

PhosCo Ltd

ABN 82 139 255 771

Annual Report - 30 June 2026

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Directors

Mr Robin Widdup (Chairman)
Mr Tarecq Aldaoud (Managing Director)
Mr Mehdi Ben Abdallah (Executive Director)
Mr Sam Lancuba (Non-Executive Director)

Interim CFO

Mr Craig Smyth

Company secretary

Mr Stefan Ross

Registered office

Suite 2, Level 11, 385 Bourke Street,
Melbourne, VIC 3000
Australia
+61 3 9692 7222

Principal place of business

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+61 3 9692 7222

Share register

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000
1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)

Auditor

Grant Thornton Audit Pty Ltd
Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Stock exchange listing

PhosCo Ltd shares are listed on the Australian Securities Exchange
(ASX code: PHO)

Website

www.phosco.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of PhosCo Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026 (FY 2026).

Directors

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

Mr Robin Widdup (Chairman)
Mr Tarecq Aldaoud (Managing Director)
Mr Mehdi Ben Abdallah (Executive Director)
Mr Sam Lancuba (Non-Executive Director)

Principal activities

During the financial year ended 30 June 2026, the Consolidated Entity's principal activities are the exploration for, development and realisation of mineral resource projects in Tunisia.

Review of operations

Gasaat Phosphate Project, Tunisia

Gasaat is a large-scale phosphate development project discovered by PhosCo Ltd in 2010. The project is advancing rapidly with strong Government and community support. The permit is owned 100% by PhosCo and contains a high confidence Mineral Resource⁽¹⁾ of 166.6Mt @ 20.6% P₂O₅. This includes maiden resources for the low-strip KM and SAB deposits, announced in May 2026, which increased the overall JORC Mineral Resource estimate.

Gasaat is a technically advanced project, underpinned by a Scoping Study completed in December 2022⁽²⁾. The study is currently being updated to incorporate new technical information and resource growth, with the updated study expected to be released in October 2026, ahead of the commencement of a Bankable Feasibility Study later in the 2026 calendar year.

Maiden Resource Estimate – KM and SAB

On 5 May 2026, PhosCo released maiden Mineral Resource Estimates for the KM and SAB prospects within Gasaat Phosphate Project total 20.2Mt at 20.5% P₂O₅, including 14.2Mt classified as Indicated. These sit alongside the existing defined resources across the GK and KEL prospects. The already substantial global resource has grown further, extending Gasaat's scale and potential mine life, with five prospects still to be fully evaluated.

The new KM and SAB deposits are expected to have a significant impact on the early production and cashflow at Gasaat due to their low strip ratios and close proximity to the proposed processing plant. Mine planning is underway and metallurgical test work is well-advanced, both of which will be incorporated into the updated scoping study due in the next quarter.

Measured (29%) and Indicated (63%) Resources represent 92% of total Resources at Gasaat, providing a strong foundation for a Bankable Feasibility Study.

Gasaat has potential for the development of a large scale, long life world-class phosphate mining operation and is strategically located in Tunisia close to key export markets and end users.

(1) Refer to ASX announcement dated 5/5/26: 'Maiden resource boost scale and economic outlook', announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' & ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.

(2) Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.

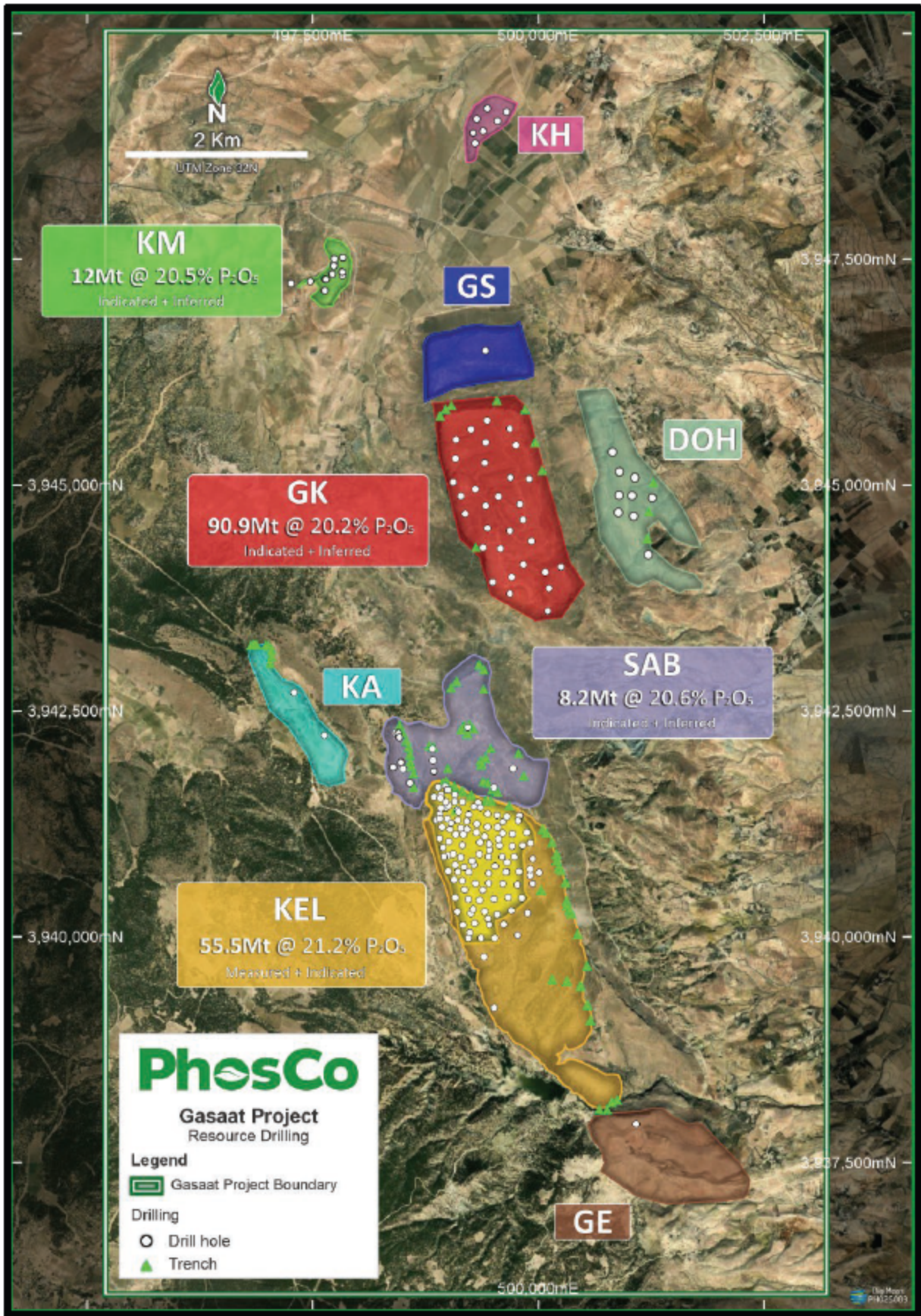


Figure 1 Gasaat Project Prospect map

Table 1a

Total MRE for KM & SAB, May 2026 (JORC 2012)
at 8% P₂O₅ cut-off

Classification	Tonnage (Mt)	P ₂ O ₅ (%)
Indicated	14.2	20.7
Inferred	6.0	20.1
Total (KM & SAB)	20.2	20.5

Table 1b

KM Deposit MRE, May 2026 (JORC 2012)
at 8% P₂O₅ cut-off

Classification	Tonnage (Mt)	P ₂ O ₅ (%)
Indicated	8.6	20.6
Inferred	3.4	20.3
Total (KM MRE)	12.0	20.5

Table 1c

SAB Deposit MRE, May 2026 (JORC 2012)
at 8% P₂O₅ cut-off

Classification	Tonnage (Mt)	P ₂ O ₅ (%)
Indicated	5.6	20.9
Inferred	2.6	19.9
Total (SAB MRE)	8.2	20.6

Table 2

Gasaat Project Global MRE

Prospect	JORC 2012	Mt	P ₂ O 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

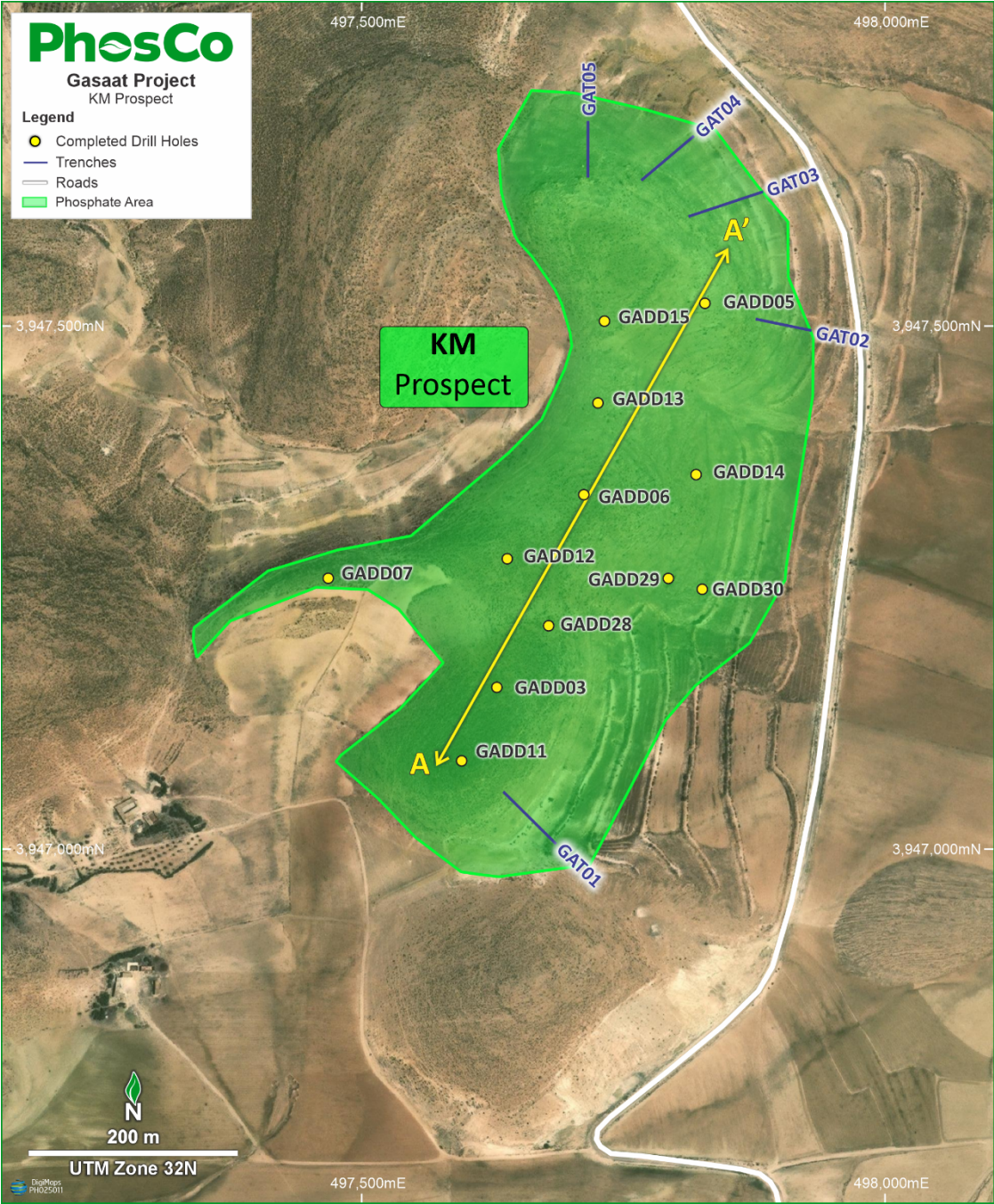


Figure 2 KM Prospect showing location of Section A-A' and drill holes.

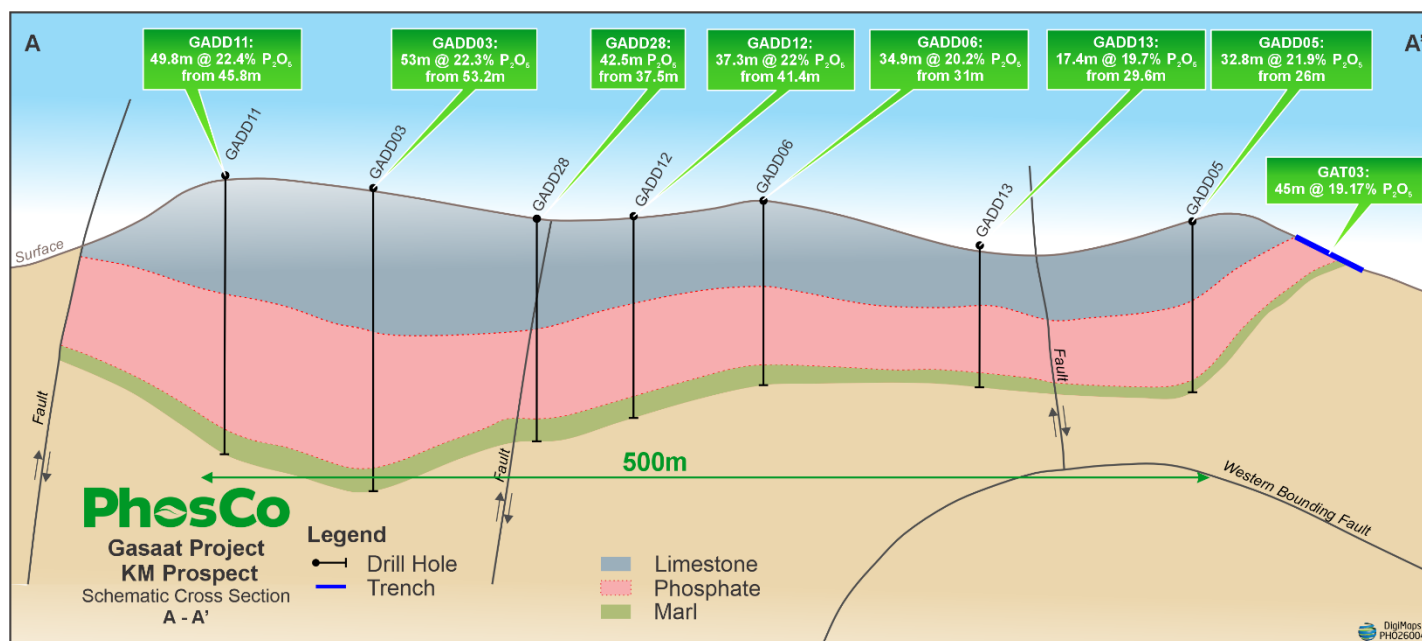


Figure 3 KM Section A-A' showing generalised geology as determined from drilling, trenching and outcrop mapping.

DOH Discovery

On 3 June 2026, the Company reported drilling at the DOH prospect had returned strong assays which show it is a phosphate discovery with significant scale. The phosphate horizon was intersected at an average thickness of 13m and extending over a strike length of 1.3km and a width of more than 600m.

Infill and extension drilling will be done at DOH to better constrain the phosphate mineralisation and also define the extent of the mineralisation ahead of mineral resource estimation.

Table 4

DOH Drillings Assays

Intercepts from the latest drilling include:

Hole	Intercept
GADD-2025-20	12.5m @ 20.08% P ₂ O ₅ from 93.3m
	incl 2.4m @ 23.10% P ₂ O ₅ from 95.3m
	incl 3m @ 24.93% P ₂ O ₅ from 99.7m
GADD-2025-21	10.1m @ 20.32% P ₂ O ₅ from 103.7m
	incl 2m @ 23.95% P ₂ O ₅ from 104.7m
	incl 2.9m @ 24.32% P ₂ O ₅ from 109.7m
GADD-2025-22	11.5m @ 20.30% P ₂ O ₅ from 68.1m
	incl 2m @ 25.18% P ₂ O ₅ from 68.1m
	incl 3.7m @ 24.84% P ₂ O ₅ from 73.1m
GADD-2025-23	13.3m @ 20.24% P ₂ O ₅ from 78.1m
	incl 1.7m @ 24.96% P ₂ O ₅ from 81.1m
	incl 2m @ 25.71% P ₂ O ₅ from 85.8m
GADD-2025-25	15m @ 19.88% P ₂ O ₅ from 25m
	incl 2.7m @ 24.26% P ₂ O ₅ from 27m
	incl 4.4m @ 24.25% P ₂ O ₅ from 32.7m
GADD-2025-26	14.5m @ 20.18% P ₂ O ₅ from 57.7m
	incl 2m @ 24.34% P ₂ O ₅ from 60.9m
	incl 4.1m @ 24.44% P ₂ O ₅ from 65.9m
GADD-2025-27	6.4m @ 19.45% P ₂ O ₅ from 56m
	incl 2.5m @ 23.4% P ₂ O ₅ from 57m

Previously announced intercepts include:

CHDD-65	6.9m @ 16.7% P ₂ O ₅ from 45m
CHDD-66	13.4m @ 18.8% P ₂ O ₅ from 59m

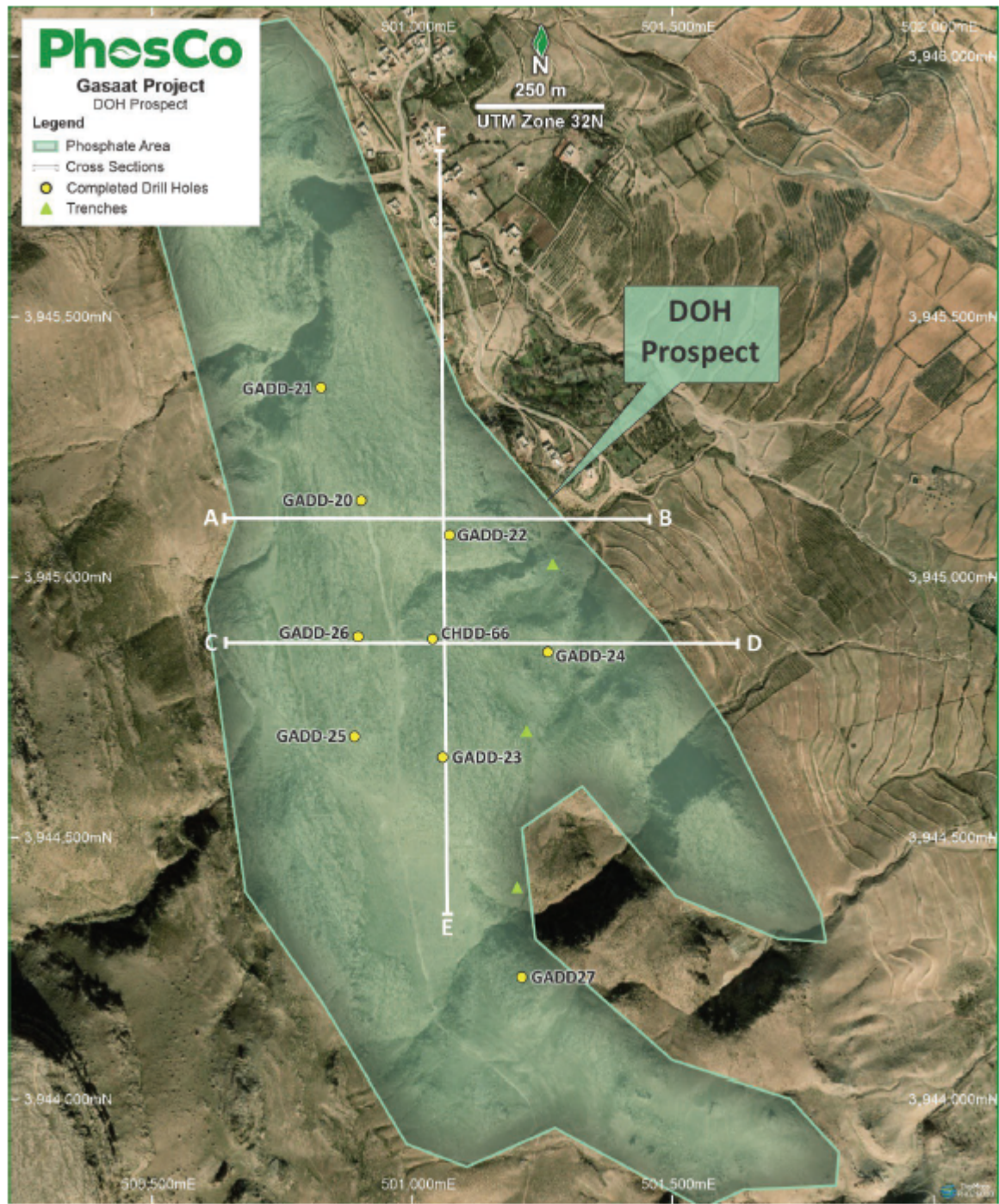
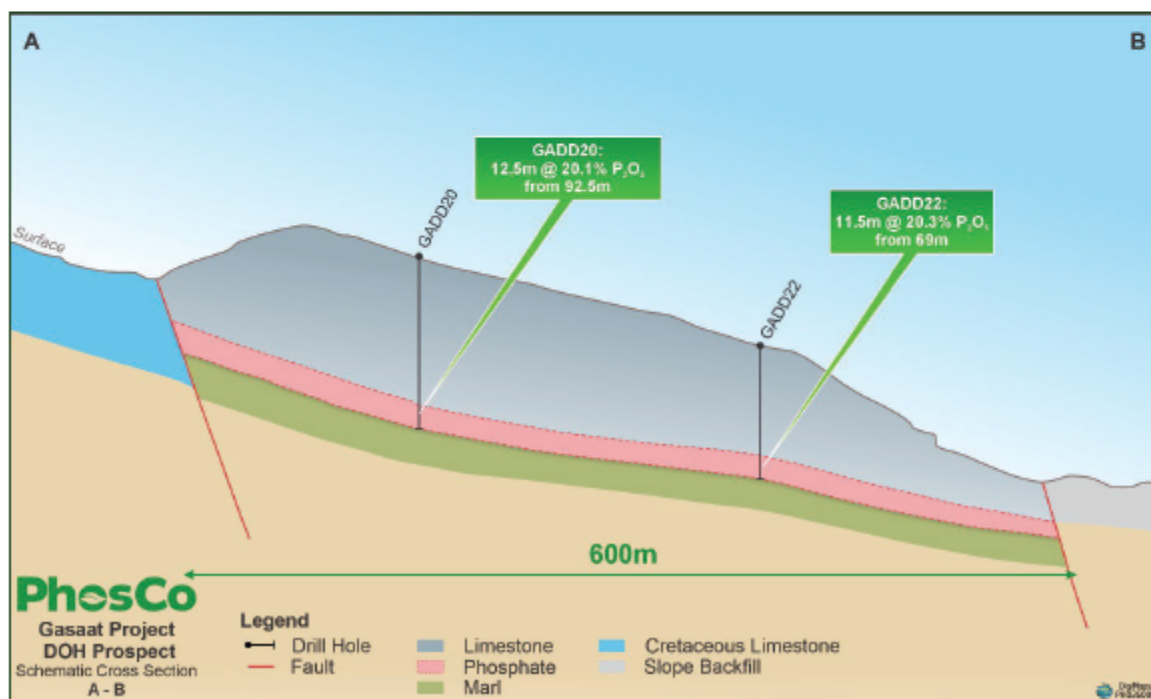
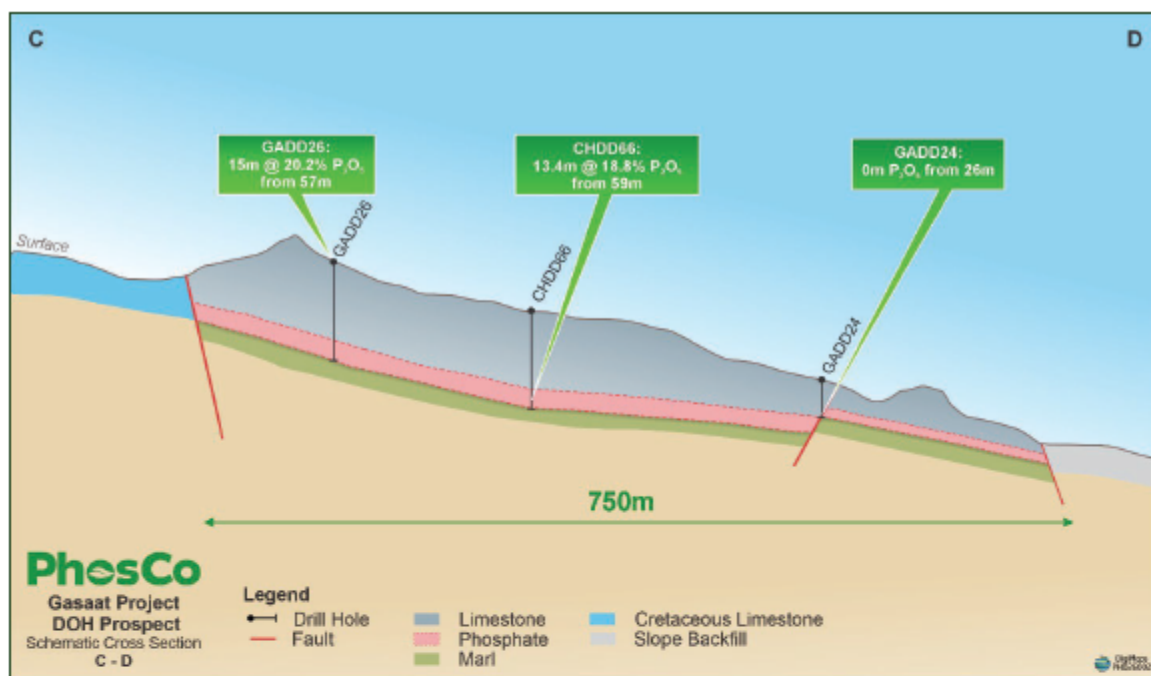


Figure 4. DOH Prospect showing locations of reported drill holes.



Figures 5 and 6 DOH Sections C-D and A-B showing generalised geology as determined from drilling, trenching and outcrop mapping

KH Prospect — New Discovery

On 9 June 2026, PhosCo announced a new phosphate discovery at the KH prospect, the northernmost target at Gasaat. A five-hole drill program intersected wide phosphate zones ranging from 16.5 metres to 20.5 metres down-hole, extending the footprint of known mineralisation across the project.

The shallow nature of the KH mineralisation, which outcrops in places, points to another discovery that could boost the overall economics of Gasaat, particularly in the early years of production.

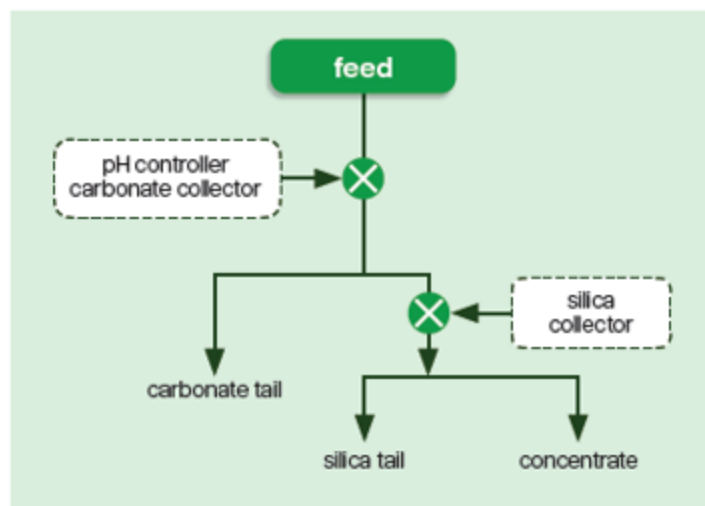
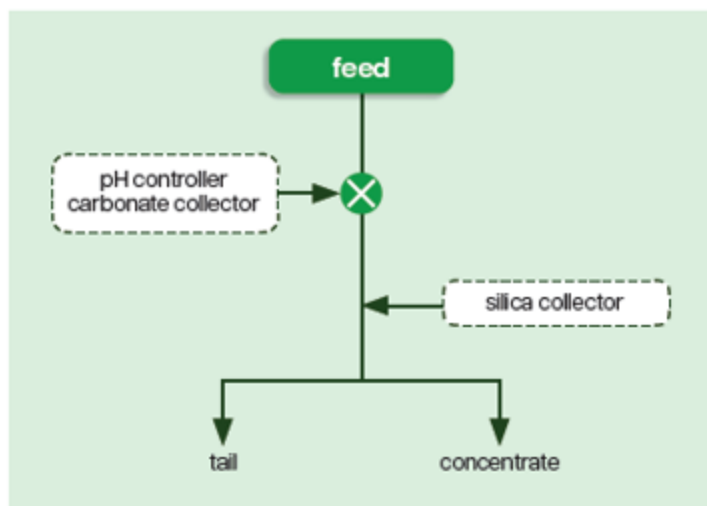
Breakthrough Metallurgical Test Results

On 26 May 2026, the Company announced flotation metallurgical test results which show that a simple, single-stage flotation circuit produces commercial grade phosphate of up to 31.4% P_2O_5 . A summary of first pass flotation test results, carried out at Bureau Veritas Minerals (Adelaide) is listed in Table 3 (below).

Concentrate grades from the un-optimised tests ranged from 29.5% to 31.4% P_2O_5 at recoveries between 75.1% to 83.7% P_2O_5 . Each concentrate demonstrated excellent SiO_2 content between 4.38% and 5.16%, whilst the Hole 05 Layer B test in particular produced an excellent Minor Element Ratio (MER) of 0.087 $[(\%Fe_2O_3 + \%Al_2O_3 + \%MgO) / (\%P_2O_5)]$. This MER is typically in the range of being able to produce high quality phosphoric acid and fertiliser products such as Monoammonium phosphate (MAP) and Diammonium phosphate (DAP).

This breakthrough means three silica flotation steps can be eliminated, reducing the technical risk, process complexity, and, importantly, capital and operating costs. The flotation tests carried out on KM ore have established a simplified flowsheet compared to the original Jacobs Engineering Process that was based on a composite of the three phosphate layers of the deposit (A, B and C).

Essentially the new Single Stage flotation process applies the same key processes as Two Stage flotation, just with a materially simplified flowsheet. The proposed PhosCo Single Stage flotation process for Gasaat is a direct reverse flotation method whereby the carbonates and silica are removed simultaneously in a Single Rougher and Cleaner Flotation Stage (see Figures 3a and 3b below).



Figures 3a and 3b Schematic Single Stage Flotation versus Two Stage Flotation

Table 3 First Pass KM Flotation Test Results

Flotation Test	Feed Grade P_2O_5 (%)	Concentrate Grade P_2O_5 (%)	Concentrate Grade SiO_2 (%)	Recovery P_2O_5 (%)	MER
Hole 05 Layer B	25.0	31.4	4.38	75.1	0.087
Hole 03 Layer AB+B	24.4	29.5	5.16	81.4	0.113
Hole 03 Layer B	25.7	29.6	4.82	83.7	0.120

A further advantage of the proposed process is the use of 'hard' water containing elevated levels of calcium and magnesium up to 300 ppm. Phosphate operations utilising 'straight' flotation methods typically require expensive reverse osmosis plants to produce water that is 'clean' or containing <20 ppm $\text{Ca}^{2+} + \text{Mg}^{2+}$ to attain the desired P_2O_5 concentrate grades and recoveries. The current flotation tests demonstrate that only minimal or zero water cleaning could be required for the saline Gasaat bore water.

Concentrate grade is correlated to reagent dosage, opening the possibility of customising reagent application to match concentrate specifications.

Other Tenements

Sekarna Exploration Permit

PhosCo's Sekarna Exploration Permit includes rolling hills to the north that are mapped as phosphate mineralisation along strike from Sra Quartane, along with outcropping areas of phosphate mineralisation in the southern portion of the tenement. It was always known that the southern area had the additional complexity of having an area with a shallow, base metal overprint (zinc, lead, and barite). PhosCo was subsequently informed that this southern permit area falls within a proposed nature reserve.

PhosCo's focus at Sekarna is turning to the northern part of the project, with reconnaissance work planned in the coming quarter in the north of the tenement. No previous drilling is known in this area.

PhosCo's in-country team is planning a reconnaissance program in the northern portion of the tenement that is both free from the potential nature reserve and does not have known base metal mineralisation.

PhosCo continues to actively engage with both the Ministry of Industry, Energy and Mines and the Forestry Department on the southern section of the tenement 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.

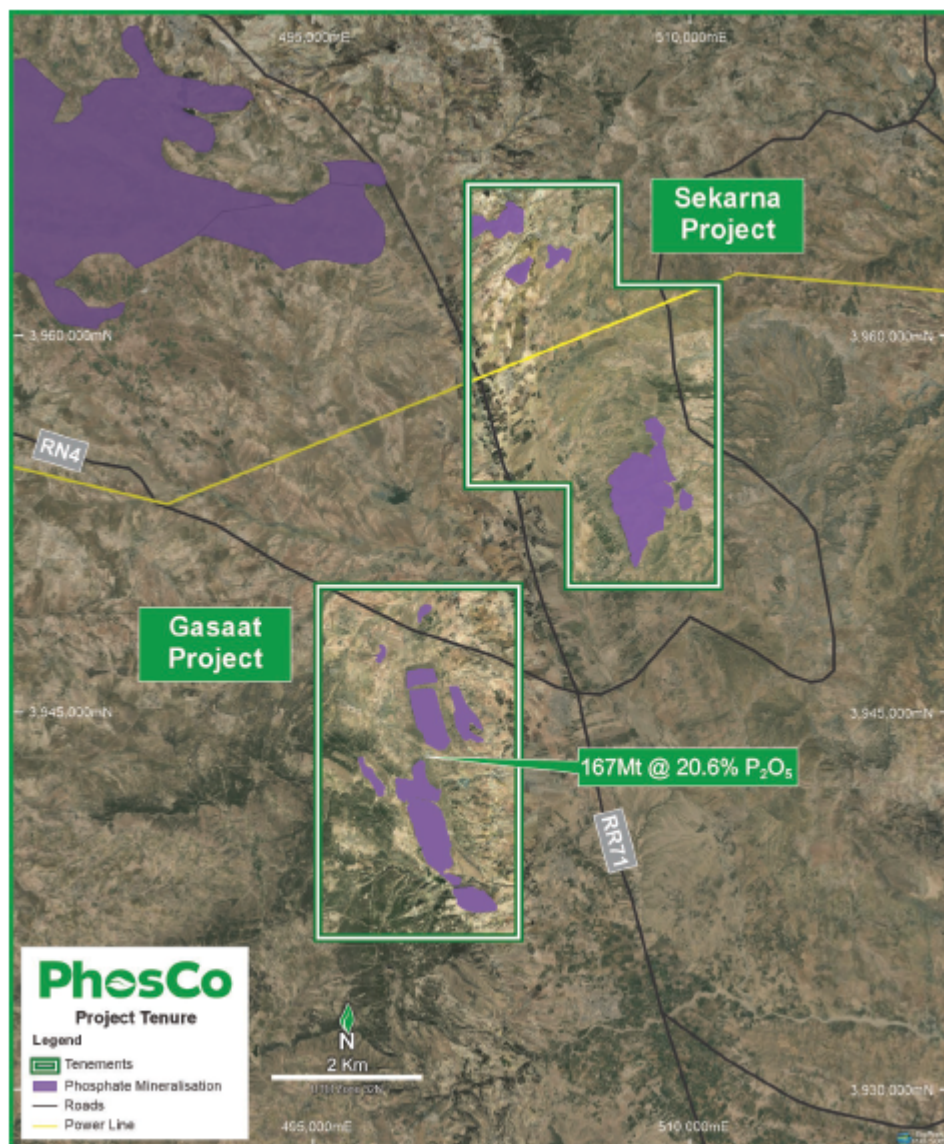


Figure 7 Regional map of Gasaat and Sekarna

Simitu Project, Tunisia King's Eye Prospect

On 22 June 2026, PhosCo announced the commencement of a four to six hole maiden drilling program at the King's Eye Prospect within the Company's 100% owned Simitu Project in northern Tunisia (Figure 8).

The drilling is following up promising copper, antimony, silver and zinc results announced on 29 April 2026 from selective rock chip sampling from outcrop and historical workings along with geophysical surveys.

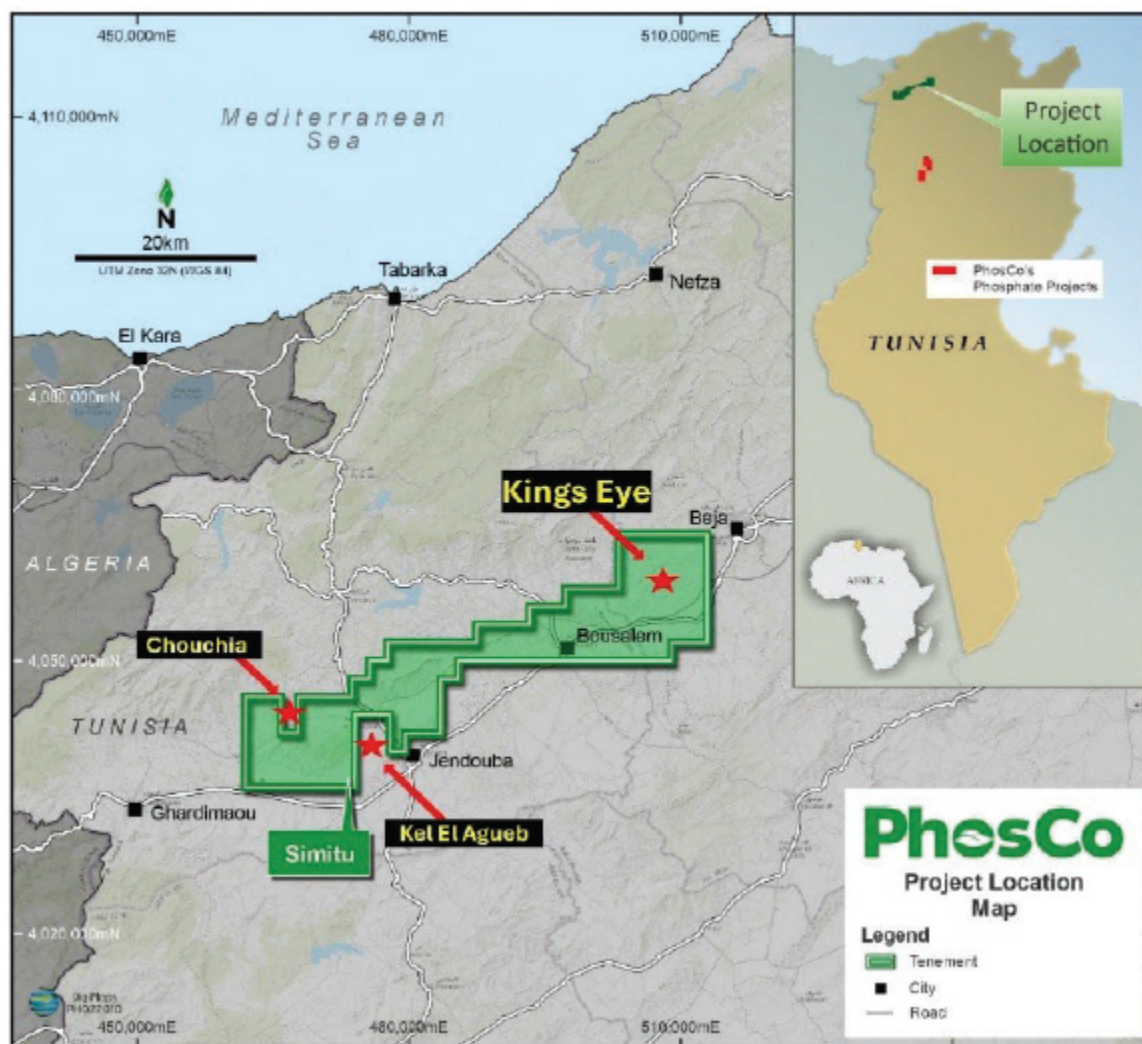


Figure 8 Simitu project showing location of King's Eye and other prospects.

EBRD Potential Strategic Investment

PhosCo announced on 30 October 2025 that EBRD had awarded a €1 million (approximately \$1.8 million) grant to advance Gasaat Phosphate Project, progressing toward its goal of becoming a cost competitive globally significant fertiliser producer. The grant is specifically earmarked for technical work prioritising project optimisation to position PhosCo as a low-cost fertiliser producer, including low strip deposits which will enhance the Gasaat project's economics early in its life. PhosCo continue to manage the work program as usual, with EBRD to pay for the work. In parallel with EBRD's grant, Taz Aldaoud (Managing Director) invested \$1.1 million in PhosCo by exercising 21.4 million options early in November 2025.

On 19 June 2026 PhosCo announced that it had received \$1,025,990 (€643,000) first instalment from EBRD as the Company continues to advance its Gasaat Phosphate toward key development milestones in 2026. A further approximately \$700,000 is expected to be received during 2027 financial year, subject to the achievement of certain pre-agreed project milestones.

Linked to the funding arrangement, PhosCo issued 150,000,000 Options to EBRD (EBRD Options) exercisable at \$0.050 (5 cents), consistent with the terms set out in its Mandate Letter announced on 11 March 2025. The Options provide EBRD with the right (but not the obligation) to invest 120 days after the release of PhosCo's Updated Scoping Study, with funds from the option exercise representing a significant portion of the funding required for the Gasaat Bankable Feasibility Study (BFS).

60,000,000 EBRD Options were issued on 3 November 2025. An additional 90,000,000 Options were issued on 22 December 2025.

The EBRD Options will expire on the earlier of

- (i) 120 days from the release of an Updated Scoping Study and
- (ii) 31 January 2028.

Successful Legacy Enforcement Action

PhosCo, through its wholly owned subsidiary, Celamin Pty Ltd ("Celamin") holds a majority interest (50.99%) in Chaketma Phosphates SA (CPSA), the legacy project company for the Chaketma phosphate project in Tunisia. Tunisian Mining Services SARL (TMS), the former joint venture partner and holder of the remaining 49% interest in CPSA, has failed to satisfy damages and costs awarded to PhosCo under an Arbitral Award issued in November 2017 and enforced in Tunisia in September 2019. The Award arose from TMS's fraudulent transfer of PhosCo's interest in CPSA in 2015.

On 6 June 2025, PhosCo and Celamin, were served with a Request for Arbitration by TMS under the ICC Rules in connection with CPSA. Subsequently, on 1 October 2025, the Company announced that the ICC arbitration had been terminated. The ICC Secretariat found that TMS had breached the ICC Rules by failing to pay the required arbitration fees and accordingly withdrew and closed the proceedings against PhosCo and Celamin. This decision is consistent with, and further supports, the validity and enforcement of the original ICC Arbitral Award, which was recognised and enforced in Tunisia in September 2019.

The amount of damages, costs and accrued interest owed by TMS changed during the year due to movements in foreign exchange rates and the accrual of additional interest. As at 30 June 2026, the outstanding amount pursuant to the ICC Arbitral Award and related court enforcement orders was \$9,077,292 (TND 17,500,922).

The Award and associated enforcement orders are enforceable through the Tunisian courts. Over a number of years, PhosCo has pursued various enforcement initiatives to recover the awarded damages and hold TMS accountable for its breaches, including the seizure of certain TMS vehicles and bank accounts. However, recovery efforts continue to be constrained by TMS's non-compliance with court orders and its apparent inability to satisfy the amounts owing.

Despite being entitled to the damages under the Arbitral Award, PhosCo continues not to recognise these amounts as an asset on its balance sheet due to TMS' repeated non-compliance with the Arbitral Award and uncertainty about TMS' capacity to pay the damages.

As CPSA no longer holds any permits or permit applications, subject to full compliance with applicable law, PhosCo does not intend to provide further investment to CPSA.

Competent Persons Statement

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

Previously Reported Results

Various information in this report which relates to Exploration Results have been extracted from the following announcements lodged on the ASX, where further details, including JORC Code reporting tables, can also be found:

<i>Date</i>	<i>Headline</i>
28/08/2026	Metallurgical Tests Deliver Premium Phosphate Concentrate
19/08/2026	KH Assay Results
9/06/2026	New Gasaat Discovery at KH
3/06/2026	Outstanding drilling results at DOH
26/05/2026	Breakthrough Metallurgical Test Results
5/05/2026	Maiden resources boost scale and economic outlook
7/04/2026	Drilling at KM continues to deliver
26/03/2026	DOH drilling confirms discovery of scale
12/02/2026	Excellent assays at SAB and KM
28/01/2026	Latest KM Assays Confirm Thick Phosphate
18/12/2025	Completion of drilling at SAB Prospect within Gasaat
18/11/2025	Drilling continues to grow KM discovery
29/10/2025	Latest Wide Intersection Extends KM Discovery
24/09/2025	Exceptional assays confirm KM discovery within Gasaat
10/09/2025	KM Discovery Returns 52.5m Intersection within Gasaat
30/07/2025	Gasaat Phosphate Geochemical Study
29/07/2025	Gasaat Exploration Update
19/03/2025	Gasaat Exploration Target & Resource Growth Drilling
11/03/2025	GASAAT GRANTED & FUNDED
13/01/2025	Sekarna Phosphate Project Formally Granted
26/11/2024	Gasaat Permit Approved, MOU with Tunisian Government & EBRD
3/10/2024	Key Approval for Sekarna Phosphate Project
17/11/2022	90% conversion of inferred to indicated resources at GK
9/12/2022	Scoping Study Confirms Outstanding Economics for Chaketma
15/03/2022	Phosphate Resource Update Delivers 50% Increase at KEL

Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The information in this announcement relating to the Company's Scoping Study are extracted from the Company's announcement on 9 December 2022 titled 'Scoping Study Confirms Outstanding Economics for Chaketma'. All material assumptions and technical parameters underpinning the Company's Scoping Study results referred to in this announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Financial Performance

The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$4,811,639 (30 June 2025: \$6,898,647).

Operating expenses for the year ended 30 June 2026 were \$4,483,931, compared with \$6,782,720 in the prior year. The overall decrease in operating expenses was primarily attributable to lower finance costs compared with the previous financial year. This reduction was partially offset by increased corporate, administration, employment and legal expenses. Employment costs increased during the year following the resumption of director remuneration, which had previously been paused. Legal expenses also increased as the Company undertook actions to defend its interests in relation to arbitration proceedings initiated by former joint venture partner Tunisian Mining Services (TMS) concerning Chaketma Phosphates S.A. (CPSA).

In addition, decreases in non-cash share-based payment expenses reflects the securities issued to directors in the previous reporting periods.

Financial position

At 30 June 2026, the Consolidated Entity had cash and cash equivalents of \$5,862,346 (30 June 2025: \$3,358,081), a net increase of \$2,504,265 resulting from capital raising net of operating expenses during the year.

The Consolidated Entity's net assets position at \$138,074 as at 30 June 2026 (30 June 2025: net liabilities of \$5,523,766). The consolidated net asset position at 30 June 2026 improved primarily driven by capital raisings during the year and higher levels of exploration and evaluation expenditure capitalised. Convertible notes had been converted into equity prior to 30 June 2025.

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

	PhosCo Ltd	Celamin Pty Ltd	Himilco Resources Pty Ltd	Sub Group	CPSA	Total
Cash and cash equivalents	4,806,364	2,837	1,053,145	5,862,346	-	5,862,346
Other current assets	134,211	6,045	105,465	245,721	24,378	270,099
Non-current assets	701,639	-	2,761,055	3,462,694	-	3,462,694
Total assets	5,642,214	8,882	3,919,665	9,570,761	24,378	9,595,139
Trade and other payables	(262,190)	-	(61,633)	(323,823)	(1,003,931)	(1,327,754)
Employee benefits	(709,656)	-	-	(709,656)	(375,612)	(1,085,268)
Borrowings	-	-	-	-	(7,044,044)	(7,044,044)
Total liabilities	(971,846)	-	(61,633)	(1,033,479)	(8,423,587)	(9,457,066)
<i>Contested liabilities of CPSA</i>						
Trade and other payables	-	-	-	-	1,175,023	1,175,023
Borrowings	-	-	-	-	7,044,044	7,044,044
Net assets position after adjusting contested liabilities	4,670,368	8,882	3,858,032	8,537,282	(180,142)	8,357,140

CPSA's obligations relating to unsecured cash calls, amounts payable to TMS, and other trade and payables are neither secured nor guaranteed by PhosCo Ltd or Celamin Pty Ltd, the holder of the 50.99% interest in CPSA. Accordingly, any obligation arising from the settlement of these liabilities remains solely the responsibility of CPSA.

The unsecured cash call amounts and related liabilities claimed by TMS, together with certain trade and other payables incurred by CPSA prior to the Consolidated Entity obtaining control of CPSA in October 2021, are disputed by the Consolidated Entity. The ultimate outcome of these matters remains subject to inherently uncertain legal and commercial processes, including negotiations and any related proceedings.

Neither PhosCo nor Celamin has provided any security or guarantee in respect of CPSA's obligations. In addition, CPSA has outstanding obligations to Celamin of \$5,554,995, which are eliminated on consolidation in accordance with Australian Accounting Standards.

The Consolidated Entity also has a separate entitlement to recover the Arbitration Award of \$9,077,292, as further detailed in note 23 to the financial statements.

Risks and uncertainties

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

Risks associated with Consolidated Entity

Future funding risk At 30 June 2026, the Company had a cash balance of \$5,862,346 and net assets (excluding contested liabilities of CPSA) of \$8,357,140. As an exploration and development company, PhosCo is yet to generate revenue and may require additional funding in the future to support exploration activities, technical studies, permitting, project development and general corporate operations. The availability of funding and the terms on which it may be obtained can be influenced by market conditions, investor sentiment and commodity prices.

The Directors regularly review the Company's expenditure profile, cash flow forecasts and funding requirements, together with the availability of existing cash resources and potential future funding sources. This ongoing review assists the Company in managing its capital resources and maintaining financial flexibility to support the advancement of the Gasaat Phosphate Project and its other activities.

Title and permit risks The Consolidated Entity has mining and exploration permits and licences in Tunisia that are subject to statutory conditions, ongoing compliance requirements and periodic renewal. There is no guarantee that current permits and licences will be renewed, or that future applications for permits, licences or renewals will be granted. Any failure to obtain, maintain or renew the required permits and licences in a timely manner, or at all, could have a material adverse effect on the Consolidated Entity's operations, financial performance and future prospects.

The Consolidated Entity seeks to mitigate these risks through ongoing engagement with relevant Tunisian government authorities and stakeholders, maintaining compliance with applicable regulatory requirements, and ensuring permit applications and renewals are supported by the technical, environmental and social information required by the relevant authorities. The Consolidated Entity also continues to advance the Gasaat Permit, which is held through a wholly owned subsidiary and is independent of CPSA, thereby reducing reliance on any single permit or tenure position.

Government regulation risks The Consolidated Entity's operations, tenements and activities are subject to extensive regulation by government authorities in Tunisia, including environmental laws and regulations. Changes in laws, regulations, government policies, administrative practices or the interpretation and application of existing legislation may adversely affect the Consolidated Entity's operations, development activities, financial performance and future prospects. There can be no assurance that future regulatory, legal or policy changes will not have a material adverse effect on the Consolidated Entity.

The Consolidated Entity seeks to mitigate these risks through ongoing engagement with relevant government authorities and stakeholders, maintaining compliance with applicable legal and environmental obligations, and monitoring regulatory developments. However, any changes to the regulatory framework or environmental requirements may require the Consolidated Entity to incur significant expenditure, undertake additional investment or experience delays to its activities, which could adversely affect its business, financial condition and results of operations.

Risks associated with Consolidated Entity

Environmental and social risks

The Consolidated Entity holds participating interests in a number of currently valid exploration tenements in Tunisia.

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

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

The Consolidated Entity seeks to mitigate environmental and social risks through ongoing engagement with local communities, government authorities and other stakeholders, adherence to applicable environmental and social regulations, and the implementation of responsible exploration and development practices.

Dependence on service providers and third-party collaborators

The Consolidated Entity relies on a range of third-party contractors, consultants, service providers and collaborative partners to undertake exploration, technical, environmental, regulatory and other project-related activities. There can be no assurance that suitably qualified service providers or collaborators will be available on commercially acceptable terms, or at all, when required. Any failure by a third party to perform its obligations, delays in service delivery, cost increases, disputes, suspension of activities or termination of relevant agreements could adversely affect the Consolidated Entity's exploration programs, development timelines, financial condition and results of operations.

The Consolidated Entity seeks to mitigate these risks by engaging experienced and reputable service providers, conducting appropriate due diligence on key contractors and collaborators, maintaining regular oversight of contractor performance, and, where practicable, utilising multiple providers to reduce reliance on any single party. The Consolidated Entity also seeks to maintain strong commercial relationships with key stakeholders and contractors to support the continuity of its exploration and development activities.

Reliance on key personnel

The Consolidated Entity's success is dependent, to a significant extent, on the skills, experience and continued services of its directors, senior management, technical personnel and specialist consultants. The loss of key personnel, or an inability to attract, retain and motivate suitably qualified employees, contractors and consultants, may adversely affect the Consolidated Entity's ability to implement its strategy, advance its projects and achieve its operational objectives.

Risks associated with Consolidated Entity

Competition for experienced personnel within the resources sector can be intense, particularly for individuals with relevant technical, operational and management expertise. There can be no assurance that the Consolidated Entity will be able to retain existing personnel or successfully recruit additional personnel as required. The loss of key personnel, or difficulties in recruiting suitably qualified replacements, could have a material adverse effect on the Consolidated Entity's operations, financial performance and future prospects.

The Consolidated Entity seeks to mitigate this risk by maintaining a combination of permanent employees and experienced consultants to ensure access to a broad range of technical, operational and commercial skills. The Consolidated Entity also undertakes regular reviews of remuneration and incentive arrangements to support the attraction, retention and motivation of key personnel, and promotes knowledge sharing across its management and technical teams to reduce reliance on any one individual.

IT system failure and
cyber security risks

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

The Consolidated Entity seeks to mitigate these risks by outsourcing the management of its information technology systems to a reputable managed service provider and implementing appropriate cyber security controls, policies and procedures. The Consolidated Entity also maintains data backup and recovery processes, access controls and security monitoring measures, and regularly reviews its information technology and cyber security arrangements to support the ongoing protection, integrity and availability of its systems and data.

Exploration and
development risk

The Consolidated Entity's exploration and development activities are inherently speculative and involve significant technical, geological, operational and commercial risks. There can be no assurance that exploration activities will identify economically recoverable mineral resources or that any mineral resources identified will be successfully developed into profitable mining operations. Exploration and development activities may also be adversely affected by factors beyond the Consolidated Entity's control, including geological conditions, adverse weather, environmental incidents, regulatory changes, permitting delays, technical challenges and cost increases. As the Consolidated Entity's projects are its principal source of potential future value and revenue, any adverse development affecting these projects could have a material adverse effect on its business, financial condition and future prospects.

The Consolidated Entity seeks to mitigate these risks by undertaking systematic exploration programs, utilising experienced technical personnel and external specialists, applying industry-standard geological and engineering practices, and regularly reviewing exploration results and project economics. The Consolidated Entity also seeks to manage project risk through staged investment decisions, ongoing stakeholder engagement and compliance with applicable regulatory and environmental requirements.

Grant of future
authorisations to
explore and mine

If the Consolidated Entity discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. Any delay or failure to obtain required authorisations may adversely affect the Consolidated Entity's operations, financial performance and future prospects.

Risks associated with Consolidated Entity

The Consolidated Entity seeks to mitigate this risk through ongoing engagement with relevant government authorities, maintaining regulatory compliance, and ensuring applications are supported by the requisite technical, environmental and social information.

Resource and reserve estimates Mineral Resource and Ore Reserve estimates are inherently uncertain and are based on interpretations, assumptions and judgements that may prove inaccurate. Estimates may change materially as new information becomes available, mining and processing assumptions are refined, or commodity prices and economic conditions change. There can be no assurance that identified Resources or Reserves will be converted into economically viable mining operations or that anticipated recoveries will be achieved.

The Consolidated Entity seeks to mitigate this risk by applying industry-standard estimation and reporting practices, engaging experienced technical consultants, and regularly reviewing and updating Resource and Reserve estimates as new geological, technical and economic information becomes available.

Geopolitical and sovereign risks generally The Consolidated Entity operates in Tunisia and is therefore exposed to political, legal, regulatory and sovereign risks. Changes in laws, government policies, taxation regimes, foreign investment requirements, mineral tenure regulations or administrative practices may adversely affect the Consolidated Entity's ability to obtain, maintain and develop its tenements and projects. Failure to comply with applicable laws and regulatory requirements could result in delays, additional costs, restrictions on operations, or the loss or reduction of project rights.

The Consolidated Entity seeks to mitigate these risks through ongoing engagement with government authorities and local stakeholders, maintaining compliance with applicable laws and regulations, utilising experienced local legal and technical advisers, and actively monitoring political and regulatory developments in the jurisdictions in which it operates.

Future profitability The Consolidated Entity is in the exploration and development stage and has not yet generated sustainable profits. Future profitability will depend on a range of factors, including the successful grant and maintenance of tenements, exploration success, project development outcomes, commodity prices, funding availability, regulatory approvals and broader economic conditions. There can be no assurance that the Consolidated Entity will achieve profitability or generate positive cash flows in the future.

The Consolidated Entity seeks to mitigate this risk by maintaining financial discipline, advancing its exploration and development portfolio in a staged manner, pursuing value-accretive growth opportunities, and actively managing project, regulatory and funding risks to support the achievement of long-term commercial outcomes.

Risks specific to Chaketma Phosphates SA

Litigation risk Following a favourable 2019 decision by the Court of Cassation in Tunisia, the Consolidated Entity regained operational and management control of CPSA in October 2021 through the enforcement of arbitration awards against TMS issued by the International Court of Arbitration of the International Chamber of Commerce (ICC).

While PhosCo has recovered its 50.99% interest and management control of CPSA, litigation risk

Risks specific to Chaketma Phosphates SA

remains due to a number of ongoing civil and criminal proceedings associated with the enforcement of the arbitral awards and related matters before the Tunisian courts. Accordingly, there can be no assurance that future judicial or arbitral decisions will be favourable to the Consolidated Entity or that ongoing proceedings will be resolved in a timely manner.

In July 2025, TMS sought to commence ICC arbitration proceedings against Celamin, alleging breaches of the CPSA joint venture agreement, including in relation to permit applications and the exercise of management control within CPSA. The arbitration did not proceed, and the Consolidated Entity considers the allegations to be without merit. The Consolidated Entity considers these claims to be without merit and intends to defend any future claims vigorously.

The Consolidated Entity seeks to mitigate litigation risk by obtaining specialist legal advice in Tunisia and internationally, actively defending and pursuing its legal rights through the relevant courts and arbitral forums, and maintaining detailed records and documentation relating to the CPSA joint venture and associated proceedings.

Liquidity risk

If the Consolidated Entity is unsuccessful in having these liabilities reduced, set aside in whole or in part, or otherwise mitigating their impact on CPSA's financial position, there is a risk that CPSA may be placed into liquidation.

It is important to note that the CPSA joint venture no longer holds any permits or permit applications, as CPSA's application for the former Chaketma Phosphate Project was unsuccessful. Subject to compliance with applicable laws and regulations, PhosCo does not intend to make any further investment in the CPSA joint venture. Neither PhosCo nor Celamin has guaranteed or otherwise agreed to support CPSA's liabilities, and any liabilities of CPSA must be satisfied from CPSA's own assets and resources. As a result, if CPSA is unable to successfully dispute, reduce or otherwise manage such liabilities, there is an increased risk that CPSA may be unable to meet its obligations as they fall due.

As noted in the Review of Operations section, PhosCo was granted the Gasaat Permit, which is held through a wholly owned subsidiary. The Gasaat Permit is not associated with CPSA and is free from any claims, encumbrances or interests relating to TMS, mitigating the risk that matters affecting CPSA will have a material impact on the Consolidated Entity's phosphate development activities.

Dividends

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

Significant changes in the state of affairs

On 30 October 2025, EBRD entered into a funding arrangement with PhosCo through its subsidiary Himilco for approximately \$1,800,000 (€1 million), to advance its Gasaat Phosphate Project. Linked to the funding arrangement, PhosCo and EBRD have agreed to issue 150,000,000 Options exercisable at \$0.050 (5 cents), consistent with the terms set out in its Mandate Letter announced on 11 March 2025. The Options provide EBRD with the right (*but not the obligation*) to invest 120 days after the release of PhosCo's Updated Scoping Study.

60,000,000 EBRD Options were issued on 3 November 2025. An additional 90,000,000 Options were issued on 22 December 2025. The EBRD Options will expire on the earlier of:

- (i) 120 days from the release of an Updated Scoping Study and
- (ii) 31 January 2028.

On 3 November 2025, the Company's Managing Director Mr. Tarecq Aldaoud exercised 21,412,332 Options at an exercise price of \$0.050 (5 cents) per option. Following this exercise, the Company issued 21,412,332 ordinary shares and received \$1,070,617.

On 24 November 2025, 1,114,596 Options were exercised at an exercise price of \$0.050 (5 cents) per option. Following this exercise, the Company issued 1,114,596 ordinary shares and received \$55,730.

On 2 December 2025, the Company issued 11,201,570 fully paid ordinary shares in settlement of outstanding obligations to the Directors and related parties for services rendered during the period from February 2024 through to May 2025.

On 2 December 2025, the Company issued a total of 6,000,001 ordinary shares upon the conversion of vested performance rights, of which 5,000,000 related to the conversion of vested performance rights by Mr Tarecq Aldaoud. The shares were issued for nil consideration.

On 2 December 2025, the Company issued 2,245,195 ordinary shares in lieu of cash consideration for services provided by suppliers.

On 18 February 2026, the Company announced that it had secured firm commitments from new and existing sophisticated and professional investors to raise \$5.0 million (before costs) by issuing 41,666,667 ordinary shares at an issue price of \$0.12 per share (the "Placement"). On 26 February 2026, the Company successfully completed the Placement, raising net proceeds of \$4.7 million after transaction costs.

During the reporting period, a total of 13,834,859 options were exercised at an exercise price of \$0.05 per option, resulting in the issue of 13,834,859 ordinary shares and the receipt of aggregate proceeds of approximately \$691,743. The option exercises occurred between 23 December 2025 and 10 June 2026.

On 19 June 2026, the Company announced that it had received the first instalment of \$1,025,990 from the European Bank for Reconstruction and Development (EBRD), as the Group continues to advance Gasaat Phosphate Project towards key development milestones in 2026. A further approximately \$700,000 is expected to be received during 2027 financial year under PhosCo's €1 million EBRD grant award, subject to the achievement of certain pre-agreed project milestones.

There were no other significant changes in the state of affairs of the Consolidated Entity during the year ended 30 June 2026.

Matters subsequent to the end of the financial year

On 2 July 2026, the Company issued 5,000,000 fully paid ordinary shares to Mr Mehdi Ben Abdallah. Of these shares, 2,000,000 were issued in connection with an incentive award approved by shareholders at the Company's Annual General Meeting held on 20 November 2025, and 3,000,000 were issued upon the exercise of vested Performance Rights.

On 14 July 2026, the Company announced the appointment of Mr. Cem Yuceer as Project Director for the Company's Gasaat Phosphate Project. Mr. Yuceer will be responsible for leading the development and execution of the Gasaat Phosphate Project.

On 18 August 2026, the Company announced that the Board had approved new long-term incentive arrangements for eligible employees for FY2027 pursuant to the Company's Employee Incentive Plan, which enables Eligible Employees, including consultants of PhosCo, to participate in the Company's Long-Term Incentive (LTI) program. Under these arrangements, a total of 10,000,000 Performance Rights will be allocated to six Eligible Employees, and 3,000,000 Zero-Priced Options (ZEPOs) will be allocated to one Eligible Employee.

On 26 and 28 August 2026, the Company announced positive metallurgical test results from the Gasaat Project. The test work demonstrated the potential to produce a commercial high-grade phosphate concentrate of up to 34% P_2O_5 using a simple single-stage flotation circuit. These results provide further support for the technical development of the Project and will be progressed through additional confirmatory testing.

No other matters or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

PhosCo will continue to advance its wholly owned Gasaat Phosphate Project, together with its other projects in Tunisia, as it progresses towards its objective of becoming a low-cost, globally significant fertiliser producer. The Company's strategy is focused on creating shareholder value through the identification, evaluation and drilling of new prospects to expand the Mineral Resource base of the Gasaat Phosphate Project. In addition, PhosCo intends to assess opportunities to further enhance project economics through processing improvements identified since the completion of the 2022 Scoping Study.

Environmental regulation

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

The Consolidated Entity holds participating interests in exploration permits in the Republic of Tunisia. The various authorities granting permits require the permit holder to comply with the terms of the permit grant. There have been no known breaches of the permit conditions, as they relate to environmental provisions and no such breaches have been notified by any government agency during the financial year ended 30 June 2026 or previously.

Information on directors

Name:	Mr Robin Widdup
Title:	Chairman
Qualifications:	BSc (Hons)
Experience and expertise:	Robin is the founder and a director of Lion Selection Group Limited, one of PhosCo's largest shareholders. He has more than 40 years of experience in the mining industry and equity markets. After working in a range of operational roles in the United Kingdom, Zambia and Australia, Robin joined the resource research team at JBWere & Sons before founding Lion Selection Group and Lion Manager in 1997. He is currently Executive Chairman of Lion Selection Group Limited and a non-executive director of Lion investee, One Asia Resources Limited.
Other current directorships:	Lion Selection Group Ltd (Executive Chairman)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in Shares:	40,130,213 fully paid ordinary shares
Interests in options:	6,599,316 unlisted options exercisable at \$0.05 (5 cents) each, expiring 7 May 2027

Name: Mr Tarecq Aldaoud
 Title: Managing Director
 Qualifications: B.Pharm
 Experience and expertise: Tarecq is a chemist and entrepreneur with extensive experience in management, sales and marketing. He currently serves as a Managing Partner at Chemist Warehouse. Tarecq also has a strong understanding of investment markets, with a particular focus on emerging companies in the mineral resources sector.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in Shares: 94,881,347 fully paid ordinary shares
 Interests in options: None

Name: Mr Mehdi Ben Abdallah
 Title: Executive Director
 Qualifications: MBA
 Experience and expertise: Mehdi has more than 20 years of international experience in the energy sector, with expertise spanning stakeholder relations, project development, business leadership and joint venture management. Throughout his career, he has played a pioneering role in facilitating foreign investment into Tunisia, creating value for both investors and the country.

Mehdi is currently the Managing Partner of an advisory firm that works with several companies in the energy sector. Previously, he served as General Manager at Shell, Vice President at BG Group, and Executive Director of International Relations at UTICA, Tunisia's leading business confederation. He is also President of the Tunisian-Danish Chamber of Commerce, Honorary President of the Tunisian-British Chamber of Commerce, and a Board Member of the Arab-British Chamber of Commerce in London.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in Shares: 5,000,000 fully paid ordinary shares
 Interests in options: None
 Interests in rights: None

Name: Mr Sam Lancuba
 Title: Non-Executive Director
 Experience and expertise: Sam is a recognised expert in the global fertiliser industry, with extensive technical and commercial experience in phosphate processing operations and products across international markets. He brings more than 45 years of experience spanning all aspects of the fertiliser industry, following an extensive career with Incitec Pivot Limited.

A qualified chemical engineer, Sam has provided consulting services to industry clients across Australia, New Zealand, the United States, South America, Europe, India and China. His expertise encompasses fertiliser production, phosphate processing, project evaluation, operational optimisation and market development.

Other current directorships: Element 25 Limited (Non-Executive Director)

Former directorships (last 3 years): None

Interests in Shares: None

Interests in options: None

Interests in rights: None

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

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

Company secretary

Mr Stefan Ross BBus (Acc)

Stefan holds a Bachelor of Business majoring in Accounting and has over 14 years' of experience in secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control, implementation and oversight, statutory financial reporting, shareholder meeting administration, capital raising management, and board and secretarial support.

Stefan is a Senior Manager in the Company Secretarial team at Vistra Australia, a prominent provider of governance and compliance solutions and finance and accounting solutions in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board	
	Held	Attended
Mr Robin Widdup	5	5
Mr Tarecq Aldaoud	5	5
Mr Mehdi Ben Abdallah	5	5
Mr Sam Lancuba	5	5

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

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

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

The Company does not currently maintain a separate Nomination, Remuneration and Governance Committee. Accordingly, the Board is responsible for determining and reviewing the remuneration arrangements of directors and senior executives, as well as overseeing nomination and governance matters.

The performance of the Company and its consolidated entity is dependent on the skills, experience and effectiveness of its directors and executives. Accordingly, the Company's remuneration philosophy is designed to attract, motivate and retain high-calibre individuals, while aligning remuneration outcomes with the creation of long-term shareholder value. The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

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

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

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

In accordance with corporate governance best practice, the remuneration structures for non-executive directors and executive directors are distinct. This separation reflects the differing responsibilities and roles performed by non-executive directors and executive management and supports independent oversight and effective governance.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands, responsibilities and time commitments associated with their roles. As the Company does not maintain a separate Nomination, Remuneration and Governance Committee, the Board is responsible for reviewing non-executive director remuneration on a periodic basis to ensure it remains appropriate, competitive and aligned with market practice. The Board may, where considered necessary, seek advice from independent remuneration advisers or other external sources to assist in assessing the appropriateness of non-executive director fees. The Chair's remuneration is determined with reference to the additional responsibilities of the role and is set separately from the remuneration of other non-executive directors.

ASX Listing Rules require the aggregate non-executive director's remuneration be determined periodically by a General Meeting. The maximum aggregate annual remuneration payable to Non-Executive Directors is \$350,000, as approved by shareholders at the Company's Annual General Meeting held on 20 October 2010.

Any retirement benefits payable to Non-Executive Directors are determined in accordance with the requirements of the Corporations Act 2001 in force at the time of the Director's retirement or termination. In addition to fixed fees, Non-Executive Directors may receive performance-related remuneration, including bonuses and/or options, where considered appropriate by the Board. Such incentives may be subject to shareholder approval in accordance with the ASX Listing Rules.

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

Executive remuneration

The executive remuneration and reward framework has the following components:

- Fixed remuneration, including base pay and other statutory and employment-related benefits, including superannuation and long service leave entitlements
- Long term incentives provided through share based payments

The combination of these comprises the executive's total remuneration. Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board, based on individual and performance of the consolidated entity and comparable market remunerations.

The Consolidated Entity's remuneration policy is to provide executives with an appropriate balance of fixed and variable remuneration, reflecting their roles, responsibilities, and performance. In determining appropriate remuneration levels, the Committee considers individual performance, the overall performance of the Consolidated Entity, and market remuneration benchmarks for comparable positions.

The long-term incentives ('LTI') include long service leave and share based payments, inclusive of performance rights, which are the subject of the satisfaction of certain performance goals. Performance goals, where applicable, are determined by the Board on an individual basis and are designed to support the achievement of the Company's strategic objectives. These goals may include the successful advancement of the Gasaat Phosphate Project and other project opportunities in Tunisia, the achievement of exploration, resource development and project study milestones, business development outcomes, environmental and sustainability objectives, capital management initiatives, and other operational, technical and leadership measures considered critical to the creation of long-term shareholder value.

Consolidated entity performance and link to remuneration

The remuneration of Non-Executive Directors is not directly linked to the Company's performance. The remuneration of executive directors and senior executives may include long-term incentive arrangements designed to align executive rewards with the successful execution of the Company's strategy and the creation of shareholder value. Where applicable, the vesting of performance-based long-term incentives is determined by the Board and assessed against the achievement of corporate and individual performance objectives.

External remuneration consultant

In accordance with section 300A(1)(h) of the Corporations Act 2001, the Board confirms that no remuneration consultant was engaged during the financial year.

Voting and comments made at the Company's Annual General Meeting ('AGM')

At the 20 November 2025 AGM, 99.86% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Details of the remuneration of the Directors, other Key Management Personnel (defined as those individuals having the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity), and executives of PhosCo Ltd are set out in the tables included in this section of the Remuneration Report.

The key management personnel of the Consolidated Entity consisted of the following directors and other executives of PhosCo Ltd:

Non-executive directors

- Mr Robin Widdup, Chairman
- Mr Sam Lancuba, Non-Executive Director

Executive Directors

- Mr Tarecq Aldaoud, Managing Director
- Mr Mehdi Ben Abdallah, Executive Director

Other key management personnel

- Mr Craig Smyth, Interim Chief Financial Officer

	Salary and fees ⁽ⁱ⁾	Annual Leave	Post- employment benefits Superannuation	Share-based payments ⁽ⁱⁱ⁾	Total
30 June 2026	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
Mr R Widdup ^(iv)	65,700	-	-	19,712	85,412
Mr S Lancuba	39,108	-	5,360	-	44,468
	-	-	-	-	-
<i>Executive Directors:</i>					
Mr T Aldaoud ⁽ⁱⁱⁱ⁾	214,286	3,671	25,714	98,559	342,230
Mr M Ben Abdallah	43,800	-	-	59,135	102,935
<i>Other key management personnel</i>					
Mr C Smyth ^(iv)	214,000	-	-	39,424	253,424
	576,894	3,671	31,074	216,830	828,469

- (i) Remuneration represents directors' fees and other remuneration entitlements accrued to directors and other key management personnel for the period from 1 June 2025 to 30 June 2026. Subject to shareholder approval, these entitlements may be settled, in whole or in part, through the issuance of fully paid ordinary shares of the Company. Any portion not settled through the issuance of shares will be paid in cash.
- (ii) Share-based payments represent the fair value of Performance Rights issued to directors and key management personnel during the year, measured accordance with AASB 2 - Share-based Payment.
- (iii) Mr T Aldaoud's remuneration is accrued in accordance with the terms of his employment agreement. Accrued remuneration may be settled in cash and/or through the issue of equity securities, subject to the requisite Board and shareholder approvals where applicable. The remuneration disclosed in the table includes salary and the associated superannuation entitlement accrued in respect of services provided during the reporting period. During the year, the Company also paid \$29,995 of superannuation relating to remuneration accrued in prior reporting periods. This amount has not been included in current year remuneration as it represents settlement of previously recognised obligation
- (iv) Mr Robin Widdup and Mr Craig Smyth are employees of Lion Selection Group Limited (LSGL), a substantial shareholder of the Company. Pursuant to a Services Agreement with LSGL, the Company incurred service fees of \$279,700 during the year. Of this amount, \$65,700 related to services provided by Mr Widdup and \$214,000 related to services provided by Mr Smyth.

	Salary and fees ⁽ⁱ⁾	Post-employment benefits Superannuation	Share-based payments ⁽ⁱⁱ⁾	Total
30 June 2025	\$	\$	\$	\$
<i>Non-Executive Directors:</i>				
Mr R Widdup ^(iv)	93,075	-	53,388	146,463
Mr S Eley	39,559	3,059	-	42,618
Mr S Lancuba	7,300	-	-	7,300
<i>Executive Directors:</i>				
Mr T Aldaoud ⁽ⁱⁱⁱ⁾	307,318	3,059	266,941	577,318
Mr M Ben Abdallah	43,800	-	160,165	203,965
<i>Other key management personnel</i>				
Mr C Smyth ^(iv)	300,000	-	106,776	406,776
	791,052	6,118	587,270	1,384,440

- (i) Remuneration reflects the directors' fees and other remuneration entitlements owed to the directors and other key management personnel from 1 February 2024 to 30 June 2025 which were deferred since 2024 subject to successful permitting and capital raising. Subject agreement and shareholder approval, some or full amounts may be settled through the issuance of fully paid Ordinary Shares.
- (ii) Share-based payments represent the fair value of Performance Rights issued to directors and key management personnel during the year, measured accordance with AASB 2 - Share-based Payment.
- (iii) Mr T Aldaoud's remuneration is accrued inclusive of superannuation, in accordance with the terms of the employment agreement. Accrued remuneration may be settled in cash and/or through the issue of equity securities, subject to the requisite Board and shareholder approvals where applicable. The superannuation component will be separately identified and paid in cash in accordance with applicable legislative requirements at the time of the settlement of these accrued salaries. Accordingly, the superannuation amounts disclosed in the remuneration tables relate only to salary amounts that were paid or settled during the reporting period.
- (iv) Mr Robin Widdup and Mr Craig Smyth are employees of LSGL, a substantial shareholder of the Company. Pursuant to a Services Agreement with LSGL, the Company incurred service fees of \$393,075 during the 2025. Of this amount, \$93,075 related to services provided by Mr Widdup and \$300,000 related to services provided by Mr Smyth.

Name	Fixed remuneration		At risk - LTI	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
<i>Non-Executive Directors:</i>				
Mr R Widdup	77%	64%	23%	36%
Mr S Lancuba	100%	100%	-	-
<i>Executive Directors:</i>				
Mr M Ben Abdallah	43%	21%	57%	79%
Mr T Aldaoud	74%	54%	26%	46%
<i>Other Key Management Personnel:</i>				
Mr C Smyth	84%	74%	16%	26%

Transactions with related parties

Mr Robin Widdup and Mr Craig Smyth are employees of Lion Selection Group Limited (LSGL), a substantial shareholder of the Company. Pursuant to a Services Agreement with LSGL, the Company incurred service fees of \$279,700 during the year (2025: \$393,075). Of this amount, \$65,700 (2025: \$93,075) related to services provided by Mr Widdup and \$214,000 (2025: \$300,000) related to services provided by Mr Smyth.

Fees of \$308,698 were incurred during the year for advisory services provided through Excalibur International Advisory, an entity associated with Mr Mehdi Ben Abdallah

Service agreements

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

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

Name:	Mr Tarecq Aldaoud
Title:	Managing Director
Agreement commenced:	6 May 2024
Details:	On 6 May 2024, Mr Aldaoud's Directors fees was amended to be A\$1,000 per day, capped at 20 days per month (inclusive of statutory superannuation contribution).

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

Mr Aldaoud may resign from his position and thus terminate this contract by giving three month's written notice. The engagement of the Director may be terminated at any time by three months' written notice to the Director. The Company may terminate the contract at any time without notice if serious misconduct has occurred.

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

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

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

Share-based compensation

Issue of Shares

Details of shares issued to directors and other key management personnel during the year ended 30 June 2026 are set out below:

Name	Date	Shares	Issue price	Fair value \$
Mr Robin Widdup ⁽ⁱ⁾	2 December 2025	1,869,041	\$0.047	87,600
Mr Tarecq Aldaoud ⁽ⁱ⁾	2 December 2025	3,262,874	\$0.046	149,672
Mr Craig Smyth ⁽ⁱ⁾	2 December 2025	6,069,655	\$0.046	280,000

- (i) Fully paid ordinary shares in the Company were issued on 2 December 2025 in lieu of cash settlement of salaries and directors' fees accrued during the period from February 2024 to May 2025. Of the 1,869,041 shares issued in respect of Mr Widdup's remuneration, 1,468,259 shares were issued to Lion Manager Pty Ltd and 400,782 shares were issued to Lion Selection Group Limited, as a nominee for Mr Widdup. The 6,069,655 shares issued in respect of Mr Smyth's remuneration were issued to Lion Selection Group Limited, as a nominee for Mr Smyth.

The number of shares issued to each key management personnel was determined by reference to unpaid remuneration balances and the applicable deemed issue prices. For accounting purposes, the shares were measured at a fair value of \$0.046 per share, representing the weighted average share price used to determining the settlement value of the accrued remuneration liabilities. The resulting fair value recognised was capped at the fair value of the remuneration services received.

Options

There were no options granted to the directors and other key management personnel as part of their remuneration during the current financial year.

During the previous financial year, the Company issued 14,813,016 Conversion Options on the conversion of Convertible Notes held by directors. The issue of these Options arose from the directors' capacity as holders of Convertible Notes and, accordingly, has not been included as part of directors' remuneration.

Performance Rights

Performance Rights granted to directors and other key management personnel during 2026 financial year are set out below:

Name	Grant date ⁽ⁱ⁾	Expiry date	Number granted	Number Exercised	Balance at end of the year	Fair value \$
Mr T Aldaoud	20 December 2024	31 December 2027	5,000,000	(5,000,000)	-	365,600
Mr R Widdup ⁽ⁱⁱ⁾	20 December 2024	31 December 2027	1,000,000	(1,000,000)	-	73,120
Mr C Smyth ⁽ⁱⁱ⁾	20 December 2024	31 December 2027	2,000,000	(2,000,000)	-	146,240
Mr M Abdallah	20 December 2024	31 December 2027	3,000,000	-	3,000,000	219,360
			11,000,000	(8,000,000)	3,000,000	804,320

(i) Performance Rights were issued on 20 December 2024 as per the shareholder approval received at the Annual General Meeting on 27 November 2024 as announced on 28 October 2024

(ii) Performance Rights were issued Lion Selection Group Limited as nominee for Mr Widdup and Mr Smyth.

The Performance Rights granted during the previous year were subject to market-based vesting conditions linked to the Company's 30-day Volume Weighted Average Price (VWAP). One-third of the Performance Rights vested upon the Company's 30-day VWAP reaching or exceeding \$0.06 per share, one-third vested upon the 30-day VWAP reaching or exceeding \$0.07 per share, and the remaining one-third vested upon the 30-day VWAP reaching or exceeding \$0.08 per share at any time between the grant date and expiry.

All performance hurdles were subsequently achieved and, accordingly, all Performance Rights vested. During the year ended 30 June 2026, all vested Performance Rights, other than 3,000,000 Performance Rights, were exercised. The remaining 3,000,000 vested Performance Rights were exercised on 2 July 2026.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2026 are summarised below:

	2026 \$	2025 \$	2024 \$	2023 \$	2022 \$
Other income	587	665	10,075	37,612	188
Loss before income tax	(4,483,344)	(6,782,055)	(1,977,236)	(8,771,625)	(1,295,128)
Loss after income tax	(4,483,344)	(6,782,055)	(1,977,236)	(8,772,145)	(1,295,576)

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

	2026	2025	2024	2023	2022
Share price at the start of the financial year (\$)	0.06	0.03	0.07	0.13	0.06
Share price at the end of the financial year (\$)	0.15	0.06	0.02	0.07	0.13
Basic earnings per share (cents per share)	(1.00)	(2.26)	(0.63)	(2.34)	(0.56)

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration ⁽ⁱ⁾	Additions	Balance at the end of the year ⁽ⁱⁱ⁾
<i>Ordinary shares</i>				
Mr R Widdup ⁽ⁱⁱ⁾	38,661,954	1,468,259	-	40,130,213
Mr T Aldaoud	65,206,141	3,262,874	26,412,332	94,881,347
Mr C Smyth ⁽ⁱⁱ⁾	25,124,822	1,468,259	-	26,593,081

- (i) These figures shown are the shares issued in settlement of salaries and fees for period from 1 February 2024 through to and including 31 May 2025.
- (ii) At 30 June 2026, Mr Widdup and Mr Smyth each had a relevant interest in 26,593,081 ordinary shares held by Lion Manager Pty Ltd. These shares are included in the balance disclosed for both KMP's and accordingly, the balances disclosed are not additive and no aggregate total has been presented.

Option holdings

The number of options over ordinary Shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, as free attaching conversion of options, is set out below:

	Balance at the start of the year	Off-market transactions ⁽ⁱ⁾	Exercised	Balance at the end of the year
<i>Options over ordinary shares</i>				
Mr R Widdup	9,239,043	(2,639,727)	-	6,599,316
Mr T Aldaoud	12,173,289	9,239,043	(21,412,332)	-
	<u>21,412,332</u>	<u>6,599,316</u>	<u>(21,412,332)</u>	<u>6,599,316</u>

- (i) On 3 November 2025, Mr T Aldaoud acquired a total of 9,239,043 Unlisted Options, with 2,639,727 Options from Lion Manager Pty Ltd, an entity associated with Mr R Widdup, and 6,599,316 Options from Lion Selection Group Limited for total consideration of \$92,390. The Options had an exercise price of \$0.05 per Option and were subsequently exercised.

Performance rights

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

	Balance at the start of the year	Additions	Exercised	Expiry/ Forfeited/ Other	Balance at the end of the year
Mr R Widdup ⁽ⁱ⁾	333,334	-	(333,334)	-	-
Mr T Aldaoud	5,000,000	-	(5,000,000)	-	-
Mr C Smyth ⁽ⁱ⁾	666,667	-	(666,667)	-	-
Mr M B Abdallah	3,000,000	-	-	-	3,000,000
	<u>9,000,001</u>	<u>-</u>	<u>(6,000,001)</u>	<u>-</u>	<u>3,000,000</u>

(i) Performance rights held during the year were originally issued to Lion Selection Group Limited as nominee of Mr Widdup and Mr Smyth. The number of Performance rights exercised during the year represent the number of Performance rights exercised by Lion Selection Group Limited.

Loans to key management personnel and their related parties

There were no loans to, or other transactions with, Key Management Personnel ('KMP') or their related parties during the financial year ended 30 June 2026.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary Shares of PhosCo Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
8 May 2025	7 May 2027	\$0.050	18,265,634
3 November 2025	31 January 2028	\$0.050	60,000,000
22 December 2025	31 January 2028	\$0.050	90,000,000
26 February 2026	1 March 2028	\$0.180	10,000,000
			<u>178,265,634</u>

Shares under performance rights

There were no unissued ordinary Shares of PhosCo Ltd under performance rights outstanding at the date of this report.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

During the financial year, the Company did not indemnify its auditor, Grant Thornton Audit Pty Ltd, against any liability incurred in the course of conducting the audit of the Company. No amounts have been paid or are payable to indemnify the auditor.

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

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars.

Proceedings on behalf of the Company

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

Auditor

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

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

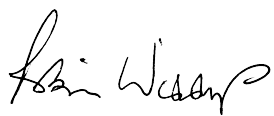
There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

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

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

On behalf of the directors:



Robin Widdup
Chairman

29 September 2026
Melbourne

Grant Thornton Audit Pty Ltd

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

Auditor's Independence Declaration

To the Directors of PhosCo Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of PhosCo Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 29 September 2026

grantthornton.com.au

ACN-130 913 594

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PhosCo Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

PhosCo

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Interest income		587	665
Expenses			
Corporate expenses	5	(1,851,422)	(1,139,857)
Employment expenses	6	(1,045,455)	(1,257,684)
Legal expenses		(598,288)	(249,300)
Depreciation and amortisation		(59,021)	(34,350)
Exploration expenses		-	(26,794)
Share-based payment expense		(217,010)	(601,270)
Foreign exchange (loss)/gain		(394,630)	453,146
Finance costs	7	(318,105)	(3,926,611)
Total expenses		<u>(4,483,931)</u>	<u>(6,782,720)</u>
Loss before income tax expense		(4,483,344)	(6,782,055)
Income tax expense	8	-	-
Loss after income tax expense for the year		(4,483,344)	(6,782,055)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		999,908	(1,180,242)
Other comprehensive income for the year, net of tax		999,908	(1,180,242)
Total comprehensive income for the year		<u>(3,483,436)</u>	<u>(7,962,297)</u>
Loss for the year is attributable to:			
Non-controlling interest		328,295	116,592
Owners of PhosCo Ltd		<u>(4,811,639)</u>	<u>(6,898,647)</u>
		<u>(4,483,344)</u>	<u>(6,782,055)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		161,760	(461,714)
Owners of PhosCo Ltd		<u>(3,645,196)</u>	<u>(7,500,583)</u>
		<u>(3,483,436)</u>	<u>(7,962,297)</u>
		Cents	Cents
Basic losses per share	30	(1.00)	(2.26)
Diluted losses per share	30	(1.00)	(2.26)

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

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	5,862,346	3,358,081
Trade and other receivables	10	51,258	37,635
Other assets	11	701,639	-
Prepayments and deposits		126,928	198,419
Total current assets		<u>6,742,171</u>	<u>3,594,135</u>
Non-current assets			
Plant and equipment	12	211,891	249,051
Exploration and evaluation assets	13	2,549,164	432,999
Prepayments and deposits		91,913	102,448
Total non-current assets		<u>2,852,968</u>	<u>784,498</u>
Total assets		<u>9,595,139</u>	<u>4,378,633</u>
Liabilities			
Current liabilities			
Trade and other payables	14	2,395,886	2,636,731
Employee benefits payable		17,136	27,957
Borrowings	15	7,044,043	7,237,711
Total current liabilities		<u>9,457,065</u>	<u>9,902,399</u>
Total liabilities		<u>9,457,065</u>	<u>9,902,399</u>
Net assets/(liabilities)		<u>138,074</u>	<u>(5,523,766)</u>
Equity			
Issued capital	16	77,841,376	68,733,192
Reserves	17	2,473,466	1,926,521
Accumulated losses		(74,232,889)	(69,421,250)
Equity attributable to the owners of PhosCo Ltd		<u>6,081,953</u>	<u>1,238,463</u>
Non-controlling interests	18	(5,943,879)	(6,762,229)
Total equity/(deficiency)		<u>138,074</u>	<u>(5,523,766)</u>

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

PhosCo Ltd
Statement of changes in equity
For the year ended 30 June 2026

PhosCo

Consolidated	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non- controlling interests \$	Total deficiency in equity \$
Balance at 1 July 2024	60,331,717	-	(178,689)	(62,522,603)	(6,300,384)	(8,669,959)
Profit/(loss) after income tax expense for the year	-	-	-	(6,898,647)	116,592	(6,782,055)
Other comprehensive income for the year, net of tax	-	-	(601,805)	-	(578,437)	(1,180,242)
Total comprehensive income for the year	-	-	(601,805)	(6,898,647)	(461,845)	(7,962,297)
Contributions of equity, net of transaction costs (note 16)	8,255,275	-	-	-	-	8,255,275
Shares issued on exercise of performance rights (note 17)	146,200	(146,200)	-	-	-	-
Share-based payments (note 17)	-	2,853,215	-	-	-	2,853,215
Balance at 30 June 2025	<u>68,733,192</u>	<u>2,707,015</u>	<u>(780,494)</u>	<u>(69,421,250)</u>	<u>(6,762,229)</u>	<u>(5,523,766)</u>

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

PhosCo Ltd
Statement of changes in equity
For the year ended 30 June 2026

PhosCo

Consolidated	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non- controlling interests \$	Total equity \$
Balance at 1 July 2025	68,733,192	2,707,015	(780,494)	(69,421,250)	(6,762,229)	(5,523,766)
Profit/(loss) after income tax expense for the year	-	-	-	(4,811,639)	328,295	(4,483,344)
Other comprehensive income for the year, net of tax	-	-	509,853	-	490,055	999,908
Total comprehensive income for the year	-	-	509,853	(4,811,639)	818,350	(3,483,436)
Contributions of equity, net of transaction costs	4,656,215	-	-	-	-	4,656,215
Shares issued on exercise of convertible note Options	3,326,376	(1,508,186)	-	-	-	1,818,190
Share-based payments (note 17)	-	217,010	-	-	-	217,010
Shares issued on exercise of performance rights(note 17)	438,720	(438,720)	-	-	-	-
Shares issued to settle directors' fees and consultants	686,873	-	-	-	-	686,873
Options issued to EBRD (note 11)	-	1,766,988	-	-	-	1,766,988
Balance at 30 June 2026	<u>77,841,376</u>	<u>2,744,107</u>	<u>(270,641)</u>	<u>(74,232,889)</u>	<u>(5,943,879)</u>	<u>138,074</u>

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

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(2,964,907)	(1,877,004)
Payments for exploration and evaluation expensed		-	(26,794)
Interest received		587	665
Interest paid		-	(12,792)
Net cash used in operating activities	32	(2,964,320)	(1,915,925)
Cash flows from investing activities			
Payments for plant and equipment	12	(23,963)	(360,781)
Refund received for motor vehicle deposit		54,171	-
Payments for exploration and evaluation		(2,067,588)	(420,261)
EBRD Grant received		1,025,990	-
Net cash used in investing activities		(1,011,390)	(781,042)
Cash flows from financing activities			
Proceeds from issue of shares	32	5,000,000	3,513,730
Shareholder loans received	32	-	1,500,000
Proceeds from issue of convertible notes	32	-	900,000
Proceeds from the exercise of convertible note Options	32	1,822,072	-
Costs related to shares issued	32	(342,097)	(392,057)
Cost of convertible notes raised		-	(14,418)
Net cash from financing activities		6,479,975	5,507,255
Net increase in cash and cash equivalents		2,504,265	2,810,288
Cash and cash equivalents at the beginning of the financial year		3,358,081	547,793
Cash and cash equivalents at the end of the financial year	9	5,862,346	3,358,081

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

Note 1. General information

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

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

Suite 2, Level 11,
385 Bourke Street
Melbourne, VIC 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Functional and presentation currency

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

Going concern

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

The Consolidated Entity reported a net loss after tax attributable to the shareholders \$4,811,639 during the financial year and had net operating cash outflows of \$2,964,320. The Consolidated Entity's net asset of \$138,074 and working capital deficit was \$2,714,893 at 30 June 2026.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and, therefore, its ability to realise its assets and discharge its liabilities in the ordinary course of business.

Note 2. Material accounting policy information (continued)

Notwithstanding the above, the Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial statements. In reaching this conclusion, the Directors have considered the Consolidated Entity's cash flow forecasts and the following key matters and judgements.

Liabilities associated with Chaketma Phosphates S.A. (CPSA)

The Consolidated Entity's net asset deficiency and working capital deficits were largely associated with PhosCo's subsidiary CPSA and escalated risk is due to the legal outcomes with its former Joint Venture partner Tunisian Mining Services SARL (TMS). Although PhosCo has recovered the 50.99% interest and management control of CPSA in October 2021, the Company notes risk arising from various criminal and civil actions related to the execution of the Arbitral Award remain before the Tunisian courts.

As at 30 June 2026, CPSA had total liabilities of \$8,423,587, of which \$8,219,067 are disputed. These disputed liabilities are contested and neither secured nor have been guaranteed by PhosCo or Celamin Pty Ltd, the holder of the 50.99% interest in CPSA. The disputed liabilities include trade and other payables of \$1,175,023 (including \$441,046 payable to TMS) and unsecured cash call liabilities, including accrued and unpaid interest payable to TMS, of \$7,044,044 (30 June 2025: \$7,237,711).

The Consolidated Entity has commenced legal claims contesting the validity of the amounts owing. The Consolidated Entity formally terminated the CPSA Joint Venture Agreement on 14 May 2025 based on TMS's repeated non-performance and ongoing breaches. CPSA JV no longer holds any permits or permit applications and subject to full compliance with applicable law, PhosCo does not intend to provide further investment to the CPSA joint venture. The Consolidated Entity will defend its rights and obligations and ensure that only those obligations which have been legally verified will be settled in accordance with the terms of any relevant agreement with the respective counterparties.

In addition, pursuant to the Arbitration Award dated 17 November 2017 and subsequent decisions supporting its enforcement, the Consolidated Entity continues to pursue recovery from TMS. As at the date of this report, the Consolidated Entity is seeking enforcement of the award in the amount of \$9,077,292 (TND 17,500,922). Further information relating to the Arbitration Award is provided in note 23.

As a result of these uncertainties, the Directors do not expect the liabilities associated with CPSA to become due and payable within the next 12 months. Accordingly, for the purposes of the going concern assessment, the Directors have excluded both the disputed liabilities of CPSA, and the potential recoveries associated with claims against TMS.

Other funding alternatives

The Group continues to focus on exploration, evaluation and development activities at its mineral resource projects in the Republic of Tunisia. The Group required to raise additional capital to advance its projects and fund its ongoing working capital requirements. The assessment of the going concern assumption is based on the Group's cash flow projections, which includes the following features:

- Raising additional capital through the Company's existing placement capacity;
- An equity investment of A\$7.5 million from European Bank for Reconstruction and Development (EBRD), towards funding the Gasaat Bankable Feasibility Study (BFS) by way of the exercise of their options in the company. This investment is subject to customary due diligence and internal approvals of EBRD.
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; and
- Meeting its obligations by farm-out of the Group's exploration interests.

Note 2. Material accounting policy information (continued)

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

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

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

Based upon the aforementioned assumptions, the directors of the Consolidated Entity have applied the going concern basis of accounting in these financial statements. In the event that all or some of these assumptions do not eventuate, this may mean that the actual amounts of assets and liabilities may differ from the amounts recorded for assets and liabilities in the financial statements, should the entity not continue as a going concern.

Current and non-current classification

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

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

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

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

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PhosCo Ltd ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. PhosCo Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

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

Note 2. Material accounting policy information (continued)

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

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

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

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

Foreign currency translation

Foreign currency transactions

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

Foreign operations

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

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

EBRD feasibility funding

The Consolidated Entity received feasibility funding from the EBRD, in connection with development activities relating to the Gasaat Phosphate Project. As consideration for the funding, the Consolidated Entity issued options to EBRD to subscribe for ordinary shares at a future date.

The fair value of the options granted is recognised in equity within the option reserve at grant date, with a corresponding asset recognised representing the funding available under the arrangement. As qualifying project expenditure is incurred and amounts become recoverable under the funding arrangement, the asset is utilised and recognised as a receivable. Cash receipts from EBRD reduce the corresponding receivable balance. The Consolidated Entity assesses the carrying value of the asset at each reporting date and recognises impairment where recoverability is no longer considered probable.

Note 2. Material accounting policy information (continued)

Income tax

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

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

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Industrial equipment	8 years
Motor vehicles	5 years
Computer equipment	3 to 4 years
Fixtures, furniture and fittings	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 2. Material accounting policy information (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Indicators of impairment include expiry of the right to explore in the specific area without renewal, a decision by management not to continue exploration activity in the area, insufficient data to support the recoverability of the carrying amount through development or sale, or where exploration results do not demonstrate the existence of commercially viable resources. When such indicators exist, the affected assets are tested for impairment and written down to their recoverable amount, with any impairment recognised in profit or loss.

Impairment of non-financial assets

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

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

Trade and other payables

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

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

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

Note 2. Material accounting policy information (continued)

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

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

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

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

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

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

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

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

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

Issued capital

Ordinary Shares are classified as equity.

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

Note 2. Material accounting policy information (continued)

Earnings per Share

Basic earnings per Share

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

Diluted earnings per Share

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

- (a) AASB 101, to clarify the criteria for classifying liabilities as current or non-current in AASB 101 and introduces disclosures about covenants related to non-current liabilities;
- (b) AASB 107, to require disclosures about supplier finance arrangements to enhance transparency of such financing. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

AASB18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027. The standard replaces *AASB 101 Presentation of Financial Statements*, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027. As at reporting date, the Group has not completed an assessment on the impact of the standard.

Note 3. Critical accounting judgements, estimates and assumptions

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

CPSA liabilities

The Consolidated Entity's trade and other payables include amounts due to TMS and other counterparties that are being contested, with a substantial portion of these liabilities currently subject to ongoing legal proceedings in the Tunisian courts.

There is inherent uncertainty associated with the resolution of these legal and commercial disputes and the ultimate determination of the amounts, if any, that may be payable by CPSA. The resolution of these matters could result in changes to the nature, amount and timing of the settlement of CPSA's liabilities and may have a material impact on the Consolidated Entity's future financial position, cash flows and financial performance. Accordingly, significant judgement is required in assessing the existence, measurement and presentation of these liabilities in the financial statements.

Share-based payment transactions

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

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

Recovery of deferred tax assets

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

Right over exploration permits and exploration and evaluation costs

The Consolidated Entity assesses exploration and evaluation assets for impairment in accordance with AASB 6 by evaluating each area of interest for indicators that the carrying amount may not be recoverable. This assessment requires significant judgement regarding the continuation of exploration activities, the status and renewal of exploration rights, planned future work programmes, regulatory matters, and the likelihood of recovering carrying values through future development or sale.

In making this assessment, the Directors considered:

Note 3. Critical accounting judgements, estimates and assumptions (continued)

- whether exploration licences and permits remained current and in good standing;
- whether any tenements were subject to cancellation, forfeiture, suspension or non-renewal risk;
- the extent to which further exploration and evaluation expenditure is planned and budgeted across the Consolidated Entity's areas of interest;
- whether any decision had been made to discontinue exploration activities;
- recent exploration results, resource growth, drilling outcomes and technical studies supporting the ongoing prospectivity of the Consolidated Entity's projects;
- the impact of regulatory and environmental matters impacting permits;
- whether sufficient evidence existed to indicate that the carrying amounts of exploration and evaluation assets are recoverable through future development or sale.

Based on this assessment, the Directors concluded that no indicators of impairment existed as at 30 June 2026 and, accordingly, no impairment charge was recognised in respect of the Consolidated Entity's exploration and evaluation assets.

EBRD Feasibility Funding Arrangement

The Consolidated Entity applies judgement in accounting for the funding arrangement with the European Bank for Reconstruction and Development ("EBRD"), including the recognition of the funding asset and the assessment of its recoverability.

A key judgement involves determining whether project expenditures qualify for reimbursement under the funding agreement and whether recovery of those amounts remains probable. In making this assessment, management considers the terms of the funding arrangement, the nature of expenditures incurred, compliance with funding conditions, and planned project activities.

The fair value of the options issued to EBRD is determined at grant date using an appropriate valuation methodology. As the options were issued in consideration for feasibility funding, the amount recognised was capped at the fair value of the estimated funding expected to be received under the arrangement. This assessment required management to estimate the amount of qualifying expenditure expected to be incurred and recovered.

Note 4. Operating segments

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

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

The Consolidated Entity has determined that it operates in a single operating segment, being phosphate exploration and development in Tunisia. Australia is not an operating segment but represents the location of the Company's corporate and administrative head office.

Note 5. Corporate expenses

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Professional and consulting fees	913,583	572,137
Compliance and regulatory costs	276,528	209,344
Travel and accommodation	86,304	83,728
Office costs	153,397	108,287
Insurance	56,363	44,387
Sundry expenses	365,247	121,974
	<u>1,851,422</u>	<u>1,139,857</u>

Note 6. Employment expenses

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Director fees and CFO fees	572,858	755,466
Superannuation	25,714	6,611
Salaries and benefits	446,883	495,607
	<u>1,045,455</u>	<u>1,257,684</u>

Note 7. Finance costs

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Finance costs on TMS liabilities	317,429	321,146
Fair value movements on convertible notes	-	3,592,673
Interest on shareholder loan	-	23,013
Other	676	(10,221)
	<u>318,105</u>	<u>3,926,611</u>

Note 8. Income taxes

	Consolidated 30 June 2026 \$	30 June 2025 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(4,483,344)	(6,782,055)
Tax at the statutory tax rate of 30%	(1,345,003)	(2,034,617)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Costs incurred in deriving non-assessable non-exempt income	584,098	279,936
Share-based payments and fair value movements on convertible notes	65,103	1,346,961
Other non-assessable non-exempt income	117,137	(142,406)
Non-deductible expenses	(78,571)	173,145
	(657,236)	(376,981)
Current year tax losses not recognised	30,342	148,114
Current year temporary differences not recognised	626,894	173,145
Other differences not recognised	-	55,722
Income tax expense	-	-

	Consolidated 30 June 2026 \$	30 June 2025 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	23,077,164	20,558,082
Potential tax benefit at statutory tax rates 30% (2025: 30%)	6,923,149	5,518,264

The above potential tax benefit for tax losses of \$6,923,149 has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the relevant statutory tests have been passed, including, in Australia, the continuity of ownership test is passed, or failing that, the same business test is passed.

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

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

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

Note 8. Income taxes (continued)

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprise:		
Accrued expenses	253,649	293,495
Tax losses	6,923,149	6,167,425
Other temporary differences	77,240	71,091
	<u>7,254,038</u>	<u>6,532,011</u>
Total deferred tax assets not recognised		

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

Australian tax consolidated group

PhosCo Ltd and its wholly owned Australian subsidiaries have formed an Australian tax consolidated group, effective July 2025, with PhosCo Ltd being the head entity. A tax funding agreement is in place between the entities within the tax consolidated group. As noted above, as at 30 June 2026, the tax consolidated group had no recognised current or deferred tax balances.

As part of the formation of the tax consolidated group and the finalisation of the income tax returns, the Consolidated Entity confirmed that the applicable corporate tax rate is 30%, rather than the 25% rate that had been estimated and applied in the 2025 Annual Report. The 2025 comparative information has been updated to reflect this reassessment of the applicable tax rate. As noted above, as at 30 June 2026, the tax consolidated group had no recognised current or deferred tax balances.

Note 9. Cash and cash equivalents

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Cash on hand	13,642	3,209
Cash at bank	5,848,704	3,354,872
	<u>5,862,346</u>	<u>3,358,081</u>

Note 10. Trade and other receivables

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Trade and other receivables	-	160,000
Less: Provision for doubtful debts (i)	-	(160,000)
Other receivables	7,115	6,334
	<u>7,115</u>	<u>6,334</u>
 GST receivable	 44,143	 31,301
	<u><u>51,258</u></u>	<u><u>37,635</u></u>

- (i) PhosCo had previously commenced legal proceedings in the Tunisian courts to recover \$160,000 paid to TMS for phosphate samples that were not delivered to Celamin and for which no refund was received. The claim related to a longstanding dispute and was connected to other legal proceedings involving TMS. As the recovery is not considered probable, the Consolidated Entity assessed the balance as not recoverable and wrote off the full \$160,000 during the year.

Note 11. Other assets

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Receivables from EBRD	253,515	-
Other assets - EBRD	448,124	-
	<u><u>701,639</u></u>	<u><u>-</u></u>

EBRD feasibility funding

During the year, the Consolidated Entity received funding from the European Bank for Reconstruction and Development (EBRD) to support optimisation, development and feasibility activities relating to the Gasaat Phosphate Project. In consideration for the funding, the Consolidated Entity granted 150,000,000 options exercisable at A\$0.05 per share. The Options provide EBRD with the right (but not the obligation) to invest 120 days after the release of PhosCo's Updated Scoping Study.

60,000,000 EBRD Options were issued on 3 November 2025. An additional 90,000,000 Options were issued on 22 December 2025.

The EBRD Options will expire on the earlier of

- (i) 120 days from the release of an Updated Scoping Study and
- (ii) 31 January 2028.

Note 11. Other assets (continued)

The fair value of the options issued at grant date amounted to A\$1,766,988, being equivalent to the grant funding, and was recognised in equity within the option reserve, with a corresponding funding asset recognised.

During the year, qualifying project expenditure was incurred and reimbursement rights under the funding agreement were realised. On 19 June 2026 the Consolidated Entity received A\$1,025,990 (€643,000) from EBRD following completion of development activities associated with the Gasaat Phosphate Project. A further receivable of \$253,515 was recognised at 30 June 2026 in respect of eligible expenditure incurred but not yet reimbursed. Movement in the EBRD receivables are summarised in the table below;

	Other assets - EBRD
Opening balance	
Fair value of the EBRD feasibility funding	1,766,988
Grant received during the year	(1,025,990)
Funding receivable recognised	(253,515)
Exchange differences	(39,359)
Closing balance	<u>448,124</u>

Note 12. Plant and equipment

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Non-current assets</i>		
Motor vehicles - at cost	218,536	218,536
Less: Accumulated depreciation	(54,166)	(10,459)
	<u>164,370</u>	<u>208,077</u>
Office equipment at cost	751,372	47,393
Less: Accumulated depreciation	(711,998)	(17,282)
	<u>39,374</u>	<u>30,111</u>
Industrial equipment	11,272	11,272
Less: Accumulated depreciation	(3,125)	(409)
	<u>8,147</u>	<u>10,863</u>
	<u>211,891</u>	<u>249,051</u>

Note 12. Plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office Equipment \$	Industrial equipment \$	Motor vehicles \$	Total \$
Consolidated				
Balance at 1 July 2024	13,800	-	47,286	61,086
Additions	28,525	11,272	218,536	258,333
Disposals	-	-	(47,286)	(47,286)
Exchange differences	12,103	-	-	12,103
Transfers in/(out)	(835)	-	-	(835)
Depreciation expense	(23,482)	(409)	(10,459)	(34,350)
Balance at 30 June 2025	30,111	10,863	208,077	249,051
Additions	23,963	-	-	23,963
Disposals	(2,103)	-	-	(2,103)
Depreciation expense	(12,597)	(2,716)	(43,707)	(59,020)
Balance at 30 June 2026	39,374	8,147	164,370	211,891

Note 13. Exploration and evaluation assets

Consolidated
30 June 2026 30 June 2025
\$ \$

Non-current assets

Exploration and evaluation assets	2,549,164	432,999
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During the year, the Consolidated Entity continued exploration and evaluation activities across its Tunisian project portfolio. The majority of capitalised expenditure related to the Gasaat phosphate project, including resource definition, geological studies and technical evaluation activities. Smaller amounts were incurred at the Simitu Project, including maiden drilling activities at the King's Eye Prospect, and at the Sekarna permit for ongoing evaluation and licence maintenance activities.

Note 13. Exploration and evaluation assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Gasaat \$	Simitu \$	Sekarna \$	Total \$
Balance at 1 July 2025	432,999	-	-	432,999
Expenditure during the year	2,029,156	81,526	5,483	2,116,165
Balance at 30 June 2026	<u>2,462,155</u>	<u>81,526</u>	<u>5,483</u>	<u>2,549,164</u>

Note 14. Trade and other payables

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Trade payables(i)	1,142,202	1,220,979
Other payables(i)	<u>1,253,684</u>	<u>1,415,752</u>
	<u>2,395,886</u>	<u>2,636,731</u>

- (i) The trade and other payables include \$1,378,305 (30 June 2025: \$1,249,682) associated with CPSA. The Consolidated Entity has undertaken a forensic accounting exercise since gaining control of CPSA in October 2021, as result of which it has identified that these trade and other payables were incurred contrary to the terms of its joint venture agreement with TMS, CPSA's articles of association and Tunisian corporate law. The Consolidate Entity has instigated legal claims contesting the validity of amounts owing and ensure that only those obligations which have been legally verified will be settled in accordance with the terms of any relevant agreement with the respective counterparties.

Refer to note 20 for further information on financial risk management.

Note 15. Borrowings

	Consolidated 30 June 2026	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Cash calls payable to TMS	3,829,631	4,113,848
Interest payable on cash calls to TMS	<u>3,214,412</u>	<u>3,123,863</u>
	<u>7,044,043</u>	<u>7,237,711</u>

Unsecured TMS cash call obligations arise from transactions between TMS and CPSA recognised through to and including 2021, prior to the Consolidated Entity obtaining control over CPSA. The outstanding amount of \$3,829,631 (30 June 2025: \$4,113,848) is denominated in Tunisian Dinar (TND). There have been no movements in the underlying TND value of the cash calls payable subsequent to the Consolidated Entity gaining control over CPSA in October 2021.

Note 15. Borrowings (continued)

The outstanding, unpaid cash call balances incur interest at 8% p.a and are denominated in TND. During the year ended 30 June 2026, interest expense of \$317,429 (30 June 2025: \$321,146) was recognised.

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

Refer to note 20 for further information on financial instruments.

Note 16. Issued capital

	30 June 2026 Shares	Consolidated 30 June 2025 Shares	30 June 2026 \$	30 June 2025 \$
Ordinary shares - fully paid	535,796,676	438,321,456	77,841,376	68,733,192

Movements in ordinary Share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	279,748,177		60,331,717
Shares issued for settlement of liabilities	17 October 2024	1,000,000	\$0.030	30,000
Shares issued for settlement of liabilities	17 October 2024	1,000,000	\$0.050	46,000
Shares issued for settlement of director fees	20 December 2024	2,043,957	\$0.060	122,272
Exercise of performance rights	30 January 2025	1,999,999	\$0.073	146,200
Shares issued to employees	30 January 2025	200,000	\$0.070	14,000
Shares issued under Entitlement Offer	8 May 2025	29,516,161	\$0.050	1,475,808
Shortfall shares issued under Entitlement Offer	9 May 2025	71,185,741	\$0.050	3,559,287
Shares issued on conversion of Convertible Notes	8 May 2025	51,627,421	\$0.070	3,613,919
Cost of capital raised		-	\$0.000	(606,011)
Balance	30 June 2025	438,321,456		68,733,192
Shares issued on exercise of Options ⁽ⁱ⁾	3 November 2025	21,412,332	\$0.091	1,958,800
Shares issued on exercise of Options ⁽ⁱ⁾	24 November 2025	1,114,596	\$0.091	101,963
Shares issued for settlement of director fees ⁽ⁱⁱ⁾	2 December 2025	11,201,570	\$0.046	517,272
Shares issued for settlement of liabilities	2 December 2025	2,245,195	\$0.074	169,601
Shares issued on exercise of performance rights	2 December 2025	6,000,001	\$0.120	438,720
Shares issued on exercise of Options ⁽ⁱ⁾	23 December 2025	2,649,052	\$0.091	242,336
Share issue through placement	26 February 2026	41,666,667	\$0.120	5,000,000
Shares issued on exercise of Options ⁽ⁱ⁾	11 May 2026	6,057,743	\$0.090	554,162
Shares issued on exercise of Options ⁽ⁱ⁾	20 May 2026	3,037,821	\$0.090	277,900
Shares issued on exercise of Options ⁽ⁱ⁾	10 June 2026	2,090,243	\$0.090	191,215
Cost of capital raised				(343,785)
Balance	30 June 2026	535,796,676		77,841,376

Note 16. Issued capital (continued)

- (i) The Company issued shares on exercise of convertible note Options at an exercise price of \$0.050 (5 cents) per option. These convertible note Options had an ascribed fair value of \$0.041 (4.1 cents) recognised at grant on 8 May 2025.
- (ii) On 2 December 2025, the Company issued 11,201,570 fully paid ordinary shares to settle outstanding obligations to the Directors and related parties for services rendered during the period from February 2024 through to May 2025 inclusive.

Ordinary Shares

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

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

Options

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

Option holders do not have any voting rights.

Share buy-back

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

Capital risk management

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

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

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

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

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 17. Reserves

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Foreign currency reserve	(270,641)	(780,494)
Performance rights reserve	219,360	441,070
Option reserve	757,759	2,265,945
EBRD Options reserve	1,766,988	-
	<u>2,473,466</u>	<u>1,926,521</u>

Foreign currency reserve

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

Performance rights reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Options reserve

This reserve is used to record the value of equity benefits provided to suppliers as consideration for services rendered.

Lead Manager Options

On 8 May 2025, the Company issued 3,000,000 Options at an issue price of \$0.00001 and an exercise price of \$0.05 (5 cents) each, expiring on 7 May 2027. These options were issued as compensation for the capital raising services and accordingly recognised at the issue date fair value in the financial statements.

Conversion Options

On 8 May 2025, the Company issued 51,627,421 Conversion Options to the Convertible Note Holders on the basis of one free-attaching Conversion Option for every one Conversion Share issued upon conversion of the Convertible Notes. The Conversion Options are exercisable at \$0.05 (5 cents) each and expire on 7 May 2027.

The Options issued concurrently with the conversion of the Convertible Notes to share capital and are treated as transaction cost associated with capital raising and with the corresponding debit recognised in share capital.

EBRD Option reserve

EBRD Option reserve is used to recognise the fair value 150,000,000 Options issued to EBRD, under a funding arrangement, which are exercisable at \$0.050 (5 cents). The Options provide EBRD with the right (but not the obligation) to invest 120 days after the release of PhosCo's Updated Scoping Study. 60,000,000 EBRD Options were issued on 3 November 2025. An additional 90,000,000 Options were issued on 22 December 2025.

Note 17. Reserves (continued)

Movements in reserves

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

Consolidated	Foreign currency reserve \$	Performanc e rights reserve \$	Options reserve \$	EBRD Options reserve \$	Total \$
Balance at 1 July 2024	(178,688)	-	-	-	(178,688)
Foreign currency translation	(1,180,243)	-	-	-	(1,180,243)
Share based payments	-	587,270	-	-	587,270
Fair value of options issued	-	-	2,265,945	-	2,265,945
Shares issued on exercise of performance rights	-	(146,200)	-	-	(146,200)
Non-controlling interest	578,437	-	-	-	578,437
Balance at 30 June 2025	(780,494)	441,070	2,265,945	-	1,926,521
Shares issued on exercise of convertible note options	-	-	(1,508,186)	-	(1,508,186)
Fair value of options issued	-	217,010	-	1,766,988	1,983,998
Shares issued on exercise of performance rights	-	(438,720)	-	-	(438,720)
Foreign currency translation	999,908	-	-	-	999,908
Non-controlling interest	(490,055)	-	-	-	(490,055)
Balance at 30 June 2026	(270,641)	219,360	757,759	1,766,988	2,473,466

Note 18. Non-controlling interests

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Interest in CPSA	(3,404,567)	(3,404,567)
Foreign currency reserves	(260,131)	(750,185)
Accumulated losses	(2,279,181)	(2,607,477)
	(5,943,879)	(6,762,229)

Note 19. Dividends

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

Note 20. Financial risk management

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

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

Market risk

Foreign currency risk

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

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

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

Consolidated	Assets		Liabilities	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	\$	\$	\$	\$
US dollars	917,210	14,407	-	(33,147)
Euros	167	2,467	(24,829)	(26,900)
Tunisian Dinar	154,197	163,346	-	(61,906)
	<u>1,071,574</u>	<u>180,220</u>	<u>(24,829)</u>	<u>(121,953)</u>

Consolidated - 30 June 2026	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
US Dollar	5%	(43,677)	-	5%	48,274	-
EURO	5%	(1,190)	-	5%	1,316	-
Tunisian Dinar	5%	(7,343)	-	5%	8,116	-
		<u>(52,210)</u>	<u>-</u>		<u>57,706</u>	<u>-</u>

Note 20. Financial risk management (continued)

Consolidated - 30 June 2025	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
US Dollar	5%	(689)	-	5%	(758)	-
EURO	5%	(2,697)	-	5%	(2,981)	-
Tunisian Dinar	5%	1,402	192,665	5%	1,402	(212,945)
		<u>(1,984)</u>	<u>192,665</u>		<u>(2,337)</u>	<u>(212,945)</u>

Interest rate risk

The Consolidated Entity had no material interest rate exposure as there were no interest-bearing assets or liabilities which are at variable interest rates at the reporting date (2025: Nil).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a policy of assessing credit information of counterparties, their corporate history and relationships and assessing the extent to which appropriate credit limits will be established. The Consolidated Entity obtains guarantees where appropriate and possible to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for expected credit losses associated with those assets, as disclosed in the statement of financial position and notes to the financial statements, total provisions for expected credit losses of \$160,000 in respect of claims from TMS recognised at 30 June 2026 (2025: \$160,000). The Consolidated Entity does not hold any collateral.

Liquidity risk

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

Note 20. Financial risk management (continued)

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less \$	Remaining contractual maturities \$
Consolidated - 30 June 2026			
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	-	1,142,202	1,142,202
Other payables	-	1,253,684	1,253,684
Borrowings	8.00%	7,044,043	7,044,043
Total non-derivatives		9,439,929	9,439,929

	Weighted average interest rate %	1 year or less \$	Remaining contractual maturities \$
Consolidated - 30 June 2025			
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	-	1,220,979	1,220,979
Other payables	-	1,443,711	1,443,711
<i>Interest-bearing - fixed</i>			
Borrowings	8.00%	7,237,711	7,237,711
Total non-derivatives		9,902,401	9,902,401

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

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

Note 20. Financial risk management (continued)

As detailed in note 15, the cash call liabilities are unsecured obligations of CPSA to TMS. If and as these liabilities are to be settled, this is CPSA's sole responsibility, the Consolidated Entity having not provided any guarantees in respect of their settlement. Furthermore, the Consolidated Entity reserves the right, in the event of an unsuccessful legal challenge and TMS calling the debt, to challenge any claim for a cash settlement, including but not limited to the enforcement of the Arbitration Award against TMS for an amount of A\$9,077,292 (TND 17,500,922) at 30 June 2026, as detailed in note 23.

Fair value of financial instruments

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

Note 21. Key management personnel disclosures

Directors

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

Mr Robin Widdup	Chairman
Mr Tarecq Aldaoud	Managing Director
Mr Mehdi Ben Abdallah	Executive Director
Mr Sam Lancuba	Non-Executive Director

Other key management personnel

Mr Craig Smyth	Interim Chief Financial Officer
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Compensation

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

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Short-term employee benefits	580,565	791,052
Post-employment benefits	31,074	6,118
Equity settled share-based payments	216,830	587,270
	<u>828,469</u>	<u>1,384,440</u>

The value of unpaid obligations to key management personnel including salaries, fees and related superannuation entitlements at 30 June 2026 is \$563,500.

Note 22. Remuneration of auditors

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

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Audit and other assurance services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	129,000	93,350
<i>Other services - Grant Thornton Australia Limited</i>		
Preparation of income tax returns	33,950	32,550
	<u>162,950</u>	<u>125,900</u>

Note 23. TMS Arbitration Award

On 29 November 2017 the sole Arbitrator appointed by the ICC to conduct the arbitration of the Consolidated Entity's dispute with its former joint venture partner TMS found in favour of Celamin Pty Ltd. The Arbitrator ordered TMS, amongst other matters, to return Celamin Pty Ltd's 50.99% shareholding in CPSA and to pay damages and costs totalling USD 2,358,000, plus Euro 1,252,936, AUD 260,597 and CHF 42,238, in addition to interest from the time of the issue of the Final Award until payment.

The Final Award was affirmed by the Court of Cassation in Tunisia and is therefore enforceable within Tunisia. In accordance with the terms of the Tunisian Code of Obligations and contracts, all executory awards must be defined in TND, and the damages were converted for execution to TND 11,846,595 and thereafter incur interest at 5.5% per annum on any unpaid balances. The Consolidated Entity's entitlement, including accrued interest as of 30 June 2026 is \$9,077,292 (TND 17,500,922).

The Consolidated Entity had its 50.99% interest in CPSA legally restored following the appointment of a court appointed independent expert, reducing TMS to 49.01%. Although PhosCo has recovered the 50.99% interest, the Company notes that various criminal and civil actions related to the execution of the arbitration orders remain before the courts. The Consolidated Entity continues to pursue TMS for the outstanding costs and damages by forcing the seizure and sale of TMS assets and other means, the objective of which is to recover funds to offset the damages and costs owed and redefine the amounts owed by CPSA to TMS.

Celamin formally terminated the CPSA JV on 14 May 2025 based on TMS's repeated non-performance and ongoing breaches. On 6 June 2025, PhosCo and Celamin received a request for a further ICC arbitration from TMS. PhosCo and Celamin have defended these claims and on 1 October 2025, the Company announced that ICC has terminated the action. The ICC Secretariat has held TMS to have breached the ICC rules for non-payment of fees and has withdrawn the action against both PhosCo and Celamin Pty Ltd.

The Consolidated Entity's ability to realise the damages and costs awarded is subject to the successful enforcement of the relevant judgments and awards, together with TMS's ability to satisfy any amounts payable. Although the Consolidated Entity continues to pursue recovery through available legal enforcement mechanisms, including the seizure and sale of TMS assets, the ultimate recovery of these amounts remains uncertain due to TMS's historical non-compliance with the arbitral award, ongoing legal and enforcement proceedings, and uncertainty regarding TMS's financial capacity. Accordingly, no asset or contingent asset has been recognised in respect of the damages and costs awarded against TMS.

Note 24. Contingent liabilities

The Consolidated Entity is involved in various legal proceedings and disputes relating to CPSA and TMS, as outlined in note 23. In assessing these matters, the Directors have considered whether any claims or proceedings meet the recognition criteria for a provision, represent a contingent liability requiring disclosure, or require no recognition or disclosure in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Having regard to the status of the proceedings at 30 June 2026, the Directors are of the opinion that any potential obligations arising from these matters are considered remote. Accordingly, no provision has been recognised and no material contingent liability requires disclosure in the financial statements.

Note 25. Commitments

	Consolidated 30 June 2026 \$	30 June 2025 \$
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	8,205,000	7,910,000
One to five years	7,267,500	15,472,500
	<u>15,472,500</u>	<u>23,382,500</u>

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

Note 26. Related party transactions

Parent entity

PhosCo Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 21, note 31 and the remuneration report included in the directors' report.

Transactions with related parties

Mr Widdup and Mr Smyth are employed by Lion Selection Group Limited (LSGL). PhosCo Ltd accrued \$279,700 for the services rendered pursuant to the Services Agreement, including \$65,700 for R Widdup's remuneration, \$214,000 for C Smyth's remuneration.

Fees of \$308,698 were incurred during the year for advisory services provided through Excalibur International Advisory, an entity associated with Mr Mehdi Ben Abdallah

Receivable from and payable to related parties

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

Note 26. Related party transactions (continued)

At 30 June 2025, amounts payable to related parties totalled \$785,108 and comprised accrued directors' fees of \$444,125 (including Messrs T. Aldaoud, R. Widdup, M. Mehdi and S. Lancuba), accrued Chief Financial Officer fees of \$300,000 payable to Mr C. Smyth, and reimbursable business expenses of \$40,983 incurred on behalf of the Consolidated Entity. The balances were unsecured, non-interest bearing and payable on normal commercial terms.

During the year, on 2 December 2025, the Company issued fully paid ordinary shares with a total value of \$517,272 in lieu of cash settlement of salaries and directors' fees accrued during the period from February 2024 to May 2025. Of the shares issued, 1,869,041 related to Mr Widdup's remuneration and were issued to Lion Manager Pty Ltd (1,468,259 shares) and Lion Selection Group Limited (400,782 shares) as nominee for Mr Widdup. A further 6,069,655 shares relating to Mr Smyth's remuneration were issued to Lion Selection Group Limited as nominee for Mr Smyth.

Loans to/from related parties

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

During the previous financial year, the Consolidated Entity received a working capital loan facility of \$500,000 from Lion Selection Group Limited \$500,000, an entity associated with Mr R Widdup and \$1,000,000 from Aldaoud Pty Ltd, an entity associated with Managing Director Mr Tarecq Aldaoud. This facility accrued interest at 10% per annum, with interest of \$23,013 paid in cash. These amounts was settled in May 2025 through the issue of Shares.

Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2026	30 June 2025
	\$	\$
Loss after income tax	(6,666,845)	(7,829,019)
Total comprehensive income	(6,666,845)	(7,829,019)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2026	30 June 2025
	\$	\$
Total current assets	5,642,214	3,282,296
Total assets	5,642,214	3,282,296
Total current liabilities	971,846	1,090,360
Total liabilities	971,846	1,090,360
Equity		
Issued capital	77,841,376	68,733,192
EBRD Options reserve	1,766,988	-
Option reserve	757,759	2,265,945
Performance rights reserve	219,360	441,070
Accumulated losses	(75,915,115)	(69,248,271)
Total equity	4,670,368	2,191,936

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2026 and 30 June 2025.

Material accounting policy information

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

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

Note 28. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2026	30 June 2025
		%	%
Celamin Pty Ltd	Australia	100.00%	100.00%
Himilco Resources Pty Ltd	Australia	100.00%	100.00%
PhosCo Tunisia Pty Ltd	Australia	100.00%	100.00%
Chaketma Phosphates S.A	Tunisia	50.99%	50.99%

Note 29. Events after the reporting period

On 2 July 2026, the Company issued 5,000,000 fully paid ordinary shares to Mr Mehdi Ben Abdallah. Of these shares, 2,000,000 were issued in connection with an incentive award approved by shareholders at the Company's Annual General Meeting held on 20 November 2025, and 3,000,000 were issued upon the exercise of vested Performance Rights.

On 14 July 2026, the Company announced the appointment of Mr. Cem Yuceer as Project Director for the Company's Gasaat Phosphate Project. Mr. Yuceer will be responsible for leading the development and execution of the Gasaat Phosphate Project.

On 18 August 2026, the Company announced that the Board had approved new long-term incentive arrangements for eligible employees for FY2027 pursuant to the Company's Employee Incentive Plan, which enables Eligible Employees, including consultants of PhosCo, to participate in the Company's Long-Term Incentive (LTI) program. Under these arrangements, a total of 10,000,000 Performance Rights will be allocated to six Eligible Employees, and 3,000,000 Zero-Priced Options (ZEPOs) will be allocated to one Eligible Employee.

On 26 and 28 August 2026, the Company announced positive metallurgical test results from the Gasaat Project. The test work demonstrated the potential to produce a commercial high-grade phosphate concentrate of up to 34% P₂O₅ using a simple single-stage flotation circuit. These results provide further support for the technical development of the Project and will be progressed through additional confirmatory testing.

No other matters or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 30. Loss per share

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Loss after income tax	(4,483,344)	(6,782,055)
Non-controlling interest	(328,295)	(116,592)
Loss after income tax attributable to the owners of PhosCo Ltd	<u>(4,811,639)</u>	<u>(6,898,647)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>481,008,936</u>	<u>305,060,254</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>481,008,936</u>	<u>305,060,254</u>
	Cents	Cents
Basic losses per share	(1.00)	(2.26)
Diluted losses per share	(1.00)	(2.26)

Note 30. Loss per share (continued)

Basic and diluted earnings per share are the same for the period. The Consolidated Entity was in a loss position and, accordingly, the 180,355,877 unlisted options and 3,000,000 performance rights on issue at 30 June 2026 were anti-dilutive and excluded from the diluted earnings per share calculation.

Note 31. Share-based payments

Issue of shares

In December 2025, the Company issued 11,201,570 fully paid ordinary shares at various deemed issue prices per share, in lieu of a cash payment of \$517,272 for salaries, directors fees, and fees for services rendered during the period from 1 February 2024 to 31 May 2025, as contained in the Notice of Annual General Meeting announced on 20 November 2025.

Details of shares issued to Directors and other Key Management Personnel as part of compensation during and for the year ended 30 June 2026 are set out below.

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Directors fees and CFO fees settled by shares	517,272	122,272

(a) Equity issues to settle supplier liabilities

From time to time the Company may settle liabilities payable to external suppliers by way of an issue of ordinary shares in the Company, or by the issue of options over ordinary shares in the Company.

On 2 December 2025, the Company issued 2,245,195 ordinary shares at an issue price of \$0.074 per share, to suppliers as settlement of liabilities for advisory services. The total value of the shares issued was \$169,601.

b) Employee incentive plan - performance rights

The Company has established an Employee Incentive Plan, whereby the Company may, at the discretion of the Plan Committee, performance rights over ordinary shares in the Company to eligible employees and any director of the Company.

No Performance Rights were granted to Directors or other Key Management Personnel during the financial year ended 30 June 2026. However, the following Performance Rights, which were granted during the financial year ended 30 June 2025 and remained on issue during all or part of the 2026 financial year, impacted the 2026 financial statements and are set out below:

Note 31. Share-based payments (continued)

Name	Grant date ⁽ⁱ⁾	Expiry date	Number granted	Number Exercised	Balance at end of the year	Fair Value
Mr T Aldaoud	20 December 2024	31 December 2027	5,000,000	(5,000,000)	-	365,600
Mr R Widdup ⁽ⁱⁱ⁾	20 December 2024	31 December 2027	333,334	(333,334)	-	73,120
Mr C Smyth ⁽ⁱⁱ⁾	20 December 2024	31 December 2027	666,667	(666,667)	-	146,240
Mr M Abdallah	20 December 2024	31 December 2027	3,000,000	-	3,000,000	219,360
			<u>9,000,001</u>	<u>(6,000,001)</u>	<u>3,000,000</u>	<u>804,320</u>

(i) Performance Rights were issued on 20 December 2024 as per the shareholder approval received at the Annual General Meeting on 27 November 2024 as announced on 28 October 2024.

(ii) Performance Rights were issued Lion Selection Group Limited as nominee for Mr Widdup and Mr Smyth.

The Performance Rights granted during the previous year were subject to market-based vesting conditions linked to the Company's 30-day Volume Weighted Average Price (VWAP). One-third of the Performance Rights vested upon the Company's 30-day VWAP reaching or exceeding \$0.06 per share, one-third vested upon the 30-day VWAP reaching or exceeding \$0.07 per share, and the remaining one-third vested upon the 30-day VWAP reaching or exceeding \$0.08 per share at any time between the grant date and expiry.

All performance hurdles were subsequently achieved and, accordingly, all Performance Rights vested. During the year ended 30 June 2026, all vested Performance Rights, other than 3,000,000 Performance Rights, were exercised. The remaining 3,000,000 vested Performance Rights were exercised on 2 July 2026.

Note 32. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 30 June 2026	30 June 2025
	\$	\$
Loss after income tax expense for the year	(4,483,344)	(6,782,055)
Adjustments for:		
Depreciation and amortisation	59,021	34,349
Share-based payments	903,884	731,392
Foreign exchange differences	420,809	(492,390)
Interest and finance costs	317,429	321,146
Fair value movements on convertible notes	-	3,592,673
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(205)	66,241
Decrease/(increase) in prepayments	21,519	(70,485)
(Decrease)/increase in employee benefits	(135,329)	639,883
(Decrease)/increase in trade and other payables	(68,104)	43,321
Net cash used in operating activities	<u>(2,964,320)</u>	<u>(1,915,925)</u>

Note 32. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Share capital	Convertible notes	Shareholder loan	Total
	\$	\$	\$	\$
Balance at 1 July 2024	60,331,717	1,277,170	-	61,608,887
Loans received	-	-	1,500,000	1,500,000
Convertible notes received	-	900,000	-	900,000
Transaction costs settled in cash	(392,057)	(14,419)	-	(406,476)
Shares issued on conversion of convertible notes	3,613,919	(3,613,919)	-	-
Fair value of Conversion Options issued	-	(2,141,505)	-	(2,141,505)
Fair value movements	-	3,592,673	-	3,592,673
Shares issued on settlement of loan	1,500,000	-	(1,500,000)	-
Shares issued for cash consideration under entitlement offer	3,513,730	-	-	3,513,730
Shares issued for non-cash considerations	367,637	-	-	367,637
Non-cash transaction costs	(201,754)	-	-	(201,754)
Balance at 30 June 2025	68,733,192	-	-	68,733,192
Shares issued	5,000,000	-	-	5,000,000
Proceeds from the exercise of convertible note Options	1,822,072	-	-	1,822,072
Shares issued for non-cash considerations	2,629,896	-	-	2,629,896
Transaction costs settled in cash	(342,097)	-	-	(342,097)
Non-cash transaction costs	(1,687)	-	-	(1,687)
Balance at 30 June 2026	<u>77,841,376</u>	<u>-</u>	<u>-</u>	<u>77,841,376</u>

Entity name	Entity type	Trustee, Partner or participant in a JV	Place formed / Country of incorporation	Ownership Interest %	Tax residency
PhosCo Ltd	Body corporate	No	Australia	100.00%	Australian
Celamin Pty Ltd	Body corporate	No	Australia	100.00%	Australian
Himilco Resources Pty Ltd	Body corporate	No	Australia	100.00%	Australian
PhosCo Tunisia Pty Ltd	Body corporate	No	Australia	100.00%	Australian
Chaketma Phosphates S.A	Body corporate	No	Tunisia	50.99%	Tunisia

Basis of preparation

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

Determination of tax residency

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

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

Australian tax residency

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

Foreign tax residency

Where necessary, the Consolidated Entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*). Except, Chaketma Phosphates S.A, none of the group entities are foreign tax residents.

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Consolidated Entity, partners in a partnership within the Consolidated Entity or participants in a joint venture within the Consolidated Entity.

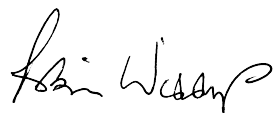
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors



Robin Widdup
Chairman

29 September 2026
Melbourne

Grant Thornton Audit Pty Ltd

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Independent Auditor's Report

To the Members of PhosCo Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of PhosCo Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$4.81 million during the year ended 30 June 2026, and had net operating cash outflows of \$2.96 million. The Group's net asset position was \$138k and had a working capital deficit of \$2.71 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets (Note 13)	
As at 30 June 2026 the Group held exploration and evaluation (E&E) assets with a carrying value of \$2.55m. In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> the Group is required to assess at each reporting date if there are any indicators of impairment which may suggest the carrying value is in excess of the recoverable amount. The process undertaken by management to assess whether there are any impairment indicators in the Gasaat area of interest involves significant management judgement. This is a key audit matter due to the auditor judgement involved in assessing management's determination of the existence of impairment indicators at the Gasaat area of interest.	Our procedures included: • Evaluating management's assessment of whether facts and circumstances exist that suggest the carrying amount of the exploration and evaluation assets may exceed their recoverable amount, by: – tracing the Gasaat permit to statutory registers and exploration licenses to determine whether the right of tenure has expired or is expiring soon; – inspecting management's budgeted expenditure for evidence of continuing exploration activity in the Gasaat area of interest, corroborated by inquiry of key management personnel; – inspecting board minutes and publicly available reports, including ASX announcements, to assess whether any data exists to suggest the carrying value is unlikely to be recovered through development or sale, corroborated by inquiry of key management personnel; – assessing evidence of commercially viable quantities of mineral resources identified to date; and • Assessing the appropriateness of the related disclosures against the requirements of Australian Accounting Standards.
EBRD feasibility funding (Note 11, note 17)	
During the year, the Group entered into a funding arrangement with the European Bank for Reconstruction and Development (EBRD) valued at \$1.77 million AUD, in connection with development activities relating to the Gasaat Phosphate Project. As part of this arrangement, the Group issued 150 million options to EBRD to subscribe for ordinary shares at a future date (EBRD Options). The fair value of the EBRD Options was determined at grant date, with the amount recognised capped at the fair value of the estimated funding expected to be received under the arrangement which was determined to be \$1.77 million.	Our procedures included: • Reading the EBRD funding agreement and EBRD options agreement to gain an understanding of the key terms of the arrangements; • Evaluating the appropriateness of management's accounting policy and accounting treatment adopted for the arrangement; • With the assistance of our internal specialists, evaluating management's valuation of the EBRD Options, including the key assumptions and inputs applied; • For a sample of project expenditure incurred during the year, agreeing to supporting documentation and

During the year, the Group received cash of \$1.0 million from EBRD under the arrangement. At 30 June 2026, the Group had also recognised an EBRD funding receivable of \$0.25 million, representing amounts owing to the Group in respect of eligible expenditure incurred but not yet reimbursed, and an other asset of \$0.45 million, representing the amount initially recognised under the arrangement for which eligible expenditure was yet to be incurred.

Accounting for the arrangement was complex and required judgement in determining the appropriate recognition and presentation of the funding arrangement and associated options, as well as in determining the fair value of the funding. Management was also required to apply judgement in determining whether project expenditure qualified for reimbursement under the terms of the arrangement.

This is a key audit matter due to the auditor judgement required in evaluating the accounting treatment and fair value of the funding arrangement and associated options and assessing the eligibility of expenditure recognised as receivable under the arrangement.

assessing its eligibility for reimbursement under the funding arrangement;

- Agreeing funding received during the year to supporting bank records;
- Assessing whether classification of amounts between EBRD receivable and the other asset was appropriate having regard to recognition criteria applied; and
- Assessing the related disclosures against the requirements of Australian Accounting Standards.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 27 to 36 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of PhosCo Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 29 September 2026

The shareholder information set out below was applicable as at 14 September 2026.

Distribution of equity securities

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

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares
1 to 1,000	294	58,475	0.01
1,001 to 5,000	126	432,251	0.08
5,001 to 10,000	108	846,994	0.16
10,001 to 100,000	325	13,692,550	2.53
100,001 and over	313	525,766,406	97.22
	1,166	540,796,676	100.00
Holding less than a marketable parcel	336	148,164	0.03

	PHOAK			PHOAL			PHOAA		
	No. of Holders	No. of Options	% of Options	No. of Holders	No. of Options	% of Options	No. of Holders	No. of Options	% of Options
1 to 1,000	-	-	-	-	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-	-	-	-	-
10,001 to 100,000	2	175,000	0.96	1	100,000	1.00	-	-	-
100,001 and over	12	18,090,634	99.04	6	9,900,000	99.00	1	150,000,000	100.00
	14	18,265,634	100.00	7	10,000,000	100.00	1	150,000,000	100.00

PHOAK - unlisted options @ \$0.05, exp 7 May 2027

PHOAL - unlisted options @ \$0.18, exp 1 March 2028

PHOAA - unlisted options @ \$0.05, exp 31 January 2028

Equity security holders

Twenty largest quoted equity security holders

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

	Number held	% of total Shares issued
Aldaoud Pty Ltd (<i>Aldaoud Family A/C</i>)	93,231,347	17.24
Lion Selection Group Limited	76,669,011	14.18
Citicorp Nominees Pty Limited	31,882,744	5.90
Lion Manager Pty Ltd	26,593,081	4.92
Retzos Executive Pty Ltd (<i>Retzos Executive S/Fund A/C</i>)	25,649,352	4.74
Mr Robin Anthony Widdup & Mrs Janet Widdup (<i>Widdup Super Fund A/C</i>)	12,799,315	2.37
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly (<i>The Daly Family Super A/C</i>)	7,581,385	1.40
Mr Eugene Kan	7,048,810	1.30
Mr Martin Broome	6,891,979	1.27
Atlantis Mg Pty Ltd (<i>Mg Family A/C</i>)	6,500,000	1.20
Mr Steven William Cahill	6,500,000	1.20
Pasias Holdings Pty Ltd	5,500,000	1.02
Dr Amit Kumar Verma	5,013,155	0.93
Mehdi Ben Abdallah	5,000,000	0.92
Nutsville Pty Ltd (<i>Indust Electric Co S/F A/C</i>)	4,892,000	0.90
Retzos Family Pty Ltd (<i>Retzos Family S/Fund A/C</i>)	4,823,494	0.89
Epic Capital Invest Pty Ltd (<i>Epic Capital Investment A/C</i>)	4,532,122	0.84
HSBC Custody Nominees (Australia) Limited	4,429,093	0.82
BNP Paribas Nominees Pty Ltd (<i>IB Au Noms Retail client</i>)	4,209,544	0.78
Certane Ct Pty Ltd (<i>Argonaut Natural Res Fund</i>)	4,166,667	0.77
	343,913,099	63.59

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options over ordinary shares, exercisable at \$0.05, expiring 7 May 2027	18,265,634	14
Unlisted options over ordinary shares, exercisable at \$0.18, expiring 1 March 2028	10,000,000	7
Unlisted options over ordinary shares, exercisable at \$0.05, expiring 31 January 2028	150,000,000	1

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

Name	Class	Number held
Rojana Hero Pty Ltd	Unlisted options, exercisable at \$0.05, exp 7 May 2027	6,599,316
Argonaut Investments Pty Limited	Unlisted options, exercisable at \$0.18, exp 1 March 2028	5,000,000
Atlantis MG Pty Ltd	Unlisted options, exercisable at \$0.18, exp 1 March 2028	2,496,666
European Bank for Reconstruction & Development	Unlisted options, exercisable at \$0.05, exp 31 January 2028	150,000,000

Substantial holders

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

	Ordinary Shares Number held*
Mr Tarecq Aldaoud / Aldaoud Pty Ltd / Smongo Pty Ltd	94,881,347
Lion Selection Group Limited	76,669,011
Cumulus Wealth	59,503,691
Polo Resources Limited via Polo Investments Limited	27,714,915
Lion Manager Pty Ltd; Robin Anthony Widdup; Hedley James Widdup; Craig Kevin Smyth	23,047,656

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

Voting rights

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

Ordinary shares

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

Unlisted Options

There are no voting rights attached to the unlisted options.

There are no other classes of equity securities.

Share buy-back

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

List of Tenements Held

Mining Tenement	Location	Commodity Focus	Beneficial Percentage held
Simitu	Tunisia	Base/precious metals	100%
Ras Ghzir	Tunisia	Base/precious metals	100%
Gasaat*	Tunisia	Phosphate	100%
Sekarna	Tunisia	Phosphate	100%

* PhosCo is seeking to provide a 10 percent project participation for impacted communities, signing a non-binding MOU with the parliament representative of the Jedelienne Delegation of the Kasserine Governate regarding the Gasaat Phosphate Project. While the MOU is not legally binding, it serves as a foundation for a more comprehensive Cooperation Agreement as the Gasaat Project advances. PhosCo will continue to work closely with local communities and government authorities to progress the legally binding arrangements and the Gasaat project.

Corporate Governance

The Company's 2026 Corporate Governance Statement is available on the Company's website at: <http://www.phosco.com.au/about#CorporateGovernance>

Annual General Meeting

PhosCo Ltd advises that its Annual General Meeting will be held on Thursday, 19 November 2026. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX in due course. In accordance with the ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 8 October 2026.