

PHOSCO PROGRESSES DEVELOPMENT OF CHAKETMA PHOSPHATE PROJECT & EXPANDS IN-COUNTRY ASSET PORTFOLIO

HIGHLIGHTS

- Preparations well advanced and positive ongoing engagement with the Tunisian Government for permitting a Development Concession at PhosCo's flagship Chaketma Phosphate Project
- Debt advisors engaged to assist with a finance plan to develop Chaketma leveraging positive early engagement with several development and commercial banks
- Chaketma Updated Scoping Study due for release in mid-August 2022
- GK Resource Update on track for end of July following a delay to incorporate additional drilling to support a new, simplified interpretation comprising a single thick, higher-grade zone
- While the development of Chaketma remains PhosCo's immediate focus, the Company's longer term growth strategy involves building a diverse portfolio of high-quality assets in Tunisia to leverage the strong in-country team and network. The following tenement applications for 100% ownership have been submitted:
 - **Sekarna Phosphate Project (128km²):** A large scale, outcropping phosphate target located 10 Km northeast of Chaketma. Reported high grade rock chip samples grading between 19.7% and 27.8% P₂O₅
 - **Northern Tunisia Base and Precious Metals Project (668km²):** Multiple base and precious metal targets neighbouring existing granted tenements including the Kef el Ageb target comprising a 9km long copper and gold anomaly defined by rock chip and soil samples with grades up to 1.7g/t Au and 1.1% Cu.

PhosCo Executive Director, Taz Aldaoud commented:

"We are delighted to announce the significant progress being made by the company on multiple fronts. Our in-country team have done an incredible job in both progressing the studies at the flagship Chaketma Phosphate project, and in identifying additional exciting opportunities to bolster the company's portfolio of assets. Importantly, these projects will be 100% owned by PhosCo and offer the company tremendous optionality whilst maintaining momentum in our advancement of the world class Chaketma Phosphate Project. The backdrop of rising fertilizer prices is noteworthy with the World Bank registering a further increase in the rock phosphate price earlier this month to US\$287.5/t."

Chaketma Development Concession & Scoping Study Update

PhosCo Ltd (**'PhosCo'** or the **'Company'**) has been liaising with the Tunisian Government in relation to advancing the application for a Mining Concession at the Chaketma Phosphate Project (**'Chaketma'** or the **'Project'**). In late 2017 Chaketma Phosphates SA (CPSA), owned 50.99% by PhosCo¹, applied to convert the Chaketma Exploration Permit to a Mining Concession ahead of the February 2018 deadline. The Chaketma Mining Concession has not yet been granted and the application remains under consideration by the mining administration in Tunisia.

CPSA previously submitted a range of feasibility work to the Tunisian Government in support of the Mining Concession application. The bulk of this work has been accepted by the Government, who have requested an updated finance plan for the Project proving the capability to finance the development. Following PhosCo assuming management control of CPSA in late 2021, debt advisors HCF International Advisors have been engaged to assist with a finance plan to develop Chaketma leveraging positive early engagement with a number of development and commercial banks.

The Chaketma Exploration Permit remains valid and in good standing whilst the application is being considered.

PhosCo is currently preparing an Updated Scoping Study for Chaketma following completion of the GAP Analysis and is targeting a release by mid-August 2022. The Scoping Study will also determine the work required to complete a BFS for Chaketma which is expected to be completed over the following 12-month period.

GK Resource

PhosCo's geological team have completed a comprehensive first-principles review into the geological model for the GK deposit which is one of the key phosphate occurrences within Chaketma. The new, simplified interpretation for the GK deposit is based on 31 drill holes (vs 10 drill holes for the previous Resource Estimate) and trench sampling, and supports a single thick, higher-grade domain comprising the core of the deposit. The additional drilling and simplified new interpretation identifies a higher grade zone that wasn't previously recognised.

The GK Mineral Resource Estimate Resource update is expected by end July 2022.

Sekarna Application

An Exploration Permit application to be held 100% by PhosCo has been lodged with the Tunisian Department of Mines in July 2022 over the Sekarna Phosphate Project (Sekarna). The application covers over 128Km² in area and is located 10km northeast of Chaketma.

¹ 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.

PhosCo's Tunisian exploration team observed phosphate in outcrop below the upper Eocene cap rock exposed by steep-sided mesa topography. Outcropping phosphate mineralisation has been mapped on margins of the mesa and documented in historical government reporting in this region. No exploration targeting phosphate has been carried out over Sekarna. The phosphate mineralisation was investigated by A Zaier (1999), a PhD student who studied and documented phosphate deposits of the central and western basin of Tunisia.

Historic diamond drilling by Reminex Exploration in 2007 that targeted lead zinc mineralisation intersected phosphate over an interval of 8 metres in drill hole SRLE3. The phosphate was not analysed. A 2011 geological paper on lead-zinc mineralisation at Sekarna reported phosphate grades of 19.7% and 27.8% P_2O_5 in five rock chip samples (Garnit et al 2011).

Field inspection by PhosCo's Tunisian team traced the phosphate unit, which was exposed in outcrop with mapped thicknesses of between 5m to more than 20m for 2.7km along the margin of the Rohia Graben. The application process is expected to take several months.



Figure 1 Sekarna – Mesa – Phosphate layer at base of limestone cap

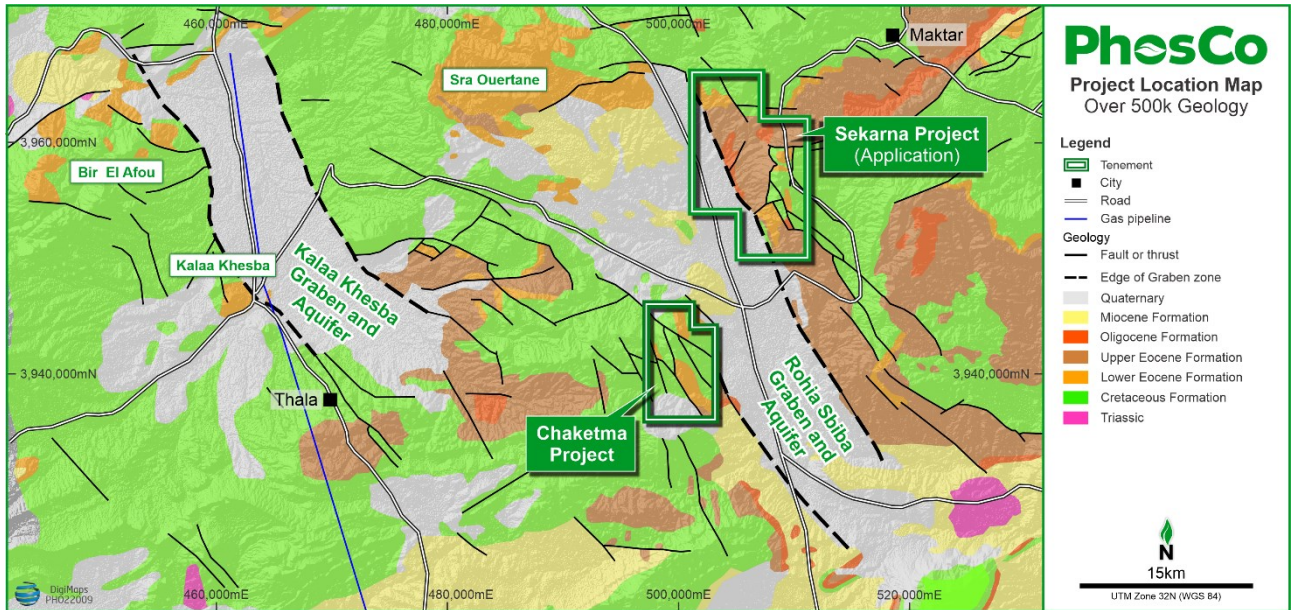


Figure 2 Sekarna application in relation to Chaketma



Figure 3 Sekarna – Western side viewed from Rohia Graben. Approximate position of phosphate unit shown in pink

Northern Tunisia Base and Precious Applications Update

As advised in the March 2022 Quarterly Report, in April 2022 PhosCo lodged two Exploration Permit applications in Northern Tunisia. The applications cover over 424km² and 244 Km² respectively targeting copper-lead-zinc with anomalous gold. The interpretation is that the Tunisian nappe zone is the extension and eastern termination of Iberian Pyrite Belt along the Mediterranean coast through Morocco and Algeria.

The application process has advanced and awaits official grant.

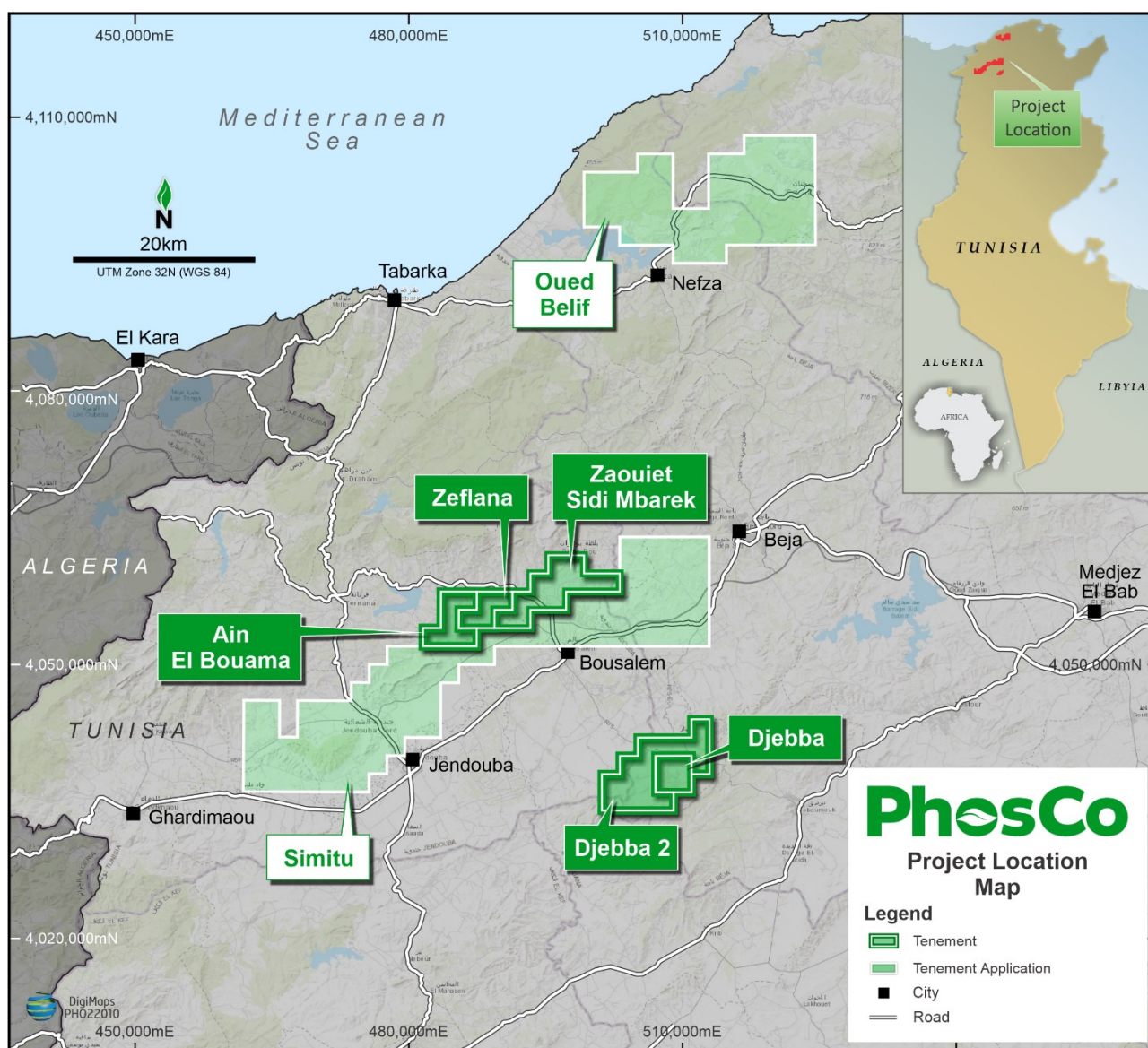


Figure 4 Base metal exploration tenements and applications (light green)

The applications target copper-lead-zinc and gold occurrences that have had some historical geochemical and geophysical work over old mine workings. Historic exploration work announced by Albidon Limited in April 2005 is the basis of the new applications and the PhosCo's in-country team is in the process of recovering and collating this data.

The Simitu application includes the Kef el Ageb target where Albidon identified a copper and gold anomaly in rock chip and soil samples over a distance of approximately 9 Km (Figure 5).

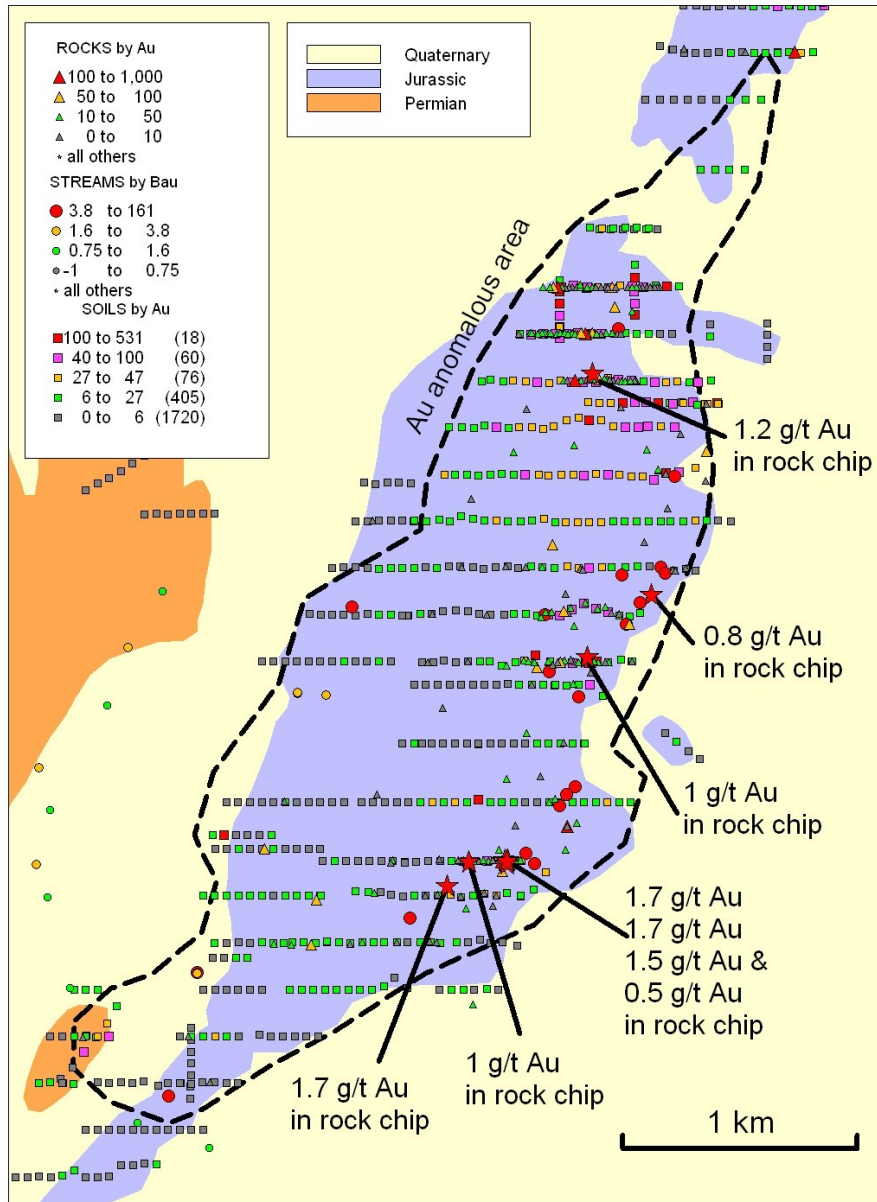


Figure 5 Kef el Ageb Anomalous gold in soil and rock chips

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

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Competent Person's Statement

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

The historic data referenced in this report comes from a number of sources (see below). The company cannot vouch for its accuracy and includes to explain the target selection process. Further exploration might not be able to reproduce these results, but no further evaluation is possible until the permits are granted.

References

Albidon Limited (2005), New Gold Discovery Confirmed at Nefza, Tunisia - ASX Announcement 12 Apr 2005

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Garnit H, Bouhleb S, Barca D, Johnson CA, & Chaker Chtara C, (2011) Phosphorite-hosted zinc and lead mineralization in the Sekarna deposit (Central Tunisia).

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