Emerging Phosphate Producer with Strong Structural Tailwinds

Metals & Mining

We initiate coverage on PhosCo Ltd (ASX: PHO) with a target price of $0.56, implying a 387% upside from the current share price of $0.12. PhosCo is a phosphate mining developer, with its flagship Gasaat project located in Tunisia's Northern Phosphate Basin, underpinned by a **JORC-compliant Mineral Resource Estimate (MRE) of 166.6Mt at 20.6% P_2O_5, supported by maiden resources at KM and SAB**. The investment thesis is anchored on Gasaat based on proven economics from a 2022 scoping study, strong financial backing from the European Bank for Reconstruction and Development (EBRD) comprising €1 million in grant funding and A$7.5 million in equity funding, ample government support, and its strategic location, with infrastructure connecting it to the Mediterranean Sea. While Gasaat anchors the investment thesis with significant near-term catalysts, the Sekarna and Simitu permits provide the company with long-term optionality to establish a district-scale presence and diversify into precious and base metals, respectively.

Updated Scoping Study Expected to Enhance Project Economics

The Gasaat phosphate project has an after-tax NPV_{10} of US$657 million, representing an IRR of 54% and a payback period of 1.5 years, based on a scoping study completed in 2022. An updated scoping study is expected to be released in Q3 2026, which will incorporate the recently updated MRE, representing a meaningful 13.8% increase in the resource base from the previous MRE of 146.4 Mt @20.6% P_2O_5, which formed the basis of the 2022 scoping study and had a production target of 1.5 Mtpa over a 46-year life of mine. The updated scoping is expected to prioritise mining the newly identified KM and SAB prospects, given the presence of thick phosphate mineralisation and a lower strip ratio, thereby enhancing mining economics. Importantly, **92% of the KM and SAB maiden MRE sits in the Measured and Indicated categories, providing a strong foundation for the subsequent Bankable Feasibility Study (BFS)**. Overall, PhosCo is entering a catalyst-rich phase, with robust studies serving as major de-risking milestones for the company's flagship phosphate project.

District-Scale Ambition with Diversification Optionality to Precious & Base Metals

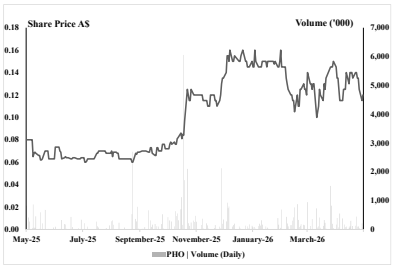
The company aims to establish a district-scale operation and explore nearby prospects, including within its Sekarna Permit. Evidence of outcrop mineralisation in the area, with field reconnaissance at Sekarna, indicates thick phosphate mineralisation with grades similar to those at Gasaat. The flagship Gasaat project is expected to witness step changes in project economics, given the **addition of the low-strip maiden resources at KM, adding 12Mt resources to the MRE and a strip ratio of 0.4:1, versus KEL's 3.6:1.** Gasaat's growth potential remains significant, as evidenced by a recent major phosphate discovery at DOH. Beyond phosphate, PhosCo has diversification optionality in precious and base metals through its Simitu Permit, where recent rock chip assays indicate potential sulphide Cu-Sb-As-Ag mineralisation and oxide Zn-Pb mineralisation.

Valuation Underpinned by Maiden Resources at KM and SAB

We derive a target price of $0.51 (344% upside) in the base case and $0.61 (429% upside) in the upside case, resulting in a midpoint Price/NAV of 0.21x. The target price is based on our **augmented valuation methodology, which anchors to the 2022 scoping study and incorporates reasonable, conservative step changes to provide an updated outlook underpinned by the recent MRE announcement.** Accordingly, we have incorporated the recently added resources and assumed a mining schedule that considers the KM and SAB prospects in the initial years of operations at Gasaat, followed by the KEL prospect outlined in the 2022 scoping study.

Date	13 May 2026
Current Price (A$)	0.12
Target Price (A$)	0.56
Market Cap (A$m)	60.33
52-week H/L (A$)	0.19/0.05
Free Float (%)	48.40%
Bloomberg	PHO AU
Reuters	PHO.AX

Price Performance (in A$)



Source Capital IQ

Business description

PhosCo Ltd (ASX: PHO) is a Tunisia-based phosphate explorer and developer. The company's flagship Gasaat project has an MRE of 166.6Mt at 20.6% P_2O_5 grade. PhosCo also has the Sekarna permit which is a 128km² area located 10kms from the Gasaat project with similar geology representing a long-term exploration optionality to establish district-scale presence. Beyond phosphate exploration and development, the company's Simitu permit is a 396km² area with early results showing potential mineralisation of precious and base metals, adding a layer of diversification optionality beyond phosphate.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

Table of Contents

Investment Rationale

Investment Thesis: PhosCo Ltd (ASX: PHO)

PhosCo has strong institutional and sovereign support from the Tunisian government and EBRD for the exploration and development of its Gasaat Phosphate Project.

PhosCo Ltd (ASX: PHO) is a Tunisia-focused phosphate developer with a compelling near-term development pathway anchored by its flagship Gasaat project. Gasaat remains the core asset and is supported by a growing body of technical work, including a completed 2022 scoping study, a recently updated MRE, and an updated scoping study expected in Q3 2026, all of which de-risk the project as the company progresses toward producer status. Beyond Gasaat, the portfolio includes longer-dated growth and optionality through the Sekarna and Simitu permits, with Sekarna offering district-scale phosphate upside in Tunisia's Northern Phosphate Basin and Simitu providing potential diversification into precious and base metals. Together, these assets create a multi-catalyst investment case that combines near-term development momentum with longer-term expansion potential. Considerable exploration upside remains at Gasaat, with 5 of the 9 prospects yet to be adequately drilled to define a resource, including the recently announced significant discovery at the DOH prospect.

Beyond the project, we believe PhosCo's board and shareholders are strongly aligned with long-term interests. Managing Director Taz Aldaoud owns 18% of the company; Lion Selection Group, a major shareholder, owns 15%; and the top 20 shareholders collectively own 68%. This insider and institutional ownership support the company's growth as it advances the Gasaat project.

Derisking Gasaat Offers Pathway to Production

Gasaat remains PhosCo's flagship development asset and the core of the investment case, supported by strong economics from the 2022 scoping study. The 2022 scoping study outlined an after-tax NPV_{10} of US$657 million, an IRR of 54%, a 1.5-year payback from commercial production and a 46-year mine life, underscoring the project's long-duration, high-return profile. The asset is further strengthened by its strategic location near the Mediterranean Sea, which provides access to established European markets and should support efficient logistics.

Importantly, the company also benefits from meaningful institutional and sovereign support. PhosCo has signed a non-binding MOU with the Tunisian Government and the EBRD to finance, develop, construct and operate the Gasaat project, while the EBRD has also awarded PhosCo €1 million in grant funding and will provide A$7.5 million in equity funding to support the BFS for Gasaat. This backing materially de-risks the development pathway and reinforces the project's strategic importance at both a company and country level.

Addition of low-strip prospects, KM and SAB to the MRE, expected to materially improve project economics in the updated scoping study.

Near-term catalysts remain compelling and should continue to drive the story toward producer status. Recent drilling across the phosphate-bearing prospects has expanded the JORC-compliant MRE to 166.6Mt at 20.6% P_2O_5 grade, representing a meaningful 13.8% step-up from the resource base underpinning the 2022 scoping study. This paves the way for an updated scoping study in Q3 2026, which is expected to incorporate additional resources and may front-load lower-strip prospects, such as KM and SAB, to enhance early mine economics. A subsequent BFS would then represent the key final step ahead of the final investment decision (FID), providing a clear de-risking pathway and supporting the potential for a re-rating as Gasaat advances toward production.

District-Scale Potential and Diversification Optionality to Precious and Base Metals

Apart from the expected decades-long, multi-prospect Gasaat phosphate mining project, which may supply steady tonnes of high-grade phosphate concentrate to the global market, the company has the potential of establishing a district-scale presence in Tunisia's Northern Phosphate Basin with the additional Sekarna permit, which is a 128km^2 area located 10km northeast of Gasaat with similar geology and mineralisation, resulting in potentially incremental phosphate production beyond the production modelled out for the Gasaat project. Currently, Gasaat is expected to supply approximately 1.5 Mtpa of phosphate concentrate by processing

roughly 2.9 Mtpa of mined ore. Academic studies analysing core samples and the company's field reconnaissance of outcrop mineralisation at Sekarna have provided early results showing phosphate mineralisation grades similar to those from Gasaat. However, this is just an exploration target, and significant de-risking steps and studies are needed to confirm the project's potential scale. We view Sekarna as a strategic add-on to Gasaat, representing a longer-dated optionality play for PhosCo, with the potential to expand the company's phosphate footprint and ultimately establish a district-scale presence in Tunisia.

Beyond phosphate, Simitu adds meaningful diversification optionality through its emerging polymetallic potential. Recently, selective rock chip results returned evidence of sulphide Cu-Sb-As-Ag and oxide Zn-Pb mineralisation, while geophysics mapped historic workings and highlighted a deeper sulphide target below 100m. Although these results are still early-stage and not yet representative of a resource, they materially broaden the company's opportunity set and support the thesis that PhosCo is building a multi-asset Tunisian platform with phosphate scale, exploration upside, and potential future exposure to higher-value metals.

Strong Structural Demand Supports Phosphate Market

Phosphate rock has been designated a critical raw material by the US, EU, Canada and South Korea, reflecting its strategic importance to food security and its growing role in industrial applications.

Understanding the importance of phosphate to global food security and its applications in the growing electric vehicle (EV) battery market contextualises PhosCo's project and its significance not just to Tunisia's but to the global economy. Phosphate is a strategically important commodity with clear long-term structural demand characteristics, underpinned by its central role in global food security. Agriculture remains the dominant end market, with 85% of phosphate rock consumed in fertiliser production, while tighter arable land availability and rising crop demand support the need for continued nutrient intensification on existing farmland. In addition, phosphate is increasingly benefiting from incremental industrial demand, particularly through Lithium Iron Phosphate (LFP) batteries for EVs, which adds a second growth layer beyond traditional fertiliser demand.

Against this backdrop, the phosphate market is supported by a favourable demand-supply setup, with supply concentration, critical raw material status and periodic export restrictions reinforcing price discipline across the cycle. For PhosCo, this creates an attractive macro setting for a multi-decade phosphate-producing asset, with the company positioned to benefit from sustained global demand for phosphate rock and an increasingly supportive pricing environment.

Target Price and Recommendation

We believe PhosCo has a unique value proposition to the Australian investor, providing coverage to the phosphate market, a key raw material for global food security, with increasing applications within emerging technologies, which are expected to shape the future. The company's current development focus remains on advancing the phosphate resource, completing studies, and moving toward a mine and processing operation that would supply phosphate concentrate to downstream fertiliser markets. In essence, PhosCo is a phosphate developer that initially intends to sell phosphate rock/concentrate, while retaining the strategic optionality to support a broader fertiliser value chain over time.

Top 20 shareholders collectively own 68% of PhosCo, with the top 2 shareholders, the Managing Director and Lion Selection Group, owning 18% and 15%, respectively.

From a valuation perspective, we have factored in the updated MRE and anchored our outlook based on the 2022 scoping study. This provides us with the base to which we have incorporated a set of realistic and conservative assumptions to provide an outlook on how the low-strip KM and SAB prospects in the updated MRE may influence the valuation and the updated scoping study. This approach has resulted in a mid-point target price of $0.56, representing a compelling 387% upside at a Price/NAV multiple of 0.21x. We believe this valuation framework has captured the early project economics while retaining potential for further upside as the company derisks its Gasaat project and advances along the development pathway to a producer.

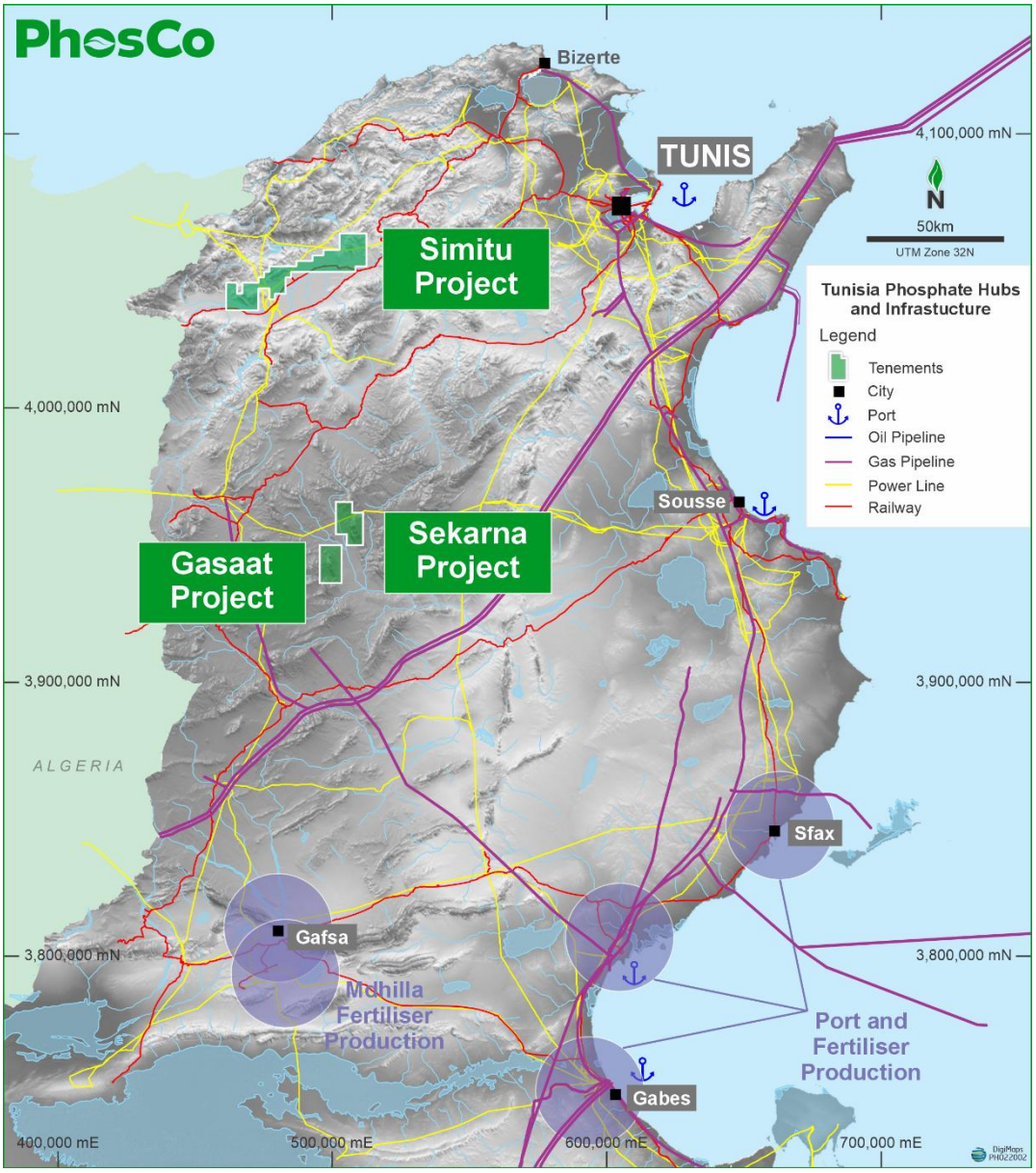
Catalysts: Updated scoping study, BFS, drilling results, approval of debt-funding for project, and obtaining necessary regulatory approvals.

Risks: Jurisdictional risk, funding risk, inflation risk, and phosphate rock price.

Company Overview

PhosCo has three projects, all located in Tunisia: Gasaat, Sekarna, and Simitu (Figure 1). The Gasaat and Sekarna projects focus on mining phosphate rock, a raw material with global demand, especially in the agricultural sector. There is also growing demand for phosphate rock from the EV and other high-growth technology spaces. The third project is the Simitu permit, which is prospective for precious and base metals and covers a highly mineralised corridor spanning 30km, with historic workings, surface anomalism, and numerous targets.

Figure 1: PhosCo Project Location



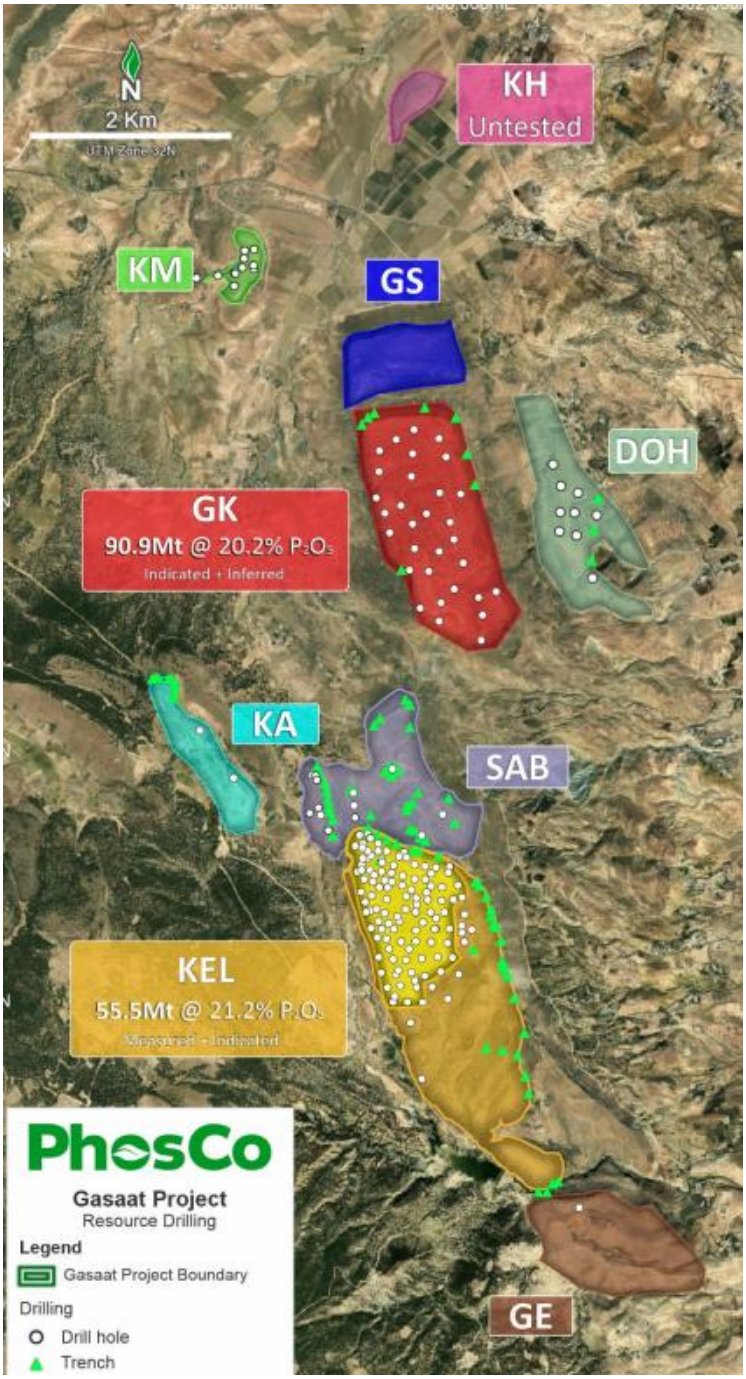
Source: Company

It is important to note that PhosCo's projects are the first wholly owned foreign investment into Tunisia's phosphate mining industry, with the goal of establishing a district-scale portfolio within the country's northern phosphate basin.

Flagship Gasaat Phosphate Project

Gasaat is the company's flagship project, spanning a total project area of 112km² and located just 210 km Southwest of Tunisia's capital city, Tunis. The company was awarded an Exploration Permit in March 2025 by the Tunisian Government, granting it access to the tenement area to conduct exploration and studies required for Gasaat's eventual development. The tenement is well-connected infrastructure-wise, with railway access 35km from the project site.

Figure 2: Gasaat Prospects



Source: Company

The company has identified 9 prospective areas of phosphate rock mineralisation in the Gasaat tenement. Of the 9 prospective targets, only KM, SAB, KEL, and GK have an MRE, out of which only KEL and GK formed the resource base for the 2022 scoping study.

History of Gasaat and Government Support

Gassaat is a large-scale phosphate development project discovered by PhosCo in 2010, then known as Chaketma. The project was previously in a joint venture (JV) with Tunisian Mining Services SARL (TMS); however, this partner illegally transferred PhosCo's shares in the JV company, triggering years of legal disputes and the loss of the Chaketma permit.

Legal Issues

The Tunisian Government issued 100% of the Gasaat Phosphate Project to PhosCo in early 2025, resolving years of legal disputes. The new Gasaat permit is 100% owned by PhosCo, free and clear of the former JV partner, and approximately double the size of the original Chaketma permit. The grant of Gasaat was a considered decision by the Government of Tunisia to support PhosCo, reinforced by an MoU between PhosCo, the Government of Tunisia, and the EBRD - notably the first such MoU in Tunisia. As a result, the company is now better equipped to advance Gasaat with increased control and optionality.

Government Support

Beyond the turbulent legal issues that have now been resolved, the company is well supported by the Tunisian government authorities. The non-binding MOU signed with the Tunisian Government and the EBRD to collaborate in the exploration and development of the Northern Phosphate Basin in Tunisia was a major step forward. EBRD has provided support to finance the project, which we discuss later in the report. Beyond the financing, the Tunisian government, as a party to the MOU, establishes credibility and enhances PhosCo's prospects of obtaining the relevant permits and advancing the project through development and execution over potentially decades-long mining operations in Tunisia.

JORC-Compliant Mineral Resources

The Gasaat project has a JORC-compliant MRE of 166.6 Mt at 20.6% P_2O_5 grade (Figure 3). This is the updated MRE, which includes the maiden MRE for the KM and SAB prospects, representing 13.8% growth in resources compared with those underpinning the 2022 scoping study. The updated MRE provides a strong base for the upcoming scoping study and BFS, with 92% of the resources categorised in the higher-confidence categories of Measured and Indicated. The remaining 8% of the resources is categorised within the lower-confidence category of Inferred. Beyond the distinctions among the categories, we also observe 55% of the resources in the MRE come from the GK prospect, with KEL contributing 33%, KM at 7%, and the remaining 5% from SAB. It is important to understand the contributions of each prospect, as GK and KEL, the larger prospects, already have a scoping study with a mining schedule and quantified economics. The addition of KM and SAB to the resource base is expected to improve economics and enhance return on investment by not only adding more tonnes and mine life but also reducing costs, given the low-strip nature of these prospects. Overall, we view the resource growth as adding incremental value to the existing scoping study, strengthening the project profile and PhosCo's ambitions to establish a district-scale presence in Tunisia.

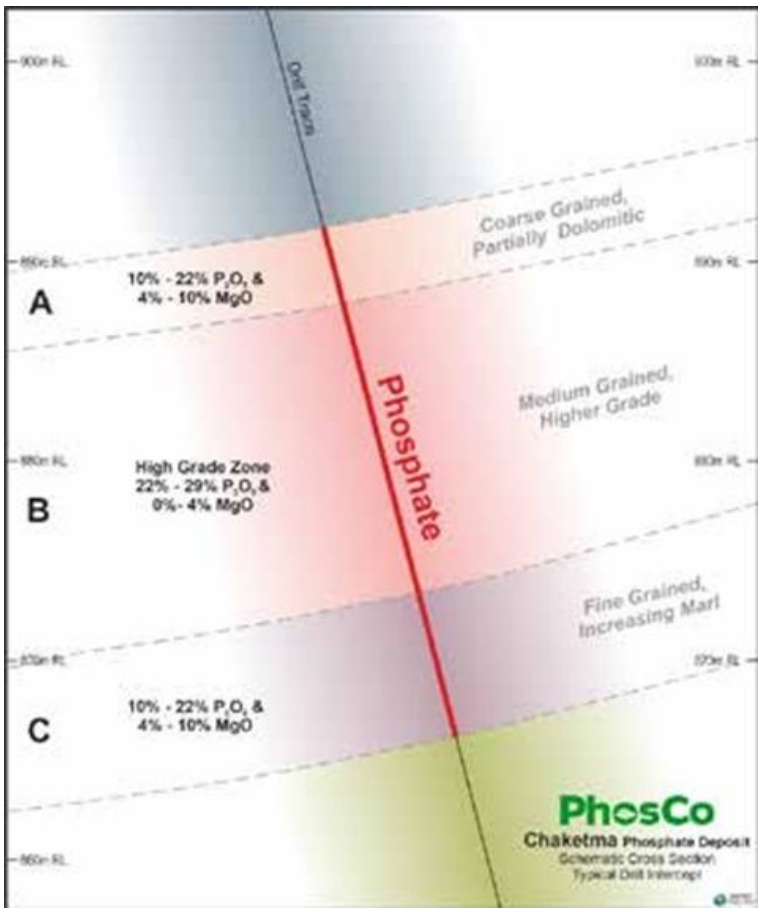
Figure 3: Gasaat MRE

Prospect	JORC 2012	Mt	% P_2O_5
KM (May 2026)	Indicated	8.6	20.6
	Inferred	3.4	20.3
	Total	**12.0**	**20.5**
SAB (May 2026)	Indicated	5.6	20.9
	Inferred	2.6	19.9
	Total	**8.2**	**20.6**
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
	Total	**55.5**	**21.2**
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
	Total	**90.9**	**20.2**
Global Resources	Measured	49.1	21.3
	Indicated	104.3	20.3
	Inferred	13.2	20.1
	Total	**166.6**	**20.6**

Source: Company

The phosphate deposit at Gasaat can be categorised into three different layers (Figure 4). Layer A is dolomitic (rich in calcium-magnesium carbonate) and has a lower P_2O_5 grade of 10%-22%; Layer B has the highest grade, ranging between 22%-29%, and is considered the target layer for the phosphate mining operation; and Layer C is the finer, marly, and diluted with waste material.

Figure 4: Gasaat Phosphate Mineralisation Layers



Source: Company

There is a clear distinction among the layers, with Layer B having a significantly higher P_2O_5 grade and being surrounded by lower-grade transitional layers. This clear layering, with high-grade phosphate rock deposits occurring within a defined section of the ore, enhances the mining economics. Evidently, Layer B is the value driver of the project, with transitional layers A and C contributing incremental tonnes to the resource base. In both the KEL and GK prospects, layer B make up a significant portion of the MRE, 58% and 70.4%, respectively. Layer A has the lowest resource levels at 16.4% and 8.2%, respectively; Layer C has 25.6% and 21.4%, respectively (Figure 5).

Figure 5: KEL and GK MRE by Layers

Mineralisation Layer	Classification	Volume (m3)	Tonnes
Layer A	Measured	3,010,000	7,900,000
	Indicated	460,000	1,200,000
	M+I	**3,470,000**	**9,100,000**
	Percentage of Total Resource		**16.4%**
Layer B	Measured	10,610,000	28,800,000
	Indicated	1,260,000	3,400,000
	M+I	**11,870,000**	**32,200,000**
	Percentage of Total Resource		**58%**
Layer C	Measured	4,620,000	12,400,000
	Indicated	680,000	1,800,000
	M+I	**5,300,000**	**14,200,000**
	Percentage of Total Resource		**25.6%**
TOTAL Layers A, B & C	Measured	18,250,000	49,100,000
	Indicated	2,400,000	6,400,000
	M+I	**20,650,000**	**55,500,000**
	Percentage of Total Resource		**100%**

Mineralisation Layer	Classification	Volume (m3)	Tonnes	P_2O_5 (%)	CaO (%)	MgO (%)	SiO_2 (%)	% Of Resource
Layer A	Indicated	2,350,000	6,390,000	13.9	41.6	8.0	5.8	7.0
	Inferred	400,000	1,100,000	12.4	37.7	11.3	6.2	1.2
	Subtotal	**2,750,000**	**7,490,000**	**13.7**	**41.0**	**8.5**	**5.9**	**8.2**
Layer B	Indicated	21,860,000	59,460,000	22.7	44.8	3.4	7.8	65.4
	Inferred	1,665,000	4,530,000	24.0	43.8	4.2	8.1	5.0
	Subtotal	**23,235,250**	**63,990,000**	**22.8**	**44.7**	**3.5**	**7.8**	**70.4**
Layer C	Indicated	6,580,000	17,890,000	14.1	37.9	5.5	12.8	19.7
	Inferred	575,000	1,570,000	14.0	35.8	6.9	13.4	1.7
	Subtotal	**7,155,000**	**19,460,000**	**14.1**	**37.7**	**5.6**	**12.8**	**21.4**
TOTAL All Layers A, B & C	Indicated	30,790,000	83,740,000	20.2	43.1	4.2	8.7	92.1
	Inferred	2,640,000	7,200,000	20.0	41.1	5.9	9.0	7.9
	TOTAL	**33,430,000**	**90,940,000**	**20.2**	**42.9**	**4.3**	**8.7**	**100.0**

*MRE by Layers of Mineralisation: Table on the left corresponds to KEL Resources, and Table on the right corresponds to GK Resources

Source: Company

KM and SAB Supported Resource Growth and Further Drilling at DOH Expected to Extend Mine Life

PhosCo is currently awaiting assay results from drilling at the DOH prospect, with promising early results indicating geology similar to that of the already explored KEL and GK prospects. The KM and SAB prospects drill results, which informed the updated MRE, returned thick, low-strip phosphate intercepts, with the potential to improve mining economics to the 2022 scoping study. Both KM and SAB prospects indicate a significantly lower strip ratio, with shallow deposits prompting PhosCo to consider mining the KM and SAB prospects first, thereby enhancing the project's potential, followed by the KEL and GK prospects outlined in the 2022 scoping study. It should be noted that the 12Mt resource at KM has a very low strip ratio of 0.4:1 compared with the KEL prospect strip ratio of 3.6:1.

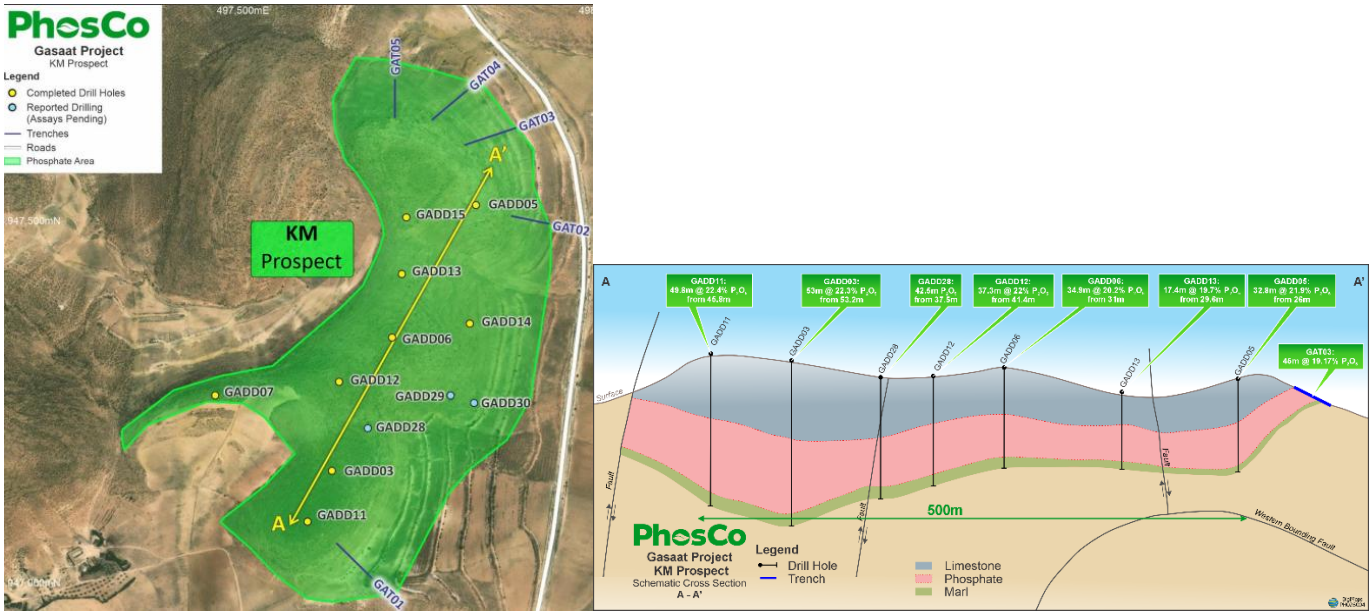
KM Prospect

Results from 5 trenches with a total trenching length of 345m returned evidence of thick phosphate mineralisation at the KM prospect, indicating substantial mineralised deposits.

- GAT-01: 31m @19.1% P_2O_5 grade
- GAT-02: 33m @19.7% P_2O_5 grade
- GAT-03: 45m @19.2% P_2O_5 grade
- GAT-04: 32m @19.2% P_2O_5 grade
- GAT-05: 23m @19.8% P_2O_5 grade

The grades from the trenches are slightly lower; however, this is attributed to surficial weathering, given that the trenches were excavated along the edges of the KM prospect. Hence, it is likely that grades internally may be higher than the reported trenching grades, which can only be confirmed through further infill drilling and robust studies. We do have some indication of the internal grades from previous drilling results, most of which are above 20% P_2O_5, and this was also confirmed by the updated MRE.

Figure 6: KM prospect and cross-section showing generalised geology as determined from drilling, trenching, and outcrop mapping



Source: Company

Furthermore, the latest drill results from 3 holes at the KM prospect showed promising thick, shallow phosphate mineralisation. While the drill hole intersections have been established, the grades are subject to laboratory analysis; however, preliminary indications from the portable X-Ray fluorescence (XRF) test show the grades are largely consistent within the 10%-30% P_2O_5 range.

- GADD-2026-28: 42.5m phosphate from 37.5m
- GADD-2026-29: 40m phosphate from surface
- GADD-2026-30: 28m phosphate from 1m

Overlaying the drill hole results with the substantial phosphate mineralisation indicated by the 5 trenches at KM provides a clear understanding of the deposit structure, suggesting a low-strip-ratio operation with potential for high grades, and confidence in strong geological continuity within the broader KM prospect. Management has also provided guidance on the KM prospect "expected to positively impact the Gasaat project economics", based on the "consistently thick, higher-grade intersections and given the lower strip ratio and proximity to the proposed plant site".

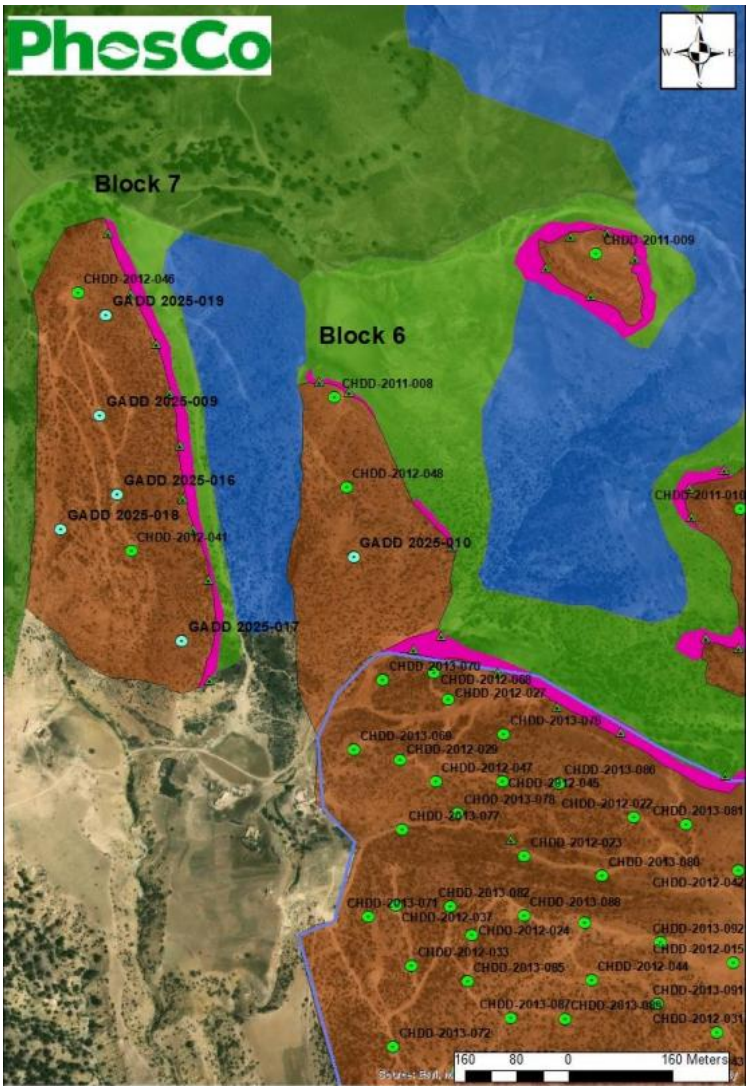
SAB Prospect

Within the SAB prospect, the latest update indicated high-grade phosphate mineralisation internally. The six drill holes reported were:

- GADD-10: 22.4m @ 21.61% P_2O_5 from 53.6m
- GADD-16: 14.5m @ 20.9% P_2O_5 from 63.5m
- GADD-17: 15.4m @ 20.5% P_2O_5 from 48.2m
- GADD-18: 8.8m @ 22.4% P_2O_5 from 57m
- GADD-19: 12.9m @ 22.8% P_2O_5 from 46m

These assay results informed the updated MRE, resulting in SAB contributing 5% of the total resource base at Gasaat.

Figure 7: SAB Prospect



Source: Company

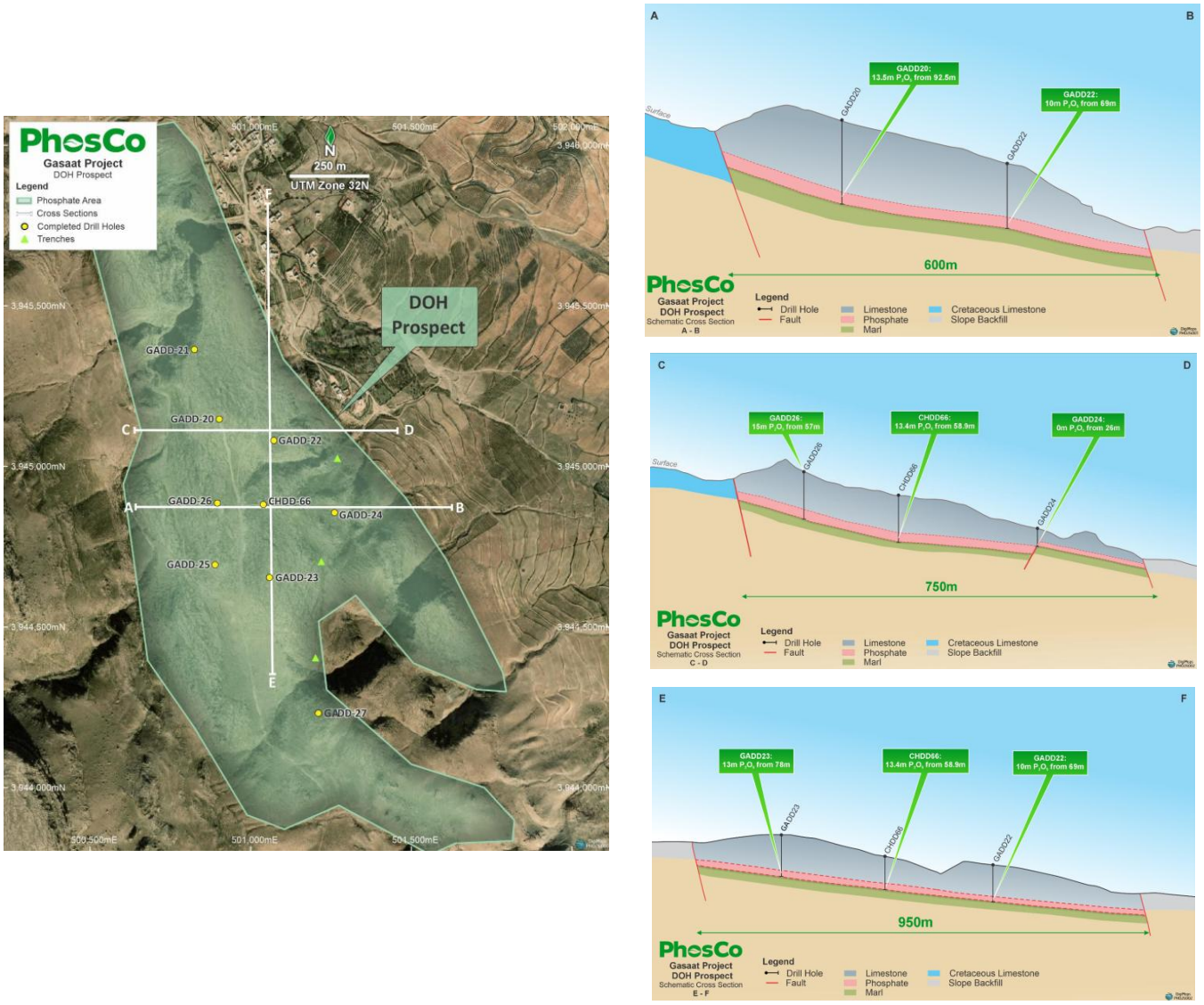
The SAB prospect is emerging as a compelling near-term value driver, alongside KM, within the Gasaat phosphate project, with the latest drilling confirming thick, high-grade phosphate mineralisation close to surface. The prospect is also adjacent to the KEL prospect, which also hosts an established MRE and was included in the mining schedule for the 2022 scoping study, further underscoring the area's strategic importance within the broader Gasaat development plan.

From a development perspective, SAB is attractive because it combines grade, thickness and shallow geometry, while also sitting within a broader project footprint that already benefits from an established geological understanding and proximity to the proposed plant. The company has indicated that SAB could be prioritised in the mine plan given its shallow mineralisation, and the latest assays and MRE update should further derisk the prospect's scale and continuity ahead of the updated scoping study. In our view, SAB is a high-quality, early-stage phosphate mineralised prospect that could materially improve the project's upfront economics, which is expected to be reflected in the updated scoping study.

DOH Prospect

The company is utilising its two drill rigs at the DOH prospect to understand the mining potential. Efforts in drilling, trenching and outcrop mapping have provided an overview of the general mineralisation present at the DOH prospect.

Figure 8: DOH prospect and cross-sections showing generalised geology as determined from drilling, trenching, and outcrop mapping



Source: Company

In total, 10 widely spaced holes have been drilled at DOH, with 9 of them intercepting phosphate mineralisation (Figure 8). Out of the 10 holes, results for 8 holes were announced in March 2026, where 7 of the holes returned intercepts of phosphate mineralisation, starting from depths of 25m down to depths of 101.5m. The mineralised thicknesses of these drill intercepts are shallower than those in the KM and SAB prospects, ranging from 6m to 15m; however, portable XRF testing has provided early indications that the grades are largely within the expected range of 10%-28% P_2O_5, consistent with earlier drill results from holes CHDD-65 and CHDD-66.

Evidently, the strip ratio at DOH is expected to be higher with phosphate mineralisation identified deeper in the Earth's crust with a thick layer of limestone above. Hence, deeper mining would be required at DOH to extract the phosphate rock compared to the other prospects the company has identified. The company is currently awaiting assay results, after which it may consider establishing a maiden MRE for the prospect and add to the total Gasaat resource base.

Based on the initial drill results and the cross-section view, we believe the company may not prioritise mining at the DOH prospect in the initial period of the mine life, given the higher volumes of waste material that must be removed to access the ore for production. Therefore, the DOH prospect is expected to add to mine life in the latter stages of the decades-long project at Gasaat and provide the incremental volumes necessary to establish a district-scale presence.

Exploration Target

The company has an exploration target of 110Mt to 165Mt at Gasaat, with a P_2O_5 grade of 20% to 22%. This exploration target is also broken down by the various prospects the company has identified, with KEL (South) expected to add 30Mt to 55Mt, GS 35Mt to 50Mt, and DOH 35Mt to 45Mt. Importantly, the expected grade from all these prospects falls within the 20%-22% P_2O_5 range, suggesting similar mineralisation amongst the prospects in the Gasaat project. This exploration target was established before SAB was added to the MRE; hence, the new exploration target at SAB, beyond the 8.2 Mt at 20.6% P_2O_5 grade resources in the MRE, is 1.0-1.5 Mt at 19%-22% P_2O_5 grade from Blocks 6 and 7 (Figure 7). **It is important to note that the exploration target only provides a conceptual understanding of the potential additional resources that may be identified at Gasaat. This still remains a theoretical, superficial guesstimate and should not be considered as the absolute mineralised resources the company may add to its resource base.**

Figure 9: Gasaat Exploration Targets

Prospect	Tonnage Mt		Grade %P_2O_5	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
KEL (South)	30	55	20	22
GS	35	50	20	22
DOH	35	45	20	22
SAB	10	15	20	22
Total	**110**	**165**	**20**	**22**

Source: Company

However, the exploration target provides a theoretical basis and a high-level understanding of the potential extension of mine life with the remaining prospects at Gasaat, which are currently not in the MRE or considered in the 2022 scoping study. Hence, based solely on this theoretical exploration target, we estimate that the mine life at Gasaat could extend by a few more decades beyond the 46 years highlighted in the 2022 scoping study.

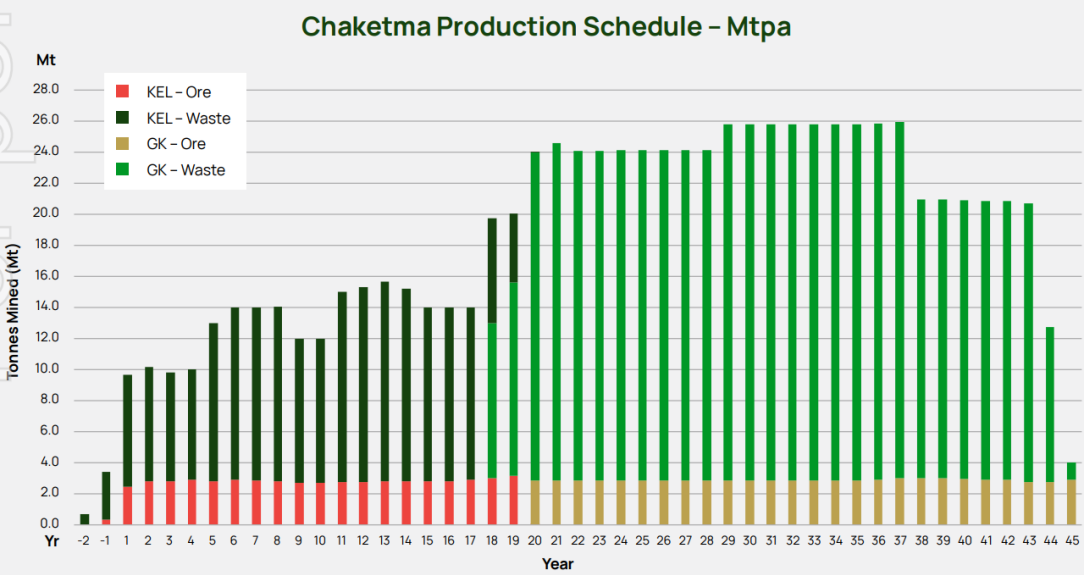
Scoping Study Highlights Strong Economics

The scoping study completed in 2022 highlights the strong economics of the project**.** Using a phosphate rock (P_2O_5) price of US$150/t, the project yields compelling returns with an after-tax NPV_{10} of US$657 million. The after-tax IRR is 54% with a payback period of 1.5 years once commercial production begins. These strong economics are based on an expected annual production of 1.5Mtpa phosphate concentrate of greater than 30% P_2O_5 and less than 1% MgO. It is important to note that the scoping study highlights a simple, low-cost, low-strip, open-pit mining operation, making ore extraction easy. The strip ratio for the first 18 years is 3.6, attributable to the KEL prospect, which has P_2O_5 mineralisation within the higher-confidence categories of measured and indicated.

Mining Schedule

The scoping study outlines the KEL prospect to be mined first for the initial 18 years and is divided into four distinct phases. Phase 1 of the pit design covers the first 4.1 years; phase 2 covers the following 6.3 years; phase 3 covers 5.9 years; and phase 4 covers the remaining 5.2 years. Given the preliminary nature of this report, the GK prospect pit design was not divided into phases. In total, the KEL and GK prospects result in a total project life of 46 years.

Figure 10: 2022 Scoping Study Total Material Mining Schedule

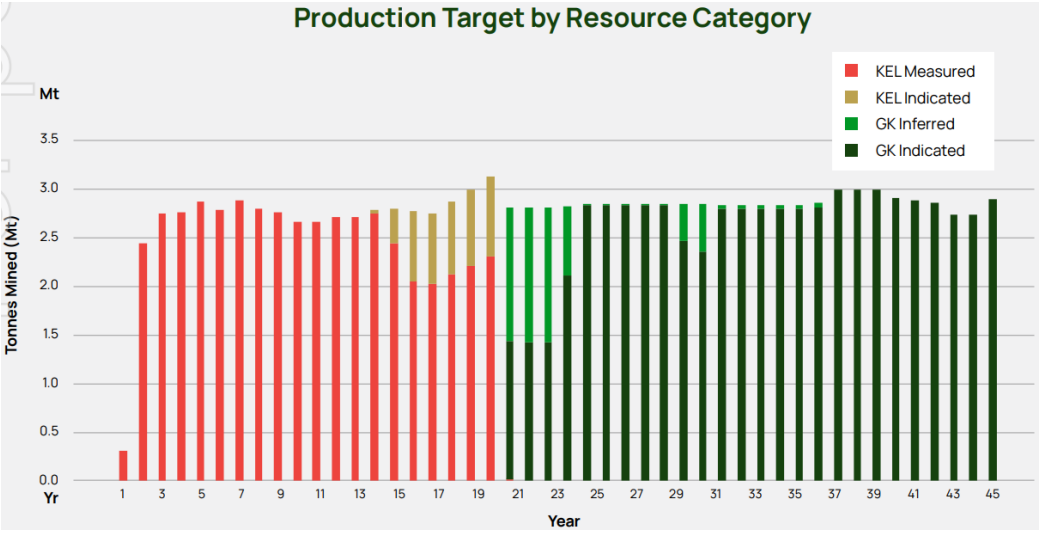


Source: Company

The mining schedule considers the inferred resources from the GK prospect (7Mt at 20% P_2O_5), which constitutes 8% of the GK MRE and 5% of the global resources at the time of conducting the scoping study. However, since the GK prospect is only mined from year 18 onwards under the mine plan, this has minimal impact on the project economics, as it is mined later and constitutes a small portion of the total MRE.

The production ore mining schedule shows a largely consistent mining schedule over the life of the project, mostly between 2.5 and 3 Mtpa. This predictable, consistent mining of production ore ensures the processing plant operates at optimal capacity, maximising resource utilisation and maintaining consistent annual production of marketable phosphate concentrate.

Figure 11: 2022 Scoping Study Production Ore Mining Schedule

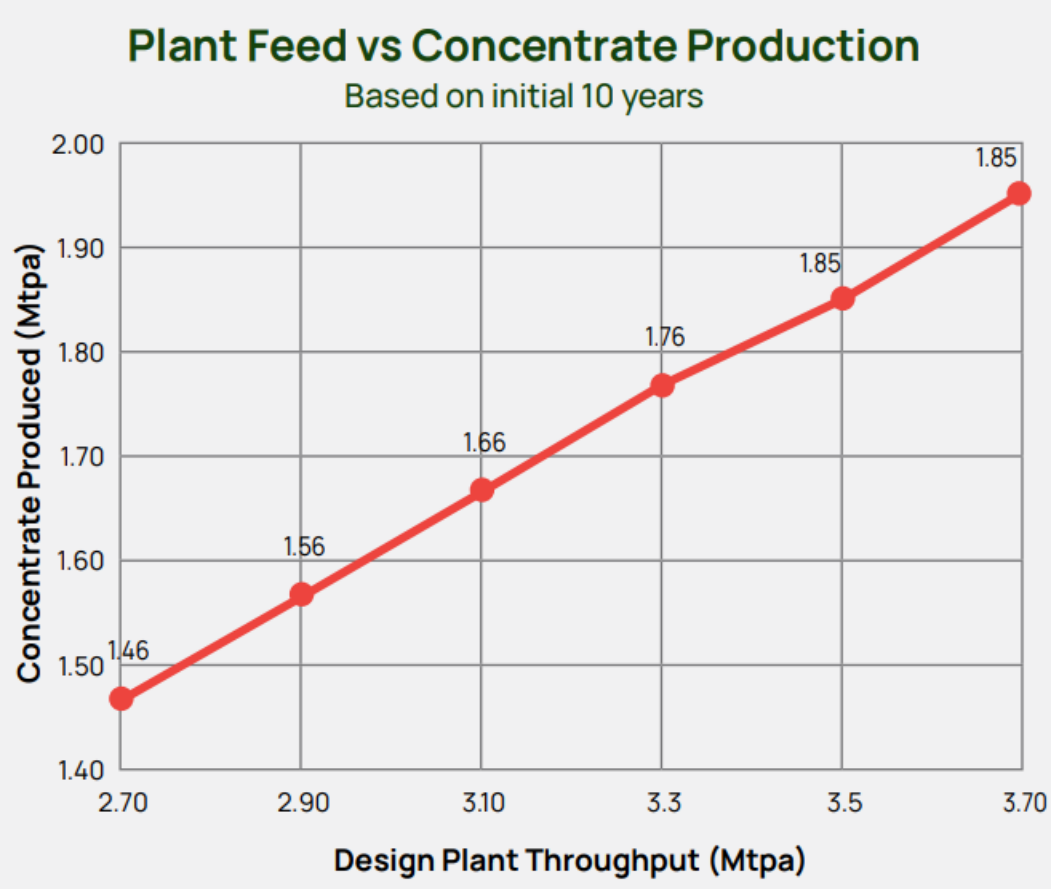


Source: Company

Processing and Production

Consistent with the production ore mined annually, the study outlined the construction of a processing facility capable of processing 2.7 to 3.5 Mtpa of ore, resulting in phosphate concentrate production of 1.46 to 1.85 Mtpa (Figure 12).

Figure 12: Plant Feed to Concentrate Production Schedule

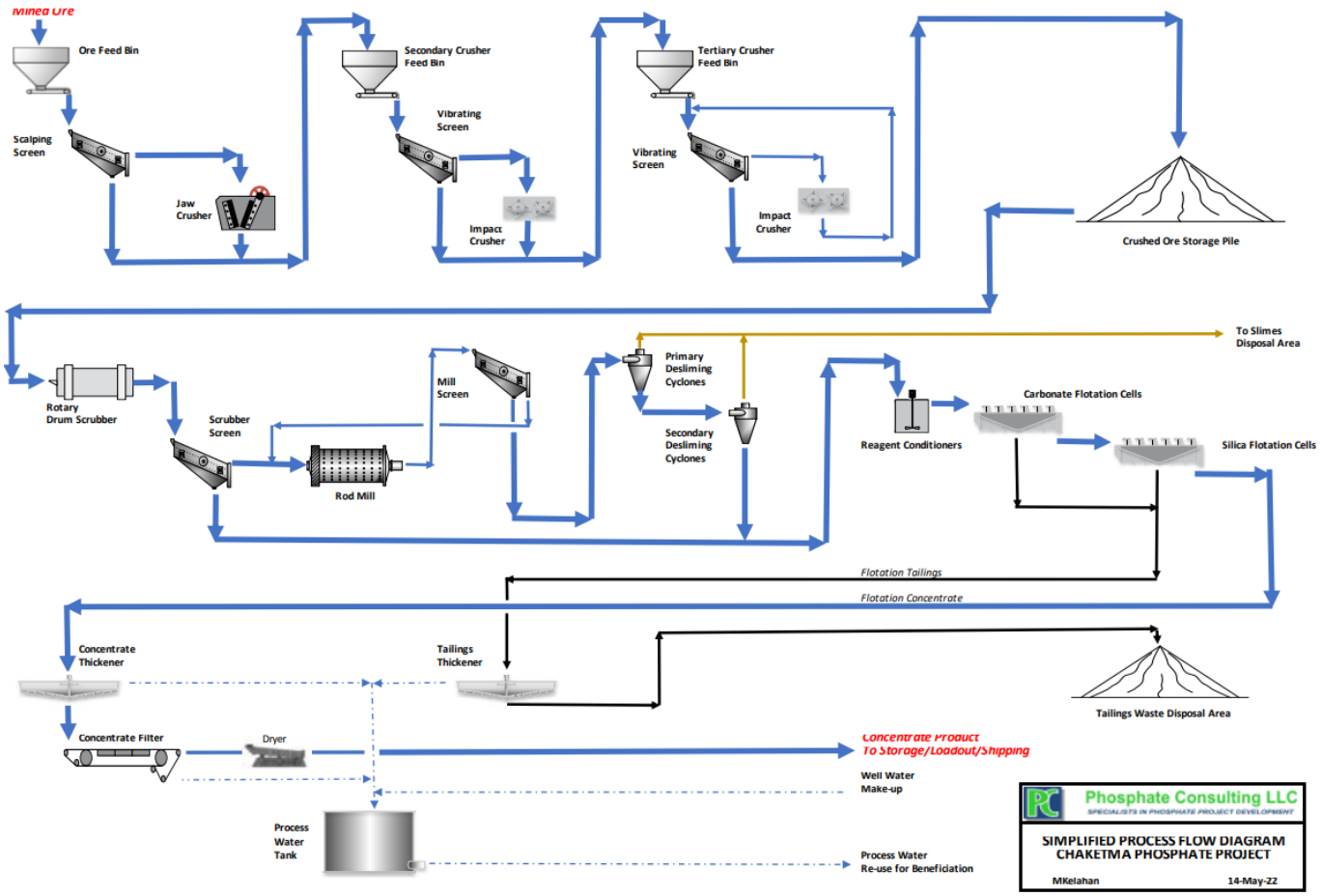


Source: Company

The processing flow follows a conventional phosphate beneficiation flowsheet, beginning with multi-stage crushing and screening of the mined ore, followed by stockpiling before the ore enters the wet plant. The ore is then scrubbed and ground to liberate phosphate from waste material, followed by desliming to remove fine clay-rich particles that would otherwise impair downstream separation performance.

The beneficiated slurry then reports to a two-stage flotation circuit, with carbonate flotation followed by silica flotation to progressively upgrade phosphate recovery and concentrate grade. The resulting phosphate concentrate is thickened, filtered, and dried before being sent to storage and loadout for shipment, while tailings and slimes are directed to separate disposal facilities. Overall, this is a well-established beneficiation process that should support production of a marketable phosphate product.

Figure 13: Simplified Process Flowsheet Schematic



Source: Company

While the two-stage flotation technique for processing the mined ore was detailed in the scoping study, the recent March 2026 quarterly report mentions simplifying the process to a single-stage flotation technique, potentially resulting in a lower cost base in the updated scoping study, which is expected in Q3 2026.

Operating Cost

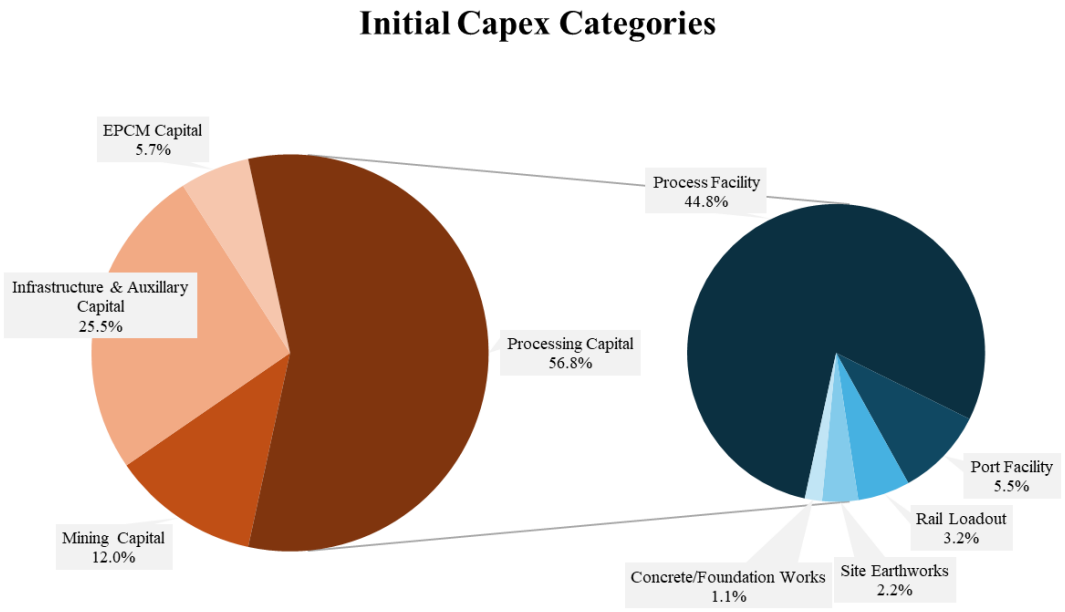
From a cost perspective, the total operating cost for the company in the first 10 years of the mining schedule is US$1,190 million, which translates to US$42.91 per tonne of ore feed and US$79.35 per tonne of phosphate concentrate. Out of this, product delivery, reagents, and waste ore mining make up 21.3%, 20.9%, and 14.9%, respectively. That is 57.2% of the cost base for the first 10 years of mining operations is from these line items. Moreover, only 5.4% of the cost base is from mining the production ore, while 14.9% in from mining the waste. Essentially, the company is spending almost three times as much on mining waste ore to extract the ore for production. The company is also expecting to incur a lower operating cost base over the first 10 years, compared to the life of the project, which is higher. The total operating cost over the life of the project is estimated at US$6,091 million, which translates to US$47.72 per tonne of ore feed and US$90.11 per tonne of phosphate concentrate, resulting in unit cost increases of 11% and 14%, respectively.

Beyond the operating costs, the company has also incorporated the impact of tax on its mining operation. Tunisia's mining code provides for a 25% corporate tax rate on mining profits, together with a 5-year tax-free period commencing at the start of mine production. These fiscal terms have been incorporated into PhosCo's scoping study assumptions.

Capital Expenditure (Capex)

The initial capex is spread out over two years, with the first year focused on site establishment, mobilisation, plant earthworks and procurement totalling US$76.2 million. The second year of initial capex focuses on continuing plant construction, site services, and rail and port facilities, totalling US$93.4 million. Based on these estimates, the expected initial capex detailed in the 2022 scoping study is US$169.5 million.

Figure 14: Initial Capex Categories



Source: Company & East Coast Research

This initial capex is broadly divided into four distinct categories: mining capital (12.0% of total capex), processing capital (56.8% of total capex), infrastructure & auxiliary capital (25.5% of total capex), and engineering, procure, construct & management (EPCM) capital (5.7% of total capex). Evidently, a significant portion of the initial capex is expected to be allocated to the construction of the processing facility. Within the processing capital category, the processing facility is estimated to cost US$76 million, accounting for 44.8% of the initial capex (Figure 14). Apart from the processing facility capex, all other costs account for less than 10% of the total initial capex.

Financially Supported by EBRD with Strong Investor Interest

The company has secured a strong funding partner in EBRD to continue derisking the Gasaat project. Beyond the EBRD partnership, there is also strong investor interest in the company's projects, as evidenced by the recent A$5 million placement.

European Bank for Reconstruction & Development

The EBRD is an international financial institution investing in economies globally, across 10 distinct business sectors. The EBRD was initially "established to help build a new, post-Cold War era in central and eastern Europe"; however, it has broadened its role and has "invested more than €220 billion in over 7,800 projects." It is also important to note that the bank has a unique *"political mandate in that it assists only those countries committed to and applying the principles of multi-party democracy and pluralism."*

In October 2025, the EBRD awarded PhosCo €1 million (A$1.6 million) in grant funding to co-fund technical work as a part of the updated Scoping Study for Gasaat. In parallel, PhosCo's Managing Director, Taz Aldaoud, invested A$1.1 million through the exercise of 21.4 million options at A$0.05. The combined proceeds will be used to fund technical work, such as derisking

the low-strip KM prospect, including it in the MRE and the optimised scoping study, enhancing project economics, and progressing to the BFS. Alongside the award of the Grant, PhosCo issued 150 million options exercisable at A$0.05 to EBRD, consistent with the terms set out in the Mandate Letter announced on 11 March 2025. If exercised, option proceeds would represent a significant portion of the funding required for the BFS. The options expire on the earlier of:

i. 120 days from the release of the updated scoping study incorporating the new KM discovery or;
ii. 31 January 2028.

A$5 million Placement

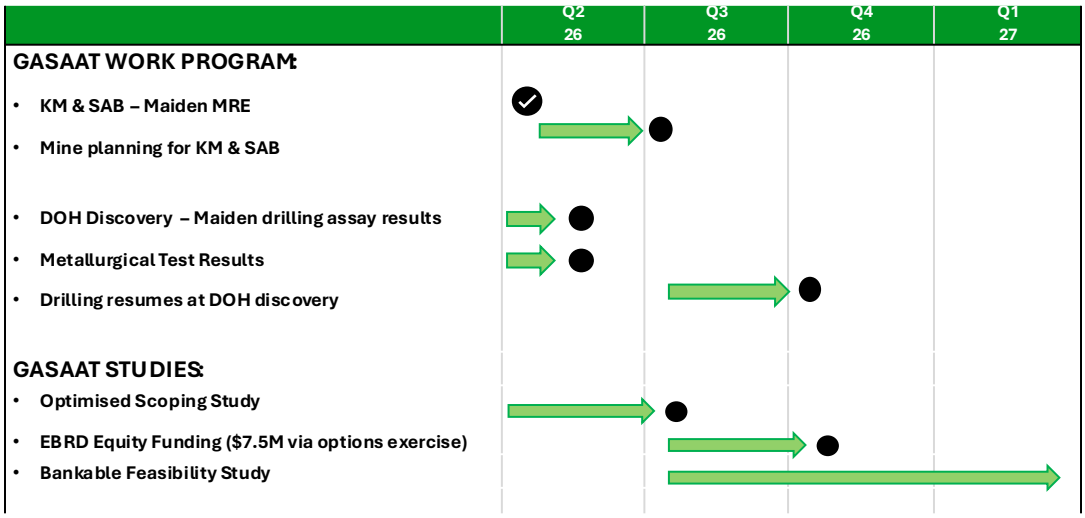
In February 2026, PhosCo raised A$5 million (before costs) from new and existing investors at a share price of A$0.12. This is at a 17.5% discount to the company's trading price of A$0.15 on 13 February 2026, and an 18.6% discount to the 5-day and 15-day volume-weighted average prices. The funds from this placement are mainly focused on derisking activities at the Gasaat project. The company aims to utilise these funds to advance ongoing exploration, development activities, and studies at the Gasaat project, and to meet general working capital needs.

With the additional funds, the company is well-positioned to undertake its planned near-term derisking activities, with a pro rata cash balance of A$7.3 million. Alongside the funds obtained from this placement, the company also has access to A$1.6 million in EBRD grant funding, which it can draw on. Overall, the EBRD agreement instils confidence and provides certainty in funding for the company as it continues to derisk the project and establish itself as a district-scale phosphate miner within the Northern Phosphate Basin of Tunisia.

Expected Timeline and Key Deliverables

Overall, the company is well-funded and on track to deliver a steady news flow and potentially meet its targets for the year.

Figure 15: Gasaat Project Timeline and Deliverables



Source: Company

The first half of 2026 is filled with news flow, including the latest update on the company's maiden MRE for KM and SAB, which adds to the established resource base and is expected to be incorporated into the scoping study, scheduled for release in Q3 2026. PhosCo has outlined considering commercially mining the KM and SAB prospects first, followed by the KEL and GK prospects outlined in the previous scoping study. This strategic front-loading of the newly discovered prospects is expected to improve project economics, since the KM and SAB prospects have a low strip ratio and are located close to the processing plant, resulting in lower project operating expense in the initial years.

Gasaat is the company's flagship project, which we believe remains at the centre of its district-scale ambition. The company is focused on completing an optimised scoping study in Q3 2026, following which it intends to conduct a BFS. The BFS is a comprehensive study conducted with an improved accuracy of ±10%-15%, compared to the ±35% accuracy of the scoping study. As the name suggests, the BFS enables the company to gain a thorough understanding of the project economics, incorporating a comprehensive, technically advanced assessment of the project's viability, utilising a multi-faceted framework that covers all aspects of the scoping study in significantly greater detail. Completion of the BFS also enables the company to proceed with the FID and secure the necessary funding for the estimated initial capex.

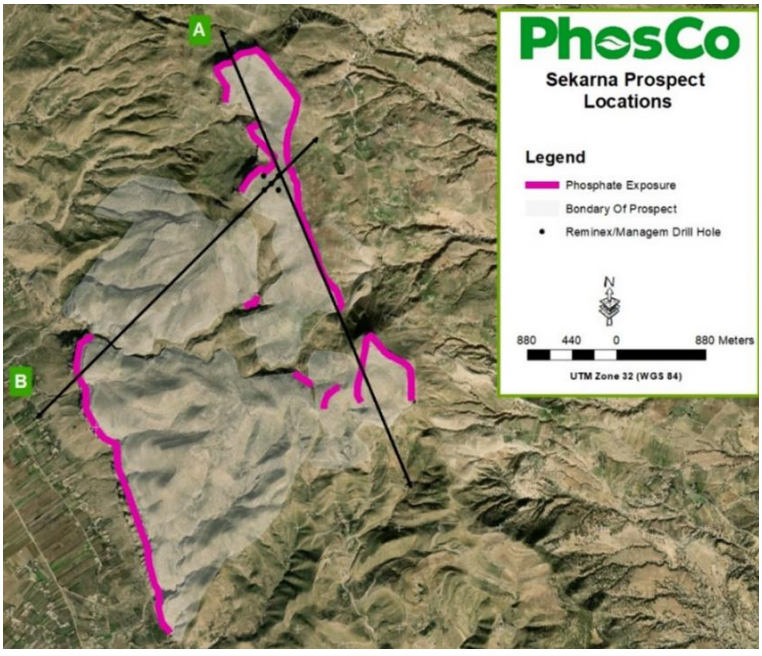
District-Scale Potential with Sekarna

PhosCo received the formal exploration permit in January 2025 to explore the Sekarna phosphate site for 3 years. The site is analogous to the Gasaat tenement, located 10km southwest of Sekarna, and covers a total area of 128km^2. With geology similar to Gasaat, Sekarna has the potential to support a large-scale phosphate rock mining operation, consistent with the ambitions for the Gasaat project, and could achieve district-scale production within Tunisia's Northern Phosphate Basin. The permit also marks a significant milestone for Tunisia's government, as it is the first phosphate permit granted 100% to a foreign investor.

In April 2024, PhosCo also secured the Ras Ghzir exploration permit, which spans 60km^2 within the Sekarna permit area, allowing the company to conduct exploration for Lead and Zinc mineralisation. Further work is required to establish the presence of Lead and Zinc mineralisation in the area, as well as the potential to economically separate it from the phosphate. The Ras Ghzir permit to explore beyond phosphate mineralisation in the Sekarna area provides the company with the optionality to tap into additional revenue streams, pending further research and studies to substantiate the project's economic viability.

It should be noted that approval remains pending from the Forestry Department to commence further on-ground exploration activities, as approximately 15% of the Sekarna permit area falls within a proposed nature reserve, including the identified exploration target for Sekarna. PhosCo continues to actively engage with both the Ministry of Industry, Energy and Mines and the Forestry Department to better understand the implications of this proposed overlay and to determine a viable path forward, including exploration in areas outside of the nature reserve.

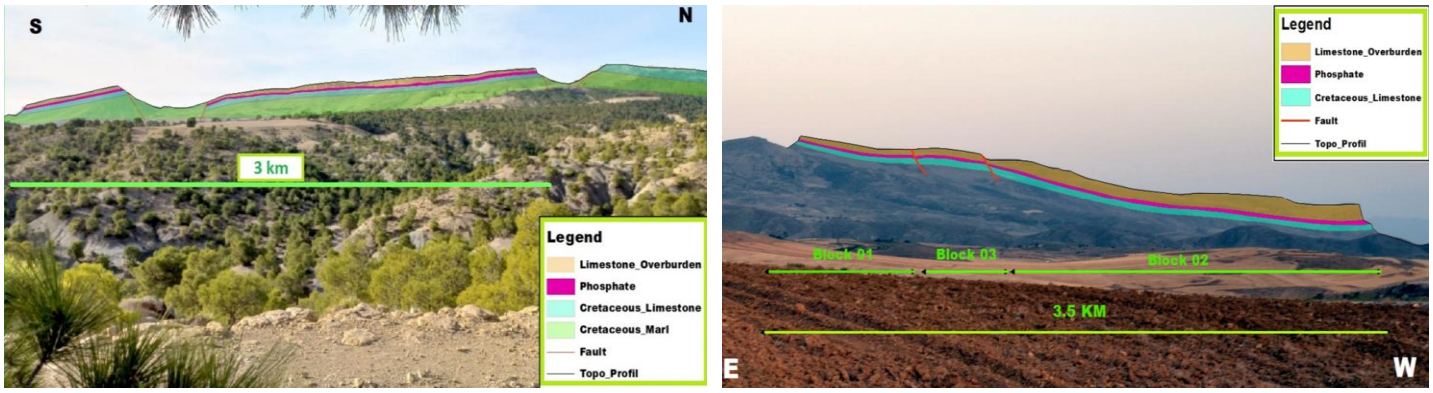
Figure 16: Sekarna Project



Source: Company

The pink lines indicate phosphate exposure (Figure 16), with the thickness of the lines not to be taken as a measure of phosphate exposure. The cross-sectional diagrams indicated by lines A and B outlining the phosphate mineralisation are shown clearly in (Figure 17). Phosphate mineralisation in the area was identified in 1901, with further geological studies confirming it in 1999 and 2011. The latest geological study by Garnit et al. (2011) reported phosphate grades of 19.7%-27.8% P_2O_5 in five core samples.

Figure 17: Sekarna Project Cross Sections



*Cross-sectional diagrams of Figure 16: Image on the left corresponds to Line A and image on the right corresponds to Line B

Source: Company

PhosCo's field inspection results show phosphate deposit "thicknesses of greater than 5m for more than 3km in the east and about 10m for over 4km in the west." A total of 9 prospects have been identified at Sekarna, with field reconnaissance of the 4 largest blocks confirming widespread distribution and thickness of phosphate. A portable XRF analyser was used to measure favourable outcrops, and 29 samples were identified in total, with P_2O_5 grades ranging from 10.11% to 30.95%.

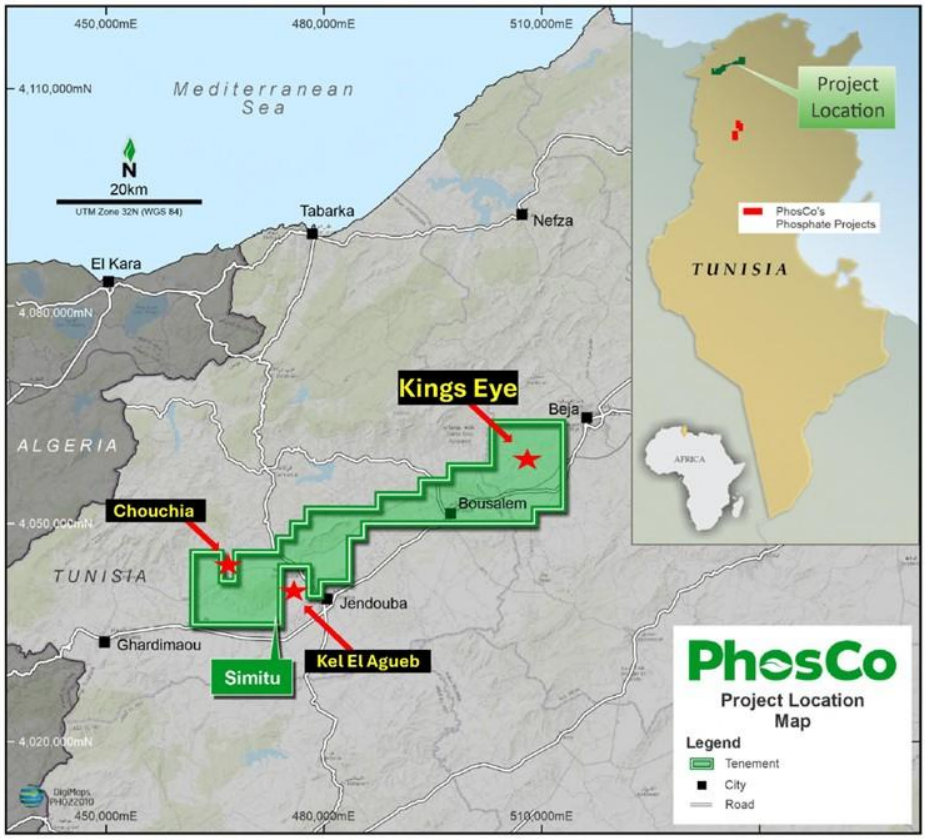
PhosCo's long-term goals are focused on establishing a district-scale phosphate mining operation in Tunisia's rich northern phosphate basin. As such, the company has identified Sekarna, a tenement near its flagship Gasaat tenement, with outcrop mineralisation of phosphate. With geology similar to that of the Gasaat prospects, the company is confident in expanding its phosphate mining operations, establishing a district-scale presence within Tunisia's current underdeveloped phosphate mining operations.

Simitu Permit Offers Diversification Optionality to Precious and Base Metals

PhosCo secured the Simitu permit in November 2023, which included four prospects: Ain Bey, Jebel Rebia, Kef Agueb, and Jebel Hairech. The initial exploration permit covered a total area of 424km^2 for a 3-year period. The permit was adjusted in December 2023 as the Kef Agueb prospect area is a designated military zone. The adjusted Simitu permit boundary, along with the three prospects, covers a total area of 396km^2(Figure 18). The permit area is located 130km west of Tunis and is supported by existing infrastructure, including sealed roads, power, rail, and water.

Based on the initial announcement, the permit is expected to expire in November 2026. However, the company has the option to renew the permit for two further three-year periods, effectively providing it with a total of 9 years to conduct exploratory activities in the area. PhosCo has yet to provide any guidance on whether the Simitu permit will be renewed this year.

Figure 18: Current Simitu Permit Area Prospects



Source: Company

The primary focus is on the Ain Bey prospect, and surface sampling results reported in March 2024 "identified a priority Cu-Ag-As-Sb anomaly requiring further exploration." There is evidence of a vegetation anomaly in the Bey prospect, suggesting the presence of copper deposits in the area. The vegetation anomaly refers to the lack of vegetation growth in the area due to high soil metal content, measuring approximately 1,800 meters by 750 meters. The Bey prospect has also been extensively researched by geologists from the University of Carthage (Bizerte), with research findings suggesting "microscopic traces of visible gold and silver in thin sections of quartz".

The recent announcement in April 2026 materially strengthens the project's diversification story, with the company reporting selective rock chip results from the Ain Bey prospect indicating the presence of sulphide Cu-Sb-As-Ag and oxide Zn-Pb mineralisation styles within the broader Simitu permit. Within the sulphide mineralisation, 21 samples of copper were obtained with grades ranging from >1% to 21.2%; 8 samples of silver with grades ranging from 31g/t to 100g/t; and 5 samples of antimony with grades ranging from >0.5% to 1.49%. The results also included 19 zinc samples above 1% Zn, with 6 samples exceeding the 30% upper detection limit; and 4 samples of lead within the grades of >1% to 12.65%. Beyond the assay results, ground geophysics mapped historical underground workings and identified a potential deeper sulphide target beneath them.

Importantly, the data remains early-stage and is based on selective sampling rather than systematic drilling, so they should be viewed as indicative rather than representative of deposit-scale grades. That said, the combination of historical mining, favourable structural setting, surface geochemistry and IP anomalies at depth provides a credible basis for continued follow-up exploration and enhances the long-term optionality of the permit beyond phosphate. The Simitu permit area represents long-term optionality for the company to diversify beyond phosphate rock mining, provided PhosCo renews the permit this year and conducts extensive de-risking activities to establish the project's potential economics and scale.

Industry Analysis

Phosphate is an important material with varying applications. According to the African Development Bank Group (ADBG), 85% of global phosphate is used in fertilisers, with 10% in food and feed additives, and 5% in industrial applications.

Figure 19: Main Uses of Phosphate

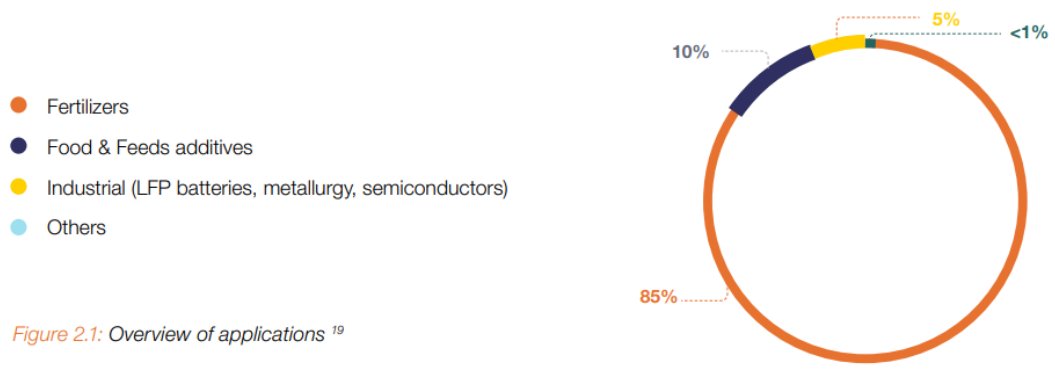


Figure 2.1: Overview of applications [19]

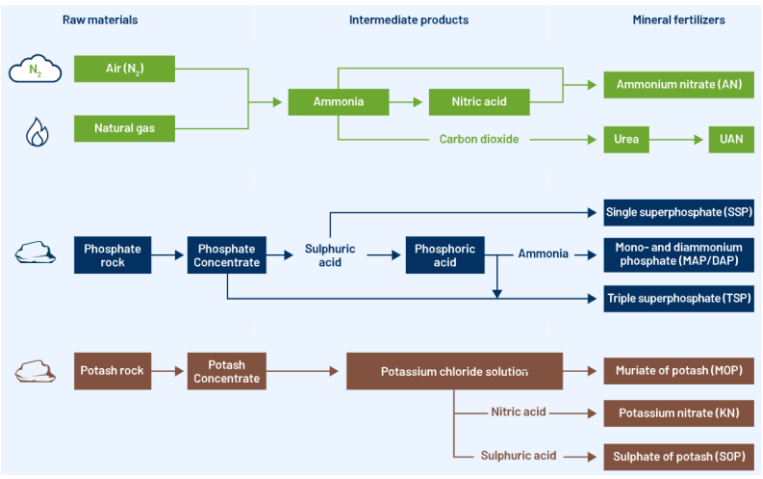
Source: ADBG

95% of global phosphate produced is used in agriculture (Fertilisers and Food & Feeds Additives from Figure 19), a vital sector for global food security. Demand from the agricultural sector is only expected to increase as the global population increases. Beyond the agricultural sector, applications of phosphate in industrials, especially in Lithium Iron Phosphate (LFP) batteries, are expected to rise with the growing adoption of EVs globally.

Growing Demand for Phosphate from the Agricultural Sector

Phosphorus is one of the three major nutrients required by plants, controlling the transfer and storage of energy at the cellular level and playing an important role in metabolic processes. The other two nutrients are nitrogen and potassium. Globally, fertilisers are produced using one of these three nutrients (Figure 20). Nitrogen and natural gas are used to produce Ammonium nitrate, Urea and UAN fertilisers. Phosphate rock is used to produce single superphosphate (SSP), mono-and diammonium phosphate (MAP/DAP), and triple superphosphate (TSP) fertilisers. Potash rock, which is converted into potassium chloride solution, is used to make muriate of potash (MOP), potassium nitrate (KN), and sulphate of potash (SOP) fertilisers. Overall, nitrogen, phosphate rock, and potash rock are the raw materials out of which fertilisers are produced to ensure global food production.

Figure 20: Types of Fertilisers its Global Demand



Global Fertiliser Demand	Mt		Percentage	
	2025	2026	2025	2026
Nitrogen	118.0	120.0	57%	57%
Phosphate Rock	48.9	48.5	24%	23%
Potassium	40.9	41.2	20%	20%
Total	**207.8**	**209.7**	**100%**	**100%**

Source: IFA, East Coast Research

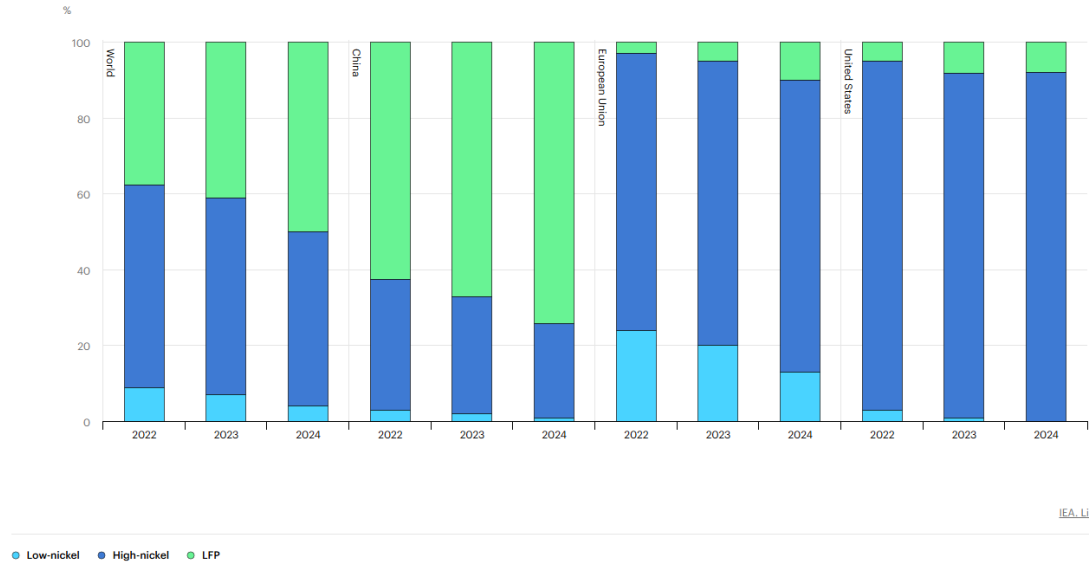
According to the International Fertilizer Association (IFA), global demand for fertilisers is expected to be 209.7 Mt in 2026, of which phosphorus-based fertilisers account for 23% of total demand. The highest demand is for nitrogen-based fertilisers, representing 57% of global demand, while potassium-based fertilisers make up the remaining 20%. Based on the average of three market research reports, the global fertiliser market is approximately valued at US$197.45 billion in 2026 and forecasted to grow at a compounded annual growth rate (CAGR) of 3.02% to approximately US$236.00 billion by 2032. Mogollón et al. (2021) state that around 500 Mha of new arable land will be needed to meet crop demand by 2025. The study also emphasises that using phosphorus-based fertilisers can restore phosphorus removed by crops, boosting productivity on existing land and reducing the need for additional arable land to meet global food demand.

Overall, this shows strong structural demand from the agricultural sector for fertilisers, for which phosphate rock is a key raw material. Phosphate-based fertilisers are vital for crop nutrition, and the need to intensify agricultural output on existing land supports the commodity's long-term outlook. In our view, these fundamentals reinforce the commodity's strategic relevance and underpin a favourable demand backdrop for producers with high-quality phosphate resources and exposure to future supply growth.

Additional Layer of Demand Supported by Electric Vehicles

The use of phosphates in EVs has been steadily increasing, driven by the growing adoption of LFP batteries over other battery technologies. According to Samsung C&T, LFP batteries are a suitable alternative to lithium-ion batteries, offering "higher energy density, lifespan, and safety, and reduced cost" in EV battery technology.

Figure 21: Electric Vehicle Battery Sales by Chemistry and Region



Source: IEA

A report by the International Energy Agency (IEA) highlighted that 50% of global EV battery sales in 2024 were LFP batteries, with 75% of EV battery sales in China composed of LFP batteries. The share of LFP batteries in EV battery technology is expected to grow as it is a cheaper and safer alternative to the conventional lithium-ion battery.

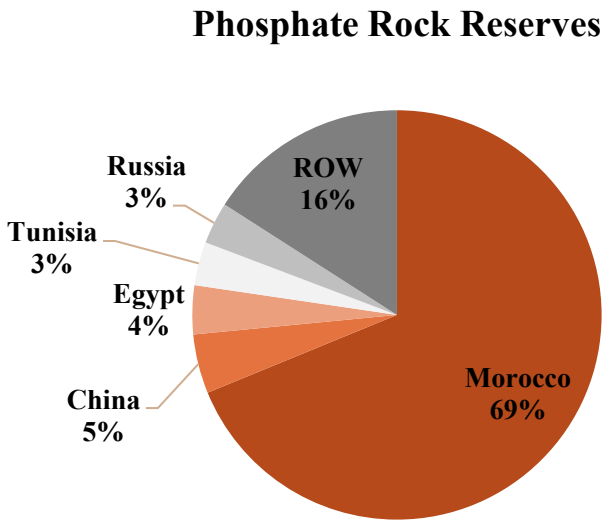
A study by Spears et. al. (2022) analysed the growing use of LFP batteries in EVs and concluded that large-scale EV adoption could create meaningful new phosphorus demand over time, adding a new layer of industrial demand for a mineral that has historically been dominated by fertiliser use. The study estimates that >3Mt of annual phosphorus demand from light EVs (LEVs) is expected by 2050. It is important to note that this demand excludes heavy-duty EVs and local network storage infrastructure. Considering these additional applications, phosphorus demand

is expected to exceed the stated > 3Mt, providing a more realistic outlook to expected demand for phosphorus. In other words, the need for LFP batteries from the EV market creates a second major demand pillar for phosphate, alongside agriculture. Overall, the global LFP market is valued at approximately US$26.19 billion in 2026 and is forecast to grow at a CAGR of 14.92% to approximately US$79.65 billion by 2034, based on the average of three market research reports.

Phosphate Market Outlook

Morocco has the largest phosphate rock reserves, with 50,000 Mt as of 2025, accounting for 69% of global reserves. The second-largest reserves are in China, at 3,400 Mt, accounting for 5% of global reserves. This is closely followed by Egypt, Tunisia, and Russia with 2,800 Mt, 2,500 Mt, and 2,400 Mt, respectively. These are the top 5 countries with phosphate rock reserves as of 2025 (Figure 22).

Figure 22: Phosphate Rock Reserves by Country



Source: US Geological Survey, East Coast Research

While Morocco has the largest phosphate rock reserve, the annual production figures tell a different story. In 2025, 246 Mt of phosphate rock was produced globally, of which 45% was produced in China, followed by Morocco at 15% and the US at 8%. Tunisia was the 10th-largest producer, supplying around 1% of global production (3.3 Mt) in 2025. With PhosCo aiming to produce 1.5 Mtpa, this would significantly increase Tunisia's production capacity to 4.8 Mtpa, roughly 0.6% of global production and a 45% increase over Tunisia's 2025 production level.

Phosphate rock has been designated a critical raw material by the US, EU, Canada and South Korea, reflecting its strategic importance to food security and its growing role in industrial applications. This status matters because critical raw material designation typically signals elevated supply risk, particularly where production is geographically concentrated, and substitution options are limited; the United States Geological Survey notes there are no substitutes for phosphorus in agriculture.

Supply is further constrained by China's export restrictions on phosphate fertilisers, which remain in place through at least August 2026 according to recent market reports, limiting near-term export availability from the world's largest producer. In parallel, the ongoing Strait of Hormuz blockade is disrupting regional shipping flows for sulphur and other fertiliser inputs, tightening upstream supply and lifting production costs across phosphate chains. Taken together, these factors are reducing exportable supply, supporting tighter global market balances, and reinforcing phosphate price strength.

Figure 23: Phosphate Rock Price

Source: ADBG

Phosphate rock prices have historically been volatile, but the broader market remains supported by resilient underlying demand and grade-driven pricing differentials. Over the past decade, prices have ranged from US$76/t to US$322/t, with the most recent trading period comparatively stable at US$153/t in 2024 and US$155/t in 2025. The dramatic price increases in 2008 and 2023 were primarily driven by supply shocks, including production constraints, export restrictions, higher input costs, and geopolitical disruptions (Figure 21). Pricing also varies materially by purity, with higher-grade material in the 28%-30%+ P_2O_5 range typically commanding a premium due to stronger beneficiation recoveries and lower processing costs, while lower-grade rock below 26% generally trades at a discount because of higher impurity content and the need for additional processing.

Against this backdrop, phosphate rock remains a strategically important raw material with strong structural demand, supported by its role in global food security, fertiliser production, and emerging industrial applications, including LFP batteries for EVs. In our view, the combination of defensive end-market demand, incremental battery-related demand, and grade-based pricing should keep long-run prices supported at the US$150/t level for benchmark product, while higher-purity rock should continue to attract a premium relative to lower-grade material.

Valuation

The valuation framework aims to capture the incremental resources the company has included in the updated MRE, resulting in an updated model relative to the 2022 scoping study, factoring in the KM and SAB prospects and an attempt to provide a reasonable guesstimate of the expected scoping study to be released in Q3 2026. To ensure the model remains realistic and range-bound, we consider two scenarios: a base case and an upside case, with the upside case applying more favourable assumptions than the base case. This approach weighs both the upside potential and the risks associated with PhosCo.

Methodology

We utilised a 10-year discounted cash flow (DCF) model, which we believe adequately captures the project economics, balancing upside potential with project risks. We have incorporated reasonable augmentations to the model to better reflect and understand the potential PhosCo represents, given the significant number of updates post the 2022 scoping study. Importantly, we augmented the revenue model and cost schedule while also considering key valuation inputs typically used in a DCF model.

The components of the revenue model include the phosphate rock price, the mining schedule for extracting the ore, and the processing to produce marketable phosphate concentrate. The cost schedule accounts for changes in operating expenses and capex, reflecting updated assumptions informed by our augmented mining schedule.

Assumptions

Phosphate Rock Price

Our revenue assumptions in both scenarios, base case and upside case, are range-bound at the phosphate rock price of US$150–US$155/t, which is assumed to be the long-term stabilised price. The pricing dynamics over the past 2 years indicate a new support level of around US$150/t, with prior dynamics indicating mean-reverting yet slightly upward-trending behaviour. Hence, we believe it is appropriate to consider this long-term stable pricing for the phosphate rock in the context of valuing the Gasaat project. However, it is important to understand that phosphate rock pricing is highly sensitive to the P_2O_5 grade and therefore varies accordingly. In the 2022 scoping study, the company aimed to achieve a high P_2O_5 grade of 30% for its saleable phosphate concentrate, with an assumed price of US$150/t. Given the dynamics of phosphate pricing explained in the Industry Analysis section, we have maintained conservatism and assumed the company may realise the US$150/t price for the first 4 years of production, US$152/t for years 5-8, and finally, US$155/t from year 9 onwards in both scenarios. Maintaining the price within the range of US$150/t–US$155/t allows us to capture the observed pricing dynamics of phosphate rock, while also capturing the upside potential in the latter years, supported by sustained, stable demand from the agricultural sector and the high-growth LFP batteries market. This range-bound pricing assumption also leaves room for upside potential, with prices above the US$150/t–US$155/t mark capable of materially improving margins and, in turn, the overall project economics.

Augmented Mining Schedule Considering Resources from KM and SAB Prospects

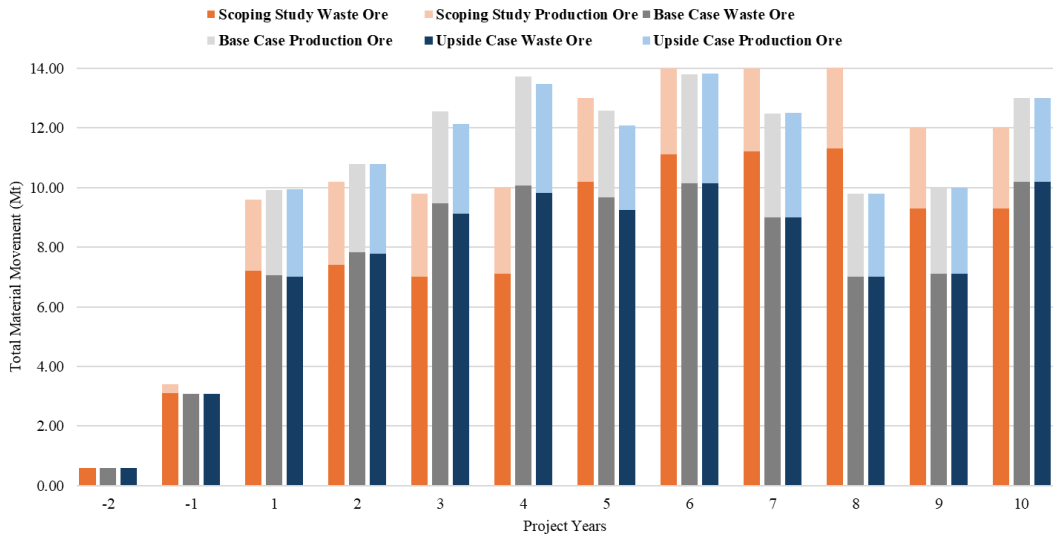
Aligning with recent announcements, we augmented the 2022 scoping study mining schedule with a disciplined set of assumptions, resulting in the front-loading of the KM and SAB prospects in our model. While the company is yet to formally publish the updated scoping study incorporating the newly identified KM and SAB prospects, recent drill results and the updated MRE have confirmed low-strip mining economics, simplifying operations to mine KM and SAB first compared to the other prospects at Gasaat. Our valuation is based on an assumed mining schedule for KM and SAB for the initial 6 years of production at Gasaat, derived by augmenting the KEL mining schedule from the 2022 scoping study. Since the KM and SAB prospects have a lower strip ratio than the KEL prospect, we utilised the same initial mine schedule as KEL but

reduced the strip ratio by 7.5% and 11% for the KM prospect in the base case and upside case, respectively. Similarly, we reduced the strip ratio of SAB by 5% and 8% in the base case and upside case, respectively.

Furthermore, we have been conservative in our estimation and utilised a confidence-adjusted resource base for KM and SAB of 10.3 Mt and 6.9 Mt, respectively, obtained by applying a 50% discount to the inferred resources, reflecting their lower confidence levels. Incorporating the lower-strip and confidence-adjusted resources for the KM and SAB prospects yields an expected mine schedule for each prospect. This was utilised to construct the mine sequencing and the initial 10 years of production for the Gasaat project, overlaying the individual mine plans with the start-up and closure phases to maximise mining and the project's economics. We have maintained the same format as in the 2022 scoping study, which modelled 2 years of start-up activities for each prospect. While the KM and SAB projects may not require 2 years of start-up activities due to their low-strip nature and easier mining economics, we believe modelling it based on the 2022 scoping study, given similar geological characteristics and established economics, provides us with a reasonable basis and adds a level of conservatism to our augmented mine schedule.

In our augmented mining schedule (Figure 24), which considers the KM and SAB prospects, the KM prospect is initially mined, with the first 2 years considered as pre-production years for the initial build-out phase at the Gasaat project, followed by 3 years of full-fledged production, with year 4 having a lower level of production as the mine is depleted and transitions to the closure phase. The SAB prospect is mined second, with start-up years considered from year 2 of project production years and full-fledged production from year 4 to year 6. Year 7 is considered the closure year for the SAB prospect. Similarly, the KEL prospect start-up year is in year 4 of the project production years, with full-fledged production from year 6 onwards, and is considered for the remaining years, up to year 10 of the DCF model.

Figure 24: Augmented Mining Schedule



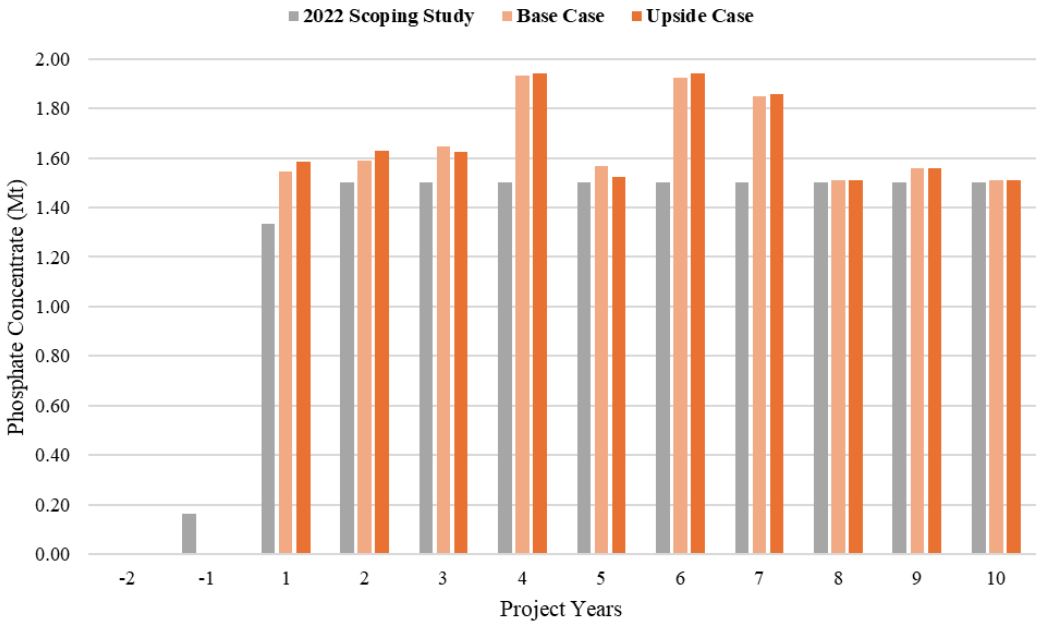
Source: Company, East Coast Research

Our augmented mining schedule enhances the project economics at Gasaat, with total material movement in the initial 10 years estimated at 122.3 Mt and 121.2 Mt in the base case and upside case, respectively. In both scenarios, it is lower than the 2022 scoping study total material movement of 122.7 Mt in the initial 10 years. Importantly, the waste ore movement in the initial 10 years is 94.8 Mt in the 2022 scoping study, while it is only 91.2 Mt in the base case and 90.0 Mt in the upside case. Hence, with reduced waste ore movement, total production ore increases, with the scoping study highlighting 27.9 Mt in the initial 10 years, while our base case and upside case estimates are 31.1 Mt and 31.2 Mt of production ore in the same timeframe, respectively. This higher production ore logically results in incremental volumes of processed saleable phosphate concentrate as well.

Processing Schedule to Estimate Annual Marketable Phosphate Concentrate Production

To estimate revenue from phosphate concentrate sales, we used the 2022 scoping study's relationship between ore processed and concentrate output (Figure 12) to forecast annual concentrate production based on the augmented mining schedule. The resulting production profile remains within the 2022 scoping study's maximum design plant throughput of 3.7 Mtpa, giving us confidence that the volumes we model are operationally realistic. This methodology provides us with a high-confidence estimate of the annual sales based on the augmented mining schedule we devised on a reasonable basis.

Figure 25: Annual Marketable Phosphate Concentration Production



Source: Company, East Coast Research

Our augmented estimates of annual marketable phosphate concentrate production in the base case and upside case are shown in light orange and dark orange, respectively, and are contrasted with the company's production schedule from the 2022 scoping study (Figure 25), shown in grey. First, we have assumed no sale of phosphate concentrate until year 1 of the project plan, as opposed to the company's estimate of selling 164 Kt of phosphate concentrate in the second year of the pre-production phase (denoted as year -1 in the 2022 scoping study). While we do view the potential for the company to market the high-grade phosphate straight to customers without any processing from layer B (Figure 4) of the KM prospect, similar to the company's expectation of selling the high-grade phosphate from layer B of the KEL prospect in the pre-production years, we have maintained a conservative stance and assumed that all sales of phosphate concentrate will occur only once the processing plant is fully built and operational, which is expected to be in year 1.

Furthermore, variations in the production profile during the initial 10 years are attributed to the augmented mining schedule we have considered in our valuation framework, resulting from the low-strip and economically more favourable mining operations at the KM and SAB prospects. When front-loading the KM and SAB prospects and augmenting the mining schedule from the 2022 scoping study, we obtain the transition periods between mining the different prospects, due to the overlay of start-up and closure phases of the different mine prospects. Despite variations and overlays across the transition phases, our estimates consistently yield higher production each year than the 2022 scoping study, due to simplified mining economics at KM and SAB. Cumulatively over the initial 10 years, our model estimates production of 16.6 Mt and 16.7 Mt of marketable phosphate concentrate in the base case and upside case, respectively. In contrast, the 2022 scoping study estimated production of 15.0 Mt of phosphate concentrate solely from the

KEL prospect in the initial 10 years of mine life. Essentially, this is a 10.9% and 11.2% increase in production over the first 10 years in the base case and upside case, respectively, along with an estimated 6-year extension of mine life from the stated 46 years in the 2022 scoping study.

It is important to note that our estimates are conservative, as we have reduced the KEL strip ratio by a percentage in the base case and the upside case for the KM and SAB prospects, respectively. This approach adds a level of prudence to our estimate since the KM and SAB prospects are yet to be modelled out by the company in the optimised scoping study, hence we believe assuming a reduction on a percentage basis from the KEL strip ratio in the 2022 scoping study keeps our assumptions grounded and defensible while maintaining significant upside potential for a rerating once the updated scoping study is released in Q3 2026.

Utilising our revised annual production and our pricing assumption, the estimated total revenue in the initial 10 years is US$2,523.8 million in the base case and US$2.531.7 million in the upside case, which is a 12.2% and 12.5% increase, respectively, from the estimated revenue in the 2022 scoping study of US$2,250.0 million.

Operating Expenses Incorporating Lower-Strip Profile of KM and SAB Prospects

We believe the company may incorporate significant cost savings in the updated scoping study. We already have some guidance from the March 2026 quarterly report on potential cost savings, especially through lower strip ratios and the shift from two-stage to single-stage flotation. As highlighted earlier, mining waste ore is the third-highest cost for the company; reducing waste levels through low-strip mining at KM and SAB is expected to lower the cost base.

In the 2022 scoping study, the company outlined a cost of US$79.35 per tonne of concentrate produced. For the lower-strip prospects of KM and SAB, we have reduced the per-tonne cost of concentrate produced by 10% in the base case and 20% in the upside case. For the KEL prospect, we have maintained the same US$79.35 per tonne concentrate produced cost profile. While it is likely the company may outline a lower-cost profile in the updated scoping study for the initial 10 years, we have also considered the significantly higher inflation rate above 5% in Tunisia, compared to developed economies. To balance expectations between the higher inflationary environment in Tunisia and the lower cost base expected in the updated scoping study, we adopted an approach of reducing costs for the lower-strip prospects and maintaining costs for the prospects already considered in the 2022 scoping study. We believe this provides us with a realistic outlook on the project economics, considering the upside from a lower cost base and the risks associated with higher inflation in a developing economy like Tunisia.

Higher Expected Capex with Additional Prospects Considered in Initial 10 Years

We estimate the processing plant size to remain within the bounds of the stated processing plant in the 2022 scoping study. PhosCo's ambitions to establish a district-scale operation in Tunisia's Northern Phosphate Basin may support the construction of a larger processing plant than initially planned, especially if, in the long run, the company commercially mines the Sekarna area as well. However, our valuation framework focuses solely on the Gasaat project, as it is the most advanced, with an established resource base and a scoping study, and is due to have another scoping study followed by a BFS, providing a clear development pathway to commercially mine the phosphate. In contrast, PhosCo's other projects are still in the nascent stages compared to Gasaat, with limited drill-hole results. Considering this, we have maintained the capex assumption from the 2022 scoping study, with slight changes. First, since the augmented mining schedule is expected to mine KM, SAB, and then KEL in the initial 10 years, we considered the pre-production mining capital of US$3.2 million from the first year of pre-production capex and US$8.8 million from the second year of pre-production capex which was detailed in the 2022 scoping study to be applied to the start-up years across all 3 prospects in both scenarios. Hence, apart from the initial capex of US$76.1 million and US$93.4 million expected in the two years of pre-production capex, respectively, which is based on the 2022 scoping study, we have also added the pre-production mining capital as an additional cost in year 2 and year 3 for SAB and year 4 and 5 for KEL.

Furthermore, we have increased capex by 5% and 3% in the base case and upside case, respectively, relative to the costs detailed in the 2022 scoping study, resulting in a higher capex each year. The resultant capex schedule in the base case is US$79.9 million in year 1 of pre-production, US$98.1 million in year 2 of pre-production, US$3.3 million in year 2 and year 4 of production, and US$9.3 million in year 3 and year 5 of production, for a total capex of US$203.2 million. Similarly, the upside case scenario capex is estimated at US$199.3 million, with US$78.4 million in year 1 of pre-production, US$96.2 million in year 2 of pre-production, US$3.2 million in year 2 and year 4 of production, and US$9.1 million in year 3 and year 5 of production.

Theoretical Assumed Financing Required for Initial Capex

The estimated capex is US$203.2 million in the base case and US$199.3 million in the upside case, equivalent to A$280.3 million and A$275.0 million, respectively, at the AUD/USD exchange rate of US$0.72. We believe the company may utilise a combination of debt and equity to raise this capital. Currently, the company has a non-binding MOU with the EBRD to finance it until the BFS; however, once FID is made and the project progresses to the pre-production construction phase, it will require significant capex that will require the company to issue a combination of debt and equity to raise the necessary capital. As such, we have assumed a 40-60 split between the debt and equity to finance the project in both scenarios. This makes our model more robust, considering the additional financing and potential dilution investors may face in the future.

For the debt component, to raise A$112.1 million in the base case and A$110.0 million in the upside case, we assumed an 8% yield over a 10-year timeframe, resulting in total interest payments of A$16.7 million and A$16.4 million per annum in the respective scenarios. Since the project is modelled out in US$, the resultant annual interest expense is US$12.1 million in the base case and US$11.9 million in the upside case.

The remaining A$168.2 million in the base case and A$165.0 million in the upside case are assumed to be raised through equity issuance. Assuming the company issues equity at A$0.20, the resultant number of shares issued will be 840.95 million in the base case and 824.93 million in the upside case. Currently, the ordinary fully paid shares are 482.94 million, and the diluted shares outstanding are 675.40 million. Diluted shares outstanding include unlisted securities attributable to options and performance rights. Overall, assuming the equity issuance considered in our valuation framework, the potential total diluted shares outstanding are 1,516.35 million in the base case and 1,500.33 million in the upside case.

Investors must note that this is a theoretically assumed shares outstanding, which we have incorporated into our valuation to account for the project financing required to fund the initial capex to start the project. Similarly, the debt component is also theoretical, and the company may choose a different capital structure than the one we assumed in our valuation framework.

Tax and Royalty

The Tunisian mining code establishes a corporate tax rate of 25% on mining profits, with a five-year tax holiday effective from the commencement of commercial production. In addition to the tax rate, a 1% royalty on gross sales is also applied and payable semi-annually. Our model incorporates these fiscal parameters in both the base case and the upside case, aligning with the assumptions underpinning the 2022 scoping study.

Discount Rate

We utilised the weighted average cost of capital (WACC) to obtain an appropriate discount rate, augmenting the standard WACC equation to account for country-specific risks, given that PhosCo is an ASX-listed company with all of its projects located in Tunisia. Based on our analysis, PhosCo is well-positioned to establish a district-scale presence in Tunisia's Northern Phosphate Basin, with ample government support and EBRD funding. The MOU between the three parties provides confidence in PhosCo's operational prospects in Tunisia, minimising regulatory and financing risk for the decades-long Gasaat project. However, to remain prudent, we have added a country risk premium to the equity component of the WACC.

The two components of the WACC are equity and debt. For the equity component, we used the Australian 10-year bond yield of 5.03% as a proxy for the risk-free rate, a levered beta of 1.56 that was obtained using the industry average unlevered beta adjusted by PhosCo's capital structure, and average market returns of 9.30% based on the average ASX returns from 1 July 1995 to 30 June 2025, according to Vanguard. In addition to the standard variables, we incorporated a country risk premium, as all of PhosCo's projects are in Tunisia, which inevitably entails additional risk compared to a company with operations in Australia. For the country risk premium, we utilised Damodaran's estimate for Tunisia of 9.71%, however discounted it by 25% in the base case and 40% in the upside case, based on our view that PhosCo is well-funded, has adequate government support, and is on track to provide steady news flow with sufficient catalysts expected in the year to propel the project through the development pathway of an updated scoping study, BFS, and followed by which a FID on the project is expected to be made.

For the debt component, we have factored in the debt from the unsecured TMS cash call obligations, which were incurred through transactions between TMS and CPSA until 2021. This is currently under forensic financial and legal audits, the outcomes of which are uncertain at this stage. However, to ensure our valuation captures all aspects, we have considered the A$7.2 million debt, which is expected to accrue interest at 8% per annum. This yield is the same as our theoretically assumed debt financing of A$112.1 million in the base case and A$110.0 million in the upside case, which is essential for the initial capex of the project.

The company's capital structure is weighted based on our theoretical 40-60 debt-to-equity split. Based on these factors, we obtained a WACC of 13.80% in the base case and 12.90% in the upside case.

Terminal Growth Rate

We assumed a terminal growth rate of 2% after the first 10 years of mine life. Given that the 2022 scoping study highlighted a long mine life of 46 years, which considered only 2 of the current 9 identified prospects at Gasaat, we believe it is prudent to use the standard 10-year DCF model and apply a terminal growth rate. As highlighted, the company has an updated MRE with expectations of the KM and SAB prospect being front-loaded in the mining schedule, given its low-strip and improved economic profile, adding an additional 6 years to mine life based on our assumptions from the 2022 scoping study. Beyond the prospects included in the MRE, the company still has other prospects at the project that are yet to be drilled, tested, and considered in the MRE. As such, there is upside potential to extend the mine life well beyond current expectations, depending on the additional tonnes of phosphate rock that the other prospects may contribute to the MRE. Hence, we believe that assuming a terminal growth rate after the first 10 years is a reasonable estimate that captures PhosCo's potential as it progresses along the development pathway toward attaining multi-decade, district-scale producer status in Tunisia.

Target Share Price of $0.51 - $0.61

A quick summary of the initial 10 years, which we have considered in our valuation framework, helps compare how the various assumptions have impacted the project economics from the 2022 scoping study (Figure 26). First, the total material movement reduced by 0.3% in the base case and 1.2% in the upside case. More importantly, the waste ore extracted in the initial year decreases by 3.8% in the base case and 5.1% in the upside case. In line with this, the production ore increases by 11.5% in the base case and 11.9% in the upside case. The important takeaway from this updated view we have formed is that overall PhosCo has to extract fewer volumes of total material in the initial 10 years compared to the 2022 scoping study, at the same time the production ore volume extracted has bolstered, resultant of the amplified mining economics of KM and SAB, essentially providing the company with more production ore to beneficiate and enhance to the 30% P_2O_5 grade which is considered to be high grade and thus commands premium pricing. **In essence, fewer volumes need to be mined, but more ore is processed, boosting not just revenues but also margins.** This has resulted in phosphate concentrate production increasing by 10.9% in the base case and 11.2% in the upside case, with revenue increasing by 12.2% and 12.5% in the respective scenarios.

Figure 26: Valuation Framework Summary of Assumptions

Initial 10 Years	2022 Scoping Study	Base Case	Upside Case
Total Material Movement (Mt)	122.7	122.3	121.2
Change		-0.3%	-1.2%
Waste Ore (Mt)	94.8	91.2	90.0
Change		-3.8%	-5.1%
Production Ore (Mt)	27.9	31.1	31.2
Change		11.5%	11.9%
Phosphate Concentrate (Mt)	15.0	16.6	16.7
Change		10.9%	11.2%
Revenue (US$M)	2,250.0	2,523.8	2,531.7
Change		12.2%	12.5%
Operating Expenses (US$M)	(1,190.3)	(1,247.2)	(1,178.0)
Change		4.8%	-1.0%
Operating Cash Flow (US$M)	1,059.8	1,276.6	1,353.6
Change		20.5%	27.7%
Capex (US$M)	(169.5)	(203.2)	(199.3)
Change		19.9%	17.6%
NPV (US$M)	657.0	521.1	622.1
Change		-20.7%	-5.3%

Source: East Coast Research

Moving to expenses, operating expenses increased by 4.8% in the base case and decreased by 1% in the upside case. This difference is a result of the higher volumes that are expected to be processed and the difference in the reduction in cost for the low-strip prospects in the base case and the upside case. The operating cash flow increased in both scenarios by 20.5% in the base case and 27.7% in the upside case. Our assumptions also led to capex increasing by 19.9% in the base case and by 17.6% in the upside case. Based on all these changes and additional considerations, such as financing for the initial capex, we obtain an NPV of US$521.1 million in the base case and US$622.1 million in the upside case. The base case is 20.7% lower than the reported NPV in the 2022 scoping study, while the upside case is only 5.3% lower. The NPV we derived also accounts for financing capital, which the 2022 scoping study did not consider, along with other changes, such as higher volumes produced through front-loading of the low-strip prospects and higher capex. Overall, we believe the NPV we derived is robust and well within the ±35% accuracy of the 2022 scoping study.

Figure 27: PhosCo Valuation

Valuation	Base Case	Upside Case
Gasaat NPV (A$M)	718.86	858.24
Enterprise Value (A$M)	**718.86**	**858.24**
Cash (A$M)[1]	175.58	172.37
Debt (A$M)[1]	119.37	117.24
Equity Value (A$M)	**775.07**	**913.37**
Diluted Shares Outstanding (M)[1]	1,516.35	1,500.33
Target Price (A$)	**0.51**	**0.61**
Current Price (A$)	0.12	0.12
Upside (%)	344%	429%
Midpoint (A$)	**0.56**	
Upside (%)	**387%**	
Price/NAV (x)	**0.21x**	

[1] cash, debt, and diluted shares outstanding account for the theoretical financing assumptions we incorporated for the initial project capex

Source: East Coast Research

Our valuation framework has resulted in the mid-point target price of $0.56 (387% upside). This is based on the base case target price of $0.51 (344% upside) and the upside case target price of $0.61 (429% upside).

Risks & Re-Rating

Catalysts for Positive Re-rating

Updated Scoping Study: The updated scoping study is expected to be announced in Q3 2026, providing us with an updated view of the company's plans and economics for the Gasaat project, instilling confidence in the project's prospects, with an accuracy of ±35%.

BFS: Post the updated scoping study, the company aims to conduct a BFS, which is a technically robust study, significantly improving the accuracy to ±10%-15%, which the company may use to make the FID and transition to a producer.

Drilling Results: Drill results at the other prospects at Gasaat, which show similar phosphate mineralisation and may potentially be included in the MRE and extend the mine life further. A larger resource base would also strengthen the project's long-term development potential and enhance confidence in the broader district-scale opportunity.

Approval of Debt-Funding for Project: Once the DFS is completed, we believe the company may secure debt funding, which is expected to lower the cost of capital and, subsequently, reduce the discount rate.

Obtaining Necessary Regulatory Approvals: Achieving further regulatory approvals and support from the Tunisian government to produce phosphate concentrate is expected to act as a derisking step as the company obtains regulatory clearance.

Key Risks to Price Target

Jurisdictional Risk: This remains a key consideration for PhosCo, given the company's prior legal dispute that delayed project progress and underscored the complexities of operating in Tunisia. While the company has since secured the relevant government support and made meaningful progress on permitting and project advancement, investors should continue to recognise that legal, regulatory, or administrative challenges could still emerge and affect development timelines.

Funding Risk: The company has the backing of EBRD, partially mitigating funding risk and strengthening its financing profile and development credibility. That said, as with any early-stage mining project, future funding requirements will still need to be met on acceptable terms to support execution and value creation.

Inflation Risk: Tunisia is still a developing country and is characterised by periods of unexpected high inflation, such as in Feb 2023 when inflation hit a peak of 10.44%, and as of March 2026, the inflation rate is at 5.02%, which is the lowest it has been in the past 5 years. Given the significantly higher inflation in Tunisia than in developed countries, there is a risk of higher-than-expected costs, which could impact our forecast and project economics.

Phosphate Price: Our valuation of PhosCo is highly sensitive to the price of phosphate rock. It is important to understand that the nuanced pricing of phosphate rock is highly dependent on grade. Higher grades command a premium price in the market. Hence, the prices realised by PhosCo may be higher or lower than the US$150-US$155/t price we assumed in the model.

Appendix I: SWOT Analysis

Figure 28: SWOT Analysis

Strengths	Weaknesses
1. **2022 Scoping Study Highlights Strong Economics:** The 2022 scoping study highlighted a strong after-tax NPV_{10} of US$657 and an after-tax IRR of 54%, showcasing strong project economics. 2. **Strongly supported by EBRD:** The company has been awarded a €1M grant from EBRD who will also invest a further $7.5M in PhosCo via the exercise of options to fund a large portion of the Gasaat BFS (subject to EBRD's due diligence). 3. **Resource Growth Extends Mine Life and Expected to Improve Economics:** Extensive drilling at KM and SAB has resulted in resource growth of 13.8% in the updated MRE compared to the resources considered in the 2022 scoping study, with identification of low-strip prospects potentially simplifying and enhancing mining economics.	1. **Pre-Production, Pre-Revenue Developer:** PhosCo is still in the developer stage with no operating cash flow. Multiple studies and approvals are required for the company to progress from the current pre-revenue stage to becoming a fully operational phosphate rock producer. 2. **Single-Country Risk:** The company is also highly concentrated, both geographically and operationally. Its value proposition is largely tied to a single jurisdiction, Tunisia, and a single phosphate district, which means project-specific issues can have an outsized impact on valuation and sentiment.
Opportunities	**Threats**
1. **Further Drilling:** With drilling continuing at the Gasaat project, identification of mineralisation at other prospects not included in the MRE is expected to add to the current resource base and potentially increase mine life as well if considered in the mining schedule. 2. **Optimised Scoping Study:** The company is well on track to complete the optimised scoping study, which updates the scoping study completed in 2022, incorporating the updated MRE and potentially front-loading the low-strip, simpler mining prospects to improve mining economics. 3. **BFS:** Post the updated scoping study, the company is expecting to conduct the BFS, improving confidence in the project, as a BFS will include detailed technicals with an accuracy of ±10% to ±15%. 4. **Diversification Optionality to Precious and Base Metals:** The Simitu Permit provides the company with diversification optionality to explore and conduct further derisking activities to mine precious and base metals.	1. **Exchange Rate Risk:** Fluctuations in currency, especially between AUD, USD, and TND, pose a threat as phosphate prices are mostly denominated in USD, with mining operations in TND, and the company being listed on the ASX. 2. **Regulatory Risk:** The company has yet to obtain key regulatory approvals to conduct mining operations in Tunisia's Northern Phosphate Basin. If it fails to obtain them, it poses a significant threat to the mining operations at Gasaat. 3. **Inflation Risk:** Tunisia's high inflation rate compared to developed countries may result in unexpected cost shocks, which may negatively impact operations and also the overall NPV. 4. **Project Execution Risk:** Even with a strong resource base, outcomes will depend on metallurgy, strip ratio assumptions, plant design, logistics, water availability, and the ability to translate geological upside into a robust operating plan.

Source: East Coast Research

Appendix II: Management Team

Figure 29: Leadership Team

Name and Designation	Profile
Mr Robin Widdup **Chairman**	• Robin has over 40 years of mining industry and equity market experience. • He's the founder and director of Lion Selection Group Limited, one of PhosCo's largest shareholders.
Mr Tarecq Aldaoud **Managing Director**	• Taz is a chemist and entrepreneur with a strong background in management, sales, and marketing. He currently serves as a managing partner at Chemist Warehouse. Taz has a deep understanding of investment markets, specialising in emerging companies in the mineral resources sector.
Mr Mehdi Ben Abdallah **Executive Director**	• Mehdi Ben Abdallah is 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 of International Relations with the leading Tunisian employers' association. • He also holds several senior Leadership roles with bilateral chambers of commerce in Tunis and London.
Mr Sam Lancuba **Non-Executive Director**	• Sam Lancuba is a chemical engineer with more than 45 years' experience in all aspects of the global fertiliser industry, following an extensive career with Incitec Pivot Limited. • He has extensive technical and market experience of fertiliser processing operations and products throughout the world, having consulted to industry clients in Australia, New Zealand, USA, South America, Europe, India and China.
Mr Craig Smyth **Chief Financial Officer**	• Craig has over 25 years of accounting experience in mining investment and finance. Craig's financial background includes Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. • Craig is a member of the Institute of Chartered Accountants of Australia and New Zealand.

Source: Company

Appendix IV: Analyst's Qualifications

Derrick Johny

Derrick Johny, the analyst on this report, is an Equity Research Analyst at Shares in Value (East Coast Research). He holds a bachelor's in business and commerce from Monash University and a Master of Economics from the University of Sydney. He has also passed the Chartered Financial Analyst (CFA) Level 1 exam.

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