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Laverton Gold Project, WA: Acquisition and Drilling Program

HIGHLIGHTS

- **100% interest acquired over 44.6 km^2 in the highly-endowed Laverton gold district.**
- **Targets 2.3km east from Granny Smith gold mine.**
- **Excellent low-cost opportunity for gold discovery near operating mill**
- **Various under-cover gold targets identified.**
- **Field reconnaissance trip completed and main tenement was recently granted.**
- **Permitting submitted to commence a maiden drill program this calendar year.**

1.0 Introduction

Phosphate Australia Limited (ASX: POZ or Company) is pleased to announce the acquisition of the Laverton Gold Project, 10 km southeast of Laverton in the highly-endowed Mount Margaret district of Western Australia. The tenements are 2.3km east of Granny Smith gold mine (plant capacity 3.5 Mtpa).

The project was pegged by the Company at minimal cost and has no private royalty obligations. The Laverton Project consists of two tenements with a combined area of 44.6 km^2. The main tenement has recently been granted.

POZ has identified a series of under-cover gold mineralisation targets within the tenements with no recorded historic drilling and no drilling visible on aerial imagery. POZ has recently submitted an application to the Department of Mines and Petroleum to drill these untested targets.

Recent field reconnaissance trip to Laverton Gold Project by POZ geologist Michael Denny and POZ Commercial Manager Yaxi Zhan. Historic workings and drilling on E38/3038.

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2.0 Laverton Project Drill Targets

POZ has identified a number of under-cover gold mineralisation targets at the Laverton Gold Project (Figure 1):

- Granny Smith East ('GSE') Prospect: fault-bounded sediment-BIF and mafic targets to the east of Granny Smith mine. These targets are under laterite and transported cover and almost entirely untested by historic drilling. A single drillhole (SLAC080) tested the eastern margin of the central target and returned 2m @ 0.57g/t Au from 33m to EOH (Figure 2).

- Mount Lucky: A continuation of the north-south regional fault which hosts the Mount Lucky group of mines. Historic drilling has tested only 300 metres of this 3km target, which is under shallow lateritic cover.

- Lily Pond Well: two targets comprising undercover and fault-offset gold mineralisation which may be the origin of the outcropping Lily Pond Well mineralisation (not POZ). Historic drillhole LPR577 (Figure 2) encountered 3m @ 1.36 g/t Au from 36m downhole depth, which is part of a broader anomalous intersection that extends to EOH. Along strike from this drillhole the target is untested. This tenement is not yet granted and will not be drilled in the current program.

A Program of Works has been submitted to the Department of Minerals and Energy to gain permission to drill the GSE and Mount Lucky targets. It is anticipated that permitting will be granted and a maiden drill program will be completed before the end of 2015.

3.0 Local Geology and Mineralisation

The Laverton Gold Project lies within a north-south trending structural corridor in the Kurnalpi terrane, part of the Eastern Goldfields Superterrane of the Yilgarn Craton. Fluid movement along the regional scale faults in the project area is proposed as the conduit for gold mineralisation.

The GSE Prospect targets are under transported cover. The eastern target is covered by alluvial sediments and is a south-plunging anticlinal fold limb in mafic metavolcanics. The central and western targets are under alluvial sediments and are fault-bounded Banded Iron Formation (BIF) interbedded with siliciclastic metasediments, which is a similar lithological setting to the giant Granny Smith gold deposits (Gray et. al., 2005).

The Mount Lucky Prospect target sits astride a major fault contact between felsic and mafic metavolcanics which contains the historic Little Queen, Independence and Comet gold mines, which produced a combined 391oz Au at an average grade of 58.25 g/t Au.

The Lily Pond Well Prospect sits in felsic metavolcanics with an interpreted north-south striking sinistral fault offsetting the mineralisation target.

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

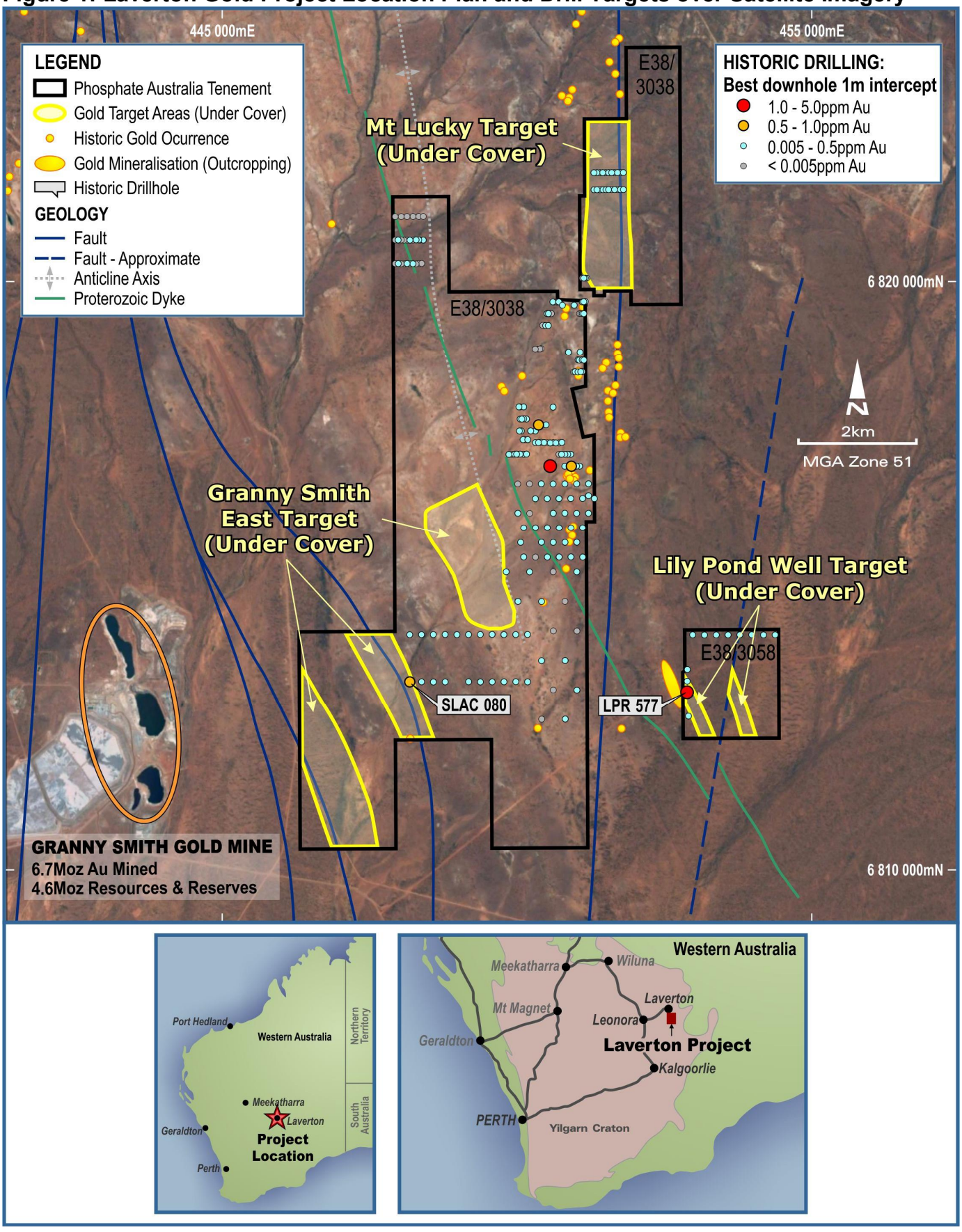
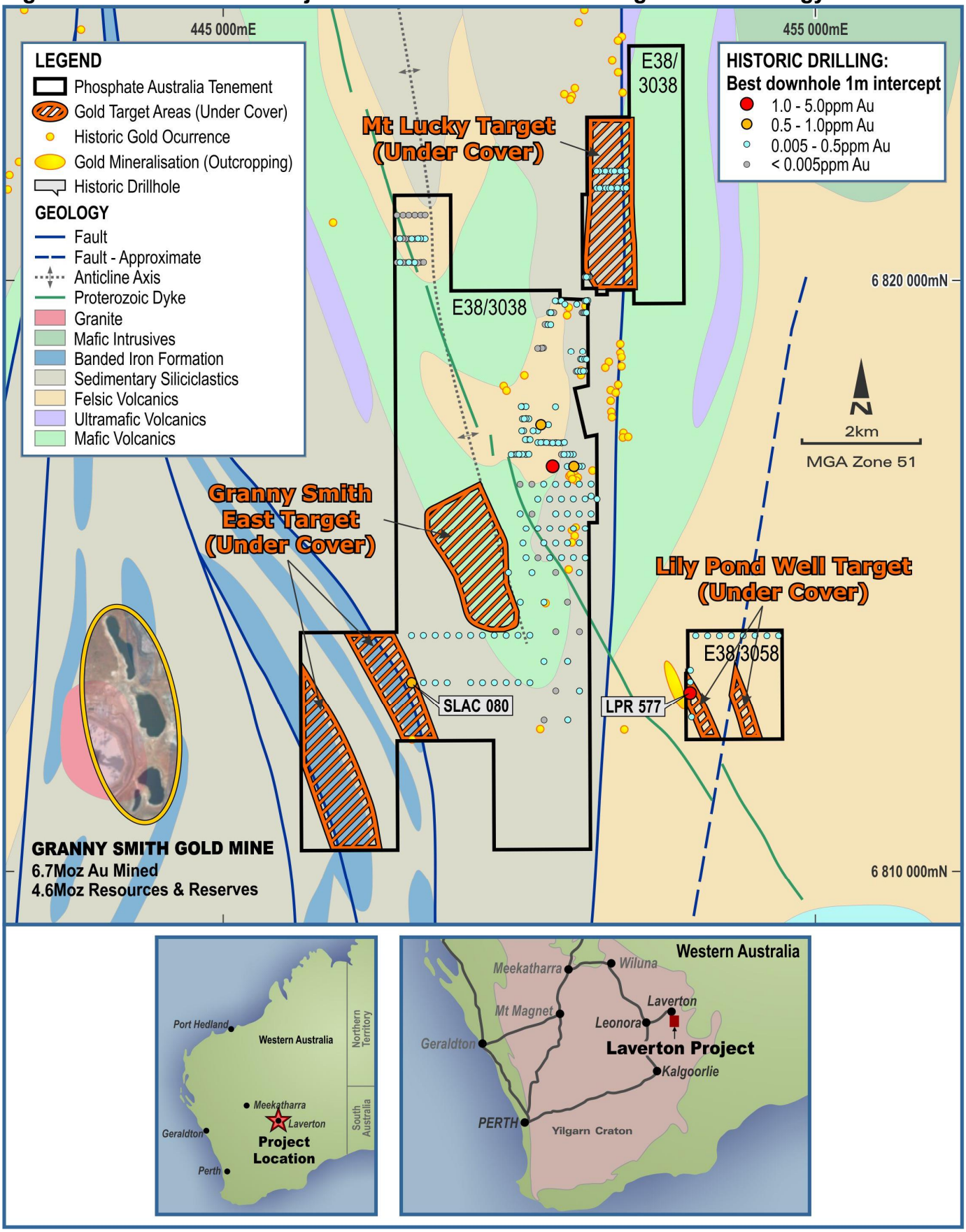


Figure 2: Laverton Gold Project Location Plan and Drill Targets with Geology



4.0 Summary

The Laverton Gold Project represents the kind of venture which interests POZ:

1. The project is situated within a highly endowed gold belt.
2. The targets are proximal (2.3km) to a world class gold mine and mill.
3. The targets are under-cover and un-drilled.
4. Acquisition costs were minimal.
5. The project is 100% POZ and carries no private royalties.

Drilling and assay rates are currently extremely competitive and for a very modest outlay, this project provides an excellent opportunity for the Company to gain 100% exposure to a potential gold discovery.

Jim Richards
Executive Chairman

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References

Little Queen gold mine data from:
http://minedexext.dmp.wa.gov.au/minedex/external/common/jump.jsp?jumpType=SITE&id=S0012253

Independence gold mine data from:
http://minedexext.dmp.wa.gov.au/minedex/external/common/jump.jsp?jumpType=SITE&id=S0012197

Comet gold mine data from:
http://minedexext.dmp.wa.gov.au/minedex/external/common/jump.jsp?jumpType=SITE&id=S0012082

Drillhole LPR577: Lily Pond Well partial Surrender Report for the period 31 December 1996 ï 8 May 2000. D P Hammond, Sons of Gwalia. WAMEX report A63665

Drillhole SLAC080: Final Surrender Report, South Laverton, for Lease E38/0809. J Robinson, Crescent Gold Limited, June 2009. WAMEX report A82632

D.J. Gray, M.J. Lintern and C.M.R. Butt, 2005. *Granny Smith Gold Deposits, Western Australia.* CRC LEME. Recovered from http://crcleme.org.au/RegExpOre/GrannySmith.pdf

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.

Appendix A
Drillhole Information

A number	Hole ID	mE_MGA94	mN_MGA94	mRL_nominal	HoleType	MaxDepth	Dip	Azi
63665	LPR577	452906	6813018	430	RAB	75	-60	270
82632	SLAC080	448200	6813200	430	AC	35	-60	270

Appendix B
Drilling Assay Highlights

HoleID	From metre	to metre	width metre	Au g/t	Project Area	Comments
LPR577	36	39	3	1.36	Lily Pond Well	
SLAC080	33	34	1	0.96	Granny East	Mineralised to EOH (35m)

Appendix C
JORC Code, 2012 Edition – Table 1

The two drilling programs documented in the following tables are as follows:
A63665: 1998, RAB drilling
A82632: 2007, AC drilling

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**A63665: RAB.** Three metre composite samples were collected from each hole. **A82632: AC.** Drill samples were composited to create 4m intervals, though the sample intervals were adjusted such that the end of hole sample was retained as a 1m interval
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ôindustry standardôwork has been done this would be relatively simple (e.g. ôreverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assayô). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	**A63665: RAB** Three metre composite samples were collected from each hole and submitted to Ultra Trace Laboratories in Perth where they were assayed for Au, As and Sb using an aqua regia digestion followed by ICP-MS determination. End of hole samples were also assayed for Bi, Ca, Cr, Cu, Fe, K, Mg, Mn, Mo, Na, Ni, Pb, Ti, W, Zn and Zr using a mixed acid digestion followed by ICP-OES determination. **A82632: AC** The four metre composite samples, each weighing 3-4kg, were mostly assayed for low level gold at SGS Ltd.ôs Welshpool facility by method FAL505, which consists of two consecutive pyrometallurgical separations. Firstly, up to 50g of sample is fused with suitable fluxing agents. Any gold, platinum and palladium present in the sample is extracted into a lead button. The pill extracted from this button is digested with an aqua regia mixture and the solution analysed by graphite furnace AAS. The remainder of the samples were submitted to SGS in Leonora for assaying for gold by 50g fire assay with an AAS finish (SGS technique FAA505)

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	**A63665:** Four RAB holes were completed in November 1998 by Drillwest using their KL150 rig and 650 psi booster. **A82632:** AC drilling undertaken by Challenge Drilling using their RA150 rig.
Drill sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed	**A63665 and A82632:** no details are provided.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	**A63665 and A82632:** no details are provided.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not assessed by previous exploration companies
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Chips and core were geologically logged in detail. Mineral Resource estimations, mining studies and metallurgical studies would not be applicable at this stage of exploration.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Drill chip logging was quantitative in nature. Information collected includes: **A63665:** weathering, lithology, alteration style and intensity, colour, grain size, foliation intensity, texture, mineralogy, veining intensity and style, sulphides, water content of sample, sample recovery, comments **A82632:** colour, weathering, lithology, regolith, texture, alteration nature and intensity, veining mineralogy and intensity, sulphides, and comments
	The total length and percentage of the relevant intersections logged	All drillholes were logged in full
Sub Sampling Techniques and Sample Preparation	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	**A63665:** sample wetness is recorded: no other details. **A82632:** these criteria are not reported.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**A63665 and A82632**: Sample preparation techniques are not described.

Criteria	JORC Code Explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**A63665 and A82632:** these criteria are not reported.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	**A63665 and A82632:** These criteria are not reported.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No examples of coarse gold affecting gold assay results have been recognized by POZ in the historic E38/3038 and E38/3058 data. As such the drill techniques used in historic drilling are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	**A63665:** Samples assayed for Au, As and Sb using an aqua regia digestion followed by ICP-MS determination. End of hole samples were also assayed for Bi, Ca, Cr, Cu, Fe, K, Mg, Mn, Mo, Na, Ni, Pb, Ti, W, Zn and Zr using a mixed acid digestion followed by ICP-OES determination. These techniques are considered total. **A82632:** Samples assayed by method FAL505, which consists of two consecutive pyrometallurgical separations. Firstly, up to 50g of sample is fused with suitable fluxing agents. Au, Pt and Pd are extracted into a lead button. The pill extracted from this button is digested with aqua regia and the solution analysed by graphite furnace AAS. The remainder of the samples were submitted to SGS in Leonora for assaying for gold by 50g fire assay with an AAS finish (SGS technique FAA505)
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to determine element concentrations
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Standard laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures. In addition to this: **A63665 and A82632:** no information is provided.
Verification of sampling and	The verification of significant intersections by either independent or alternative company personnel.	**A63665 and A82632:** these criteria are not reported.

Criteria	JORC Code Explanation	Commentary
assaying	The use of twinned holes.	No twinned holes were drilled
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data has been extracted from the WAMEX database and from Accession Reports A63665 and A82632.
	Discuss any adjustment to assay data.	POZ is not aware of any adjustments to the assay data
Location of Data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	**A63665:** these criteria not recorded. **A82652:** drillholes positioned using a hand-held GPS and not resurveyed after drilling.
	Specification of the grid system used.	Grid system is MGA94_51
	Quality and adequacy of topographic control.	No topographic controls are recorded.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Drillhole positions are shown in Figures 1 and 2
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable at this stage of exploration
	Whether sample compositing has been applied.	No sample compositing has been applied
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The orientation of mineralisation is not known
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Any sampling bias due to drillhole orientation is not known at this stage
Sample Security	The measures taken to ensure sample security.	**A63665 and A82632:** these criteria are not reported.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	At this early stage of exploration, no review of the sampling techniques and data has been initiated or is possible for the historic drilling data

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Exploration Licences E38/3038 and E38/3058 is 100% held by Phosphate Australia with no encumbrances. There is no Native Title claim over the tenement area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is under application with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	See **Section 2.0**
Geology	Deposit type, geological setting and style of mineralisation.	See **Section 3.0**
Drillhole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: · easting and northing of the drillhole collar · elevation or RL (Reduced Level ï elevation above sea level in metres) of the drillhole collar · dip and azimuth of the hole · down hole length and interception depth · hole length.	See: **Appendix A** (easting, northing, elevation, dip, azimuth, hole length **Appendix B** (down hole length and interception depth)
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Where present, multiple gold assays for individual samples were averaged to give a single useable gold value for that interval. Once the above was done, the gold values used **Figures 1 and 2** and **Appendix 2** was calculated as simple averages for all gold values over the reported intervals.

Criteria	JORC Code Explanation	Commentary
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not Applicable
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not Applicable
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ódown hole length, true width not knownô).	The mineralised intervals reported are down hole lengths and true widths are not known.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	Refer to **Figures 1 and 2** and **Appendices A and B** in body of text
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	**POZ** has used the two historic drillholes LPR577 and SLAC080 for targeting purposes only. **Appendix 2** tabulates all Exploration Results for all drillholes listed in this Report
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples ï size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other substantive exploration data is known.

Criteria	JORC Code Explanation	Commentary
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	**Section 2.0** in the body of text documents currently planned drilling, including: - the Mount Lucky gold target - the two Lily Pond Well gold targets - the three Granny Smith East gold targets These targets are shown in **Figures 1 and 2**