

## COMPANY UPDATE

### HIGHLIGHTS

- PhosCo has engaged with the Tunisian government regarding the status of the Chaketma Phosphate Project.
- The Company acknowledges the comments on the official page of The Tunisian Ministry of Industry, Mines & Energy, stating the importance of Australian-Tunisian relations and the willingness of both countries to work together.
- The Company awaits the anticipated grant of additional permits including the Sekarna Phosphate project (100% PhosCo).
- The rock phosphate market continues to perform strongly, with the World Bank recording a price increase this month to US\$322.50/t.
- The Company is sufficiently funded, holding cash of approximately A\$2.7m at the end of the December 2022 quarter.

### MINING CONCESSION AND GOVERNMENT ENGAGEMENT

Following the announcement by PhosCo Ltd (ASX: PHO) ('PhosCo' or 'the Company') on 3 January 2023, the Company has engaged with the Tunisian Ministry of Industry, Mines and Energy (**Ministry**) regarding the permit status for the Chaketma Phosphate Project. The Company will update the market when it receives any formal correspondence from the Ministry or the administration.

The Company acknowledges the comments made by the Ministry on its official social media page, stating the importance of Australian-Tunisian relations and the willingness of both countries to work together<sup>1</sup>. The comments come following a meeting that took place between the Australian Ambassador to Tunisia, Her Excellency Ms Jenny Cartmill, and the Tunisian Minister of Industry, Mines and Energy, Her Excellency Neila Noura Gongi on 10 February 2023. The English translation of the post is as follows:

*"Towards further strengthening Tunisian-Australian relations in the energy, renewable energy and mining sectors, The Minister of Industry, Mines and Energy, H.E. Neila Noura Gongi, received on Friday, February 10, at the ministry's headquarters, the Australian Ambassador to Tunisia, Ms Jenny Cartmill."*

*“This meeting represented an opportunity to strengthen cooperation and partnership relations between the two countries in the sectors under the Ministry's consideration, especially in energy, renewable energy, and mines, and work to develop them.”*



**Figure 1** H.E. Ms Jenny Cartmill meets with H.E. Neila Noura Gongi, Tunis.

## ADDITIONAL PERMIT APPLICATIONS

On 11 July 2022, PhosCo announced that an Exploration Permit application to be held 100% by PhosCo has been lodged with the Tunisian Department of Mines over the Sekarna Phosphate Project (**Sekarna**).

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. The phosphate mineralisation at Sekarna was originally 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<sub>2</sub>O<sub>5</sub> in five rock chip samples (Garnit et al 2011).

In addition to the Sekarna permit, PhosCo has also lodged two Exploration Permit applications in Northern Tunisia. The applications cover over 424km<sup>2</sup> and 244 Km<sup>2</sup> respectively targeting copper-lead-zinc with anomalous gold.

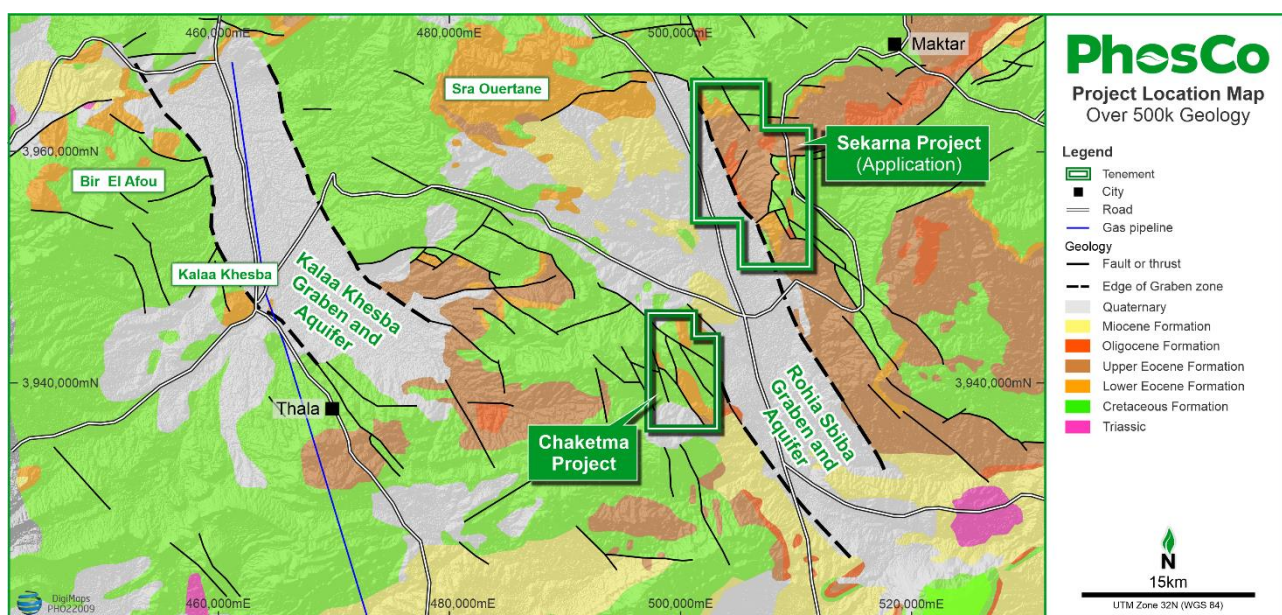
The interpretation is that the Tunisian nappe zone is the extension and eastern termination of Iberian Pyrite Belt along the Mediterranean coast through Morocco and Algeria.

The application process for the above applications is well advanced and the Company awaits official grant, following interactions with the Ministry and The Directorate General of Mines.





**Figure 2** Sekarna – Mesa – Phosphate layer at base of limestone cap



**Figure 3** Sekarna application in relation to Chaketma

## PHOSPHATE MARKET UPDATE

Phosphate is a critical raw element that is essential to the world's food supply. 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.

The price of rock phosphate has risen substantially in recent years, with the World Bank recording a further price increase this month alone from US\$300/t to US\$322.50/t. Importantly, the Company's recently completed Scoping Study<sup>2</sup> for the Chaketma Phosphate Project, assumes a much lower price of US\$150/t and confirmed a long-life, low-cost project with outstanding economics.



**Figure 4** Rock Phosphate Price – World Bank Commodity Prices, F.O.B. North Africa

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

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1. Official social media page for the Tunisian Ministry of Industry, Mines & Energy:  
<https://m.facebook.com/100057595323425/>
2. ASX Announcement 9/12/22 – *Scoping Study Confirms Outstanding Economics for Chaketma*