PhosCo

SUSTAINABLE PHOSPHATE | ASX PHO

ASX Announcement 30 October 2025

EBRD Awards €1M ($1.8M) Grant to PhosCo

Combined with $1.1M from early exercise of options, PhosCo is set to drive project optimisation ahead of BFS

HIGHLIGHTS

- **The European Bank for Reconstruction and Development (EBRD) has granted €1M (A$1.8M) to PhosCo through its subsidiary Himilco, to advance its Gasaat Phosphate Project**
- **In parallel, PhosCo Managing Director Taz Aldaoud has agreed to invest a further $1.1M in PhosCo through the exercise of 21.4M options at 5c**
- **The combined proceeds will be used to accelerate high priority initiatives to optimise the Gasaat project in advance of the bankable feasibility study (BFS)**
- **These include incorporating the KM discovery into the Resource and an updated Scoping Study; the KM discovery has generated consistently thick, higher-grade intersections and given the lower strip ratio and proximity to the proposed plant site, is expected to positively impact the Gasaat project economics**
- **The arrangements between EBRD and PhosCo, as outlined in a Mandate Letter announced on 11 March 2025, will now be formalised through the proposed issue of 150 million options (which will be issued in two tranches with the issuance of 90 million of the options being subject to shareholder approval) to EBRD all exercisable at 5 cents expiring on the earlier of (i) 120 days from the release of an updated Scoping Study incorporating the new KM discovery and (ii) 31 January 2028. Any decision to exercise the options will be subject to completion of EBRD's internal assessments and approvals.**

PhosCo Ltd **(ASX:PHO)** (**PhosCo** or **Company**) is pleased to announce that EBRD has awarded a €1M (A$1.8M) grant to the Company's subsidiary Himilco Pty Ltd to accelerate its wholly-owned Gasaat Phosphate Project in Tunisia (**Gasaat Project**) (**Grant**). The Grant will assist PhosCo to achieve its goal of becoming a cost-competitive, globally significant fertiliser producer.

The Grant will be used to co-finance technical work to optimise the Gasaat Project and position it as a low-cost fertiliser producer. This includes prioritising low-strip deposits which will enhance the Gasaat Project's economics early in its life. PhosCo will manage the work program as usual, while EBRD will disburse the Grant to Himilco to partially compensate for the expenses.

In parallel with EBRD's grant, PhosCo Managing Director Taz Aldaoud has agreed to invest a further $1.1M in PhosCo by exercising 21.4M options. Mr Aldaoud currently holds 12,173,289 5c options and has agreed to acquire 6,599,316 5c options from Lion Selection Group Limited and 2,639,727 5c options from Lion Manager Pty Ltd (resulting in 21.4M 5c options being held by him) and to exercise them alongside EBRD's Grant.

PhosCo Managing Director, Taz Aldaoud said:

"This is a major development for PhosCo and Gasaat. EBRD's decision to grant us this money is a strong vote of confidence in the project and its potential to make a significant contribution to Tunisia.

"EBRD's generous grant, along with my investment of $1.1M via exercise of options, will be used to incorporate the outstanding KM discovery into Gasaat's already-significant JORC Resource[1] of 146.4Mt at 20.6% P_2O_5, underpinning a cost competitive, long-life project.

"In addition, the proposed issue of 150M options to EBRD formalises our March 2025 Mandate Letter arrangement, providing a road map for funding of $7.5M towards the Gasaat BFS assuming the Updated Gasaat Scoping Study delivers as anticipated and EBRD elects to exercise its options".

Photos 01-03: Signing Ceremony at EBRD's Tunis Office, attended by PhosCo Managing Director Taz Aldaoud, Executive Director Mehdi Ben Abdallah, and EBRD representatives including EBRD's Associate Director, Anass Joundy and EBRD's Head of Tunisia, Nodira Mansurova.

The EBRD Grant and funding package represents a meaningful contribution towards developing Tunisia's Northern Phosphate Basin, where PhosCo, EBRD and the Tunisian Government have been working together under a November 2024 Memorandum of Understanding. EBRD's Grant, interest in a potential investment, and expertise are warmly welcomed by PhosCo as the Gasaat Project moves through the BFS, permitting, project finance and ultimately establishing PhosCo as global phosphate supplier.

Alongside the award of the Grant, PhosCo has agreed to issue 150 million options exercisable at 5 cents to EBRD (with the issue of 90 million of these options being subject to PhosCo shareholder approval), consistent with the terms set out in its Mandate Letter announced on 11 March 2025. The options provide EBRD with the right (but not the obligation) to exercise the options from the date of issue of the options until the earlier of (i) 120 days from the release of PhosCo's Updated Scoping Study and (ii) 31 January 2028. If exercised, funds from the option exercise would represent a significant portion of the funding required for the BFS. A summary of terms of the options is set out below.

Key terms of the EBRD Options:

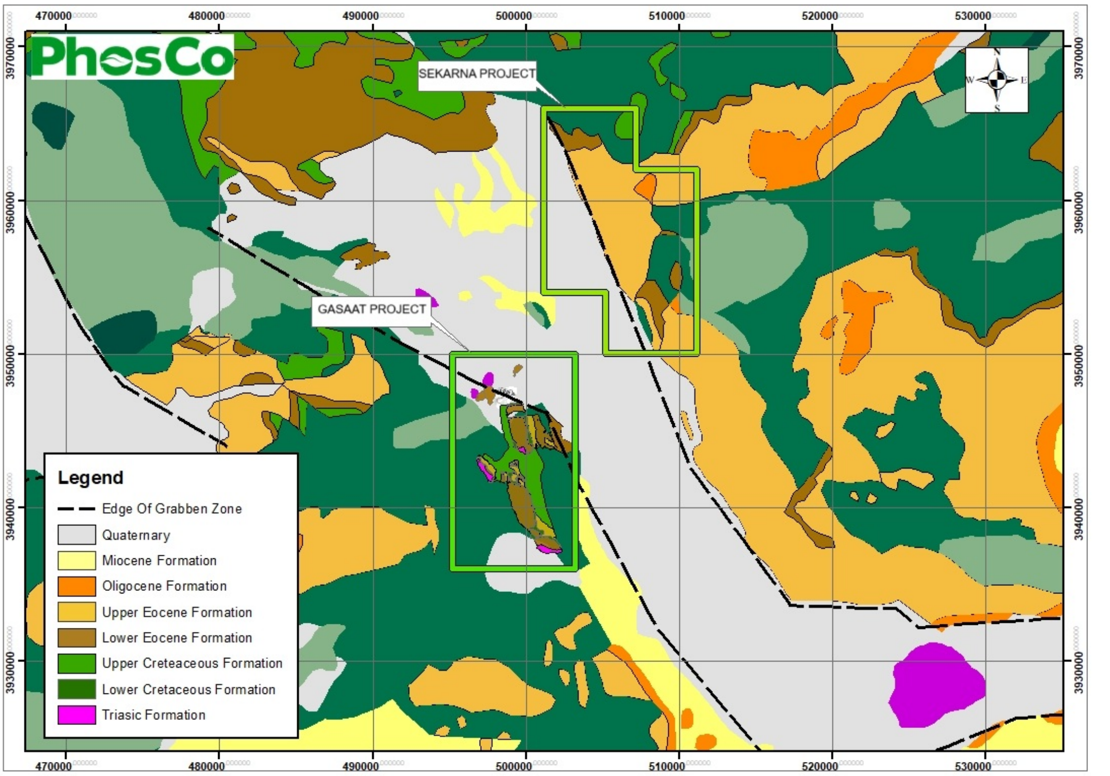
- 60 million options issued as tranche 1 within PhosCo's existing placement capacity under ASX Listing Rule 7.1, and 90 million options to be issued as tranche 2 subject to PhosCo's receipt of shareholder approval at an extraordinary meeting of shareholders of PhosCo to be held on or around 17 December 2025 (**EBRD Options**).
- The EBRD Options will have an exercise price of A$0.05 per share which would result in an investment of A$7.5 million by EBRD if EBRD exercises all of the EBRD Options.
- The EBRD Options expire on the earlier of (i) 120 days from the release of the Updated Scoping Study for Gasaat and (ii) 31 January 2028.
- In the event EBRD is unable to exercise some of the options due to Chapter 6 regulations (for example inability to go above 19.9% of PhosCo), the unexercised options will remain exercisable until the later date, being 31 January 2028.
- PhosCo has agreed to meet the legal costs of EBRD's due diligence.

Terms if the EBRD Options are exercised:

- Any issue of shares to EBRD on exercise of the EBRD Options will be subject to compliance with any restrictions imposed under the *Corporations Act 2001* (Cth) (see above) and receipt of approval from the Foreign Investment Review Board for the issue of shares to EBRD.
- Customary minority rights applicable to a publicly listed company.
- The right to appoint a director to the board of PhosCo.
- The potential to provide PhosCo further support as it progresses the Gasaat Project, including participation in future funding rounds and project finance.
- Any decision in respect of the exercise of the EBRD Options and its terms and conditions will be determined after EBRD has sufficiently advanced its due diligence process in respect of the BFS. Any decision to exercise any EBRD Options shall be at EBRD's sole discretion following the outcomes of (i) the Updated Scoping Study and preliminary work defining the scope of the BFS, (ii) completion of EBRD's investment processes and (iii) EBRD's internal approvals. There can be no guarantee that the issuing of the EBRD Options will result in EBRD exercising any of those options and ultimately investing in PhosCo.

About Gasaat

Gasaat represents PhosCo's most advanced phosphate project with a 146.4Mt @ 20.6% P_2O_5 Resource[2]. On 9 December 2022, PhosCo announced the results of a Scoping Study for the development of a potential large-scale, world-class mining operation at its Gasaat Phosphate project in Tunisia, strategically located in close proximity to key export markets/end users.



PhosCo's Gasaat application was lodged in cooperation with local communities in the region to provide meaningful community participation in the project. Gasaat is closely aligned with the Tunisian Government's social agenda, aiming to include local communities as project partners through community companies. The project has proactive local support, with communities to benefit from 10% project participation.

Scoping Study Highlights — Initial 46 Year Mine Life at 1.5Mt Product

Post Tax NPV_{10}	Phosphate Concentrate Production	Annual Net Cashflow	Operating Cost First 10 Years	Payback After Tax	Development Capital
US$657M with IRR of 54%	68Mt Over 46 years	US$93.4M Years 1–10	US$79/t Phosphate Concentrate	1.5 years	US$170M

Scoping Study[1] assumes US$150/t phosphate price.
Several opportunities also identified for further project optimisation.

Gasaat Key Parameters

- Low risk open-pit mining and processing to deliver 1.5Mtpa of high-quality concentrate at greater than 30% P2O5 and less than 1% MgO.
- Construction of a processing facility to accommodate 2.7Mtpa to 3.5Mpta of ore.
- Production target of 128Mt @ 19.9% P2O5, from overall 46-year mine life.
- First 18 years of production from KEL Resource with strip ratio of 3.6:1, scheduled from Measured (88%) and Indicated (12%) KEL Resource.

Significant Upside Potential

- Large resource could support higher production rate above 1.5Mtpa to match market demand.
- Nearby deposits identified for lower mining costs, including SAB and KM prospects and other targets in the expanded new tenement.
- Mining optimisation for greater utilisation of strip mining.
- Potential to direct ship material in higher grade layer B early in project life.
- Simplified processing via single stage flotation and/or washing.
- Economies of scale, such as extension of a rail connection to site for lower cost logistics yet to be considered.

Next Steps

PhosCo has recommenced field work during the quarter with focus on areas of upside identified in the 2022 scoping study, and accounting for the near doubling of the project tenement size. Key work streams include:

- Continuing the current drilling with prioritisation for the KM and SAB prospects.
- Mapping, trenching and exploration drilling to define several key prospects within the extended Gasaat project, with maiden mineral resource estimates to be established for key prospects progressively.
- Metallurgical work reassessing the optimal processing flowsheet for Gasaat noting improvements in reagents available since pilot work in 2017 by Jacobs Engineering, including the evaluation of:
  - Viability of single stage flotation;
  - Impact of phosphate mineralogy variability across the different layers; and
  - Potential for alternative processing options.
- Infrastructure, Water and Transport - update previous study work to assess optimal options and requirements for further work.
- Marketing, Scalability and Downstream Processing – study work to understand the market appetite and pricing for Gasaat phosphate rock exports, and potential for domestic sales noting the under-utilisation of existing downstream facilities. Given the anticipated large scale mineral endowment of the Gasaat Phosphate Project, PhosCo will review the optimal throughput of the project. In addition, the Company intends to engage with fertiliser industry players about collaboration to fast-track downstream processing options to capture more of the value-add of further beneficiation.

Results from these work streams is planned to be used to update the 2022 Scoping Study prior to commencing a bankable feasibility study on the Gasaat Phosphate Project.

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

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Gasaat Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P_2O_5
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
	Total	**55.5**	**21.2**
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
	Total	**90.9**	**20.2**
Global Resources	Measured	49.1	21.3
	Indicated	90.1	20.2
	Inferred	7.2	20.1
	Total	**146.4**	**20.6**

1. Refer to ASX announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' and ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.
   - All Mineral Resources are reported in accordance with the 2012 JORC Code
   - The Mineral Resource is reported at a cut off grade of 10% P_2O_5

   All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
2. Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.

Competent Persons Statement

The information in this report 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 report 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, 11 March 2025, 19 March 2025, 28 July 2025, 10 September 2025, 29 September 2025 and 29 October 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.