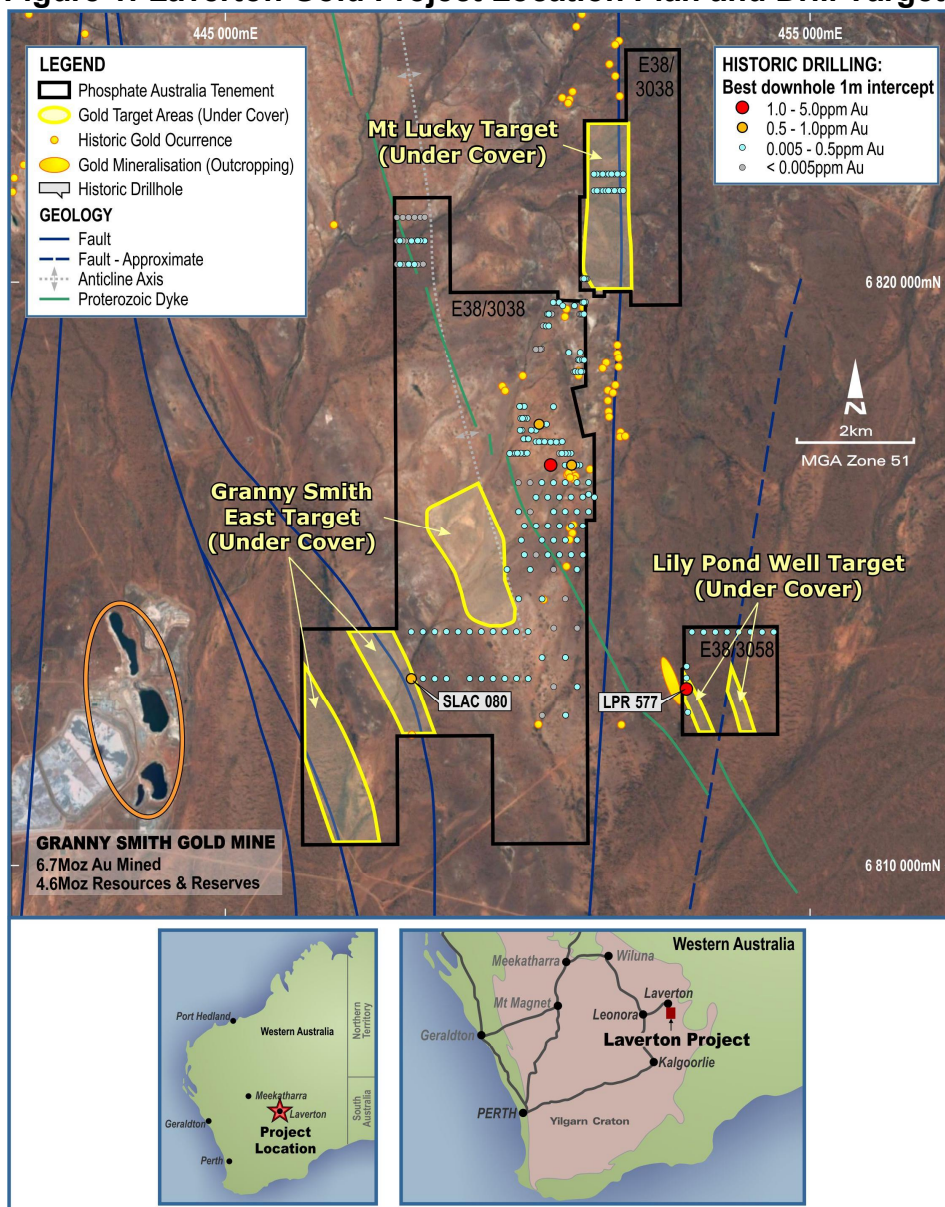


Drilling Commenced at the Laverton Gold Project, WA

Phosphate Australia Limited (ASX:POZ) is pleased to announce that drill testing of priority targets has commenced at the Company's 100% owned Laverton Gold Project in WA.

This maiden drill program of approximately 2,000 metres aircore, will test various priority under-cover gold targets up to within 2.3 km of the world class Granny Smith gold mine (Figure 1). The drilling should be completed within five days and assay results will be reported once they become available. For further details on this project please follow the link [LavertonGoldProject](http://www.phosphateaustralia.com.au/LavertonGoldProject).

Figure 1: Laverton Gold Project Location Plan and Drill Targets over Satellite Imagery





POZ Chairman Jim Richards and Geologist Michael Denny at the 100% POZ Laverton Gold Project maiden drilling program.

Jim Richards BSc. (Hons) Geology, MAusIMM, MAIG
Executive Chairman

Enquiries: Mr Jim Richards, Executive Chairman, 08 9422 9555

The information in this report that relates to previously reported exploration results is based on information compiled by Mr. Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Richards is a Director of Phosphate Australia. Mr. Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.