



# Phosphate Australia Limited

**Phosphate Australia**

**2009 Annual General Meeting**

**Project Presentation**

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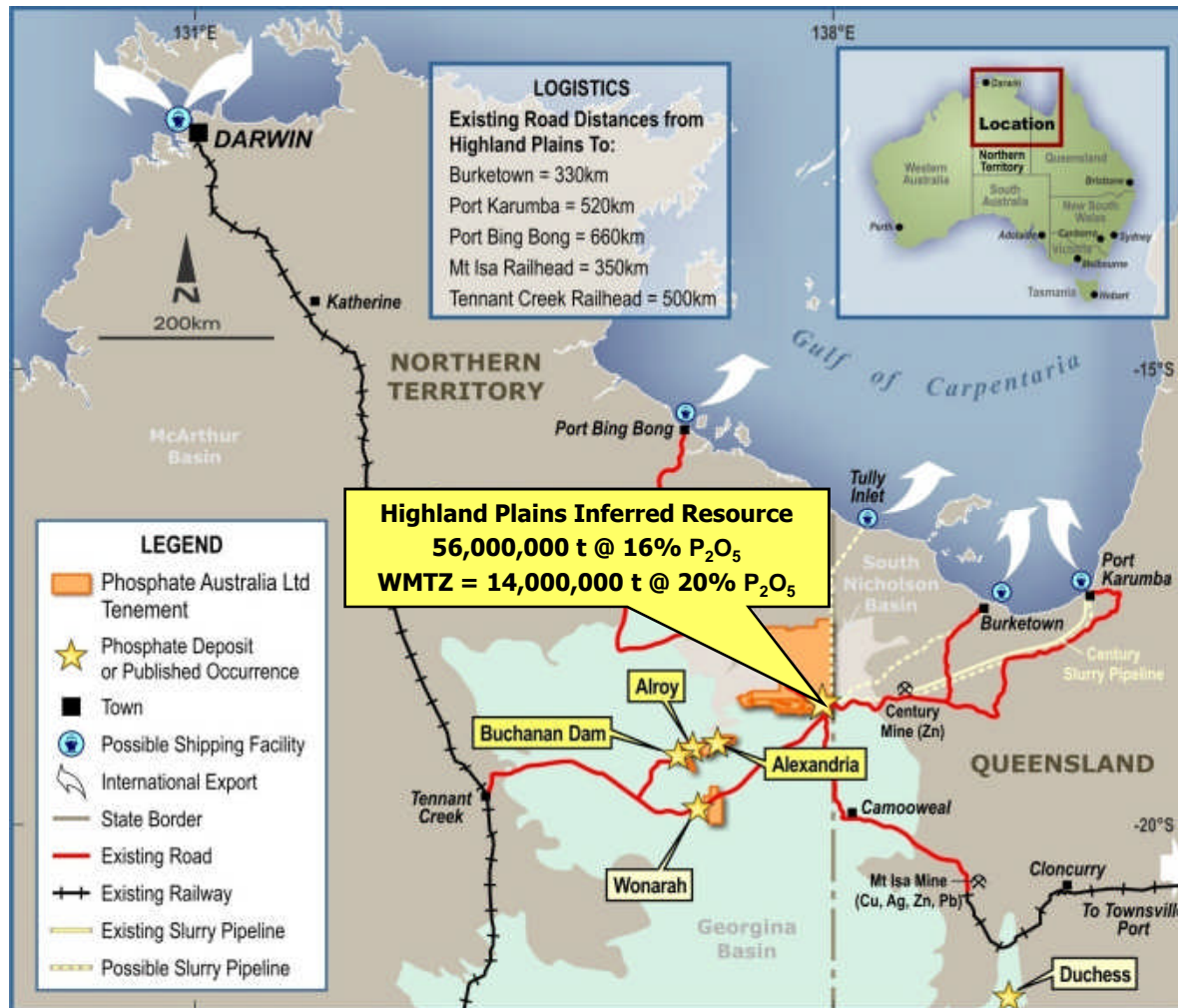
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*The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is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

## Phosphate Northern Territory, Australia



“Targeting production and sale of 500,000 to 1,000,000 tonnes per annum of premium grade rock phosphate with low contaminants”

Presented by:  
Jim Richards  
Andrew James  
October 2009



## Company Directors:

Jim Richards – Chairman (non exec.)

Andrew James – Managing Director

Lisa Wells – Technical Director

Grant Mooney – Director (non exec.) and Company Secretary

## Share Price History



<b>Total Shares on Issue</b>	<b>108,876,250</b>
<b>Total Options on Issue (exp 2012 @ \$.20)</b>	<b>23,000,000</b>
<b>Restricted Securities</b>	<b>42,050,000</b>
<b>Market Capitalisation (undiluted) (based on \$0.25 share price)</b>	<b>\$27.2M</b>

## MAJOR SHAREHOLDERS

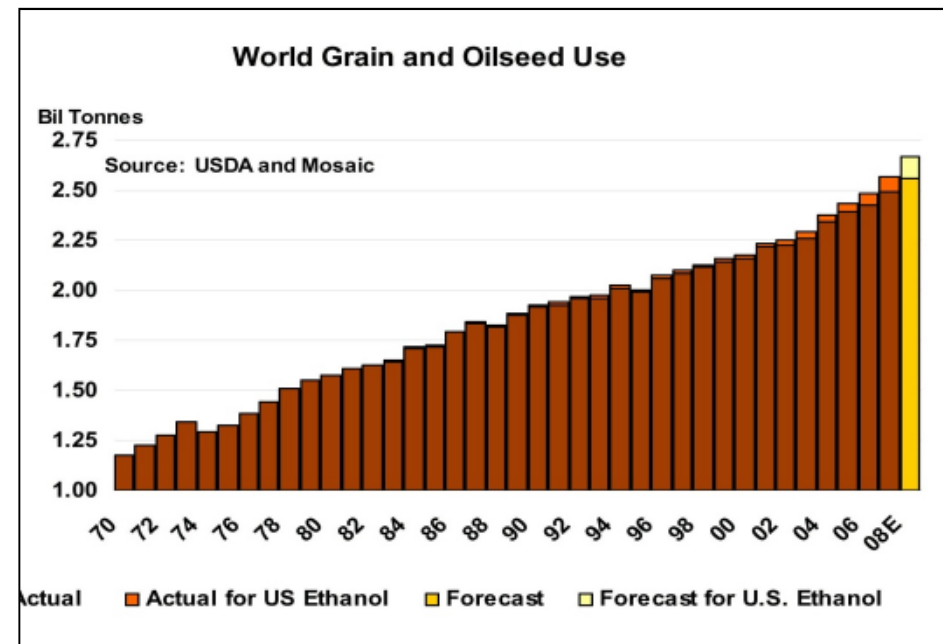
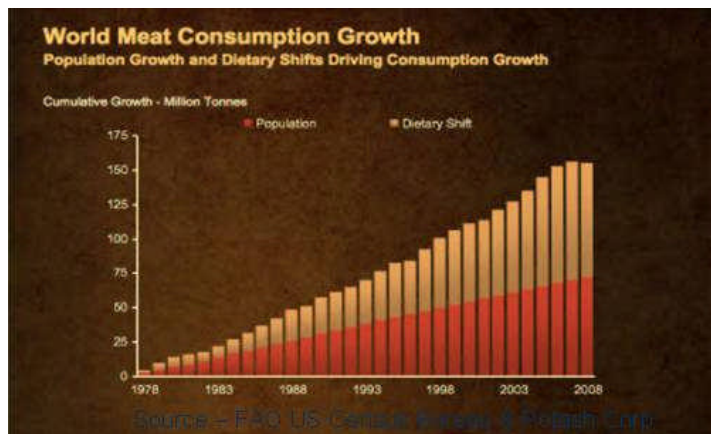
<b>Holder</b>	<b>Shares</b>	<b>% of Capital</b>	<b>Options</b>
<b>Board &amp; Management</b>	<b>37,250,000</b>	<b>34.2</b>	<b>18,000,000</b>
<b>Top 20 Holders</b>	<b>65,396,279</b>	<b>60.1</b>	<b>23,000,000</b>
<b>Mr Pankaj Oswal</b>	<b>6,109,519</b>	<b>5.6</b>	<b>nil</b>

### **IMPORTANT NOTES:**

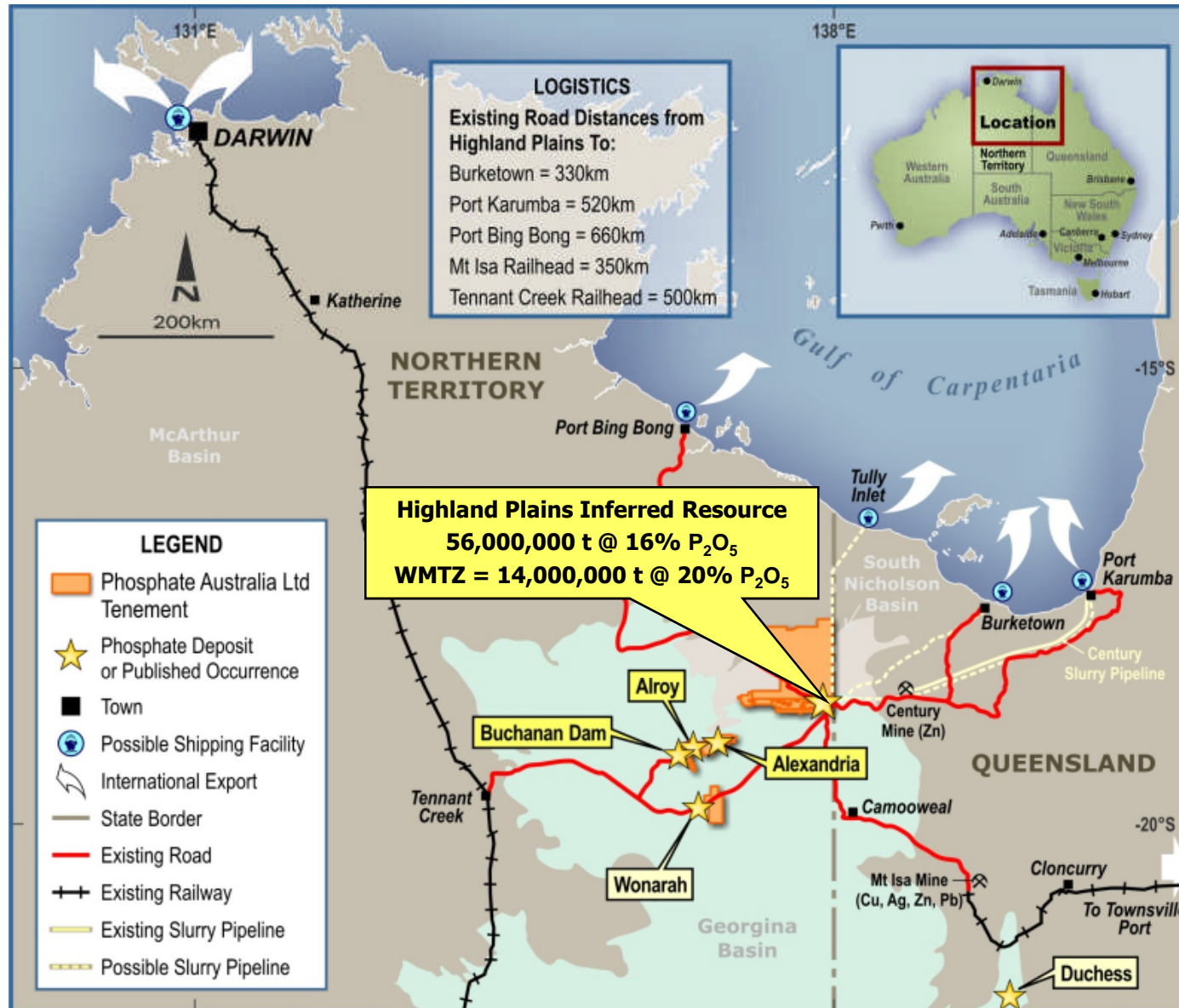
1. All POZ Projects are 100% owned.
2. All POZ Projects have No non- government royalties or third party interests.
3. Sector Comparative Companies: Minemakers Limited & Legend International Holdings Inc. Incitec Pivot in production.

# Phosphate Demand Drivers

- ✓ **Increasing world population ~ 75 million persons per annum. Feeding an increasing population accelerates the depletion of phosphate**
- ✓ **Altered dietary habits - westernisation of China and India are leading to increased demand for animal protein which requires cereals**
- ✓ **Biofuel production increase**
- ✓ **Global food price increases**
- ✓ **Peak land**



# Highland Plains – Phosphate Project Location

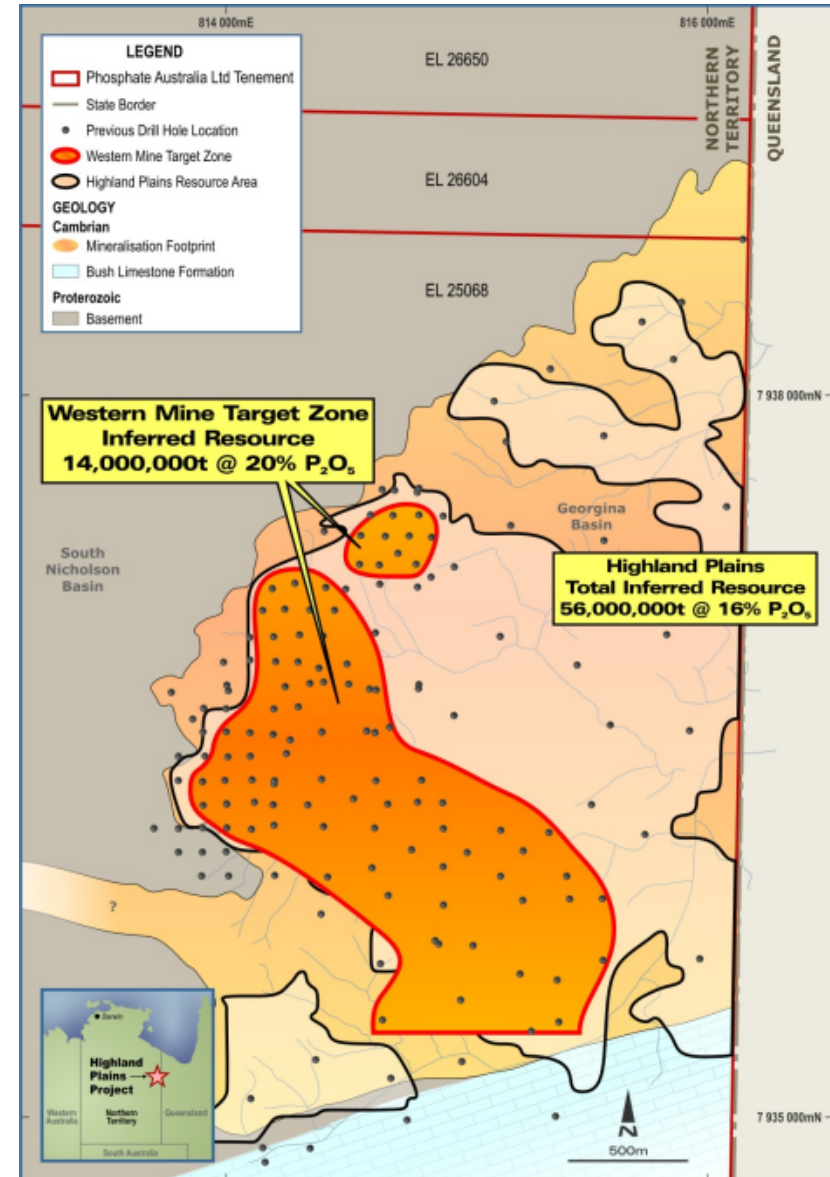


“POZ is a rock Phosphate development company targeting production and sale of 500,000 to 1,000,000 tonnes per annum of premium grade rock phosphate with low contaminants”

- ◆ **Maiden JORC compliant Inferred Resource: 56 million tonnes at 16% P<sub>2</sub>O<sub>5</sub>**
- ◆ **WMT Zone identified for starter operation: Inferred Resource 14 million tonnes at 20% P<sub>2</sub>O<sub>5</sub> – shallower resource**
- ◆ **Drilling: Two major RC drilling campaigns completed**
- ◆ **Drilling: PQ and HQ coring completed for metallurgical samples**
- ◆ **All weather camp purchased and installed**
- ◆ **Traditional owner clearances for ongoing operations, ongoing employment and relationship building with traditional owners**
- ◆ **Metallurgical studies ongoing with flotation studies well underway**
- ◆ **Scoping studies well underway on port options, logistics and mine**

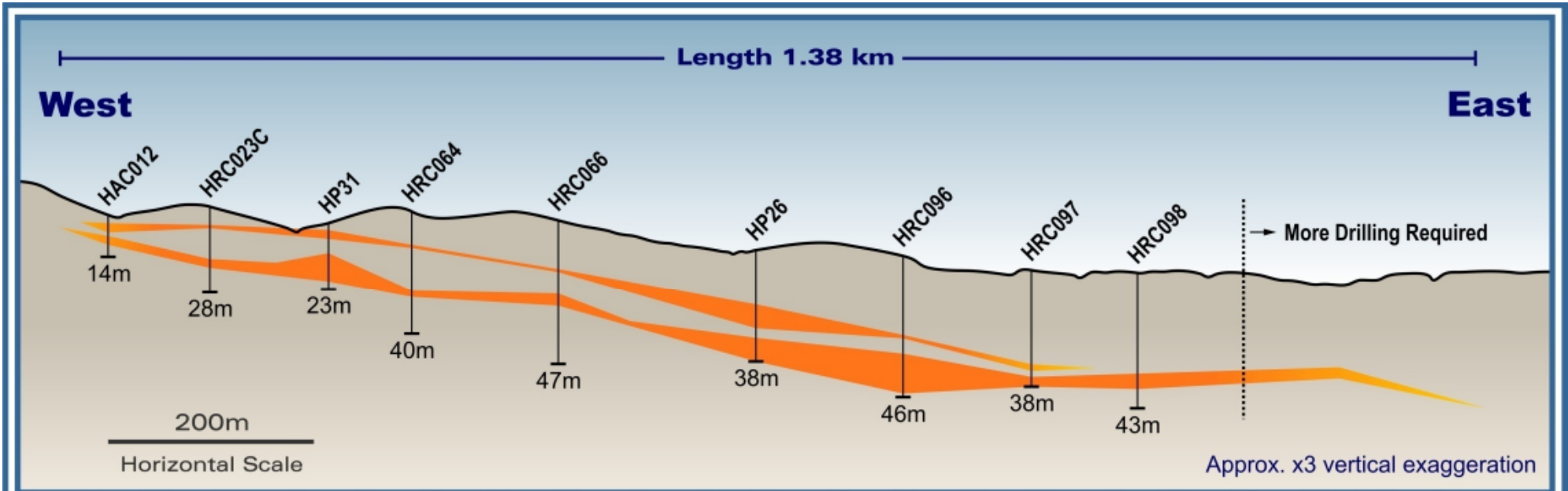


- ◆ JORC compliant Inferred Resource
- ◆ Total Inferred Resource: **56 million tonnes at 16% P<sub>2</sub>O<sub>5</sub>** with a 10% P<sub>2</sub>O<sub>5</sub> cut
- ◆ WMTZ Inferred Resource: **14 million tonnes at 20% P<sub>2</sub>O<sub>5</sub>** with a 15% P<sub>2</sub>O<sub>5</sub> cut
- ◆ Western Mine Target Zone: higher grade, shallower target area. Total target zone area ~1.7km<sup>2</sup>
- ◆ WMTZ high grades (including **12m @ 31.1% P<sub>2</sub>O<sub>5</sub>** from 9m in hole HRC063) and thick intersections (eg **9m @ 27.1% P<sub>2</sub>O<sub>5</sub>** from 1m in hole HAC001)
- ◆ Awaiting metallurgical results for potential resource upgrade





## Geological Cross Section



**LEGEND**

- Drill Hole Trace
- Mineralised Resource

Section 7,936,300mN



- ◆ **Organic Carbon:** less than 1% is preferred, less than 0.2% is ideal.
  - ◆ **Sulphur:** less than 1.2% is preferred, less than 0.4% is ideal.
  - ◆ **Fluorine:** normally should not exceed 3 or 4%.
  - ◆ **Chlorine:** normally should not exceed 200 to 300 ppm. High levels of chlorine can cause corrosion problems in phosphoric acid plants. Moroccan rock phosphate averages around 200 to 300 ppm.
  - ◆ **Cadmium:** Based on the initial data above Highland Plains has a favorably low cadmium content
  - ◆ **Uranium:** A Queensland rock phosphate deposit currently being mined averages around 100 ppm.
  - ◆ **Silica:** Current float testing is targeting the removal of excess silica
- Our aim is for the float process to remove excess silica. This would potentially produce a premium high grade product that could sell at a significant premium

## Impurities Assay Results – Batches#1&2

Hole	From (m)	To (m)	Width (m)	P <sub>2</sub> O <sub>5</sub> %	C %	S %	F %	Cl ppm	Cd ppm	U ppm
HAC001	1	10	9	27.1	0.15	0.03	2.21	153	5	18
Includes										
HAC001	2	7	5	30.5	0.15	0.02	2.43	Note 1	5	17
HAC002	4	6	2	14.8	0.12	0.03	1.44	Note 2	2	27
HAC012	3	10	7	15.2	0.17	0.06	1.52	Note 3	5	37
HAC020	4	15	11	27.2	0.16	0.06	2.14	Note 4	5	33
Includes										
HAC020	5	11	6	30.2	0.17	0.03	2.47	<100	5	22
HAC021	11	12	1	16.0	0.13	0.07	1.34	100	9	63
HAC024	6	12	6	21.7	0.17	0.06	1.88	Note 5	6	45
HAC031	20	22	2	15.1	0.15	0.14	1.34	Note 6	8	20
T-35	16	20	4	13.2	0.33	0.04	1.28	<100	2	-
11-35	31	32	1	11.1	0.24	0.02	1.05	<100	2	-

## Selected Drilling Highlights Phosphate & Contaminants

Hole	From (m)	To (m)	Width (m)	P <sub>2</sub> O <sub>5</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	Al <sub>2</sub> O <sub>3</sub> %	CaO %	MgO %	SiO <sub>2</sub> %	CaO:P <sub>2</sub> O <sub>5</sub> Ratio
HAC001	1	10	9	27.1	5.4	3.5	36.1	0.13	22.08	1.33
Includes										
HAC001	2	7	5	30.5	2.1	2.6	40.9	0.1	19.4	1.34
HAC020	4	15	11	27.2	3.9	4.3	36.6	0.2	21.9	1.34
Includes										
HAC020	5	11	6	30.2	3.1	3.3	40.7	0.1	17.5	1.34
HAC024	6	13	7	20.8	4.8	4.6	28.0	0.2	35.7	1.35
HRC027	7	11	4	26.7	5.4	3.0	35.0	0.2	24.3	1.31
HAC044	6	25	19	15.0	3.2	4.1	19.6	0.2	51.8	1.31
Includes										
HAC044	8	12	4	24.5	0.8	3.5	32.4	0.1	33.5	1.32
HAC055	34	47	13	22.5	5.3	3.0	31.1	0.9	29.4	1.42
Includes										
HAC055	41	46	5	28.9	5.3	2.4	39.0	0.2	19.3	1.35
HAC055	Hole ends in mineralisation at 49m (8.0% P <sub>2</sub> O <sub>5</sub> ). Requires deeper drilling.									



Flotation testing is underway

## Targeting Further Major Phosphate Deposits

- ◆ 12,178 km<sup>2</sup> of tenements prospective for phosphate deposits.

- ◆ Previous Drill Intersections Include:

**Alexandria –**

6.1m @ 15.6% P<sub>2</sub>O<sub>5</sub> from 48.8m

**Alroy –**

6.4m @ 12.0% P<sub>2</sub>O<sub>5</sub> from 16.2m

**Buchanan Dam –**

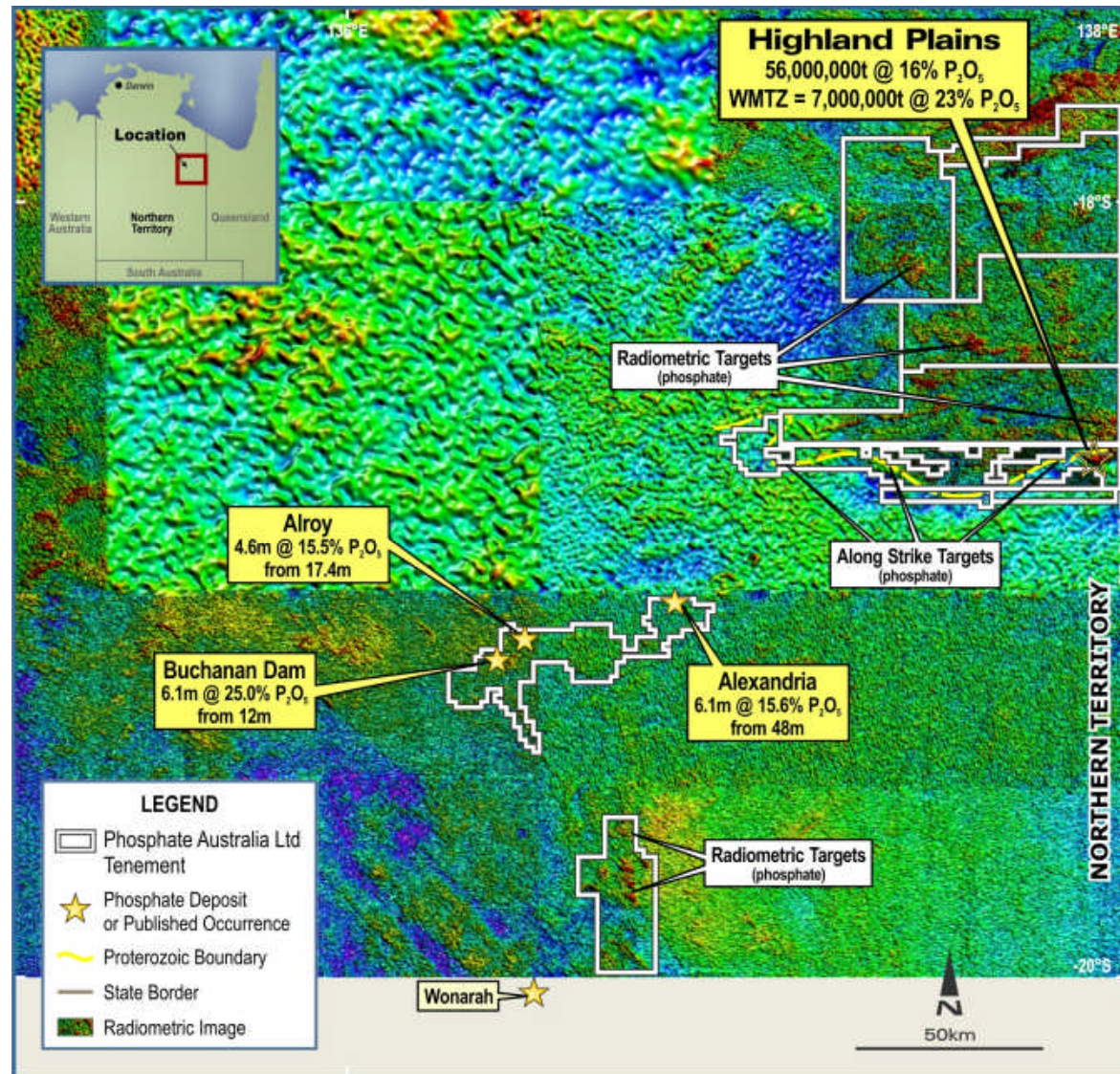
6.1m @ 25% P<sub>2</sub>O<sub>5</sub> from 12.2m

- ◆ Along strike targets due west from Highland Plains following the Proterozoic unconformity.

- ◆ Radiometric targets prospective for phosphate mineralisation from surface.

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

## Regional Radiometrics



# Immediate Objectives

- ◆ Integrate geological model with metallurgical results to achieve resource upgrade over the WMTZ.
- ◆ Metallurgical flotation test work to achieve a premium product.
- ◆ Targeting 500,000 to 1,000,000 tonnes per annum shipped product: Ongoing pre-feasibility studies for transport and infrastructure options including trucking, roads, port and shipping.
- ◆ Further target and drill the most prospective areas of the Company's extensive phosphate exploration holdings for further discoveries.
- ◆ Progress Government permitting for Highland Plains as required.



# OPEX & CAPEX - Initial Estimates

## OPEX – 500,000tpa operation\*

## CAPEX - 500,000tpa operation

Activity	A\$/Tonne*	Activity	A\$ Million
◆ Mining	10	◆ Mine Construction	15
◆ Beneficiation	25	◆ Beneficiation Plant	25-35
◆ Transport	40	◆ Road Upgrades	10
◆ Barge Loading	5	◆ Port Shed and Loading Facility	20
◆ Tranship to Handymax	5	◆ 2 x Barges and Tug	15
◆ Admin & Operations	5	◆ Contingency	10
<b>Total (max of above)</b>	<b>90</b>	<b>Total (max of above)</b>	<b>105</b>

\* *Shipped Product*

NB: Transport by contractor owned trucks

A recent rock phosphate price of **US\$129/tonne** CFR west India (CRU Group, September 2009) for 35.25% P<sub>2</sub>O<sub>5</sub> has been recorded. Rock phosphate has traded as high as **US\$409/tonne** September quarter 2008. (World Bank data 8th July 2009).

Initial timeline and planning estimates assume a pre-feasibility study report to be completed by June 2010, followed by engineering and design work. After an eight month construction period the project could be in production by late 2011.

*It is important to note that all of the above Opex and Capex numbers are based upon in-house estimates by POZ management. They are early estimates only and should be independently verified before any investment decisions are made based upon these costings.*

***Thank You!***