



**PHOSCO LTD
(ACN 139 255 771)**

PROSPECTUS

This Prospectus is issued by PhosCo Ltd (ACN 139 255 771) for the offer of:

- (a) a pro rata, non-renounceable rights issue of one New Share for every 2.84 Shares held by Eligible Shareholders at the Record Date at an issue price of 5.0 cents (\$0.05) per New Share to raise approximately \$5,035,072.80 before issue costs (**Entitlement Offer**);
 - (b) a placement facility to accept oversubscriptions from Eligible Shareholders participating in the Entitlement Offer of up to a further 20,000,000 New Shares at \$0.05 per New Share to raise a further \$1,000,000 before issue costs (**Oversubscriptions Offer**);
 - (c) up to 51,445,206 Conversion Options to the Converting Note Holders on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Converting Notes currently on issue (**Conversion Options Offer**); and
 - (d) 3,000,000 Lead Manager Options to the Lead Manager (or its nominee) at an issue price of \$0.00001 per Lead Manager Option (**Lead Manager Offer**),
- (together, the **Offers**).

The Entitlement Offer is fully underwritten by Westar Capital Limited

Lead Manager: Cumulus Wealth Pty Ltd

Important Notice

This document is important and should be read in its entirety. The Prospectus is a “transaction specific prospectus” issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a ‘disclosing entity’ for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investor may consult. After reading this Prospectus, if you have any questions about the New Shares or New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares or New Options offered under this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

Understanding this Prospectus

Below is important information in relation to the Offers.

This Prospectus is dated 11 March 2025 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offers earlier than the timetable (summarised above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Offers. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to ASX for the New Shares issued pursuant to this Prospectus to be granted Official Quotation.

The Conversion Options Offer is only available to Converting Note Holders.

The Lead Manager Offer is only available to the Lead Manager (or its nominee).

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities and options to acquire continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offers which the Company has identified are summarised below and set out in further detail in Section 7.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 13.

The past performance of the price of the Shares or other securities in the Company provides no guidance or indication as to how the price of Shares, including the Shares pursuant to this Prospectus, will perform in the future.

Disclaimer

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

The Company and its Directors, officers and employees disclaim any responsibility to update any risk factors or publicly announce the result of any revisions to the forward-looking statements contained in this Prospectus to reflect future developments or events, other than where required to do so by the Corporations Act or the Listing Rules.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website, www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers made under this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Shares or New Options in the Company. No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

Obtaining a copy of this Prospectus

Additional copies of this Prospectus are available from the registered office of the Company during normal business hours. A copy of the Prospectus can be downloaded from the website of the Company at <https://www.phosco.com.au/>, or the website of ASX at <http://www.asx.com.au/>. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be a resident of Australian, New Zealand or Guernsey and must only access the Prospectus from within Australia, New Zealand or Guernsey.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Shareholders wishing to participate in the Entitlement Offer and the Oversubscriptions Offer should complete the personalised Entitlement and Acceptance Form which accompanies the Prospectus provided to Eligible Shareholders.

The Prospectus available on the Company's website does not include an Application Form. Converting Note Holders wishing to participate in the Conversion Options Offer should complete the personalised Application Form provided to the Converting Note Holders. The Lead Manager (or its nominee) may participate in the Lead Manager Offer by completing the personalised Application Form provided to the Lead Manager.

Any person may obtain a copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website or the website of ASX at www.asx.com.au).

Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 4.18 for treatment of Ineligible Shareholders. Applications for New Shares offered pursuant to this Prospectus can only be submitted by an Entitlement and Acceptance Form which accompanies this Prospectus. Applications for New Options pursuant to this Prospectus can only be submitted on an Application Form.

Enquiries

If you have any queries about this Prospectus please contact the Company between the hours of 9.00am and 5.00pm (AEDT/AEST), Monday to Friday on +61 3 9692 7222. Alternatively, contact your stockbroker or other professional adviser.

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1.1. Summary of the Offers

(a) Entitlement Offer

The Company is conducting a pro rata, non-renounceable rights issue of one (1) New Share for every 2.84 Shares held at the Record Date at an issue price of 5.0 cents (\$0.05) per New Share to raise a maximum of approximately \$5,035,072.80, before issue costs.

Westar Capital Limited will act as Underwriter and Cumulus is Priority Sub-Underwriter to the Entitlement Offer. Cumulus has agreed to sub-underwrite the entirety of the Entitlement Offer.

(b) Oversubscriptions Offer

The Company is accepting oversubscriptions from Eligible Shareholders participating in the Entitlement Offer of up to a further 20,000,000 New Shares at \$0.05 per New Share to raise a further \$1,000,000 before issue costs.

(c) Conversion Options Offer

This Prospectus invites the Converting Note Holders to apply for up to a total of 51,445,206 Conversion Options, which upon exercise will result in the issue of 51,445,206 Shares, on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Converting Notes currently on issue.

Only the Converting Note Holders may accept the Conversion Options Offer.

No new funds will be raised from the Conversion Options as the Conversion Options are being issued for nil consideration as they are to be issued on the basis of one free-attaching Conversion Option for every one Conversion Share issued.

By offering the Conversion Options under this Prospectus, the Conversion Options and the Shares issued on exercise of the Conversion Options will not be subject to secondary trading restrictions.

(d) Lead Manager Offer

This Prospectus invites the Lead Manager (or nominee) to apply for a total of 3,000,000 Lead Manager Options at an issue price of \$0.00001 each pursuant to the terms of the Lead Manager Offer.

The Lead Manager has the right but not an obligation to subscribe for the Lead Manager Options under the Lead Manager Offer. The Company will not raise any funds from the issue of the Lead Manager Options.

The Lead Manager Offer is made as part of the Lead Manager's remuneration under a previous mandate between the Lead Manager and the Company relating to a prior capital raising conducted by the Company. By offering the Lead Manager Options under this Prospectus, the Lead Manager Options and the Shares issued on exercise of the Lead Manager Options will not be subject to secondary trading restrictions.

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New Shares which are offered under this Prospectus, are fully paid in the Company and will rank equally with existing Shares. The rights and liabilities attaching to New Shares are described in Section 8.

The New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 9.

1.2. Indicative timetable

Event	Date*
Lodgement of Prospectus with ASIC	11 March 2025
Lodgement of Prospectus and Appendix 3B with ASX	11 March 2025
Shares quoted ex-rights	14 March 2025
Record Date for Entitlement Offer (7:00pm AEDT)	17 March 2025
Opening date of the Offers, Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders and Company announces this has been completed	20 March 2025
Last day to extend the Closing Date**	7 April 2025
Closing Date of the Offers (5:00pm AEST)	10 April 2025
New Shares quoted on a deferred settlement basis (if agreed by ASX)	11 April 2025
ASX notified of under subscriptions	15 April 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares	17 April 2025
Issue date for New Options and lodgement of Appendix 3G with ASX	17 April 2025
Commencement of trading of New Shares (normal trading of Shares resumes)	22 April 2025

* This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, in consultation with the Underwriter, subject to the Listing Rules and the Corporations Act.

**The Directors may extend the Closing Date by giving at least 3 Business Days' Notice to ASX prior to the Closing Date. In that event, the date the New Shares are expected to be issued and commence trading on ASX may vary.

1.3. Key statistics of the Offers

	Underwritten Amount (\$5,035,072.80)	Maximum Amount (\$6,035,072.80)
Shares currently on issue ¹	285,992,133	285,992,133
New Shares offered under this Prospectus	100,701,456	120,701,456
Maximum Conversion Shares	51,445,206	51,445,206
Total Shares on issue following the Offers	438,138,795	458,138,795
Options currently on issue	0	0
Maximum Conversion Options offered under this Prospectus	51,445,206	51,445,206
Maximum Lead Manager Options offered under this Prospectus	3,000,000	3,000,000
Total Options on issue following the Offers	54,445,206	54,445,206
Performance Rights on issue	9,000,001	9,000,001
Amount raised under this Prospectus (before costs)	\$5,035,072.80	\$6,035,072.80

¹ This assumes no further Shares are issued prior to the Record Date

SECTION 2 CHAIRMAN'S LETTER

Dear Shareholders

On behalf of PhosCo Ltd (**Company**), I am pleased to invite you to participate in a pro rata non-renounceable rights issue available to Eligible Shareholders on the basis of one new Share for every 2.84 Shares held at an issue price of \$0.05 per New Share to raise a maximum of approximately \$5 million (before costs). The Entitlement Offer is fully underwritten by Westar Capital Limited.

Eligible Shareholders will also be able to participate in a placement facility to accept oversubscriptions of up to a further 20,000,000 New Shares at \$0.05 per New Share to raise a further \$1,000,000 (before costs).

The issue price of \$0.05 represents a discount of 28.8% to the last price and 30-day VWAP of \$ 0.07 and 27.9% to the 60-day VWAP of \$0.069 prior to the Entitlement Offer being announced to the ASX on 11 March 2025.

The Company's strategy is to pursue value uplift by drilling new prospects aiming to expand the Mineral Resource endowment for the Gasaat Phosphate Project, target processing improvements from the previous 2022 Scoping Study conducted on the project, and scout drilling and metallurgical work on the exciting Sekarna Phosphate Project. We are targeting the release of a new Mineral Resource Estimate later in the year incorporating results from this work.

Funds raised will support exploration across Gasaat and Sekarna, metallurgical test work, some study work on the Gasaat Phosphate Project, and for the general working capital of the Company.

Aldaoud Pty Ltd (an entity associated with Managing Director Mr Taz Aldaoud) and Robin Widdup have agreed to priority sub-underwrite the Entitlement Offer for up to \$2,250,000. Lion Selection Group Limited, a substantial shareholder of the Company, has also agreed to priority sub-underwrite the Entitlement Offer for up to \$1,000,000. Further details of the sub-underwriting are set out in Section 4.7.

This fundraising is a major step in the value creation journey for the Company and we look forward to continued shareholder support as we advance the project to the next level and deliver value for shareholders.

While the Company is at an exciting stage of its development, risks remain, including the risks associated with the Offer are detailed in Section 7 and include risks ordinarily associated with an exploration and mining company.

On behalf of your Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

Robin Widdup
Non-Executive Chairman

SECTION 3 INVESTMENT OVERVIEW

The below information is a selective overview of the Offers. You should read the Prospectus in full before deciding to apply for New Shares or New Options.

The Offers

Topic	Summary	Further information
Entitlement Offer and Oversubscriptions Offer		
What is the Entitlement Offer?	The Entitlement Offer is being made as a pro rata, non-renounceable rights issue of one (1) New Share for every 2.84 Shares held at the Record Date at an issue price of 5.0 cents (\$0.05) per New Share to raise approximately \$5,035,072.80, before issue costs.	Section 4.1
What is the Oversubscriptions Offer?	The Oversubscriptions Offer is a placement facility to accept oversubscriptions from Eligible Shareholders participating in the Entitlement Offer of up to a further 20,000,000 New Shares at an issue price of 5.0 cents (\$0.05) per New Share to raise a further \$1,000,000 before issue costs. Eligible Shareholders may only apply for New Shares under the Oversubscriptions Offer if they apply for their full Entitlement under the Entitlement Offer.	Section 4.2
What is the price per New Share under the Entitlement Offer and Oversubscriptions Offer?	The issue price per New Share subscribed for under the Entitlement Offer and Oversubscriptions Offer is 5.0 cents (\$0.05). The issue price represents a discount of 28.8% to the last price and 30-day VWAP of 0.07 cents and 27.9% to the 60-day VWAP of \$0.069 cents prior to the Offers being announced to the ASX on 11 March 2025. All New Shares will rank equally with the Shares on issue as at the date of this Prospectus.	Section 4.1 and 4.2
Am I eligible to participate in the Entitlement Offer and the Oversubscriptions Offer?	Only Shareholders whose registered address is in Australia, New Zealand or Guernsey as at 7.00pm (AEDT) on the Record Date may participate in the Entitlement Offer and Oversubscriptions Offer.	Section 4.9
Do I have to participate in the Offers?	No, participation in the Offers is optional.	Section 4.9
Can I transfer my entitlement to participate in the Entitlement Offer or Oversubscriptions Offer?	Your participation in the Entitlement Offer and Oversubscriptions Offer is personal to you and cannot be transferred to any other person.	Section 4.1

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Topic	Summary	Further information
What is the purpose of the funds raised under the Offers?	<p>The Offers are being undertaken to provide funding for:</p> <ul style="list-style-type: none"> (a) undertake exploration at the Gasaat Phosphate Project targeting resource extensions and new growth opportunities; (b) metallurgical and study update work for the Company's Gasaat Phosphate Project reflecting project enhancements and optimisations; (c) costs of the Offers; and (d) for general working capital of the Company. <p>The effect of the Offers on the Company is set out in 4.20(c).</p>	Section 5.1
Is the Entitlement Offer underwritten?	<p>Yes, the Entitlement Offer is underwritten by Westar Capital Limited for \$5,035,072.80, representing 100,701,456 New Shares.</p> <p>The Lead Manager and Underwriter have entered into a Sub-Underwriting Agreement, pursuant to which the Lead Manager is engaged as the priority sub-underwriter in relation to underwriting the Underwritten Amount.</p>	Section 4.6
Will the 'Rights Issue' exception to the takeovers restrictions apply?	<p>No, the 'Rights Issue' exception to the takeovers restriction in item 10 of section 611 of the Corporations Act does not apply to the Entitlement Offer. Accordingly, Eligible Shareholders will be unable to acquire a relevant interest in more than 20% of the Company after completion of the Offers.</p>	Section 4.3
How will Additional Shares be allocated from the Shortfall and Oversubscriptions?	<p>Any applications for Additional Shares in excess of your Entitlement will be allocated at the discretion of the Directors having regard to the best interests of the Company and to maximise the funds raised from the Entitlement Offer and Oversubscriptions Offer, but not in a manner likely to exacerbate a potential unacceptable control effect on the Company. Full details of the allocation of Additional Shares is set out in Section 4.4.</p> <p>Applications will be scaled back to the extent required to prevent any person (whether an Applicant or not) contravening the takeovers restrictions in section 606 of the Corporations Act.</p> <p>Related Parties will not be allocated any Additional Shares, other than pursuant to any sub-underwriting arrangement disclosed in this Prospectus.</p>	Section 4.4
Has a Lead Manager been appointed?	<p>Yes, the Company has engaged Cumulus Wealth Pty Ltd as Lead Manager for the Offers.</p> <p>A summary of the terms and conditions of the Lead Manager Mandate, including the fees payable to the Lead</p>	Section 10.5

Topic	Summary	Further information
	<p>Manager and the circumstances in which the Lead Manager may terminate its mandate, is set out in Section 10.5.</p> <p>The Lead Manager and Underwriter have entered into a Sub-Underwriting Agreement, pursuant to which the Lead Manager is engaged as the priority sub-underwriter in relation to underwriting the Underwritten Amount.</p>	
<p>Are the Directors participating?</p>	<p>Aldaoud (an entity associated with Managing Director Mr Taz Aldaoud), has agreed to sub-underwrite the Entitlement Offer of up to a maximum of \$2,000,000 (40,000,000 New Shares).</p> <p>Robin Widdup, the Chairman of the Company, has agreed to sub-underwrite the Entitlement Offer of up to a maximum of \$250,000 (5,000,000 New Shares).</p> <p>Mehdi Ben Abdallah, Non-Executive Director, does not have a Shareholding and an Entitlement to participate in the Entitlement Offer.</p>	<p>Section 10.7 and 10.9</p>
Conversion Options Offer		
<p>What is the Conversion Options Offer?</p>	<p>The Conversion Options Offer is an offer of up to 51,445,206 Conversion Options to the Converting Note Holders, which upon exercise will result in the issue of 51,445,206 Shares, on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Converting Notes currently on issue.</p>	<p>Section 4.5</p>
<p>Am I eligible to participate in the Conversion Options Offer?</p>	<p>Only the Converting Note Holders are eligible to participate in and apply for the Conversion Options.</p>	<p>Section 4.5</p>
<p>Do I have to participate in the Conversion Options Offer?</p>	<p>No, participation in the Conversion Options Offer by a Converting Note Holder is optional.</p>	<p>Section 4.5</p>
<p>What are the Conversion Shares?</p>	<p>On 15 March 2024 and 16 October 2024, the Company announced the issue of \$1,900,000 worth of Converting Notes with a maturity date of 15 March 2025.</p> <p>A term of the Converting Notes is that, upon the occurrence of a Capital Raising Event, the Company must automatically convert the Converting Notes into Conversion Shares, and all accrued but unpaid interest will be capitalised and converted into Conversion Shares. If the Converting Notes convert on the occurrence of a Capital Raising Event, each Converting Note will be convertible into Shares at a conversion price equal to a 20% discount to the capital raising issue price of the</p>	<p>Section 4.5</p>

Topic	Summary	Further information
	<p>relevant Capital Raising Event, subject to a ceiling price of \$0.05 and a floor price of \$0.01.</p> <p>A Capital Raising Event means a capital raising undertaken by the Company after 17 January 2024 to raise a minimum of \$1,000,000 by a placement of Shares.</p> <p>If the Entitlement Offer completes in accordance with the terms of this Prospectus, then the Converting Notes and accrued interest on those Converting Notes will be converted into a maximum of 51,445,206 Conversion Shares at \$0.04 per Share.</p>	
Lead Manager Offer		
<p>What is the Lead Manager Offer</p>	<p>The Lead Manager Offer is an Offer to the Lead Manager (or its nominee) to subscribe for 3,000,000 Lead Manager Options pursuant to a previous mandate between the Lead Manager and the Company relating to a prior capital raising conducted by the Company.</p>	<p>Section 4.6</p>
<p>Am I eligible to participate in the Lead Manager Offer?</p>	<p>Only the Lead Manager (or its nominee) is eligible to participate in and apply for the Lead Manager Options under the Lead Manager Offer.</p>	<p>Section 4.6</p>
Investment Risks		
<p>What are the risks of subscribing for New Shares or New Options under the Offers?</p>	<p>New Shares and New Options offered pursuant to this Prospectus should be considered speculative and an investment in the Company is subject to a range of risks. These risks include the following:</p>	<p>Section 7</p>
<p>Company specific risks:</p>	<p>Litigation Risk</p> <p>The Company’s wholly owned subsidiary, Celamin Pty Limited, has been in dispute with its joint venture partner, Tunisian Mining Services (TMS) since January 2015, regarding ownership and control of CPSA, which is the operating company that held the Chaketma Phosphate Project. No guarantee is given that any of the current legal proceedings will be resolved in favour of the Company or that any legal remedy will ultimately be favourable.</p> <p>Risks specific to Chaketma Phosphates SA</p> <p>Chaketma Phosphates SA (CPSA), a joint venture in which PhosCo holds a 51% stake through its wholly owned subsidiary Celamin Pty Limited (Celamin), previously owned the Chaketma permit and had a pending application for the Chaketma Phosphate Project. However, this application by CPSA was unsuccessful. Instead, a larger overlapping</p>	

Topic	Summary	Further information
	<p>permit, Gasaat, was granted entirely to PhosCo through a separate, wholly-owned subsidiary.</p> <p>The CPSA JV no longer holds any permits or permit applications. In light of this development and subject to full compliance with applicable law, PhosCo does not intend to provide further investment to the CPSA joint venture.</p> <p>Celamin has received correspondence from TMS allegedly Celamin violated the objectives and spirit of the CPSA JV agreement, including applying for a new permit overlapping the Chaketma permit and abuse of majority power within CPSA. These claims will be vigorously defended if TMS opts to proceed to ICC arbitration under the JV agreement.</p> <p>PhosCo notes that TMS still owes ICC arbitration damages, costs and interests from TMS illegally misappropriating Celamin’s CPSA shares amounting to TND14M (A\$7M). Despite being entitled to the damages under the Arbitral Award, PhosCo has not recognised these amounts as an asset on its balance sheet due to TMS’ repeated non-compliance with the Arbitral Award and uncertainty about TMS’ capacity to pay the damages.</p> <p>The Company may suffer a loss or need to fund the liabilities of CPSA, and there is no guarantee that the Company can recover these damages, interest and costs from TMS or its directors responsible for any of these liabilities.</p> <p>Tunisian country risk</p> <p>The Company’s exploration permits are located in Tunisia and, and the Company is subject to the risks associated with operating in that country, including various levels of political, sovereign, economic and other risks and uncertainties.</p> <p>These risks and uncertainties also include, but are not limited to, terrorism, hostage taking, fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p>	

Topic	Summary	Further information
	<p>Changes, if any, in mining or investment policies or shifts in political attitude in Tunisia may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.</p> <p>Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.</p> <p>The Company will conduct its operations in accordance with international laws and standards, which may not be consistent with local customs or practices that could result in loss, reduction of production, logistics and sales, in which the Company's operational and financial performance may be adversely affected.</p> <p>Outcomes in courts in Tunisia may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Tunisia.</p> <p>Any material adverse changes in government policies, legislation, political, legal and social environments in Tunisia or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.</p> <p>Risk specific to the Shares</p> <p>PhosCo Ltd, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the potential threat of terrorism and the global financial climate, may cause share price fluctuations in the Australian share market and globally. Fluctuations in the price of the Shares are therefore a key risk for recipients.</p>	

Topic	Summary	Further information
	<p>Government regulation risks</p> <p>There can be no assurance that future Tunisian government policy will not change and this may adversely affect the long-term prospects of the Company. In addition, future changes in the Australian, Tunisian and other governments, regulations and policies may have an adverse impact on the Company.</p> <p>Contractual Dispute Risk</p> <p>Contractual disputes with joint venture partners and contractors can arise from time to time. Failure to meet contracted obligations by a joint venture partner or contractor could adversely affect the Company's capacity to carry out its own activities. The Company may also fail to meet its obligations which may have an adverse impact on that joint venture or contractual arrangement.</p> <p>Adequacy of Funding</p> <p>The Company will have no operating revenue and it is unlikely to generate any revenue from operations in the short to medium term. Until such time as the Company's projects generate sufficient cash flow, the Company is likely to require additional equity or debt funding.</p> <p>Completion risk of the European Bank for Reconstruction and Development (EBRD) equity investment</p> <p>The Company has signed a mandate letter with EBRD with the bank considering an investment of US\$5,000,000 in the Company's equity. The funds raised under the mandate will be used by the Company to advance the Gasaat Phosphate Project to a bankable feasibility study and a range of other conditions including EBRD due diligence and internal approvals. There is a risk that the EBRD equity investment will not proceed.</p> <p>Exploration and development risk</p> <p>The business of exploration for phosphate and other minerals and their development involves a significant degree of risk and depends on factors that include successful exploration and the establishment of Resources and Reserves within the meaning of the 2012 JORC Code and completion of feasibility and other studies in relation to such projects and the Company may not be successful in doing so.</p>	

Topic	Summary	Further information
	<p>Mineral Reserves and Resources estimates risk</p> <p>The Reserve and Resource estimates for the existing mineral properties of the Company are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. In addition, by their very nature, estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurance can be given that any particular level of recovery of minerals from the Reserves and Resources will in fact be realised or that an identified Reserve or Resource will ever qualify as a commercially mineable (or viable) deposit that can be economically exploited.</p> <p>The variables on which estimates of Resources and Reserves are made include a number of factors and assumptions such as historical production, assumed effects of regulation by government agencies, assumptions regarding future prices and future capital and operating costs. Estimates of Reserves, Resources and production costs can also be affected by such factors as environmental regulations, weather, unforeseen technical difficulties, unusual and unexpected geological formations and work interruptions.</p> <p>Material changes in Resources and Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Reserve and Resource estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations.</p> <p>Geopolitical and sovereign risks generally</p> <p>Changes in legislation and government policy in Australia and Tunisia (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.</p> <p>The Company will be subject to the risks associated with operating in Tunisia generally which may include economic, social or political instability or change, hyperinflation, currency non-convertibility and instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations and government control over mineral properties.</p>	

Topic	Summary	Further information
	<p>Environmental risks</p> <p>The operations and proposed activities of the Company are subject to Tunisian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company’s activities are expected to have an impact on the environment.</p> <p>It is the Company’s policy to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company’s activities which could subject the Company to extensive liability.</p> <p>There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige any company to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.</p> <p>Further, whether in Tunisia or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the operating parties will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.</p> <p>Relevant government departments from time to time review the environmental bonds that are placed on tenements. Future bonding requirements may be detrimental to the financial position of the Company.</p> <p>Volatility in the price of minerals</p> <p>As an explorer and developer of phosphate (a critical raw material on the European Union list)and, potentially, other minerals, any future earnings of the Company are</p>	

Topic	Summary	Further information
	<p>expected to be closely related to the price of those commodities.</p> <p>Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and Project development plans, together with the ability to fund those plans and activities.</p> <p>Volatility in the market price of securities</p> <p>There is no assurance that an active trading market for the Company's securities will be sustained.</p> <p>Shareholders should recognise that the price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.</p> <p>Contractual risk</p> <p>All companies operate through a series of contractual relationships with operators, technical experts, project managers and contractors generally. Joint venture, access and farm in contracts may also be entered into in relation to various projects. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed.</p> <p>While there are no specific issues relating to the Company's material contracts currently known to the Company (apart from the matters outlined in Litigation Risk in Section 10.11), the inability of contracting parties to meet contracted obligations can adversely affect the capacity of the other parties to carry out their own obligations or can cause a project to be unable to be implemented or continued because of their own lack of adequate financial capacity to meet the obligations of the defaulting party. To the extent that third parties default in</p>	

Topic	Summary	Further information
	<p>their obligations under such documents, it may be necessary for the Company to approach a court to seek legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on favourable terms.</p> <p>Reliance on Key personnel</p> <p>The ability of the Company to achieve its objectives depends on the access to key personnel and external contractors who provide technical expertise and other services. If the Company cannot secure key personnel or external contractors or if the services of the present key personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.</p> <p>Potential acquisitions</p> <p>The Company may make potential acquisitions in other resource projects which may expose the Company to additional risks.</p>	
<p>General risks</p>	<p>Economic Risk</p> <p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Share market and investment risks</p> <p>There can be no assurance that an active trading market will exist for the Company's securities. The price of Shares might rise or fall.</p> <p>Factors affecting the price at which securities are traded on ASX could include local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.</p> <p>Holding securities will be subject to risks of a general nature relating to investment in shares and securities. The Company will be small company in terms of market capitalisation. As a consequence there may be relatively few buyers and sellers of securities on ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or</p>	

	<p>negative investor sentiment. This may present difficulties for Shareholders seeking to liquidate their holdings. None of the Company, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.</p> <p>General economic conditions</p> <p>The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.</p> <p>Underwriting Risk</p> <p>The Entitlement Offer is fully underwritten which means there is a high level of certainty that the Company will raise sufficient money under the Entitlement Offer to carry out its stated objectives for the next 12 months. However, there are circumstances outlined in this document that may lead to the Underwriting Agreement being terminated (see Section 10.4 for further information).</p> <p>Quotation of New Shares</p> <p>Whilst the Company intends to apply for Official Quotation of the New Shares, there is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Shares and. If so, the New Shares will not be tradeable on ASX.</p> <p>Stock Market Risks</p> <p>The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.</p> <p>Insurance risks</p> <p>Insurance of all risks associated with exploration, mining and production activities may not be available at all, or may only be able to be obtained at an unacceptable cost, and so in certain circumstances the Company's insurance may not be of a nature or level to provide adequate coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material</p>	
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Topic	Summary	Further information
	<p>adverse effect on the business, financial condition and results of the Company.</p> <p>Fiscal risks</p> <p>These risks involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.</p> <p>Ukraine Conflict</p> <p>The nature and extent of the effect the Ukraine Conflict may have on the Company’s operations remains uncertain at this time.</p> <p>Litigation</p> <p>The Company is presently involved in a number of litigation matters described in Section 10.11 above. There is always the risk that the Company may become exposed to other litigation and to the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.</p> <p>Safety Legislation</p> <p>Current and future exploration and production facilities are subject to a range of safety legislation which may change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.</p> <p>Changes in accounting policies</p> <p>The Company will be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Company.</p> <p>Wars, terrorism, political and natural disasters</p> <p>Events may occur within or outside Australia or within or outside Tunisia that could impact upon the world economy, the operations and exploration activities of the Company and the market price of the Company’s Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.</p> <p>Valuation</p>	

Topic	Summary	Further information
	<p>No formal valuation has been completed of the Company's projects or the Company itself. The Company makes no representation as to the value of the Company or its assets. It is recommended that intending investors and their advisers make their own assessment as to the value of the Company and its assets.</p> <p>Unforeseen Expenditure</p> <p>Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.</p> <p>Other Risk Factors</p> <p>Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.</p>	
General		
How do I participate in the Offers?	In order to take up your Entitlement under the Entitlement Offer and to subscribe for Additional Shares under the Oversubscriptions Offer, you can pay via EFT or BPAY® as set out in the Entitlement and Acceptance Form.	Section 11.1
Do I have to pay brokerage on the New Shares or New Options?	No brokerage, commission or other participation costs are payable by you in respect of the acquisition of New Shares or New Options under the Offers.	Section 4.19
When will I receive my New Shares and New Options?	<p>New Shares are expected to be issued to Eligible Shareholders who participate in the Entitlement Offer and/or Oversubscriptions Offer on 17 April 2025.</p> <p>New Options are also expected to be issued on 17 April 2025.</p> <p>Holding statements are expected to be sent to successful Applicants shortly after the issue of the New Shares and New Options.</p>	Section 4.13

Topic	Summary	Further information
When can I trade my New Shares issued under the Offers?	<p>It is expected that New Shares issued under the Offers will commence trading on ASX on 22 April 2025.</p> <p>You should confirm your holding of Shares before trading any New Shares you believe you have acquired under the Offers.</p>	Section 4.14
What are the rights and liabilities attaching to the New Shares issued under the Offers?	New Shares issued under the Offers will rank equally in all respects with existing Shares on issue at the Record Date.	Section 8
What are the rights and liabilities attaching to the New Options?	The rights and liabilities attaching to the New Options are set out in Section 9.	Section 9
How can Eligible Shareholders obtain further information?	<p>If you would like further information you can:</p> <ul style="list-style-type: none"> • contact Automic on 1300 288 664 or +61 2 9698 5414; • contact your stockbroker, accountant, solicitor and/ or other professional adviser; and/or • visit the Company's website at https://www.phosco.com.au/. 	Section 10.3

SECTION 4 DETAILS OF THE OFFERS

This Section provides details of the Offers made under this Prospectus. Before deciding whether to apply for New Shares or Conversion Offers under this Prospectus, you should read this Prospectus in its entirety.

4.1. Entitlement Offer

The Entitlement Offer made pursuant to this Prospectus is a pro rata non-renounceable rights issue as follows:

Offer Details	
New Shares:	A total of approximately 100,701,456 fully paid ordinary shares in the Company to be issued. New Shares will rank equally with existing Shares. The rights and liabilities of the New Shares are set out in Section 8.
Fractions:	Calculation of any Eligible Shareholder's fractional entitlements will be rounded up to the nearest whole number.
Price:	5.0 cents (\$0.05) per New Share.
Entitlement:	Eligible Shareholders are offered the right to subscribe for one (1) New Share for every 2.84 Shares they hold at the Record Date.
Eligible Shareholders:	Shareholders of the Company registered on the Company's share register at the Record Date and residing in Australia, New Zealand or Guernsey. Please refer to Section 4.11 for further information about eligibility.
Non-renounceable:	The Entitlement Offer is non-renounceable, meaning that Eligible Shareholders cannot sell or transfer their Entitlements (i.e., their right to subscribe for New Shares under the Entitlement Offer).
How to apply:	Eligible Shareholders wishing to subscribe for New Shares under the Entitlement Offer and/or the Oversubscriptions Offer need to complete an Entitlement and Acceptance Form and submit it to the Company, together with payment prior to the Closing Date. See Section 11.1 for more details on how to apply.
Opening Date:	The Offers will open on 20 March 2025.
Closing Date:	The last day to subscribe for New Shares under the Offers is 5:00pm (AEST) on 10 April 2025. The Board reserves the right to close the Entitlement Offer early or extend the Closing Date, in consultation with the Underwriter or sub-underwriting arrangements, should it consider it necessary to do so.

Offer Details	
Shortfall and Oversubscriptions:	<p>Any New Shares not applied for by Eligible Shareholders under the Entitlement Offer shall form the Shortfall and be allotted pursuant to the Underwriting Agreement.</p> <p>Where applications for the Shortfall exceed the Entitlement Offer, the Company may issue Additional Shares pursuant to the Oversubscriptions Offer.</p> <p>The issue of any Additional Shares to Eligible Shareholders will be dependent on the number of Additional Shares available.</p>

4.2. Oversubscriptions Offer

Under the Oversubscriptions Offer, the Company will offer a placement facility to accept oversubscriptions from the Entitlement Offer of up to a further 20,000,000 New Shares at \$0.05 per New Share (**Additional Shares**) each from Eligible Shareholders participating to raise a further \$1,000,000 before issue costs.

Eligible Shareholders may only apply for New Shares if they apply for their full Entitlement under the Entitlement Offer.

Applications for Additional Shares must be accompanied by payment in full for the price of the Additional Shares applied for.

4.3. Takeover law requirements

The ‘Rights Issue’ exception to the takeovers restriction in item 10 of section 611 of the Corporations Act does not apply to the Entitlement Offer. Accordingly, Eligible Shareholders will be unable to acquire a relevant interest in more than 20% of the Company after completion of the Offers. Accordingly, Eligible Shareholders will be unable to acquire a relevant interest in more than 20% of the Company after completion of the Offers.

It is the responsibility of each Eligible Shareholder to ensure that it will not breach the takeovers provisions under the Corporations Act (the 20% threshold) by applying for New Shares (including Additional Shares) under the Entitlement Offer and the Oversubscriptions Offer. These provisions are set out in section 606 of the Corporations Act. No Eligible Shareholder will be permitted to acquire Additional Shares under the Oversubscriptions Offer to the extent the Company considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

4.4. Allocation of Shares to applicants

Allocation of any shortfall under the Entitlement Offer (if for any reason the Underwriter does not fully fulfil its obligations under the Underwriting Agreement) and Additional Shares to Eligible Shareholders who have submitted applications for Additional Shares will be considered and determined by the Directors at their discretion in consultation with the Underwriter and Lead Manager.

In exercising their discretion to allocate the Additional Shares:

- For personal use only
- (a) subject to the above, the Directors will generally endeavour to allocate the Additional Shares which is considered fair to those applicants, having regard to their existing shareholding interests;
 - (b) priority will be given to those Eligible Shareholders who have an “Unmarketable Parcel” as defined in the Constitution so they may “top up” their shareholding;
 - (c) the Directors will not allocate any portion of the Additional Shares to an applicant who is a Related Party of the Company in priority to, or to the exclusion of, any other applicant, and in any event only to the extent permitted by the Listing Rules;
 - (d) the Company will not allocate Additional Shares under the Oversubscriptions Offer to the extent that the voting power in the Company of the applicant and their Associates (if known) exceeds section 606 of the Corporation Act (i.e., acquiring voting power of 20% or more in the Company, or increasing an existing controlling voting power of more than 20%); and
 - (e) the Directors will not otherwise exercise their discretion regarding allocation of the Additional Shares in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of New Shares contrary to the law or the ASX Listing Rules.

The Board reserves the right to place any shares under the shortfall under the Entitlement (if for any reason the Underwriter does not fully fulfil its obligations under the Underwriting Agreement) and any Additional Shares at their discretion within 3 months after the Closing Date in consultation with the Underwriter at an issue price not less than the price at which the securities are offered under the Entitlement Offer and the Oversubscriptions Offer.

4.5. Conversion Options Offer

This Prospectus invites the Converting Note Holders to apply for a total of 51,445,206 Conversion Options, which upon exercise will result in the issue of 51,445,206 Shares, on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Converting Notes currently on issue.

The Conversion Options will be issued on the terms and conditions set out in Section 9.

On 15 March 2024 and 16 October 2024, the Company announced the issue of \$1,900,000 worth of Converting Notes with a maturity date of 15 March 2025.

A term of the Converting Notes is that, upon the occurrence of a Capital Raising Event, the Company must automatically convert the Converting Notes into Conversion Shares, and all accrued but unpaid interest will be capitalised and converted into Conversion Shares. If the Converting Notes convert on the occurrence of a Capital Raising Event, each Converting Note will be convertible into Shares at a conversion price equal to a 20% discount to the capital raising issue price of the relevant Capital Raising Event, subject to a ceiling price of \$0.05 and a floor price of \$0.01.

A **Capital Raising Event** means a capital raising undertaken by the Company after 17 January 2024 to raise a minimum of \$1,000,000 by a placement of Shares.

If the Entitlement Offer completes in accordance with the terms of this Prospectus, then the Converting Notes and accrued interest on those Converting Notes will be converted into a maximum of 51,445,206 Conversion Shares at \$0.04 per Share.

Cleansing Statements lodged by the Company in accordance with the Corporations Act on 15 March 2024 and 16 October 2024 will facilitate the on-sale of the Conversion Shares issued on conversion of the Converting Notes, however, the Conversion Options Offer is necessary to facilitate the offer of the Conversion Options and the on-sale of Conversion Shares issued upon exercise of the Conversion Options.

4.6. Lead Manager Offer

This Prospectus invites the Lead Manager (or its nominee) to apply for a total of 3,000,000 Lead Manager Options at an issue price of \$0.00001 each pursuant to the terms of the Lead Manager Offer, which upon exercise will result in the issue of 3,000,000 Shares. The Lead Manager Options will be issued on the terms and conditions set out in Section 9.

The Lead Manager has a right but not an obligation to subscribe for the Lead Manager Options under the Lead Manager Offer. The Company will not raise any funds from the issue of the Lead Manager Options.

The Lead Manager Offer is made as part of the Lead Manager's remuneration under a previous Lead Manager mandate with the Company. By offering these Lead Manager Options under this Prospectus, the Lead Manager Options and the Shares issued on exercise of the Lead Manager Options will not be subject to secondary trading restrictions.

The Lead Manager Options issued under the Lead Manager Offer will be issued using the Company's placement capacity under ASX Listing Rule 7.1.

The Lead Manager Offer is not made to any person other than the Lead Manager (and its nominee).

The Lead Manager must apply for the Lead Manager Options under the Lead Manager Offer by completing and returning the Application Form which will be provided to the Lead Manager. Only the Lead Manager (or its nominee) may submit an application under the Lead Manager Offer.

4.7. Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten up to 100,701,456 New Shares for \$100,701,456 (**Underwritten Amount**) by the Underwriter, Westar Capital Limited. The Underwriter will be paid an underwriting fee equal to 4% of the Underwritten Amount (excluding GST) and a management fee equal to 2% of the total funds raised under the Entitlement Offer and the Oversubscriptions Offer (excluding GST) (**Underwriter's Fee**).

A summary of the terms and conditions of the Underwriting Agreement, including the circumstances in which the Underwriter may terminate the Underwriting Agreement, is set out in Section 10.4.

Under a separate Sub-Underwriting Agreement, the Lead Manager is engaged by the Underwriter as priority sub-underwriter to the Entitlement Offer, and will be paid by the Underwriter an amount equal to the Underwriter's Fee. The Company is not a party to the Sub-Underwriting Agreement.

Certain Directors have agreed to priority sub-underwrite the subscription of up to a total of 45,000,000 New Shares under the Entitlement Offer for a total of \$2,250,000. LSG has also agreed to priority sub-underwrite the subscription of up to a total of 20,000,000 New Shares under the Entitlement Offer for a total of \$1,000,000. The Directors and LSG will be paid a 4% sub-underwriting fee in relation to their sub-underwriting commitments. The sub-underwriting commitments of Aldaoud and LSG will be offset against loan previous made by these entities to the Company. Details

of the sub-underwriting are set out in Section 10.7 and the loan arrangements are set out in Section 10.6.

4.8. No Minimum Subscription

There is no minimum subscription for Eligible Shareholders under the Offers.

4.9. Eligibility of Shareholders for the Offers

The Entitlement Offer and Oversubscriptions Offer is made only to those Shareholders whose registered address is in Australia, New Zealand or Guernsey as at 7.00pm (AEDT) on the Record Date (**Eligible Shareholders**).

Shareholders whose registered address is not in Australia, New Zealand or Guernsey, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Entitlement Offer and Oversubscriptions Offer.

An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlements accompanies the Prospectus distributed to Eligible Shareholders.

Eligible Shareholders who do not take up their Entitlement in full may, as a result of the Offers, have their percentage shareholding in the Company diluted.

Only the Converting Note Holders may accept the Conversion Options Offer.

Only the Lead Manager (or its nominee) may accept the Lead Manager Offer.

4.10. Custodians and Nominees

The Entitlement Offer and Oversubscriptions Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia, New Zealand and Guernsey except, with the consent of the Company, to beneficial shareholders resident in any other country where the Company may determine it is lawful and practical to make the Offers.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer and Oversubscriptions Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Offers and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

4.11. Eligible Shareholder Entitlements

The Entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.

4.12. Closing Date and Payment for New Shares

The Closing Date for acceptance of Entitlement and Acceptance Forms is 5:00pm (AEST) on 10 April 2025.

Eligible Shareholders may submit payments for New Shares applied for using EFT or BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

4.13. Allotment of New Shares and New Options

New Shares and New Options will be allotted and issued in accordance with Listing Rules and indicative timetable as set out in Section 1.2 of this Prospectus. Holding statements for all New Shares allotted shall be dispatched as soon as practicable in accordance with the Listing Rules after the issue of the New Shares.

Until the allotment and issue of the New Shares under this Prospectus, application monies will be held by the Company in trust in a separate bank account maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

4.14. ASX Quotation

On or within 7 days of the date of this Prospectus the Company will make application for the New Shares to be granted Official Quotation on the ASX.

If ASX does not grant Official Quotation of the New Shares within 3 months after the date of the Prospectus then the New Shares will not be allotted and application monies will be repaid in full without interest.

Quotation of the New Shares on the ASX does not in any way indicate an endorsement by the ASX of the Company, the Company's projects or the New Shares. The ASX takes no responsibility for the contents of this Prospectus.

4.15. CHESS System

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the Offers made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASX Settlement.

Shareholders registered under the Issuer Sponsored subregister will receive a statement from the Share Registry.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

4.16. New Zealand Shareholders

The Entitlement Offer is made to Eligible Shareholders with an address in New Zealand, in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

The New Shares are not being offered or sold to the public within New Zealand other than to such Eligible Shareholders.

Neither this Prospectus nor any Offer has been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

4.17. Guernsey Shareholders

The New Shares may only be offered or sold in or from within the Bailiwick of Guernsey to existing shareholders of the Company. No offer to subscribe for New Shares will be made to the public in Bailiwick of Guernsey.

4.18. Ineligible Shareholders

The Offers do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders who do not have a registered address in Australia, New Zealand or Guernsey are not eligible to participate in the Offers. The laws of jurisdictions outside of Australia, New Zealand and Guernsey may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia, New Zealand and Guernsey should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company is of the view that it is unreasonable to extend the Offers to Shareholders with registered addresses outside Australia, New Zealand and Guernsey, having regard to:

- the small number of Shareholders with registered addresses outside Australia, New Zealand and Guernsey;
- the number and value of the New Shares which would be offered to ineligible Shareholders (being Ineligible Shareholders); and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Offers will not be made to Ineligible Shareholders, and this Prospectus will not be sent to those Ineligible Shareholders. In order for a Shareholder to participate in the Offers, the Shareholder must be resident in Australia, New Zealand or Guernsey at the Record Date.

In particular, this Prospectus does not constitute an offer for sale of the New Shares or New Options or any right to a security into the United States or to U.S. persons. The New Shares and New Options have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia, New Zealand and Guernsey are responsible for ensuring that participation in the Offers does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment by BPAY® will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Offers has been dispatched to a Shareholder domiciled outside Australia, New Zealand and Guernsey and where the country's securities code or legislation prohibits or restricts in any way the making of the Offers contemplated by this Prospectus, the Prospectus is provided for information purposes only.

4.19. Costs of participation

No brokerage, commissions or other transaction costs will be payable by Applicants in respect of the Application for, and allotment of, New Shares or New Options under this Prospectus.

4.20. On-sale of Shares previously issued without disclosure

This Prospectus will also remove any trading restrictions that may have been attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus. Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

SECTION 5 PURPOSE AND EFFECT OF THE OFFERS

5.1. Purpose of the Offers

The Offers are being undertaken principally to provide funds to meet budgeted and anticipated exploration expenditure associated with the Company's current projects, together with meeting current working capital requirements and providing for future evaluation and examination of prospective exploration assets and projects as identified by the Board from time to time as presenting value and being in line with the Company's direction.

Proceeds of Offer	Underwritten Amount*	Maximum Amount
Exploration at the Gasaat Phosphate Project targeting resource extensions and first pass exploration at the Sekarna Phosphate Project	\$2,750,000	\$3,730,000
Metallurgical and study update work for the Company's Gasaat Phosphate Project reflecting project enhancements and optimisations and first pass metallurgical work on the Sekarna Phosphate Project	\$500,000	\$500,000
Costs of the offer	\$366,720	\$428,645
General Working Capital	\$1,418,353	\$1,376,428
TOTAL	\$5,035,073	\$6,035,073

* Being the amount underwritten by the Underwriter.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board may determine to alter the way funds are applied as it considers necessary and appropriate having regard to the circumstances at the time.

The Entitlement Offer is fully underwritten by Westar Capital Limited to \$5,035,072.80. However, if the Underwriting Agreement is terminated, there is a risk that sufficient funds will not be received under the Entitlement Offer to fund the Company's immediate working capital requirements. As a result, the Company may need to meet its working capital requirements using funds from one or a combination of the following:

- (a) existing working capital;
- (b) debt funding; or
- (c) the proceeds of a future capital raising.

Shareholders are strongly urged to read this Prospectus carefully so as to better understand the purpose of the Offer, how the funds to be raised under the Offers will be applied, the key assumptions involved and the potential impact the new funding will have on the Company's future growth and enterprise value.

5.2. EFFECT OF THE OFFERS ON THE COMPANY

(a) Capital Structure

The effect of the Offers on the capital structure of the Company under the Underwritten Amount and the Maximum Amount, assuming that no Converting Notes are converted prior to the Record Date, will be as follows:

	Underwritten Amount	Maximum Amount
	\$	\$
Shares currently on issue ¹	285,992,133	285,992,133
New Shares offered under this Prospectus	100,701,456	120,701,456
Maximum Conversion Shares	51,445,206	51,445,206
Total Shares on issue following the Offer	438,138,795	458,138,795
Options currently on issue	0	0
Maximum Conversion Options offered under this Prospectus	51,445,206	51,445,206
Maximum Lead Manager Options offered under this Prospectus	3,000,000	3,000,000
Total Options on issue following the Offer	54,445,206	54,445,206
Performance Rights on issue	9,000,001	9,000,001
Amount raised under this Prospectus (before costs)	\$5,035,072.80	\$6,035,072.80

¹ This assumes no further Shares are issued prior to the Record Date

(b) Cash Position

Completion of the Offers will have the effect of increasing the Company's cash reserves by approximately:

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- (i) \$4,668,353 where the Underwritten Amount is raised (after deducting estimated cash costs of the Offers, i.e. approximately \$366,720); and
- (ii) \$5,606,428 where the Maximum Amount is raised (after deducting estimated cash costs of the Offers, i.e. approximately \$428,645),

providing funds to advance the activities and objectives of the Company. In the event all of the New Options are exercised, the Company will raise an additional \$2,722,260.

Note that no consideration will be received by the Company on the issue of the New Options. There is no certainty that all or some of the New Options will be exercised and consequently no certainty that the Company will receive proceeds from the exercise of the New Options, nor issue additional Shares, on the exercise of the New Options.

(c) Effect of Offers on Control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Entitlement Offer is made pro-rata and in that case no rights would lapse or be placed in accordance with the terms of the Underwriting Agreement.

As the Company does not propose to apply to ASIC for the approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares under the Offers to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post Offer basis.

The current substantial shareholders of the Company, as at the date of this Prospectus, as set out in the Company's 2024 Annual Report released to ASX on 26 September 2024, are as follows:

Substantial Shareholder	No. of Shares	% of Shares
Cumulus Wealth Pty Ltd	47,204,742	17.20%
Lion Selection Group Limited	40,599,258	14.79%
Polo Resources Limited via Polo Investments Limited	27,714,915	12.36%
Lion Manager Pty Ltd; Robin Anthony Widdup; Hedley James Widdup; Craig Kevin Smyth	23,047,656	8.28%

5.3. Potential dilution from New Shares

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings could be diluted by up to 34.7% if the Entitlement Offer is fully subscribed, and up to 37.6% if the Oversubscriptions Offer is also fully subscribed (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

Following is a table which sets out the dilutionary effect, assuming the Maximum Amount is raised and no further Shares are issued:

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Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Entitlement Offer
Shareholder 1	20,000,000	6.99%	7,042,254	20,000,000	4.37%
Shareholder 2	10,000,000	3.50%	3,521,127	10,000,000	2.18%
Shareholder 3	5,000,000	1.75%	1,760,563	5,000,000	1.09%
Shareholder 4	1,000,000	0.35%	352,113	1,000,000	0.22%
Shareholder 5	500,000	0.17%	176,056	500,000	0.11%

Notes:

1. The table assumes that other Shares are not issued (including on the vesting of Performance Rights) prior to the close of the Closing Date.
2. The dilution percentages assume that all New Shares are issued other than Eligible Shareholders. The dilution represents a percentage of the total maximum Shares on issue on completion of the Entitlement Offer and Oversubscriptions Offer assuming the Entitlement Offer and Oversubscriptions Offer are fully subscribed by persons other than Eligible Shareholders.

5.4. Potential dilution from New Options

The issue of New Options will not have any dilutive effect on Shareholders' shareholding interests unless and until those New Options are exercised.

The total estimated dilutive effect on Shareholders if Shares are issued on exercise of all proposed New Options, assuming:

- (a) the Underwritten Amount is raised, is approximately 11.05%; and
- (b) the Maximum Amount is raised, is approximately 10.62%.

Notes:

1. The interests shown above assume:
 - (a) full subscription to the Entitlement Offer (but no New Shares are issued under the Oversubscriptions Offer);
 - (b) the existing Options do not lapse prior to exercise or conversion;
 - (c) Options are exercised in the sequence as shown above; and
 - (d) no other Shares are issued prior to exercise of Options.

5.5. Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Company's Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: 0.082 cents on 9 December 2024.

Lowest: 0.06 cents on 27 December 2024.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was 6.65 cents (\$0.0665) on 6 March 2025.

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SECTION 6 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is a pro forma consolidated Statement of Financial Position for the Company and its controlled entities (**Consolidated Entity**) after taking into account the effect of the Offers. This statement is based on the audit reviewed accounts of the Company as at 30 June 2024, lodged with the ASX on 26 September 2024.

The pro forma Consolidated Statement of Financial Position illustrates the effect of the Offers based upon the following assumptions, qualifications and notes:

- (a) there being no other material changes to the Consolidated Entity's Statement of Financial Position since 30 June 2024, other than the issue of \$900,000 in Converting Notes on 16 October 2024;
- (b) the Offers being subscribed to:
 - (i) the Underwritten Amount, resulting in the Company issuing an additional 100,701,456 New Shares raising a total of \$5,035,073; and
 - (ii) the Maximum Amount (being the Entitlement Offer and the Oversubscriptions Offer being fully subscribed), resulting in the Company issuing an additional 120,701,456 New Shares raising a total of \$6,035,073;
- (c) the cash costs of the Offers which are estimated as:
 - (i) \$366,720 in total where the Underwritten Amount is raised; and
 - (ii) \$428,645 in total where the Maximum Amount is raised; and
- (d) the activities of the Consolidated Entity since 30 June 2024 not being recognised in the *pro forma* consolidated Statement of Financial Position.
- (e) **Note 1 Tranche 2 Converting Note issue** - The Company issued \$900,000 in converting notes (Tranche 2 Converting Notes) to various Tranche 2 Noteholders on 16 October 2024, on the same terms as that of Tranche 1 Converting Notes. The Company received \$884,051 net of transaction costs.
- (f) **Note 2 Impact of operating expenses and payments since 30 June 2024** - These amounts represent the cash used in operations and the material changes since 30 June 2024. Cash payments during the period represent settlement of trade and other payables, employee benefits and other current period operational expenses net of Offer costs.
- (g) **Note 3 Cash and cash equivalent and the impact of the Offer** - The following pro-forma adjustments have been taken up to reflect the impact of the Offer:
 - (i) The issue of between 100,701,456 Shares (Underwritten Amount) and 120,701,456 Shares (Maximum Amount) at an issue price of \$0.05 per Share.
 - (ii) Costs of the Offer estimated to be between \$0.37m (under an Underwritten Amount scenario) and \$0.43m (under a Maximum Amount scenario) which have been taken up against issued capital and accumulated losses.
 - (iii) The Company will issue 3,000,000 options to the lead manager, which are fair valued at \$120,000, which have been taken up against issued capital and reserves.

- (iv) The Company will issue 51.5 million options to the Converting Note Holders on the conversion of the Tranche 1 and Tranche 2 Converting Notes. These options are estimated to be fair value of \$2.06 million, which have been taken up against issued capital and reserves.

	Audited	Pro forma	Pro forma	Pro forma	Pro forma		Adjusted	Adjusted
	30.06.24	Tranche 2	Working capital	Underwritten	Conversion	Maximum	Underwritten	Maximum
	\$	Converting Notes	adjustments	Amount	Options	Amount	Amount	Amount
Current assets								
Cash and cash equivalents	548,154	884,051	(992,137)	4,668,353		5,606,428	5,108,421	6,046,496
Trade and other receivables	28,736	-	-	-		-	28,736	28,736
Other assets and deposits	146,691	-	-	-		-	146,691	146,691
Total current assets	723,581	884,051	(992,137)	4,668,353	-	5,606,428	5,283,848	6,221,923
Non-current assets								
Property, plant and equipment	61,087	-	-	-		-	61,087	61,087
Total non-current assets	61,087	-	-	-	-	-	61,087	61,087
Total assets	784,668	884,051	(992,137)	4,668,353	-	5,606,428	5,344,935	6,283,010
Current liabilities								
Bank overdraft	361	-	-	-		-	361	361
Trade and other payables	1,644,699	-	-	-		-	1,644,699	1,644,699
Employee benefits payable	206,432	-	-	-		-	206,432	206,432
Borrowings	6,325,965	-	-	-		-	6,325,965	6,325,965
Convertible notes	1,277,170	900,000	-	(2,177,170)	-	(2,177,170)	-	-
Total current liabilities	9,454,627	900,000	-	(2,177,170)	-	(2,177,170)	8,177,457	8,177,457
Non-current liabilities								

	Audited	Pro forma	Pro forma	Pro forma	Pro forma			Adjusted	Adjusted
	30.06.24	Tranche 2	Working capital	Underwritten	Conversion	Maximum	Conversion	Underwritten Amount	Maximum Amount
	\$	Converting Notes	adjustments	Amount	Options	Amount	Options		
Borrowings	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	9,454,627	900,000	-	(2,177,170)	-	(2,177,170)	-	8,177,457	8,177,457
Net assets	(8,669,959)	(15,949)	(992,137)	6,845,523	-	7,783,598	-	(2,832,522)	(1,894,447)
Equity									
Issued capital	60,331,717	-	-	6,606,161		7,544,236		66,937,878	67,875,953
Reserves	(178,688)	-	-	120,000	2,057,808	120,000	2,057,808	1,999,120	1,999,120
Accumulated losses	(62,522,603)	(15,949)	(992,137)	119,362	(2,057,808)	119,362	(2,057,808)	(65,469,135)	(65,469,135)
Non-controlling interests	(6,300,385)	-	-	-		-		(6,300,385)	(6,300,385)
Total equity	(8,669,959)	(15,949)	(992,137)	6,845,523	-	7,783,598	-	(2,832,522)	(1,894,447)

7.1. General

The Company's activities are subject to a number of risks which may impact future financial performance and the market price at which New Shares trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in the share market and risks specific to an investment in Shares and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Shares. This list is not exhaustive and investors should read this Prospectus in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares.

7.2. Risk factors specific to the Company

The Company is an ASX listed company engaged in exploration for development and realisation of mineral resource projects in Tunisia.

The Company released its latest audit reviewed financial results for the 2023/2024 financial year as an announcement to ASX on 26 September 2024. A copy can be obtained from the Company's website <https://www.phosco.com.au/> or the ASX website www.asx.com.au under the code "PHO".

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks that relate directly to the Company's activities. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and does not take into account the individual circumstances of Shareholders.

The Directors strongly recommend that potential Investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and consult with their professional advisers before deciding whether to apply for Shares under this Prospectus.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

(a) Litigation Risk

The Company's wholly owned subsidiary, Celamin Pty Limited, has been in dispute with its joint venture partner, Tunisian Mining Services (**TMS**) since January 2015, regarding ownership and control of CPSA, which is the operating company that held the Chaketma Phosphate Project. The Company regained operational and management control of CPSA, holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA in October 2021 through the Final Award. The enforcement of this Final Award may still be challenged by TMS. If it is successful, the Final

Award may be overturned and there is no guarantee that the Company will recover any damages, costs or other compensation against TMS in relation to CPSA.

The Company also commenced other actions in the Tunisian Courts, to pursue TMS for the outstanding costs and damages by forcing the sale of TMS assets and other means, the objective of which is to recover funds to offset the damages and costs owed.

No guarantee is given that any of the current legal proceedings will be resolved in favour of the Company or that any legal remedy will ultimately be favourable. An adverse outcome in these legal proceedings may result in loss including the cost of these legal proceedings and of responding to potential or actual litigation may also have a material adverse impact on financial performance.

(b) ***Risks specific to Chaketma Phosphates SA***

Chaketma Phosphates SA (**CPSA**), a joint venture in which PhosCo holds a 51% stake through its wholly owned subsidiary Celamin Pty Limited (**Celamin**), previously owned the Chaketma permit and had a pending application for the Chaketma Phosphate Project. However, this application by CPSA was unsuccessful. Instead, a larger overlapping permit, Gasaat, was granted entirely to PhosCo through a separate, wholly-owned subsidiary.

The CPSA JV no longer holds any permits or permit applications. In light of this development and subject to full compliance with applicable law, PhosCo does not intend to provide further investment to the CPSA joint venture.

Celamin has received correspondence from TMS allegedly Celamin violated the objectives and spirit of the CPSA JV agreement, including applying for a new permit overlapping the Chaketma permit and abuse of majority power within CPSA. These claims will be vigorously defended if TMS opts to proceed to ICC arbitration under the JV agreement. There is a risk that if this matter progresses, the Company will incur costs where there is no guarantee that the Company can recover these damages, interest and costs from TMS or its directors responsible for any of these liabilities.

The Company notes that TMS still owes ICC arbitration damages, costs and interests from TMS illegally misappropriating Celamin's CPSA shares amounting to TND14M (A\$7M). Despite being entitled to the damages under the Arbitral Award, PhosCo has not recognised these amounts as an asset on its balance sheet due to TMS' repeated non-compliance with the Arbitral Award and uncertainty about TMS' capacity to pay the damages.

The Company may suffer a loss or need to fund the liabilities of CPSA, and there is no guarantee that the Company can recover these damages, interest and costs from TMS or its directors responsible for any of these liabilities.

(c) ***Tunisian country risk***

The Company's exploration permits are located in Tunisia and, and the Company is subject to the risks associated with operating in that country, including various levels of political, sovereign, economic and other risks and uncertainties.

These risks and uncertainties also include, but are not limited to, terrorism, hostage taking, fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and

governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Tunisia may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company will conduct its operations in accordance with international laws and standards, which may not be consistent with local customs or practices that could result in loss, reduction of production, logistics and sales, in which the Company's operational and financial performance may be adversely affected.

Outcomes in courts in Tunisia may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Tunisia.

Any material adverse changes in government policies, legislation, political, legal and social environments in Tunisia or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

(d) ***Risk specific to the Shares***

PhosCo, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the continuing threat of terrorism and the global financial climate, may cause share price fluctuations in the Australian share market and globally. Fluctuations in the price of the Shares are therefore a key risk for recipients.

(e) ***Government regulation risks***

The Company's tenements and activities may be subject to extensive regulation by local, state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. There is a risk that approvals required for exploration and development programs and mining operations may not be forthcoming, either at all or in a timely manner, or that they may not be able to be obtained on acceptable terms. A failure to obtain any approval would mean that the ability to participate in or develop any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

There can be no assurance that future government policy will not change and this may adversely affect the long-term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

(f) ***Contractual Dispute Risk***

Contractual disputes with joint venture partners and contractors can arise from time to time. Failure to meet contracted obligations by a joint venture partner or contractor could adversely affect the Company's capacity to carry out its own activities. The Company may also fail to meet its obligations which may have an adverse impact on that joint venture or contractual arrangement.

(g) ***Title and permit risks***

Whilst exploration permits have been granted for the Gasaat and Sekarna Phosphate Projects, there is no certainty a mining concession will be granted by the Tunisian Government or that, if granted, the mining concession will be of a size and on terms acceptable to the Company.

For granted permits or licences under which exploration or production activities can be undertaken these permits or licences are issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its permits or licences if conditions are not met or if sufficient funds are not available to meet work commitments. Any failure to comply with the work commitments or other conditions on which a permit or licence is held exposes the permit or licence to forfeiture or may result in it not being renewed as and when renewal is sought. Where permits or licences are cancelled, forfeited or refused renewal, no compensation is payable to the holder of the permit or licence except possibly in extreme circumstances.

Further, mining and exploration permits and licences are subject to periodic renewal. There is no guarantee that current or future renewals will be approved. Renewal of the term of a granted permit or licence is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(h) ***Adequacy of Funding***

The Company will have no operating revenue and it is unlikely to generate any revenue from operations in the short to medium term. Until such time as the Company's projects generate sufficient cash flow, the Company is likely to require additional equity or debt funding.

Additional funds may be required to advance the Gasaat and Sekarna Phosphate Projects toward production.

Some level of debt financing may be available to construct processing facilities as and when and if the Company makes a decision to commence mining operations. Until such time as any such debt financing is available, funding will likely be by way of the issue of shares, which may dilute existing Shareholders. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development or force the

Directors to pursue transactions which they would not pursue had sufficient funding been available.

(i) **Completion risk of the European Bank for Reconstruction and Development (EBRD) equity investment**

The Company has signed a mandate letter with EBRD with the bank considering an investment of US\$5,000,000 in the Company's equity. The funds raised under the mandate will be used by the Company to advance the Gasaat Phosphate Project to a bankable feasibility study and a range of other conditions including EBRD due diligence and internal approvals. There is a risk that the EBRD equity investment will not proceed.

(j) **Exploration and development risk**

The business of exploration for phosphate and other minerals and their development involves a significant degree of risk and depends on factors that include successful exploration and the establishment of Resources and Reserves within the meaning of the 2012 JORC Code and completion of feasibility and other studies in relation to such projects and the Company may not be successful in doing so.

There is no assurance that future exploration expenditure will result in discoveries or upgrade existing mineralisation to the stage where such can be successfully commercially exploited.

Exploration and development costs are based on certain assumptions with respect to the method and timing of activities. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. Exploration and development operations can also be hampered by force majeure circumstances and cost overruns from unforeseen events, including unexpected variations in geology and equipment malfunction. Increases in the costs of exploration and development may affect a company's ability to invest in projects, to purchase or hire equipment, supplies and services and to recruit skilled personnel. The reduced availability of equipment, services and skilled personnel may delay planned exploration and development activities, which may adversely affect operations and increase costs.

Success in development is dependent on many factors such as: access to adequate capital for project development; design and construction of efficient development and production infrastructure within capital expenditure budgets; securing and maintaining title to interests; obtaining regulatory consents and approvals necessary for the conduct of development, mining and production; securing plant and equipment on competitive and acceptable terms and conditions as and when required; and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants. Failure to achieve any one or more of those factors may have an adverse effect on the Company's development activities and its financial position.

Operations may be affected by various factors, including failure to achieve predicted grades or production rates in exploration and production; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and

environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(k) ***Mineral Reserves and Resources estimates risk***

The Reserve and Resource estimates for the existing mineral properties of the Company are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. In addition, by their very nature, estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurance can be given that any particular level of recovery of minerals from the Reserves and Resources will in fact be realised or that an identified Reserve or Resource will ever qualify as a commercially mineable (or viable) deposit that can be economically exploited.

The variables on which estimates of Resources and Reserves are made include a number of factors and assumptions such as historical production, assumed effects of regulation by government agencies, assumptions regarding future prices and future capital and operating costs. Estimates of Reserves, Resources and production costs can also be affected by such factors as environmental regulations, weather, unforeseen technical difficulties, unusual and unexpected geological formations and work interruptions.

Material changes in Resources and Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Reserve and Resource estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations.

(l) ***Geopolitical and sovereign risks generally***

Changes in legislation and government policy in Australia and Tunisia (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.

The Company will be subject to the risks associated with operating in Tunisia generally which may include economic, social or political instability or change, hyperinflation, currency non-convertibility and instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations and government control over mineral properties.

(m) ***Environmental risks***

The operations and proposed activities of the Company are subject to Tunisian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment.

It is the Company's policy to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige any company to incur significant expense and

undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

Further, whether in Tunisia or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the operating parties will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.

Relevant government departments from time to time review the environmental bonds that are placed on tenements. Future bonding requirements may be detrimental to the financial position of the Company.

(n) ***Volatility in the price of minerals***

As an explorer and developer of phosphate (a critical raw material on the European Union list) and, potentially, other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and Project development plans, together with the ability to fund those plans and activities.

(o) ***Volatility in the market price of securities***

There is no assurance that an active trading market for the Company's securities will be sustained.

Shareholders should recognise that the price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.

(p) ***Contractual risk***

All companies operate through a series of contractual relationships with operators, technical experts, project managers and contractors generally. Joint venture, access and farm in contracts may also be entered into in relation to various projects. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed.

While there are no specific issues relating to the Company's material contracts currently known to the Company (apart from the matters outlined in Litigation Risk in Section 5.2 above), the inability of contracting parties to meet contracted obligations can adversely affect the capacity of the other parties to carry out their own obligations or can cause a project to be unable to be

implemented or continued because of their own lack of adequate financial capacity to meet the obligations of the defaulting party. To the extent that third parties default in their obligations under such documents, it may be necessary for the Company to approach a court to seek legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on favourable terms.

(q) ***Reliance on key personnel***

The ability of the Company to achieve its objectives depends on the access to key personnel and external contractors who provide technical expertise and other services. If the Company cannot secure key personnel or external contractors or if the services of the present key personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.

(r) ***Potential acquisitions***

The Company may make potential acquisitions in other resource projects which may expose the Company to additional risks.

7.3. General Risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the price of New Shares. These factors include:

(a) ***Economic Risk***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) ***Share market and investment risks***

There can be no assurance that an active trading market will exist for the Company's securities. The price of Shares might rise or fall.

Factors affecting the price at which securities are traded on ASX could include local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.

Holding securities will be subject to risks of a general nature relating to investment in shares and securities. The Company is presently a small company in terms of market capitalisation. As a consequence there may be relatively few buyers and sellers of securities on ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for Shareholders seeking to liquidate their holdings. None of the Company, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.

(c) ***General economic conditions***

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

(d) **Underwriting Risk**

The Entitlement Offer is underwritten which means there is a high level of certainty that the Company will raise sufficient money under the Entitlement Offer to carry out its stated objectives for the next 12 months. However, there are circumstances outlined in this document that may lead to the Underwriting Agreement being terminated (see Section 9.4 for further information).

(e) **Quotation of New Shares**

Whilst the Company intends to apply for Official Quotation of the New Shares, there is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Shares and. If so, the New Shares will not be tradeable on ASX.

(f) **Stock Market Risks**

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(g) **Insurance risks**

Insurance of all risks associated with exploration, mining and production activities may not be available at all, or may only be able to be obtained at an unacceptable cost, and so in certain circumstances the Company's insurance may not be of a nature or level to provide adequate coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(h) **Fiscal risks**

These risks involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(i) **Litigation**

The Company is presently involved in a number of litigation matters described in Section 7.3(a) above. There is always the risk that the Company may become exposed to other litigation and to the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.

(j) **Safety Legislation**

Current and future exploration and production facilities are subject to a range of safety legislation which may change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

(k) ***Changes in accounting policies***

The Company will be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Company.

(l) ***Wars, terrorism, political and natural disasters***

Events may occur within or outside Australia or within or outside Tunisia that could impact upon the world economy, the operations and exploration activities of the Company and the market price of the Company's Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.

(m) ***Valuation***

No formal valuation has been completed of the Company's projects or the Company itself. The Company makes no representation as to the value of the Company or its assets. It is recommended that intending investors and their advisers make their own assessment as to the value of the Company and its assets.

(n) ***Unforeseen Expenditure***

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(o) ***Other Risk Factors***

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

(p) ***Stock Market Risks***

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(q) ***Ukraine Conflict***

The current conflict between Ukraine and Russia (**Ukraine Conflict**) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic

uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.

The Directors are monitoring the potential secondary and tertiary macroeconomics impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may be adversely impact the Company's operations and are likely to be beyond the control of the Company.

(r) ***Other Risk Factors***

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for securities under the Offer, the above matters, and all other matters described in this document must be carefully considered. The New Shares and New Options to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the New Shares and New Options offered by this Prospectus will be achieved.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or the Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the Shares.

SECTION 8 RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

8.1. Variation of rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (a) with the written consent of the holders of 75% of the Shares issued in that class; or
- (b) with the approval of a special resolution passed at a meeting of the holders of Shares of the class.

8.2. General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

8.3. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

8.4. Dividend rights

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. Dividends shall be payable out of profits, out of any particular fund or reserve. A determination by the Directors as to the profits of the Company shall be conclusive. Dividends shall not carry interest as against the Company.

8.5. Winding-up

In a winding up, any assets available for distribution to Shareholders will, subject to the rights of the Shareholders issued on special terms and conditions, the Company's Constitution and the Corporations Act, be distributed amongst the Shareholders to return capital paid up on their Shares and distribute any surplus in proportion to the amount paid up (not credited) on Shares held by them.

8.6. Change to Capital Structure

- (a) The Company may:
 - (i) convert all or any of its Shares into a larger or smaller number of Shares. Any amount unpaid on the Shares being converted is divided equally among the replacement Shares; and
 - (ii) cancel Shares which have been forfeited.
- (b) Subject to the Corporations Act, the Company may reduce its capital in any manner including by way of distributing specific assets, including securities of the Company or of any other corporation, trust or entity.

8.7. Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

SECTION 9 TERMS AND CONDITIONS OF THE NEW OPTIONS

9.1. Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

9.2. Exercise Price

Subject to paragraph 9.9, the amount payable upon exercise of each New Option will be \$0.05 (**Exercise Price**).

9.3. Expiry Date

Each New Option will expire at 5:00 pm (AEST) on or before the date that is two years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

9.4. Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

9.5. Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

9.6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

9.7. Timing of issue of Shares on exercise

Within five business days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under paragraph 9.7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus

prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9.8. Shares issued on exercise

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

9.9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

9.10. Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

9.11. Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

9.12. Transferability

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.1. The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

10.2. Section 713 Prospectus

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus, or options to acquire such securities. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The new Shares to be issued under this Prospectus are in a class of securities that has been continuously quoted on the ASX in the 12 month period preceding the date of this Prospectus.

The New Options are options to acquire Shares in the Company.

As the New Shares form part of the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2016/74 allows the Company to accept Entitlement and Acceptance Forms upon the lodgement of this Prospectus with ASIC.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospectus of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

10.3. Right to Obtain Copies of Documents

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2024, being the annual financial report most recently lodged by the Company with the ASX; and
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 26 September 2024, being the date of lodgement of the Company's 2024 Annual Report, and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

7 March 2025	Trading Halt
30 January 2025	Application for quotation of securities - PHO
30 January 2025	Application for quotation of securities - PHO
29 January 2025	Amended Consultancy Arrangements
29 January 2025	December 2024 Quarterly Activities and Cashflow Report
13 January 2025	Sekarna Phosphate Project Formally Granted
7 January 2025	Change of Director's Interest x3
7 January 2025	Notification of cessation of securities - PHO
31 December 2024	Change of Director's Interest Notices x3
20 December 2024	Notification regarding unquoted securities - PHO
20 December 2024	Application for quotation of securities - PHO
4 December 2024	Investor Update – December 2024
28 November 2024	Appointment of Technical Board Advisor
27 November 2024	Results of Annual General Meeting
26 November 2024	Reinstatement to Quotation
26 November 2024	Gasaat Permit Approved, MOU with Tunisian Government & EBRD
25 November 2024	Suspension from Quotation
21 November 2024	Trading Halt
28 October 2024	Proposed issue of securities - PHO
28 October 2024	Notice of Annual General Meeting/Proxy Form
24 October 2024	September 2024 Quarterly Activities and Cashflow Report

22 October 2024	Change in Director's Interest Notice x2
17 October 2024	Section 708A Cleansing Statement
17 October 2024	Application for quotation of securities - PHO
17 October 2024	Application for quotation of securities - PHO
16 October 2024	Notification regarding unquoted securities - PHO
16 October 2024	Cleansing Notice under s708A(12C)(e) of the Corporations Act
14 October 2024	Results of General Meeting
3 October 2024	Key Approval for Sekarna Phosphate Project
26 September 2024	Appendix 4G and Corporate Governance Statement

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (<https://www.phosco.com.au/http://www.nagambieresources.com.au/>). Copies of announcements can also be obtained from the Company on request. Prospective investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The annual financial report and the continuous disclosure notices referred to above have been identified for the purposes of section 713(4) of the Corporations Act and are not taken to form part of the content of this Prospectus.

The Company's Constitution and the consents referred to in Section 10.12 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

PhosCo Ltd
Level 4, 96-100 Albert Road
South Melbourne VIC 3205

10.4. Underwriting Agreement

On 10 March 2025, Westar Capital Limited (as **Underwriter**) and the Company entered into an underwriting agreement pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer to the extent of the 100,701,456 New Shares (**Underwritten Shares**) (**Underwriting Agreement**).

The Underwriting Agreement is subject to conditions precedent usual to commercial agreements of this type, such as the Underwriter being satisfied with its due diligence enquiries and providing a consent to be named in this Prospectus.

Pursuant to the Underwriting Agreement, the Company has agreed to pay/issue the Underwriter (or its nominees) the following fees:

- (a) an underwriting fee equal to 4%; and
- (b) a management fee equal to 2%,

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of the total amount raised by the Company under the Offers.

All underwriting and selling fees to third parties will be paid by the Underwriter.

In addition, the Company will indemnify and keep indemnified the Underwriter, its officers, employees agents and advisors:

- (a) against all prosecutions, losses (excluding consequential losses but including loss of profit and other losses or costs incurred in preparation for or involvement in or otherwise in connection with any prosecution, investigation, enquiry or hearing by the ASIC, ASX or any governmental authority or agency), penalties, actions, suits, claims, expenses, costs (including legal costs and disbursements on an indemnity basis), liabilities, charges, outgoings, payments, demands and proceedings (whether civil or criminal) (**Losses**) suffered, incurred, paid or liable to be paid directly to the extent that those Losses arise out of or in respect of:
 - (i) the Offers;
 - (ii) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus or any documents in respect of the Entitlement Offer which accompany the Prospectus;
 - (iii) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus, or any documents in respect of the Entitlement Offer which accompany the Prospectus;
 - (iv) any advertising, publicity, announcements, statements and reports in relation to the Entitlement Offer made with the agreement of the Company; or
 - (v) any breach or failure by the Company to observe any of the terms of this document or any breach of the representations and warranties given by the Company in this document; and
- (b) the Underwriter in respect of any payment made by the Underwriter to reimburse or provide for payment of any Losses suffered personally by an Indemnified Party in respect of the matters described in clauses (i) - (v) above or resulting from or attributable to those matters.

An indemnity will not apply to:

- (a) to any penalties or fines which the Underwriter must pay in respect of any contravention of the Corporations Act by the Underwriter or any Indemnified Party;
- (b) to any written research or other report, advertisement, publicity or written announcement made by the Indemnified Party in relation to the Entitlement Offer without the prior written approval of the Company;
- (c) to any Losses to the extent that they are out of or in respect of any statement, misstatement, misrepresentation, non disclosure, inaccuracy or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter or any of the Indemnified Parties;

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- (d) to any Losses to the extent that they arise out of or in respect of the market price of the Shares being lower than the Price;
 - (e) to any other amount in respect of which the indemnities would be illegal, void or unenforceable at law;
 - (f) in respect of any Losses which results from the wilful default, misconduct, fraud, negligence or breach of contract of the person claiming the indemnity; or
 - (g) losses suffered as a result of the Underwriter being required to perform its obligations under this document (including, without limitation, its underwriting obligation).

The Underwriter may at any time in its absolute discretion appoint sub-underwriters to sub-underwrite the Entitlement Offer.

The Underwriter must pay all fees and commissions due to sub-underwriters of the Entitlement Offer.

The obligation of the Underwriter to underwrite the Underwritten Shares is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Priority Sub-Underwriting)**: the Priority Sub-Underwriting Agreement is terminated for any reason prior to Completion, or the Priority Sub-Underwriter fails to perform, fulfill, or comply with the undertakings or obligations under the Priority Sub-Underwriting Agreement for any reason;
- (b) **(Compliance with laws)**: that the Offers do not comply with all the relevant laws, including Listing Rule 7.7 in relation to overseas holders;
- (c) **(Share Price)**: the Shares of the Company that trade on the ASX under the ASX code of "PHO" close lower than the Price for three consecutive days;
- (d) **(Indices fall)**: any of the Australian All Ordinaries Index, S&P/ASX200 Index, S&P/ASX300 Metals and Mining Index or ASX S&P Small Resources Index is at any time after the date of this document, 10% or more below its respective level as at the close of trading on the Business Day prior to the date of this document;
- (e) **(Prospectus)**: the Company does not lodge the Prospectus with ASIC on the Lodgement Date (or such later date as the parties agree) or the Prospectus or the Offers are withdrawn by the Company;
- (f) **(No Official Quotation)**: Official Quotation of the New Shares has not been applied for by the Issue Date;
- (g) **(Supplementary Prospectus)**:
 - (i). the Underwriter, having elected not to exercise its right to terminate its obligations under this document, forms the view on reasonable grounds that a document supplementing, updating or replacing the Prospectus should be issued for any of the reasons referred to in the Corporations Act and the Company fails to issue a document supplementing, updating or replacing the Prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii). the Company issues a document supplementing, updating or replacing the Prospectus without the prior written agreement of the Underwriter (which must not be unreasonably withheld or delayed);
- (h) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by the Corporations Act or ASIC Regulatory Guide 228;
- (i) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive in a material respect;
- (j) **(Restriction on allotment)**: the Company is prevented from allotting the Entitlement Shares within the time required by this document, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (k) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (l) **(offer of refund to investors)** any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from persons who have applied for Entitlement Shares or offering persons who have applied for Entitlement Shares an opportunity to withdraw their application for Entitlement Shares) and be repaid their application money;
- (m) **(ASIC and ASX Waivers)** any of the ASIC Exemptions or ASX Waivers obtained for the Offers are withdrawn, revoked or amended without the prior written approval of the Underwriter;
- (n) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus and that application has not been dismissed or withdrawn by the Shortfall Notice Deadline Date;
- (o) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the Offer (other than due to any act or omission of the Underwriter) are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (p) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended (other than due to any act or omission of the Underwriter) in a manner unacceptable to the Underwriter (acting reasonably);
- (q) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (r) **(Removal or Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within two (2) Business Days;
- (s) **(section 730 notice)**: a person gives a notice to the Company under section 730 of the Corporations Act;

- (t) **(Directors and senior management)**: a change in the Directors or senior management of the Company or the Directors occurs (other than in a manner described in the Prospectus), or a Director or any member of the senior management of the Company dies or becomes permanently incapacitated;
- (u) **(Debt facilities)**:
- (i). any Relevant Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a Material Adverse Effect on any Relevant Company; or
 - (ii).there occurs:
 - A. an event of default;
 - B. a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or
 - C. any other similar event,under or with respect to any such debt or financing arrangement or related documentation of the any Relevant Company;
- (v) **(Termination Events)**: any of the following events occurs:
- (i). **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this document involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, Ukraine, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
 - (ii). **(Default)**: default or breach by the Company under this document of any terms, condition, covenant or undertaking which is not remedied within 7 days after receipt of written notice from the Underwriter;
 - (iii). **(COVID-19)**: the Underwriter believes (acting reasonably) that a materially adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of any Relevant Company (insofar as the position in relation to any Relevant Company affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-COV-2**).This includes, without limitation, a materially adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-COV-2 at any of the mine sites owned or operated by any Relevant Company (noting that the Company does not currently own or operate any mines sites), or the temporary, complete or partial closure of or disruption to any of those mine sites due to an outbreak of COVID-19, a transmission of SARS-COV-2, a direction of a Government Agency, or otherwise;

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- (iv). **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this document is or becomes untrue or incorrect in a material respect (other than due to any act or omission of the Underwriter);
 - (v). **(Error in Due Diligence Results)** it transpires that any of the Due Diligence Results or any part of the Verification Materials was false, misleading or deceptive or that there was an omission from them, notwithstanding the fact that the Underwriter (or a representative of the Underwriter) signed off on the DDC Report;
 - (vi). **(Contravention of constitution or Corporations Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (vii). **(Adverse change)**: an event occurs (other than due to any act or omission of the Underwriter) which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this document in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (viii). **(Significant change)**: a new circumstance arises or there is a defect in the Prospectus (as determined in accordance with the Corporations Act) that is materially adverse from the point of view of an investor (other than due to any act or omission of the Underwriter);
 - (ix). **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offers, or the Prospectus, except where required by law or the ASX Listing Rules;
 - (x). **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive in any material respect;
 - (xi). **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" (or to the extent which recognises that securities are yet to be issued);
 - (xii). **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
 - (xiii). **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
 - (xiv). **(Insolvency Event)**: an Insolvency Event occurs in respect of a Relevant Company;
 - (xv). **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 14 days;
 - (xvi). **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this document commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus or by or resulting from any act or omission of the Underwriter;

- (xvii). **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
- (xviii). **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix). **(Timetable)**: there is a delay in any specified date in the Timetable due to the neglect or default of the Company which is greater than 5 Business Day (unless consented to or requested by the Underwriter, such consent not to be unreasonably withheld);
- (xx). **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xxi). **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii). **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxiii). **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxiv). **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets which continues for two or more consecutive Business Days.

The Underwriter may not exercise its termination rights above unless, in the reasonable opinion of the Underwriter reached in good faith, the event has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise (except a liability to perform its obligations under the Underwriting Agreement).

The Underwriting Agreement also contains a number of indemnities, representations and warranties given by the Company to the Underwriter that are considered standard for an agreement of this type.

As set out in Section 10.6, the funds to be advanced by Aldaoud and LSG under their sub-underwriting commitment will be offset against certain loan amounts owing to Aldaoud and LSG under their respective loan agreement.

Capitalised terms used above have the meaning given to them in the Underwriting Agreement.

10.5. Lead Manager Mandate

The Company and the Lead Manager have entered into an agreement (**Lead Manager Mandate**) for the Lead Manager's engagement to act as lead manager of the Entitlement Offer and the Oversubscriptions Offer.

The material terms of the Lead Manager Mandate are as follows:

(a) Engagement

The Lead Manager has been engaged to:

- (i) manage the Entitlement Offer, including the appointment of sub- underwriters to sub-underwrite the Entitlement Offer and nominate the allottees of all, or part, of any Shortfall;
- (ii) act as settlement agent for the Entitlement Offer;
- (iii) running a coordinated bookbuild process including the management of key broker participation and payaways;
- (iv) arrange and manage the execution of the Entitlement Offer including the appointment of sub-underwriters to sub-underwrite the Entitlement Offer and nominate the allottees of all, or part, of any shortfall Shares;
- (v) acting as settlement agent for the proposed Entitlement Offer and Oversubscriptions Offer;
- (vi) assisting with the drafting of transaction documentation and ASX releases in the lead up to and upon completion of the Entitlement Offer and Oversubscriptions Offer;
- (vii) providing the Company with continuing support and advice as is necessary; and
- (viii) such other services as are mutually agreed to be appropriate in the circumstances.

(b) Fees

The Lead Manager shall have the exclusive right to act as sole sub-underwriter to the Entitlement Offer subject to the terms and conditions set out in the Underwriting Agreement for a management fee of 2% and an underwriting fee of 4% on total funds raised by the Company during the engagement term (inclusive of any oversubscriptions taken under the Oversubscriptions Offer.

The Lead Manager and Underwriter have entered into a Sub-Underwriting Agreement, pursuant to which the Lead Manager is engaged as the priority sub-underwriter in relation to underwriting the Underwritten Amount.

The Lead Manager (or its nominee) will also be eligible to subscribe for up to 3,000,000 Lead Manager Options under the Lead Manager Offer and issued 1,000,000 Shares at a deemed issue price of \$0.03. The Lead Manager Offer is made pursuant to a previous mandate between the Lead Manager and the Company relating to a prior capital raising conducted by the Company.

The Company will reimburse the Lead Manager for all reasonable out-of- pocket expenses in relation to the Entitlement Offer.

(c) Term and termination

The engagement of the Lead Manager commenced on 10 March 2025 and will continue for a period of 6 months unless otherwise extended.

Either party may terminate at any time by written notice to the other party. If the Company terminates without cause, it must pay all fees payable under the Lead Manager Mandate.

If the Company terminates with cause (including as a result material breach of the Agreement, negligence, wilful misconduct, recklessness or fraud) or the Lead Manager terminates without cause, the Lead Manager will only be entitled to any fees that have accrued under the Lead Manager Mandate as at the date of termination and no other fees.

(d) Indemnity

The Company indemnifies the Lead Manager from and against all actions, claims, demands or proceedings that may be instituted against the Lead Manager and all liabilities, losses, damages, costs and expenses (including reasonable legal costs and expenses) that may be suffered or incurred by the Lead Manager in connection with or arising out of its engagement as lead manager to the Entitlement Offer.

10.6. Loan Agreement

As announced on 11 March 2025, the Company has entered into loan agreements with the following entities:

- (a) Aldaoud Pty Ltd (an entity associated with Managing Director, Mr Taz Aldaoud) loaning the Company \$1,000,000; and
- (b) LSG loaning the Company \$500,000.

Aldaoud has agreed to partially priority sub-underwrite the Entitlement Offer to \$2,000,000 (being up to 40 million New Shares), and LSG has agreed to partially priority sub-underwrite the Entitlement Offer to \$1,000,000 (being up to 20 million New Shares). Both Aldaoud and LSG will be engaged as priority sub-underwriters and paid a sub-underwriting fee of 4% of their sub-underwriting commitment.

The funds to be advanced by Aldaoud and LSG under the sub-underwriting commitment will be offset by the loan owing to Aldaoud and LSG under their respective loan agreement. Interest on the loan agreements will be paid by the Company in cash. If the sub-underwriting commitment is less than the loan owing under their relevant loan agreement, then the balance of the loan and interest will be repaid by the Company in cash.

10.7. Interests of Directors

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Offers.

Relevant Interests of Directors (including indirect interests)

Director*	Shares**	Options	Performance Rights	Converting Notes
Robin Widdup	24,422,911	-	-	350,000
Taz Aldaoud	13,032,852	-	5,000,000	450,000

Director*	Shares**	Options	Performance Rights	Converting Notes
Mehdi Ben Abdallah	-	-	3,000,000	-

* As announced on 11 March 2025, it is intended that Sam Lancuba be appointed as a Director of the Company following completion of the Entitlement Offer

** Number does not include Conversion Shares and Conversion Options held upon conversion of Converting Notes, of which Mr Robin Widdup and Mr Taz Aldaoud are both Converting Note Holders

Proposed participation in Offers

The table below sets out each Director's Entitlements under, and proposed participation in, the Entitlement Offer, including by way of partial sub-underwriting of the Entitlement Offer.

Mr Robin Widdup, Non-Executive Chairman of the Company, has entered into a sub-underwriting agreement pursuant to which Mr Widdup has agreed to sub-underwrite the Entitlement Offer up to a maximum of \$250,000 (being 5,000,000 New Shares).

Mr Taz Aldaoud, Managing Director of the Company, has entered into a sub-underwriting agreement pursuant to which Mr Aldaoud has agreed to sub-underwrite the Entitlement Offer up to a maximum of \$2,000,000 (being 40,000,000 New Shares).

The maximum voting power of Mr Widdup and Mr Aldaoud upon completion of the Offers (assuming Mr Widdup accepts his entitlements under the Entitlement Offer in full) is set out in the table below:

Director	Robin Widdup ¹	Taz Aldaoud ¹
Existing relevant interest	24,422,911	13,032,852
Existing voting power	8.54%	4.56%
Sub-underwriting commitment and Conversion Shares²	14,205,480	52,130,138
Underwritten Amount relevant interest	38,628,391	65,162,990
Underwritten Amount voting power	8.82%	14.87%
Maximum Amount relevant interest³	33,628,391	25,162,990
Maximum Amount voting power	7.34%	5.49%

¹ Mr Widdup and Mr Aldaoud will be paid a sub-underwriting fee of 4% of their sub-underwriting commitment.

² Assumes full sub-underwriting commitment and Conversion Shares issued on conversion of the Converting Notes held.

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³ Assumes no sub-underwriting commitment and Conversion Shares issued on conversion of the Converting Notes held.

** As announced on 11 March 2025, it is intended that Sam Lancuba be appointed as a Director following completion of the Entitlement Offer

The Company considers that shareholder approval is not required for the issue of any securities issued to Mr Widdup and Mr Aldaoud as a result of their sub-underwriting in accordance with Listing Rule 10.12 (Exception 2). Refer to Section 10.7 for a summary of the material terms of Mr Widdup's and Mr Aldaoud's Sub Underwriting Agreement with and for details of the potential effects of the sub-underwriting on the relevant interests of Mr Widdup and Mr Aldaoud.

The Company considers that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Widdup's and Mr Aldaoud's sub-underwriting on the basis that the New Shares to be issued to them under their sub-underwriting commitments will be issued on the same terms as New Shares issued to non-related party participants in the Entitlement Offer and that Mr Widdup's and Mr Aldaoud's sub-underwriting is otherwise in accordance with Listing Rule 10.12 (Exception 2). As such, the giving of a financial benefit to Robin Widdup and Taz Aldaoud is on arm's length terms in accordance with section 210 of the Corporations Act.

10.8. Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or
- (b) any Director for services provided by him in connection with:
 - (i) the formation or promotion of the Company, or
 - (ii) the Offers.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 10.9.

10.9. Remuneration of Directors and Executives

The following table shows the annual remuneration paid to these directors for the last financial year ended 30 June 2023 and year to date¹ for the financial year ending 30 June 2024:

Director**	Cash salary and fees \$	Annual Leave	Superannuation	Share-based payments equity-settled	Total
2024 financial year	\$	\$	\$	\$	\$
R. Widdup	-	-	-	38,325	38,325
S. Eley*	6,006	-	1,977	40,998	48,981
T. Aldaoud	6,721	-	1,977	39,152	47,850
2023 financial year					

R. Widdup	24,638	-	-	46,851	71,489
S. Eley*	34,947	3,000	8,772	54,509	101,228
T. Aldaoud	27,081	3,000	7,584	49,057	86,722

* Resigned on 4 July 2024

** Mehdi Ben Abdallah was appointed as a director on 4 July 2024

Further detail of the remuneration of Directors is set out in the Remuneration Report set out in the Company's 2024 Annual Report.

10.10. Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, **Prescribed Persons**) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offers.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

GrilloHiggins Lawyers will receive the sum of approximately \$25,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Offers. During the 24 months preceding lodgement of this Prospectus with ASIC, GrilloHiggins Lawyers has been paid fees totalling \$82,194 (including GST and disbursements) for legal services provided to the Company.

Westar Capital Limited has acted as Underwriter in respect of the Entitlement Offer under this Prospectus, for which they will receive fees pursuant to the Underwriting Agreement as summarised at Section 10.4.

Cumulus Wealth Pty Ltd has acted as Lead Manager in respect of the Entitlement Offer and Oversubscriptions Offer under this Prospectus, for which they will receive fees pursuant to the Underwriting Agreement as summarised at Section 10.5. During the 24 months preceding lodgement of this Prospectus with ASIC, Cumulus Wealth has been paid fees totalling \$60,000 (excluding GST) and issued 1,000,000 Shares at a deemed issue price of \$0.03. Cumulus Wealth (or its nominee) will also be issued 3,000,000 Lead Manager Options on the same terms as the Conversion Options and on or about the same time as the issue of the securities under this Prospectus for advisory services previously provided to the Company.

10.11. Litigation

The Company's wholly owned subsidiary, Celamin Pty Limited, has been in dispute with its joint venture partner, Tunisian Mining Services (**TMS**) since January 2015, regarding ownership and control of CPSA, which is the operating company that held the Chaketma Phosphate Project. No guarantee is given that any of the current legal proceedings will be resolved in favour of the Company or that any legal remedy will ultimately be favourable.

Chaketma Phosphates SA (**CPSA**), a joint venture in which PhosCo holds a 51% stake through its wholly owned subsidiary Celamin Pty Limited (Celamin), previously owned the Chaketma permit and had a pending application for the Chaketma Phosphate Project. However, this application by CPSA was unsuccessful. Instead, a larger overlapping permit, Gasaat, was granted entirely to PhosCo through a separate, wholly-owned subsidiary.

The CPSA JV no longer holds any permits or permit applications. In light of this development and subject to full compliance with applicable law, PhosCo does not intend to provide further investment to the CPSA joint venture.

Celamin has received correspondence from TMS allegedly Celamin violated the objectives and spirit of the CPSA JV agreement, including applying for a new permit overlapping the Chaketma permit and abuse of majority power within CPSA. These claims will be vigorously defended if TMS opts to proceed to ICC arbitration under the JV agreement.

The Company notes that TMS still owes ICC arbitration damages, costs and interests from TMS illegally misappropriating Celamin's CPSA shares amounting to TND14M (A\$7M). Despite being entitled to the damages under the Arbitral Award, the Company has not recognised these amounts as an asset on its balance sheet due to TMS' repeated non-compliance with the Arbitral Award and uncertainty about TMS' capacity to pay the damages.

Other than set out above, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.12. Consents

GrilloHiggins Lawyers has given, and as at the date of this Prospectus have not withdrawn, its consent to be named as the Company's solicitors in relation to the Offers. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Westar Capital Limited has given, and as at the date of this Prospectus has not withdrawn, its consent to be named as Underwriter in relation to the Entitlement Offer. Westar Capital Limited has not authorised or caused the issue of any part of this Prospectus.

Cumulus Wealth has given, and as at the date of this Prospectus has not withdrawn, its consent to be named as Lead Manager in relation to the Offers. Cumulus Wealth has not authorised or caused the issue of any part of this Prospectus.

Automic Pty Ltd has given, and as at the date of this Prospectus have not withdrawn, its consent to be named as the Company's share registry in relation to the Offers. Automic Pty Ltd has not authorised or caused the issue of any part of this Prospectus.

10.13. Expenses of the Offer

The total cash expenses of the Offers (excluding GST) are estimated to be the following:

Item	Underwritten Amount	Maximum Amount
Underwriter*	\$302,104	\$362,104
Legal fees	\$25,000	\$25,000
ASIC fees	\$3,206	\$3,206
ASX fees	\$16,409	\$18,335
Miscellaneous	\$20,000	\$20,000
Total	\$366,720	\$428,645

* This table assumes that the Underwriter's fee is paid in cash.

SECTION 11 ACTION REQUIRED BY SHAREHOLDERS

11.1. What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled under the Offers (**your Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see Section 11.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see Section 11.3);
- (c) allow all or part of your Entitlement to lapse (see section 11.4).

11.2. Taking up some or all of your Entitlement

If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEST) on 10 April 2025.

11.3. Taking up Shortfall and applying for Oversubscriptions

If you are an Eligible Shareholder and you wish to take up additional New Shares you may do so in accordance with the instructions set out in the Entitlement and Acceptance Form. In order to apply for New Shares under the Oversubscriptions Offer you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

EFT and BPAY® options are available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEST) 10 April 2025.

11.4. Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

11.5. Consequences of doing nothing – Entitlement not taken up

You will receive no benefit if you do not take up your Entitlement. Shareholders are unable to sell their rights. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

11.6. Applications and Payment

Eligible Shareholders may submit payments for New Shares applied for using EFT or BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form. In light of potential postal service delays, you may wish to consider this payment method.

If your Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares than indicated by the amount of application monies.

You are urged to lodge your Application as soon as possible. Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

11.7. Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholders (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

11.8. Enquiries

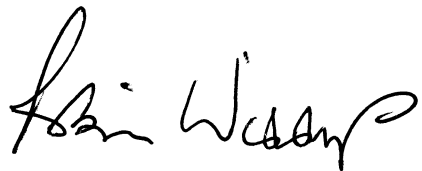
If you have any queries about your Entitlement please contact Automic between the hours of 8.30am and 5.00pm (AEDT/AEST), Monday to Friday on 1300 288 664 or +61 2 9698 5414.

Alternatively, contact your stockbroker or other professional adviser.

SECTION 12 DIRECTORS AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read "Robin Widdup". The signature is written in a cursive style with a large, looping initial 'R'.

Mr Robin Widdup

Chairman

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SECTION 13 GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
Additional Shares	An offer to Eligible Shareholders who have applied for their full Entitlement for an additional 20,000,000 Shares under the Oversubscriptions Offer
AEDT	Australian Eastern Daylight Time
AEST	Australian Eastern Standard Time
Aldaoud	Aldaoud Pty Ltd (ACN 166 278 100) <ALDAOUD FAMILY A/C>, an entity associated with Managing Director, Mr Taz Aldaoud
Applicant(s)	Person(s) who submit an Application
Application	A valid application made to subscribe for a specified number of New Options pursuant to the Conversion Options Offer or the Lead Manager Offer (as the context requires) in this Prospectus
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532)
ASX Settlement Operating Rules	The settlement rules of the securities clearing house which operates CHESS
Board	The board of Directors at the Company
Business Day	A business day as defined in the Listing Rules.
CHESS	Clearing House Electronic Subregister System
Closing Date	The date the Entitlement Offer closes, being 5.00pm (AEST) on 10 April 2025, unless extended by the Company
Company or PhosCo	PhosCo Ltd (ACN 139 255 771)
Constitution	The constitution of the Company
Consolidated Entity	Has the meaning given in Section 6
Converting Notes	The unsecured converting notes issued by the Company on 15 March 2024 and 16 October 2024
Converting Note Holders	The professional and sophisticated investors and Directors of the Company

TERM	DEFINITION
Conversion Options	The free-attaching options to the Converting Notes with an exercise price of \$0.05 and expiring two years from the date of issue (which is expected to be 17 April 2025) and otherwise on the terms set out in Section 9
Conversion Shares	The Shares to be issued to the Converting Note Holders upon conversion of the Converting Notes
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Company
EBRD	European Bank for Reconstruction and Development
Eligible Shareholder	A Shareholder entitled to participate in the Entitlement Offer and the Oversubscriptions Offer as described in Section 4.9
Entitlement	The entitlement of a Shareholder to participate in the Entitlement Offer
Entitlement Offer	The non-renounceable entitlement offer made by the Company of one (1) New Share for every 2.84 Shares held at the Record Date at an issue price of 5.0 cents (\$0.05) per New Share
Entitlement and Acceptance Form	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
GST	Australian goods and services tax
Ineligible Shareholder	A holder of Shares having a registered address outside Australia, New Zealand or Guernsey
Issuer Sponsored Statement	Issuer sponsored holding statement to be issued by CHESS
Lead Manager	Cumulus Wealth Pty Ltd ACN 634 297 279
Lead Manager Mandate	The lead manager mandate between the Company and the Lead Manager dated 10 March 2025 as summarised in Section 10.5
Lead Manager Options	The options to be issued to the Lead Manager (or nominee) pursuant to the Lead Manager Offer with an exercise price of \$0.05 and expiring two years from the date of issue (which is expected to be 17 April 2025) and otherwise on the terms set out in Section 9
Listing Rules	The official listing rules of the ASX
LSG	Lion Selection Group Limited ACN 077 729 572
Maximum Amount	The maximum amount of \$6,035,072.80 to be raised under the Offers before issue costs
New Options	The Conversion Options and the Lead Manager Options issued under this Prospectus
New Shares	Shares issued under this Prospectus

TERM	DEFINITION
Offers	The offers made in accordance with this Prospectus, further details of which are set out in Section 1
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules
Oversubscriptions	The New Shares available under the Oversubscriptions Offer
Oversubscriptions Offer	A placement facility to accept oversubscriptions from the Rights Issue of up to a further 20,000,000 New Shares at \$0.05 per New Share each from Eligible Shareholders participating to raise a further \$1,000,000 before issue costs
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 10.10
Prospectus	This Prospectus dated 11 March 2025
Related Party	a 'Related Party' for the purposes of the ASX Listing Rules
Record Date	7.00pm (AEDT) on 17 March 2025
Section	A section of this Prospectus
Securities	New Shares and/or New Options (as the context requires)
Shareholder	A register holder of Shares appearing on the Company's share register
Shares	Ordinary fully paid shares in the capital of the Company
Share Registry	Automic Pty Ltd (ACN 152 260 814)
Shortfall	New Shares offered under the Entitlement Offer for which valid applications are not received before the Closing Date
Statement of Financial Position	The statement on the financial position of the Company
Underwriter	Westar Capital Limited ACN 009 372 838
Underwriting Agreement	The underwriting agreement between the Underwriter and the Company dated 10 March 2025 as summarised in Section 10.4
Underwritten Amount	The amount of \$5,035,072.80, which has been committed by the Underwriter pursuant to the Underwriting Agreement
Underwritten Shares	The New Shares underwritten in the Entitlement Offer, being 100,701,456 New Shares

CORPORATE DIRECTORY

Directors

Robin Widdup (Non-Executive Chairman)

Taz Aldaoud (Managing Director)

Mehdi Ben Abdallah (Executive Director)

Proposed Director

Sam Lancuba (Proposed Non-Executive Director)*

Company Secretary

Stefan Ross

Registered Office

Level 4, 96-100 Albert Road

South Melbourne VIC 3205

Tel: +61 3 9692 7222

Email: info@phosco.com.au

Lead Manager

Cumulus Wealth Pty Ltd

Level 7, 330 Collins Street

Melbourne, Victoria 3000

AFSL 524450

Underwriter

Westar Capital Limited

216 St Georges Terrace

Perth, Western Australia 6000

AFSL 255789

Legal Advisers

GrilloHiggins Lawyers

Level 25, 367 Collins Street

Melbourne VIC 3000

Auditor**

Grant Thornton Audit Pty Ltd

Collins Square, Tower 5

727 Collins Street

Melbourne VIC 3008

Share Registry

Automic Group

Level 5, 126 Phillip Street

Sydney NSW 2000

** As announced on 11 March 2025, it is intended that Sam Lancuba be appointed as a Director of the Company following completion of the Entitlement Offer*

***This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*