

Annual General Meeting Presentation

“Phosphate Australia is a rock phosphate development company targeting the production and sale of 2 - 3 million tonnes per annum of premium grade rock phosphate using a slurry pipeline for transport to produce the lowest operating cost export product in Australia”



POZ:ASX

November 2011

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The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of POZ. Mr Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Richards has consented to the inclusion in this presentation of the matters based on information in the form and context in which it appears.

Company Structure (ASX Code – POZ)



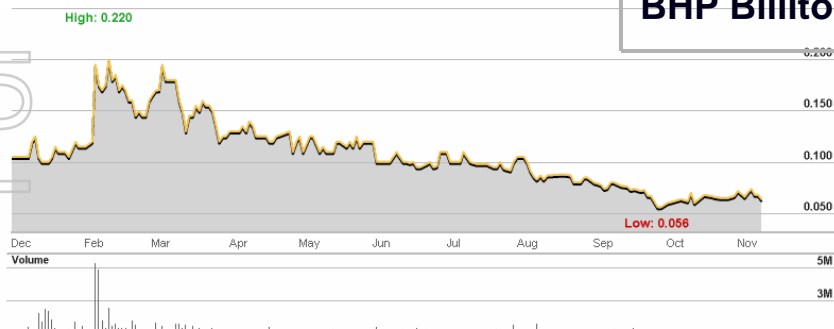
IMPORTANT NOTES:

1. All POZ Projects are 100% owned.
2. All POZ Projects have No non- government royalties or third party interests.

Total Shares on Issue	109,876,250
Options on Issue (exp 2012 @ \$0.20 & \$0.30)	24,950,000
Options (exp 2013&14 @ \$0.19 & \$0.20)	500,000
Options (exp 2014 @ \$0.10)	950,000
Market Capitalisation (undiluted \$0.07c per share)	\$7.7 M
Cash on Hand	\$3.1 M

MAJOR SHAREHOLDERS

Holder	Shares	% of Capital	Options
Board & Management	35,250,000	32.4	16,700,000
Top 20 Holders	63,339,060	57.7	24,700,000
BHP Billiton Ltd	5,000,000	4.5	6,000,000

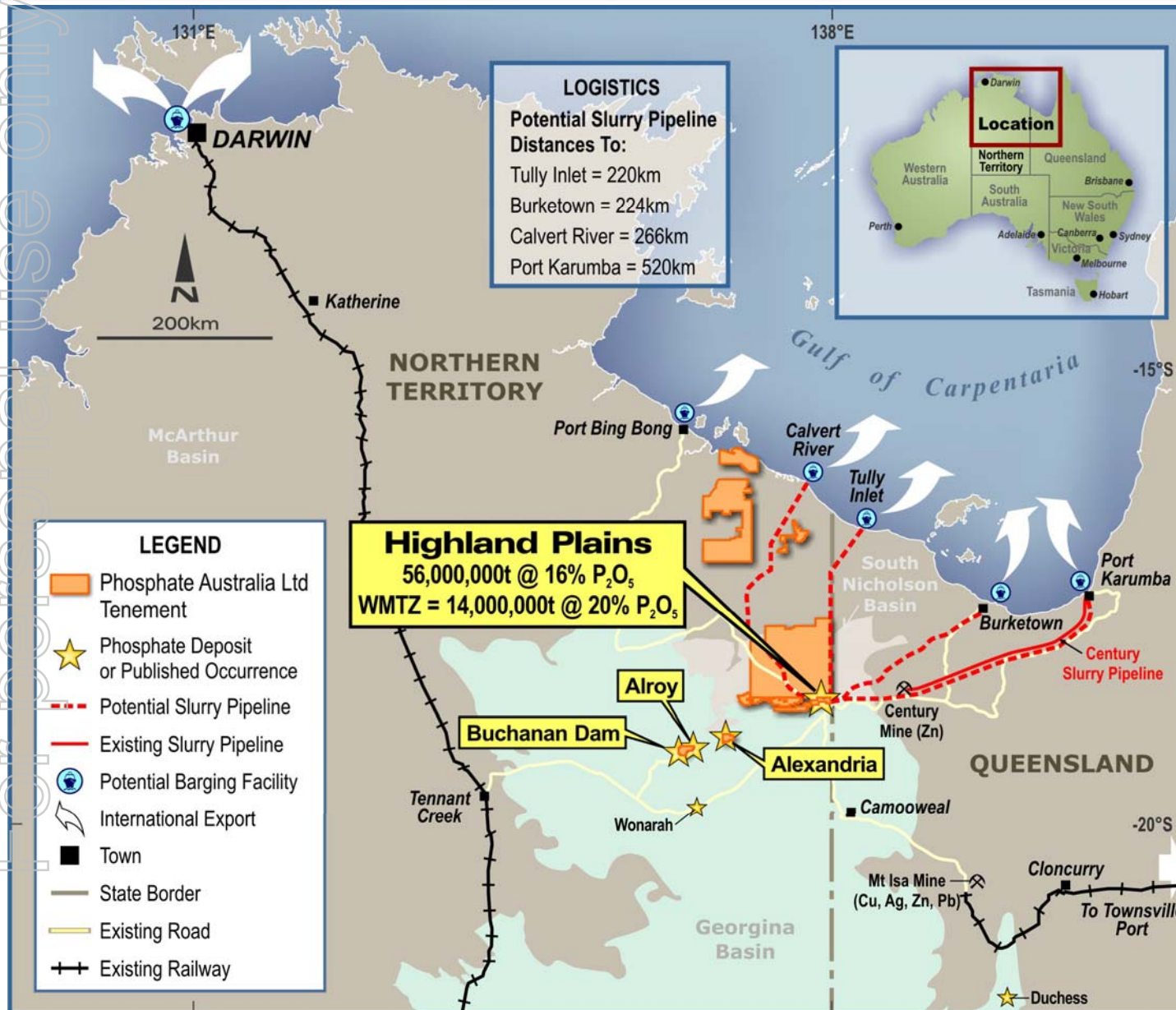


Why Phosphate Australia?

- ◆ Listed on ASX with experienced Management Team
- ◆ JORC Inferred Resource of 56Mt at 16% P_2O_5 (significant further targets with additional drilling along strike)
- ◆ 3,000 km² of granted permits for Phosphate exploration and development
- ◆ Major shipping cost advantage due to proximity to NZ & Asian Markets
- ◆ Closest to shoreline (230kms) of any Australian Phosphate Exploration & Development company (minimises CAPEX & OPEX)
- ◆ Cost effective Infrastructure/Transport solution to Port
- ◆ Proven Water Availability
- ◆ Low Strip Ratio substantially reducing mining costs
- ◆ Proven Commercial Product - Easily Beneficiated (should command a premium price to competitors/offset costs of transportation)
- ◆ Low OPEX producing 34% P_2O_5 (giving a significant sales price lift) with Economies of Scale
- ◆ Strategic Asset – Global Food Security



Flagship Project - Highland Plains Phosphate



- Highland Plains has a JORC compliant inferred resource of 56 million tonnes at 16% P_2O_5
- POZ has 100% ownership of its phosphate projects, with no private royalties in place
- POZ has phosphate exploration projects at three different stages of maturity - advanced, intermediate and exploration stage.

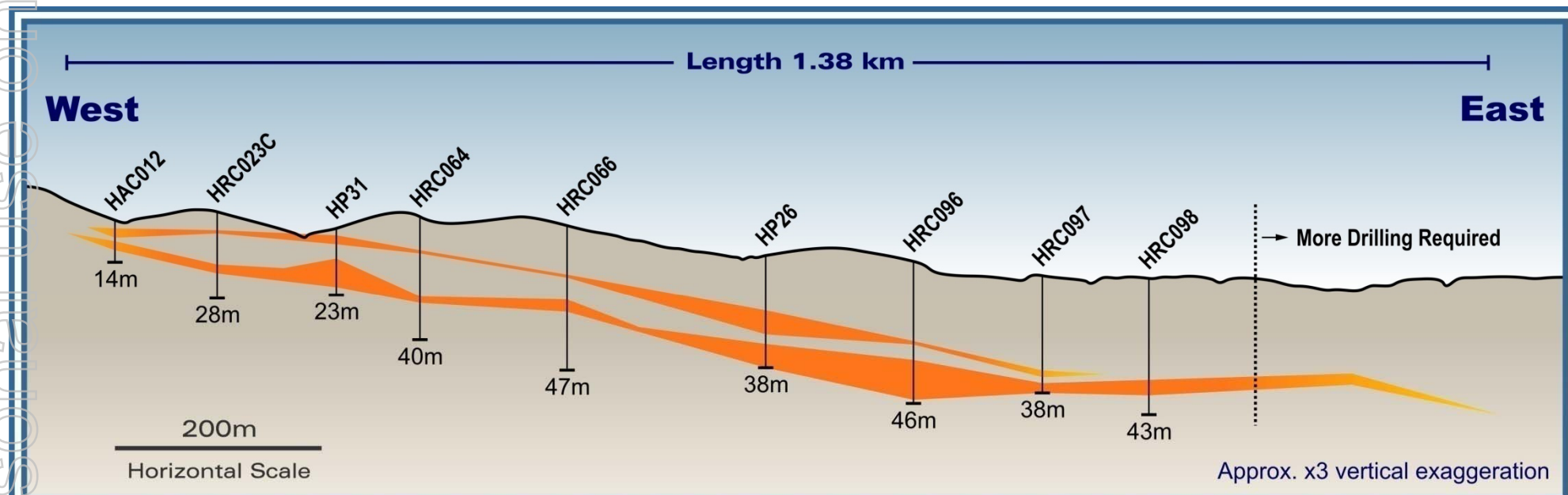
Highland Plains Project Milestones

- ✓ **Resource Upgrade:** Doubling of WMTZ Inferred Resource to 14 million tonnes at 20% P_2O_5 (Total JORC Inferred Resource at Highland Plains is 56 million tonnes at 16% P_2O_5).
- ✓ **Transport Solutions:** 3 million tonnes per annum slurry pipeline initiative. Scoping study indicates transport costs estimated from only A\$2.06 to \$3.69 per tonne (pipeline operating costs only).
- ✓ **Water Bore Drilling and Testing:** Pump testing of the best bore (WB02) at approximately 15 litres/second from shallow depths indicates potential yields of at least 25 litres/second with the maximum rate not determined due to capacity limitations of the pumping equipment.
- ✓ **Environmental Field Studies:** Initial fauna and flora survey fieldwork has been completed to support the application for a mining license.
- ✓ **Flotation tests:** Float from the coarse fraction gives a grade of **37.4% P_2O_5 (upgraded from 23.4% P_2O_5) at 53% recovery of phosphate.**
- ✓ **Flotation tests:** Float from the coarse and fine fractions gives a grade of **32.3% P_2O_5 (upgraded from 23.4% P_2O_5) at 76% recovery of phosphate.**



Highland Plains – Surficial Phosphate Mineralisation

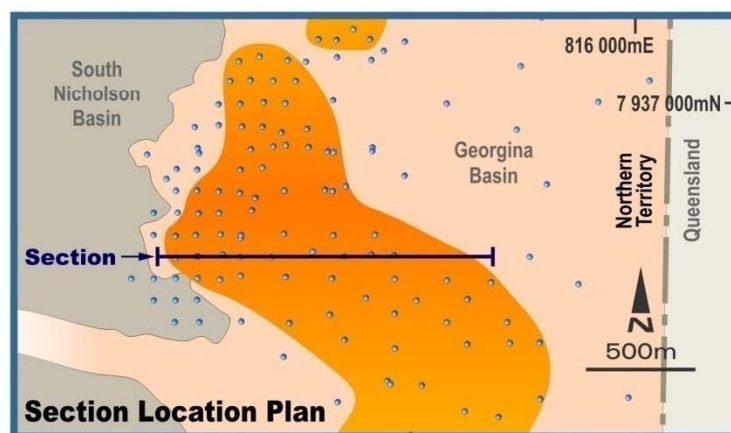
Geological Cross Section



LEGEND

- Drill Hole Trace
- Mineralised Resource

Section 7,936,300mN



Regional Phosphate Targets – Growth Potential

Targeting Further Phosphate Deposits

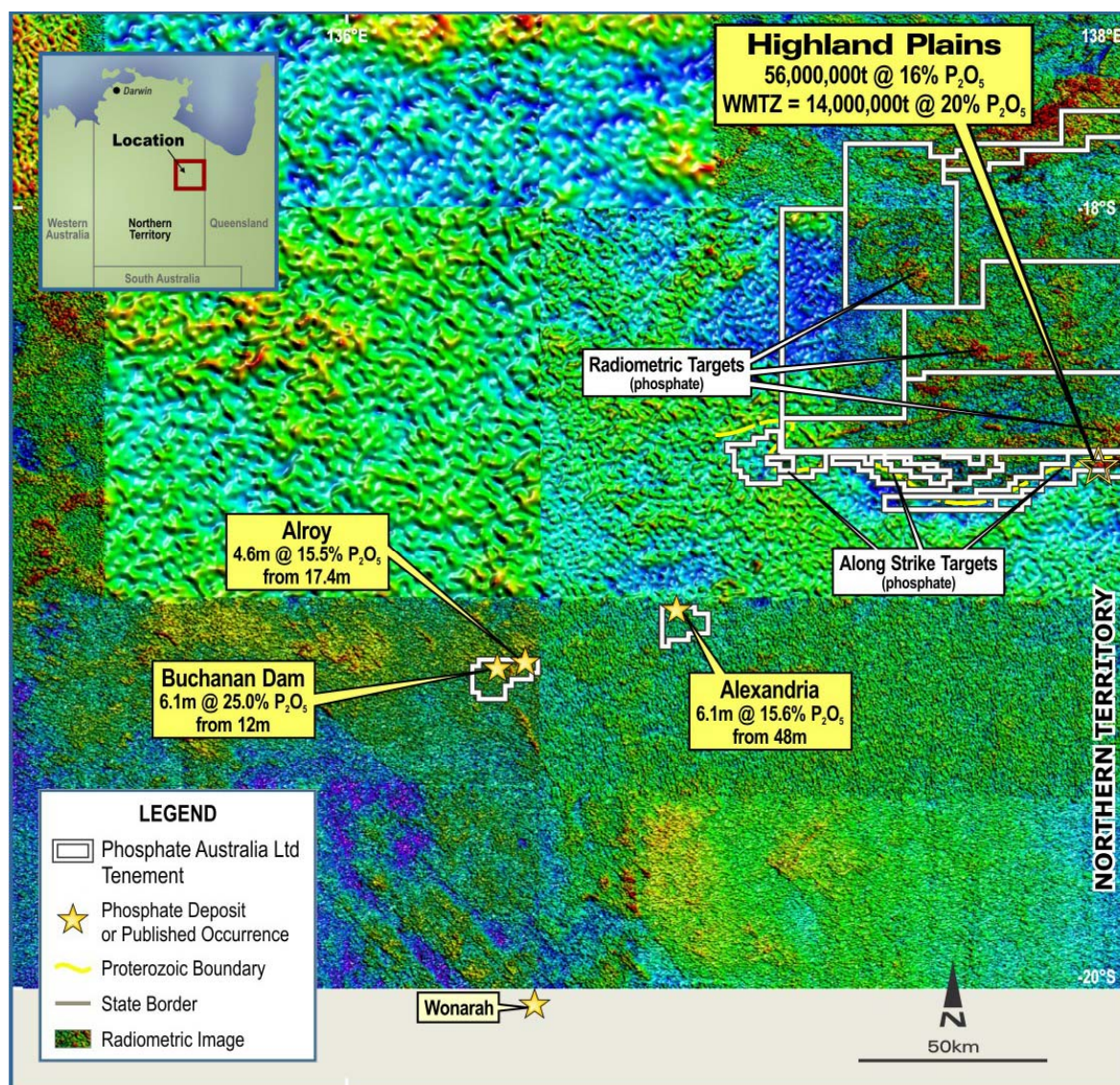
Previous Drill Intersections Include:

- Alexandria: 6.1m @ 15.6% P_2O_5 from 48.8m.
- Alroy: 6.4m @ 12.0% P_2O_5 from 16.2m.
- Buchanan Dam: 6.1m @ 25% P_2O_5 from 12.2m.
- Along strike targets: due west from Highland Plains following the Proterozoic unconformity

✓ **Radiometric targets** prospective for phosphate mineralisation from surface

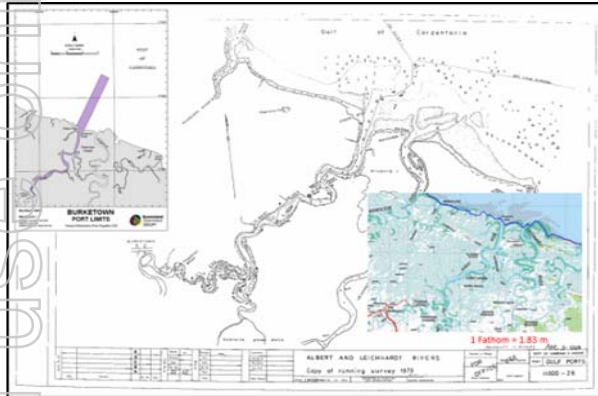
✓ **North of Highland Plains** targeting Cambrian phosphate inliers within the Proterozoic (including directly north of Highland Plains).

Regional Radiometrics



Highland Plains – Port Options

BURKETOWN:

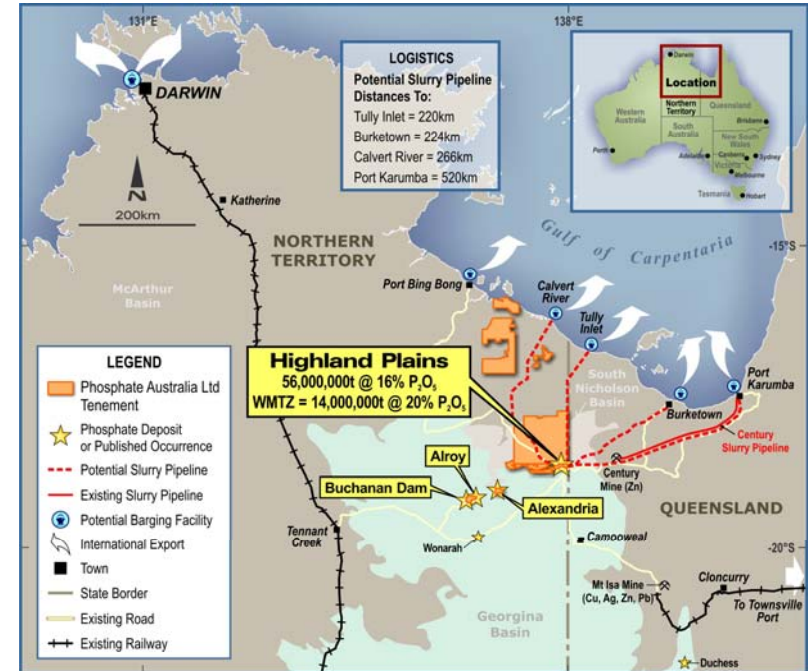


BURKETOWN: Previous shipping at the Ballast Grounds



PORT KARUMBA

In 2007–08, the Port of Karumba exported 1,056,224 tonnes of lead & zinc

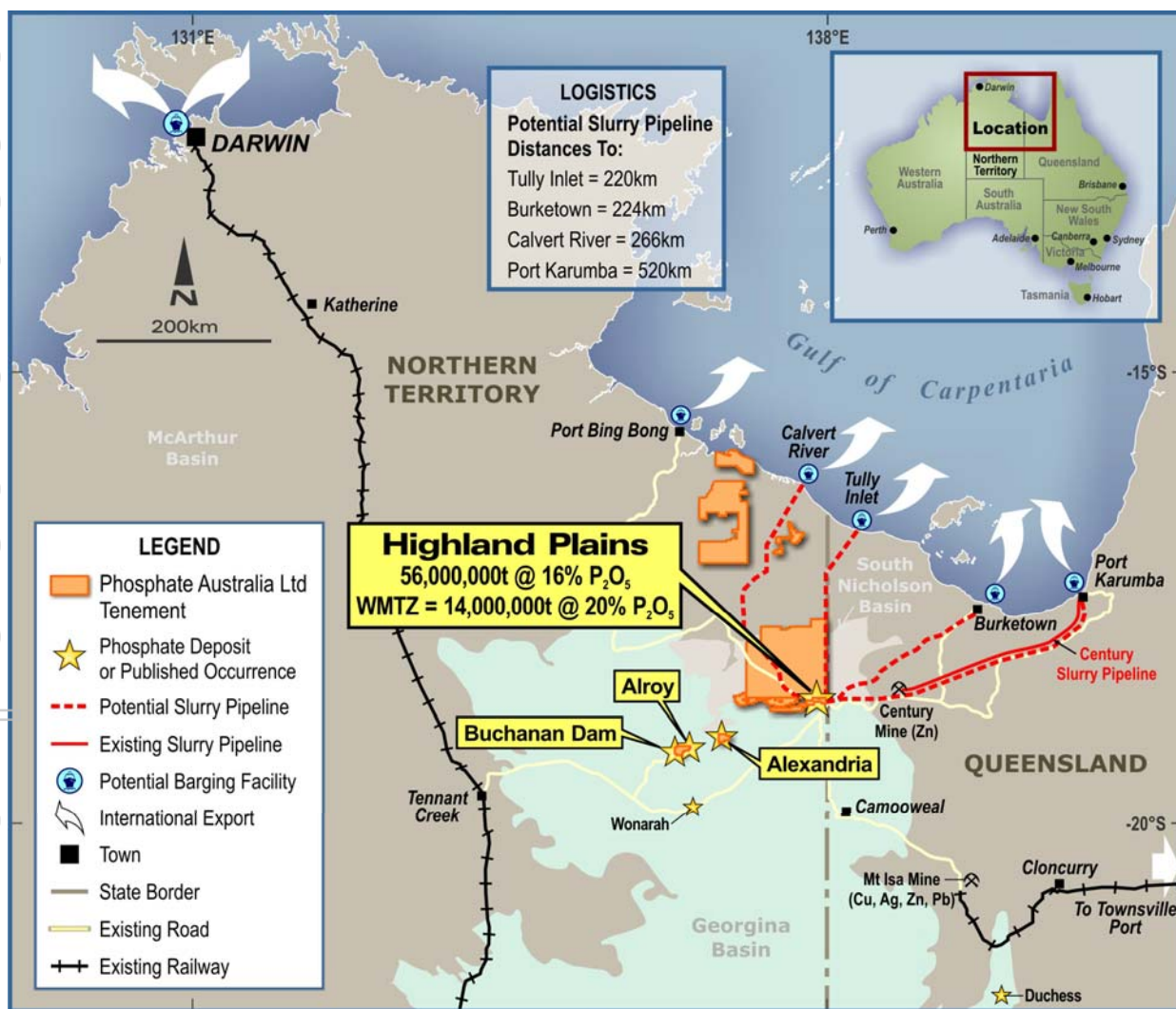


PORT BING BONG



Highland Plains - Slurry Pipeline

BEST LOCATION – INNOVATIVE TRANSPORT SOLUTION



- ✓ CAPEX estimates vary from AUD184 M to AUD226M
- ✓ OPEX estimates vary from A\$2.06/t to A\$3.69/t for a 2 to 3 Mtpa operation
- ✓ CAPEX payback: 2.5 to 3 years.



Phosphate Project OPEX & CAPEX - Initial Estimates

OPEX – 2 million tpa operation* (Life of Mine)

Activity	AUD/Tonne
◆ Mining	20
◆ Beneficiation	30
◆ Slurry Pipeline Transport	4
◆ Barge Loading & Ship Loading	12
◆ Contingency	6
Total	~ <u>72</u>

CAPEX – 2 million tpa operation

Activity	AUD Million
◆ Mine Construction	72
◆ Beneficiation Plant	90
◆ Road Upgrades	20
◆ Slurry Pipeline and Handling	190
◆ Loading Facility and Barges	30
◆ Contingency	20
Total	~ <u>422</u>

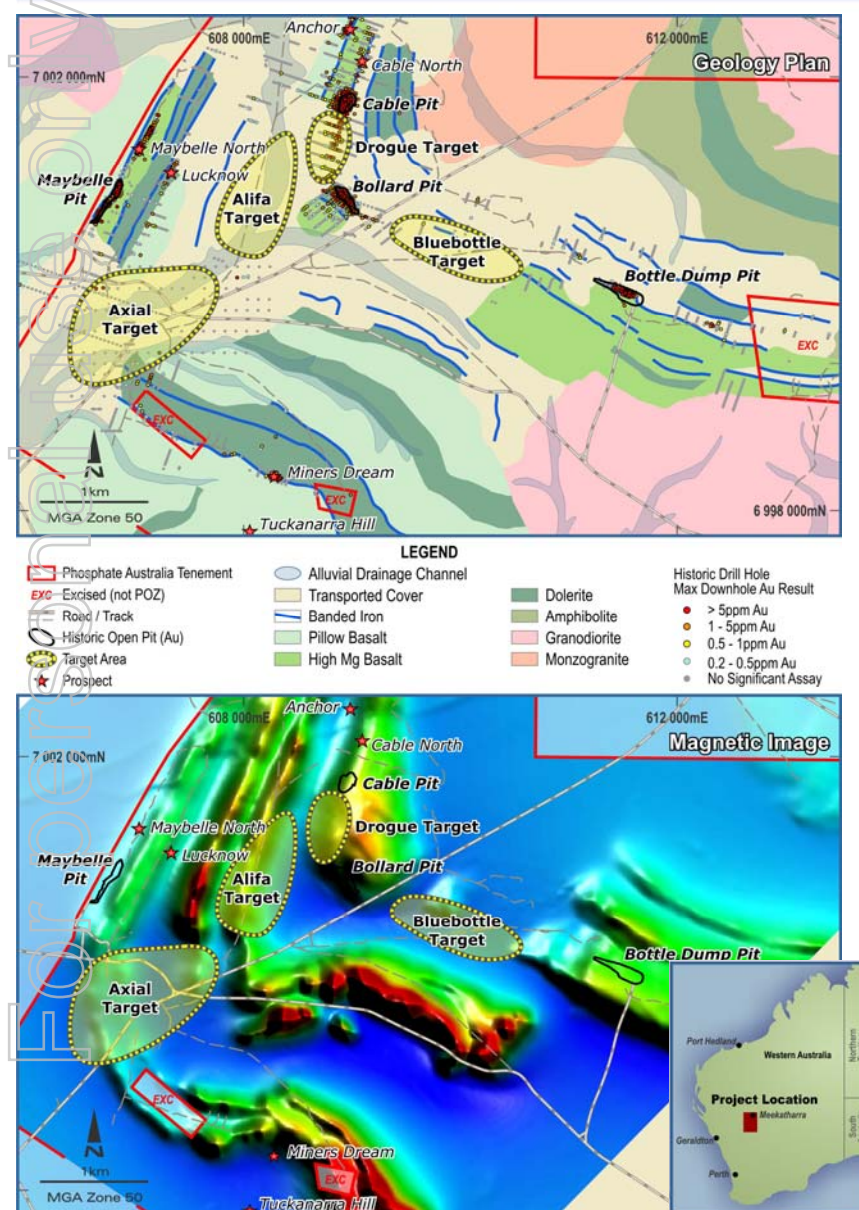
NB:

1. *Shipped beneficiated Product of 34% P_2O_5 gives a price advantage versus 30% P_2O_5 of approximately USD18 per tonne

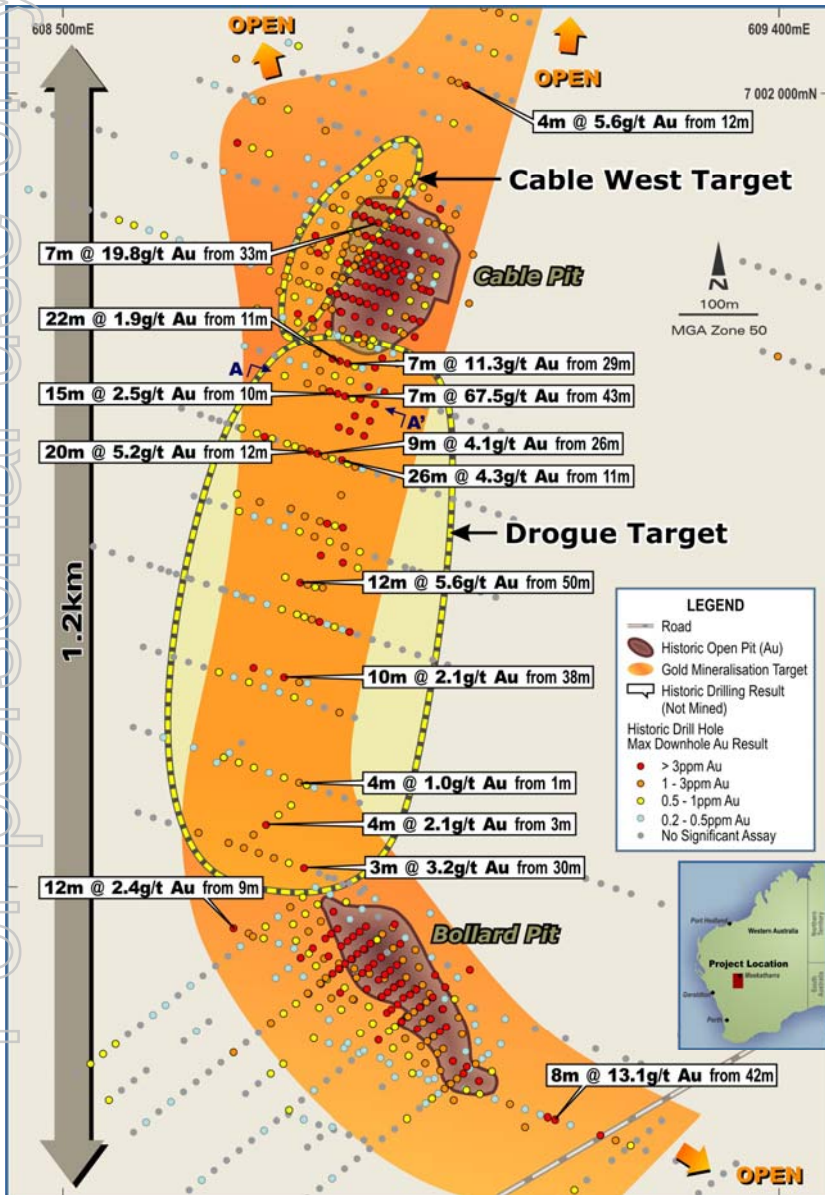
The above Opex and Capex numbers are based upon in-house estimates by POZ management or by scoping study where previously announced. These are scoping level estimates and should be independently verified before any investment decisions are made.

Tuckanarra Gold Project (WA)

- ◆ 100% interest in the historic Tuckanarra Gold Project, no private royalties
- ◆ Historic production ~125,000 ounces
- ◆ Main tenements granted, drilling program planned for late November
- ◆ Situated centrally within the Murchison goldfield with nearby existing gold plants at Burnakura (40 km), Bluebird (on highway), Cue (40 km on highway) and Tuckabiana (planned mill 65 km on highway and haul road) opening up possibilities for toll treatment.

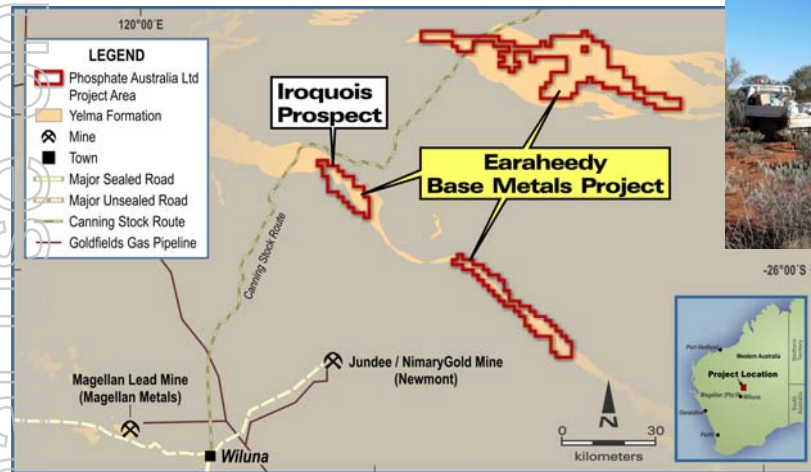


Tuckanarra Gold Project – Cable Bollard Prospect

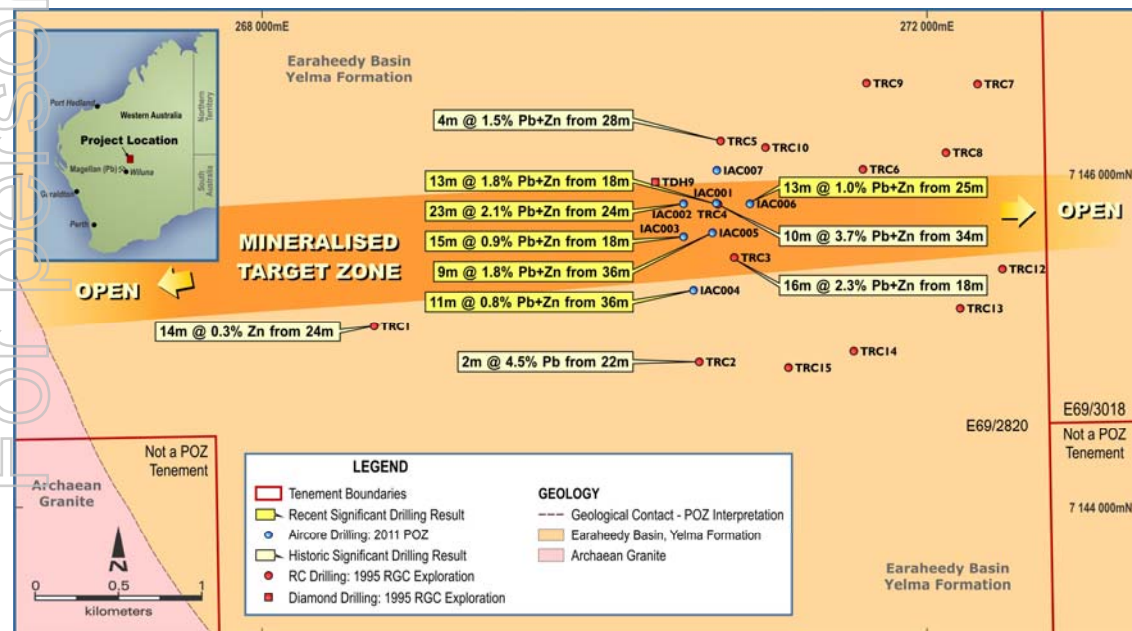


- ◆ Cable-Drogue-Bollard line of historic workings and open pits is a significant area of previous mining which was last worked in 1993 when the gold price was around US\$330/ounce.
- ◆ Considerable amounts of known, shallow gold mineralisation
- ◆ Target of the current drilling program (Nov-Dec 2011)
- ◆ increased drilling activity early in 2012 with an initial resource estimate aimed for by May 2012.

Earaheedy Base Metals Project

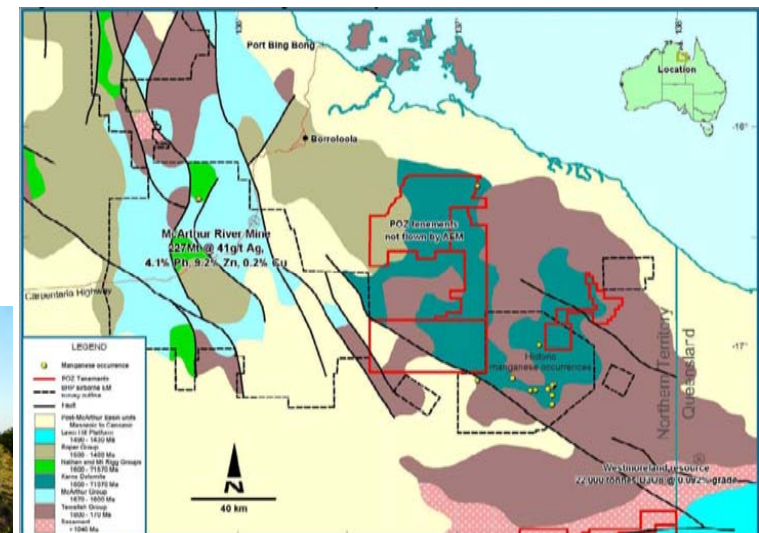
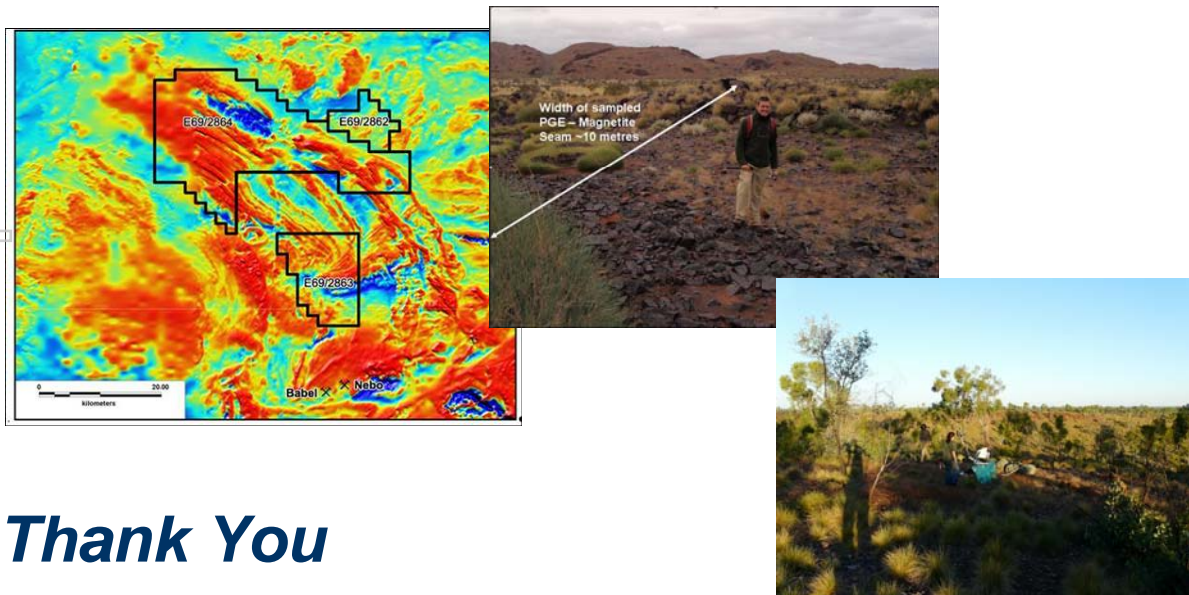


- ◆ Large Base Metals target potential for Mississippi Valley Type (MVT) Deposit in the Earaheedy Basin
- ◆ Maiden drill program in October 2011, assay results included 23metres at 2.1%Pb+Zn from 24metres
- ◆ From this initial drilling, a large target zone has now been identified of approximately 5km long by 500 metres wide.
- ◆ Large area (973km²) of under-explored prospective Yelma Formation 100% controlled by POZ



Other Projects and Deals

- ◆ **Musgrave Project (WA):** Prospective for PGE's and Ni-Cu. Platinum Group Element assays at surface of up to 3.4 g/t (mainly platinum), 10's of km of strike potential. The BHP Billiton Ltd controlled Nebo-Babel deposit (393 Mt at 0.3% nickel and 0.3% copper) remains the most significant discovery in the region to date.
- ◆ **Robinson River Manganese (NT):** Agreement signed with Mineral Resources Limited subsidiary, PMI, to exclusively explore and develop manganese deposits within POZ's Robinson River project in NT. PMI is a very significant manganese mining and development company with considerable expertise in bringing manganese resources to production.
- ◆ **Nicholson Iron (NT):** Large area of 1,400 km² prospective for Clinton-style oolitic iron mineralisation. Recently a one tonne metallurgical sample was collected by Company geologists from one of the mineralised sites POZ had discovered, the sample beneficiated to up to 59.1% Fe, 7.4%SiO₂, 0.03% P with a 55% recovery. Overall size potential of the iron project in this under-explored region is large.



Thank You