widdup', with a stylized flourish at the end.

Mr. Robin Widdup

Chairman

9. GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
AEDT	Australian Eastern Daylight Time.
ASIC	Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX	ASX Limited (ACN 008 624 691), or the securities exchange operated by it, as the case may be.
Board	The board of Directors of the Company.
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne, Victoria.
Chaketma Phosphate Project	Tunisia phosphate project held by the Company's wholly owned subsidiary via a 50.99% interest in CPSA.
CHESS	Clearing House Electronic Subregister System.
Company	PhosCo Ltd (ACN 139 255 771).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
CPSA	Means Chaketma Phosphate SA, which is a joint venture company that holds and operates the Chaketma Phosphate Project in Tunisia.
Directors	The directors of the Company, and <i>Director</i> has the corresponding meaning.
Eligible Shareholder	A person who was registered as a holder of Shares in the Company as at the Record Date.
Exercise Price	\$0.10
Expiry Date	Means the date specified in the Indicative Timetable.
Issue Date	Means the date specified in the Indicative Timetable.

TERM	DEFINITION
Issuer Sponsored Statement	Issuer sponsored holding statement to be issued by CHESS.
Listing Rules	The official listing rules of the ASX.
New Options	Options offered under this Prospectus.
Notice of Exercise	The notice of exercise that accompanies this Prospectus which is to be used by Eligible Shareholders to convert the New Options into Shares under the Options Offer.
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules.
Option	A loyalty bonus option to acquire a Share in the capital of the Company.
Options Offer	The offer of New Options to Eligible Shareholders made in accordance with this Prospectus, further details of which are set out in Section 2.1.
Placement	The issuance of up to 42,590,173 new Shares in the Company at an issue price of \$0.075 per Share to new and existing institutional and sophisticated investors.
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 7.8.
Prospectus	This Prospectus dated 1 February 2022.
Record Date	Means the date specified in the Indicative Timetable.
Section	A section under this Prospectus.
Shareholder	A registered holder of Shares appearing on the Company's share register.
Shares	Ordinary fully paid shares in the capital of the Company.
Share Registry	Automic Pty Ltd (ABN 27 152 260 814).

10. CORPORATE DIRECTORY

Registered Office

Level 4, 100 Albert Road

South Melbourne Vic 3205

Ph: +61 (0)3 9692 7222

Fax: +61 (0)3 9077 9233

Email: info@phosco.com.au

Website

www.phosco.com.au

Directors

Robin Widdup

(Chairman)

Simon Eley

(Managing Director)

Tarecq (Taz) Aldaoud

(Executive Director)

Company Secretary

Stefan Ross

Solicitors to the Options Offer

GrilloHiggins Lawyers

Level 4, 114 William Street

Melbourne VIC 3000

Auditor*

Grant Thornton Audit Pty Ltd

Collins Square, Tower 5

727 Collins Street

Melbourne Vic 3008

Share Registry**

Automic Pty Ltd

Level 5, 126 Phillip Street, Sydney NSW 2000

Ph: 1300 288 664 (within Australia)

Ph: +612 9698 5414 (outside Australia)

Website: <https://www.automicgroup.com.au/>

ASX Code

Shares: PHO

**This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

***This entity has not been involved in the preparation of this Prospectus and has consented to being named in this Prospectus only in the circumstances set out in Section 7.11.*