

**PhosCo Ltd**

**ABN 82 139 255 771**

**Annual Report - 30 June 2024**

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Directors	Mr Robin Widdup (Chairman) Mr Tarecq Aldaoud (Managing Director) Mehdi Ben Abdallah (Executive Director, appointed on 4 July 2024)
Interim CFO	Mr Craig Smyth
Company secretary	Mr Stefan Ross
Registered office	Level 4, 96-100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Principal place of business	Level 4, 96-100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Share register	Automic Group Level 5, 126 Phillip Street Sydney NSW 2000 1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	PhosCo Ltd shares are listed on the Australian Securities Exchange (ASX code: Shares: PHO)
Website	<a href="http://www.phosco.com.au">www.phosco.com.au</a>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of PhosCo Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024 (FY 2024).

### **Directors**

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robin Widdup (Chairman)

Mr Tarecq Aldaoud (Appointed as Managing Director on 6 May 2024, previously Executive Director)

Mr Mehdi Ben Abdallah (Executive Director - appointed on 4 July 2024)

Mr Simon Eley (Managing Director through 6 May 2024, after which was a Non-Executive Director through to the date of his resignation on 4 July 2024)

### **Principal activities**

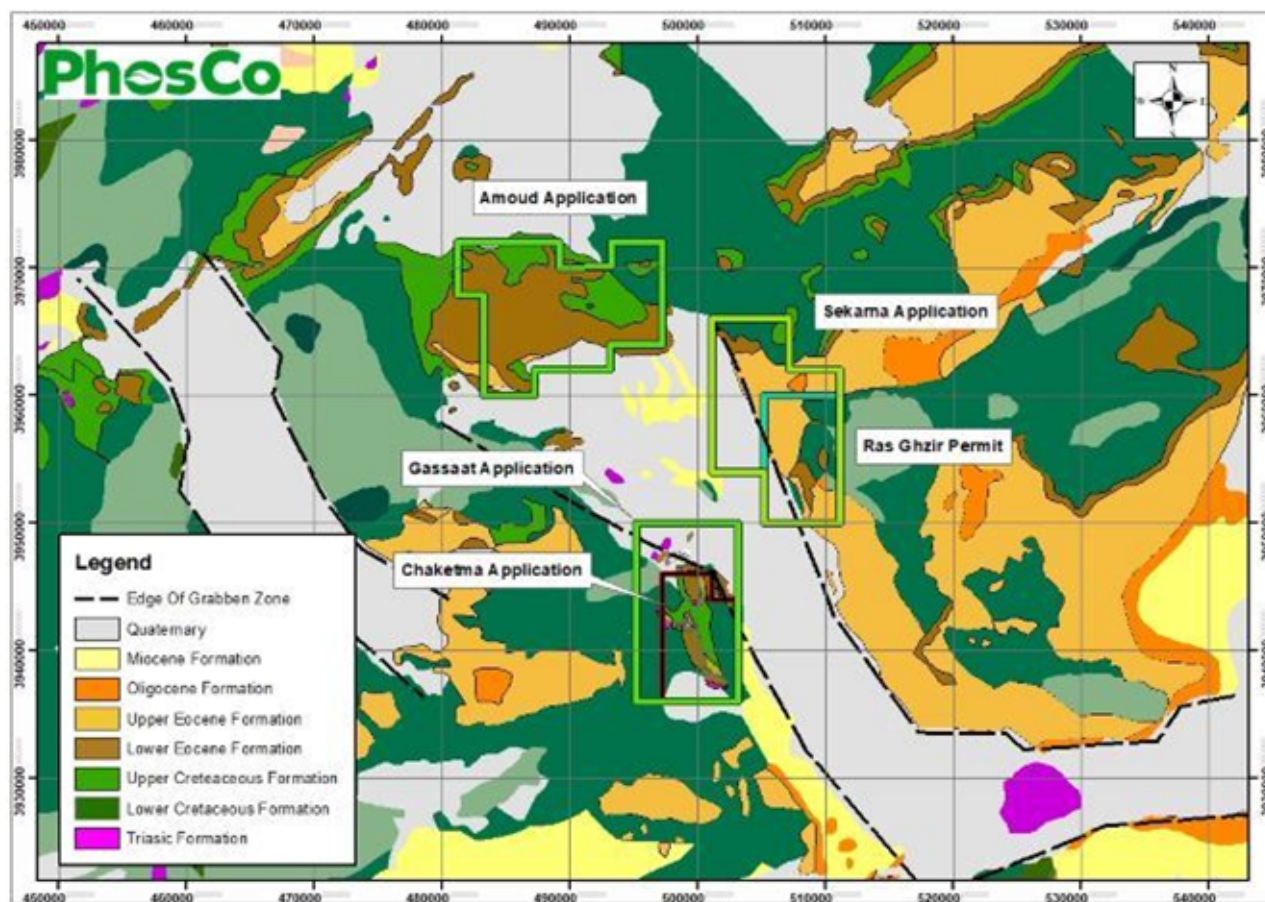
During the financial year ended 30 June 2024, the Consolidated Entity's principal activities are the exploration for, development and realisation of mineral resource projects in Tunisia.

### **Review of operations**

#### **Tunisian Projects**

At 30 June 2024, the Consolidated Entity's projects include a number of base and precious metals projects and applications over three Phosphate tenements within Tunisia's Northern Phosphate Basin, including the re-submission of an application for the Chaketma Phosphate Project. PhosCo aims to assemble a district-scale phosphate portfolio in Tunisia's Northern Phosphate Basin to support a potential world-class fertiliser hub and is awaiting the grant of the following exploration permits:

- Chaketma: Most advanced project with 146.4Mt @ 20.6% P<sub>2</sub>O<sub>5</sub> Resource seeking re-instatement of tenure.
- Sekarna: an early stage Chaketma analogy, the license application having already been lodged and pending review. Drilling is required to establish the size and grade of the deposit.
- Amoud: new application lodged, adjacent to Sra Ouertane (multi-billion tonne phosphate deposit) in the Northern Basin.
- Gassaat: new application lodged after year end by the Consolidated Entity with the Tunisian Government for an Exploration Permit as an improved application of the former Chaketma aiming to include meaningful community participation.



**Figure 1** Northern Phosphate Basin Phosphate Project Regional Location, Tunisia

**Chaketma Phosphate Project (Application, PhosCo 51%)**

Chaketma is a potential large-scale, world-class phosphate development asset, which comprises six prospects over a total area of 56km<sup>2</sup>.

The Chaketma Exploration Permit was held by a Tunisian joint venture company, Chaketma Phosphates SA (CPSA), in which the Company holds a 51% interest. As announced on 3 January 2023, the Consolidated Entity received the Minister's Decision rejecting the concession application and terminating the validity of CPSA's exploration permit. In consultation with the Tunisian Ministry of Industry, Mines & Energy, CPSA has applied for a new Exploration Permit for Chaketma, mirroring the original permit. The next step in this process will be for the new application to be considered by the Consultative Committee of Mines (CCM). Assuming the CCM approves the application, formal notification of grant will take place once the application has also been accepted by the Tunisian military. If granted, the Exploration Permit will be valid for an initial term of three years (with two extensions of three years each possible) enabling CPSA to apply for a Mining Concession for the tenement, noting that CPSA has previously completed the research and studies and has complied with the conditions specified in the mining code.

On 2 September 2024, the Company announced that an application has been lodged for a new Exploration Permit in Tunisia's Kasserine Region. The application covers an area of 112km<sup>2</sup> that is prospective for phosphate and encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit.

As announced on 17 November 2022, it hosts a total JORC compliant Resource of 146.4Mt @ 20.6% P<sub>2</sub>O<sub>5</sub> with access by road, and proximal to rail and gas pipelines.

### Chaketma Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P <sub>2</sub> O <sub>5</sub>
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
<b>Total</b>		<b>55.5</b>	<b>21.2</b>
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
<b>Total</b>		<b>90.9</b>	<b>20.2</b>
Global Resources	Measured	49.1	21.3
	Indicated	90.1	20.2
	Inferred	7.2	20.1
<b>Total</b>		<b>146.4</b>	<b>20.6</b>

Refer to ASX announcement dated 15 March 2022: 'Phosphate Resource Update Delivers 50% Increase at KEL' and ASX announcement dated 17 November 2022: '90% Conversion of Inferred to Indicated Resources at GK'.

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 Chaketma Phosphate Project in Tunisia, strategically located in close proximity to key export markets/end users.

### Chaketma Scoping Study Highlights

Initial 46 Year Mine Life at 1.5Mt Product



The Company will provide an update when it receives any formal correspondence from the Ministry or the administration.

### Seizure of TMS' interest in Chaketma

PhosCo holds a majority interest (51%) in CPSA, the operating company that has re-applied for an exploration permit over the Chaketma Phosphate Project. Tunisian Mining Services SARL (TMS) holds a 49% interest in CPSA and has failed to pay TND14m (~A\$6.6m) in damages and costs pursuant to the Arbitral Award issued in November 2017 and enforced in Tunisia in September 2019.

PhosCo's success in the first instance court action in late December 2022 was overturned in early 2024 by a Court of Appeal decision. PhosCo lodged an appeal on 16 February 2024 with the Court of Cassation (Tunisia's highest court) contesting this decision. As announced on 29 May 2024 the Court of Cassation refused PhosCo's appeal, denying the Company the ability to sell TMS's 49% interest in CPSA for non-payment of A\$6.6m damages, costs and interest owed by TMS to PhosCo. This latest seizure decision purports to overturn the previous Court of Cassation decision that the arbitration decision is enforceable in Tunisia, including the decision allowing PhosCo to recover its 51% interest in CPSA. The Court of Appeal also determined that the seizure over CPSA shares held by TMS should be lifted.

As announced on 23 July 2024, PhosCo has lodged a new seizure action over TMS's 49% interest in CPSA that remains in place (under Tunisian law, the Arbitral Award can be used for a seizure action even without an enforcement decision). PhosCo announced on 8 August 2024 that it has also opted to re-lodge an application to enforce the Arbitral Award with Tunisia's Court of Appeal for the avoidance of further challenge to this Tunisian legal right. This new action does not undermine previous enforcement decisions nor the fact that TMS remains liable to pay PhosCo A\$6.6m damages, costs and interest which continues to accrue daily.

Although PhosCo has recovered the 51% interest and management control of CPSA through previous actions, the Company notes that various criminal and civil actions related to the execution of the Arbitral Award remain before the Tunisian courts. This latest Court of Cassation decision takes a different view to the previous Court of Cassation decisions that the September 2019 Arbitral Award is enforceable in Tunisia.

PhosCo's ability to realise the Arbitral Award damages is subject to the ability to obtain the benefits awarded from TMS, noting uncertainty about TMS' capacity to pay the damages. PhosCo reserves the right to use the means necessary to execute the Arbitral Award, this being subject to the resolution of various legal challenges from the respective parties.

### **Sekarna (Application, PhosCo 100%)**

On 11 July 2022, PhosCo announced lodgement of an Exploration Permit application to be held 100% by PhosCo with the Tunisian Department of Mines over the Sekarna Phosphate Project. The application covers over 128km<sup>2</sup> in area and is located 10km northeast of Chaketma. PhosCo's Tunisian exploration team observed phosphate in outcrop below the upper Eocene cap rock exposed by steep-sided mesa topography. No exploration targeting phosphate has been carried out over Sekarna however the phosphate mineralisation was identified by A Zaier (1999), a PhD student who had experience in phosphate deposits in the central and western basin of Tunisia. Historic diamond drilling by Reminex Exploration in 2007 that targeted lead zinc mineralisation intersected phosphate over an interval of eight metres in drill hole SRLE3. The phosphate was not analysed. A 2011 geological paper on lead-zinc mineralisation at Sekarna reported phosphate grades of between 19.7% and 27.8% P<sub>2</sub>O<sub>5</sub> in five core samples (Garnit et al 2011). Field inspection by PhosCo's Tunisian team traced the phosphate unit, which was exposed in outcrop with mapped thicknesses of greater than 5m for more than 3km.

The Sekarna phosphate is visually indistinguishable from other phosphates in the Northern Basin but has the additional complexity of having an area with a shallow, base metal overprint (zinc, lead, and barite). Metallurgical work is required to understand whether the base metals can be floated separately, potentially into a by-product revenue stream or forms a separate, new, standalone project.

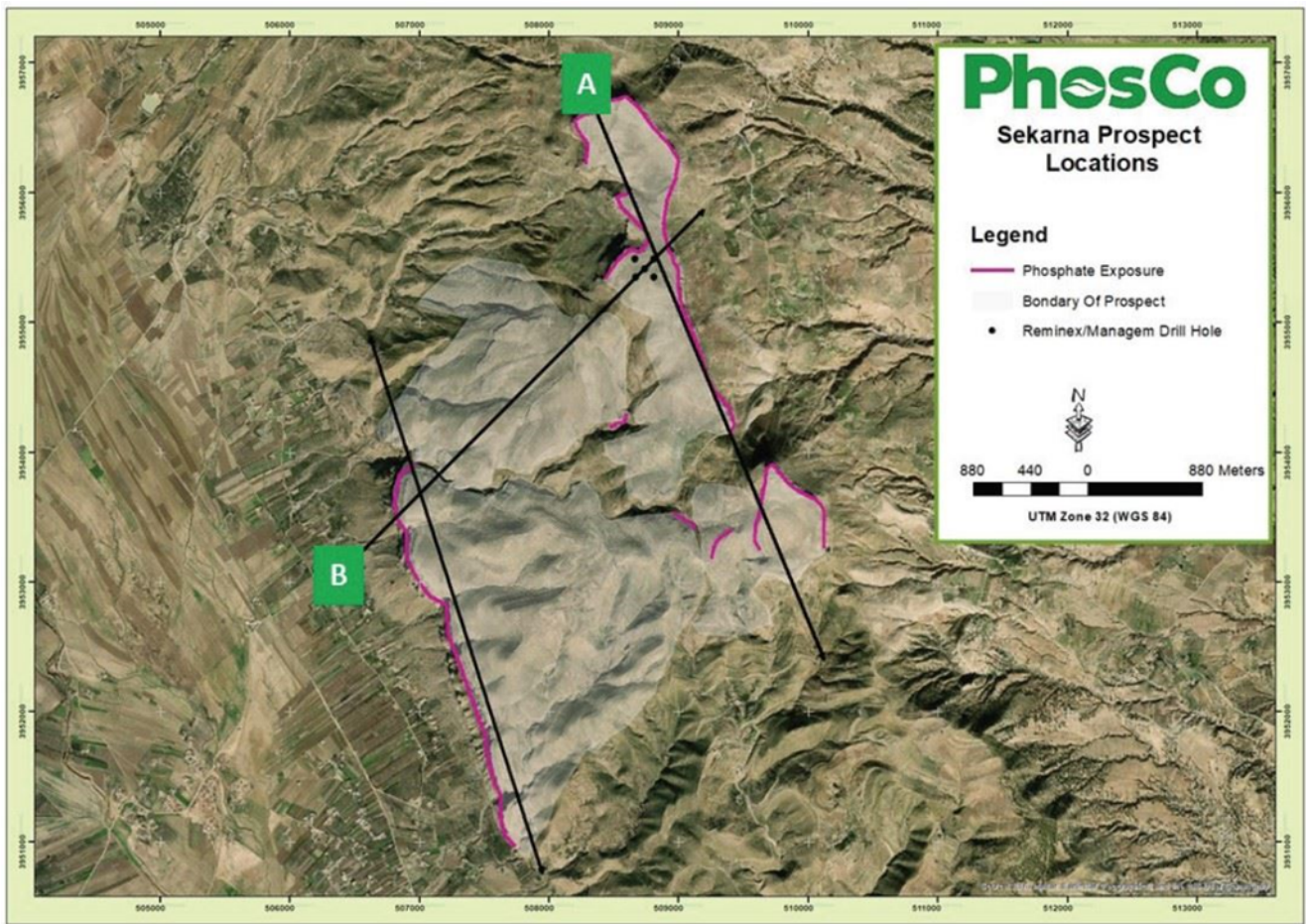
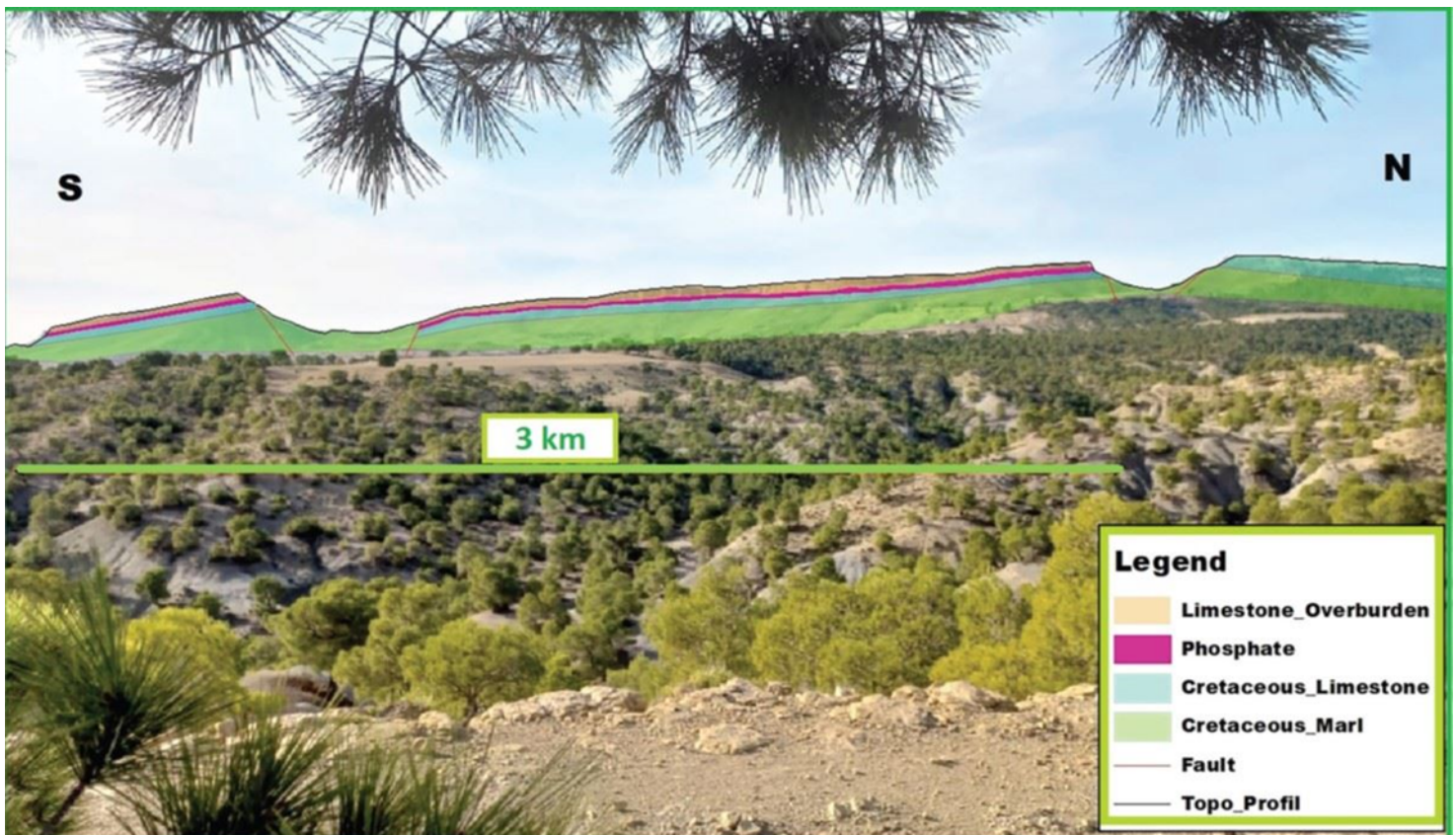
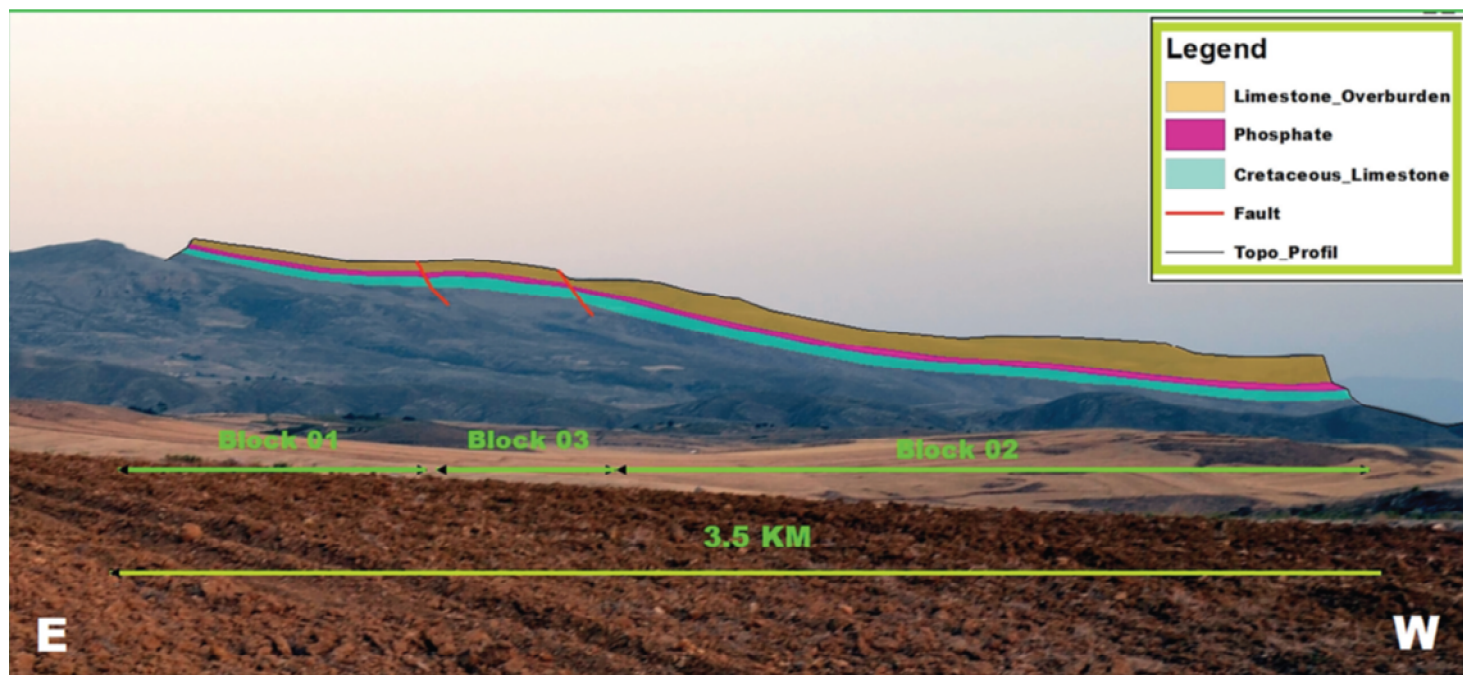


Figure 2 Sekarna Mesa – Plan view





**Figure 3** Sekarna Project N \_ S Cross Section **A** view from the east site



**Figure 4** Sekarna Project E \_ W Cross Section **B** view from the north site

The application process is well advanced and awaits official grant.

**Amoud (Application, PhosCo 100%)**

On 1 June 2023, PhosCo lodged an Exploration Permit application with the Tunisian Department of Mines over the Amoud project.

The Amoud application is 140Km<sup>2</sup> and adjacent to the very large Sra Ouertane deposit which has 2-3 billion tonnes of rock phosphate at an average grade to 16%. Amoud has the potential to be an analogy of Sra Ouertane. The phosphate mineralisation is warped into a series of very broad gentle open folds that mirror the landscape. Unlike Chaketma and Sekarna where major structures control the development of prominent mesas only limited faulting is apparent at Amoud.

**Base and Precious Metals Projects (PhosCo 100%)**

PhosCo holds a portfolio of exploration permits and applications in Northern and Central Tunisia.

The permits and applications target base metal and gold occurrences that have had some historical geochemical and geophysical work over old mine workings.

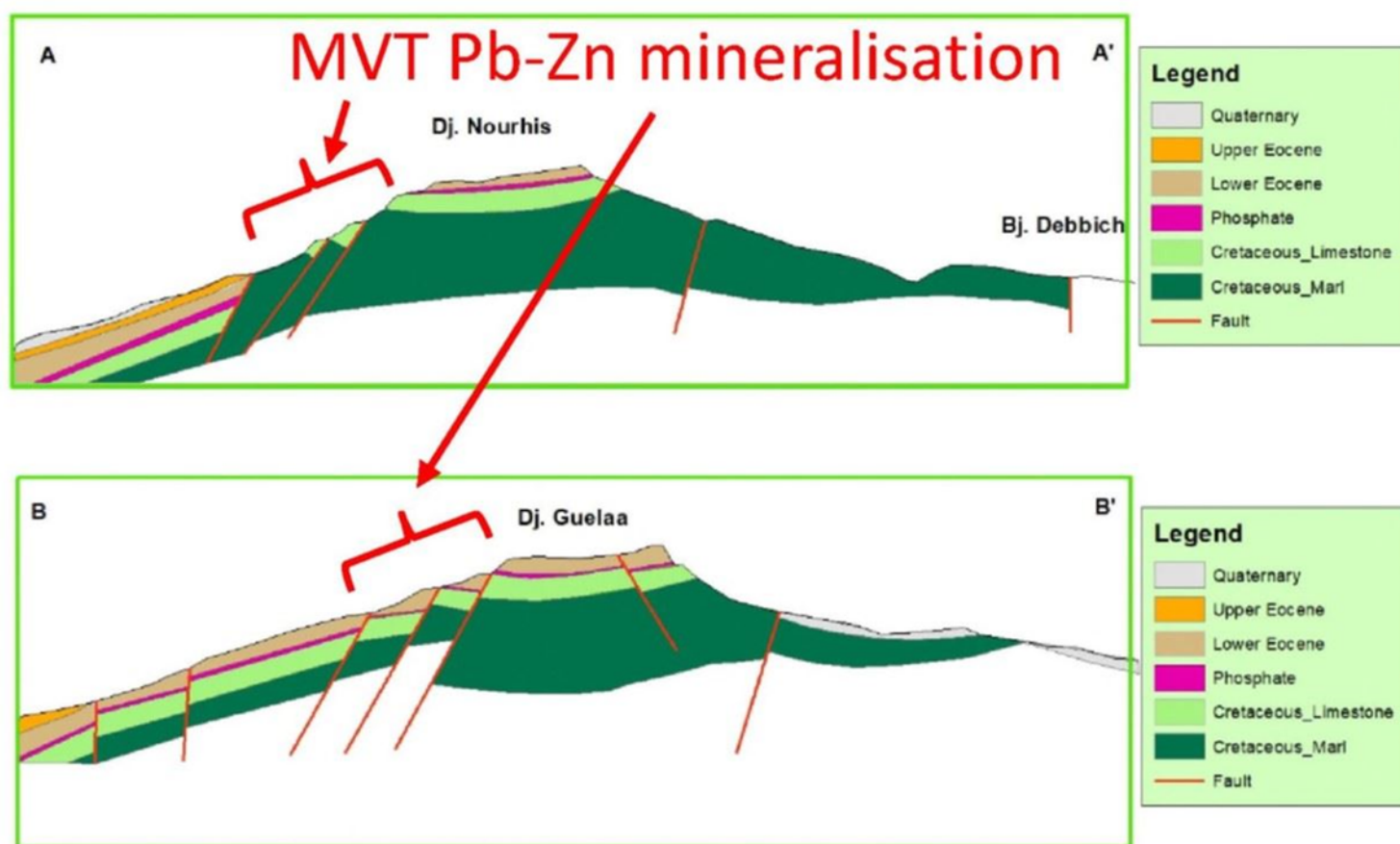
**Ras Ghzir**

In April 2024 the Ras Ghzir Lead-Zinc research permit (which was applied for in July 2022) was granted, overlapping the Sekarna Phosphate research permit (Figure 1 above). Under the Tunisian Mining Code separate permits are required for Phosphate (Group 5) and Base Metals (Group 3), with the Ras Ghzir permit of 60Km<sup>2</sup> covering base metals within the Sekarna phosphate application (128Km<sup>2</sup>).

The prospect had been originated by PhosCo, based on historic work and existing data and identified by the Tunisian geology team with historic mining dating from between the early 1900's and 1948.

As announced on 8 April 2024, Zinc mineralization was discovered at Sekarna in 1906 and was prospected for a period before mining commenced in 1922 and continued until 1948 (Garnit et al 2011). During this period the mines produced 22,000 tonnes of zinc mineralisation (both sphalerite and calamine (ZnCO<sub>3</sub>)) containing 7,240 tonnes of metallic zinc and 4,540 tonnes of galena containing 2,600 tonnes of lead.

The faults that controlled the development of the horst and graben features are orientated north-northwest with secondary fault set trending northeast. Within specific areas these faults control Mississippi Valley Type (MVT) zinc-lead-barite mineralisation that overprints the Cretaceous and Eocene sequences, including the phosphate. The Palaeocene marl is not mineralised. The MVT mineralisation occurs as veins, karst/breccia collapse infill and disseminations.



**Figure 5** Representative schematic cross-sections of the Sekarna/ Ras Ghzir project.

Historic data relating to exploration for zinc-lead-barite in 2007 and 2008 needs to be compiled and critically evaluated for follow-up with specific programs aimed at delineating the extent of the base metal mineralisation. Eleven diamond holes are known to have been drilled, but this data has not yet been compiled and assessed.

Zinc production came from two main mines, Saint Pierre and Saint Eugene, located at distinct stratigraphic positions. Saint Pierre is located at the Eocene-Cretaceous unconformity. This surface represents a break in sedimentation of approximately 46 million years. During this time the Cretaceous rock were exposed to surface weathering and karst development along northeast trending faults, which acted as feeder channels for the mineralising fluids. The predominately sphalerite mineralisation at Saint Pierre is hosted by phosphorite and is stratiform in appearance spreading out laterally from the faults. It can be traced for 200 to 300 metres along strike and 100 metres across strike. In contrast the mineralisation at Saint Eugene is a non-sulphide zinc ( $ZnCO_3$ ) deposit hosted as disseminations in the dolomitic limestone caprock. This mineralisation is also controlled by the northeast trending faults.

The distribution and nature of the zinc-lead mineralisation at Sekarna is a function of ground preparation by faulting and fracturing, forming a series of open fractures and fault breccia zones. These ground conditions produce variations in mineralisation types from massive pods filling karst cavities in the Cretaceous limestone and disseminations in the Eocene limestone.

The base metals historic workings at Ras Ghzir were visited during the reconnaissance phosphate work and possible extensions to the previously identified galleries (underground workings) were located while checking for phosphate exposures to the west and downslope. Reconnaissance using a pXRF confirmed the presence of lead-zinc and barite mineralisation. These occurrences were more extensive than expected, located approximately 900m north of the old galleries where Reminex focused their drilling. Many of these workings haven't been drill tested, with the mineralisation observed to be 20m to 40m wide in outcrop and the controlling structures traceable on satellite imagery. The potential of zinc mineralisation in the area could be easily confirmed by accurately mapping the occurrences and the controlling faults on the ground and developing a structural model for the deposits for subsequent drill testing.

The Sekarna phosphate is visually indistinguishable from other phosphates in the Northern Basin but has the additional complexity of having an area with a shallow, base metal overprint (zinc, lead, and barite). Metallurgical work is required to understand whether the base metals can be floated separately, potentially into a by-product revenue stream or forms a separate, new, standalone project.

### Simitu

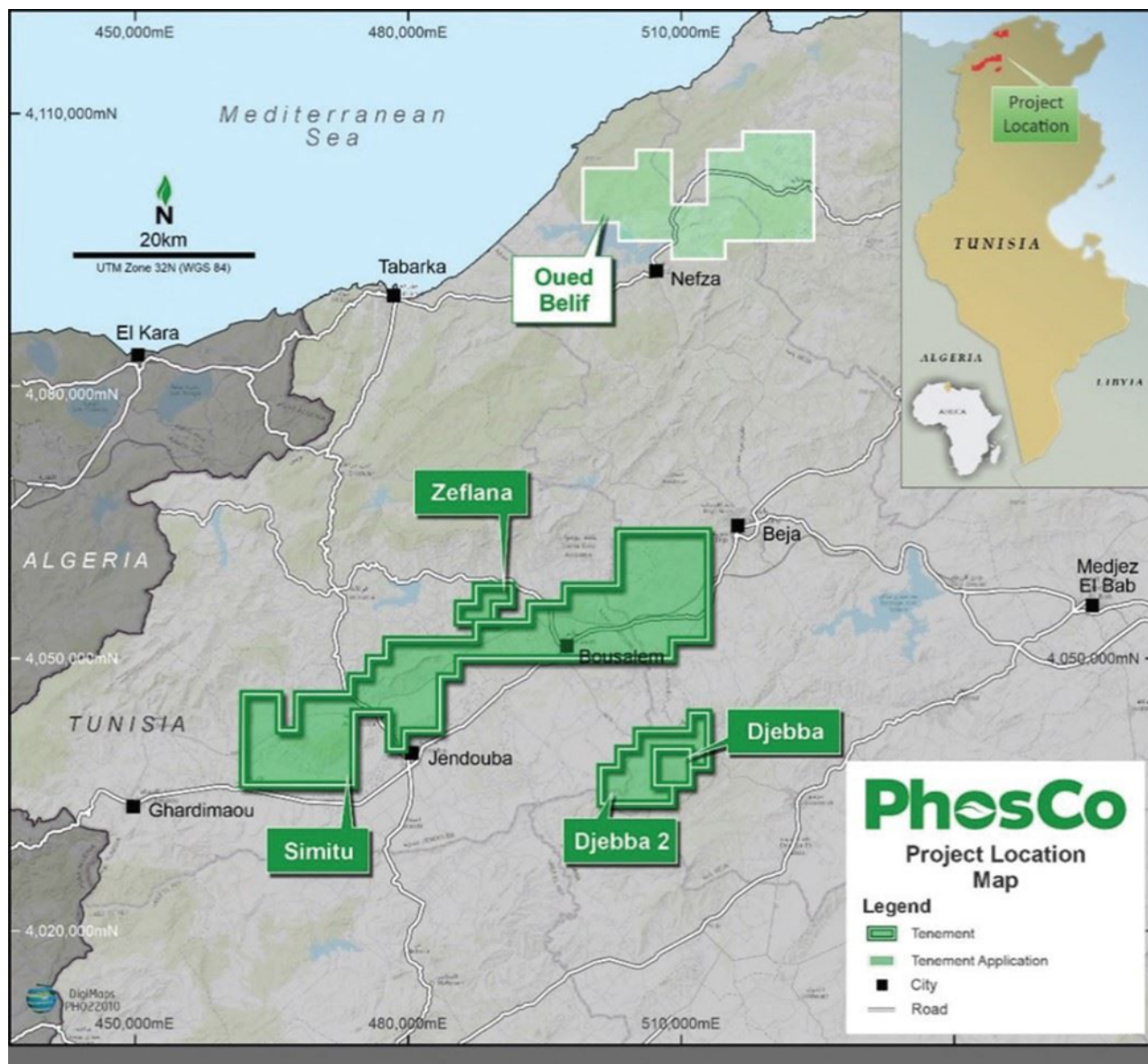
As announced on 9 November 2023 and 15 December 2023, the Consolidated Entity was granted the Simitu copper-gold permit adding to the Consolidated Entity's existing base metals exploration tenure at Zeflana.

Simitu encompasses ancient iron and copper mines with a history extending back to Carthaginian and Roman times. There is no record of any modern mining. Modern geochemical exploration initially completed by Office Nationale Mines (ONM) and later confirmed by Albidon, identified an extensive gold-copper-arsenic anomaly covers and extends the trend of ancient copper and iron mine workings. It is coincident with iron veining in a dolomitised and silicified limestone.

The Bey Prospect sits over a distinct 'dogleg' in a gravity ridge which also defines the trend of the prospective belt of silica alteration. At surface the prospect is characterised by a lack of vegetation that coincides with malachite (copper) bearing gossans and gossanous float over mixed clastic and carbonate sediments. The vegetation anomaly is an area where toxicity of the soil results from elevated metal content and measures approximately 1,800m by 750m. Prior to PhosCo, this area has never been subject to systematic exploration, although Albidon reported a stream sediment anomaly some distance down stream.



**Figure 6** View south from Bey prospect showing vegetation anomaly and gossanous outcrops in the foreground.



**Figure 7** PhosCo's Base Metals & Gold tenements in Northern Tunisia.

Soil and rock chip sampling programs were completed at the Bey Prospect with 173 samples collected on a notional 40 metre by 100 metre grid across the northern half of the Bey alteration anomaly. Results from the geochemical program were announced on 7 March 2024 defining coherent and coincident Cu-As-Sb anomalies with low order but anomalous Ag, Au and Hg. Lead and Zinc have distinct separate distributions from the Cu and Au, even though there is some overlap with As, Sb and Hg.

The 244km<sup>2</sup> Oued Belif permit application further north is pending.

### Zeflana

Zeflana comprises three wholly owned exploration permits covering 78km<sup>2</sup> which were granted in 2018 and 2019. PhosCo identified Zeflana's exploration potential on the basis of historical work, and the in-country experience and knowledge of the PhosCo technical team.

The Project sits within the Atlas Zinc-Lead belt that has an ancient history of base metal mining stretching back to Phoenician and Roman times though modern exploration has been very limited. The most extensive exploration in Tunisia occurred in the period between 2004 and 2008 by companies including Albidon Ltd in joint venture with Zinifex Ltd, and Maghreb Minerals.

The zinc-lead deposits of the Atlas belt are broadly of MVT, low-temperature carbonate- replacement deposits formed within the Mesozoic-aged broad carbonate shelf sedimentary sequence deposited on the southern margin of the Tethys Ocean. Most deposits formed during collision, uplift and subsequent extension related to the Atlas orogeny. This style of mineralisation is known to form some very large deposits globally.

A geophysical program was completed in April 2024 at Zeflana with independent consultants being engaged to carry out a reconnaissance/orientation Electrical Resistivity Tomography (ERT) survey. The purpose of the initial survey is to demonstrate the efficacy of this technique for exploration targeting in this geological environment.

PhosCo has advised the Ministry of the intention to relinquish the Ain El Bouma and Zaouiet Sidi Mbarek base metal tenements.

#### *Financial Performance*

The Consolidated Entity's loss for the year ended 30 June 2024 (FY 2024) after providing for income tax and non-controlling interest amounted to \$1,734,903 (30 June 2023: \$6,366,472).

Operating expenses for FY 2024 were \$1,840,834 (FY 2023: \$3,110,083). Changes in the operating expenses were primarily comprised of:

- employment expenses decreased by \$1,019,079 to \$181,471 (FY 2023: \$1,200,550);
- corporate and administration expenses, excluding unrealised foreign exchange gains, decreased by \$237,603 to \$1,054,569 (FY 2023: \$1,292,172);
- legal expenses decreased by \$122,433 to \$198,110 (FY 2023: \$320,543); and
- finance costs, comprised primarily of interest on cash calls payable to TMS, the minority shareholder in CPSA and finance costs associated with the convertible notes of \$406,683 (FY 2023: \$296,818).

The Consolidated Entity also incurred exploration and evaluation expenses of \$353,602 in FY 2024 (30 June 2023: \$421,463).

Foreign exchange gains amounting to \$240,458 primarily relates to the net financial liabilities denominated in Tunisian Dinar (TND).

#### *Financial Position*

At 30 June 2024, the Consolidated Entity had cash and cash equivalents, net of bank overdrafts, of \$547,793 (30 June 2023: \$1,187,344), a net decrease of \$640,191 resulting from operations during the year.

The Consolidated Entity's net liabilities were \$8,669,959 as at 30 June 2024 (30 June 2023: net liabilities of \$6,796,154). The consolidated net liabilities at 30 June 2024 increased primarily as a result of operating losses for the year, convertible notes issued and accrued interest on TMS loans payable during the year ended 30 June 2024.

The Consolidated Entity's net asset position after adjusting for contested liabilities is presented herein based on the legal structure of the active members of the Consolidated Entity:

	PhosCo Ltd A\$	Celamin Limited A\$	Sub Group A\$	CPSA A\$	Consolidated <sup>(i)</sup> A\$
Cash and cash equivalents, net of overdrafts	466,775	80,193	546,968	825	547,793
Other current assets	72,293	79,079	151,372	24,056	175,428
Non-current assets	3,599	51,870	55,469	5,618	61,087
Total assets	542,667	211,142	753,809	30,499	784,308
Trade and other payables	(210,245)	(71,472)	(281,714)	(1,362,982)	(1,644,699)
Employee benefits and other payables	(194,951)	-	(194,951)	(11,481)	(206,432)
Borrowings	-	-	-	(6,325,965)	(6,325,965)
Convertible notes	(1,277,170)	-	(1,277,170)	-	(1,277,170)
Bank overdraft	-	-	-	(361)	(361)
Total liabilities	(1,682,366)	(71,472)	(1,753,835)	(7,700,789)	(9,454,627)
<i>Share settled liabilities</i>					
Employee benefits and other payables	155,100	-	155,100	-	155,100
Convertible notes	1,277,170	-	1,277,170	-	1,277,170
<i>Contested liabilities</i>					
Contested trade and other payables	-	-	-	1,182,234	1,182,234
Contested borrowings	-	-	-	6,325,965	6,325,965
Net assets/(deficit) after adjusting for share settled and contested liabilities	292,571	139,670	432,244	(162,091)	270,150

(i) Himilco Resources Pty Ltd and PhosCo Tunisia Pty Ltd are excluded from the analysis in the table above as they were non-operating during the year.

Neither PhosCo Ltd nor Celamin Limited (Celamin) have provided any security or guarantee in respect of CPSA's obligations. Furthermore, CPSA has unpaid obligations to Celamin amounting to A\$5,198,243, which are eliminated on consolidation in accordance with Australian Accounting Standards.

The obligation for any potential future settlement of these obligations is the sole obligation of CPSA. Both the unsecured cash call and related liabilities due to TMS and a number of trade and other payables incurred by CPSA prior to the Consolidated Entity gaining control in October 2021 are disputed by the Consolidated Entity. The ultimate resolution of these disputes is subject to inherently uncertain legal and commercial processes and negotiations.

It should also be noted that the Consolidated entity has a separate entitlement to the recovery of the Arbitration Award of \$6,663,798 as detailed further in note 20 to the financial statements.

#### Cashflow

During FY 2024, the Consolidated Entity had net cash outflows from operating activities of \$1,488,850 (2023: \$3,469,334). During FY 2024, the Consolidated Entity

- made total payments of \$1,496,390 for operations and exploration activities during the year; and
- raised \$1,000,000 from convertible notes (before transaction costs of \$91,810).

Decrease in cash outflows on operations was largely due to

- \$1,225,456 decrease in payments to suppliers and employees to \$1,213,767 during the year ended 30 June 2024 (2023: \$2,436,223) and
- \$784,580 decrease in exploration expenditure to \$282,623 driven by lower expenditure on the Chaketma project following termination of the Consolidated Entity's Chaketma Exploration Permit in December 2022.

#### Risks and uncertainties

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks.

#### Risks specific to Chaketma Phosphates SA

CPSA has a net deficit largely comprised of current liabilities incurred by TMS, the Consolidated Entity's partner on CPSA, prior to the Consolidated Entity regaining control in October 2021. These amounts are being legally disputed by the Consolidated Entity. These material liabilities are at call on demand. If the Consolidated Entity is not successful in striking down in part or in full or execute other means by which to limit the impact of these liabilities on CPSA's financial position there is a risk that this may result in the liquidation of CPSA.

In December 2022, the Consolidated Entity was notified by the Minister of Industry, Mines and Energy (Minister) that the Consolidated Entity's Application for a mining concession was rejected and that the validity of the Consolidated Entity's exploration permit in respect of Chaketma was terminated. In consultation with the Tunisian Ministry of Industry, Mines & Energy, CPSA has applied for a new Exploration Permit for Chaketma, mirroring the original permit. The next step in this process will be for the new application to be considered by the Consultative Committee of Mines (CCM). Assuming the CCM approves the application, formal gazetting will take place once the application has also been cleared by the Tunisian military. If granted, the Exploration Permit will be valid for three years enabling CPSA to apply for a Mining Concession for the tenement, noting that CPSA has previously completed the research and studies and has complied with the conditions specified in the mining code. Despite the positive engagement with the Ministry, there is no guarantee that CPSA will be successful in reinstatement of the Consolidated Entity's rights over the Chaketma tenement.

#### Title and permit risks

The Consolidated Entity has submitted applications for rights over tenements in Tunisia and continues to engage the Ministry to assert its position over the Chaketma tenement. Whilst there has been no final decision communicated on the tenements, there is no certainty the rights over these tenements will be granted by the Tunisian Government or that, if granted, the respective concessions will be of a size and on terms acceptable to the Consolidated Entity. In addition, mining and exploration permits and licences are subject to periodic renewal. There is no guarantee that current or future renewals will be approved.

#### Litigation risk

Following a favourable 2019 decision by the Court of Cassation in Tunisia, the Consolidated Entity regained operational and management control of CPSA in October 2021 through the enforced arbitration awards against TMS delivered by the International Court of Arbitration of the International Chamber of Commerce. Although PhosCo has recovered the 51% interest and management control of CPSA, the Company notes litigation risk arising from various criminal and civil actions related to the execution of the Arbitral Award remain before the Tunisian courts. Notably a May 2024 Court of Cassation decision takes a different view to the previous Court of Cassation decisions that the Arbitral Award is enforceable in Tunisia.

#### Government regulation risks

The Company's tenements and activities may be subject to extensive regulation by local, state and federal governments. There is no assurance that future government policy will not change, and this may adversely affect the long-term prospects of the Company. Future changes in governments, regulations and policies may have an adverse impact on the Company.

The operations and proposed activities of the Consolidated Entity are subject to Tunisian laws and regulations concerning the environment. It is the Consolidated Entity's policy to conduct its activities to the highest standard of environmental obligation. There is no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige the Consolidated Entity to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

#### Future funding risks

The Company is involved in exploration for minerals in Tunisia and is yet to generate revenues. The Company has cash and cash equivalents, net of bank overdrafts, of \$547,793 and a net deficit of \$8,669,959 at 30 June 2024. The Company may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Consolidated Entity is still in the early stages of exploration development it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. However, the Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Consolidated Entity and its Directors, including the approval by the Tunisian Government of license applications over tenements, cyclical factors affecting the economy and share markets generally. If for any reason the Consolidated Entity was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Consolidated Entity's ability to generate sufficient cash inflows to settle its creditors and other liabilities.



#### Environmental and social risks

The Consolidated Entity holds participating interests in a number of currently valid exploration tenements in Tunisia in addition to a number of applications for tenements which have been submitted to the Tunisian Government for consideration, in respect of which no decision has been made as of the date of this report.

The long-term viability of the Consolidated Entity is closely associated to the wellbeing of the communities and environments in which the Consolidated Entity conduct operations. At any stage of the asset life cycle, the Consolidated Entity's operations and activities may have or be seen to have significant adverse impacts on communities and environments. The Consolidated Entity has not, as a result of the early stage of development of its projects, undertaken detailed climate related, environmental and social (including but not limited to the impact on the employment and labour relations, education and personal development, diversity and inclusion) impact studies. However, as this is seen as an essential element of the Consolidated Entity's future success, at the appropriate time such analyses are expected to be undertaken.

The Consolidated Entity may fail to meet ever evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

#### Dependence on service providers and third-party collaborators

There is no guarantee that the Consolidated Entity will be able to find suitable third-party providers and third-party collaborators to complete the exploration work. The Consolidated Entity therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Consolidated Entity's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Consolidated Entity's exploration efforts, financial condition and results of operations.

#### Reliance on key personnel

The Consolidated Entity's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Consolidated Entity.

The Consolidated Entity maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Consolidated Entity reviews remunerations to human resources regularly.

#### IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Consolidated Entity is committed to preventing and reducing cyber security risks through outsourced the IT management to a reputable services provider.

#### Exploration and development Risk

Mining exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Consolidated Entity.

The business of exploration for phosphate and other minerals and their development involves a significant degree of risk. 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.

There can be no assurance that exploration on the Consolidated Entity's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Consolidated Entity may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Consolidated Entity. The Consolidated Entity is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

#### Grant of future authorisations to explore and mine

The Consolidated Entity has submitted various applications for rights over tenements. There is no guarantee that the Consolidated Entity's applications will be successfully approved by the regulatory authorities nor that it the Consolidated Entity will be able to obtain all required approvals, licences and permits in respect of any or all of the Consolidated Entity's projects. To the extent that required authorisations are not obtained or are delayed, the Consolidated Entity's operational and financial performance may be materially adversely affected.

If the Consolidated Entity discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.

#### Resource and reserve estimates

Reserve and Resource estimates for the existing mineral properties of the Consolidated Entity are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. 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.

Resource and reserve estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available or commodity prices change. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

#### 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 Consolidated Entity.

#### Tunisian country risk

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

#### Future profitability

The Consolidated Entity is in the early stage of its development and is currently making losses. The Consolidated Entity's performance will be impacted by, among other things, the successful completion of tenement application processes and subsequent compliance with the terms of these licences, the success of its exploration activities, general macroeconomic conditions both globally and in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Significant changes in the state of affairs**

On 15 December 2023, 300,000 performance rights over fully paid ordinary shares vested, the performance rights having a fair value of \$0.07 per each performance right and nil consideration per fully paid ordinary share.

On 28 December 2023, in accordance with a resolution of the Annual General Meeting held on 28 November 2023, the Consolidated Entity issued 3,685,644 fully paid ordinary shares in settlement of outstanding obligations to the Directors and related parties for services rendered during the period from October 2022 through to September 2023 inclusive.

On 28 December 2023, the Company issued 100,000 fully paid ordinary shares upon the execution of 100,000 performance rights over fully paid ordinary shares with an exercise price of \$0.07 per fully paid ordinary share.

On 31 December 2023, 1,500,000 performance rights over fully paid ordinary shares in the Company lapsed.

On 5 January 2024, as updated on 5 February 2024, the Company announced that the Court of Appeal in Tunisia had refused the Company's application to commence the process to sell the 49% interest in CPSA held by TMS. This decision purports to overturn the Court of Cassation (Tunisia's highest court) decision that the arbitration decision is enforceable in Tunisia, noting that the Swiss Supreme Court is not a competent jurisdiction in this case. The Court of Appeal also determined that the seizure over CPSA shares held by TMS should be lifted. The Company filed an appeal to the Court of Cassation and received a stay of execution to prevent the lifting of the seizure order over the CPSA shares held by TMS. As announced on 29 May 2024 the Court of Cassation refused PhosCo's appeal, denying the Company the ability to sell TMS's 49% interest in CPSA for non-payment of A\$6.6m damages, costs and interest owed by TMS to PhosCo.

On 18 January 2024, the Company announced that it has received binding commitments from existing and new investors for \$1,000,000 in Convertible Notes. The Convertible Notes were approved by a general meeting of the shareholders on 7 March 2024 and were issued on 15 March 2024. The \$500,000 Credit Facility with Mr Tarecq Aldaoud, Lion Manager Pty Ltd and Lion Selection Group Limited expired undrawn upon the Convertible Notes settlement.

On 6 February 2024, the Company issued 849,181 shares in lieu of cash for services provided by a supplier. The value of the Company's shares on the date of issue of the fully paid ordinary shares was \$0.065 (6.5 cents). The issue price of these shares represents the fair value of the shares issued to extinguish the existing liabilities.

On 8 April 2024, PhosCo has received the Ras Ghzir Lead-Zinc Research Permit. PhosCo has also been advised that the Consultative Committee of Mines will shortly consider the Sekarna Research Permit, a key element in PhosCo's Tunisia's Northern Phosphate Basin play.

On 6 May 2024 Mr Tarecq Aldaoud was appointed Managing Director, transitioning from his role as Executive Director. Mr Tarecq had been assisting the Company with its investor relations, now taking on expanded responsibility for the Company. Mr Tarecq has agreed to defer all remuneration pending the grant of Project tenements. Mr Simon Eley agreed to remain on the Board as a Non-Executive Director.

There were no other significant changes in the state of affairs of the Consolidated Entity during the year ended 30 June 2024.

#### **Matters subsequent to the end of the financial year**

PhosCo announced board changes effective 4 July 2024, with Strategic Board Advisor Mehdi Ben Abdallah appointed Executive Director with Simon Eley stepping down as Non-Executive Director.

As announced on 23 July 2024, PhosCo lodged a new seizure action over TMS's 49% interest in CPSA that remains in place (under Tunisian law, the Arbitral Award can be used for a seizure action even without an enforcement decision). PhosCo announced on 8 August 2024 that it had opted to relodge an application to enforce the Arbitral Award with Tunisia's Court of Appeal for the avoidance of further challenge to this Tunisian legal right. This new action was in response to the unsuccessful Court of Cassation decision announced on 29 May 2024, denying the Company the ability to sell TMS's 49% interest in CPSA for non-payment of A\$6.6m damages, costs and interest owed by TMS to PhosCo.

On 29 August 2024, the Company announced that it has received binding commitments from existing investors for \$900,000 in Convertible Notes. The Converting Notes are subject to shareholder approval.

On 2 September 2024, the Company announced that an application has been lodged for a new Exploration Permit in Tunisia's Kasserine Region. The application covers an area of 112km<sup>2</sup> that is prospective for phosphate and forms part of PhosCo's plan to assemble and develop Tunisia's Northern Phosphate Basin. The new application "Gassaat" encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

The Consolidated Entity will continue to pursue assembling a district-scale phosphate portfolio in Tunisia's Northern Phosphate Basin to support a potential world-class fertiliser hub.

As regards to the Chaketma Project, the Consolidated Entity will undertake those procedures necessary to protect its interests in the project, obtain necessary permitting and also complete, when appropriate and upon obtaining the necessary funding, a bankable feasibility study.

The Consolidated Entity continues its challenge to the liabilities reflected in CPSA's statement of financial position on gaining control of CPSA. This process is ongoing at 30 June 2024. The quantum and timing of the settlement of liabilities assumed is uncertain and subject to the completion of both further legal and financial review and subsequent actions, the result of which are currently unable to be disclosed and will impact the Consolidated Entity's future financial position and performance.

The Board and management team continue to assess the potential impacts on the business, however, given the continued uncertainties the future financial impact, if any, cannot be accurately quantified.

### **Environmental regulation**

The Consolidated Entity is not currently subject to any significant environmental regulation under Australian Commonwealth or State law.

The Consolidated Entity holds participating interests in exploration tenements. The various authorities granting tenements required the tenement holder to comply with the terms of the grant of the tenement given to it under those terms of the respective tenements. There have been no known breaches of the tenements' conditions, as they relate to environmental provisions and no such breaches have been notified by any government agency during the financial year ended 30 June 2024 or previously.

### **Information on directors**

Name:	Mr Robin Widdup
Title:	Chairman
Qualifications:	BSc (Hons)
Experience and expertise:	Robin is the founder and a director of one of PhosCo's largest shareholders, Lion Selection Group Limited. Robin has 40 years of mining industry and equity market experience. Following working in a range of operations in the United Kingdom, Zambia and Australia, Robin joined the J B Were & Sons Resource Research team, prior to founding Lion Selection Group and Lion Manager in 1997. He is currently Executive Chairman of Lion Selection Group Limited, and a non-executive director of Lion investee One Asia Resources Limited.
Other current directorships:	Lion Selection Group Ltd (Executive Chairman)
Former directorships (last 3 years):	Nusantara Resources Ltd
Special responsibilities:	None
Interests in shares:	23,047,656 fully paid ordinary shares
Interests in options:	Nil
Interests in performance rights:	1,333,334

Name:	Mr Tarecq Aldaoud
Title:	Managing Director (Executive Director, appointed as Managing Director on 6 May 2024)
Qualifications:	B.Pharm
Experience and expertise:	Tarecq is a chemist and entrepreneur with a strong background in management, sales, and marketing. He currently serves as a managing partner at Chemist Warehouse. Tarecq has a deep understanding of investment markets, specialising in emerging companies in the mineral resources sector.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	12,714,302 fully paid ordinary shares
Interests in options:	Nil
Interests in performance rights:	1,333,334 performance rights
Interests in convertible notes:	200,000 convertible notes

Name: Mr Mehdi Ben Abdallah  
Title: Executive Director (appointed on 4 July 2024)  
Age: MBA,  
Experience and expertise: Mehdi has over 20 years' multi-national experience in the energy sector, including stakeholders' relations, project development, business leadership and joint venture management. Throughout his career, Mehdi has played a pioneering role in supporting foreign investment into Tunisia for the benefit of both investors and the country.

Mehdi is currently the Managing Partner of an advisory firm working with several companies in the energy sector, previously served as General Manager with Shell, Vice President with BG Group and Executive Director for International Relations with UTICA the leading Tunisian business confederation. He is the President of the Tunisian-Danish Chamber of Commerce, Honorary President of the Tunisian-British chamber of Commerce, and Board member of the Arab-British Chamber of Commerce in London.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: None  
Interests in shares: Nil  
Interests in options: Nil  
Interests in rights: 2,000,000

Name: Mr Simon Eley  
Title: Non-Executive Director (Managing Director through 6 May 2024, after which was a Non-Executive Director through to the date of his resignation on 4 July 2024)

Qualifications: LB, BA  
Experience and expertise: Simon is a solicitor with vast experience in the resource sector. Simon was the chairman of Tierra Grande Resources Inc. (TGRI) on the NASDAQ until the company entered a merger with VNUE Inc. (OTCQB: VNUE). Simon has secured and advanced gold projects in Western Australia that have been acquired by larger companies and currently in operations. Simon's experience includes capital raisings, commercial agreements, dispute resolution, corporate management, strategy and acquisitions and divestments.

Other current directorships: M3 Mining Ltd (Executive Director), Westar Resources Limited (Non-Executive Chairman)  
Former directorships (last 3 years): Egan Street Resources Limited (resigned 22 November 2019)  
Special responsibilities: None  
Interests in shares: 9,468,317 fully paid ordinary shares  
Interests in options: Nil  
Interests in performance rights: 666,667 performance rights

"Other current directorships" quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

"Former directorships (in the last 3 years)" quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

### Company secretary

#### ***Mr Stefan Ross BBus (Acc)***

Mr Ross has over 12 years' of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Stefan has a Bachelor of Business majoring in Accounting.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board	
	Held	Attended
Mr Robin Widdup	19	19
Mr Simon Eley	19	19
Mr Tarecq Aldaoud	19	19

Held: represents the number of meetings held during the time the director held office.

### Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

#### **Principles used to determine the nature and amount of remuneration**

The intention of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The planned framework aims to align executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with the market best practice for delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board will implement an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retains high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors remuneration*

Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. The limit of Non-Executive Director fees was increased to a maximum of \$350,000 at the company's Annual General Meeting on 20 October 2010. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act 2001 at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

For additional duties in assisting management beyond the normal time commitments of non-executive directors, non-executive directors are paid on a monthly basis, applying a per diem rate, with the rates approved by other directors, such remuneration being settled on the aforementioned terms. There were no incentives or bonuses paid during the year to Non-Executive Directors.

#### *Executive remuneration*

Despite remuneration for executives currently consisting of entirely fixed remuneration, the consolidated entity aims to reward executives with a level and mix of remuneration, based on their position and responsibility, which is both fixed and variable. The consolidated entity will take steps to ensure that executives are paid the correct blend of remuneration to align the interests of executives and shareholders.

The executive remuneration and reward framework has the following components:

- base pay
- share based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

The long-term incentives ('LTI') include long service leave and share based payments, inclusive of performance rights, which are the subject of the satisfaction of certain performance hurdles, as detailed in "*Share based compensation*" herein.

#### *Consolidated entity performance and link to remuneration*

The remuneration of directors and executives are not linked to the performance, share price or earnings of the consolidated entity.

As stated above, the consolidated entity aims to reward executives with a level and mix of remuneration, based on their position and responsibility, which is both fixed and variable.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

#### *Voting and comments made at the company's 28 November 2023 Annual General Meeting ('AGM')*

At the 28 November 2023 AGM, 99.94% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

#### **Details of remuneration**

##### *Amounts of remuneration*

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and executives of PhosCo Ltd are set out in the following tables.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate. This provides a clear structure for earning rewards.

All remuneration paid to Non-Executive Directors during the years ended 30 June 2024 was fixed.

The key management personnel of the consolidated entity consisted of the following directors and other executives of PhosCo Ltd:

- Mr Robin Widdup, Chairman
- Mr Tarecq Aldaoud, Managing Director - appointed as Managing Director on 6 May 2024, previously Executive Director
- Mr Simon Eley, Non-Executive Director - Managing Director through 6 May 2024, after which was a Non-Executive Director through to the date of his resignation on 4 July 2024)
- Mr Mehdi Ben Abdallah, Executive Director appointed on 4 July 2024
- Mr Craig Smyth, Interim Chief Financial Officer

	Short-term benefits Salary and fees \$	Post- employment benefits Superannuation on \$	Equity-settled Share-based payments <sup>(i),(ii)</sup> \$	Total \$
<b>30 June 2024</b>				
<i>Non-Executive Directors:</i>				
Mr R Widdup	-	-	38,325	38,325
Mr S Eley	6,006	1,977	40,998	48,981
<i>Executive Directors:</i>				
Mr T Aldaoud	6,721	1,977	39,152	47,850
<i>Other key management personnel</i>				
Mr C Smyth	-	-	115,000	115,000
	<u>12,727</u>	<u>3,954</u>	<u>233,475</u>	<u>250,156</u>

- (i) Equity settled remuneration reflects the directors fees and other remuneration to be settled through the issuance of fully paid ordinary shares in PhosCo. The amounts in the table above represent the KMP remuneration for period from 1 July 2023 to 31 January 2024.
- (ii) In November 2023, the Annual General Meeting, shareholders approved the settlement of outstanding unpaid directors' fees from 1 July 2023 to 30 September 2023 through the issuance of fully paid ordinary shares in PhosCo. Accordingly, the obligations were settled through the issuance of 1,431,723 fully paid ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a share at the date of issuing the shares, being \$0.065 (6.5 cents) per fully paid ordinary share issued. Value of unpaid key management personnel remuneration at 30 June 2024 was \$135,100.

From 1 February 2024, KMP remuneration arrangements were amended with settlement only arising in the event the Company obtains funding greater than A\$1 million through a capital raise subsequent to August 2024. If the aforementioned capital raise is completed, the entitlement to these fees crystallises and will be settled 100% through the issue of Shares in the Company in lieu of cash, subject to Shareholder approval for the share issue. The value of unrecognised equity settled key management personnel remuneration at 30 June 2024 was \$168,875, for the period from 1 October 2023 to 31 January 2024.

	Short-term benefits Salary and fees \$	Short-term benefits Annual Leave \$	Post- employment benefits Superannuation on \$	Equity-settled Share-based payments \$	Total \$
<b>30 June 2023</b>					
<i>Non-Executive Directors:</i>					
Mr R Widdup	24,638	-	-	46,851	71,489
<i>Executive Directors:</i>					
Mr S Eley	34,947	3,000	8,772	54,509	101,228
Mr T Aldaoud	27,081	3,000	7,584	49,057	86,722
<i>Other key management personnel</i>					
Mr C Smyth	81,000	-	-	146,362	227,362
	<u>167,666</u>	<u>6,000</u>	<u>16,356</u>	<u>296,779</u>	<u>486,801</u>

- (i) Equity settled remuneration reflects the directors fees and other remuneration to be settled through the issuance of fully paid ordinary shares in PhosCo.
- (ii) The value of unpaid equity settled key management personnel remuneration at 30 June 2023 was \$201,067, which was settled during the year ended 30 June 2024 through issuance of 2,253,921 fully paid ordinary shares in PhosCo.



Name	Fixed remuneration		At risk - LTI	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>Non-Executive Directors:</i>				
Mr R Widdup	100%	34%	-	66%
Mr S Eley	100%	46%	-	54%
<i>Executive Directors:</i>				
Mr T Aldaoud	100%	43%	-	57%
<i>Other Key Management Personnel:</i>				
Mr C Smyth	100%	36%	-	64%

### Transactions with related parties

Mr Widdup and Mr Smyth are Directors of Lion Manager Pty Ltd (LMPL) and have relevant interests in LMPL. PhosCo Ltd was billed \$215,275 by LMPL for services rendered pursuant to the Services Agreement, including \$49,275 for R Widdup's remuneration and \$166,000 for C Smyth's remuneration.

The value of unpaid obligations to key management personnel including salaries, fees and related superannuation entitlements at 30 June 2024 is \$168,324

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Robin Widdup  
 Title: Chairman  
 Agreement commenced: 11 December 2018  
 Details: Mr Widdup may resign from his position and thus terminate this contract at any time by giving written notice. Remuneration comprises a base salary of \$65,700<sup>(i)</sup> per annum inclusive of statutory superannuation for non-executive chair duties.

Name: Mr Tarecq Aldaoud  
 Title: Managing Director (*Appointed as Managing Director on 6 May 2024, previously Executive Director*)  
 Agreement commenced: 3 January 2019, as amended 6 May 2024  
 Details: On 6 May 2024, Mr Aldaoud's Directors fees<sup>(i)</sup> were amended to be A\$1,000 per day, capped at 20 days per month (inclusive of statutory superannuation contribution).

All consideration will be deferred until the Company is granted the Chaketma, Sekarna or Amoud phosphate permits, where upon the remuneration arrangements will be reviewed. Until otherwise agreed, the Remuneration is comprised of 100% paid as Shares in the Company in lieu of cash, subject to Shareholder approval for the share issue.

Mr Aldaoud is also eligible to participate in long-term incentive arrangements operated or introduced by the company from time to time, in accordance with the terms and conditions governing those arrangements and as separately notified to the Executive by the Board.

Name: Mr Mehdi Ben Abdallah (appointed 4 July 2024)  
 Title: Executive Director  
 Agreement commenced: 4 July 2024  
 Details: Mr Mehdi may resign from his position and thus terminate this contract by giving three month's written notice. The engagement of the Director may be terminated at any time by three months' written notice to the Director. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Remuneration comprises a base salary of \$43,800<sup>(i)</sup> for executive director duties.

Name: Mr Simon Eley  
 Title: Non-Executive Director (*Resigned as Managing Director on 6 May 2024 and resigned as Director on 4 July 2024*)  
 Agreement commenced: 8 April 2019, as amended 1 February 2022  
 Details: On 1 February 2022, Mr Eley's salary was amended to an annual amount of \$43,800<sup>(i)</sup> plus \$3,000 per month for executive duties, inclusive of superannuation.

Mr Eley is also eligible to participate in long-term incentive arrangements operated or introduced by the company from time to time, in accordance with the terms and conditions governing those arrangements and as separately notified to the Executive by the Board.

Name: Mr Craig Smyth  
 Title: Interim Chief Financial Officer  
 Agreement commenced: 29 July 2021  
 Term of agreement: Indefinite  
 Details: Mr Smyth may resign from his position and thus terminate this contract at any time by giving written notice. Remuneration comprises a base salary<sup>(i)</sup> of \$1,000/day for time worked in his role as interim CFO, with a monthly limit of \$20,000. The fees for services provided will be settled through Lion Manager Pty Ltd ('Lion Manager') pursuant to the Services Agreement between the Consolidated Entity and Lion Manager, noting that Lion Manager is a substantial shareholder of the Consolidated Entity. All fees that are paid through the Services Agreement are on an arm's length basis.

(i) From 1 February 2024, KMP remuneration arrangements were amended with settlement only arising in the event the Company obtains funding greater than A\$1 million through a capital raise subsequent to August 2024. If the aforementioned capital raise is completed, the entitlement to these fees crystallises and will be settled 100% through the issue of Shares in the Company in lieu of cash, subject to Shareholder approval for the share issue. The value of unrecognised equity settled key management personnel remuneration at 30 June 2024 was \$168,875, for the period from 1 October 2023 to 31 January 2024.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

Details of shares issued to directors and other key management personnel during the year ended 30 June 2024 are set out below:

Name	Date	Shares	Issue price	\$
Robin Widdup*	28 December 2023	592,915	\$0.065	38,539
Tarecq Aldaoud	28 December 2023	454,858	\$0.065	29,566
Simon Eley	28 December 2023	621,010	\$0.065	40,366
Craig Smyth*	28 December 2023	2,016,861	\$0.065	131,096

\* Fully paid ordinary shares in the Company issued in lieu of cash settlement of Mr R Widdup and Mr C Smyth's Director fees were done so to Lion Manager Pty Ltd on their behalf.

The number of fully paid ordinary shares in the Company issued in settlement of key management personnel remuneration have been determined based on the unpaid remuneration for the respective months of service and the VWAP as calculated for each month of service, the fair value of the services being defined based on the closing share price of \$0.065 (065 cents) per fully paid ordinary share on the date of issue.

#### Options

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

#### Performance rights

During the year ended 30 June 2024, no performance rights were granted. On 15 December 2023, 300,000 performance rights over fully paid ordinary shares vested.

Performance rights granted to directors and other key management personnel during 2023 financial year are set out below:

Name	Grant date	Expiry date	Number granted	Number lapsed
Mr T Aldaoud	9 December 2022	31 December 2024	2,000,000	666,666
Mr S Eley	9 December 2022	31 December 2024	1,000,000	333,333
Mr C Smyth	9 December 2022	31 December 2024	2,000,000	666,666

The Performance Rights were issued for \$Nil consideration, and the vesting of the rights is contingent on the Company achieving certain hurdles over a two-year performance period, as outlined herein.

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Mr Simon Eley	1,000,000	9 December 2022	Upon satisfaction of performance hurdle but no later than 31 December 2024	31 December 2024	\$0.000	\$0.070
Mr Tarecq Aldaoud	2,000,000	9 December 2022	Upon satisfaction of performance hurdle but no later than 31 December 2024	31 December 2024	\$0.000	\$0.070
Mr Craig Smyth	2,000,000	9 December 2022	Upon satisfaction of performance hurdle but no later than 31 December 2024	31 December 2024	\$0.000	\$0.070

A summary of the performance rights' key performance hurdles are as follows:

Mr Craig Smyth & Mr Tarecq Aldaoud: 666,666 Rights were lapsed; 666,667 Rights vest upon Grant of a phosphate mining concession for Sekarna or Chaketma by 31 December 2024 and 666,667 Rights vest upon Securing minimum funding of \$5 million to undertake a phosphate Bankable Feasibility Study (BFS) for either Sekarna or Chaketma by 31 December 2024.

Mr Simon Eley: 333,333 Rights were lapsed; 333,333 Rights vest upon Grant of a phosphate mining concession for Sekarna or Chaketma by 31 December 2024 and 333,334 Rights vest upon Securing minimum funding of \$5 million to undertake a phosphate Bankable Feasibility Study (BFS) for either Sekarna or Chaketma by 31 December 2024.

The performance rights are subject to the terms of the Consolidated Entity's EIS, in accordance with which upon termination, unless otherwise approved by the Board of Directors, the performance rights will be forfeited.

Performance Rights granted carry no dividend or voting rights.

#### Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
Other income	10,075	37,612	188	10,741	33,775
Loss before income tax	(1,977,236)	(8,771,625)	(1,295,128)	(1,132,304)	(1,808,938)
Loss after income tax	(1,977,236)	(8,772,145)	(1,295,576)	(1,132,304)	(1,808,938)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at the start of the financial year (\$)	0.07	0.13	0.06	0.08	0.07
Share price at the end of the financial year (\$)	0.02	0.07	0.13	0.06	0.08
Basic earnings per share (cents per share)	(0.63)	(2.34)	(0.56)	(0.58)	(1.98)
Diluted earnings per share (cents per share)	(0.63)	(2.34)	(0.56)	(0.58)	(1.98)

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration (i)	Additions	Disposals/other	Balance at the end of the year(ii)
<b>Ordinary shares</b>					
Mr R Widdup(ii)	20,437,880	2,609,776	-	-	23,047,656
Mr S Eley	8,847,307	621,010	-	-	9,468,317
Mr T Aldaoud	12,229,444	454,858	30,000	-	12,714,302
Mr C Smyth(ii)	18,500,064	2,609,776	-	-	21,109,840
	<u>60,014,695</u>	<u>6,295,420</u>	<u>30,000</u>	<u>-</u>	<u>66,340,115</u>

(i) These figures shown are the shares issued in settlement of salaries and fees for period from 1 October 2022 through to and including 30 September 2023.

(ii) Mr Widdup and Mr Smyth hold a relevant beneficial interest in shares held by Lion Manager Pty Ltd in PhosCo Ltd, which at 30 June 2024 is 21,109,840.

**Performance rights**

The number of performance rights over fully paid ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Exercised	Expiry/Forfeited/Other	Balance at the end of the year
Mr R Widdup (i)	2,000,000	-	-	(666,666)	1,333,334
Mr S Eley	1,000,000	-	-	(333,333)	666,667
Mr T Aldaoud	2,000,000	-	-	(666,666)	1,333,334
Mr C Smyth (i)	2,000,000	-	-	(666,666)	1,333,334
	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>(2,333,331)</u>	<u>4,666,669</u>

(i) Mr Widdup and Mr Smyth are Directors of Lion Manager Pty Ltd (LMPL) and have relevant interests in LMPL. Mr Widdup and Mr Smyth hold a beneficial interest in 1,333,334 performance rights of PhosCo Limited held by LMPL.

**Converting notes**

The number of converting notes held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Exercised	Expiry/other	Balance at the end of the year
Mr T Aldaoud	-	200,000	-	-	200,000

***This concludes the remuneration report, which has been audited.***

### Shares under performance rights

Unissued ordinary shares of the Consolidated Entity under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
9 December 2022	31 December 2024	7,633,335
6 May 2024	31 December 2024	2,000,000

No person entitled to exercise the Performance Rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

### Indemnity and insurance of officers

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

### Indemnity and insurance of auditor

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit tax compliance services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

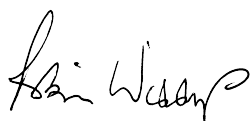
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**Auditor**

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors:



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Robin Widdup  
Non-Executive Chairman

26 September 2024  
Melbourne

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**Grant Thornton Audit Pty Ltd**

Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## Auditor's Independence Declaration

### To the Directors of PhosCo Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of PhosCo Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 26 September 2024

PhosCo Ltd  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest income		10,075	37,612
<b>Expenses</b>			
Corporate expenses	5	(771,389)	(1,292,172)
Employment expenses		(181,471)	(1,200,550)
Exploration expenses		(353,602)	(421,463)
Legal expenses		(198,110)	(320,543)
Finance costs		(689,864)	(296,818)
Share-based payment expense		(21,000)	(91,000)
Depreciation and amortisation		(12,333)	(8,608)
Impairment of exploration and evaluation assets	9	-	(5,155,519)
Foreign exchange (loss)/gain		240,458	(22,564)
Total expenses		<u>(1,987,311)</u>	<u>(8,809,237)</u>
<b>Loss before income tax expense</b>		(1,977,236)	(8,771,625)
Income tax expense	6	-	(520)
<b>Loss after income tax expense for the year</b>		(1,977,236)	(8,772,145)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(207,648)	120,841
Other comprehensive income for the year, net of tax		<u>(207,648)</u>	<u>120,841</u>
<b>Total comprehensive income for the year</b>		<u>(2,184,884)</u>	<u>(8,651,304)</u>
Loss for the year is attributable to:			
Non-controlling interest		(242,333)	(2,405,673)
Owners of PhosCo Ltd		<u>(1,734,903)</u>	<u>(6,366,472)</u>
		<u>(1,977,236)</u>	<u>(8,772,145)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(344,102)	(2,370,988)
Owners of PhosCo Ltd		<u>(1,840,782)</u>	<u>(6,280,316)</u>
		<u>(2,184,884)</u>	<u>(8,651,304)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	(0.63)	(2.34)
Diluted earnings per share	28	(0.63)	(2.34)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



PhosCo Ltd  
Statement of financial position  
As at 30 June 2024



		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	548,154	1,188,345
Trade and other receivables	8	28,736	61,804
Other assets and deposits		146,691	151,610
Total current assets		<u>723,581</u>	<u>1,401,759</u>
<b>Non-current assets</b>			
Plant and equipment		61,087	24,918
Total non-current assets		<u>61,087</u>	<u>24,918</u>
<b>Total assets</b>		<u>784,668</u>	<u>1,426,677</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	7	361	1,001
Trade and other payables	10	1,644,699	1,816,686
Employee benefits payable		206,432	244,039
Borrowings	11	6,325,965	6,161,105
Convertible notes	12	1,277,170	-
Total current liabilities		<u>9,454,627</u>	<u>8,222,831</u>
<b>Total liabilities</b>		<u>9,454,627</u>	<u>8,222,831</u>
<b>Net liabilities</b>		<u>(8,669,959)</u>	<u>(6,796,154)</u>
<b>Equity</b>			
Issued capital	13	60,331,717	59,929,638
Reserves	14	(178,688)	265,076
Accumulated losses		(62,522,603)	(61,034,585)
Deficiency in equity attributable to the owners of PhosCo Ltd		(2,369,574)	(839,871)
Non-controlling interests	15	(6,300,385)	(5,956,283)
<b>Total deficiency in equity</b>		<u>(8,669,959)</u>	<u>(6,796,154)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

PhosCo Ltd  
Statement of changes in equity  
For the year ended 30 June 2024



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Share based payment reserve \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interests \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2022	56,799,859	566,657	(158,965)	(54,987,885)	(3,585,295)	(1,365,629)
Loss after income tax expense for the year	-	-	-	(6,366,472)	(2,405,673)	(8,772,145)
Other comprehensive income for the year, net of tax	-	-	86,156	-	34,685	120,841
Total comprehensive income for the year	-	-	86,156	(6,366,472)	(2,370,988)	(8,651,304)
Share-based payments	-	91,000	-	-	-	91,000
Options exercised (note 13)	2,909,578	-	-	-	-	2,909,578
Equity settled directors' fees	238,420	-	-	-	-	238,420
Cost of capital raising	(18,219)	-	-	-	-	(18,219)
Transfers of lapsed options	-	(319,772)	-	319,772	-	-
Balance at 30 June 2023	<u>59,929,638</u>	<u>337,885</u>	<u>(72,809)</u>	<u>(61,034,585)</u>	<u>(5,956,283)</u>	<u>(6,796,154)</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Share based payment reserve \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interests \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2023	59,929,638	337,885	(72,809)	(61,034,585)	(5,956,283)	(6,796,154)
Loss after income tax expense for the year	-	-	-	(1,734,903)	(242,333)	(1,977,236)
Other comprehensive income for the year, net of tax	-	-	(105,880)	-	(101,768)	(207,648)
Total comprehensive income for the year	-	-	(105,880)	(1,734,903)	(344,101)	(2,184,884)
Share-based payments	-	21,000	-	-	-	21,000
Exercise of performance rights (note 13)	112,000	(112,000)	-	-	-	-
Issue of shares (note 13)	294,764	-	-	-	-	294,764
Cost of capital raising	(4,685)	-	-	-	-	(4,685)
Transfers of lapsed options	-	(246,885)	-	246,885	-	-
Balance at 30 June 2024	<u>60,331,717</u>	<u>-</u>	<u>(178,689)</u>	<u>(62,522,603)</u>	<u>(6,300,384)</u>	<u>(8,669,959)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**PhosCo Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2024**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(1,213,767)	(2,439,223)
Payments for exploration and evaluation expensed		(282,623)	(1,067,203)
		(1,496,390)	(3,506,426)
Interest received		10,002	37,612
Interest paid		(2,462)	-
Income taxes paid		-	(520)
Net cash used in operating activities	27	(1,488,850)	(3,469,334)
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(54,171)	(7,023)
Net cash used in investing activities		(54,171)	(7,023)
<b>Cash flows from financing activities</b>			
Proceeds from the issuance of shares upon exercise of options	13	-	2,903,614
Costs of shares issued	13	(4,686)	(18,219)
Proceeds from issue of convertible notes	12	1,000,000	-
Cost of convertible notes raised		(91,810)	-
Net cash from financing activities		903,504	2,885,395
Net decrease in cash and cash equivalents		(639,517)	(590,962)
Cash and cash equivalents at the beginning of the financial year		1,187,344	1,792,081
Effects of exchange rate changes on cash and cash equivalents		(34)	(13,775)
Cash and cash equivalents at the end of the financial year	7	<u>547,793</u>	<u>1,187,344</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover PhosCo Ltd as a Consolidated Entity consisting of PhosCo Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is PhosCo Ltd's functional and presentation currency.

PhosCo Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4  
100 Albert Road  
South Melbourne, VIC 3205

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2024. The directors have the power to amend and reissue the financial statements.

## **Note 2. Material accounting policy information**

### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### *Functional and presentation currency*

The financial statements are presented in Australian dollars, which is PhosCo Ltd's functional and presentation currency.

#### *Rounding of amounts*

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

#### *Current and non-current classification*

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Note 2. Material accounting policy information (continued)

### Going concern

The Consolidated financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity reported a net loss after tax attributable to the shareholders \$1,734,903 during the financial year and had net operating cash outflows of \$1,488,850. The Consolidated Entity's net deficit at 30 June 2024 increased to \$8,669,959 (30 June 2023: \$6,796,154).

The Consolidated Entity's total assets decreased by \$642,008 to \$784,668 at 30 June 2024 and total liabilities increased by \$145,972 to \$9,454,627, all of which are current liabilities. Accordingly, at 30 June 2024, the Consolidated Entity had both a net deficit of \$8,669,959 and a net working capital deficit of \$6,796,154.

The Consolidated Entity continues to focus on exploration, evaluation and development activities at its mineral resource projects in Tunisia and is currently without an operating cash inflow. The Consolidated Entity required to raise additional capital to advance its projects and fund its ongoing working capital requirements.

As a result of these matters there is a material uncertainty that may cast significant doubt upon the Consolidated Entity's ability to continue as a going concern and therefore whether the Consolidated Entity will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

This risk is escalated due to the current application status of the key three Phosphate tenements within Tunisia's Northern Phosphate Basin, including the re-submission of an application over Chaketma, that may or may not be granted within a reasonable timeframe. In addition, legal outcomes associated with PhosCo's subsidiary Chaketma Phosphates S.A. (CPSA) aimed at unlocking the underlying value of the Chaketma project remain uncertain. Directors would like to draw your attention to the inherent uncertainty with these process and the potential adverse consequences should they not proceed as expected. Although PhosCo has recovered the 51% interest and management control of CPSA, the Company notes risk arising from various criminal and civil actions related to the execution of the Arbitral Award remain before the Tunisian courts. Notably in May 2024 Court of Cassation decision takes a different view to the previous Court of Cassation decisions that the Arbitral Award is enforceable in Tunisia.

At 30 June 2024, CPSA, the Company's subsidiary, has a total liability of A\$7,700,789 of which is A\$7,508,199 are contested and neither secured nor have been guaranteed by PhosCo or its subsidiary and owner of the 51% interest in CPSA, Celamin Limited. These contested liabilities include trade and other payables of A\$1,182,234 (including A\$434,120 payable to TMS) and A\$6,325,965 of unsecured cash call liabilities, inclusive of accrued and unpaid interest payable to TMS, denominated in Tunisia Dinar (30 June 2023: A\$6,161,105). The Consolidated Entity has instigated legal claims contesting the validity of the amounts owing.

The Consolidated Entity's trade and other payables of \$1,644,696 includes \$434,120 in payables due by CPSA to TMS which are being contested. The Consolidated Entity has undertaken a forensic accounting exercise since gaining control of CPSA in October 2021, as a result of which it has identified a further \$462,911 of the remaining \$943,619 in CPSA's trade and other payables which were incurred contrary to the terms of its joint venture agreement with TMS, CPSA's articles of association and Tunisian corporate law. The Consolidated Entity will defend its rights and obligations and ensure that only those obligations which have been legally verified will be settled in accordance with the terms of any relevant agreement with the respective counterparties.

The Consolidated Entity, as a result of the Arbitration Award of 17 November 2017 and the successful application to the Tunisian Court of Cassation to enforce the Arbitration Award, also continues to pursue the execution of this award against TMS. As of the date of this report the Consolidated Entity is pursuing the execution of the award, denominated in Tunisian Dinar, in the amount of A\$6,633,798 (TND 13,803,588). For further details of the Arbitration Award, refer to note 20.

The Directors and management have undertaken a review of operating and investing activities, as a result of which significant liquidity management measures have been undertaken, including but not limited to all key management personnel being compensated in shares rather than cash, and the optimisation of operational costs in Tunisia as and until such time as the resolution of various license applications are favourably resolved.

## Note 2. Material accounting policy information (continued)

While no assurances can be given about future ability to finance the Consolidated Entity's activities, PhosCo has a proven past ability to raise funds and invest in Tunisia, and the Directors believe the Company given the potential of the projects can raise future funds to pursue its business strategy and meet its obligations as and when they fall due.

The Directors continue to monitor the ongoing funding requirements of the Consolidated Entity and are confident that sufficient funds can be secured through further capital raising to continue.

The going concern basis is considered appropriate based on, but not limited to, the Consolidated Entity's uncontested working capital position of \$270,150, the ability to ringfence and regulate the settlement of CPISA's contested liabilities amounting to \$1,182,234, the cash and cash equivalents, net of bank overdrafts of \$547,793 (30 June 2023: \$1,187,344), and the expectation of the Group's ability to successfully secure additional sources of financing as and when required, including but not limited to the \$900,000 convertible notes announced on 29 August 2024 as detailed in note 26. Directors believe that shareholders will approve the proposed convertible notes issue, and these convertible notes will eventually be settled in Shares of the Company.

Accordingly, the Directors believe that the Consolidated Entity, despite the material inherent uncertainties outlined herein, will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

These financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to the amounts or classifications of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PhosCo Ltd ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. PhosCo Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## Note 2. Material accounting policy information (continued)

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

#### *Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

## Note 2. Material accounting policy information (continued)

### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.



## Note 2. Material accounting policy information (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of PhosCo Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group. The following Accounting Standards and Interpretations are most relevant to the Group:

- (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## Note 2. Material accounting policy information (continued)

### *AASB 18 Presentation and Disclosure in Financial Statements*

This standard is applicable to annual reporting periods beginning on or after 1 January 2027. The standard replaces AASB101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027. As at reporting date, the Group has not completed an assessment on the impact of the standard, but it is expected that there will be a material change to the layout of the statement of profit or loss and other comprehensive income.

### *AASB 2020-1 Amendments to Australian Accounting Standards - Classifications of Liabilities as Current or Non-Current*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2024 and early adoption is permitted. This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

### *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2024 and early adoption is permitted. AASB 2022-6 specified that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

### *AASB 2022-5 Amendments to Australian Accounting standards - Lease Liability in a Sale and Leaseback*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2024 and early adoption is permitted. The Standard amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.

AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

### *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2024. AASB 2023-1 requires the disclosure of information about an entity's supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements). The new disclosures are designed to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. The amendments require an entity to disclose the terms and conditions of the arrangements, the carrying amount of the liabilities that are part of the arrangements, the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, the range of payment due dates and the effect of non-cash changes. At this time, the application of the amendments is not expected to have a material impact on the Group. The Group will adopt this standard from its application date and where appropriate incorporate the additional disclosures required.

### *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2025. The Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable. New disclosures are required to help users assess the impact of using an estimated exchange rate on the financial statements.

## Note 2. Material accounting policy information (continued)

### *AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)*

Amends AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2025 by AASB 2021-7c.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Chaketma exploration and evaluation costs*

On 19 December 2022, Tunisian authorities rejected CPSA's Chaketma application and terminated the validity of CPSA's exploration permit. A new application has also been lodged with the Tunisian Government on behalf of PhosCo (100%) for the "Gassaat" Exploration Permit, an improved application of the Chaketma permit.

There is inherent uncertainty associated with the process of the Ministry revisiting its decision on the termination of CPSA's exploration license and the potential consequences of an adverse resolution. The Consolidated Entity will continue to evaluate the Chaketma project's progression. Therefore, all costs incurred on exploration and evaluation activities are expensed as incurred.

### *CPSA liabilities*

The Consolidated Entity's trade and other payables includes payables due to TMS and other counterparties that are being contested, the TMS liabilities being actively contested in the Tunisian courts.

There is inherent uncertainty pertaining to the resolution of legal and commercial challenges to previously recognised liabilities. Should the regulation of the relationship between the Group and TMS and other creditors not proceed positively, this will not only require the Consolidated Entity to reconsider the approach to and settlement of CPSA's liabilities and how it proceeds in regaining CPSA's rights over the Chaketma tenement, but also the nature, amount and timing of the resultant impact on the Group's future financial position and performance.

### *Share-based payment transactions*

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The determination of satisfaction of performance hurdles and vesting conditions is subject to inherent uncertainties and accordingly requires an element of judgement when determining the impact of performance rights and options granted on the amount and timing of recognition of any impact on the profit or loss.

### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### Note 4. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Makers ("CODM") in order to allocate resources to the segment and to assess its performance. The consolidated entity is currently organised into one operating segment: exploration and development of resource projects in North Africa.

This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are the CODM) in assessing performance and in determining the allocation of resources.

##### *Geographic segment information*

The Group operates in one principle geographic segment: Tunisia.

#### Note 5. Corporate expenses

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
Professional and consulting fees	272,691	354,545
Compliance and regulatory costs	145,817	263,943
Travel and accommodation	124,706	293,113
Office costs	57,444	174,320
Insurance	39,603	40,320
Sundry expenses	131,128	165,931
	<u>771,389</u>	<u>1,292,172</u>

#### Note 6. Income taxes

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(1,977,236)</u>	<u>(8,771,625)</u>
Tax at the statutory tax rate of 25%	(494,309)	(2,192,906)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Costs incurred in deriving non-assessable non-exempt income	237,069	1,417,000
Share-based payments	5,250	22,750
Other non-assessable non-exempt income	(119,032)	(42,067)
Non-deductible expenses	(71,967)	123,917
Sundry items	-	(12,060)
	<u>(442,989)</u>	<u>(683,366)</u>
Current year tax losses not recognised	449,833	558,489
Current year temporary differences not recognised	(71,969)	31,686
Difference in overseas tax rates	<u>65,125</u>	<u>93,711</u>
Income tax expense	<u>-</u>	<u>520</u>

Note 6. Income taxes (continued)

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>21,979,027</u>	<u>19,701,536</u>
Potential tax benefit at statutory tax rates 25%* (2023: 25%)	<u>5,323,303</u>	<u>4,925,384</u>

\* Tax benefits in Tunisia have been reflected at their statutory corporate income tax rate of 15% and have a five year limit on their utilisation from the period in which they are incurred

The above potential tax benefit for tax losses of \$5,323,303 has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the relevant statutory tests have been passed, including, in Australia, the continuity of ownership test is passed, or failing that, the same business test is passed.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

- i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- iii) no change in tax legislation adversely affects the consolidated entity in realizing the benefits from deducting the losses.

In respect of the activities in Tunisia, the current Mining Code of the Republic of Tunisia provides the holder of exploration permits with a five year exemption from payment of income tax following the commencement of effective exploitation.

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprise:		
Accrued expenses	98,393	123,438
Tax losses	5,323,303	4,925,384
Other temporary differences	<u>33,104</u>	<u>28,936</u>
Total deferred tax assets not recognised	<u><u>5,454,800</u></u>	<u><u>5,077,758</u></u>

The above potential tax benefit for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**Note 7. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	641	-
Cash at bank	547,513	1,188,345
	<u>548,154</u>	<u>1,188,345</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	548,154	1,188,345
Bank overdraft	(361)	(1,001)
Balance as per statement of cash flows	<u>547,793</u>	<u>1,187,344</u>

**Note 8. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Other receivables	160,000	205,347
Less: Expected credit losses	(160,000)	(160,000)
	<u>-</u>	<u>45,347</u>
GST receivable	28,736	16,457
	<u>28,736</u>	<u>61,804</u>

The Consolidated Entity has previously launched legal action in the Tunisian courts to recover \$160,000 from TMS for its contribution of exploration expenditure prior to 31 January 2013 under a previous JV agreement. The Consolidated Entity continues to review its legal position with regards to this debt.

**Note 9. Non-current assets - exploration and evaluation activities**

<b>Consolidated</b>	<b>Exploration &amp; Evaluation \$</b>
Balance at 1 July 2022	4,026,625
Expenditure during the year	667,999
Exchange differences	460,895
Impairment of exploration and evaluation assets	<u>(5,155,519)</u>
Balance at 30 June 2023	-
Balance at 30 June 2024	<u>-</u>

On 19 December 2022, Tunisian authorities rejected the Consolidated Entity's Chaketma application and terminating the validity of CPSA's exploration permit. CPSA has applied for a new Exploration Permit for Chaketma, mirroring the original permit boundaries. A new application has also been lodged after year end with the Tunisian Government on behalf of PhosCo (100%) for the "Gassaat" Exploration Permit, an improved application of the Chaketma permit.

**Note 10. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,062,765	1,089,060
Other payables	581,934	727,626
	<u>1,644,699</u>	<u>1,816,686</u>

Refer to note 17 for further information on financial risk management.

The Consolidated Entity has undertaken a forensic accounting exercise since gaining control of CPSA in October 2021, as a result of which it has identified \$1,013,611 in trade and other payables which were incurred contrary to the terms of its joint venture agreement with TMS, CPSA's articles of association and Tunisian corporate law. The Consolidated Entity will defend its rights and obligations and ensure that only those obligations which have been legally verified will be settled in accordance with the terms of any relevant agreement with the respective counterparties.

**Note 11. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Cash calls payable	3,766,416	3,851,196
Interest payable on cash calls	2,559,549	2,309,909
	<u>6,325,965</u>	<u>6,161,105</u>

Unsecured TMS cash call obligations arise from transactions between TMS and CPSA recognised through to and including 2021, prior to the Consolidated Entity obtaining control over CPSA. The outstanding amount of \$3,766,416 (30 June 2023: \$3,851,196) is denominated in Tunisian Dinar (TND). There have been no movements in the underlying TND value of the cash calls payable subsequent to the Consolidated Entity gaining control over CPSA in October 2021.

The outstanding, unpaid cash call balances incur interest at 8% p.a and are denominated in TND. During the year ended 30 June 2024, interest expense of \$318,422 (30 June 2023: \$296,818) was recognised.

As detailed in note 2, all cash call liabilities and related interest payable to TMS have been the subject of a forensic financial and legal audit and are the subject of legal challenge, the outcome of which is uncertain. There have been no amendments in these financial statements to reflect the conclusions reached in the forensic audit undertaken, any such amendments to be reflected as and when and to the extent determined by the conclusion of legal proceedings.

Refer to note 17 for further information on financial instruments.

**Note 12. Current liabilities - convertible notes**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Convertible notes	191,166	-
Convertible notes derivative - conversion rights	1,086,004	-
	<u>1,277,170</u>	<u>-</u>

### Note 12. Current liabilities - convertible notes (continued)

On 15 March 2024, PhosCo Ltd entered into agreements to issue 1,000,000 Convertible Notes with an aggregate face value of \$1,000,000. Convertible notes bear interest at a rate of 10% per annum, capitalised into the face value of the convertible note. The Maturity Date of the Convertible Notes is 12 months from 14 March 2024.

The Convertible Notes have a mechanism for the note holders to convert the face value of the loan, including accrued interest, into shares in the Company ("Conversion Right") at the respective conversion price, subject to shareholder approval which remains current at the relevant time, on one of the following conversion prices.

- If the Converting Notes convert on the occurrence of a Capital Raising Event, each conversion 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.
- If the Converting Notes convert on the Maturity Date, each Converting Note will be convertible into Shares at a conversion price of an amount equal to a 20% discount to the lowest 5-day VWAP during the period from 17 January 2024 to the Maturity Date, subject to a ceiling price of \$0.05 and a floor price of \$0.01.

On conversion of the Converting Notes, the Company will also issue the noteholder one Conversion Option for every one Share issued on conversion. Each Conversion Option is exercisable at \$0.05 and expires two years from the issue date of the Conversion Option.

The balances at 30 June 2024 from initial recognition (*at the fair value of the consideration received, net of transaction costs of \$91,810*), fair value adjustments and accrued interest measured at amortised cost using the effective interest method as noted in the table below.

	Host liability <sup>(i)</sup> \$	Derivative <sup>(ii)</sup> \$	Total \$
Amounts received	116,019	883,981	1,000,000
Transaction costs	(10,652)	-	(10,652)
Fair value adjustments	-	202,023	202,023
Accrued interest	85,799	-	85,799
	<u>191,166</u>	<u>1,086,004</u>	<u>1,277,170</u>

(i) *Host liability of the convertible notes*

(ii) *Convertible notes derivative - conversion rights*

Convertible notes are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs such as quoted share price in estimating the fair values.

### Note 13. Equity - issued capital

	Consolidated		
	30 June 2024 Shares	30 June 2023 Shares	30 June 2024 \$
Ordinary shares - fully paid	<u>279,748,177</u>	<u>274,413,352</u>	<u>60,331,717</u>
			30 June 2023 \$
			<u>59,929,638</u>



**Note 13. Equity - issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	243,614,573		56,799,859
Exercise of options over fully paid ordinary shares	14 July 2022	20,162,402	\$0.100	2,016,240
Exercise of options over fully paid ordinary shares	5 August 2022	2,685,820	\$0.100	268,582
Exercise of options over fully paid ordinary shares	17 August 2022	1,770,519	\$0.100	177,052
Exercise of options over fully paid ordinary shares	26 August 2022	1,680,850	\$0.100	168,085
Exercise of options over fully paid ordinary shares	31 August 2022	2,796,193	\$0.100	279,619
Issues of shares in lieu of director and other fees	9 December 2022	1,702,995	\$0.140	238,420
Cost of capital raised		-	\$0.000	(18,219)
Balance	30 June 2023	274,413,352		59,929,638
Issues of shares in lieu of director and other fees <sup>(i)</sup>	28 December 2023	3,685,644	\$0.065	239,567
Exercise of performance rights	28 December 2023	100,000	\$0.070	7,000
Exercise of performance rights	6 February 2024	700,000	\$0.060	105,000
Issue of shares to Jensen's service agreement <sup>(ii)</sup>	6 February 2024	849,181	\$0.065	55,197
Cost of capital raised		-	\$0.000	(4,685)
Balance	30 June 2024	<u>279,748,177</u>		<u>60,331,717</u>

(i) On 28 December 2023, the company issued 3,685,644 shares for the settlement of remuneration for the Directors and CFO for the period from 1 October 2022 to and 30 September 2023. The value of the Company's shares on the date of issue of the fully paid ordinary shares was \$0.065 (6.5 cents). The issue price of these shares represents the fair value of the shares issued to extinguish the existing liabilities.

(ii) On 6 February 2024, the Company issued 849,181 shares issued in lieu of cash for services provided by a supplier. The value of the Company's shares on the date of issue of the fully paid ordinary shares was \$0.065 (6.5 cents). The issue price of these shares represents the fair value of the shares issued to extinguish the existing liabilities.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Options*

Options do not entitle the holder to participate in dividends and the proceeds on the winding up of the Company.

Option holders do not have any voting rights.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The consolidated entity may issue new shares in order to provide a sufficient level of funding for its phosphate projects whilst maintaining an appropriate capital structure and sound gearing.

**Note 13. Equity - issued capital (continued)**

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

**Note 14. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June 2023</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(178,688)	(72,809)
Share based payments reserve	-	337,885
	<u>(178,688)</u>	<u>265,076</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Foreign currency reserve \$	Share based payments reserve \$	Total \$
Balance at 1 July 2022	(158,965)	566,657	407,692
Foreign currency translation	120,841	-	120,841
Share based payments	-	91,000	91,000
Transfer of lapsed options	-	(319,772)	(319,772)
Non-controlling interest	<u>(34,685)</u>	<u>-</u>	<u>(34,685)</u>
Balance at 30 June 2023	(72,809)	337,885	265,076
Foreign currency translation	(207,648)	-	(207,648)
Share based payments	-	21,000	21,000
Options issued - share-based	-	(112,000)	(112,000)
Transfer of lapsed options	-	(246,885)	(246,885)
Non-controlling interest	<u>101,769</u>	<u>-</u>	<u>101,769</u>
Balance at 30 June 2024	<u>(178,688)</u>	<u>-</u>	<u>(178,688)</u>

**Note 15. Equity - non-controlling interests**

In October 2021, the Consolidated Entity acquired a 51.00% interest in CPSA's assets and liabilities on the date of acquisition. In accordance with AASB 10, the Consolidated Entity has control and fully consolidates its interest in CPSA.

**Note 15. Equity - non-controlling interests (continued)**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
Interest in CPSA	(3,404,567)	(3,404,567)
Foreign currency reserves	(171,749)	(69,980)
Accumulated losses	(2,724,069)	(2,481,736)
	<u>(6,300,385)</u>	<u>(5,956,283)</u>

**Note 16. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 17. Financial risk management**

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

**Market risk**

*Foreign currency risk*

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is assessed using cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets are not significant whilst financial liabilities at the reporting date were significant.

<b>Consolidated</b>	<b>Assets</b>		<b>Liabilities</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$	\$	\$
US dollars	25,164	43,159	(333,400)	(12,761)
Euros	77,055	76,304	(15,835)	-
Tunisian Dinar	95,511	165,584	(7,454,306)	(7,464,764)
	<u>197,730</u>	<u>285,047</u>	<u>(7,803,541)</u>	<u>(7,477,525)</u>

<b>Consolidated - 30 June 2024</b>	<b>% change</b>	<b>AUD strengthened</b>		<b>AUD weakened</b>	
		<b>Effect on profit before tax</b>	<b>Effect on equity</b>	<b>Effect on profit before tax</b>	<b>Effect on equity</b>
US Dollar	5%	(1,198)	-	1,324	-
EURO	5%	(3,669)	-	4,056	-
Tunisian Dinar	5%	56	782,388	(56)	(864,745)
		<u>(4,811)</u>	<u>782,388</u>	<u>5,324</u>	<u>(864,745)</u>

**Note 17. Financial risk management (continued)**

*Interest rate risk*

The Consolidated Entity had no material interest rate exposure as there were no interest-bearing assets or liabilities which are at variable interest rates at the reporting date (2023: Nil).

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a policy of assessing credit information of counterparties, their corporate history and relationships and assessing the extent to which appropriate credit limits will be established. The Consolidated Entity obtains guarantees where appropriate and possible to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for expected credit losses associated with those assets, as disclosed in the statement of financial position and notes to the financial statements, total provisions for expected credit losses of \$160,000 in respect of claims from TMS recognised at 30 June 2024 (2023: \$160,000). The Consolidated Entity does not hold any collateral.

**Liquidity risk**

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

*Remaining contractual maturities*

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 30 June 2024</b>	<b>Weighted average interest rate</b> %	<b>1 year or less</b> \$	<b>Remaining contractual maturities</b> \$
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	-	1,062,765	1,062,765
Other payables	-	581,934	581,934
<i>Interest-bearing - variable</i>			
Borrowings	8.00%	6,325,965	6,325,965
Convertible notes	10.00%	1,100,000	1,100,000
Total non-derivatives		9,070,664	9,070,664

The Consolidated Entity is currently pursuing, under Tunisian law, the extinguishment of a portion of the borrowings and accounts and other payables due to TMS (TMS obligations) on the basis of corporate, legal and financial irregularities that occurred since the period from the Consolidated Entity lost control of its shareholding in the year ended 30 June 2015 through to regaining control in October 2021. The Consolidated Entity has received legal advice regarding the existence of liabilities as currently presented, identifying that under Tunisian law they are considered valid until successfully challenged in court. The conclusion of the Consolidated Entity's legal challenge is inherently uncertain and therefore the validity and timing of any settlement the TMS obligations will only be established on the conclusion of the relevant court processes in Tunisia.

As detailed in note 11, the cash call liabilities are unsecured obligations of CPSA to TMS. If and as these liabilities are to be settled, this is CPSA's sole responsibility, the Consolidated Entity not having provided any guarantees in respect of their settlement. Furthermore, the Consolidated Entity reserves the right, in the event of an unsuccessful legal challenge and TMS calling the debt, to challenge any claim for a cash settlement, including but not limited to the enforcement of the Arbitration Award against TMS for an amount of \$6,633,798 at 30 June 2024, as detailed in note 20.

**Note 17. Financial risk management (continued)**

<b>Consolidated - 30 June 2023</b>	<b>Weighted average interest rate</b> %	<b>1 year or less</b> \$	<b>Remaining contractual maturities</b> \$
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	-	1,089,060	1,089,060
Other payables	-	727,626	727,626
<i>Interest-bearing - variable</i>			
Borrowings	8.00%	6,161,105	6,161,105
Total non-derivatives		<u>7,977,791</u>	<u>7,977,791</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 18. Key management personnel disclosures**

*Directors*

The following persons were directors of PhosCo Ltd during the financial year:

Mr Robin Widdup	Chairman
Mr Tarecq Aldaoud	Managing Director (appointed on 6 May 2024)
Mr Simon Eley	Non-Executive Director (Resigned as Managing Director on 6 May 2024 and resigned as Director on 4 July 2024)

*Other key management personnel*

Mr Craig Smyth	Interim Chief Financial Officer
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*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
Short-term employee benefits	12,727	173,666
Post-employment benefits	3,954	16,356
Equity settled share-based payments	<u>233,475</u>	<u>296,779</u>
	<u>250,156</u>	<u>486,801</u>

The value of unpaid obligations to key management personnel including salaries, fees and related superannuation entitlements at 30 June 2024 is \$168,324

From 1 February 2024, KMP remuneration arrangements were amended with settlement only arising in the event the Company obtains funding greater than A\$1 million through a capital raise subsequent to August 2024. If the aforementioned capital raise is completed, the entitlement to these fees crystallises and will be settled 100% through the issue of Shares in the Company in lieu of cash, subject to Shareholder approval for the share issue. The value of unrecognised equity settled key management personnel remuneration at 30 June 2024 was \$168,875, for the period from 1 October 2023 to 31 January 2024.

### Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
<i>Audit and other assurance services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	82,400	76,220
<i>Other services - Grant Thornton Australia Limited</i>		
Preparation of income tax returns	15,800	14,750
	98,200	90,970

### Note 20. TMS Arbitration Award

On 29 November 2017, after initially being awarded by the Swiss Arbitration court, the Swiss Court of Appeal issued a Final Award, delivered by the Arbitrator appointed by the ICC to conduct the arbitration of the Consolidated Entity's dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of the Consolidated Entity's 51% shareholding in CPSA, the operating company which holds the Chaketma Phosphate permit.

The Arbitrator found in favour of Celamin Limited ordering TMS, amongst other matters, to return the Celamin Limited's 51% shareholding in CPSA and to pay damages and costs of totalling US\$2,358,000, plus Euro 1,252,936, A\$260,597 and CHF 42,238, in addition to interest from the time of the issue of the Final Award until payment.

The Final Award was affirmed by the Court of Cassation in Tunisia in September 2019 as being enforceable within Tunisia. In accordance with the terms of the Tunisian Code of Obligations and contracts, all executory awards must be defined in TND, and the damages were converted for execution to TND 10,134,079 and thereafter incur interest at 5.5% per annum on any unpaid balances. The Consolidated Entity's entitlement, including accrued interest as of 30 June 2024 is A\$6,633,798 (TND 13,803,588).

The Consolidated Entity had its 51% interest in CPSA legally restored following the appointment of a court appointed independent expert, reducing TMS to 49%. Although PhosCo has recovered the 51% interest, the Company notes that various criminal and civil actions related to the execution of the arbitration orders remain before the courts. The Consolidated Entity continues to pursue TMS for the outstanding costs and damages by forcing the seizure and sale of TMS assets and other means, the objective of which is to recover funds to offset the damages and costs owed and redefine the amounts owed by CPSA to TMS.

As announced on 23 July 2024, PhosCo has lodged a new seizure action over TMS's 49% interest in CPSA that remains in place (under Tunisian law, the Arbitral Award can be used for a seizure action even without an enforcement decision). PhosCo announced on 8 August 2024 that it has also opted to relodge an application to enforce the Arbitral Award with Tunisia's Court of Appeal for the avoidance of further challenge to this Tunisian legal right. This new action does not undermine previous enforcement decisions nor the fact that TMS remains liable to pay PhosCo damages, costs and interest which continues to accrue daily.

The Consolidated Entity's ability to realise the entitlements accruing from the damages are subject to the ability to obtain the benefits awarded. The Consolidated Entity reserves the right to use the means necessary to execute the Award, this being subject to the resolution of various legal challenges from the respective parties.

### Note 21. Contingent liabilities

Success fees and deferred benefits payable in respect of the resolution of the arbitration and subsequent related procedures are payable to the Company's arbitration lawyers as follows:

**Note 21. Contingent liabilities (continued)**

- A fixed amount of Euro 300,000 payable to Brown Rudnick upon recovery of Celamin's 51% interest in Chaketma;
- An additional amount payable to Brown Rudnick equal to 2% of any damages awarded in favour of Celamin in the Final Award, payable upon payment of those damages and/or transfer to Celamin of an increased percentage interest in CPSA in lieu of payment of such damages; and

The Company notes that these contingent liabilities require successful conclusion of the arbitration proceedings that remain subject to existing and potential litigation, including but not limited to various actions related to the enforcement of the arbitration orders remain before the courts, including actions challenging the Company's enforcement, clarification of the financial state of CPSA and the status of the CPSA equity. Furthermore, on 19 December 2022 CPSA received the Minister's Decision rejecting the application and terminating the validity of CPSA's exploration permit, creating further uncertainty around the successful conclusion of the arbitration proceedings. Accordingly, the conditions applicable to the contingent liabilities have not been triggered.

The element of the success fee dependent upon the settlement by TMS of any damages awarded is due and payable at and when this occurs. As of 30 June 2024, no related obligations have arisen.

**Note 22. Commitments**

	<b>Consolidated</b>	
	<b>30 June 30</b>	<b>30 June 2023</b>
	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	282,000	63,500
One to five years	1,787,000	171,500
	<u>2,069,000</u>	<u>235,000</u>

In order to maintain current rights to tenure to exploration licenses, the consolidated entity has the above exploration expenditure requirements up until expiry of licenses. These obligations, which may be varied from time to time and which are subject to renegotiation upon expiry of the licenses are not provided for in the financial report and are payable.

**Note 23. Related party transactions**

*Parent entity*

PhosCo Ltd is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 25.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

*Transactions with related parties*

Mr Widdup and Mr Smyth are Directors of Lion Manager Pty Ltd (LMPL) and have relevant interests in LMPL. PhosCo Ltd was billed \$147,850 by LMPL for services rendered pursuant to the Services Agreement, including \$32,850 for R Widdup's remuneration, \$115,000 for C Smyth's remuneration.

*Receivable from and payable to related parties*

There were no trade receivables from related parties at the current and previous reporting date.

There were \$168,324 in trade and other payables to key management personnel for services rendered to the Company, of which \$155,100 is expected to settle in fully paid ordinary shares of the Company.

**Note 23. Related party transactions (continued)**

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 24. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
Loss after income tax	(1,784,236)	(4,454,636)
Total comprehensive income	(1,784,236)	(4,454,636)

*Statement of financial position*

	<b>Parent</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	\$	\$
Total current assets	539,068	1,125,949
Total assets	563,951	1,129,928
Total current liabilities	1,651,485	744,305
Total liabilities	1,651,485	744,305
Equity		
Issued capital	60,331,717	59,929,639
Share based payments reserve	-	306,687
Accumulated losses	(61,419,251)	(59,850,703)
Total equity/(deficiency)	<u>(1,087,534)</u>	<u>385,623</u>

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2024 and 30 June 2023.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.



## Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
Celamin Limited	Australia	100.00%	100.00%
Himilco Resources Pty Ltd	Australia	100.00%	100.00%
PhosCo Tunisia Pty Ltd	Australia	100.00%	100.00%
Chaketma Phosphates S.A	Tunisia	51.00%	51.00%

## Note 26. Events after the reporting period

PhosCo announced board changes effective 4 July 2024, with Strategic Board Advisor Mehdi Ben Abdallah appointed Executive Director with Simon Eley stepping down as Non-Executive Director.

As announced on 23 July 2024, PhosCo lodged a new seizure action over TMS's 49% interest in CPSA that remains in place (under Tunisian law, the Arbitral Award can be used for a seizure action even without an enforcement decision). PhosCo announced on 8 August 2024 that it had opted to relodge an application to enforce the Arbitral Award with Tunisia's Court of Appeal for the avoidance of further challenge to this Tunisian legal right. This new action was in response to the unsuccessful Court of Cassation decision announced on 29 May 2024, denying the Company the ability to sell TMS's 49% interest in CPSA for non-payment of A\$6.6m damages, costs and interest owed by TMS to PhosCo.

On 29 August 2024, the Company announced that it has received binding commitments from existing investors for \$900,000 in Convertible Notes. The Converting Notes are subject to shareholder approval.

On 2 September 2024, the Company announced that an application has been lodged for a new Exploration Permit in Tunisia's Kasserine Region. The application covers an area of 112km<sup>2</sup> that is prospective for phosphate and forms part of PhosCo's plan to assemble and develop Tunisia's Northern Phosphate Basin. The new application "Gassaat" encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Note 27. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>30 June 30</b>	<b>30 June 2023</b>
	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(1,977,236)	(8,772,145)
Adjustments for:		
Depreciation and amortisation	12,333	8,608
Share-based payments	21,000	91,000
Foreign exchange differences	(355,506)	36,336
Impairment of exploration and evaluation	-	4,509,781
Interest and finance costs	687,402	296,818
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	9,092	91,729
(Increase)/decrease in prepayments	28,894	25,053
Increase/(decrease) in employee benefits	(37,607)	82,883
Increase/(decrease) in trade and other payables	122,778	160,603
Net cash used in operating activities	<u>(1,488,850)</u>	<u>(3,469,334)</u>

**Note 28. Loss per share**

	<b>Consolidated</b>	
	<b>30 June 30</b>	<b>30 June 2023</b>
	<b>June 2024</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,977,236)	(8,772,145)
Non-controlling interest	242,333	2,405,673
Loss after income tax attributable to the owners of PhosCo Ltd	<u>(1,734,903)</u>	<u>(6,366,472)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	276,940,612	271,648,958
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>276,940,612</u>	<u>271,648,958</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.63)	(2.34)
Diluted earnings per share	(0.63)	(2.34)

Diluted earnings per share

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity generated a loss during the financial year.

**Note 29. Share-based payments**

*Issue of shares*

**Note 29. Share-based payments (continued)**

In December 2023, the Company issued 3,685,644 fully paid ordinary shares at various deemed issue prices per share, in lieu of a cash payment of \$306,312 in salaries, directors fees, and fees for services provided, as contained in the Notice of Annual General Meeting announced on 28 November 2023. The fair value of the shares issued on 28 December 2023 was \$239,567, based on the share price of \$0.065 (6.5 cents) per fully paid ordinary share, the difference in the fair value of shares issued and the services rendered being recognised in employee benefits expense.

Details of shares issued to Directors and other Key Management Personnel as part of compensation during and for the year ended 30 June 2024 are set out below.

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June 2023</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Directors fees settled by shares	108,471	202,419

*Performance rights*

11,300,000 performance rights remained outstanding at 30 June 2024, which were granted to employees and directors of the Consolidated Entity's subsidiaries in the previous financial years. These performance rights have a number of performance hurdles and service conditions, the successful achievement of which enables the holder to exercise their performance rights.

As of 30 June 2024, the performance hurdles had not been satisfied nor are expected to be and accordingly no expense reflected in the statement of comprehensive income.

Entity name	Entity type	Trustee, Partner or Participant in a JV	Place formed / Country of incorporation	Ownership Interest %	Tax residency
PhosCo Ltd	Body corporate	No	Australia	100.00%	Australian
Celamin Limited	Body corporate	No	Australia	100.00%	Australian
Himilco Resources Pty Ltd	Body corporate	No	Australia	100.00%	Australian
PhosCo Tunisia Pty Ltd	Body corporate	No	Australia	100.00%	Australian
Chaketma Phosphates S.A	Body corporate	No	Tunisia	51.00%	Foreign ( <i>Tunisia</i> )

#### Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Consolidated Entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

#### Determination of tax residency

*Section 295 (3A)(vi) of the Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations:

#### Australian tax residency

The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in *Tax Ruling TR 2018/5*.

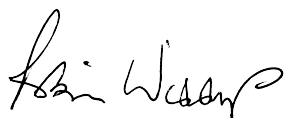
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Robin Widdup  
Non-Executive Chairman

26 September 2024  
Melbourne

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**Grant Thornton Audit Pty Ltd**

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## Independent Auditor's Report

### To the Members of PhosCo Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of PhosCo Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$1.7m during the year ended 30 June 2024, and as of that date, the Group's liabilities exceeded its total assets by \$8.6m. As stated in Note 2, the Group's ability to continue as a going concern is dependent obtaining shareholder approval to raise \$0.9m in convertible notes. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Key audit matters**

Except for the matter described in the *Material uncertainty relating to going concern* section, we have determined that there are no key audit matters to communicate in our audit report.

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

The Directors of the Group are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 21 to 28 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of PhosCo Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance  
Melbourne, 26 September 2024



The shareholder information set out below was applicable as at 12 September 2024.

### Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares	Number of holders of performance rights	Number of performance rights	% of performance rights	Number of holders of converting notes	Number of converting notes	% of converting notes
1 to 1,000	302	59,383	0.02	-	-	-	-	-	-
1,001 to 5,000	82	270,821	0.10	-	-	-	3	13,000	1.30
5,001 to 10,000	53	411,824	0.15	-	-	-	7	64,000	6.40
10,001 to 100,000	178	6,979,552	2.49	-	-	-	25	723,000	72.30
100,001 and over	186	272,026,597	97.24	8	9,633,335	100.00	1	200,000	20.00
	801	279,748,177	100.00	8	9,633,335	100.00	36	1,000,000	100.00
Holding less than a marketable parcel	466	1,094,712	0.39	-	-	-	-	-	-

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	% of total shares issued
LION SELECTION GROUP LIMITED	40,599,258	14.5
MR CHRIS RETZOS	27,265,000	9.75
LION MANAGER PTY LTD	21,109,840	7.55
POLO INVESTMENTS LIMITED	13,800,000	4.93
ALDAOUD PTY LTD <ALDAOUD FAMILY A/C>	11,064,302	3.96
POLO INVESTMENTS LIMITED	10,989,256	3.93
CS LOGISTICS PTY LTD <JEPSAK DISCRETIONARY A/C>	7,053,439	2.52
MR MARTIN BROOME	6,891,979	2.46
PASIAS HOLDINGS PTY LTD	6,042,500	2.16
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <THE DALY FAMILY SUPER A/C>	5,149,470	1.84
NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	4,667,500	1.67
ATLANTIS MG PTY LTD <MG FAMILY A/C>	4,500,000	1.61
RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	3,430,000	1.23
MAGEDO SUPER PTY LTD <MG FAMILY SUPER FUND A/C>	3,100,000	1.11
DR AMIT KUMAR VERMA	2,900,500	1.04
SAM GOULOPOULOS PTY LTD <S GOULOPOULOS F/SUPER A/C>	2,880,000	1.03
RESMIN PTY LTD <SPE INVESTMENT A/C>	2,614,878	0.93
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TD A/C>	2,519,583	0.9
MR EUGENE KAN	2,519,093	0.9
MR STEVEN WILLIAM CAHILL	2,500,000	0.89
	<b>181,596,598</b>	<b>64.91</b>

#### Unquoted equity securities

	Number on issue	Number of holders
Converting notes	1,000,000	36
Performance rights over ordinary shares	9,633,335	8

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Aldaoud Pty Ltd <Aldaoud Family A/C>	Converting notes	200,000

#### Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	Ordinary shares	
	Number held*	% of total shares Issued*
Lion Selection Group Limited	40,599,258	14.79
Polo Resources Limited via Polo Investments Limited	27,714,915	12.36
Cumulus Wealth Pty Ltd	47,204,742	17.20
Lion Manager Pty Ltd; Robin Anthony Widdup; Hedley James Widdup; Craig Kevin Smyth	23,047,656	8.28

*\*Indicative relevant interest in shares based on number of voting securities recorded as at the date of their last substantial shareholder notice lodged with ASX.*

#### Voting rights

The voting rights attached to ordinary shares are set out below:

##### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

##### *Performance Rights*

There are no voting rights attached to the performance rights.

##### *Convertible notes*

There are no voting rights attached to the converting notes.

There are no other classes of equity securities.

#### Share buy-back

There is no current on-market share buy-back.

## List of Tenements Held

Mining Tenement	Location	Commodity Focus	Beneficial Percentage held
Zeffana	Tunisia	Base/precious metals	100%
Ain El Bouma	Tunisia	Base/precious metals	100% #
Zaouiet Sidi Mbarket	Tunisia	Base/precious metals	100% #
Djebba	Tunisia	Base/precious metals	100%
Djebba 2	Tunisia	Base/precious metals	100%
Simitu	Tunisia	Base/precious metals	100%
Ras Ghzir	Tunisia	Base/precious metals	100%

## List of Tenement Applications

Mining Tenement	Location	Commodity Focus	Beneficial Percentage
Chaketma	Tunisia	Phosphate	51%*
Sekarna	Tunisia	Phosphate	100%
Amoud	Tunisia	Phosphate	100%
Oued Belief	Tunisia	Base/precious metals	100%

\* The Chaketma Phosphate Exploration Permit was 100% held by Chaketma Phosphates SA (CPSA). On 3 January 2023, PhosCo announced that on 19 December 2022, CPSA received a letter from the Minister of Industry, Mines and Energy dated 7 December 2022 whereby the application for a mining concession over the Project did not receive approval, thereby terminating the validity of CPSA's exploration permit.

In consultation with the Tunisian Ministry of Industry, Mines & Energy, CPSA has applied for a new Exploration Permit for Chaketma, mirroring the original permit boundaries. The next step in this process will be for the new application to be considered by the Consultative Committee of Mines (CCM). Assuming the CCM approves the application, formal gazetting will take place once the application has also been cleared by the Tunisian military. If granted, the Exploration Permit will be valid for three years (with two three year extensions) enabling CPSA to apply for a Mining Concession over the permit, noting that CPSA has previously completed the research and studies and has complied with the conditions specified in the mining code.

On 2 September 2024, the Company announced that an application has been lodged for a new Exploration Permit in Tunisia's Kasserine Region. The application covers an area of 112km<sup>2</sup> that is prospective for phosphate and forms part of PhosCo's plan to assemble and develop Tunisia's Northern Phosphate Basin. The new application "Gassaat" encapsulates the former Chaketma Phosphate Project, including interpreted extensions of the deposit.

# PhosCo advised the Ministry of the intention to relinquish the Ain El Bouma and Zaouiet Sidi Mbarek base metal tenements.

## Corporate Governance

The Company's 2024 Corporate Governance Statement is available on the Company's website at: <http://www.phosco.com.au/about#CorporateGovernance>

## Annual General Meeting

PhosCo Ltd advises that its Annual General Meeting will be held on Wednesday, 27 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX in due course. In accordance with the ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 16 October 2024.