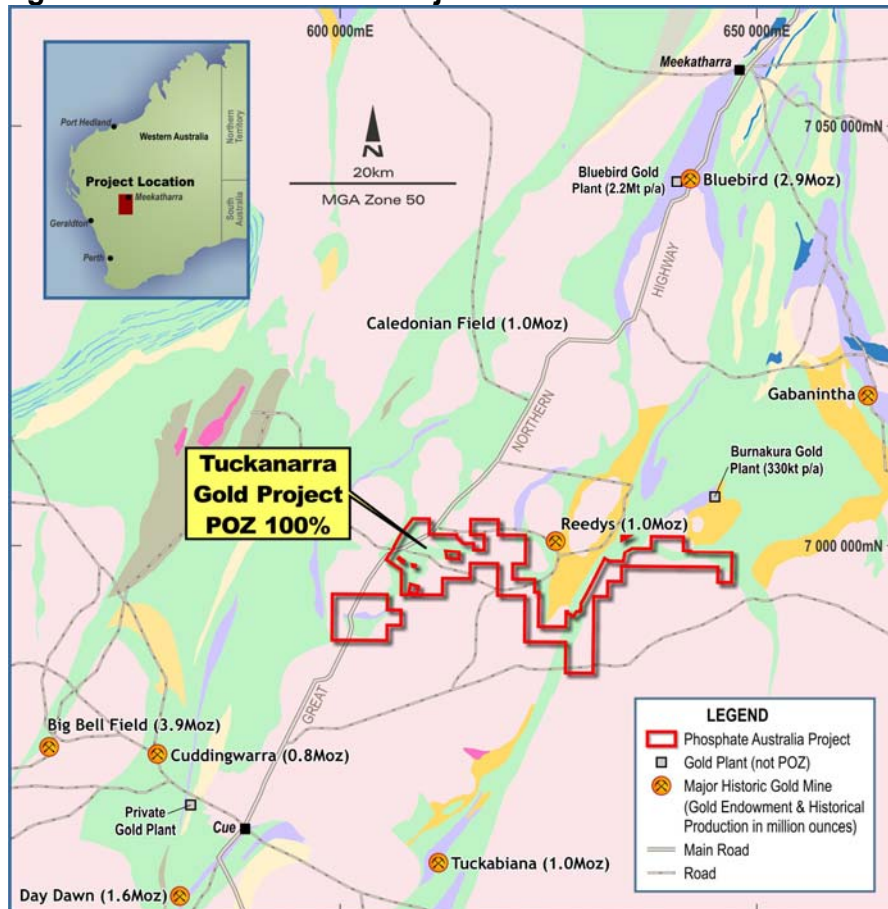


Maiden WA gold drilling results include 28 metres at 6.7g/t Au from 25 metres

- Phase 1 drilling assay results from Tuckanarra (WA) gold project include **28 metres at 6.7g/t Au from 25 metres** at the Cable West vein - a high grade structure now the highest priority target.
- Results including **20 metres at 2.1g/t from 70 metres** at the Cable East vein indicate a continuous, well mineralised structure up to 13 metres true width with a current strike length of ~350 metres which is open to the south and at depth.
- Phase 2 **results from 5,062 metres of aircore drilling due in March.**
- Phase 3 drilling program planned for **April 2012**

Figure 1: Tuckanarra Gold Project Location & Tenements



1.0 Introduction

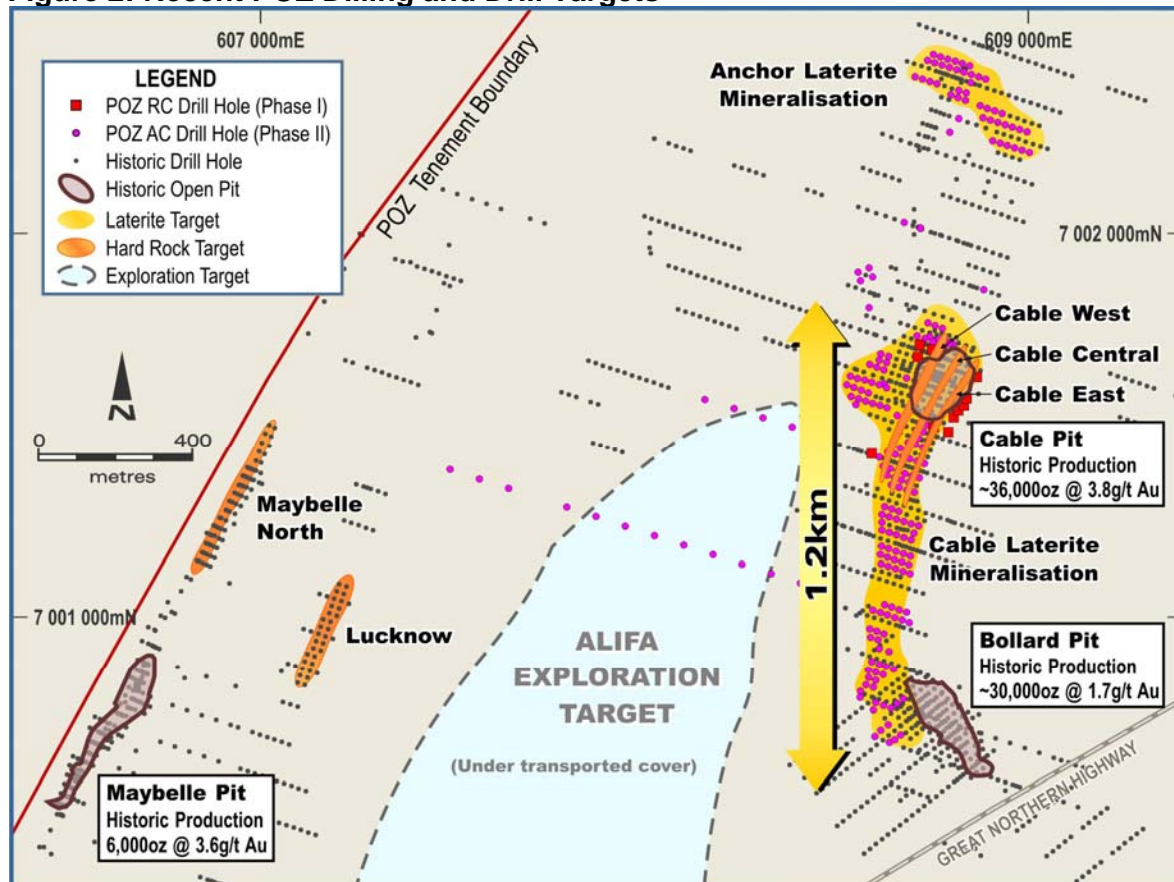
The Tuckanarra gold project lies within the prolific West Australian Murchison goldfield (Figure 1). The project has historic production of ~125,000 ounces and was last mined in 1993 when the gold price was around US\$330 an ounce. The project is 100% owned by Phosphate Australia Limited (POZ) with no private royalties. There is a substantial existing computerised historical database covering the Tuckanarra project with data on 2,556 holes totalling 96,626 metres.

The Board believes the project has considerable potential for delineating significant shallow high grade gold mineralisation.

A maiden Phase 1 Reverse Circulation (RC) drilling program was completed in December and the results from that program are in this report. Sixteen holes were completed for 1,635 metres. This program targeted shallow, steeply dipping, mineralised structures around the old Cable pit (Figure 2), namely Cable East, Cable Central and Cable West. These structures make excellent targets for Archaean lode gold style mineralisation. The Company’s objective at Tuckanarra is the delineation of persistent gold bearing structures with good grades.

There is also a substantial area of shallow, sub horizontal, laterite hosted mineralisation that covers much of the lode gold target area. This laterite mineralisation was the target of a Phase 2 aircore drilling campaign completed early in February - 213 holes drilled for 5,062 metres (Figure 2). Assay results from this Phase 2 program are anticipated to be available in March.

Figure 2: Recent POZ Dilling and Drill Targets



2.0 Phase 1 RC Drilling Results

The Phase 1 RC drilling targeted the Cable West and Cable East structures. Significant mineralisation was found in both targets with excellent grades from Cable West and good continuous mineralisation from much of Cable East.

Drilling Assay Results Phase 1 RC Program

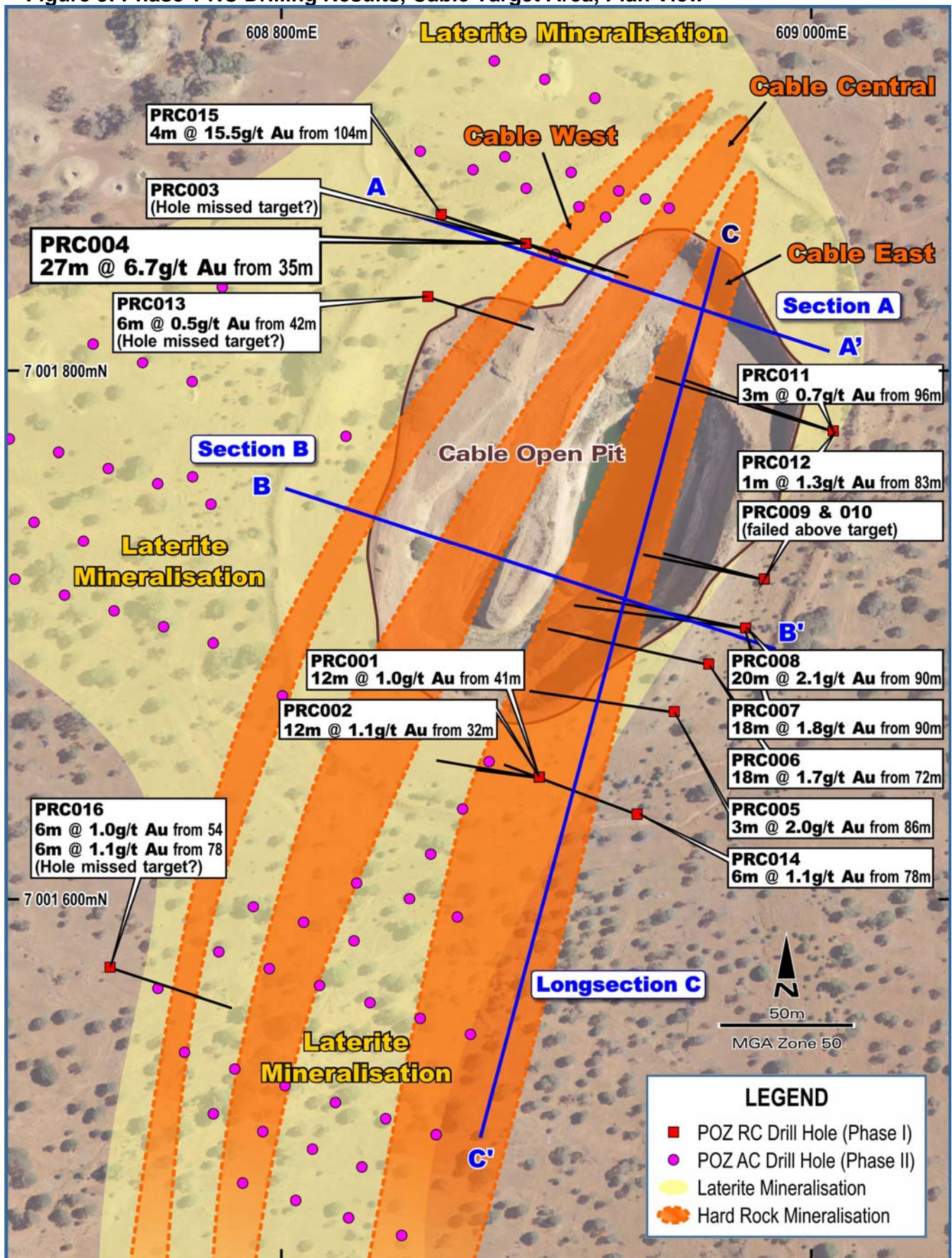
Hole	From Metre	To Metre	Width Metre	Au g/t	Comment/Target
PRC001	41	53	12	0.96	Cable East
PRC002	32	44	12	1.05	Cable East
PRC002	60	63	3	0.54	Cable East
PRC003	0	2	2	0.64	Laterite mineralisation, hole missed Cable West?
PRC004	24	26	2	0.72	Start of Cable West mineralisation
PRC004	26	35	9	n/a	Void from historic underground mining circa 1900's
PRC004	35	63	28	6.69	Cable West vein directly below historic workings
PRC005	86	89	3	1.97	Cable East
PRC006	72	90	18	1.68	Cable East
<i>Including</i>					
PRC006	73	81	8	3.07	Cable East
PRC007	90	108	18	1.84	Cable East (6m Composites)
PRC008	70	90	20	2.06	Cable East
PRC009	Hole failed above target zone due to lack of air returns - no significant results				
PRC010	78	85	7	1.10	Cable East (includes a 6m composite)
PRC010	Hole failed above target zone due to lack of air returns, hole ends in mineralisation (1.4g/t)				
PRC011	96	98	2	0.75	Cable East, structure present but weak mineralisation
PRC012	83	84	1	1.30	Cable East, structure present but weak mineralisation
PRC013	42	48	6	0.54	Cable West (6m composite), hole drilled parallel to target - presumed missed?
PRC013	99	105	6	1.00	Cable West, hole drilled parallel to target - presumed missed?
PRC014	78	84	6	1.11	Cable East
PRC015	0	3	3	0.55	Laterite mineralisation
PRC015	54	60	6	0.47	6m Composite Sample
PRC015	104	108	4	15.53	Cable West
PRC016	42	48	6	0.53	Cable West (6m composite)
PRC016	54	60	6	0.98	Cable West (6m composite)
PRC016	78	84	6	1.11	Cable West, possibly missed structure?

NB: All samples results are uncut

The Hole PRC004 35-63m intersection had one missing sample from 45-46m, this sample was lost during the splitting process. The overall calculated intersection of 28m @6.7g/t has taken this metre as being at the average grade of 6.69g/t for statistical purposes.

Fire assay on a 25g charge by Genalysis Laboratories

Figure 3: Phase 1 RC Drilling Results, Cable Target Area, Plan View



2.1 Cable West

The Cable West target is a very strongly mineralised structure with very high grades in part and the potential for a true width of up to 10 metres. POZ geologists have reinterpreted this structure using 3D geological modelling software and believe it has considerable potential which was not realised during the last phase of mining in the early 1990's.

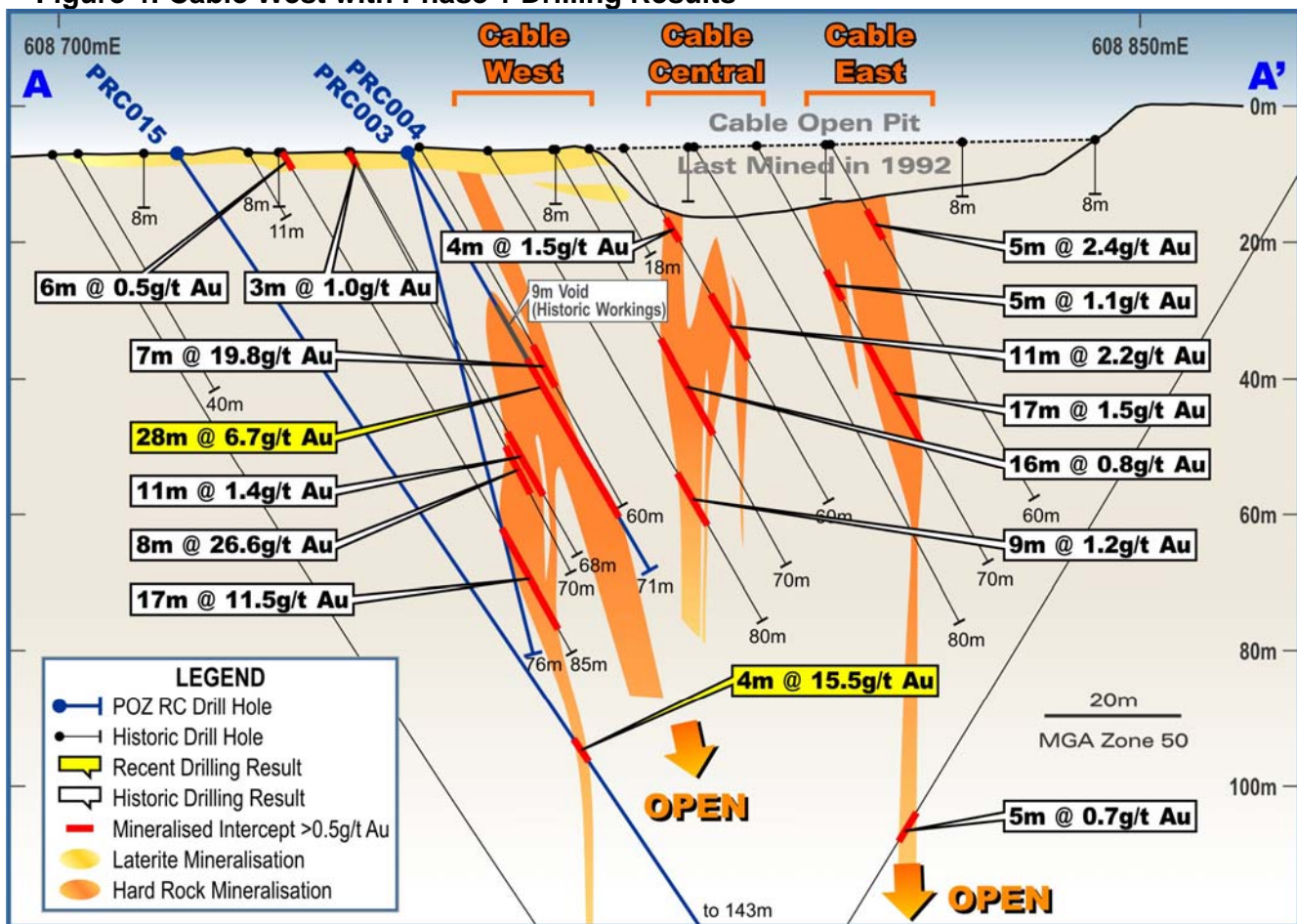
The best POZ result targeting this structure was from hole PRC 004, intersecting **28m at 6.7g/t Au from 25m**. Importantly, directly above this drill intersection was a 9 metre cavity which was mined out by the circa 1900s underground miners.

The reported historic mined grade at Cable was 22g/t from this period and one could infer this was potentially the tenor of mineralisation that was mined from this cavity in Cable West. This illustrates the great potential of the structure and the reason why it is such a prospective target.

Cable West appears to be dipping sub vertically to the East. Almost all of the historic drilling has been sub parallel to this structure and this includes the POZ Phase 1 drilling (due to access problems caused by the open pit). This has made delineation of Cable West difficult and also may have led to the structure being missed in some drill holes.

Along-strike extensions to the Cable West structure are now being actively targeted by POZ for future drilling campaigns

Figure 4: Cable West with Phase 1 Drilling Results



2.2 Cable Central

Cable Central also represents a well mineralised and persistent structure. It is a good target with some excellent historic drilling intersections (11 metres @ 2.2g/t, 3 metres @ 8.5g/t, Figures 4 & 5) and will be followed up in future programs.

2.3 Cable East

Cable East was the main lode that was mined at Cable during the 1991-2 operations. It is a continuous, well mineralised structure up to 13 metres wide with a current strike length of ~350 metres which is open to the south and at depth. As shown in the long section (Figure 6), much of Cable East is not mined and lies to the south of the existing Cable open pit.

Further drilling to the south of Cable open pit is needed to test existing high grade historic intersections to see if they tie into the possible on strike extension of the Cable East structure.

Figure 5: Cable East with Phase 1 Drilling Results

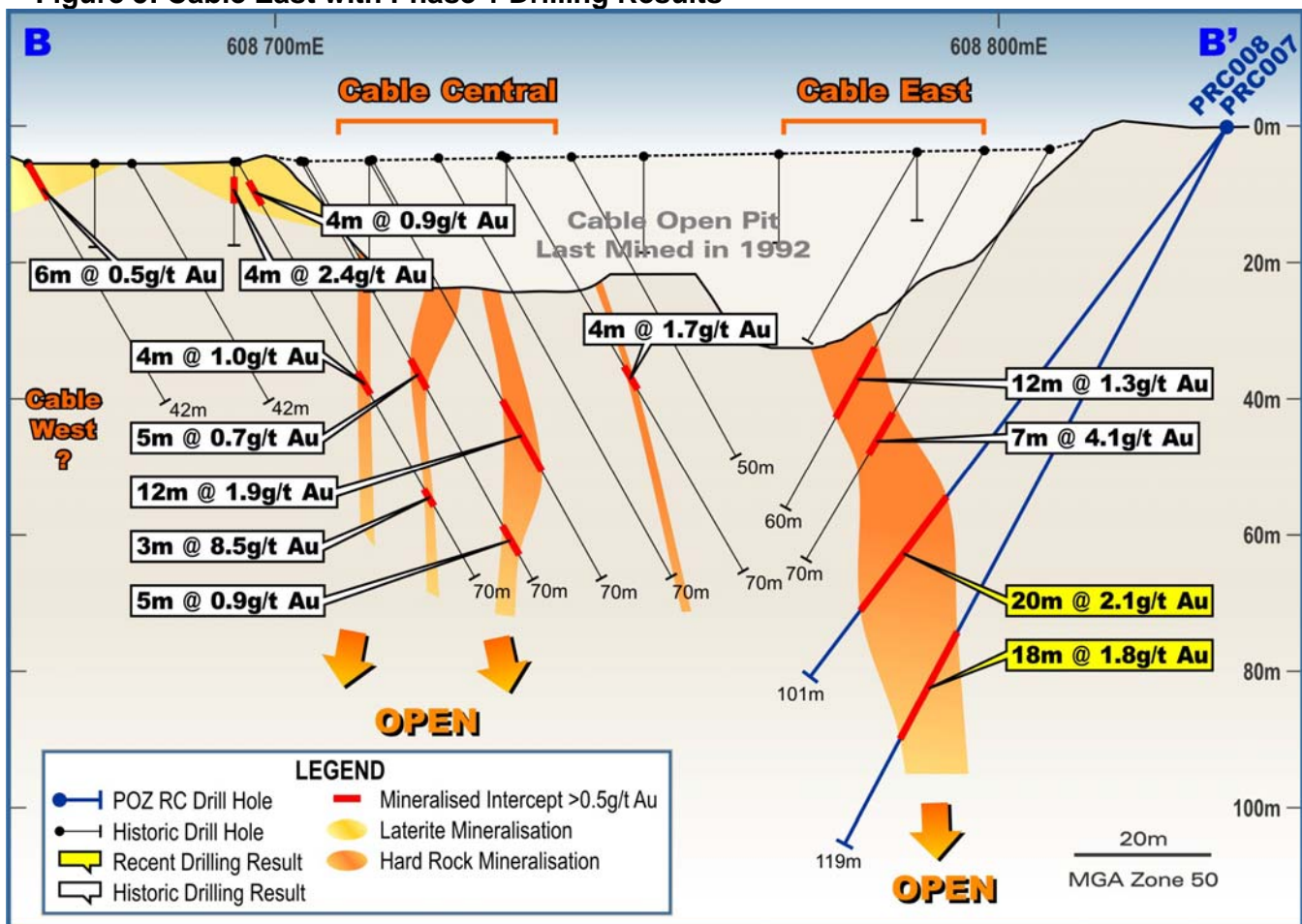
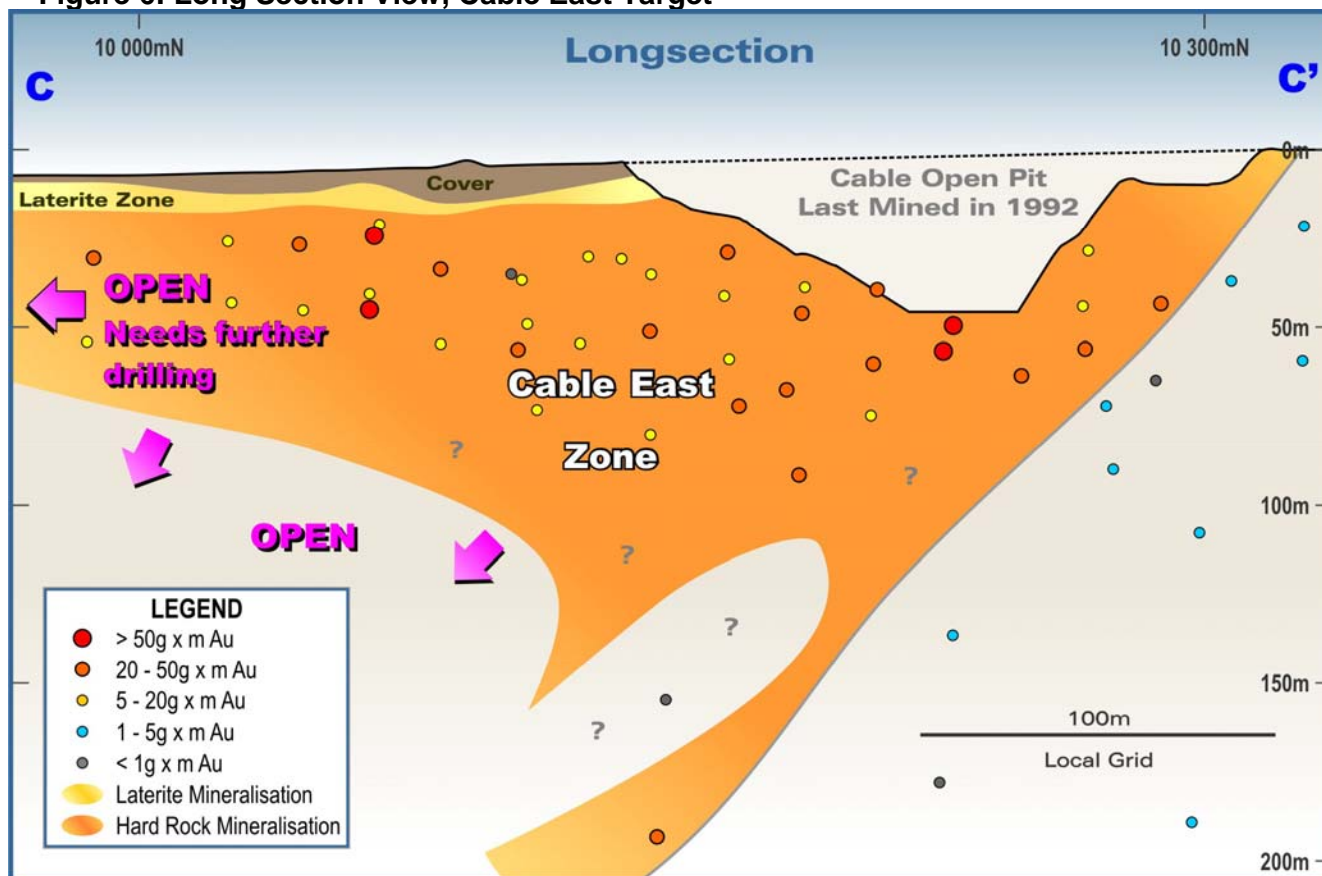


Figure 6: Long Section View, Cable East Target



3.0 Phase 2 Aircore Drilling

The Phase 2 aircore drilling campaign was completed early in February 2012, drilling 213 holes for 5,062 metres (Figure 2). Assay results from this Phase 2 program are anticipated to be available in March.

The targets for the Phase 2 drilling were:

1. A substantial target area of shallow, sub horizontal, laterite hosted mineralisation (Figure 2) that covers much of the lode gold target area.
2. The Alifa exploration target, a large undrilled area with transported cover (Figure 2).

During the Phase 2 drilling, an area of pisolitic hematite mineralisation south of Cable pit and extending over the Alifa exploration target was encountered in several holes. This is of interest as a possible iron ore prospect and some samples have been sent off for assay. This remains a low priority for the Company at this point.

4.0 Project Outlook

The road to development at Tuckanarra is progressing well.

Milestones achieved so far are:

1. August 2011 ▶ POZ acquired project 100% with no outstanding royalties.
2. October 2011 ▶ Core tenements granted.
3. December 2011 ▶ Phase 1 RC drilling program completed, 1,635 metres.
4. January 2012 ▶ Phase 2 Aircore Drilling Program completed, 5,062 metres.

Upcoming potential milestones:

5. March 2012 ▶ Phase 3 drilling program, follow up Cable East, Central and West.
▶ Results from Phase 2 drilling to be reported.
▶ Metallurgical testwork to commence.
6. April 2012 ▶ Resource modelling and further targeting.
7. May 2012 ▶ Phase 3 drilling results anticipated to be reported.
8. Post May 2012 ▶ Ongoing drilling and development work, pit optimisation modelling, mine planning etc.

5.0 Summary

The Board is very pleased with the rapid progress at the Tuckanarra gold project. Initial drilling results are exciting and it is the intention of the Company to continue to pursue the development of this project as expeditiously as possible.

Further assay results are anticipated to be published in March and a Phase 3 drilling program, also in March, will further assist in moving the Tuckanarra project forwards.

The Company is also currently pursuing a strategic partnership for its 100% owned flagship phosphate project at Highland Plains (53 million tonnes @16% P₂O₅) in the Northern Territory, discussions with interested parties are ongoing.

Jim Richards
Chairman

The information in this report 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 which he is undertaking to qualify as Competent Person as defined in the 2004 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.

Annexure A: Phase 1 Drilling Program Collar File

Hole ID	Total Depth	North	East	Dip	Azimuth	Elevation	Drill Type
	Metres	mN	mE	Degrees	Degrees	Metres	
PRC001	84	7001495	608756	-74.30	275.62	507.6	RC
PRC002	78	7001495	608756	-60.80	277.27	507.6	RC
PRC003	76	7001697	608751	-75.80	111.15	503.3	RC
PRC004	71	7001697	608751	-59.50	109.30	503.3	RC
PRC005	113	7001520	608807	-60.80	274.41	508.2	RC
PRC006	113	7001538	608820	-57.80	280.38	507.7	RC
PRC007	119	7001551.5	608834	-61.50	280.39	507.1	RC
PRC008	101	7001551.5	608834	-51.50	276.12	507.1	RC
PRC009	92	7001570	608841	-65.40	283.16	505.9	RC
PRC010	85	7001570	608841	-56.90	279.96	505.9	RC
PRC011	119	7001626	608867	-60.00	289.00	505.5	RC
PRC012	111	7001626	608867	-49.70	285.71	505.5	RC
PRC013	123	7001677	608714	-68.10	110.35	503.6	RC
PRC014	106	7001481	608793	-60.00	289.00	508	RC
PRC015	143	7001708	608719	-56.50	109.00	503.2	RC
PRC016	101	7001423	608594	-60.00	109.00	504.2	RC
Total	1,635						

MGA Zone 50

Holes surveyed by Downhole Surveys Pty Ltd