

5 January 2023

Update on Lion's Acquisition of PhosCo Shares

As announced on 12 December 2022, Lion Selection Group (Lion) has agreed to acquire 14.0M PhosCo Ltd (PhosCo) shares from Manager Pty Ltd (the Manager) by issuing 2.8M Lion shares subject to approval by Lion shareholders.

On 3 January 2023, PhosCo provided an update to the ASX on its Chaketma mining concession application, with the application not being approved by the Tunisian authorities¹. PhosCo's share price has declined by 12% from 13 cps to 11.5 cps following the announcement.

Noting that the transaction remains subject to Lion shareholder approval and the material change in PhosCo, Lion and the Manager have agreed to review the transaction including the pricing, timing and other terms. Lion will monitor PhosCo developments and update the market in due course.

Lion has been an investor in PhosCo since 2010. In that time Chaketma was discovered and a resource defined, its ownership disputed culminating in successful international arbitration, and a scoping study completed outlining strong economics. Lion has worked closely with PhosCo through this time, remains staunchly supportive of PhosCo and holds a strong view of project value.

Footnote

1. Further details are available on PhosCo's website. <https://www.phosco.com.au/investor-centre#ASXAnnouncements>

