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ASX Announcement **15 March 2022**

CHAKETMA PHOSPHATE RESOURCE UPDATE DELIVERS 50% INCREASE AT KEL DEPOSIT TO 55.5MT

HIGHLIGHTS

- Following the restart of technical work in early 2022, PhosCo is pleased to announce a material increase to its Mineral Resource Estimate at KEL (Kef El Louz) Phosphate deposit, that forms part of the flagship Chaketma Phosphate Project

CHAKETMA	JORC 2012	Mt	% P_2O_5
KEL (Kef El Louz)*	Measured	49.1	21.3
	Indicated	6.4	20.3
	M&I	**55.5**	**21.2**
GK (Gassaa Kebira) - June 2013	Inferred	93	20.3
Global Resources	**M+I & Inferred**	**148.5**	**20.6**

(*Previous, November 2012, Estimate: Inferred 37.0Mt @ 21.0 P_2O_5)

- The KEL resource tonnage has increased by 50% and whilst maintaining a high grade the resource confidence has improved through upgrading of Inferred Resources to Measured and Indicated Resources
    - 117 drill holes were used (vs. 37 holes used to define the 2012 Resource)
- KEL is now a large, shallow and high confidence resource that features simple geology, which is exposed on all sides through its Mesa-like topography
- The revised KEL resource will provide a strong platform to progress technical studies and further resource expansion, allowing:
    - Conversion to Ore Reserves and commencement of mine feasibility work
    - Potential 30 years mine life at an initial production rate of 1.5Mtpa
    - Significant resource growth potential with only 47% of the surface area of known KEL mineralisation covered by drilling
- A Gap Analysis to evaluate the work required to complete a bankable feasibility study (BFS) on KEL is underway and due for completion in Q2-CY22
- The GK deposit (**93Mt at 20.3% P_2O_5**) awaits an updated Mineral Resource Estimate to include an additional 21 holes (previously 10 holes were used)
- **Global resource at Chaketma now stands at 148.5Mt at 20.6% P_2O_5** and is the only phosphate resource in North Africa controlled by an ASX listed company

PhosCo's Executive Director, Taz Aldaoud, commented:

"We're excited to see such a significant step-change at the KEL phosphate prospect. Not only has the size of the resource increased substantially, but equally positive is the enhancement in confidence of the resource thanks to a large conversion of tonnes into the Measured & Indicated category. There's plenty of upside at this deposit with drilling to date covering just less than half of the surface area of known KEL mineralisation. Work is now underway to deliver an upgrade at the neighbouring GK deposit."

RESOURCE UPGRADE

PhosCo Ltd ('**PhosCo** or the '**Company'**) (**ASX:PHO)** is pleased to announce a significant increase in tonnage and confidence of its Mineral Resources Estimate (MRE) at the KEL (Kef El Louz) prospect at the Chaketma Phosphate Project (Chaketma or the Project) in Tunisia. KEL is one of two zones of phosphate mineralisation at Chaketma, the second is the larger (on the basis of current Resources) GK deposit. A Resource update is in preparation for GK.

Independent consultancy Arethuse Geology has estimated a Measured and Indicated Mineral Resources for KEL of 55.5 million tonnes of rock at a grade of 21.2% P_2O_5 as per JORC (2012) guidelines, above a cut-off of 10% P_2O_5. This is a significant increase from the previous KEL MRE of 37Mt @ 21% P_2O_5 (Inferred) (published on the 9th November 2012, as estimated by independent consultancy Geos Mining). This provides a resource base sufficient for the initial 30 years of the mining plan as proposed in the Scoping Study announced 14 August 2012 (Scoping Study). The new MRE represents an increase of 18.5Mt or 50% on the previous maiden MRE.

The KEL MRE has been estimated with a materially greater quantity and density of drilling data than the previous (2012) estimate (2012: 37 holes totalling 2,889 metres / 2022: 117 holes totalling 9,128 metres). The additional drilling is largely in-fill and the 31 holes outside the maiden MRE envelope are concentrated in a comparatively small area. The spacing of the drilling combined with an improved understanding of cross-cutting faults which have been mapped at surface in detail underpins the classification of high confidence Measured and Indicated Resources.

The drilling contained by the KEL MRE covers 47% of the overall surface area of the known mineralisation for the prospect. There is potential to extend the resource south and east where the mineralisation outcrops and has not been drilled but has been trenched and mapped around the periphery of the topographical feature. The type of sampling in the trenches does not currently support inclusion in the MRE but clearly shows that phosphate mineralisation is far more extensive than the area drilled at KEL. PhosCo intends to extend drilling coverage and has high confidence this will result in further growth of the KEL MRE.

Figure 01 – Resource Upgrade & Drilling for KEL Prospect

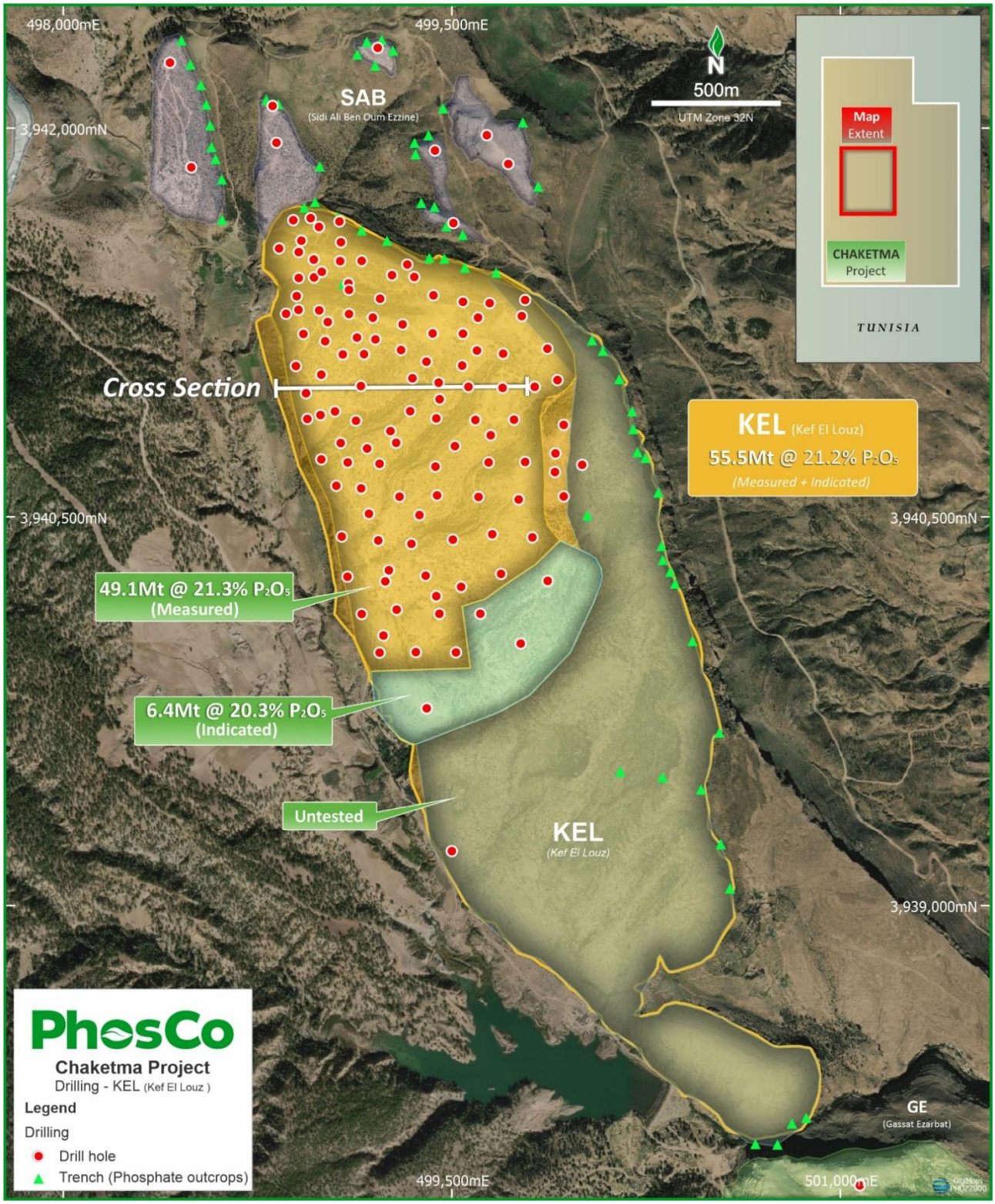


Figure 02 – KEL Section 3 941 000mN Demonstrating Continuity of Mineralisation

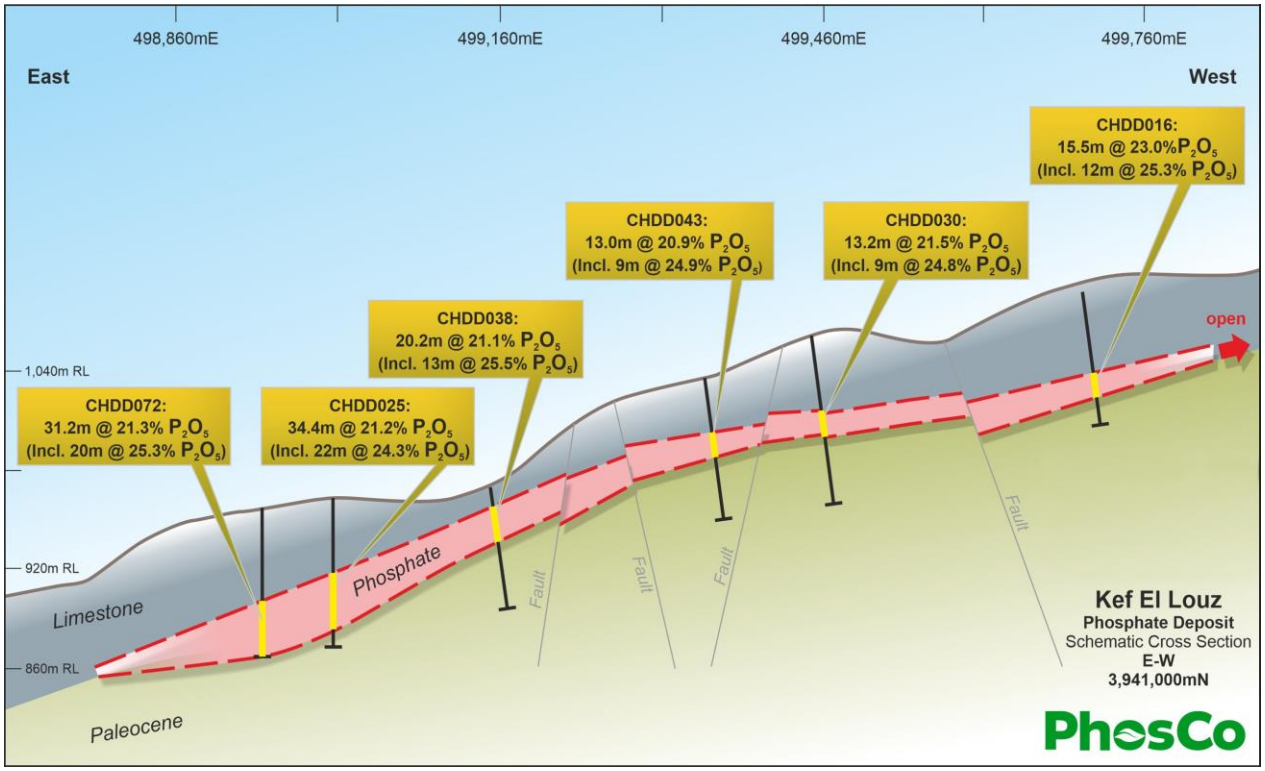
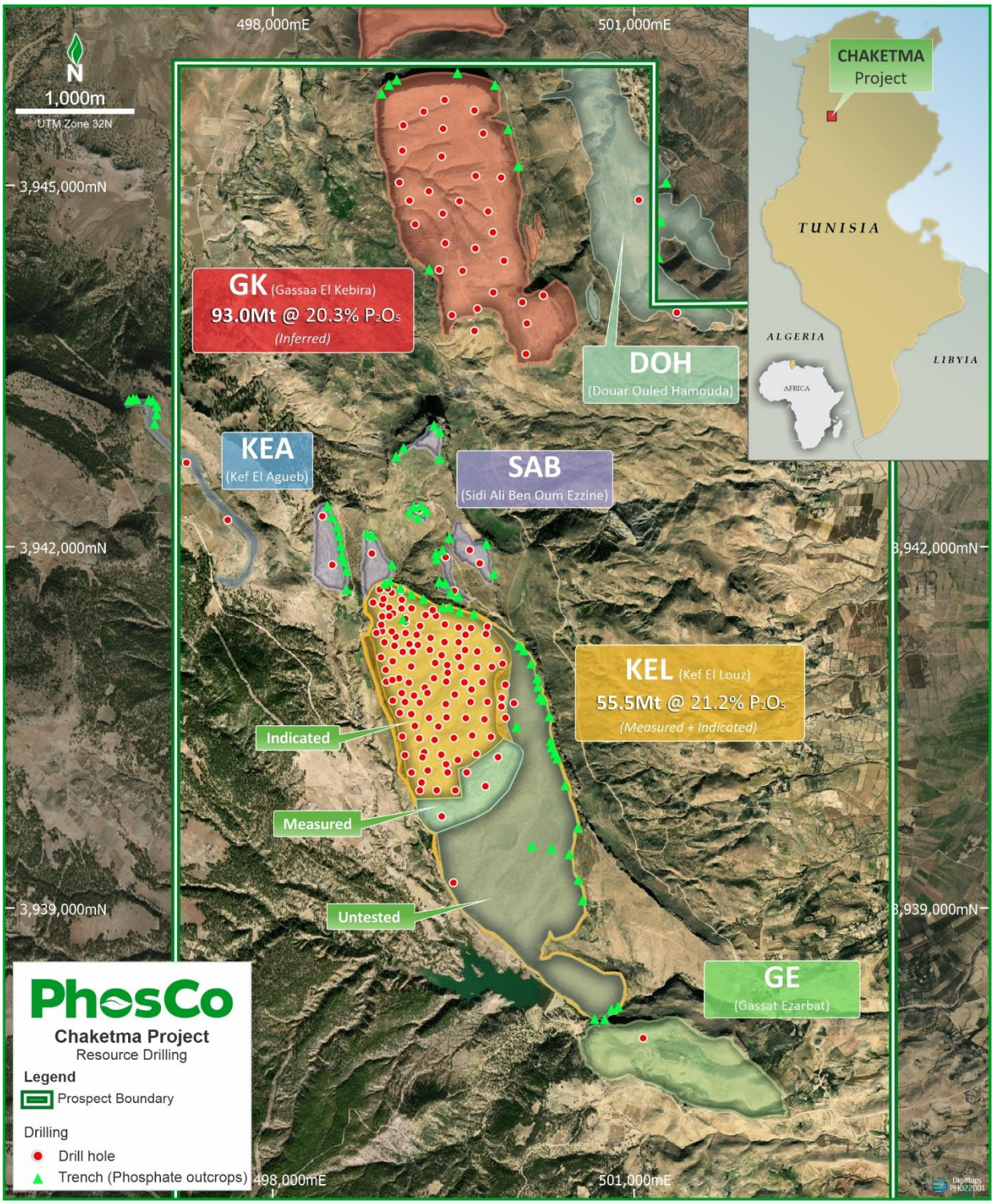


Figure 03 – KEL Trenching Showing Phosphate Mineralisation (Lower Layer) and Dolomitic Limestone Overburden

The existing MRE for GK (Gassaa Kebira) currently stands at 93 Mt at 20.3% P_2O_5 (prepared by Geos Mining, 2013), and global resources for the Chaketma Phosphate Project now stand at 148.5Mt at 20.6% P_2O_5. Further drilling should add to this resource base. The Chaketma resource is the only phosphate resource controlled by an ASX listed company in North Africa.

Figure 04 – Chaketma Phosphate Project Prospect Locations



NEXT STEPS

The expanded KEL MRE, which has clear and material upside, provides a strong basis for technical and financial assessments of the Project, which will be progressed following the completion of Gap analysis. A large amount of historic technical work is currently being reviewed and validated for potential inclusion in project studies providing the opportunity to rapidly advance Chaketma towards production.

Key work programs anticipated by PhosCo to confirm and optimise the existing project studies include:

1. Metallurgical test work programs, based on sampling guided by the different phosphate mineralisation layers of the MRE, which are planned to optimise recoveries specific to each layer.

2. These findings will be required to optimise mining extraction and pit design, as a key step toward estimation of Ore Reserves.

3. Further drilling is planned over the remainder of the KEL prospect with the aim of extending high confidence Resources over the entire prospect. Approximately 130 drill holes are estimated to be required to provide a similar drill density over the 53% of KEL that has not been drilled as exists over the established Resources. PhosCo intend to consider an Exploration Target prior to Resource drilling.

4. The GK MRE is in the process of being updated to include an additional 21 new holes, taking the total number of holes to 31 at that prospect from the 10 used in the 2013 MRE. Resource estimation methodologies applied in the 2022 update of KEL MRE will also be applied to GK.

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

Simon Eley, Managing Director

For further information, please contact:

Taz Aldaoud
Executive Director
T: + 61 473 230 558

Simon Eley
Managing Director
T: +61 (03) 9692 7222

COMPETENT PERSON'S STATEMENT

Mineral Resources

*The Information in this report that relates to **Mineral Resources** at KEL is based on information compiled and reviewed by Mr Remi Bosc, a Competent Person, who is a Member of the European Federation of Geologists and an independent consultant. Mr Bosc is a full-time employee of Arethuse Geology. Mr Bosc has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bosc consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Exploration Results

*The information in this report that relates to **Exploration Results** is based on, and fairly represents information and supporting documentation prepared by Mr. Donald Thomson, a Competent Person who is a Member of Australasian Institute of Mining and Metallurgy. Mr. Thomson is an employee of Celamin Limited (PhosCo). Mr. Thomson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

APPENDIX 1: KEL MINERAL RESOURCE ESTIMATE SUMMARY

Prospect Geology and Geomorphology

Chaketma is one of several known phosphate deposits in Northern Tunisia. Phosphate deposits in Northern Tunisia share a similar character and differ from the phosphate deposits of the Gafsa basin in the South. The Gafsa basin phosphates tend to be thicker, higher-grade, are free digging, and can be beneficiated by washing. Phosphate deposits in Northern Tunisia tend to be lower grade and require drill and blast mining.

The Chaketma local geology consists of a transitional sequence of shallow water Eocene marine dolomitic limestone cover grading down through phosphatic sediments to deeper marine sandstones, clays, and marl. The upper phosphorite at Chaketma is a dolomitic phosphatic sandstone grading into a higher grade coarse coprolitic phosphate and finally fine grained phosphatic marls.

The basin was uplifted, tilted, and faulted. KEL is one of six prospects at Chaketma which are remnants of a once continuous phosphate rich basin that has been pulled apart. KEL and GK, the two largest prospects at Chaketma, now occupy prominent topographic mesas with phosphate exposed on the flanks. The high degree of exposure of the phosphatic geology makes exploration easy and is likely to make exploitation of the resources relatively straight forward.

The geological unit of economic interest at KEL is a stratified phosphate horizon composed of three distinct layers (A, B and C) that are chemically distinct. The chemical differences between layers reflect variations in mineralogy and will have an impact on metallurgy. The highest grade Layer B comprises 58% of the total resource. The KEL MRE is reported according to each layer in Appendix 2.

Metallurgical properties of each layer need to be individually established in order to generate a geometallurgical model of the project. The upper layers are sandy and therefore quartz rich while the lower most layer is clay rich. These contrasting mineralogies will behave differently in a processing plant and different regents will be required to remove them during beneficiation.

Exploration History

There have been 162 holes drilled at Chaketma since first drilling in 2011. Most of the drilling has focused on KEL (117 holes) and GK (31 holes) (Table 1).

Table 1. Chaketma Distribution of Drilling by Prospect

Prospect	Area (Km^2)	Number of Holes	Total Metres
KEL	3.56	117	9,128
GK	2.23	31	4,355
SAB	0.40	9	491
KEA	0.53	2	100
DOH	1.36	2	163
GE	0.82	1	102
Total	8.90	162	14,338

Drill Hole Data

This KEL resource estimate is based on 117 diamond drill holes (summarised in Table 1). Geological observations and samples taken from 28 trenches have contributed to interpretation, but have not been used to inform block model grades. Drilling, trenching, sampling and the recording of geological data was conducted by Tunisian Mining Services (TMS). Samples of half core cut from HQ diameter diamond drilling core were assayed at either Al Amri or ALS, which are both independent, internationally accredited assay laboratories with sufficient intercalation of blanks and standards. Major elements and oxides have been assayed by XRF, and trace elements by ICP-OES. The Exploration data for the KEL prospect has been consolidated into a custom-designed exploration database. Field data was provided as Excel logging sheets and assay returns in their original laboratory formats. Validation has been performed throughout the data acquisition phase.

Table 2. Exploration Data Summary

Drilling Campaign	Hole type	No of drill-holes	Lengths (m)	Assay method	Laboratory
2011	DD	1	42.3	XRF24	ALS
2012	DD	43	3713.6	XRF24 or XRF24+ICP	Al Amri
	TR	28	182.1	XRF24	Al Amri
2013	DD	41	3106.7	XRF24+ICP	Al Amri and ALS
2015	DD	32	2247.5	XRF24+ICP	ALS

Interpretation

The upper and lower limits of the phosphate layer have been modelled, defining three geological units: an uppermost limestone unit, the phosphate unit, and an underlying marl. Three dimensional wireframes were created for each geological unit, based on drill-hole logging and surface mapping which used to defined cross cutting faults. Faults were mapped at surface, draped on the surface Digital Terrain Model (DTM) and extended to depth using the dip measured at surface. The phosphate layer is composed of three distinct chemical / geological domains:

- Upper layer A: coprolitic phospharudite
- Middle layer B: phospharenite/phospharudite
- Lower layer C: marly phospharenite

These three layers are principally defined based on MgO and P_2O_5 abundance, and have been separately wireframed. The higher P_2O_5 grading (22-30%) middle layer B also features a lower abundance of MgO (0-4%), whilst the upper and lower A and C layers are lower P_2O_5 grade (10-22%) and higher MgO (4-10%).

Estimation

After wireframing in Surpac, exploratory data analysis was performed using Surpac, Isatis and XLStats.

Typical drill spacing varies between 80 to 150m in the northern area (Measured) and approximately 250x250m in the central portion (Indicated). The southern portion of the prospect is undrilled and has not been modelled (untested).

Model block dimensions of 25x25m has been selected as this is considered most suitable for the most densely drilled northern portion of the KEL Resource. Data for all modelled elements are highly continuous over the whole of the modelled Resource, so whilst a 25x25m block size is small for the less closely drilled central and southern areas given excellent data continuity this block size is considered an acceptable compromise. High confidence volume definition is provided with the use of sub-blocking, and the chosen subblock size allows adequate volume calculations. Sub-blocking (6.25m x 6.25m x 1.25m) has been selectively employed to model shallow zones of mineralization.

The block model includes 3 categorising variables:

- Rocktype: Geological facies of the block, assigned from the 3D geological model and according to the current topography.
- Classification: Levels of resource classification “measured” and “indicated”.
- Layer: Distinction between the three mineralized layers of the phosphate unit (A, B and C).

All the results are issued from Surpac V6.6 constrained block-model reports. Block model volumes were checked against corresponding wireframe volumes; the differences between them are negligible.

The interpolation was restricted by wireframes for layers A, B, and C, and constrained by topography. The three layers have been interpolated independently.

Orientation and dip of the phosphate layers have been used to adapt the search ellipsoid parameters. Horizontal search distances have been estimated from geostatistical analysis: the rounded values of first and second structures of semi-variograms have been adopted as horizontal search distances for first and second passes. The interpolation of each pass will then be directly linked to the continuity degree of the samples.

The maximum search distance has been adapted according to the maximum size of the deposit, learnings from order two stationarity study and ranges of the variogram model. All domains/variables have been interpolated using 3x3x3 discretisation points.

For each solid, the variable estimated has been interpolated independently from composite samples contained in each mineralized layer. Three passes of interpolation by ordinary kriging have been used with increasing search distances and decreasing minimum number of samples used for interpolation. Inverse Distance method was used for Al_2O_3 within Layer A. No maximum number of samples per drill-hole were defined.

Classification

Resources have been classified based on a combination of drill spacing, data quality, and interpolation quality based on sample correlation distance.

The variographic analysis of all the elements indicated that the first structure of all semi-variograms is observable around 200m. Where drilling is closer spaced than 200m, a classification of Measured is considered warranted. The second structure of semi-variograms is most commonly observable around 500m: outside of areas classified as Measured, drill spacing does not exceed 500m and so these areas have been classified as Indicated. These drill densities match the confidence in the geological model as well.

Following the classification discussion above, the MRE at KEL can be manually contoured based on distinct difference in drill spacing between two areas:

- The first area has a high density of drill-holes (about 100 to 150m between two holes). This area is classified as Measured.
- The second area has a lower density of drilling (about 200 to 350m between two holes), but sufficient to perform interpolation between drill-holes with an acceptable confidence. This area is classified as Indicated.

Reporting

The Mineral Resource Estimate for Kef El Louz is reported in compliance with JORC 2012 above a cut off of 10% P_2O_5:

Measured:	49.1 Mt at 21.29 % P_2O_5
Indicated:	6.4 Mt at 20.32 % P_2O_5
M&I:	***55.5 Mt at 21.18 % P_2O_5***

The KEL Resource is larger now, but the grade and average dimensions have not materially changed. Project economics have been assessed in a Scoping Study completed in 2012, which envisaged an open pit with standard truck and shovel operation and beneficiation by flotation to produce a marketable P_2O_5 concentrate. This study, based on costs that were current at the time, established reasonable prospects for eventual economic extraction. Values have been rounded to two or three significant figures to reflect the relative estimation precision of each resource classification.

APPENDIX 2: KEL RESOURCE JORC (2012) BREAKDOWN BY PHOSPHATE LAYER

The Mineral Resource for KEL is 55.5MT at 21.2% P_2O_5 at a 10% Cut-Off Grade

Mineralisation Layer	Classification	Volume (m^3)	Tonnes	P_2O_5 (%)	Al_2O_3 (%)	CaO (%)	Fe_2O_3 (%)	MgO (%)	SiO_2 (%)	K_2O (%)	Cd (ppm)	U (ppm)
	Measured	3 010 000	7 900 000	18.75	0.49	42.69	0.92	6.89	4.66	0.2	19.78	22.97
Layer A	Indicated	460 000	1 200 000	16.63	0.49	41.35	0.74	8.07	4.92	0.18	19.4	32.79
	M+I	**3 470 000**	**9 100 000**	**18.47**	**0.49**	**42.51**	**0.9**	**7.04**	**4.7**	**0.2**	**19.73**	**24.28**
Percentage of total Resource			**16.4%**									
	Measured	10 610 000	28 800 000	24.96	0.83	44.26	0.93	2.82	8.13	0.25	55.5	24.1
Layer B	Indicated	1 260 000	3 400 000	24.43	0.86	43.69	0.92	2.84	8.77	0.24	56.69	28.43
	M+I	**11 870 000**	**32 200 000**	**24.91**	**0.83**	**44.2**	**0.93**	**2.82**	**8.2**	**0.25**	**55.63**	**24.56**
Percentage of total Resource			**58%**									
	Measured	4 620 000	12 400 000	14.55	1.99	35.22	1.47	7.63	12.5	0.68	18.44	18.56
Layer C	Indicated	680 000	1 800 000	15.15	1.65	36.06	1.36	7.68	11.9	0.52	19.5	22.63
	M+I	**5 300 000**	**14 200 000**	**14.62**	**1.95**	**35.33**	**1.46**	**7.64**	**12.42**	**0.66**	**18.57**	**19.08**
Percentage of total Resource			**25.6%**									
TOTAL	Measured	18 250 000	49 100 000	21.33	1.07	41.72	1.06	4.69	8.67	0.35	40.37	22.52
Layers	Indicated	2 400 000	6 400 000	20.34	1.01	41.09	1.01	5.19	8.93	0.31	39.14	27.62
A, B & C	**M+I**	**20 650 000**	**55 500 000**	**21.22**	**1.06**	**41.65**	**1.06**	**4.75**	**8.7**	**0.35**	**40.23**	**23.11**
Percentage of total Resource			**100%**									

Table 3. Grade Tonnage Distribution

Measured and Indicated			
P_2O_5% cut-off	Volume (m^3)	Million Tonnes	P_2O_5 Grade (%)
> 0	20710000	55.70	21.22
> 8	20710000	55.70	21.22
> 10	20710000	55.70	21.22
> 12	20710000	55.70	21.22
> 13	20540000	55.22	21.30
> 14	19220000	51.69	21.83
> 15	16990000	45.72	22.78
> 16	15370000	41.39	23.54
> 17	14540000	39.20	23.94
> 18	13890000	37.48	24.23
> 19	13390000	36.18	24.44
> 20	12880000	34.84	24.63
> 21	12370000	33.49	24.80
> 22	12050000	32.65	24.88
> 23	11710000	31.73	24.95
> 24	9550000	25.88	25.25
> 25	5350000	14.50	25.84
> 26	1840000	4.98	26.54
> 27	305000	0.83	27.22
> 28	800	0.002	28.07

APPENDIX 3: JORC CODE, 2012 EDITION - TABLE 1

KEL – Chaketma Project Tunisia

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	Diamond core was split and half cored using a diamond saw. Maximum sample length is 1.5 metre depending on geological boundaries, the minimum sample length is 0.5 metres. Duplicate samples are made by quartering the core. Channel sampling on trench or on outcrops was done using angle grinders with diamond blades to cut a slot. The sample material was then removed from the rock face using jack hammers.
Drilling techniques	HQ diamond drill, except DD15 which is PQ (initially drilled for water bore-hole). Channel samples, despite the good quality of work, present a number of issues due to the difficulty to sample discontinuous hard rock outcrop, and thus have been used for geological guideline only.
Drill sample recovery	Cores recoveries have been calculated on 3 meters run, and are generally excellent (>> 95%, most of the time equal to 100%). Phosphate ore is massive and coherent, and does not break nor pulverize, allowing excellent recovery
Logging	Logging has been coded to a simplified but efficient manner, reflecting the main lithological groups. A number of inhouse and independent checks have been conducted, verifying the adequacy and precision of logging compared to geology and grades. Holes have been entirely logged, and eventually a proportion of the early holes have been relogged. Geological logging has been conducted by a competent team, and cross-verified. Core boxes are properly marked: box number, Core depths, driller's block, sample depths have been systematically reported. Voids due to (rare) karsts are reported as such with a wooden core block, also sometimes it may have generated some (minor) down hole depths discrepancies. Most of the holes (Core-boxes) have been photographed. Geological logs, as well as assay logs files are available, and properly stored and organized for rapid reference. An independent verification of the logs has been carried out, first in January 2015, then again in June 2015 on 15 dh, and revealed no issues. Ore intervals as well as gradual limits between phosphatic layers A, B and C were well identified and reported.
Sub-sampling techniques and sample preparation	HQ cores were saw in halves, with a usual good quality cut. Half cores, always the same side, were then collected along a pre-established sample scheme, crushed to 2-5mm, then split down with a riffle splitter to about 500g. The 500 g crush was sent to the analytical laboratory for final pulverizing and assay. Given the massive nature of the ore, the sub-sampling techniques are straight forward and efficient. A QaQc program has been progressively developed, and test the whole program, including first-division duplicates, intercalation of coarse blanks and commercial standards (pulps).

Criteria	Commentary
	In June 2015, an independent sampling program had been conducted by Arethuse on quarter cores duplicates and assays at ALS with an intercalation of blanks and standards and returned satisfactorily results. Samples were tagged with ticket IDs at preparation stage. In 2015, 9 DH / 260 samples were attributed the same Ticket_ID (2013 drill-holes). The different batches_ID, as well as a sequence of ore, barren rock, Blanks, and standard allowed to allocate the assay values to the right sample with a high level of confidence, and have been independently checked. This issue has been satisfactorily and independently checked and there is no restrictions for using this samples in the drilling database.

Quality of assay data and laboratory tests	Assays were conducted in two different independent laboratories:
	- Al Amri Labs, KSA (2012- 2013)
	  o Major elements by XRF on fused disc (Borate fusion).
	  o Lost on Ignition
	  o Multielement by ICP-OES, as well as Sulfur and Fluorides
	- ALS chemex, spain (since 2013):
	  o Major elements by XRF
	  o Lost on Ignition
	  o Multielement by ICP-AES 34 elements, incl. Sulfur (F not assayed)
	- A comprehensive QaQc program has been implemented including 4 different CRMs, with staged P_2O_5 values from 13 to 27 %, in-house coarse blanks (non certified), and duplicates.
	- A comparison between ALS and Al Amri returned a 7% bias, in favor of ALS.
	- Overall acceptable precision and accuracy for Major elements. (See QaQc sections and comment)

Verification of sampling and assaying	In Februray 2015, an independent verification by Arethuse Geology on about 5-10 holes, comparing core boxes, geological logs and assay, was satisfactory. In June 2015, an independent data verification and sampling by Arethuse Geology included: - Verification for 15 holes of the adequacy logging compared to cores and assay results - Re-sampling of 46 samples (1/4 cores) for independent assay (ALS) - Verification of the drilling database and returned satisfactorily results
Location of data points	Topography of surface and drill-hole collars was surveyed in UTM – WGS84 by DGPS. Topographical surface is representative of actual topography with sufficient details for resources. Several issues were noted: precision of collar surveys, overall precision of the terrain model, and future work for mining purpose should include re-survey of the area. However, the error are minor compared to the scale of the deposit and it is the opinion of the author that the error is not considered as a critical flaw for this resources estimate although it may locally affect the precision of the model.
Data spacing and distribution	Drilling and sampling spacing is sufficient for a Mineral Resources Estimates, establishing sufficient confidence for both geological and grade continuity, as well as to support a mine planning.

Criteria	Commentary
Orientation of data in relation to geological structure	The ore is a large tabular ore-body, dipping at 15-20° west. Drillings that are intercepting the orebody at a proper angle.
Sample security	Cores boxes and sample rejects are acceptably stored in the core-shack when the author last visited the project in 2015. A paper documentation helps to trail samples, rejects and pulps, and most of them were available for verification.
Audits or reviews	A preliminary audit of drilling results and materiality was positively conducted in January 2015 (ARETHUSE, GEOS), and thoughtfully in June 2015 (ARETHUSE). Data were re-assessed in December 2015 for preparing this estimate. Geos Mining consulting office (Brisbane, Australia), estimated an Inferred Resources with a comprehensive review of data in march 2013.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Note that some these sub-sections are not relevant anymore, the project being at a resource estimate stage, and all data being assessed and reviewed for 3D resources estimate. These sections have been quoted “NR”

Criteria	Commentary
Mineral tenement and land tenure status	Kef El Louz is fully located within the Chaketma exploration licence. Chaketma is held by a joint venture company Chaketma Phosphate SA (CPSA). PhosCo has a 50.99% interest in CPSA. CPSA holds the Chaketma Exploration Permit. 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 report, the Chaketma mining concession had not been granted, and application is under consideration by the Tunisian regulatory authorities. The Chaketma Exploration Permit remains valid and in good standing whilst the application is being considered by the Tunisian regulatory authorities. The Company has made representation to the national government and local authorities to ensure good standing. It was not part of ARETHUSE Scope to make a legal Due diligence, but there is no element to our knowledge that should construe the validity of this license. The possibility to technically convert the license to a mining license has been positively assessed in the Scoping Study.

Criteria	Commentary
Exploration done by other parties	Several surveys of the deposits have been conducted since its discovery, including geological mapping. The results of this resources estimate is fully based on modern exploration by drilling carried out by Chaketma Phosphate Project during Celamin and TMS time.
Geology	The Kef El Louz deposit, as the whole Chaketma project, is a marine sedimentary deposit of upper Paleocene (Lower Ypresian). It is a single continuous monoclinal level sub-horizontal (bedding < 20°), with a thickness varying from a few meters till 42 meters. It is overlain by a thick Eocene numilitic dolomitic limestone. The deposit is limited by a major NNW-SSE normal fault on it west margin, and is well faulted (E-W and NE-SW) in its northern end. Faulting seems to control the thickness of the deposit, suggesting a structurally controlled subsidence.
Drill hole Information	*NR* *All data being assessed and reviewed for a 3D resources estimate*
Data aggregation methods	*NR*
Relationship between mineralisation widths and intercept lengths	*NR*
Diagrams	Abundant maps and geological sections being prepared for the Geological reviews, by the project geologists.
Balanced reporting	*NR*
Other substantive exploration data	Geophysical surveys (IP) was useful at an earlier stage to determine full geological continuity, but was qualitative, and not sufficiently quantitative to be used for 3D modelling. A beneficiation test was conducted for the scoping study, and is commented in Section 1.3 of this table.
Further work	This estimate was prepared in 2016, and to the knowledge of the author no further exploration work was carried out by CPSA since. Some trial mining studies were carried out including a small test pit, but not publicly reported. This work, albeit not disclosed to the author is believed having no material impact on the Resource Statement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	The original drilling data were collected in a master spreadsheet that has been imported into a Microsoft Access database, where a series of checks were done. Non-matching and double-up records were checked for all tables using Microsoft Access requests, and no major issues were reported. Coherence of depths between tables were verified in the 3D package, and minor issues were duly corrected. Independent review of 16 holes in June 2015 has been carried out with positive results based on this database. Data 117 diamond drill holes and 28 trenches was used in the 3D-model
Site visits	Four site visits were conducted by ARETHUSE on Chaketma deposits, since February 2015, including a structural expertise and a geological model validation, as well as review of exploration work practices , and an independent verification of data and sampling, that was carried out in June2015
Geological interpretation	The geological model is based on detailed geological mapping and structural interpretation of surface and drilling data, which allowed proper constrain on faults emplacement and displacement, as well as deposit thickness variations, giving a good confidence on geological continuity. Three phosphatic layers were early identified corresponding to variation in environmental conditions and reflected by chemical grades. The deposit is bounded on its western side by a NNW-SSE normal faults that controlled the deposition of the phosphatic layers. It is as well cross-cut by a number of secondary E-W and NW-SE normal faults
Dimensions	The deposit is about 1.750km North South and 1.2 km E-W. The phosphate unit in Chaketma project is composed often of a single stratified phosphate horizon with vertical variation of ore characteristics and lateral variation of the thickness. The thickness of phosphate unit varies from 1m to 42m, and average thickness is about 10m to 15m. The strip ratio is typically below 4, but can reach in the far south of the deposit up to 10 to 12, due to the thinness of the deposit in the south and in the East.

Criteria	Commentary
Estimation and modelling techniques	Samples within phosphate layer have been composited to 1m. No capping has been applied to the composited samples. The interpolation was conducted between the different limits, corresponding to three units within the single stratified phosphate horizon: A, B, and C. The three units have been interpolated independently. Orientation and dip of the phosphate units have been used to adapt the search ellipsoid parameters. The horizontal search distances have been deduced from geostatistical analysis. For each solid, the variable estimated has been interpolated independently from composite samples contained in each mineralized layer. 3 passes of interpolation have been used for ordinary kriging method and for inverse distance method, with increasing search distances and decreasing minimum number of samples used for interpolation. No maximum number of samples per drill-hole was defined.
Moisture	All reported tonnages are dry tonnage.
Cut-off parameters	Several natural cut-offs have been identified for P_2O_5 and MgO, showing different populations corresponding to three distinct mineralized layers within phosphate. These three layers are mineralized, and can be discriminated using P_2O_5 and MgO. The typical ranges of values, for the three phosphatic layers, are: ▪ Layer A: 10-22% P_2O_5 / 4-10% MgO ▪ Layer B: 22-30% P_2O_5 / 0-4% MgO ▪ Layer C: 10-22% P_2O_5 / 4-10% MgO Finally, a natural cut-off of 10% P_2O_5 has been applied with some flexibility down to 8 % P_2O_5
Mining factors or assumptions	The deposit's economics were assessed during the 2012 Scoping Study which envisaged an open pit by standard truck and shovel operation.
Metallurgical factors or assumptions	One beneficiation test was conducted for the scoping study, and showed that the ore was amenable to a commercial concentrate, with reasonable level of deleterious elements. The deposit's economics were assessed during the 2012 Scoping Study which envisaged a beneficiation by flotation to produce a marketable P_2O_5 concentrate. Average deleterious elements were estimated at 40ppm Cd, 23 ppm U, 1.2% S.

Criteria	Commentary
Environmental factors or assumptions	All environmental aspects have been addressed in the scoping study, which were out of the scope of ARETHUSE. No major environmental issue, other than usual related to open pitting, were identified during the field visits.
Bulk density	The dry bulk specific gravity has been systematically assessed by a water displacement method on the whole deposit for both ore and overburden, which is adequate for that type of material. from 2011 to 2013, 723 density measurements were carried out, including 233 measures within the phosphate layer. Constant values have been assigned in the different lithological units (limestone, marl and phosphates).
Classification	Given the good geological continuity, drill spacing, compared to variography results, was the main driver for the resource confidence classification. Measured resources are mainly in the northern part of the deposit, and indicated resources, represent a small portion in the southern part of the resources. The resources are being opened to the south that carries some additional potential that remains to be assessed.
Audits or reviews	The KEL resource estimate process went through a high level internal peer-review (ARETHUSE).
Discussion of relative accuracy/ confidence	The geological and the grade continuity are considered well understood. Drilling, sampling, assaying technics, and drill spacing are relevant for this type of mineralisation, and other similar projects. There is a high confidence level in the accuracy of the resource model, at a sufficient level to support a mine planning: with sufficient density of drill-holes, to the Northern and central part of the deposit. Complete and relevant QAQC support the confidence classification of the Mineral Resources into the Measured classification.