PhosCo Ltd

(Formerly known as Celamin Holdings Limited)

ABN 82 139 255 771

Annual Report - 30 June 2022

PhosCo Ltd
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Contents
30 June 2022

PhosCo

Directors	Mr Robin Widdup (Chairman) Mr Simon Eley (Managing Director) Mr Tarecq Aldaoud (Executive Director) Mr Tim Markwell (Alternate Director - resigned 31 October 2021)
Interim CFO	Mr Craig Smyth (appointed 29 July 2021)
Company secretary	Mr Stefan Ross
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Perth office	Unit 27, 210 Queen Victoria Street North Fremantle WA 6159 Australia +61 439 993 146
Share register	Automic Group Level 5,126 Phillip Street Sydney NSW 2000 1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	PhosCo Ltd shares are listed on the Australian Securities Exchange (ASX code: Shares: PHO)
Website	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 2022.

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

Mr Robin Widdup (Chairman)
Mr Simon Eley (Managing Director)
Mr Tarecq Aldaoud (Executive Director)
Mr Tim Markwell (Alternate Director - resigned 31 October 2021)

Principal activities
During the financial year ended 30 June 2022, the principal activities of the Consolidated Entity are the exploration for, development and realisation of mineral resource projects in Tunisia.

Review of operations
The loss for the Consolidated Entity after providing for income tax and non-controlling interests amounted to $1,219,513 (30 June 2021: $1,132,304).

On 11 October 2021, the Consolidated Entity announced that it has assumed operational and management control over CSPA, holder of the Chaketma Phosphate project as 50.99% shareholder of Chaketma Phosphates S.A. (CPSA). Accordingly, CPSA's assets and liabilities have been consolidated and non-controlling interests reflected in the consolidated statement of financial position.

Financial Performance
Operating expenses for the financial year were $1.30 million (2021: $1.14 million). This was mainly driven by increases in employment expenses of $0.47 million to $0.66 million (2021: $0.19 million), corporate and administration expenses, increased by $0.33 million to $0.76 million (2021: $0.43 million) and interest expense on cash calls payable to Tunisia Mining Services SARL (TMS), the minority shareholder in CPSA, of $0.24 million (2021: nil).

Foreign exchange gains of $0.61 million primarily relate to the decrease in the Australian Dollar (A$) value of Tunisian Dinar (TND) denominated financial liabilities.

Financial Position
The Consolidated Entity's total assets increased by $5.52 million to $6.19 million at 30 June 2022 and total liabilities increased by $6.93 million to $7.55 million, all of which are current liabilities. Accordingly, at 30 June 2022, the Consolidated Entity had both a net deficit and a net working capital deficit of $1.37 million and $5.42 million, respectively (2021: $0.05 million and $0.015, respectively).

The increase in the Consolidated Entity's total assets and liabilities during the year ended 30 June 2022 was driven primarily by the Group's ability to raise capital and the acquisition of a 50.99% controlling interest in CPSA in October 2021 for nil consideration.

During the year ended 30 June 2022, the Consolidated Entity raised $2.77 million in proceeds, net of costs of capital raised, from the share placement executed in two tranches in December 2021 and January 2022, further supplemented by $0.23 million in proceeds from the exercise of options over fully paid ordinary shares through to 30 June 2022. Refer to "Significant changes in the state of affairs" in the Directors' report for further details.

CPSA's net deficit on acquisition in October 2021 was comprised of:

Chaketma Phosphates S.A. assets and liabilities on 1 October 2021	$
Cash and cash equivalents	265
Trade and other receivables	45,824
Other assets	2,202
Property, plant & equipment	12,269
Bank overdraft	(15,957)
Trade and other payables	(1,435,517)
Cash calls payable to Tunisian Mining Services (TMS)	(3,841,356)
Interest payable on cash calls (TMS)	(1,714,408)
Net liabilities acquired	(6,946,678)

PhosCo's wholly owned subsidiary, Celamin Limited, was successful in the arbitration and court processes regarding the dispute with its partner TMS. Enforcement of the return of PhosCo's interest and regaining joint control in the Chaketma Phosphate Project via its holding of a 50.99% interest in CPSA was implemented through an Ordinary General Meeting of shareholders (OGM) held in October 2021, resulting in PhosCo appointing its representatives to CPSA's Board of Directors, including its President and Director General. Subsequent to the OGM, the Consolidated Entity continues with its ongoing assessment of CPSA's financial position, the results of geological studies and findings, the renewal of CPSA's license and preparation for the further development of the Chaketma project.

An integral element of the arbitration decision was the award of damages in PhosCo's favour in the amounts of US$2.36 million, Euro 1.25 million, A$0.26 million and CHF 0.04 million, excluding interest penalties for non-payment amounting to 5% p.a. on the unsettled amount. This award has been affirmed by the Court of Cassation in Tunisia after initially being awarded by the Swiss Arbitration court and subsequently affirmed by the Swiss Court of Appeal 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, the aforementioned amounts were therefore converted for execution to TND 10.13 million and thereafter incur interest at 5.5% per annum on any unpaid balances. The Consolidated Entity's entitlement as of 30 June 2022 is A$6.01 million (TND 12.89 million).

Subsequent to the acquisition of a controlling interest for nil consideration in October 2021, given CPSA's history and the actions of TMS, the Consolidated Entity's partner who fraudulently requisitioned the Consolidated Entity's interest in CPSA in 2014, as confirmed by the Final Arbitration Award and the Court of Cassation in Tunisia, the Consolidated Entity has been undertaking an extensive forensic audit of all matters pertaining to the intervening period between the date the Consolidated Entity's interest was requisitioned by TMS and October 2021, the date upon which the Consolidated Entity effectively reacquired its interest in CPSA.

The forensic audit, which will draw to its conclusion in 1H of FY2023, has as its purpose the identification of any corporate, legal and financial irregularities that may have occurred since the period from when the Consolidated Entity lost control of its shareholding in the year ended 30 June 2015. 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 Consolidated Entity has reserved its right to challenge the validity of any such liabilities in court.

The Consolidated Entity would like to draw attention to the fact that the conclusion of the forensic audit and the resolution of matters arising therefrom, irrespective of the Consolidated Entity's views, will only be finally resolved upon a successful legal challenge. As and when the Consolidated Entity commences the execution of its strategy to secure the financial position and future performance of the Chaketma project and specifically its subsidiary, CPSA, any and all changes which may arise to CPSA's financial position will be duly reflected in the Consolidated Entity's financial position and performance. However, as of the date of this report, no such amendments have been made and recognised.

CPSA's obligations for the settlement of its unsecured cash call and related liabilities due to TMS are neither secured nor have been guaranteed by Phosco Ltd or its subsidiary and owner of the 50.99% interest in CPSA, Celamin Limited. Accordingly, the obligation for any potential future settlement of these obligations is the sole obligation of CPSA.

The Consolidated Entity's net asset position excluding CPSA's amounts payable to TMS are as follows:

Composition of the Consolidated Entity's net assets at 30 June 2022:	
Consolidated net assets at 30 June 2022	(1,365,629)
Cash call liabilities due to TMS	3,650,118
Interest on TMS cash calls accrued	1,861,163
Accounts payable to TMS	392,814
Net assets at 30 June 2022 excluding CPSA's liabilities due to TMS	4,538,466

Although the Company has recovered the 50.99% interest, the Company notes that various actions related to the enforcement of the arbitration orders remain before the courts, including but not limited to the enforcement of the A$6.01 million award and despite the aforementioned financial position of CPSA, regaining control over its interest in CPSA marks a turning point after which the Consolidated Entity can and is looking positively to the future, its focus remaining on the ability to maximise the opportunities which the Chaketma Project inherently presents.

Cashflow

During the period the consolidated entity had net cash outflows from operating activities of $1.56 million (2021: $0.98 million). The increase in cash outflows from operations is largely due to the $0.67 million increase in payments to suppliers and employees to $1.56 million in the year ended 30 June 2022 (2021: $0.88 million). Cash outflows on investments in exploration and evaluation activities increased from nil in 2021 to $0.42 million in the year ended 30 June 2022. This has been primarily driven by works undertaken on the Chaketma project subsequent to the reacquisition of the Consolidated Entity's interest in CPSA.

Chaketma Project

The Consolidated Entity's core project is a 50.99% interest in the Chaketma Phosphate Project, owned by its subsidiary CPSA.

In late 2017, CPSA applied to convert the Chaketma Exploration Permit to a Mining Concession ahead of the February 2018 deadline. The Chaketma Mining Concession has not yet been granted and the application remains under consideration by the mining administration in Tunisia. CPSA previously submitted a range of feasibility work to the Tunisian Government in support of the Mining Concession application. The bulk of this work has been accepted by the Government, who requested an updated finance plan for the Project proving the capability to finance the development. Following PhosCo assuming management control of CPSA in late 2021, debt advisors HCF International Advisors were engaged to assist with the finance plan to develop Chaketma, with positive engagement with a number of development and commercial banks.

CPSA lodged the financing plan with the Tunisian Government on 20 September 2022. As of the date of this report, in accordance with the Tunisian Mining Code, the existing exploration license remains in good standing until such time as a final decision approving the mining concession or cancelling the existing license takes place and is duly publicly gazetted.

Chaketma is a potential large-scale, world-class phosphate development asset, which comprises six prospects over a total area of 56km2. As announced on 15 March 2022, it hosts a total JORC compliant Resource of 148.5Mt @ 20.6% P_2O_5 with access by road, and proximal to rail and gas pipelines.

Chaketma is one of several known phosphate deposits in Northern Tunisia. Phosphate deposits in Northern Tunisia share a similar character and differ from the phosphate deposits of the Gafsa basin in the South. The Gafsa basin phosphates tend to be thicker, higher-grade, are free digging, and can be beneficiated by washing. Phosphate deposits in Northern Tunisia tend to be lower grade and require drill and blast mining and are beneficiated by flotation.

The Chaketma local geology consists of a sequence of transitional shallow water Eocene marine dolomitic limestone cover grading down through phosphatic sediments to deeper marine sandstones, clays, and marl. The upper phosphorite at Chaketma is a dolomitic phosphatic sandstone grading into a higher grade coarse coprolitic phosphate and finally fine grained phosphatic marls.

The basin was uplifted, tilted, and faulted. Kef El Louz (KEL) is one of six prospects at Chaketma which are remnants of a once continuous phosphate rich basin that has been pulled apart. KEL and Gassa Kebira (GK), the two largest prospects at Chaketma, now occupy prominent topographic mesas with phosphate exposed on the flanks. The high degree of exposure of the phosphatic geology makes exploration easy and is likely to make exploitation of the resources relatively straight forward.

The geological unit of economic interest at KEL is a stratified phosphate horizon composed of three distinct layers (A, B and C) that are chemically distinct. The chemical differences between layers reflect variations in mineralogy and will have an impact on metallurgy. The highest-grade Layer B comprises 58% of the total resource.

Metallurgical properties of each layer need to be individually established to generate a geometallurgical model of the project. The upper layers are sandy and therefore quartz rich while the lower most layer is clay rich. These contrasting mineralogies will behave differently in a processing plant and different regents will be required to remove them during beneficiation.

Chaketma	**JORC 2012**	**Mt**	**% P2O5**
KEL – March 2022	Measured	49.1	21.3
	Indicated	6.4	20.3
		55.5	21.2
GK - June 2013	Inferred	93.0	20.3
	Measured, indicated & inferred	-	-
Global Resources		148.5	20.6

Independent consultants, Arethuse Geology, have estimated a Measured and Indicated Mineral Resources of 55.5 million tonnes of rock at a grade of 21.2% P_2O_5 as per JORC (2012) guidelines, above a cut-off of 10% P_2O_5. This is a significant increase from the previous KEL inferred MRE of 37Mt @ 21% P_2O_5 (published on 9 November 2012, as estimated by independent consultants Geo Mining). This provides a resource base sufficient for the initial 30 years of the mining plan as proposed in the Scoping Study announced on 14 August 2012 (Scoping Study).

The KEL MRE has been estimated with a materially greater quantity and density of drilling data than the previous (2012) estimate (2012: 37 holes totalling 2,889 metres / 2022: 117 holes totalling 9,128 metres). The additional drilling is largely in-fill and the 31 holes outside the maiden MRE envelope are concentrated in a comparatively small area. The spacing of the drilling combined with an improved understanding of cross-cutting faults which have been mapped at surface in detail underpins the classification of high confidence Measured and Indicated Resources.

The drilling contained by the KEL MRE covers 47% of the overall surface area of the known mineralisation for the prospect. There is potential to extend the resource south and east where the mineralisation outcrops and has not been drilled but has been trenched and mapped around the periphery of the topographical feature. The type of sampling in the trenches does not currently support inclusion in the MRE but clearly shows that phosphate mineralisation is far more extensive than the area drilled at KEL.

Figure 01 – Resource Upgrade & Drilling for KEL Prospect

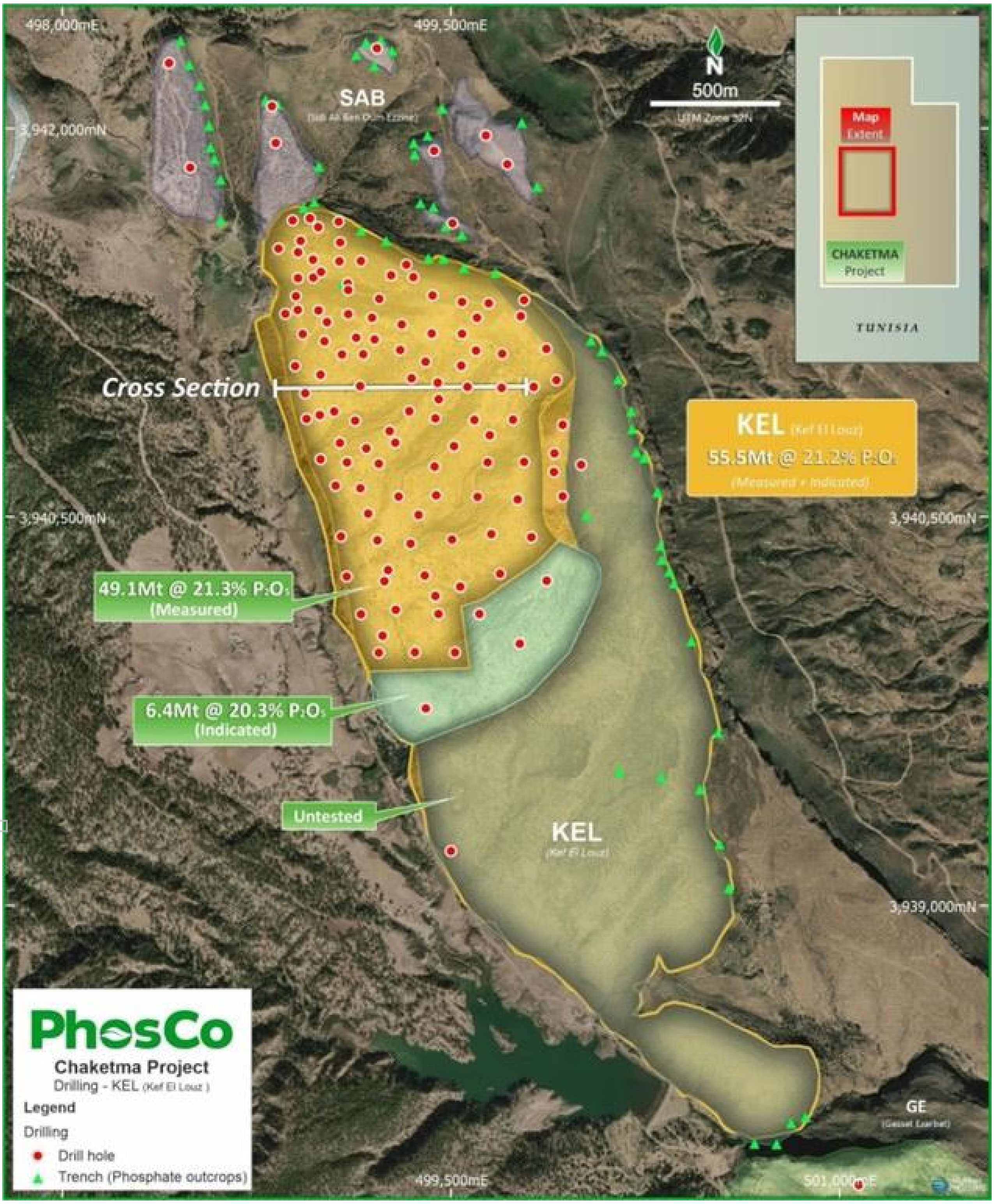


Figure 02 – KEL Section 3 941 000mN Demonstrating Continuity of Mineralisation

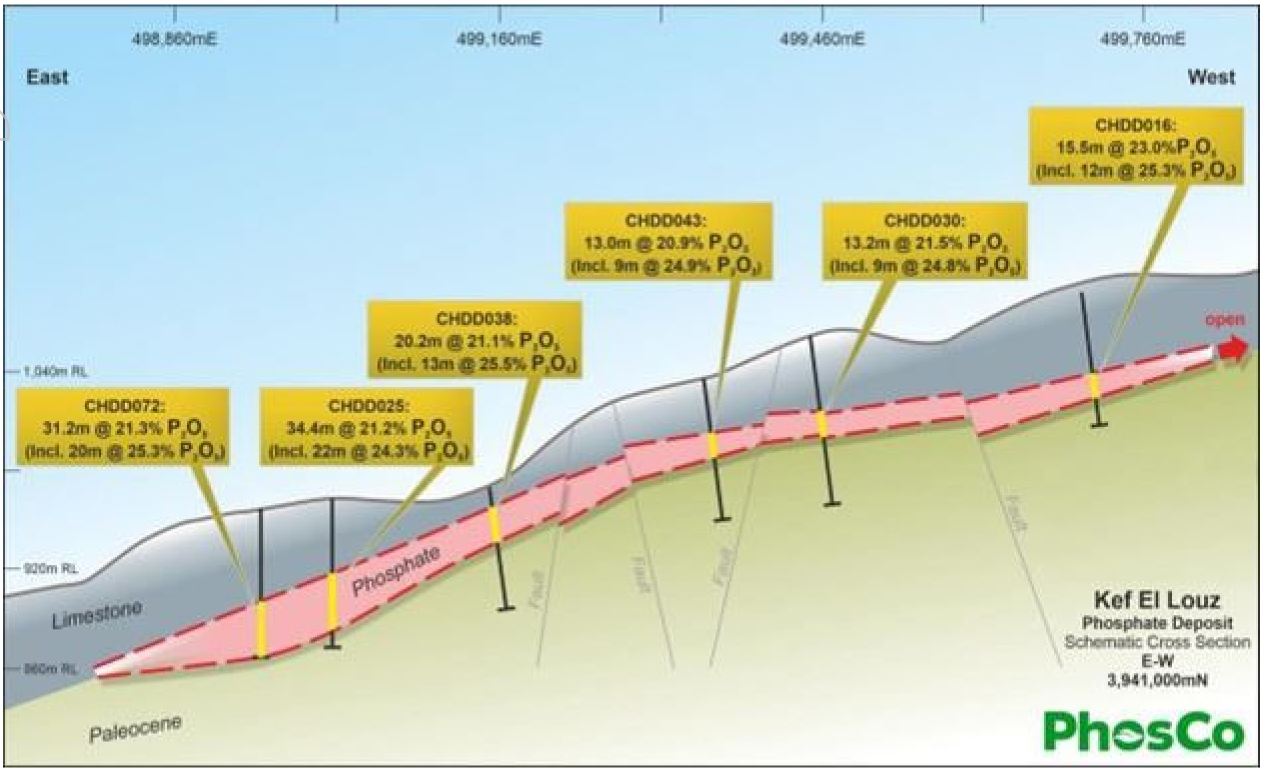
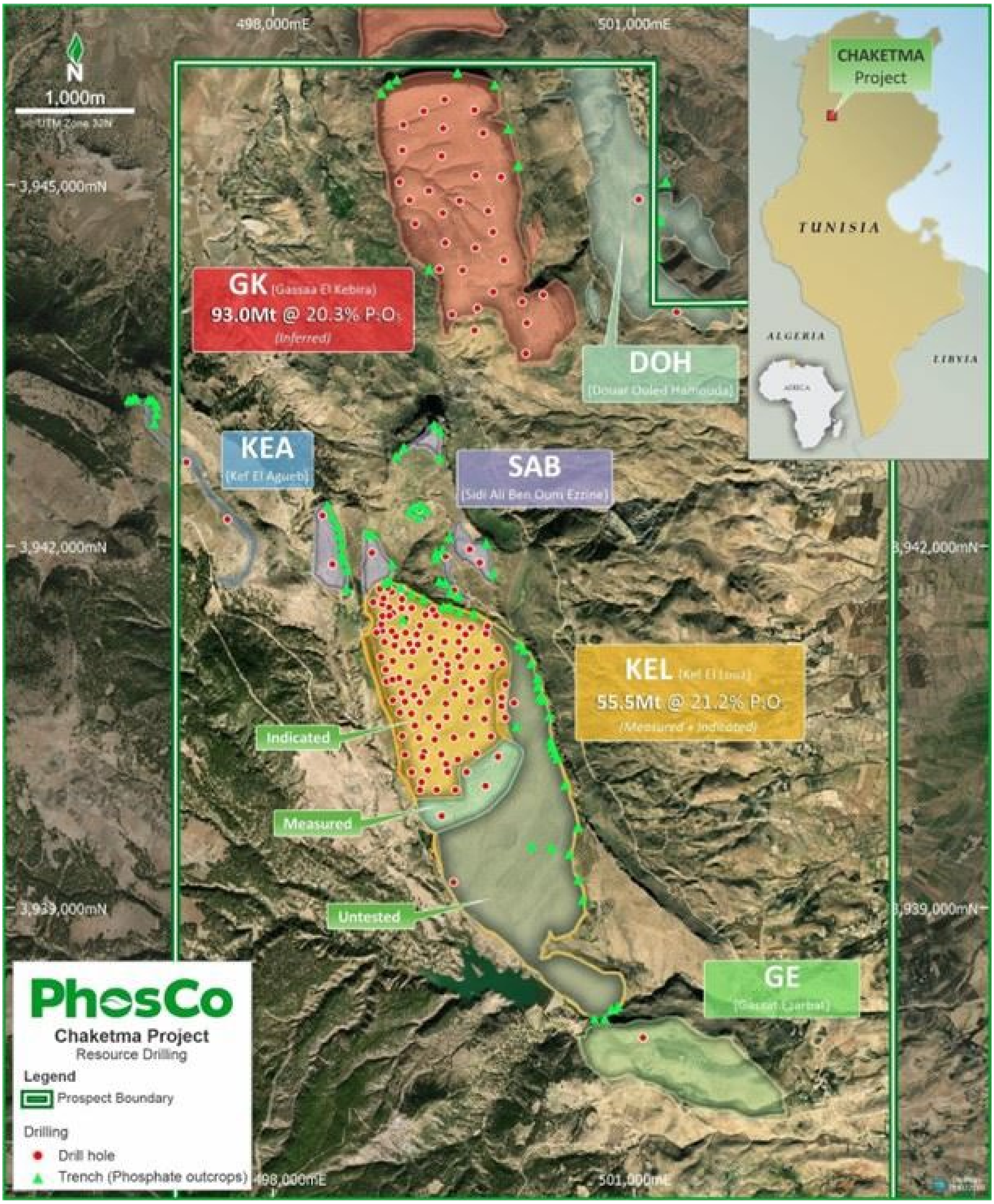


Figure 03 – KEL Trenching Showing Phosphate Mineralisation (Lower Layer) and Dolomitic Limestone Overburden

The existing MRE for GK currently stands at 93 Mt at 20.3% P_2O_5 (prepared by Geos Mining, 2013), and global resources for the Chaketma Phosphate Project now stand at 148.5Mt at 20.6% P_2O_5. The Chaketma resource is the only phosphate resource controlled by an ASX listed company in North Africa.

Figure 04 – Chaketma Phosphate Project Prospect Locations



The Consolidated Entity, subsequent to regaining control over CPSA has commenced the expansion of its in country team of experts and partners in Tunisia, the primary initial objectives being the completion of an update of the scoping study originally undertaken in 2012 and preparation for undertaking a bankable feasibility study.

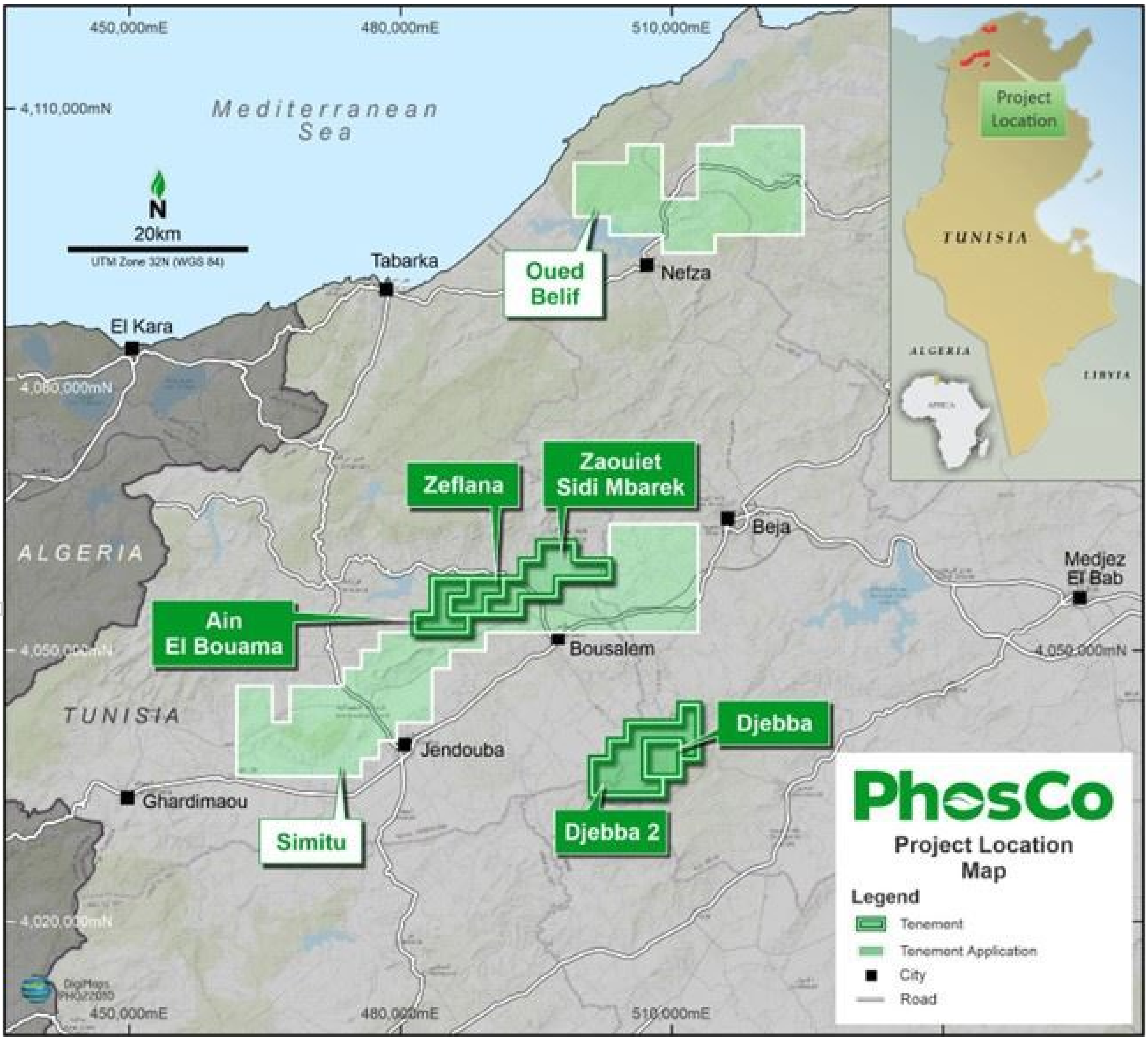
The Consolidated Entity is continuing discussions with international institutional financiers, off-take partners, infrastructure groups and the government of Tunisia given the potential demonstrable local benefits and positive impact of foreign direct investment in Tunisia.

Zinc-lead projects

The Consolidated Entity was granted two zinc/ lead projects, Djebba and Zeflana. Both projects are highly prospective base metal projects in the Atlas Zinc-Lead Belt where high impact exploration can be efficiently completed to derive drill ready targets and potentially enhance shareholder value. Both Djebba and Zeflana are located near historical zinc-lead mines and have had limited modern exploration technologies applied to the permits. The permits are held 100% by a wholly owned subsidiary and are eligible for two three-year extensions. These permits have been renewed for a second three-year term following an exemption from minimum expenditure requirements as some of the work planned at Djebba and Zeflana was unable to be completed due to the inability to travel to the sites because of COVID-19. Preliminary exploration work on these permits is planned in the near term and will consider alternative routes to deliver value to shareholders.

Northern Tunisia Base and Precious Metals

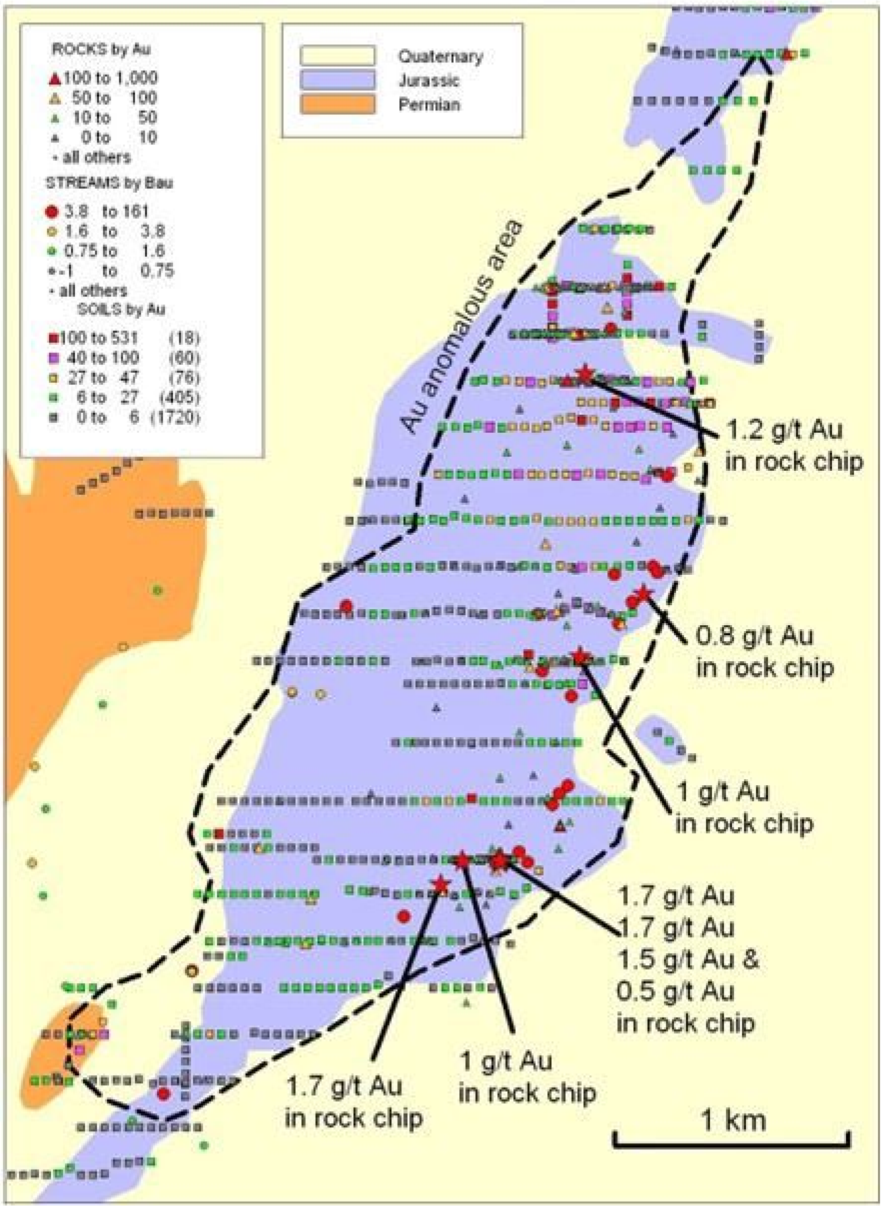
As advised in the March 2022 Quarterly Report, in April 2022 PhosCo lodged two Exploration Permit applications in Northern Tunisia. The applications cover over 424km^2 and 244 Km^2 respectively targeting copper-lead-zinc with anomalous gold. The interpretation is that the Tunisian nappe zone is the extension and eastern termination of Iberian Pyrite Belt along the Mediterranean coast through Morocco and Algeria.



Base metal exploration tenements and applications (light green)

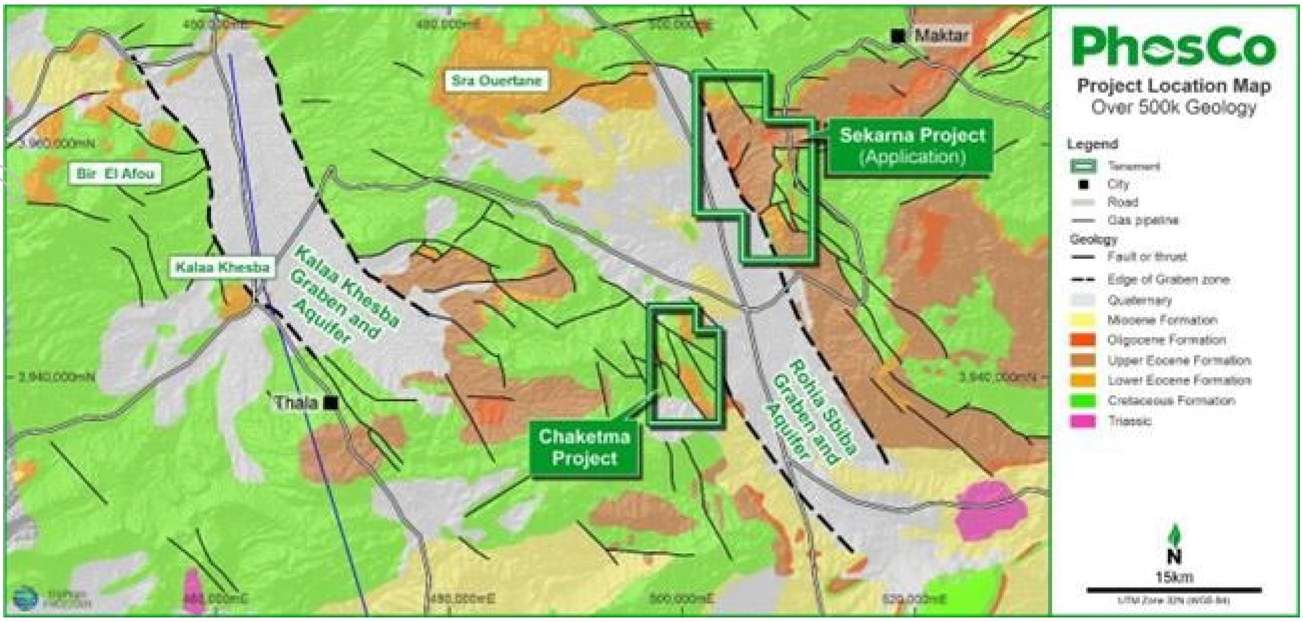
The applications target copper-lead-zinc and gold occurrences that have had some historical geochemical and geophysical work over old mine workings. Historic exploration work announced by Albidon Limited in April 2005 is the basis of the new applications and the PhosCo's in-country team is in the process of recovering and collating this data.

The Simitu application includes the Kef el Ageb target where Albidon identified a copper and gold anomaly in rock chip and soil samples over a distance of approximately 9 km.



Kef el Ageb Anomalous gold in soil and rock chips

Sekarna project
Sekarna Phosphate Project is a large scale, outcropping phosphate target (128km2) located 10 Km northeast of Chaketma. An Exploration Permit application to be held 100% by PhosCo has been lodged with the Tunisian Department of Mines in July 2022 over the Project (Sekarna), with reported high grade rock chip samples grading between 19.7% and 27.8% P_2O_5.



PhosCo's Tunisian exploration team observed phosphate in outcrop below the upper Eocene cap rock exposed by steep-sided mesa topography. Outcropping phosphate mineralisation has been mapped on margins of the mesa and documented in historical government reporting in this region. No exploration targeting phosphate has been carried out over Sekarna. The phosphate mineralisation was investigated by A Zaier (1999), a PhD student who studied and documented phosphate deposits of the central and western basin of Tunisia.

Figure 1 Sekarna – Mesa – Phosphate layer at base of limestone cap

Field inspection by PhosCo's Tunisian team traced the phosphate unit, which was exposed in outcrop with mapped thicknesses of between 5m to more than 20m for 2.7km along the margin of the Rohia Graben. The application process is expected to take several months.

New Opportunities Being Assessed
While the Chaketma Phosphate Project remains Phosco's focus, the Consolidated Entity has been approached regarding several new opportunities which are currently being assessed. Currently all opportunities are confidential, early stage and incomplete.

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

Risks specific to Chaketma Phosphates SA
The Company is currently completing the legal and accounting due diligence on CPSA for the period prior to the Company regaining operational control. CPSA has a net deficit largely comprised of current liabilities due to the Consolidated Entity's partner TMS, with whom the Consolidated Entity has been in dispute and against whom the Consolidated Entity has an Arbitration Award confirmed by the Tunisian Court of Cassation. These material liabilities are at call on demand. If the Consolidated Entity is not successful in striking down in part or in full or execute other means by which to limit the impact of these liabilities on CPSA's financial position there is a risk that this may jeopardise the successful development of the Chaketma project.

Associated with CPSA's financial position and its ability to realise the Chaketma project is the risk that any actions to seek redress or strike down CPSA's obligations to TMS may adversely influence the timing of the development of the Chaketma project. Such processes, aimed at solidifying CPSA's financial position and provide a springboard for the realisation of the Chaketma Project, despite potentially resulting in the favourable amendment to the existing terms of the TMS liabilities, have not commenced and their potential success is uncertain. Furthermore, the Company is unable to confirm, except to the extent disclosed within the consolidated financial statements and notes thereto, the actual or contingent liabilities incurred in CPSA which may potentially result in the Company either suffering from losses to fund these liabilities or obtain the benefit of the legal execution of awards in either CPSA's or the Consolidated Entity's favour.

Title and permit risks
Whilst an updated mining concession application in relation to the exploration permit for the Chaketma Phosphate Project has been lodged on 20 September 2022, the aim of which is to address the previously unresolved issue of the project's financing, there is no certainty a mining concession will be granted by the Tunisian Government or that, if granted, the mining concession will be of a size and on terms acceptable to the Company. In addition, mining and exploration permits and licences are subject to periodic renewal. There is no guarantee that current or future renewals will be approved.

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

Future funding risks
The Company is involved in exploration for minerals in Tunisia and is yet to generate revenues. The Company has cash and cash equivalents balance of $1.81 million and a net deficit of $1.3 million at 30 June 2022. The Company may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

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

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

Environmental and social risks
The Consolidated Entity holds participating interests in a number of exploration tenements in Tunisia.

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

The long-term viability of the Company is closely associated to the wellbeing of the communities and environments in which the Company conduct operations. At any stage of the asset life cycle, the Company's operations and activities may have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Company may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

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

The COVID-19 pandemic creates particular risks and challenges for the Company, which outsources activities, as operational progress may be slowed or arrested as jurisdictions and suppliers respond to differing conditions. The Company monitors commercial developments and engages proactively with key stakeholders to manage this risk.

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

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

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

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

Impact of COVID-19
The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously evolving. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term.

The Company has in place business continuity plans and procedures to help manage the key risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective.

Exploration and development Risk
Mining exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

The business of exploration for phosphate and other minerals and their development involves a significant degree of risk. There is no assurance that future exploration expenditure will result in discoveries or upgrade existing mineralisation to the stage where such can be successfully commercially exploited.

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

Grant of future authorisations to explore and mine
If the Company 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. The Consolidated Entity's subsidiary CPSA, has submitted on 20 September 2022 mission critical financing details to the Tunisian authorities in support of an application for the receipt of a mining concession over the Chaketma tenement. There is no guarantee that the Company's application will be successfully approved by the regulatory authorities nor that it the Company will be able to obtain all required approvals, licences and permits in respect of any or all of the Company's projects. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

Resource and reserve estimates
Reserve and Resource estimates for the existing mineral properties of the Company are estimates only which were valid when originally calculated and may alter significantly when new information or techniques become available. No assurance can be given that any particular level of recovery of minerals from the Reserves and Resources will in fact be realised or that an identified Reserve or Resource will ever qualify as a commercially mineable (or viable) deposit that can be economically exploited.

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

Geopolitical and sovereign risks generally
Changes in legislation and government policy in Australia and Tunisia (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.

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

Future profitability
The Company is in the growth stage of its development and is currently making losses. The Company's performance will be impacted by, among other things, the success of its exploration activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

Litigation risk
The Company regained operational and management control of CPSA in October 2021 through the enforced arbitration awards against Tunisian Mining Services (TMS) delivered by the International Court of Arbitration of the International Chamber of Commerce (Final Award). The enforcement may still be challenged by TMS and be overturned by a higher court in Tunisia. No guarantee is given that the Company will recover any damages, costs or other compensation in relation to CPSA from TMS, including in the event this enforcement is challenged and overturned.

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

Significant changes in the state of affairs

On 29 July 2021, the Consolidated Entity announced that it had commenced a process to transition to technical management. The Consolidated Entity announced it would advance the Chaketma Phosphate Project upon the resolution of the dispute with TMS, including delivering a feasibility study. Alternate Director Mr Tim Markwell will become interim Chief Executive Officer responsible for technical work and helping recruit a technical team. The Consolidated Entity's Managing Director Mr Simon Eley's salary will be reduced by 50% and taken entirely as shares, subject to shareholder approval. Any additional time worked above 2.5 days will be paid at a rate of A$1,000/day. His duties as Managing Director will be focused on final enforcement of the Consolidated Entity's arbitration success and resolution of the dispute with TMS to advance Chaketma, something he has been instrumental in achieving since his initial appointment in July 2018. Mr Craig Smyth has been appointed interim CFO during the transition period.

On 29 July 2021, Ms Melanie Leydin stepped down as appointed Company Secretary and Mr Stefan Ross appointed in the office holder position as Company Secretary effective from 29 July 2021. Ms Leydin will continue to support the Consolidated Entity via her role in Vistra.

On 11 October 2021, the Consolidated Entity announced that it has assumed operational and management control over CSPA, holder of the Chaketma Phosphate project as 50.99% shareholder of CPSA. As a result, technical work will begin, and to this end Country Manager Donald Thomson has been appointed. Details of the acquisition are presented in note 5 to the consolidated financial statements

The Consolidated Entity continues to finalise due diligence and prepare legal processes and finalise a plan to optimise CPSA's financial position so as to ensure financial resources are solely made available for the progression of the Chaketma project, consistent with both the Arbitration Award and the terms of both the joint venture agreement and CPSA's constituent documents.

These procedures include but are not limited to undertaking those actions necessary to legally enforce the terms of the Arbitration Award, to defend CPSA's rights as it pertains to certain liabilities which the Consolidated Entity has found through the completion of its forensic audit to be unsubstantiated, fraudulent and/or not in the best interests of CPSA's stakeholders in the progress of the Chaketma project's development. These stakeholders include but not are not limited to the direct shareholders in CPSA collectively, CPSA's current and future employees, suppliers and other third party service providers, bankers and the Tunisian government and the Tunisian economy.

As and when the Consolidated Entity deems appropriate, it will vigorously defend the Chaketma project and CPSA as the holder of the exploration rights over the Chaketma project which accrue with the license, including the responsibility for the development of the project for the betterment of all stakeholders and the Consolidate Entity reserves the right to use all means necessary to implement the aforementioned processes successfully. For further details refer to note 5 to the consolidated financial statements.

On 14 October 2021, Celamin Holdings Limited (ASX: CNL) proposed a name change to PhosCo Ltd (ASX: PHO) in recognition of its future direction and restarting work at the Chaketma Phosphate Project in Tunisia, which was subsequently approved in January 2022.

On 4 November 2021, the Consolidated Entity announced results for Chaketma drilling completed since 2014. This includes the flagship KEL deposit at Chaketma, with drilling extending known mineralisation approximately 1km2 to the south of the 2012 JORC Inferred Resource of 37Mt @ 21% P_2O_5.

On 3 December 2021, the Consolidated Entity secured binding commitments to raise $3.2M at $0.075 per share via a Placement, with strong support from new and existing institutional and sophisticated investors. Placement proceeds will fund exploration, a major resource upgrade and technical studies to advance the Chaketma phosphate project.

Tranche 1 of the Placement, comprising 29,256,839 New Shares ($2.2M), is not subject to shareholder approval and will fall within the Consolidated Entity's placement capacity under ASX Listing Rule 7.1 (Tranche 1); and Tranche 2 of the Placement, comprising approximately 13,333,334 new shares ($1.0M), was issued subsequent to shareholder approval at the Consolidated Entity's Annual General Meeting proposed held on 21 January 2022 (AGM). This tranche comprises all Director/s (or their associates / related parties) Placement participation (Tranche 2).

On 13 December 2021, the Consolidated Entity issued, at an issue price of $0.075 (7.5 cents) per fully paid ordinary shares, 29,256,839 fully paid ordinary shares (Tranche 1 New Shares) and on 25 January 2022, the Consolidated Entity issued a total of 13,333,331 fully paid ordinary shares (Tranche 2 New Shares) to directors and related parties, following shareholder approval at the Consolidated Entity's Annual General Meeting held on 21 January 2022 pursuant to Resolutions 8, 9, 10, 11 and 12.

On 10 January 2022, the Consolidated Entity announced 500,000 unlisted options expired on 18 December 2021.

On 17 January 2022, the Consolidated Entity announced that 3,500,000 performance rights were issued to eligible Employees, pursuant to the terms of the PhosCo Ltd Limited Employee Incentive Plan (EIP). The performance rights vest on satisfaction of performance hurdles, expiring 31 December 2023.

On 24 January 2022, Celamin Holdings Limited (ASX: CNL) announced that further to Shareholder approval granted at the Company's Annual General Meeting held on Friday, 21 January 2022, the Consolidated Entity has changed its name from Celamin Holdings Limited to PhosCo Ltd (ASX: PHO).

On 25 January 2022, the Consolidated Entity issued of 7,314,203 unlisted options, exercisable at $0.10 (10 cents) per fully paid ordinary share, expiring 31 August 2022 and being issued as a free attaching option to participants of the Tranche 1 Placement, being one free attaching option per four Placement Shares.

On 25 January 2022, the company issued of 3,333,332 unlisted options, exercisable at $0.10 (10 cents) per fully paid ordinary share, expiring 31 August 2022 and being issued as a free attaching option to participants of the Tranche 2 Placement, being one free attaching option per four Placement Shares.

On 27 January 2022, the Consolidated Entity issued a total of 3,661,974 shares at various deemed issue prices per Share, in lieu of annual salaries, Directors fees and Services fees as approved by shareholders at the Consolidated Entity's Annual General Meeting held on Friday, 21 January 2022, pursuant to Resolutions 3, 4, 5 and 6.

On 12 February 2022, the Consolidated Entity issued a total of 6,000,000 unlisted options to the Joint Corporate Advisors, Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd as an incentive, with 2,000,000 unlisted options exercisable at $0.10 (10 cents) each, expiring 31 January 2024, 2,000,000 unlisted options exercisable at $0.15 (15 cents) each, expiring 31 January 2024 and 2,000,000 unlisted options exercisable at $0.20 (20 cents) each, expiring 31 January 2024.

On 1 February 2022, the Consolidated Entity announced that with the Company re-launch and resumption of technical activities in-country at the Chaketma Phosphate Project ('Chaketma'), that Taz Aldaoud will move from a Non-Executive Director to an Executive Director, with effect from 1 February 2022. Taz will assist the Consolidated Entity with managing its investor relations and focus on developing the Consolidated Entity's brand and investor profile as it transitions to a development phase.

On 14 February 2022, the Consolidated Entity issued 24,104,072 unlisted bonus options exercisable at $0.10 (10 cents) per fully paid ordinary share, expiring 31 August 2022. The prospectus for the pro-rata non-renounceable offer to eligible shareholders of one (1) loyalty bonus option (New Option) for every ten (10) shares held on the record date to subscribe one (1) fully paid ordinary share at an exercise price of $0.10 (Exercise Price) was lodged on 1 February 2022. The options can be exercised into Fully paid ordinary shares at any time up until 31 August 2022.

During the period from 25 February 2022 through to and including 16 May 2022, the Consolidated Entity issued 2,316,835 fully paid ordinary shares at an issue price of $0.10 (10 cents) per Share upon the exercise of unlisted options with an expiry date of 31 August 2022.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year
On 15 July 2022, 12,000,000 options over fully paid ordinary shares expired.

Subsequent to 30 June 2022 and prior to 31 August 2022, 29,095,784 options over fully paid ordinary shares with an exercise price of $0.10 (10 cents) were exercised and accordingly 29,095,784 fully paid ordinary shares were issued. The proceeds from the exercise of these options was $2.91 million.

On 20 September 2022, the Consolidated Entity announced the lodgement of the economic and financial study to develop the Chaketma Phosphate Project with the Tunisian Government. This study demonstrates the financial capability to finance the project and represents the final element of an application for the Chaketma Mining Concession.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations
The Consolidated Entity will continue to pursue the continued exploration and evaluation of its prospective tenements and the opportunities intrinsic therein. As regards to the Chaketma Project, the Consolidated Entity will undertake those procedures necessary to not only protect its interests in the project, obtain necessary permitting and also complete, when appropriate and upon obtaining the necessary funding, a bankable feasibility study.

The Consolidated Entity continues to investigate the liabilities incurred prior to and reflected in CPSA's statement of financial position on gaining control of CPSA and the nature, extent and value of liabilities which both are legally binding and in the best interests of the shareholders to settle only as and when these amounts are judicially confirmed. Given the duration of time and the extent of the liabilities subject to review, this process is incomplete at 30 June 2022. The quantum and timing of the settlement of liabilities assumed is uncertain and subject to the completion of both further legal and financial review and subsequent actions, the result of which are currently unable to be disclosed and will impact the Consolidated Entity's future financial position and performance.

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

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

The Consolidated Entity holds participating interests in a number of exploration tenements. The various authorities granting tenements required the tenement holder to comply with the terms of the grant of the tenement given to it under those terms of the respective tenements. There have been no known breaches of the tenements' conditions, as they relate to environmental provisions and no such breaches have been notified by any government agency during the financial year ended 30 June 2022 or previously.

Information on directors

Name:	Mr Robin Widdup
Title:	Chairman
Qualifications:	BSc (Hons), MAusIMM
Experience and expertise:	Robin is the founder and a director of one of PhosCo’s largest shareholders, Lion Selection Group Limited. Robin has 40 years of mining industry and equity market experience. Following working in a range of operations in the United Kingdom, Zambia and Australia, Robin joined the J B Were & Sons Resource Research team, prior to founding Lion Selection Group and Lion Manager in 1997. He is currently managing director of Lion Manager, director of Lion Selection Group Limited, and a non-executive director of Lion investee One Asia Resources Limited.
Other current directorships:	Lion Selection Group Ltd (Director), One Asia Resources Limited (Non-Executive Director)
Former directorships (last 3 years):	Nusantara Resources Ltd
Special responsibilities:	None
Interests in shares:	19,195,009 fully paid ordinary shares
Interests in options:	nil

Name:	Mr Simon Eley
Title:	Managing Director
Qualifications:	LB, BA
Experience and expertise:	Simon is a solicitor with vast experience in the resource sector. Simon was the chairman of Tierra Grande Resources Inc. (TGRI) on the NASDAQ until the company entered a merger with VNUE Inc. (OTCQB: VNUE). Simon was an Executive Director of Aragon Resources Limited and led the team that secured the Central Murchison Gold Project which became Aragon's core asset. Simon's experience includes capital raisings, commercial agreements, dispute resolution, corporate management, strategy and acquisitions and divestments.
Other current directorships:	M3 Mining Ltd (Non-Executive Director), Westar Resources Limited (Non-Executive Director)
Former directorships (last 3 years):	Egan Street Resources Limited (resigned 22 November 2019)
Special responsibilities:	None
Interests in shares:	8,587,910 fully paid ordinary shares
Interests in options:	nil

Name:	Mr Tarecq Aldaoud
Title:	Executive Director
Qualifications:	B.Pharm
Experience and expertise:	Taz is a chemist and entrepreneur. He has 15 years' experience in analysing and investing in resource projects at all stages of development, from exploration right through to mining and production. Taz has business interests in the retail pharmacy sector as well as significant investments in both private and listed resources companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	12,028,717 fully paid ordinary shares
Interests in options:	nil

Name:	Mr Tim Markwell
Title:	Alternate Director to Robin Widdup and Interim CEO (appointed interim CEO on 29 July 2021). (Resigned as Alternate Director to Robin Widdup on 31 October 2021).
Age:	BSc (Hons), MAusIMM
Experience and expertise:	Tim is the investment manager of prominent mineral resources investment fund African Lion and has previously sat on the Board of PhosCo. Tim is a qualified geologist with over 20 years' experience in the resource sector, including senior technical roles with BHP, Golder Associates and Minara Resources. He joined African Lion in February 2007. Prior to this, he held roles as a resources/investment analyst with a broking firm and then a listed investment fund.
Other current directorships:	None
Former directorships (last 3 years):	Aurora Minerals Ltd (resigned 9 December 2019)
Special responsibilities:	None
Interests in shares:	nil
Interests in options:	nil

"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 (appointed 29 July 2021) BBus (Acc)

Mr Stefan Ross has over 10 years of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Mr Ross graduated from ACU in 2008 obtaining a Bachelor of Business majoring in accounting.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Robin Widdup	6	6
Mr Simon Eley	6	6
Mr Tarecq Aldaoud	6	6
Mr Tim Markwell	2	2

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

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

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

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

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

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

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

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

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

As from 1 July 2015 the company remunerated Non-Executive Directors at a rate of $40,000 per annum except for the Non-Executive Chairman who receives fees of $60,000 per annum.

As of 1 February 2022, Directors fees for Simon Eley and Tarecq Aldaoud were confirmed as being $43,200 per annum, including superannuation. Robin Widdup's fees as Chairman of the Board remained at $65,000 per annum (including superannuation). Of the aforementioned remuneration, 50% is to be settled in shares of the Company (subject to shareholder approval) and 50% in cash. Furthermore, 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. There were no incentives or bonuses paid during the year to Non-Executive Directors.

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

The executive remuneration and reward framework has the following components:
- base pay
- share based payments
- other remuneration such as superannuation and long service leave

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

The long-term incentives ('LTI') include long service leave and share based payments.

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

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

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

Voting and comments made at the company’s 21 January 2022 Annual General Meeting (‘AGM’)
At the 21 January 2022 AGM, 93.60% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration

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

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

All remuneration paid to Non-Executive Directors during the 2022 and 2021 financial years was fixed.

The key management personnel of the consolidated entity consisted of the following directors and other executives of PhosCo Ltd:
- Mr Robin Widdup, Chairman
- Mr Simon Eley, Managing Director
- Mr Tarecq Aldaoud, Executive Director
- Mr Tim Markwell, Alternate Director to Robin Widdup and Interim CEO[1]

[1] Appointed Interim CEO on 29 July 2021 and resigned on 31 October 2021

30 June 2022	Short-term benefits Cash salary and fees $	Short-term benefits Bonuses $	Short-term benefits Annual Leave $	Post-employment benefits Superannuation $	Long-term benefits Termination payments $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:							
Mr R Widdup*	13,688	-	-	-	-	52,012	65,700
Mr T Aldaoud*	19,663	-	880	3,023	-	36,114	59,680
Mr T Markwell	30,000	-	-	-	-	-	30,000
Executive Directors:							
Mr S Eley*	30,115	-	4,173	8,273	-	51,815	94,376
Other key management personnel							
Mr C Smyth	45,000	-	-	-	-	125,000	170,000
	138,466	-	5,053	11,296	-	264,941	419,756

* Equity settled remuneration reflects the directors fees and other remuneration to be settled through the issuance of fully paid ordinary shares in PhosCo.

** In accordance with the terms of their agreements, Director fees for Mr R Widdup, Mr S Eley and Mr T Aldaoud for the period up to 31 January 2022 were to be fully settled in shares, subject to shareholder approval. In January 2022, the Annual General Meeting approved the settlement of outstanding, unpaid directors' fees through to 30 November 2021 and accordingly the obligations were settled through the issuance of 3,661,974 fully paid ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a share for the services rendered. From 1 February 2022, the remuneration of all key management personnel is to be contractually settled through the cash payment equivalent to 50% of the remuneration for the respective period, the balance to be settled through the issuance of fully paid ordinary shares in the Company, subject to shareholder approval. As of the date of the report, the shareholders have not approved the issuance of shares in settlement of unpaid key management personnel's remuneration and accordingly remain unpaid.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2021	**Cash salary and fees $**	**Bonuses $**	**Annual Leave $**	**Super-annuation $**	**Termination payments $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Mr R Widdup*	-	-	-	-	-	65,700	65,700
Mr T Aldaoud	10,950	-	-	-	-	32,850	43,800
Executive Directors:							
Mr S Eley*	97,500	-	-	9,263	-	90,337	197,100
	108,450	-	-	9,263	-	188,887	306,600

*Director fees for Chief Executive Officer/ Managing Director and two of the Non-Executive Directors for the period up to 30 September 2020 were settled in ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a share on the date of settlement.

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Non-Executive Directors:						
Mr R Widdup	21%	-	-	-	79%	100%
Mr T Aldaoud	33%	25%	-	-	67%	75%
Mr T Markwell	100%	-	-	-	-	-
Executive Directors:						
Mr S Eley	32%	54%	-	-	68%	46%
Other Key Management Personnel:						
Mr C Smyth	26%	-	-	-	74%	-

Transactions with related parties
Mr Widdup and Mr Smyth are Directors of Lion Manager Pty Ltd (LMPL) and have relevant interests in LMPL. Phosco Ltd was billed $292,450 by LMPL for services rendered pursuant to the Services Agreement, including $65,700 for R Widdup's remuneration, $30,000 for T Markwell's remuneration, $170,000 for C Smyth's remuneration and $26,750 for general services.

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 inclusive of statutory superannuation for non-executive chair duties.

Name:	Mr Simon Eley
Title:	Managing Director
Agreement commenced:	8 April 2019, as amended 1 February 2022
Details:	No fixed term. Ongoing until terminated by the company or the employee with 3 months' notice. Remuneration for FY21 comprises a salary of $180,000 per annum (plus statutory superannuation). On 29 July 2021, the company transitioned to technical management, an updated agreement with Mr Eley was reached, resulting in his salary being commensurately reduced by 50% and taken entirely as shares, subject to shareholder approval. On 1 February 2022, Mr Eley's salary was amended to an annual amount of $43,800 plus $3,000 per month for executive duties, inclusive of superannuation. Mr Eley is also eligible to participate in long-term incentive arrangements operated or introduced by the company from time to time, in accordance with the terms and conditions governing those arrangements and as separately notified to the Executive by the Board.

Name:	Mr Tarecq Aldaoud
Title:	Executive Director
Agreement commenced:	3 January 2019, as amended 1 February 2022
Details:	On 1 February 2022, Mr Aldaoud's Directors fees were amended to an annual amount of $43,800 plus $3,000 per month for his investor relations role, inclusive of superannuation. Mr Aldaoud is also eligible to participate in long-term incentive arrangements operated or introduced by the company from time to time, in accordance with the terms and conditions governing those arrangements and as separately notified to the Executive by the Board.

Name:	Mr 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 Manager Pty Ltd ('Lion Manager') pursuant to the Services Agreement between the Consolidated Entity and Lion Manager, noting that Lion Manager is a substantial shareholder of the Consolidated Entity. All fees that are paid through the Services Agreement are on an arm's length basis.

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

Share-based compensation

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Simon Eley	7,200,000	07/08/2019	See note below	15/07/2022	$0.09000	$0.060
Robin Widdup	2,400,000	07/08/2019	See note below	15/07/2022	$0.09000	$0.060
Tarecq Aldaoud	2,400,000	07/08/2019	See note below	15/07/2022	$0.09000	$0.060

* 50% of the above options vest upon regaining a majority interest in Chaketma.
** 50% of the above options vest upon securing funding for Definitive Feasibility Study (DFS).

On 15 July 2022, these options expired.

Options granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Other income	188	10,741	33,775	5,277	389,801
Loss before income tax	(1,295,316)	(1,132,304)	(1,808,938)	(1,180,887)	(1,206,881)
Loss after income tax	(1,295,316)	(1,132,304)	(1,808,938)	(1,180,887)	(1,206,881)

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

	2022	2021	2020	2019	2018
Share price at the start of the financial year ($)	0.06	0.08	0.07	0.03	0.01
Share price at the end of the financial year ($)	0.13	0.06	0.08	0.07	0.03
Basic earnings per share (cents per share)	(0.56)	(0.58)	(1.98)	(1.50)	(2.47)

Additional disclosures relating to key management personnel

	Balance at the start of the year	Balance on appointment	Received as part of remuneration (i)(iii)	Additions (iv)	Disposals/ other (v)	Balance at the end of the year (ii)
Ordinary shares						
Mr R Widdup(ii),(iii)	12,412,699	-	2,091,856	2,666,665	(266,667)	16,904,553
Mr S Eley	6,053,582	-	935,427	666,666	-	7,655,675
Mr T Aldaoud	5,391,415	-	634,691	4,000,000	-	10,026,106
Mr C Smyth(ii),(iii)	-	12,412,699	2,091,856	1,777,777	(937,409)	15,344,923
	23,857,696	12,412,699	5,753,830	9,111,108	(1,204,076)	49,931,257

(i) These figures shown as received as part of remuneration include shares issued in settlement of salary for period from 1 October 2020 through to and including 30 November 2021.
(ii) Mr Widdup and Mr Smyth hold a relevant beneficial interest in 15,344,923 PhosCo Ltd shares held by Lion Manager Pty Ltd.
(iii) Includes duplicated shares held by Mr Widdup and Mr Smyth.
(iv) Additions comprised shares issued as part of Tranche 2 of the Placement and off market purchases.
(v) Disposals comprised of off market transfers.

	Balance at the start of the year* (i),(ii)	Balance on appointment (i),(ii)	Granted (iii)	Exercised	Expired/ Forfeited/ Other (ii)	Balance at the end of the year (i),(ii)
Options over fully paid ordinary shares						
Mr R Widdup (i) (iii)	2,400,000	-	2,383,789	-	(93,333)	4,690,456
Mr S Eley	7,200,000	-	932,235	-	-	8,132,235
Mr T Aldaoud	2,400,000	-	2,002,611	-	-	4,402,611
Mr C Smyth (i) (iii)	-	2,400,000	2,005,603	-	(93,333)	4,312,270
	12,000,000	2,400,000	7,324,238	-	(186,666)	21,537,572

(i) Mr Widdup and Mr Smyth hold a beneficial interest in 4,218,937 PhosCo Limited options held by Lion Manager Pty Ltd.
(ii) Includes duplicated options held by Mr Widdup and Mr Smyth.
(iii) Includes bonus options and free attaching options issued in conjunction with shares issued in Tranche 2 of the Placement, the terms of which are an exercise price of $0.10 (10 cents) over fully paid ordinary shares, with an expiry date of 31 August 2022.

*Details of the options are disclosed in the “Share Based Payments” section of this remuneration report.

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
1 February 2022	31 January 2024	$0.10000	1,750,000
1 February 2022	31 January 2024	$0.15000	2,000,000
1 February 2022	31 January 2024	$0.20000	2,000,000
			5,750,000

Shares issued on the exercise of options
The following ordinary shares of PhosCo Ltd were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
25 January 2022	$0.10000	10,647,535
1 February 2022	$0.10000	250,000
14 February 2022	$0.10000	20,515,084
		31,412,619

Shares under performance rights
During the year ended 30 June 2022, 3,500,000 options over fully paid ordinary shares were issued, of which 2,000,000 were issued to employees and 1,500,000 were issued to the director of CPSA, a subsidiary of the Company. For further details, refer to note 32 to the consolidated financial statements.

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

Grant date	Expiry date	Number under rights
21 December 2021	31 December 2023	2,000,000
14 January 2022	31 December 2023	1,500,000

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

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

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

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

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

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 21 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.

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

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

On behalf of the directors:

Robin Widdup
Non-Executive Chairman

2 October 2022
Melbourne

Grant Thornton

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 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 2 October 2022

PhosCo Ltd
(Formerly known as Celamin Holdings Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Revenue			
Other income		-	9,620
Interest revenue		188	1,121
Expenses			
Corporate and administration expenses	6	(763,814)	(432,384)
Employment expenses		(655,199)	(185,481)
Legal expenses		(238,304)	(219,161)
Finance costs	14	(238,723)	-
Depreciation and amortisation		(9,500)	-
Foreign exchange (loss)/gain		610,224	(4,878)
Exploration expenses		-	(116,608)
Share based payments expense	32	-	(184,533)
Total expenses		(1,295,316)	(1,143,045)
Loss before income tax expense		(1,295,128)	(1,132,304)
Income tax expense	7	(448)	-
Loss after income tax expense for the year		(1,295,576)	(1,132,304)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		211,693	-
Other comprehensive income for the year, net of tax		211,693	-
Total comprehensive income for the year		(1,507,269)	(1,132,304)
Loss for the year is attributable to:			
Non-controlling interest		(76,063)	-
Owners of PhosCo Ltd		(1,219,513)	(1,132,304)
		(1,295,576)	(1,132,304)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(128,791)	-
Owners of PhosCo Ltd		(1,378,478)	(1,132,304)
		(1,507,269)	(1,132,304)
		Cents	**Cents**
Basic earnings per share	31	(0.56)	(0.58)
Diluted earnings per share	31	(0.56)	(0.58)

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

PhosCo Ltd
(Formerly known as Celamin Holdings Limited)
Statement of financial position
As at 30 June 2022

	Note	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Assets			
Current assets			
Cash and cash equivalents	8	1,809,683	575,022
Trade and other receivables	9	147,567	13,708
Other assets and deposits		176,660	47,545
Total current assets		2,133,910	636,275
Non-current assets			
Property, plant and equipment	10	26,503	-
Exploration and evaluation assets	11	4,026,625	35,422
Total non-current assets		4,053,128	35,422
Total assets		6,187,038	671,697
Liabilities			
Current liabilities			
Bank overdraft	8	17,602	-
Trade and other payables	12	1,862,628	520,808
Employee benefits payable	13	161,156	100,447
Borrowings	14	5,511,281	-
Total current liabilities		7,552,667	621,255
Total liabilities		7,552,667	621,255
Net assets/(liabilities)		(1,365,629)	50,442
Equity			
Issued capital	15	56,799,859	53,512,814
Reserves	16	407,692	336,198
Accumulated losses		(54,987,885)	(53,798,570)
Equity attributable to the owners of PhosCo Ltd		2,219,666	50,442
Non-controlling interests	17	(3,585,295)	-
Total equity/(deficiency)		(1,365,629)	50,442

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

PhosCo Ltd
(Formerly known as Celamin Holdings Limited)
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Contributed Equity $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated Losses $	Total $	Non-controlling interests $	Total equity $
Balance at 1 July 2020	53,415,977	442,263	-	(52,772,331)	1,085,909	-	1,085,909
Loss after income tax expense for the year	-	-	-	(1,132,304)	(1,132,304)	-	(1,132,304)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,132,304)	(1,132,304)	-	(1,132,304)
Reallocation of value of expired and cancelled equity							
Issue of shares (note 13)	96,837	-	-	-	96,837	-	96,837
Transfer of lapsed options	-	(106,065)	-	106,065	-	-	-
Balance at 30 June 2021	53,512,814	336,198	-	(53,798,570)	50,442	-	50,442

Consolidated	Contributed Equity $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated Losses $	Total $	Non-controlling interests $	Total deficiency in equity $
Balance at 1 July 2021	53,512,814	336,198	-	(53,798,570)	50,442	-	50,442
Loss after income tax expense for the year	-	-	-	(1,219,513)	(1,219,513)	(76,063)	(1,295,576)
Other comprehensive income for the year, net of tax	-	-	(158,965)	-	(158,965)	(52,728)	(211,693)
Total comprehensive income for the year	-	-	(158,965)	(1,219,513)	(1,378,479)	(128,791)	(1,507,269)
Acquisition of Chaketma Phosphates S.A,	-	-	-	-	-	(3,456,504)	(3,456,504)
Contributions of equity, net of transaction costs (note 15)	2,764,997	-	-	-	2,764,997	-	2,764,997
Share-based payments (note 32)	-	260,657	-	-	260,657	-	260,657
Options exercised (note 13)	231,684	-	-	-	231,684	-	231,684
Equity settled directors' fees	290,364	-	-	-	290,364	-	290,364
Transfer of lapsed options	-	(30,198)	-	30,198	-	-	-
Balance at 30 June 2022	56,799,859	566,657	(158,965)	(54,987,885)	2,219,666	(3,585,295)	(1,365,629)

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

	Note	Consolidated 30 June 2022 $	30 June 2021 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,561,954)	(875,545)
Payments for exploration and evaluation expensed		-	(135,061)
		(1,561,954)	(1,010,606)
Interest received		188	1,071
Government grants received		-	25,653
Income taxes paid		(448)	-
Net cash used in operating activities	30	(1,562,214)	(983,882)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(23,734)	-
Payments for exploration and evaluation		(416,215)	-
Net cash used in investing activities		(439,949)	-
Cash flows from financing activities			
Proceeds from issue of shares	15	3,194,263	-
Proceeds from the issuance of shares upon exercise of options	15	231,684	-
Costs of share capital raised	15	(168,609)	-
Net cash from financing activities		3,257,338	-
Net increase/(decrease) in cash and cash equivalents		1,255,175	(983,882)
Cash and cash equivalents at the beginning of the financial year		575,022	1,561,942
Effects of exchange rate changes on cash and cash equivalents		(22,424)	(3,038)
Net cash overdraft on acquisition of CPSA		(15,692)	-
Cash and cash equivalents at the end of the financial year	8	1,792,081	575,022

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

Note 1. General information

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

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

Level 4
100 Albert Road
South Melbourne, VIC 3205

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial report has 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 Group reported a net loss after income tax of $1.52 million during the financial year (2021: $1.13 million) and had net operating cash outflows of $1.57 million (2020: $0.98 million). The net loss after tax is directly attributable to the expenditures incurred on corporate and administration expenditure and the development of Chaketma Phosphates S.A. (CPSA) post re-acquisition in October 2021.

The Consolidated Entity's total assets increased by $5.52 million to $6.19 million at 30 June 2022 and total liabilities increased by $6.93 million to $7.55 million, all of which are current liabilities. Accordingly, at 30 June 2022, the Consolidated Entity had both a net deficit and a net working capital deficit of $1.37 million and $5.42 million, respectively (2021: $0.05 million and $0.015, respectively).

During the financial year ending 30 June 2022, the Group received $3.03 million in proceeds from the placement of 42,590,170 fully paid ordinary shares, net of the cost of capital raised and $0.23 million in proceeds from the exercise of 2,316,835 options over fully paid ordinary shares at an exercise price of $0.10 (10 cents) and as detailed in note 29, subsequent to 30 June and prior to the date of this report, received $2.91 million in proceeds from the exercise of 29,095,784 options over fully paid ordinary shares at an exercise price of $0.10 (10 cents) per fully paid ordinary share. The Group will consider further capital raising opportunities at the appropriate time, with several parties already expressing interest.

Note 2. Significant accounting policies (continued)

The Consolidated Entity's net deficit at 30 June 2022 of $1.37 million (2021: $0.05 million), is primarily as a result of, upon acquisition of CPSA, recognising unsecured cash call liabilities and related accrued and unpaid interest payable to Tunisian Mining Services SARL (TMS) in the Australian Dollar equivalent of A$5.55 million, comprising A$3.84 million in cash calls obligations and $1.71 million in accrued and unpaid interest. At 30 June 2022 the amount payable to TMS in respect of cash call related obligations is $5.51 million, comprised of $3.65 million in cash calls obligations and $1.86 million in accrued and unpaid interest. The aforementioned amounts payable are unsecured and are not guaranteed by the Company or its subsidiary Celamin Limited, the owner of a 50.99% interest in CPSA.

The Consolidated Entity is in the process of completing a forensic audit, which has as its purpose the identification of any corporate, legal and financial irregularities that may have occurred since the period from the Consolidated Entity lost control of its shareholding in the year ended 30 June 2015. 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 Consolidated Entity has reserved its right to challenge the validity of any such liabilities in court.

In October 2021, the Consolidated Entity acquired for nil consideration 50.99% in CPSA. In 2017, CPSA applied to convert the Chaketma Exploration Permit to a Mining Concession ahead of the February 2018 deadline. The Chaketma Mining Concession has not yet been granted and the application remains under consideration by the mining administration in Tunisia. CPSA previously submitted a range of feasibility work to the Tunisian Government in support of the Mining Concession application. The bulk of this work has been accepted by the Government, who requested an updated finance plan for the Project proving the capability to finance the development. Following PhosCo assuming management control of CPSA in late 2021, debt advisors HCF International Advisors were engaged to assist with the finance plan to develop Chaketma, with positive engagement with a number of development and commercial banks. As detailed in note 29 CPSA lodged the financing plan with the Tunisian Government on 20 September 2022. As of the date of this report, in accordance with the Tunisian Mining Code, the existing exploration license remains in good standing until such time as a final decision approving the mining concession or cancelling the existing license takes place and is duly publicly gazetted.

However, as the expected legal process associated with the settlement of these obligations currently recognised by CPSA is uncertain, the Directors would like to draw your attention to the inherent uncertainty with the process and the potential adverse consequences should the regulation of the relationship between the Group and TMS not proceed as expected, either in the timing of or conclusion reached by any and all legal and other proceedings aimed at the unlocking of the underlying value of the Chaketma project. Should these proceedings come to an adverse conclusion, this may require the Group to refocus its efforts on other projects which have been noted and there may be a resultant impact on the Group's future financial position and performance.

Furthermore, as a result of the Arbitration Award of 17 November 2017 and the successful application to the Tunisian Court of cassation, the Consolidated Entity continues to pursue the execution of this award, which as of the date of this report entitles the Consolidated Entity to recover damages, including accrued and unpaid interest, awarded in the amount of A$6.01 million (TND 12.89 million). For further details refer to note 22.

The going concern basis is considered appropriate based on a combination of the existing net deficit of the Group, which amount to $1.37 million (30 June 2021: $0.05 million), including cash and cash equivalents of $1.81 million (30 June 202: $0.58 million), and the expectation of the Group's ability to successfully regulate CPSA's financial position and continue to progress the development of the Chaketma Project, including its ability to secure additional sources of financing as and when required.

Given the aforementioned cash and cash equivalents on hand at 30 June 2022 and the extent and nature the Consolidated Entity's spending, the Directors believe that the Consolidated Entity has sufficient existing and potential financial resources to advance Chaketma in the ordinary course of business and if and as needed, have the ability to refocus discretionary spending into those areas needed if the conclusion of Chaketma Project's strategic development is encumbered or limited in any way by the actions or omissions undertaken by TMS. However, the Directors primary focus remains on the successful and appropriate progression of the underlying Chaketma project, as reflected by the announcement on 20 September 2022 of the submission of the financing plan to the Tunisian authorities in support of the application for the mining concession over the Chaketma project.

Accordingly, the Directors believe that the consolidated entity 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.

Note 2. Significant accounting policies (continued)

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

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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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.

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 21.

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 2022 and the results of all subsidiaries for the year then ended. PhosCo Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

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

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

The acquisition of subsidiaries that are business are 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.

PhosCo

Note 2. Significant accounting policies (continued)

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

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

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.

Revenue recognition
The Consolidated Entity recognises revenue and other income as follows:

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

Other income
Other income is recognised when it is received or when the right to receive payment is established.

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.

PhosCo

Note 2. Significant accounting policies (continued)

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.

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

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

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

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

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

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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:

Plant and equipment	3-8 years

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

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.

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.

Note 2. Significant accounting policies (continued)

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

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

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

Employee benefits

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

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

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

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

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

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

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

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.

Note 2. Significant accounting policies (continued)

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

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

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.

Russian-Ukrainian conflict
The Russian-Ukrainian conflict continues to develop, the result of which have had significant global macro-economic impacts, including increasing instability in global energy prices. Related impacts include volatility in commodity prices, inflationary pressures and increasing cost of financing, currency movements, supply-chain disruptions, disruption in banking systems and capital markets, increased costs and expenditures and cyberattacks.

The conflict's development and conclusion is inherently uncertain and the consequences for the global economy and the Company's operations unpredictable. The Company has, to the extent possible, in assessing the carrying value of its assets and liabilities, reflected the impact which the conflict has and has on its financial position and performance.

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.

Exploration and evaluation costs
At each reporting date, the directors review the carrying value of each area of interest, with reference to the indicators of impairment outlined in AASB 6 - Exploration for and Evaluation of Mineral Resources. The directors also consider whether the expenditure on each area of interest qualify for treatment under the requirements of AASB 6.

Acquisition of Chaketma Phosphates S.A.
The Company is currently completing the legal and accounting due diligence on CPSA for the period prior to the Company regaining operational control. CPSA has a net deficit largely comprised of current liabilities due to the Consolidated Entity's partner TMS, with whom the Consolidated Entity has been in dispute and against whom the Consolidated Entity has an Arbitration Award confirmed by the Tunisian Court of Cassation. These material liabilities are unsecured, at call on demand and are not guaranteed. If the Consolidated Entity is not successful in striking down in part or in full or execute other means by which to limit the impact of these liabilities on CPSA's financial position there is a risk that this may jeopardise the successful development of the Chaketma project.

Note 4. Operating segments

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

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

Geographic segment information
The Group operates in one principle geographic segment: Tunisia.

Note 5. Acquisition of Chaketma Phosphates S.A

Due to the inability of the Consolidated Entity to exert control over CPSA, the previous investment and associated E&E asset was derecognised in the year ended 30 June 2015. As of gaining control in October 2021, as noted below, the Consolidated Entity has consolidated CPSA's assets and liabilities and non-controlling interests have been reflected in the consolidated statement of financial position.

On 11 October 2021, the Consolidated Entity announced that it has assumed operational and management control over CSPA, holder of the Chaketma Phosphate project as 50.99% shareholder of CPSA.

The Consolidated Entity gained control over CPSA for nil consideration. The acquisition of a controlling interest in CPSA has been deemed to be outside the scope of AASB 3 Business Combinations and accordingly recognised as an acquisition of the assets and liabilities on the date of acquisition. CPSA's primary asset on the date of acquisition is the exploration license over the Chaketma tenement, which was initially granted on 10 February 2010 for three years with the ability to extend for a further 2 terms each of which is up to three years. The License was subsequently renewed in 2013 for a period of three years and in 2016 for two years through to 15 February 2018.

The Consolidated Entity gained control over CPSA upon the reinstatement of its ownership interest in CPSA for nil consideration. The acquisition was effected upon the affirmation of its voting rights in CPSA's General Meeting of Shareholders, the appointment of its representatives to the Board of Directors, the appointment of its representative as Chairman of the Board and the appointment of its representative as CPSA's Director General in October 2021. These actions collectively affirmed the ability of the Consolidated Entity to realise its powers as holder of a 50.99% interest in CPSA's share capital. Consequently, in accordance with CPSA's Articles of Association, the terms of the joint venture agreement entered into with TMS and Tunisian corporate law, the Consolidated Entity is able to exert its powers to control CPSA's financial and operating decision making.

In late 2017 CPSA applied to convert the Chaketma Exploration Permit to a Mining Concession ahead of the February 2018 deadline. The Chaketma Mining Concession has not yet been granted and the application remains under consideration by the mining administration in Tunisia. CPSA previously submitted a range of feasibility work to the Tunisian Government in support of the Mining Concession application. The bulk of this work has been accepted by the Government, who requested an updated finance plan for the Project proving the capability to finance the development. Following PhosCo assuming management control of CPSA in late 2021, debt advisors HCF International Advisors were engaged to assist with the finance plan to develop Chaketma, with positive engagement with a number of development and commercial banks and as detailed in note 29, on 20 September 2022 the Chaketma Project financial plan was lodged with the Tunisian Government.

In accordance with the Tunisian Mining Code, a license is automatically extended and remains in good standing until such time as the relevant Minister of the Tunisian Government finally concludes on the license's extension/conversion to a mining concession or cancellation of the existing exploration license. As of the date of acquisition and the date of this report, no such decision has been made and the Chaketma license remains in good standing.

Note 5. Acquisition of Chaketma Phosphates S.A (continued)

On the date of acquisition, the carrying amount of CPSA's assets and liabilities, excluding amounts due to Celamin Limited, were as follows:

Chaketma Phosphates S.A. assets and liabilities on 11 October 2021	$
Cash and cash equivalents	265
Trade and other receivables	45,824
Other assets	2,202
Property, plant & equipment	12,269
Bank overdraft	(15,957)
Trade and other payables	(1,435,517)
Cash calls payable to Tunisian Mining Services (TMS)	(3,841,356)
Interest payable on cash calls (TMS)	(1,714,408)
Net liabilities assumed	(6,946,678)

On the date of acquisition, the carrying amount of CPSA's exploration and evaluation asset was $6,946,678, before eliminating the non-controlling interest. This represents the difference between the net liabilities assumed and consideration paid.

At the date of acquisition, CPSA's assets and liabilities recognised on consolidation were as follows:

Chaketma Phosphates S.A.	**A$**
Cash and cash equivalents	265
Trade and other receivables	45,824
Other assets	2,202
Property, plant & equipment	12,269
Exploration and evaluation assets	3,542,111
Bank overdraft	(15,957)
Trade and other payables	(1,435,517)
Cash calls payable to Tunisian Mining Services (TMS)	(3,841,356)
Interest payable on cash calls (TMS)	(1,714,408)
CPSA's net liabilities recognised on consolidation at the date of acquisition	(3,404,567)
Non-controlling interest in CPSA's net liabilities at the date of acquisition	3,404,567
Acquisition price	-

For details of TMS' non-controlling interests in CPSA's net deficit, refer to Note 17.

The Consolidated Entity continues to undertake forensic audit procedures on and finalise a plan to optimise CPSA's financial position so as to ensure financial resources are solely made available for the progression of the Chaketma project. The Consolidated Entity reserves the right to challenge, as deemed appropriate upon conclusion of the forensic audit, any liabilities which may not have been incurred in accordance with the Tunisian Companies Code.

Furthermore, the Consolidated Entity reserves the right to undertake actions to legally enforce the terms of the Arbitration Award and the decision of the Tunisian Court of Cassation, being $6.01 million (TND 12.89 million) in damages, at 30 June 2022, awarded against TMS in favour of the Consolidated Entity, inclusive of interest accruing at 5.5% per annum on the unpaid TND amount. Refer to note 22 for further details. The Consolidated Entity reserves the right to defend CPSA's rights as it pertains to the aforementioned liabilities which the Consolidated Entity has found through the performance of its forensic audit to be unsubstantiated, fraudulent and/or not in the best interests of CPSA's stakeholders in the progress of the Chaketma project's development is essential to ensuring the future success of the Chaketma Project.

Note 6. Corporate and administration expenses

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Accounting and consulting fees	(245,373)	(114,753)
Compliance and regulatory costs	(116,040)	(108,289)
Travel and accommodation	(110,221)	(25,094)
Taxes and charges	(63,714)	(46,401)
Business development	(45,716)	(5,150)
Office costs	(34,053)	(14,806)
Insurance	(27,420)	(23,210)
Rent	(25,640)	(14,307)
Sundry expenses	(95,637)	(80,374)
Total corporate and administration expenses	(763,814)	(432,384)

Note 7. Income taxes

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,295,128)	(1,132,304)
Tax at the statutory tax rate of 25% (2021: 26%)	(323,782)	(294,399)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Costs incurred in deriving non-assessable non-exempt income	158,313	50,280
Share-based payments	72,591	47,979
Other non-assessable non-exempt income	(193,311)	-
Non-deductible expenses	12,445	85,348
Sundry items	448	-
	(273,296)	(110,792)
Differences in overseas tax rates	17,868	-
Current year tax losses not recognised	277,475	146,625
Current year temporary differences not recognised	(21,599)	(35,833)
Income tax expense	448	-

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Tax losses not recognised		
Australia		
Unused Australian tax losses for which no deferred tax asset has been recognised	18,158,656	17,048,755
Potential tax benefit at statutory tax rates 25% (2021: 26.0%)	4,539,664	4,262,189
Tunisia		
Unused Tunisian tax losses for which no deferred tax asset has been recognised	1,120,584	-
Potential tax benefit at statutory tax rates 15%	168,088	-

Note 7. Income taxes (continued)

The above potential tax benefit for tax losses of $4,707,752 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.

	Consolidated	
	30 June 2022 $	30 June 2021 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprise:		
Accrued expenses	103,677	111,570
Tax losses	4,707,752	4,262,189
Other temporary differences	63,439	77,145
Total deferred tax assets not recognised	4,874,868	4,450,904

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

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2022 $	30 June 2021 $
Cash at bank	1,809,683	575,022
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	1,809,683	575,022
Bank overdraft	(17,602)	-
Balance as per statement of cash flows	1,792,081	575,022

Restricted cash of A$75,140 (EURO 50,000) held in Celamin Limited's bank account which has been frozen, subject to the completion of legal processes as to the voracity of claims made by a counterparty for settlement of outstanding amounts claimed, has been classified as other current assets.

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Note 9. Current assets - trade and other receivables

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Other receivables	206,734	160,000
Less: Expected credit losses	(160,000)	(160,000)
	46,734	-
GST receivable	100,833	13,708
	147,567	13,708

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

Note 10. Non-current assets – property, plant and equipment

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Office equipment at cost	35,819	-
Less: Accumulated depreciation	(9,316)	-
	26,503	-

In October 2021, the Consolidated Entity gained control over CPSA, as detailed in note 5. Upon acquisition, CPSA had $12,269 of property plant and equipment.

Note 11. Non-current assets – exploration and evaluation assets

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Exploration and evaluation assets	4,026,625	35,422

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

Consolidated	Exploration & Evaluation $
Balance at 1 July 2020	35,421
Additions	1
Balance at 30 June 2021	35,422
Additions	425,752
Additions through acquisition of CPSA	3,542,111
Exchange differences	23,340
Balance at 30 June 2022	4,026,625

Note 12. Current liabilities – trade and other payables

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Trade payables	1,178,068	100,172
Other payables	684,560	420,636
	1,862,628	520,808

Refer to note 19 for further information on financial instruments.

In October 2021, the Consolidated Entity acquired CPSA and recognised the assets and liabilities at the date of acquisition, including but not limited to accounts and other payables of $1.28 million. For details of the Consolidated Entity's acquisition of CPSA, refer to note 5.

As noted in prior periods, the Company entered into an agreement with Nicholas Clift, to pay deferred salary payments, notice and other entitlements in the sum of $314,093 (including superannuation) owing to Mr Clift upon termination of his employment as Managing Director of the Company, in ordinary shares of the Company (based on the 30 day VWAP at the time of issue), subject to certain conditions including, compliance with his employment agreement, successful conclusion of the Arbitration and transfer of at least 51% of the shares in CPSA to Celamin Limited, as well as shareholder approval for the issue of such shares.

Note 13. Current liabilities - employee benefits payable

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Annual leave	24,562	-
Superannuation	43,050	3,404
Salaries and directors' fees payable	93,544	97,043
	161,156	100,447

Note 14. Current liabilities - borrowings

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Cash calls payable	3,650,118	-
Interest payable on cash calls	1,861,163	-
	5,511,281	-

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 $3.65 million (TND 7.81 million) is denominated in Tunisian Dinar (TND), the balance on acquisition being A$3.84 million (TND 7.81 million), details of the acquisition and the recognition and measurement of obligations due to TMS are detailed in note 5.

The outstanding, unpaid cash call balances incur interest at 8% p.a and are denominated in TND. During the year ended 30 June 2022, from the date of acquiring CPSA in October, interest expense of A$0.24 million (TND 0.50 million) were recognised.

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Note 14. Current liabilities - borrowings (continued)

As detailed in note 5, all cash call liabilities and related interest payable to TMS have been the subject of a forensic financial and legal audit, the results of which may result in the amounts disclosed herein being subject to a potential 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 any potential future legal proceedings.

Refer to note 19 for further information on financial instruments.

Note 15. Equity - issued capital

	Consolidated			
	30 June 2022 Shares	30 June 2021 Shares	30 June 2022 $	30 June 2021 $
Ordinary shares - fully paid	243,614,573	195,045,594	56,799,860	53,512,814

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	194,009,961		53,415,977
Settlement of CEO and Director remuneration	23 December 2020	1,035,633	$0.09350	96,837
Balance	30 June 2021	195,045,594		53,512,814
Tranche 1 Placement	13 December 2021	29,256,839	$0.07500	2,194,263
Tranche 2 Placement	25 January 2022	13,333,331	$0.07500	1,000,000
Settlement of CEO and Director remuneration*	27 January 2022	3,661,974	$0.07900	290,364
Exercise of options	25 February 2022	16,616	$0.10000	1,662
Exercise of options	4 March 2022	32,093	$0.10000	3,209
Exercise of options	22 March 2022	443,381	$0.10000	44,338
Exercise of options	1 April 2022	52,179	$0.10000	5,218
Exercise of options	14 April 2022	442,361	$0.10000	44,236
Exercise of options	29 April 2022	506,825	$0.10000	50,683
Exercise of options	16 May 2022	823,380	$0.10000	82,338
Cost of capital raised				(429,266)
Balance	30 June 2022	243,614,573		56,799,859

The cost of capital raised includes $260,657 in respect of the fair value of 6,000,000 options over fully paid ordinary shares granted to the Company's advisors, the details of which are in note 32.

*On 27 January 2022, the company issued 3,661,974 shares for the settlement of remuneration for the Directors and CEO for the period October 2020 to November 2021. The shares were settled based on the volume weighted average price of shares for each month for which wages were settled by way of shares, resulting in an average price per share of $0.079 (7.9 cents), and ranging from a minimum issue price of $0.065 (6.5 cents) to $0.108 (10.8 cents).

The issue price of these shares represent the fair value of the shares issued to extinguish the existing liabilities.

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

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

Note 15. Equity - issued capital (continued)

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 2021 Annual Report.

Note 16. Equity - reserves

	Consolidated	
	30 June 2022 $	30 June 2021 $
Foreign currency reserve	(158,965)	-
Share based payments reserve	566,657	336,198
	407,692	336,198

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 . It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments 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.

Note 16. Equity - 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 $	Share based payments reserve $	Total $
Balance at 1 July 2020	-	442,263	442,263
Transfer of lapsed options	-	(106,065)	(106,065)
Balance at 30 June 2021	-	336,198	336,198
Foreign currency translation	(211,695)	-	(211,695)
Share based payments	-	260,657	260,657
Expiry of options	-	(30,198)	(30,198)
Non-controlling interest	52,728	-	52,728
Balance at 30 June 2022	(158,965)	566,657	407,692

Note 17. Equity - non-controlling interests

In October 2021, the Consolidated Entity acquired a 50.99% interest in CPSA's assets and liabilities on the date of acquisition. In accordance with AASB 10, the Consolidated Entity has control and fully consolidates its interest in CPSA, as detailed in note 5.

The remaining 49.01% interest in CPSA is owned by TMS and other individuals and upon acquisition, its interest in CPSA's net liabilities was $3.40 million. Post-acquisition, non-controlling interests' entitlement to CPSA's profit was $0.08 million.

	Consolidated	
	30 June 2022 $	30 June 2021 $
Interest in CPSA net deficit on acquisition	(3,404,567)	-
Foreign currency reserves	(104,665)	-
Accumulated losses	(76,063)	-
	(3,585,295)	-

Note 18. Equity – dividends

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

Note 19. Financial instruments

Financial risk management objectives

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.

Note 19. Financial instruments (continued)

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 is not significant whilst financial liabilities at the reporting date was significant.

	Assets		Liabilities	
Consolidated	**30 June 2022 $**	**30 June 2021 $**	**30 June 2022 $**	**30 June 2021 $**
US dollars	6,000	5,519	-	-
Euros	223,750	-	-	-
Tunisian dinar	145,532	-	(6,718,582)	-
	375,282	5,519	(6,718,582)	-

	AUD strengthened			AUD weakened		
Consolidated – 30 June 2022	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Tunisian dinar	10%	597,540	597,540	(10%)	(730,282)	(730,282)
Euro	10%	(20,341)	(20,341)	(10%)	24,861	24,861
US Dollar	10%	(545)	(545)	(10%)	667	667
		576,654	576,654		(704,754)	(704,754)

Interest rate risk
The consolidated entity's only exposure to interest rate risk is primarily in relation to short-term deposits held which are held with reputable financial institutions.

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 2022 (2021: $160,000). The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 19. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

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

Consolidated – 30 June 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,178,068	-	-	-	1,178,068
Other payables	-	706,085	-	-	-	706,085
Interest-bearing – variable						
Bank overdraft	-	17,602	-	-	-	17,602
Cash calls	8.00%	5,511,281	-	-	-	5,511,281
Total non-derivatives		7,413,036	-	-	-	7,413,036

The Consolidated Entity is in the process of completing a forensic audit, which has as its purpose the identification of any corporate, legal and financial irregularities that may have occurred since the period from the Consolidated Entity lost control of its shareholding in the year ended 30 June 2015. 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 Consolidated Entity has reserved its right to challenge the validity of any such liabilities associated with cash calls in court.

As detailed in note 5, the cash call liabilities are unsecured obligations of CPSA to TMS. If and as these liabilities are to be settled, this is CPSA's sole responsibility, the Consolidated Entity not having provided any guarantees in respect of their settlement. Furthermore, the Consolidated Entity reserves the right in the event of TMS calling the debt to challenge any claim for settlement, including but not limited to the enforcement of the Arbitration Award against TMS for an amount of $6.01 million (TND 12.89 million) at 30 June 2022, as detailed in note 22.

Consolidated – 30 June 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	100,172	-	-	-	100,172
Other payables	-	506,165	-	-	-	506,165
Total non-derivatives		606,337	-	-	-	606,337

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

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

Note 20. Key management personnel disclosures

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

Mr Robin Widdup	Chairman
Mr Simon Eley	Managing Director
Mr Tarecq Aldaoud	Non-Executive Director
Mr Tim Markwell	Alternate Director to Robin Widdup and Interim CEO (resigned 1 October 2021)
Other key management personnel	
Mr Craig Smyth	Interim Chief Financial Officer

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 2022 $	30 June 2021 $
Short-term employee benefits	144,316	108,450
Post-employment benefits	11,296	9,263
Share-based payments	264,941	188,887
	420,553	306,600

Note 21. 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 2022 $	30 June 2021 $
Audit and other assurance services – Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	64,560	55,240
Other services – Grant Thornton Australia Pty Ltd		
Preparation of income tax returns	12,500	10,150
	77,060	65,390

Note 22. TMS Arbitration Award

On 29 November 2017, after initially being awarded by the Swiss Arbitration court, the Swiss Court of Appeal issued a Final Award, delivered by the Arbitrator appointed by the ICC to conduct the arbitration of the Consolidated Entity's dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of the Consolidated Entity's 50.99% shareholding in CPSA, the operating company which holds the Chaketma Phosphate permit.

The Arbitrator found in favour of Celamin Limited ordering TMS, amongst other matters, to return the Celamin Limited's 50.99% shareholding in CPSA and to pay damages and costs of totalling US$2.36 million, plus Euro 1.25 million, A$0.26 million and CHF 0.04 million, 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, the aforementioned amounts were therefore converted for execution to TND 10.13 million and thereafter incur interest at 5.5% per annum on any unpaid balances. The Consolidated Entity's entitlement as of 30 June 2022 is A$6.01 million (TND 12.89 million).

The Consolidated Entity had its 50.99% interest in CPSA legally restored following the appointment of a court appointed independent expert, reducing TMS to 48.99%. The Consolidated Entity continues to pursue TMS for the outstanding costs and damages by forcing the sale of TMS assets and other means, the objective of which is to recover funds to offset the damages and costs owed.

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

Note 23. Contingent liabilities

A Success Fee is payable to the company's arbitration lawyers as follows:

- A fixed amount of Euro 300,000 payable to Brown Rudnick upon return of Celamin Limited's 50.99% interest in Chaketma, free of legal challenges from TMS;
- An additional amount payable to Brown Rudnick equal to 2% of any damages awarded and recovered in favour of Celamin Limited in the Final Award, payable upon payment of those damages and/or transfer to Celamin Limited of an increased percentage interest in CPSA in lieu of payment of such damages; and
- A fixed amount of Euro 50,000 payable to Sami Houerbi upon return of Celamin Limited's 50.99% interest, free of legal challenges from TMS and management control in Chaketma as well as recovery of any sizeable available asset in part or full satisfaction of damages.

As at 30 June 2022, the Company notes that arbitration enforcement actions in Tunisia remain before the courts, including clarification of the financial state of CPSA and status of the CPSA equity. Accordingly, the terms of the contingent liabilities have not yet been triggered.

PhosCo

Note 24. Commitments

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Exploration Licenses – Commitments for Expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	75,504	646,575
One to five years	407,500	1,298,630
	483,004	1,945,205

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.

The Company has requested an exemption from minimum expenditure requirements as some of the work planned at Djebba and Zeflana was unable to be completed due to the inability to travel to the sites because of COVID-19.

Note 25. Related party transactions

Parent entity
PhosCo Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties
Mr Widdup and Mr Smyth are Directors of Lion Manager Pty Ltd (LMPL) and have relevant interests in LMPL. Phosco Ltd was billed $292,450 by LMPL for services rendered pursuant to the Services Agreement, including $65,700 for R Widdup's remuneration, $30,000 for T Markwell's remuneration, $170,000 for C Smyth's remuneration and $26,750 for general services.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

Note 26. 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 2022	30 June 2021
	$	$
Loss after income tax	(1,963,242)	(938,918)
Total comprehensive income	(1,963,242)	(938,918)

Note 26. Parent entity information (continued)

Statement of financial position

	Parent 30 June 2022 $	Parent 30 June 2021 $
Total current assets	1,758,351	620,795
Total assets	2,323,634	656,217
Total current liabilities	704,156	621,200
Total liabilities	704,156	621,200
Equity		
Issued capital	56,799,859	53,512,814
Share based payments reserve	598,656	336,198
Accumulated losses	(55,779,037)	(53,813,995)
Total equity	1,619,478	35,017

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Except as detailed in note 28, the parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2022 and 30 June 2021.

Significant accounting policies
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 27. 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 2022 %	Ownership interest 30 June 2021 %
Celamin Limited	Australia	100.00%	100.00%
Himilco Resources Pty Ltd	Australia	100.00%	100.00%
Chaketma Phosphates S.A	Tunisia	50.99%	-

For details of the acquisition of the Consolidated Entity's interest in CPSA, refer to note 5.

Note 28. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

PhosCo Ltd
Celamin Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by PhosCo Ltd, they also represent the 'Extended Closed Group'.

	Consolidated	
Statement of profit or loss and other comprehensive income	30 June 2022 $	30 June 2021 $
Loss after income tax	(2,762,479)	(1,132,304)
Total comprehensive income	(2,762,479)	(1,132,304)

	Consolidated	
Statement of financial position	30 June 2022 $	30 June 2021 $
Current assets	2,086,892	636,275
Non-current assets	458,559	35,422
Total assets	2,545,451	671,697
Current liabilities	711,233	621,255
Non-current liabilities	-	-
Total liabilities	711,233	621,255
Issued capital	56,799,859	53,512,814
Reserves	598,806	336,198
Accumulated losses	(55,564,447)	(53,798,570)
Total equity	1,834,218	50,442

Note 29. Events after the reporting period

On 15 July 2022, 12,000,000 options over fully paid ordinary shares expired.

Subsequent to 30 June 2022 and prior to 31 August 2022, 29,095,784 options over fully paid ordinary shares with an exercise price of $0.10 (10 cents) were exercised and accordingly 29,095,784 fully paid ordinary shares were issued. The proceeds from the exercise of these options was $2.91 million.

On 20 September 2022, the Consolidated Entity announced the lodgement of the economic and financial study to develop the Chaketma Phosphate Project with the Tunisian Government. This study demonstrates the financial capability to finance the project and represents the final element of an application for the Chaketma Mining Concession.

No other matter or circumstance has arisen since 30 June 2022 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. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	30 June 2022 $	30 June 2021 $
Loss after income tax expense for the year	(1,295,576)	(1,132,304)
Adjustments for:		
Depreciation and amortisation	9,500	-
Share-based payments	-	184,533
Foreign exchange differences	(608,424)	3,037
Interest and finance costs	238,723	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(85,833)	(15,982)
Increase in prepayments	(53,975)	(4,178)
Increase in employee benefits	124,713	7,267
Increase/(decrease) in trade and other payables	108,658	(26,255)
Net cash used in operating activities	(1,562,214)	(983,882)

Note 31. Loss per share

	Consolidated	
	30 June 2022 $	30 June 2021 $
Loss after income tax	(1,295,576)	(1,132,304)
Non-controlling interest	76,063	-
Loss after income tax attributable to the owners of PhosCo Ltd	(1,219,513)	(1,132,304)

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	218,671,954	194,546,220
Weighted average number of ordinary shares used in calculating diluted loss per share	218,671,954	194,546,220

	Cents	Cents
Basic loss per share	(0.56)	(0.58)
Diluted loss per share	(0.56)	(0.58)

Diluted loss per share

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

Note 32. Share-based payments

Issue of Shares

Details of shares issued to Directors and other Key Management Personnel as part of compensation during and for the year ended 30 June 2022 are set out below.

Note 32. Share-based payments (continued)

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Directors fees settled by shares	74,155	96,837

Furthermore, shares were issued in settlement of $290,364 of key management personnel remuneration in respect of the 2021 and 2022 financial years. The Consolidated Entity issued 3,661.974 fully paid ordinary shares as settlement for services rendered by key management personnel, the number of shares determined with reference to the amount due for settlement and the VWAP for the relevant period of service in respect of which the shares were issued. The price of the shares issued ranged between $0.065 (6.5 cents) and $0.108 (10.8 cents) per fully paid ordinary share.

Options
A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the parent entity to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted under the plan:

30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
07/08/2019	15/07/2022	$0.09000	12,000,000	-	-	-	12,000,000
18/12/2019	18/12/2021	$0.10500	500,000	-	-	(500,000)	-
			12,500,000	-	-	(500,000)	12,000,000
Weighted average exercise price			$0.09060	$0.00000	$0.00000	$0.10500	$0.09000

30 June 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
06/07/2018	11/07/2020	$0.20000	8,656,616	-	-	(8,656,616)	-
10/01/2018	10/01/2021	$0.20000	135,027	-	-	(135,027)	-
09/04/2019	09/04/2021	$0.04000	2,000,000	-	-	(2,000,000)	-
07/08/2019	15/07/2022	$0.09000	12,000,000	-	-	-	12,000,000
18/12/2019	18/12/2021	$0.10500	500,000	-	-	-	500,000
			23,291,643	-	-	(10,791,643)	12,500,000
Weighted average exercise price			$0.12760	$0.00000	$0.00000	$0.17030	$0.09060

During the year ended 30 June 2022, the Consolidated Entity issued three tranches of 2,000,000 options to its advisors Discovery Capital Partners Pty Ltd and Cumulus Wealth Pty Ltd, as part of their remuneration package associated with the share placement announced in December 2021. The options over fully paid ordinary shares of the Company each have different exercise prices, namely $0.10 (10 cents), $0.15 (15 cents) and $0.20 (20 cents), respectively. The fair value determined using the Black Scholes Model with the following key inputs:

- Grant date: 1 February 2022
- Share price: $0.11 (11 cents per share)
- Time to expiry: 2 years
- Volatility: 77%
- Fair value of options granted per share: $0.053 (5.3 cents), $0.039 (3.9 cents) & $0.03 (3 cents), respectively

Note 32. Share-based payments (continued)

Performance rights

During the year ended 30 June 2022, 3,500,000 million performance rights over fully paid ordinary shares in the Company were granted to employees and directors of the Consolidated Entity's subsidiaries, of which 2,000,000 were granted on 21 December 2021 and 1,500,000 granted on 14 January 2022. These performance rights have a number of performance hurdles, the successful achievement of which enables the holder to exercise their performance rights.

Vesting conditions for the 2,000,000 performance rights include upgraded JORC resource and the completion of positive pre-feasibility and bankable feasibility studies.

Vesting conditions for the 1,500,000 performance include a range of deliverables associated with the acquisition of the minority interest holding within CSPA and restructuring activities.

For the purposes of determining the fair value of the performance rights, an assessment of the vesting of the performance rights has been made and concluded that the aforementioned performance hurdles are not market conditions and accordingly an expense in respect of these performance rights has not been recognised at 30 June 2022.

The achievement of the non-market vesting conditions, being determined by the satisfaction of the respective rights' performance hurdles, is subject to inherent uncertainty. As of 30 June 2022, the performance hurdles had not been satisfied and accordingly no expense reflected in the statement of comprehensive income.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21/12/2021	31/12/2023	$0.09100	$0.00000	81.00%	-	0.49%	$0.046
13/01/2022	01/01/2015	$0.09100	$0.00000	81.00%	-	0.61%	$0.046

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 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

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 28 to the financial statements.

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
Non-Executive Chairman

2 October 2022
Melbourne

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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 2022, 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 a summary of significant accounting policies, 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 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $1.3 million during the year ended 30 June 2022, and as of that date, the Group’s current liabilities exceeded its current assets by $5.4 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 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
Acquisition of Chaketma Phosphates Note 5	
In October 2021, PhosCo Ltd announced that it has assumed operational and management control over Chaketma Phosphates S.A. (CPSA), holder of the Chaketma Phosphate project, as a 50.99% shareholder of CPSA. Management has applied significant judgement to determine if AASB 3 *Business Combinations* is to be applied and concluded that it is an asset acquisition. This area is a key audit matter due to the pervasive impact of management’s judgement.	Our procedures included, amongst others: • Reviewing management’s accounting treatment and assumptions to determine if CPSA has been accounted for correctly with respect to the Australian Accounting Standards; • Reviewing Tunisian registry records to verify any change in shareholdings, key directors, and executive personnel; • Inquiring with management and their legal counsel to determine the outcome of the court ruling and current legal position that may affect management position; • Engaging Grant Thornton Member firm in Tunisia to verify our findings per corporate registries; • Reviewing key contracts and company documents to corroborate management’s judgement on control or ability to control CPSA; • Testing the opening balances sheet figures of CPSA as at the acquisition date and testing the activity of CSPA, including a sample of asset and liability balances to supporting documentation; • Reviewing the consolidation accounting entries of CPSA; and • Ensuring financial statement disclosures are appropriate.

Exploration and evaluation assets Note 11	
At 30 June 2022, PhosCo Ltd carries an exploration and evaluation asset (E&E asset) of $4.0 million on its balance sheet. As all the tenements held by the Group are in the exploration stage, qualifying exploration expenditure is capitalised in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources.* The Group is required to assess at each reporting date if there are any triggers for impairment that may suggest the carrying amount is in excess of the recoverable amount. Any impairment losses are measured in accordance with AASB 136 *Impairment of Assets*. The Group is also required to ensure it has the right to tenement for its permits, which is particularly relevant in the current year due to securing the operational and management control over Chaketma Phosphates S.A. (CPSA). This area is a key audit matter as significant judgement is required to determine whether the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount and then consequently measure any impairment loss.	Our procedures included, amongst others: • Obtaining and reviewing management's E&E asset additions schedule; • Testing a sample of capitalised expenditure recorded throughout the period by inspecting supporting source documentation; • Reviewing whether the E&E Asset recognised on the acquisition of the net liabilities of Chaketma Phosphates S. A's (CPSA) is in accordance with Australian Accounting Standards; • Inquiring with management and their legal counsel about the permit status for Chaketma Phosphates in Tunisia; • Engaging with Grant Thornton's member firm in Tunisia to corroborate whether CPSA has a valid permit; • Performing searches of public domains in Tunisia for the status of CPSA's permit; and • Reviewing whether the disclosures on the financial statement are in line with the applicable 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 2022 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.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 the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Phosco Limited, for the year ended 30 June 2022 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

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 2 October 2022

The shareholder information set out below was applicable as at 23 September 2022

Distribution of equity securities

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

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares	Number of holders of performance rights	Number of performance rights	% of performance rights	Number of holders of $0.10 unlisted options	Number of $0.10 unlisted options	% of $0.10 unlisted options
1 to 1,000	319	66,311	0.02	-	-	-	-	-	-
1,001 to 5,000	95	314,023	0.12	-	-	-	-	-	-
5,001 to 10,000	69	547,404	0.20	-	-	-	-	-	-
10,001 to 100,000	218	8,566,199	3.14	-	-	-	1	50,000	2.86
100,001 and over	189	263,216,420	96.52	2	3,500,000	100.00	3	1,700,000	97.14
	890	272,710,357	100.00	2	3,500,000	100.00	4	1,750,000	100.00
Holding less than a marketable parcel	360	148,888	0.05	-	-	-	-	-	-

	Number of holders of $0.15 unlisted options	Number of $0.15 unlisted options	% of $0.15 unlisted options	Number of holders of $0.20 unlisted options	Number of $0.20 unlisted options	% of $0.20 unlisted options
1 to 1,000	-	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-	-
10,001 to 100,000	1	50,000	2.50	1	50,000	2.50
100,001 and over	5	1,950,000	97.50	5	1,950,000	97.50
	6	2,000,000	100.00	6	2,000,000	100.00
Holding less than a marketable parcel	-	-	-	-	-	-

PhosCo

Equity security holders

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

	Number held	% of total shares issued
LION SELECTION GROUP LIMITED	40,599,258	14.89
RETZOS EXECUTIVE PTY LTD "RETZOS EXECUTIVE S/FUND A/C"	27,038,384	9.91
LION MANAGER PTY LTD	17,257,193	6.33
POLO INVESTMENTS LIMITED	13,800,000	5.06
POLO INVESTMENTS LIMITED	10,989,256	4.03
ALDAOUD PTY LTD "ALDAOUD FAMILY A/C"	10,378,717	3.81
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY "DALY FAMILY S/F TOM A/C"	6,964,807	2.55
PASIAS HOLDINGS PTY LTD	6,337,500	2.32
LANCASTER CONSULTANTS LIMITED	5,746,979	2.11
CS LOGISTICS PTY LTD JEPSAK DISCRETIONARY A/C	4,835,106	1.77
NUTSVILLE PTY LTD INDUST ELECTRIC CO S/F A/C	4,667,500	1.71
ATLANTIS MG PTY LTD MG FAMILY A/C	3,593,376	1.32
RETZOS FAMILY PTY LTD RETZOS FAMILY S/FUND A/C	3,430,000	1.26
MAGEDO SUPER PTY LTD MG FAMILY SUPER FUND A/C	3,041,200	1.12
SAM GOULOPOULOS PTY LTD S GOULOPOULOS F/SUPER A/C	2,880,000	1.06
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY DALY FAMILY S/F TD A/C	2,519,583	0.92
DR AMIT KUMAR VERMA	2,450,500	0.90
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY THE DALY FAMILY SUPER A/C	2,400,000	0.88
TMENA PTY LTD COMBIVAN PTY LTD ACCOUNT	2,388,910	0.88
YONDRO PTY LTD PASIAS FAMILY A/C	2,300,000	0.84
	173,618,269	63.67

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares with exercise price of $0.10 (10 cents) expiring 31 Jan 2024	1,750,000	4
Options over ordinary shares with exercise price of $0.15 (15 cents) expiring 31 Jan 2024	2,000,000	6
Options over ordinary shares with exercise price of $0.20 (20 cents) expiring 31 Jan 2024	2,000,000	6
Performance rights over ordinary shares	3,500,000	2

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

Name	Class	Number held
Horizon Investment Services Pty Ltd The Horizon Investment A/C	Unquoted options exercisable at $0.10 (10 cents) exp 31 Jan 24	1,000,000
Horizon Investment Services Pty Ltd The Horizon Investment A/C	Unquoted options exercisable at $0.15 (15 cents) exp 31 Jan 24	1,000,000
Horizon Investment Services Pty Ltd The Horizon Investment A/C	Unquoted options exercisable at $0.20 (20 cents) exp 31 Jan 24	1,000,000
Atlantis MG Pty Ltd MG Family A/C	Unquoted options exercisable at $0.10 (10 cents) exp 31 Jan 24	450,000
Atlantis MG Pty Ltd MG Family A/C	Unquoted options exercisable at $0.15 (15 cents) exp 31 Jan 24	450,000
Atlantis MG Pty Ltd MG Family A/C	Unquoted options exercisable at $0.20 (20 cents) exp 31 Jan 24	450,000

Substantial holders

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

	Ordinary shares	
	Number held*	% of total shares issued
Lion Selection Group Limited	35,544,780	14.73
Polo Resources Limited	31,600,372	13.10
Mr Chris Retzos	27,714,915	12.36
Lion Manager Pty Ltd	9,756,351	6.42

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.

There are no other classes of equity securities.

Tenements

Description	Country	Tenement details/number	%
Chaketma	Tunisia	Chaketma	50.99%
Zeflana	Tunisia	Zeflana	100.00%
Ain El Bouma	Tunisia	Ain El Bouma	100.00%
Zaouiet Sidi Mbarek	Tunisia	Zaouiet Sidi Mbarek	100.00%
Djebba	Tunisia	Djebba	100.00%
Djebba 2	Tunisia	Djebba 2	100.00%

*The Chaketma Phosphate Exploration Permit is 100% held by CPSA. On 13 November 2020, PhosCo announced that it had recovered its interest in CPSA following the transfer by the court appointed expert as outlined in the arbitration award returning PhosCo's interest in Chaketma and payment of damages and costs amongst other matters. In addition, on 11 October 2021, PhosCo announced that is has assumed operational and management control over Chaketma Phosphate SA (CPSA), holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA. Although PhosCo has recovered the 50.99% interest, the Company notes that various actions related to the enforcement of the arbitration orders remain before the courts, including clarification of the financial state of CPSA and will include status of the CPSA equity. CPSA applied to convert the Chaketma Exploration Permit to a Mining Concession in late 2017, ahead of the February 2018 deadline. As at the date of this report, the Chaketma mining concession had not been granted, and application remains under consideration by the Tunisian regulatory authorities. The Chaketma Exploration Permit remains valid and in good standing whilst the application is being considered by the Tunisian regulatory authorities.

Corporate Governance

The Company's 2022 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 Tuesday, 29 November 2022. 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 18 October 2022.