PhosCo
SUSTAINABLE | ASX
PHOSPHATE | PHO

ASX Announcement 29 July 2025

GASAAT PHOSPHATE PROJECT, TUNISIA

Exploration Update

The KM Prospect has emerged as a priority target

- **34m thickness of phosphate in first two holes**
- **Low-strip potential**
- **Proximity to the proposed plant site**

HIGHLIGHTS

KM Prospect

- Outstanding results from maiden drilling program at the KM prospect within Gasaat
- KM drilling is targeting low-strip mineralisation proximal to the planned plant site
- Three holes (two completed, one ongoing) have intersected thick, shallow phosphate mineralization based on visual observations validated with pXRF:
  - GADD-2025-005 (completed) 34.6m phosphate intersected from 24m.
  - GADD-2025-006 (completed) 34m phosphate from 31m.
  - GADD-2025-003 (on-going) 15.5m phosphate intersected from 52m.
- KM's favourable location, along with the thick, low-strip mineralisation significantly enhances development economics by reducing both mining and haulage costs and supports a potential fast-tracked development timeline.
- Drilling of KM will continue as a priority to define extent and grade of mineralisation, with assays expected this quarter.
- "The early signs are that the KM prospect is a game-changer for PhosCo. Drilling continues and we will assess the potential for KM to underpin an accelerated development schedule which could drive early production and cashflow". – PhosCo MD Taz Aldaoud

GS Prospect

- Three incomplete holes have progressed to date, with one hole (GADD-2025-001) intersecting 15m phosphate from 160m and remains in mineralisation. GS is interpreted to be analogous to GK deposit to the immediate south.

SAB Prospect

- A topographical survey was completed supporting a low-strip geological model, with a Mineral Resource Estimate currently being prepared.

Sekarna Exploration Permit

- PhosCo is engaging with the Ministry of Industry, Energy and Mines and the Forestry Department for a forestry authorisation to commence exploration, having been informed that approximately 15% of the permit area falls within a proposed nature reserve, including the identified exploration target for Sekarna.

PhosCo Managing Director, Taz Aldaoud said:

"The early signs are that the KM prospect is a game-changer for PhosCo. Its near-surface position and location adjacent to the proposed plant site offer a fast-tracked, low-cost development pathway with the potential for early, high-margin production.

"This is especially compelling alongside SAB's upcoming Mineral Resource Estimate and the broader scale and longevity of the project.

"Discussions with industry participants at the International Fertiliser Conference in May this year, confirmed that global demand for rock phosphate concentrate is rising —particularly for near-term, low-cost supply.

"Drilling continues and we will assess the potential for KM to underpin an accelerated development schedule which could drive early production and cashflow".

PhosCo Ltd **(ASX:PHO**) is pleased to announce a significant new phosphate discovery at the KM Prospect, located within the Company's 100%-owned Gasaat Project in Tunisia.

KM Prospect

Initial drilling results from KM have intersected shallow, thick phosphate mineralisation, based on visual observations assisted by pXRF readings. The phosphate at KM is observed as a coarse yellow apatite, beginning at 24.3 metres in drill hole GADD2025-005, highlighting the potential for a low-strip, low-cost mining scenario that supports early-stage development. A representative section (A-A') of the mineralization at KM is shown in Figure 2.

The geology at KM is essentially identical to that found across the Gasaat project area where phosphate is present. The Gasaat phosphate mineralisation is classified as a marine carbonate-hosted sedimentary phosphate deposit. The phosphate unit in the Gasaat project is composed often of a single layer with a vertical variation of grain size of ore mineral and lateral variation of the thickness. The thickness of phosphate unit varies from 1m to 50m, with an average thickness of between 10m to 15m. The sedimentary sequence encompassing the phosphate mineralization is made up off, from the base to the surface: basal Cretaceous marls and mudstones gradually passing to the phosphate layer, covered by a massive bed of dolomitic limestone that can be up to 160m in thickness. The phosphate unit can be further subdivided from bottom to top into units C, B and A, with layers C and A representing transitional units from mudstone to phosphate (Layer C) and from phosphate to limestone (Layer A).

Both the phosphate unit and the limestone cap are of variable thickness. The thickness of the phosphate generally reflects the depositional environment, while the thickness of the limestone reflects variation in surface erosion across the project area. The three main rock-types can usually be distinguished visually. Where the boundaries are less clear, pXRF is used to assist geological logging of the drill core.

The KM Prospect is adjacent to the proposed processing plant site, making it a strategically important discovery for PhosCo. This favourable location, along with the thick, low-strip mineralisation significantly enhances development economics by reducing both mining and haulage costs and supports a potential fast-tracked development timeline. As a result, KM has been prioritised for ongoing drilling to define the extent, grade, and continuity of mineralisation.

Assays for KM will be fast tracked to the extent possible and are expected during this quarter.

Drilling continues at Gasaat, with further updates to be provided as results are received.

Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

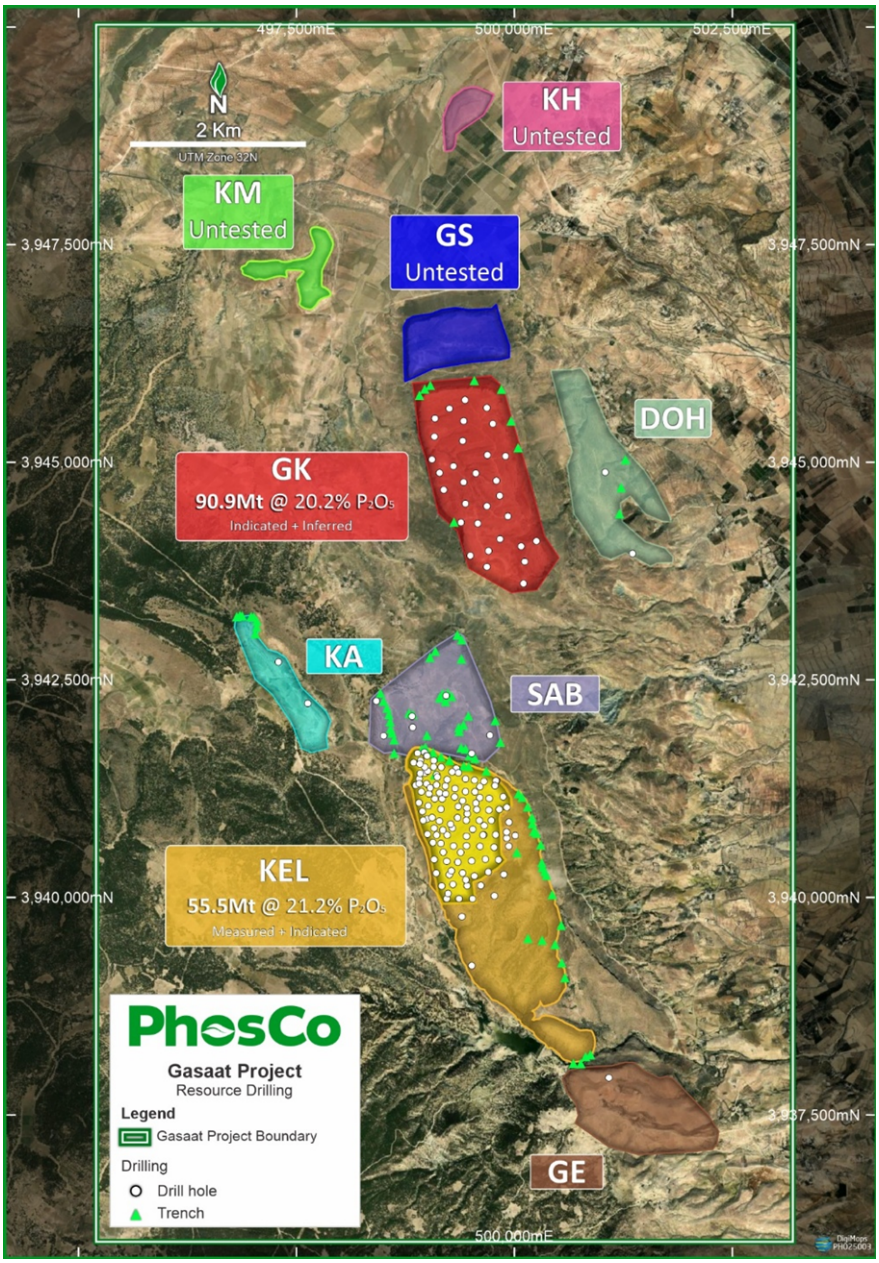

Figure 1 – Location of the KM, GS and SAB prospects

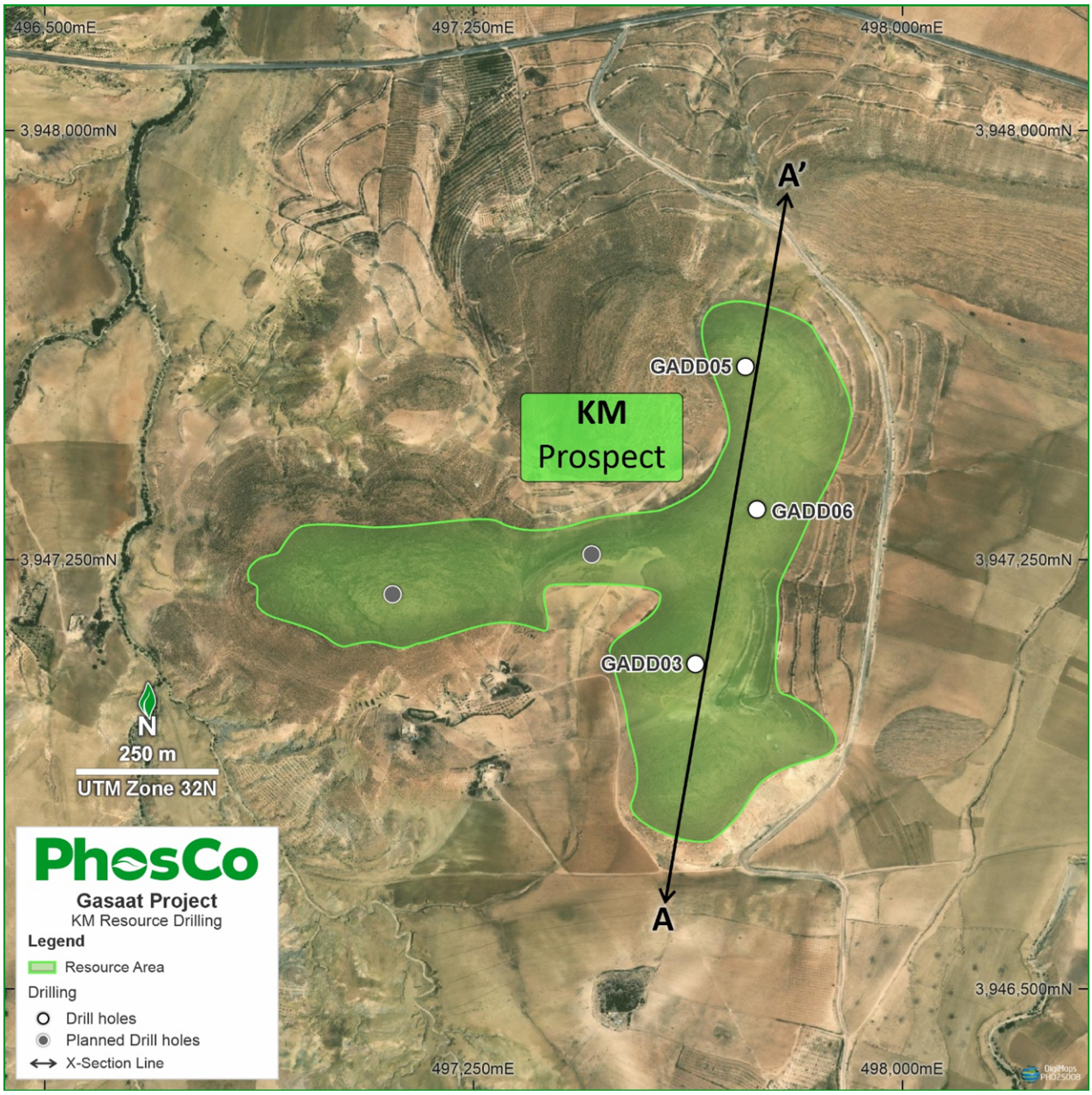

Figure 2 – KM Prospect showing location of Section A-A' and planned drill holes

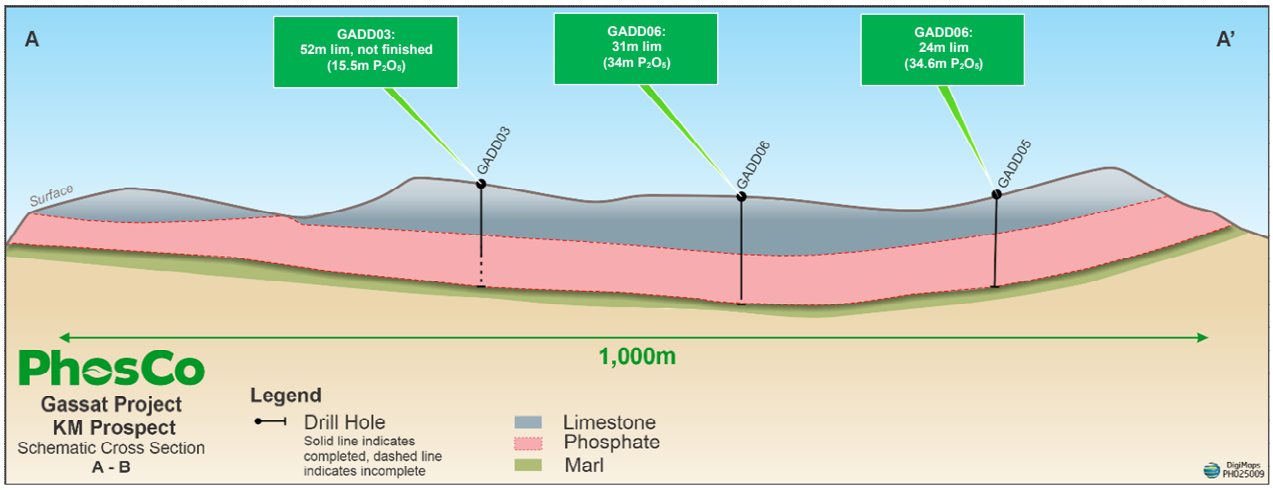

Figure 3 – KM Section A-A' showing generalised geology as determined from drilling and outcrop mapping

Figure 4 – Photo of KM Prospect

GS Prospect

Recent drilling at the GS Prospect has confirmed the presence of phosphate mineralisation, further validating the broader geological model and highlighting the potential for multiple development targets within the Gasaat Project area. However, given the highly favourable location and shallow depth of the mineralization encountered at KM, priority has been given to that prospect for continued drilling.

Only one of the three holes commenced at GS has successfully intercepted phosphate to date (GADD2025-001), intersecting phosphate mineralisation at 160.7 metres and remaining in mineralisation. GS is interpreted to be an extension of the GK deposit immediately to the south.

The overburden at GS is thicker than expected and along with the summer heat has contributed to mechanical problems encountered with the drill rig at this prospect. The thicker overburden can be attributed to a combination of folding and faulting. The true thickness of both the overburden and the mineralisation can only be determined once down hole surveys have been completed as some flattening of the hole can be expected in deeper drill holes.

SAB Prospect

In parallel, the Company has completed a topographic survey at the SAB Prospect to support the upcoming Mineral Resource Estimate (MRE), which remains on track for release this quarter. The MRE will provide a strong foundation for evaluating the scale and development potential of SAB in the context of the broader project, with the potential to also bring this prospect forward in the mine plan given its shallow mineralisation. Nine holes were previously drilled at SAB, with the results of this drilling included in PhosCo's ASX announcement 19 March 2025 – "Gasaat Exploration Target & Resource Growth Drilling".

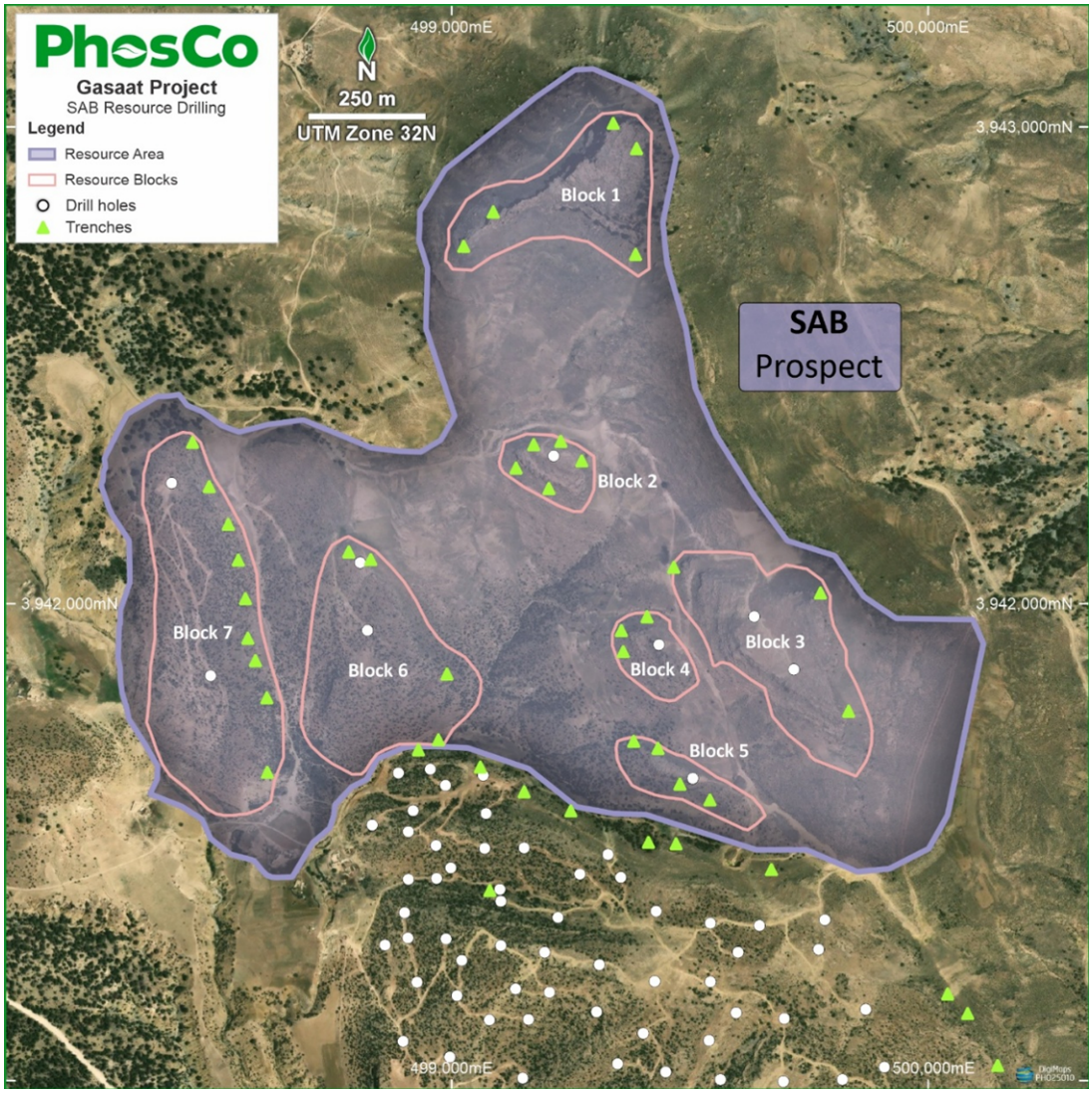

Figure 5 – SAB prospect showing distribution of phosphate block and drilling.

Sekarna Exploration Permit

Following the grant of the Sekarna Exploration Permit, PhosCo initiated the process of obtaining the necessary approvals from the Forestry Department to commence on-ground exploration activities. Approval remains pending, as we have since been informed that approximately 15% of the permit area falls within a proposed nature reserve, including the identified exploration target for Sekarna.

We are actively engaging with both the Ministry of Industry, Energy and Mines and the Forestry Department to better understand the implications of this proposed overlay and to determine a viable path forward.

Next steps

Following the drilling success at the KM prospect, drilling will continue at this prospect as a priority to define the extent and grade of mineralisation, with assays expected this quarter.

A Mineral Resource Estimate (MRE) is currently being prepared for the SAB prospect, due for completion this quarter. There is potential to bring this prospect forward in the mine plan given its shallow mineralisation.

Project optimisation work is well underway, with internationally recognised firm SRK Consulting completing a geochemical study to characterize the project and develop a framework to optimize processing economics and product quality. The study is now being finalised, with results to be announced shortly.

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

For further information, please contact:

Taz Aldaoud
Managing Director
T: +61 473 230 558

Follow PhosCo on LinkedIn

Follow @PhoscoLtd on Twitter

Competent Persons Statement

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

Previously Reported Results

There is information in this announcement relating to historic data and Exploration Targets, Exploration Results or Mineral Resources which were previously announced on 15 March 2022, 17 November 2022, 9 December 2022, 3 October 2024, 26 November 2024, 13 January 2025, and 11 March 2025. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The information in this announcement relating to the Company's Scoping Study are extracted from the Company's announcement on 9 December 2022 titled 'Scoping Study Confirms Outstanding Economics for Chaketma'. All material assumptions and technical parameters underpinning the Company's Scoping Study results referred to in this announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1. Drill hole Location, Depth, Dip, Azimuth for 2025 diamond drill program at Gasaat.

GADD-2025	Prospect	E_UTM	N_UTM	RL	Total Depth (m)	Dip	Azimuth	Comment
GADD-2025-001	GS	499024	3946394	895	175.00	-90	-	In Progress
GADD 2025-002	GS	499405	3946491	903	156.00	-90	-	Incomplete
GADD 2025-003	KM	497632	3947157	751	67.50	-90	-	In progress
GADD 2025-004	GS	499599	3946652	904	95.00	-90	-	Incomplete
GADD 2025-005	KM	497830	3947526	817	63.00	-90	-	Completed
GADD 2025-006	KM	497714	3947342	824	63.00	-90	-	Completed

Appendix 1. JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	**Current Program May 2025 – Ongoing** The results reported in this announcement are preliminary field XRF point analyses obtained using a handheld Hitachi X-MET8000 Expert Geo XRF unit. The instrument has appropriate matrix corrections for Tunisian rock phosphate (see section below). Point analyses are not a substitute for full laboratory analyses of half-core samples and should be regarded as indicative until laboratory assays are available. **Exploration by CPSA 2012 to 2015** Diamond drilling was previously carried out at Gasaat between 2012 and 2015 by Chaketma Phosphates SA a joint venture company held by Celamin Limited and Tunisian Mining Services. Gasaat has been extensively drilled with 162 diamond holes drilled for 14,340 metres across six prospects. Eight holes had no intercepts, two have no or missing data. HQ core was half cored using a diamond saw, with half or the core crushed to 2-5mm and 500gm sub-sample obtained using a sample splitter. The sub-sample was then dispatched to a commercial laboratory for analysis (Refer to relevant sections below).
Drilling techniques	**Current Program** HQ diamond drilling. **Exploration by CPSA 2012 to 2015** All holes were HQ diamond drill core, except DD15 which is PQ (initially drilled for water bore-hole).
Drill sample recovery	**Current Program** Core recovery in the limestone overburden has been variable with 100% loss in some faulted sections at GS. Loss of core outside of the phosphate layer will not have a material impact on any future resource estimates. Core recoveries within the phosphate unit typically exceed 90% and are usually 100% as this unit is stronger than the limestone. **Exploration by CPSA 2012 to 2015** Core recoveries have been calculated on 3 meters run, and are generally excellent (>> 95%, most of the time equal to 100%). Phosphate layer is massive and coherent, and does not break nor pulverize, hence excellent recovery.

Logging	**Current Program May 2025 – Ongoing** Drill core is logged for structure and lithology. Lithological logging is verified by pXRF point measurements which are an excellent indicator of rock-type particularly the dolomitic limestone caprock, the various phosphorite sub-units and the underlying Eocene and Cretaceous mudstone units. **Exploration by CPSA 2012 to 2015** Logging was coded to a simplified by efficient manner, reflecting the main lithological groups for both roof and wall, and for the three main layers of ore. Several inhouse and independent checks were conducted, verifying the adequacy and precision of logging compared to geology and grades. Holes have been entirely logged, and eventually a proportion of the holes have been relogged. Geological logging was conducted by a competent team, and cross-verified. Core boxes are properly marked: box number, Core depths, driller's block, sample depths have been systematically reported. Voids due to karst are reported as such with a wooden core block, also sometimes it may have generated some (minor) down hole depths discrepancies. Most of the holes (Core-boxes) have been photographed. Geological logs, as well as assay logs files are available, and properly stored and organized for rapid reference. Contacts between the overburden and footwall of the ore are particularly well defined, whereas the internal boundaries between phosphatic layers A, B and C are generally gradual, where acceptably identified these boundaries are marked on cores. An independent analysis of the geochemical database by SRK has largely confirmed the geological logging with only minor corrections required.
Sub-sampling techniques and sample preparation	**Current Program May 2025 – Ongoing** Point measurements of major element concentration are made at intervals along the core to determine where to commence cutting the core lengthwise using a diamond saw. Sampling commences in the barren or low-grade overburden and continues of several metres to allow for mining dilution. Samples are to closest lithological boundary and then in increments of 1m depending on rock-type. The half core is then crushed and rifle split to obtain representative subsample for analysis. **Exploration by CPSA 2012 to 2015** HQ cores were cut in halves, with a usual good quality cut. Half cores, always the same side, were then collected along a preestablished sample scheme (a few kg), and crushed to 2-5mm, then riffle split down to about 500gm. The 500gm subsample was then sent to a commercial assay lab for final pulverizing and analysis.

Quality of assay data and laboratory tests	**Current Program May 2025 – Ongoing** Several readings are made at intervals down each metre of HQ drill core using a Hitachi X-MET8000 Expert Geo XRF unit in mode Mining LE FP. Portable XRF readings are not a replacement for comprehensive laboratory analysis and only reflect elemental concentration at specific points not the entire rock. They assist in geological interpretation, verifying metal presence and in selecting which samples should undergo full laboratory analysis, they offer only an approximate concentration in either ppm or percentage depending on the element. Major elements (P, Ca, Mg, Si, Fe, Al etc) are then converted to the oxide using the appropriate conversion factors. <u>Portable XRF Instrument Details</u> The instrument used is a handheld Hitachi X-MET8000 Expert Geo XRF unit in mode Mining LE FP. This unit has been calibrated (with matrix corrections) for phosphate and is capable of screening for 40 elements including some of the REE routinely found in sedimentary phosphate deposits. The instrument was of the calibrated using laboratory grade standards in late 2023. The pXRF field measurements are routinely checked against commercial laboratory standards (CRM's) at rate of approximately every 10 readings. <u>Instrument usage</u> Prior to analysis, the core was cleaned with a brush and water. The surface of the drill core was mostly air-dry before a reading was taken although some moisture, which can have an adverse effect on pXRF measurement, may have been retained on the core surface. Measurements are made unit in mode Mining LE FP with analysis made directly on the drill core within the wooden core trays. The instrument was held perpendicular to and directly against the core for the time required to complete the measurement, this is set for 60 seconds per reading. Scanned results are stored within the instrument and downloaded at the end of each day.
Verification of sampling and assaying	**Current Program May 2025 – Ongoing** No verification sampling and assaying has been completed for the current program and the pXRF analyses should be regarded a provisional until laboratory assay become available. Sampling of the core by splitting the core in half-lengthwise with a diamond saw is currently underway. **Exploration by CPSA 2012 to 2015** Independent audit by external consultants of sampling procedure took place occurred in 2015 and again in January 2017. A review, comparing core boxes, geological logs and assay, was highly positive. • Check logging of 15 holes, core box vs geol. Log vs assay results • Re-sampling of 46 samples (1/4 cores) for independent assay at ALS • Independent verification and audit of the drilling database. The pXRF unit used at Gasaat has been calibrated for phosphate against Certified Reference Materials (CRMs) from sedimentary phosphate material originally sourced from Gasaat. The CRMs were prepared by Geostats Pty Ltd, an independent consultancy specialising is in this work. Data falling outside the acceptable tolerances of the is ignored.

Location of data points	**Current Program May 2025 – Ongoing** The location of the drill hole collars has been determine using a Garmin handheld GPS. This units have an accuracy if 3-5 metres. On completion of the full program the drill collars will be survey using GPS with Real-time kinematic positioning (RTK), which is accurate to 3 centimetres. **Exploration by CPSA 2012 to 2015** Topographical survey (UTM Zone 32– WGS84), operated by a professional: Topo surface = Total Station Collars (dh + trenches) = DGPS Airborne LiDAR and aerial photograph accurate to +/-0.3 metre was used to confirm drill hole collar locations. This data could not be used to spatially locate trenches which are subvertical in escarpments. Topographical surface is representative of actual topography with sufficient detail for resource estimation. Coordinates are Universal Transverse Mercator (UTM) North Zone 32 (WGS84 spheroid).
Data spacing and distribution	**Current Program May 2025 – Ongoing** The drill spacing should be regarded as reconnaissance in nature until the drilling program has confirmed the vertical and lateral continuity of the geology overall and particularly the target phosphate unit. Where lateral continuity can be demonstrated in drilling and the area of the phosphate unit mapped in outcrop a spacing of over 150 metres between drill hole is sufficient for resource estimation at Gasaat. However, this varies from prospect to prospect. **Exploration by CPSA 2012 to 2015** Mineral Resources have previously been reported for the KEL and GK deposits. These represent the most advanced prospects within the project area and supported the 2022 Scoping Study.
Orientation of data in relation to geological structure	At Gasaat the mineralised sedimentary phosphorite horizon is a large tabular orebody, dipping at 15-20° west, and drill-holes intersect the orebody at a proper angle with minimal downhole exaggeration of intercept width. Some faulting and open folding is known to occur. Faults are subvertical and subparallel to drilling direction making them difficult to locate with drilling. Outcrop mapping is used to locate these features. Faulting tends to reduce rather than increase the width of intercepts.
Sample security	**Current Program May 2025 – Ongoing** Core in in the custody of the drillers until it is transported to PhosCo's core processing facility in Rohia at which point control transfers to the Company. The field analyses were made using a Hitachi X-MET8000 Expert Geo pXRF from which the data was downloaded by a single qualified technician. **Exploration by CPSA 2012 to 2015** Drill core from the 2012 to 2015 phase of drilling is held by the Tunisian OMN in a secure facility. Himilco has requested this drill core be provided by OMN consistent with the Tunisian Mining Code.

Audits or reviews	**Current Program May 2025 – Ongoing** The data from the current has not been independently reviewed. The observations and data are reconnaissance in nature and will be superseded and replaced with more detailed and accurate data assay data from samples of half core are available. **Exploration by CPSA 2012 to 2015** Geos Mining (Brisbane, Australia), estimated an Inferred Resource with a comprehensive review of data in March 2013. Audits of drilling results and procedures were conducted in January 2015 (Arethuse, GEOS). More detailed audits of drilling results and materiality were conducted in January 2015 (Arethuse, GEOS), and in June 2015 (Arethuse). In late 2021 to early 2022 SRK were engaged to recompile all the historic drilling and assay data into a comprehensive relational database.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	**Commentary**
Mineral tenement and land tenure status	Gasaat is held 100% by Himilco Pty Ltd, a wholly owned subsidiary of PhosCo. The exploration permit was granted on 6 March 2025 and is valid for 3 years.
Exploration done by other parties	The Gasaat phosphates have been studied by several groups including the Research Centre for Studies on Mineral Phosphates (CERPHOS) on behalf of Tunisian mine management and the Company Phosphate Gafsa (CPG). PhosCo has been unable to obtain copies of these studies.
Geology	The Gasaat project covers a marine sedimentary phosphorite deposit of upper Paleocene (Lower Ypresian) age. It is a single continuous monoclinal sub-horizontal layer (bedding < 20°), with a thickness varying from a few meters to 42 meters (at GK). It is overlain by a thick Eocene numilitic dolomitic limestone. The deposit is bound by a major NNW-SSE fault on its western margin and is well faulted (E-W and NE-SW) in its northern end. Faulting seems to control the thickness of the deposit, suggesting structural control of sedimentary sub-basins by subsidence during deposition.
Drill hole Information	**Current Program May 2025 – Ongoing** Drill hole locations are tabulated in Table 2 of this announcement **Exploration by CPSA 2012 to 2015** Drill hole location, elevation, depth, dip and azimuth and assay data for all holes drilled at Gasaat between 2012 and 2015 have been reported previously; refer to PhosCo's ASX announcement 19 March 2025 – "Gasaat Exploration Target & Resource Growth Drilling". Coordinates are Universal Transverse Mercator (UTM) North Zone 32 (WGS84 spheroid).

Criteria	Commentary
Data aggregation methods	**Current Program May 2025 – Ongoing** pXRF results are not aggregated they are reported in full as single readings with one, but usually two or three readings per metre. **Exploration by CPSA 2012 to 2015** Data aggregation is performed using a length-weighted average approach based on the intercept lengths of samples collected during drilling. Each sampling interval, typically one meter in length, is weighted according to its actual length to accurately reflect the contribution of each segment in calculating the average grade over the entire mineralized zone. This method compensates for variable sample lengths while ensuring that reported grades faithfully represent the geological and mineral continuity. It is particularly well-suited to the phosphatic series, where phosphate (P_2O_5) grades are generally uniform, but the subdivision into units A, B, and C is based on variations in MgO content. Aggregation is conducted separately for each distinct subunit to preserve geological and mineralogical specificity, facilitating resource characterization and treatment planning. Phosphate grades within the phosphorite horizon are fairly uniform with the distinction between the three internal units (A = upper, B = middle and C = lower) being made on the basis of MgO content.
Relationship between mineralisation widths and intercept lengths	**Current Program May 2025 – Ongoing** The holes are drilled vertically as close are possible to perpendicular to the phosphate unit. However, at GS the overburden is thicker than anticipated and the holes are likely to have deviated considerably, how much can only be determined with downhole surveys that are yet to be completed. All intercept lengths should be regarded as “apparent” rather than “true” thickness. **Exploration by CPSA 2012 to 2015** Drilling has been conducted at a high angle to bedding to ensure samples are representative of mineralisation with holes typically angled 75-90°.
Diagrams	A plan of drill holes locations is given in Figure 2 and representative cross-sections for KM is shown in Figure 3.
Balanced reporting	**Current Program May 2025 – Ongoing** The purpose of this announcement is to appraise the market of the progress of the current drilling program at Gasaat. The pXRF results reported in this announcement include all measurements on the phosphate intercepted during the current program regardless of grade or tenor of the mineralisation. Where problems with drilling have occurred, this is information is also included. Exploration results are fully disclosed where sufficient information is available.

Other substantive exploration data	**Exploration by CPSA 2012 to 2015** Geophysical surveys (IP) were useful in determining geological continuity but were unable to map faults clearly and were of limited use in 3D modelling of the deposit. Metallurgical tests showed an acceptable concentration of deleterious elements. Cd is the element of most concern but was at comparable to levels of other Tunisian phosphate ore (CPG), U levels was reasonable, and As, Zn, Pb being at low level. Cd and U are possibly a concern but not a fatal commercial flaw. (PhosCo ASX Announcement 25 July 2014).
Further work	Expansion of the resource inventory will involve additional drilling at KM, GS, KEL and SAB. Sighter metallurgical test work is planned to better understand the mineralogy and metallurgical characteristics of the phosphate in the different layers before commencing more comprehensive testing of the rock phosphate in general.