

## QUARTERLY ACTIVITIES & CASHFLOW REPORT FOR QUARTER ENDING 31 March 2022

ASX Announcement 28 April 2022

### PhosCo is targeting:

- 100% ownership of Chaketma.
- Optimal development route for a potential large scale, world class phosphate fertilizer project leveraging work completed from 2015–2021.

## HIGHLIGHTS

### Chaketma Phosphate Project

- Resource increase of 50% at KEL deposit to 55.5MT whilst maintaining a high grade and upgrading of Inferred Resources to Measured and Indicated Resources for the Chaketma Phosphate Project (**Chaketma** or the **Project**)<sup>1</sup>. Global Resource 148.5MT.
- Excellent metallurgical results of advanced bulk tonnage tests completed in 2017 showing that Chaketma phosphate ore can be upgraded to 30% P<sub>2</sub>O<sub>5</sub> with 80% or greater recovery.<sup>2</sup>
- Fertilizer prices continued to perform strongly, with rock phosphate prices increasing over 85% to US\$179/t compared with one year ago.

### Corporate

- Tranche 2 Placement of \$1M received during the quarter completing \$3.2M placement.
- One for ten pro-rata loyalty bonus options issued, with option exercise price of \$0.10 on or before 31 August 2022.
- Seizure case against TMS launched for its 48.99% interest in Chaketma.
- Name changed to PhosCo Ltd (ASX Code: PHO) (formerly Celamin Holdings Limited) including the launch of a redeveloped website [www.phosco.com.au](http://www.phosco.com.au)

- Successful company re-launch and resumption of technical activities in-country, including appointments of Geology Manager, Senior Geoscientist Engineer and Taz Aldaoud as Executive Director assisting with Investor Relations.
- Business development activities have commenced, with new opportunities being assessed and applications lodged for new tenements in northern Tunisia.
- PhosCo held cash of approximately A\$2.5M at the end of the March 2022 quarter.

### June 2022 Quarter Planned Activity

- Mineral Resource Upgrade for the GK deposit within the Chaketma Phosphate Project to include an additional 21 holes (previously 10 holes were used).
- Major project update following completion of the GAP Analysis to determine work required to complete a Chaketma BFS.
- Recommencement of Chaketma field work including Light Detection and Ranging (LIDAR) survey of project area.
- Seizure case decision (subject to appeal).

1. ASX Announcement - Phosphate Resource Update Delivers 50% Increase at KEL (15 March 2022).

2. ASX Announcement - Excellent Metallurgical Results (29 March 2022).

## Overview

PhosCo Ltd ('PhosCo or the 'Company') (ASX:PHO) is an ASX-listed company focused on the potential large scale, world class development of the Chaketma Phosphate Project in Tunisia.

## Chaketma Phosphate Project

- 148.5Mt @ 20.6% P<sub>2</sub>O<sub>5</sub> Resource.
- Exploration potential across 6 prospects.
- Serviced by road, rail and energy networks (see Figure 1).
- Access to Europe and global trade routes through existing ports.
- Experienced technical team with phosphate industry knowledge.
- Review of historic work 2015 – 2021 underway to select optimum development route.
- Further drilling completed since 2014 extends and infills the Inferred Resource at the GK deposit and is being compiled with a view to a resource update in the June 2022 quarter.

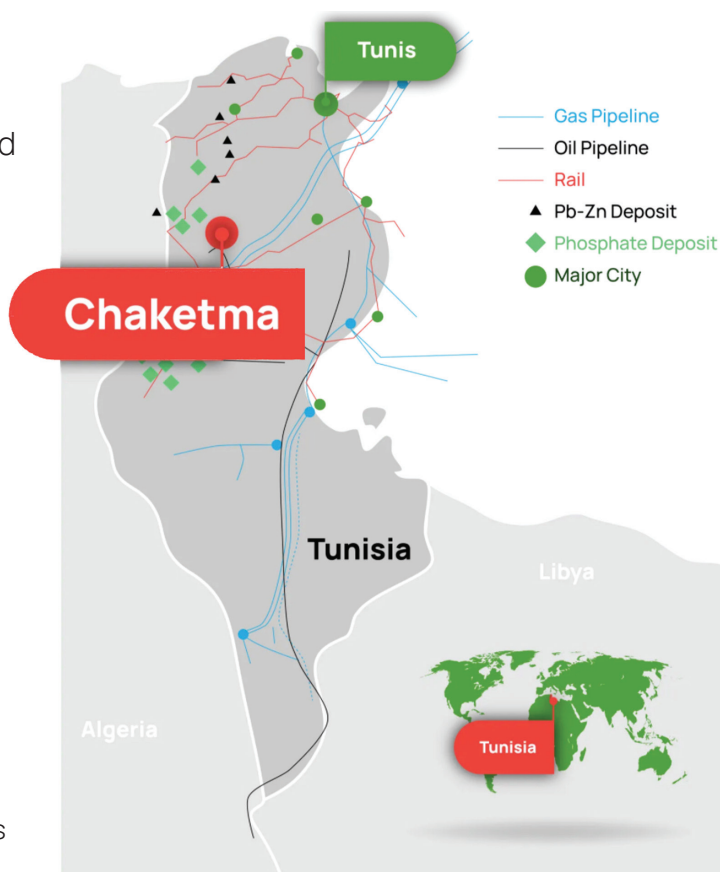


Figure 1 Location of the Chaketma Phosphate Project

## Phosphate Resource Update Delivers 50% Increase at KEL

Following the restart of technical work in early 2022, on 15 March 2022 PhosCo announced 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 <sub>2</sub> O <sub>5</sub>
<b>KEL (Kef El Louz)*</b>	Measured	49.1	21.3
	Indicated	6.4	20.3
	<b>M&amp;I</b>	<b>55.5</b>	<b>21.2</b>
<b>GK (Gassaa Kebira) June 2013</b>	Inferred	93	20.3
<b>Global Resources</b>	<b>M+I &amp; Inferred</b>	<b>148.5</b>	<b>20.6</b>

- 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<sub>2</sub>O<sub>5</sub>) 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<sub>2</sub>O<sub>5</sub> and is the only phosphate resource in North Africa controlled by an ASX listed company.

## Excellent Metallurgical Results

On 29 March 2022, the Company announced results of advanced bulk tonnage metallurgical tests completed in 2017 from its flagship Chaketma Phosphate Project that have been reviewed as part of the ongoing Gap Analysis.

- Chaketma phosphate ore can be upgraded to 30% P<sub>2</sub>O<sub>5</sub> with recovery greater than or equal to 80% and with an excellent CaO/P<sub>2</sub>O<sub>5</sub> ratio of between 1.55 and 1.60.
- Results indicate the potential to produce a commercial grade concentrate capable of conversion to high quality products, Mono Ammonium Phosphate (MAP) and/or Diammonium Phosphate (DAP), using conventional methods and reagents.
- Pilot plant testing provides baseline data for the engineering of the processing plant and further optimisation testwork.
- The metallurgical test results and latest KEL Resource 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;
  - Further drilling is planned over the remainder of the KEL prospect with the aim of extending high confidence Resources over the entire prospect.

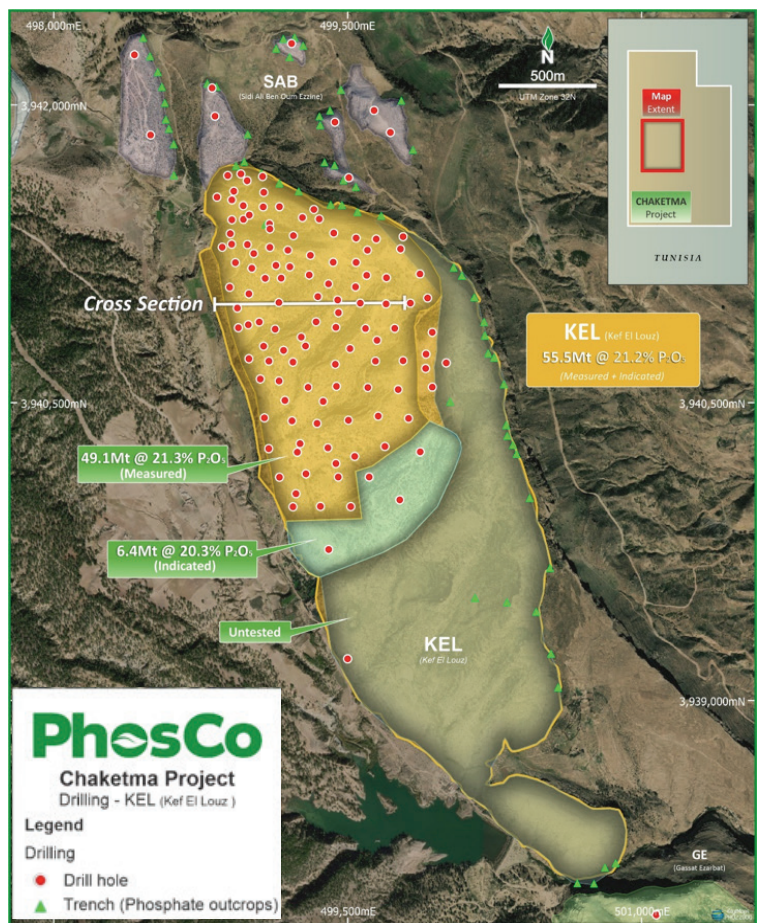


Figure 2 Resource Upgrade & Drilling for KEL Prospect

## Average Pilot Plant Grade and Recovery Results

P <sub>2</sub> O <sub>5</sub> Head grade %	P <sub>2</sub> O <sub>5</sub> Concentrate grade %	MgO Grade in Concentrate %
22.90	30.34	0.59
Cd Grade in Concentrate ppm	Total P <sub>2</sub> O <sub>5</sub> Recovery %	Mass Weight Recovery to Concentrate %
25.8	80.8	60.7

### PhosCo Specialist Processing Engineer, Michael Kelahan, confirmed:

“The Chaketma beneficiation test results are at an advanced stage, and very encouraging. The 28-tonne bulk sample test work confirms the ability to produce a high-quality product and lay down an excellent base line for producing phosphate rock concentrate. There is a clear path for further test work and process optimisation to provide further confidence in the project.”

## Changes to management and remuneration structure

On 1 February 2022, the Company announced with its re-launch and resumption of technical activities in-country at the Chaketma Phosphate Project, Taz Aldaoud will move from a Non-Executive Director to an Executive Director, remaining on the same remuneration structure as his previous Non-Executive Director fee, being \$43,800 per annum (inclusive of superannuation) and an additional \$3,000 per month for the Investor Relations role.

In addition, the following changes have applied to the other directors, effective from 1 February 2022:

- Simon Eley will remain as Managing Director and reduce his annual salary to \$43,800 per annum (inclusive of superannuation) and an additional \$3,000 per month for executive duties.
- All directors, being Simon Eley, Taz Aldaoud and Robin Widdup, and the Interim CFO, Craig Smyth, will take their annual salaries/fees as 50% cash and 50% in PhosCo shares, subject to shareholder approval for the share component.

## Completion of Placement and Loyalty Option Offer

On 25 January 2022, PhosCo completed Tranche 2 of the two tranche placement, which was originally announced on 3 December 2021, raising a total of \$3.2M before costs, at an issue price of \$0.075 per share, as follows:

- Tranche 1 of the placement, comprised 29,256,839 new shares (~\$2.2M), and was not subject to shareholder approval and fell within the Company's placement capacity under ASX Listing Rule 7.1 (**Tranche 1**); and
- Tranche 2 of the placement, comprising 13,333,331 new shares (~\$1.0M), was subject to shareholder approval which was obtained at the Company's AGM on 21 January 2022. This tranche comprised all director/s' (or their associates / related parties) placement participation (**Tranche 2**).

In addition, on 25 January 2022 placement applicants received one (1) unlisted option for every four (4) placement shares subscribed for under the placement, exercisable at \$0.10 each, expiring on 31 August 2022 (**Attaching Options**). The Attaching Options for Tranche 1 and Tranche 2 under the placement (10,647,535 options in total) were subject to shareholder approval which was obtained on 21 January 2022 at the Company's AGM.

Cumulus Wealth and Discovery Capital Partners acted as Joint Lead Managers to the Placement.

The proceeds from the placement will be used to fund exploration, technical studies, and working capital to advance the world class Chaketma phosphate project towards a Bankable Feasibility Study in late CY2022.

PhosCo also completed a one (1) for ten (10) Loyalty Option Offer to all eligible PhosCo shareholders on 14 February 2022 (**Loyalty Option**), pursuant to the Prospectus dated 1 February 2022. The Loyalty Options have the same terms as the Attaching Options under the placement.

## Change of Company Name to PhosCo Ltd

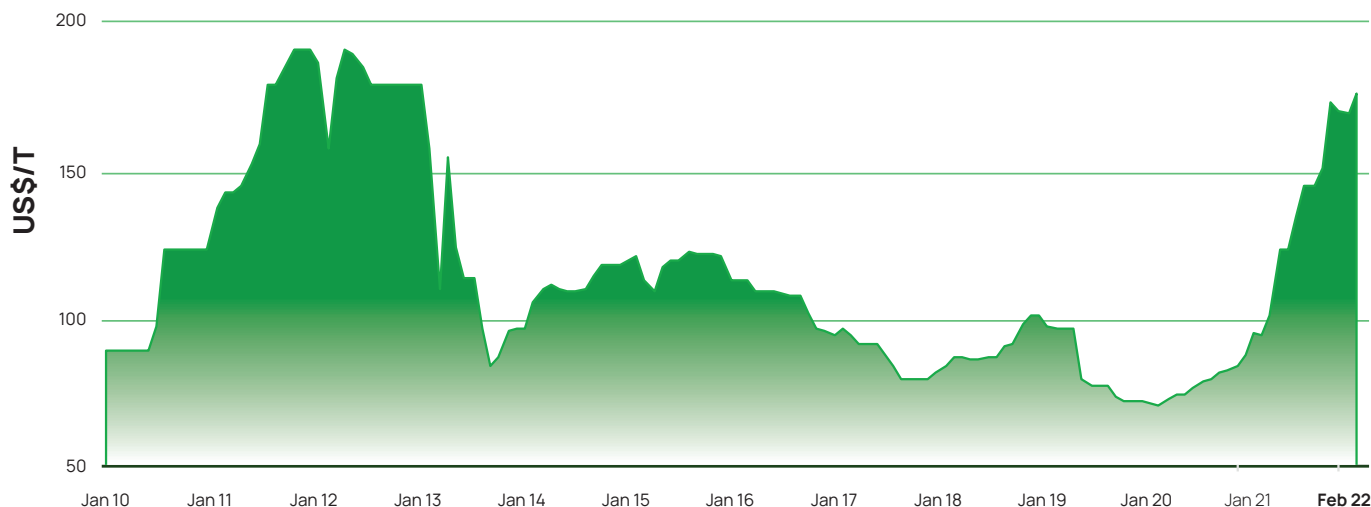
On 24 January 2022, the Company announced that further to shareholder approval granted at the AGM held on Friday, 21 January 2022, it had received confirmation from the Australian Securities and Investments Commission that its name has been changed from Celamin Holdings Limited to **PhosCo Ltd**.

The change of name represents a re-launching of the Company as technical activities resume in-country on the Chaketma Phosphate Project led by Country Manager, Donald Thomson who has relocated to Tunisia.

ASX processed the Company's name change and ticker code to '**PHO**' on Friday, 28 January 2022.

# Rock phosphate pricing US\$/T

Source: World Bank Phosphate Price (F.O.B. North Africa)



## Phosphate Market Update

Phosphate is a critical fertilizer that underpins the world's food supply. The price of rock phosphate has risen substantially, from US\$88/t in February 2021 ago to US\$179/t in March 2022. According to studies, the continued supply of phosphate fertilisers that underpin global food production is an imminent crisis with some regions including the European Union declaring phosphate a critically strategic commodity. The conflict in Ukraine has further exacerbated this crisis, with Ukraine and Russia key players in the fertilizer market.

## Business Development

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

In addition, the Company has undertaken a review of its metals portfolio and available land in northern Tunisia. The Company intends to relinquish the Djebba tenements, and after the end of the quarter has applied for additional tenements in the vicinity. If the applications are successful, the Company will provide an update on these tenements and its plans.

## Expansion of Project Ownership and Control

In October 2021 PhosCo assumed operational and management control over Chaketma Phosphates SA (CPSA), holder of the Chaketma Phosphate Project

through a 50.99% shareholding in CPSA. PhosCo is aiming to expand its ownership to 100% of the project.

TMS owes PhosCo US\$4.9M in costs and damages, plus interest calculated daily, and PhosCo is actively pursuing TMS for the payment of this amount. PhosCo will continue to enforce its rights pursuant to court orders. This includes ongoing actions by the Company before the Tunisian courts to seize TMS's 48.99% interest in CPSA.

Various actions by TMS remain before the courts in Tunisia to overturn the arbitration orders and other judgments in PhosCo's favour. PhosCo's legal advisors consider these actions have little chance of success.

PhosCo has commenced a process to complete legal and accounting due diligence on CPSA. The financial state of CPSA and the status of CPSA's equity needs to be determined, and PhosCo will also consider action against TMS and the executives or advisors of CPSA if any irregularities are uncovered during this process.

## Corporate Update

PhosCo held cash and cash equivalents of approximately A\$2.5M at the end of the March 2022 quarter.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarterly activity report were \$29,000. These payments are related to components of director salaries paid during the March 2022 quarter.

This announcement is authorised for release to the market by the Board of Directors of PhosCo Ltd.

## List of Tenements Held

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/ farm-in during the quarter	Interest Disposed/ farm-out during the quarter
Chaketma	Tunisia	50.99%*	-	-
Zeflana	Tunisia	100%	-	-
Ain El Bouma	Tunisia	100%	-	-
Zaouiet Sidi Mbarek	Tunisia	100%	-	-
Djebba	Tunisia	100%	-	-
Djebba 2	Tunisia	100%	-	-

\* The Chaketma Phosphate Exploration Permit is 100% held by CPSA. On 13 November 2020, PhosCo announced that it had recovered its interest in CPSA following the transfer by the court appointed expert as outlined in the arbitration award returning PhosCo's interest in Chaketma and payment of damages and costs amongst other matters. In addition, on 11 October 2021, PhosCo announced that it has assumed operational and management control over Chaketma Phosphate SA (CPSA), holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA. Although PhosCo 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 will include 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 report, the Chaketma mining concession had not been granted, and application remains 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.

**This announcement is authorised for release to the market by the Board of Directors of PhosCo Ltd.**

For further information please contact:

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Executive Director

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Managing Director

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PHOSCO LTD

ABN

82 139 255 771

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(16)
(b) development	-	-
(c) production	-	-
(d) staff costs	(158)	(210)
(e) administration and corporate costs	(312)	(792)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Government Incentive	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(470)</b>	<b>(1,018)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(11)	(11)
(d) exploration & evaluation	(85)	(85)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(96)</b>	<b>(96)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	3,194
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	49	49
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(40)	(171)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,009</b>	<b>3,072</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,089	575
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(470)	(1,018)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(96)	(96)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,009	3,072



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,532</b>	<b>2,532</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,532	2,089
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,532</b>	<b>2,089</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	29
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(470)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(85)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(555)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,532
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,532
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.56
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable as item 8.7 is greater than 2.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable as item 8.7 is greater than 2.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable as item 8.7 is greater than 2.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022

Authorised by: The Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.