

ASX Announcement

5 January 2024

UNFAVOURABLE APPEAL DECISION DELAYS SEIZURE

HIGHLIGHTS

- PhosCo has been seeking to enforce seizure orders over TMS' interest in CPSA since early 2021 for non-payment of A\$6.7m damages and costs owed by TMS to PhosCo.
- PhosCo holds 51% of the Chaketma Phosphate project in Tunisia and is seeking seizure of the remaining 49% held by TMS in order to immediately start final feasibility studies following the positive outcome from the 2022 Scoping Study.
- The Appeal Court in Tunis has refused PhosCo's application to commence the process to auction off the 49% interest in CPSA held by TMS.
- PhosCo's right to seize CPSA shares held by TMS remains in force preventing TMS trading in its CPSA shares.
- PhosCo is seeking legal advice in relation to its options to review the decision.
- PhosCo remains committed to enforcing the favourable arbitral award and will continue its efforts to secure redress from TMS for the illegal transfer of PhosCo's shares in CPSA.

PhosCo Managing Director, Simon Eley commented:

"PhosCo is assembling a district-scale phosphate portfolio in Tunisia's Northern Phosphate Basin to support a potential world-class fertiliser hub. The portfolio consists of three permit applications: Sekarna & Amoud (100% PhosCo), as well as a re-instatement of tenure at Chaketma (held by CPSA (51% PhosCo)). While we are disappointed by this development in PhosCo's efforts to secure full ownership of CPSA, which delays the advancement of the Chaketma Phosphate Project, we eagerly await the grant of the other permits. Once we have reviewed the formal decision issued by the court regarding CPSA and Chaketma, we will seek advice on the most expedient way to secure TMS' interest in CPSA. The Company is also advancing exploration for precious and base metals following the grant of the Simitu permit (100% PHO), with results from 173 samples covering the Bey prospect expected in the coming weeks."

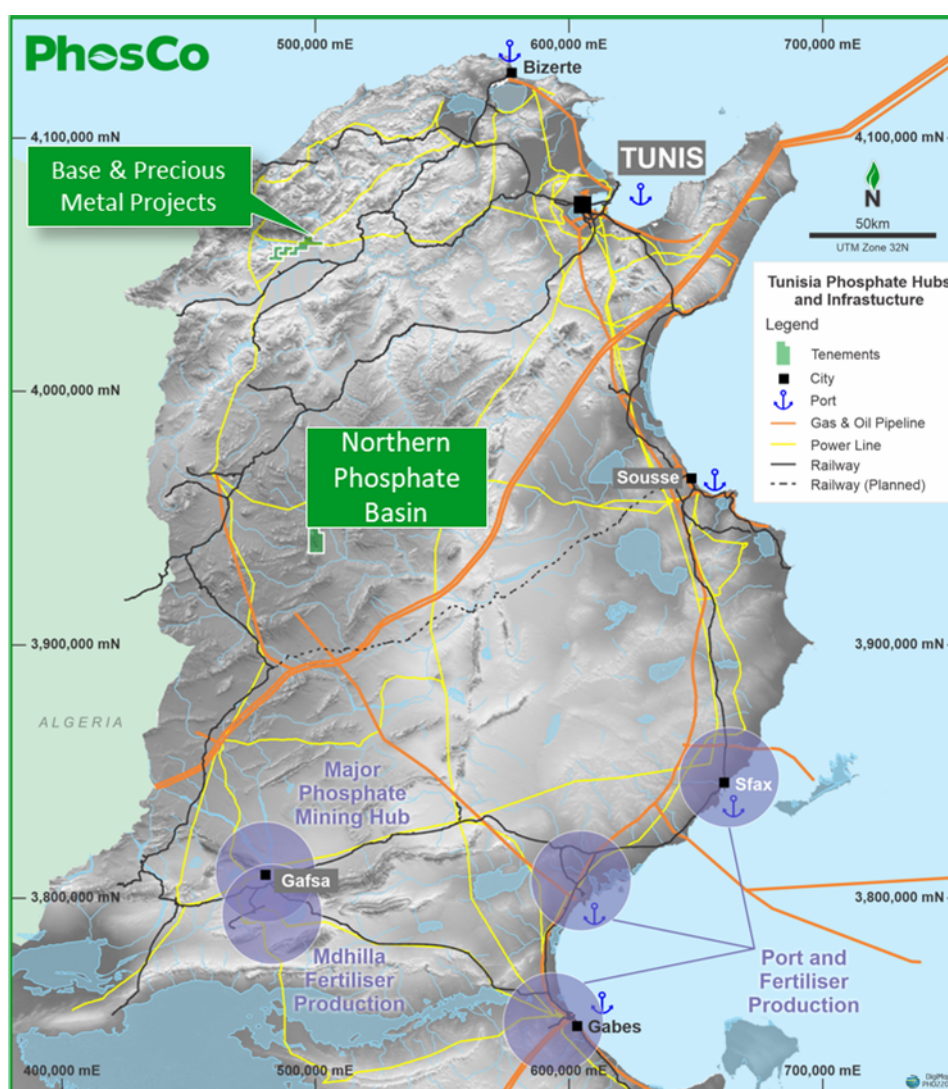


Figure 1 – Locations of phosphate applications precious and base metals projects in Tunisia.

UNFAVOURABLE APPLICATION TO SEIZE TMS' INTEREST IN CHAKETMA

PhosCo holds a majority interest (51%) in CPSA, the operating company that has re-applied for an exploration permit over the Chaketma Phosphate Project¹ (the Project). TMS holds a 49% interest in CPSA and has failed to pay TND14M (~A\$6.7M) in damages and costs pursuant to the arbitral award issued in November 29, 2017 and enforced in Tunisia in September 2019.

Following the successful enforcement decision, PhosCo commenced various actions in Tunisian courts seeking to compel TMS to comply with the award which included seizing TMS assets including its 49% interest in CPSA to offset the unpaid damages and costs owed to PhosCo. PhosCo was successful in the first instance court action in

¹ Following the denial of an application for a Mining Concession and resulting termination of the underlying exploration permit as announced on 3 January 2023, PhosCo continues meaningful engagement with the Tunisian government regarding the status of the Chaketma Phosphate Project. In consultation with, and as recommended by the Tunisian Ministry of Industry, Mines & Energy, CPSA has applied for a new Exploration Permit over Chaketma, mirroring the original permit boundary.

late December 2022 and, accordingly, is disappointed with the Court of Appeals decision. The arbitral award against TMS and the resulting seizure orders over TMS shares in CPSA, amongst other TMS assets, remain in place.

Once the formal written decision is issued, PhosCo will seek legal advice as to the most appropriate and timely way to finally secure TMS' interest in CPSA.

In the meantime, the Company remains committed to its 100% held applications for phosphate projects in the northern basin (Amoud and Sekarna) and continues to assemble and assimilate all available exploration information and data for the precious and base metal potential at Simitu.

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

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