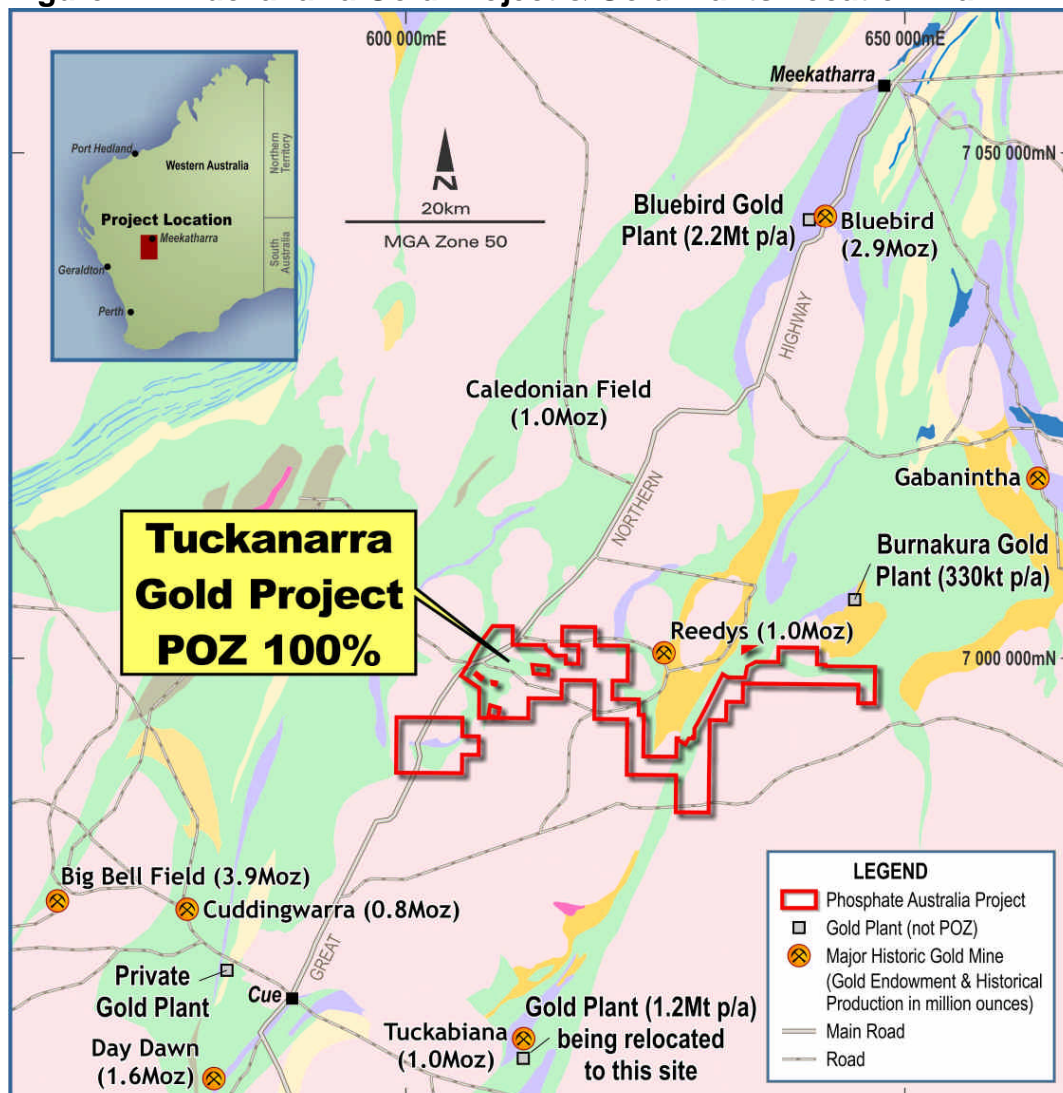


Tuckanarra Gold Project WA Phase 3 Drilling Completed

Highlights

- The Phase 3 Reverse Circulation (RC) drilling program has been completed on the company's 100% owned Tuckanarra gold project in WA.
- A total of 51 holes were drilled for 2,952 metres. All targets and planned holes were successfully drilled.
- Assays results will be released once they become available.

Figure 1: Tuckanarra Gold Project & Gold Plants Location Plan



1.0 Introduction

The Tuckanarra gold project lies within the prolific West Australian Murchison goldfield (Figure 1). The Tuckanarra 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 has been substantial historical drilling covering the Tuckanarra project consisting of 2,556 holes totalling 96,626 metres, the company has all of this data. Tuckanarra is particularly well located within the central Murchison region and is adjacent to the Great Northern Highway. A number of existing gold plants are within ore trucking distance of Tuckanarra and a third party are currently relocating a gold plant to Tuckabiana (Figure 1).

The Board believes the project has considerable potential for delineating significant shallow high grade gold mineralisation. POZ has so far completed three separate drilling programs.

2.0 Phase 3 Drilling Program

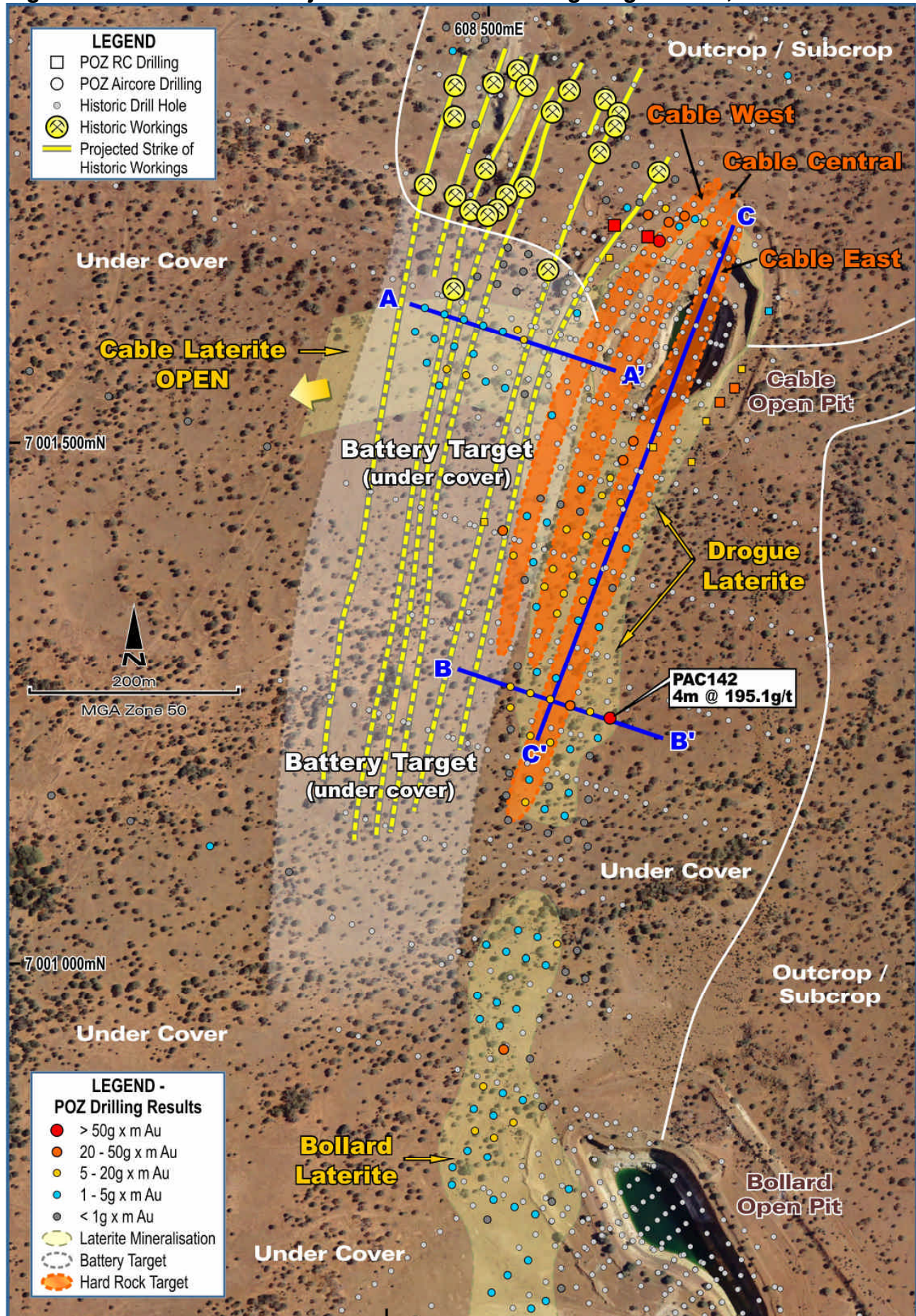
The Phase 3 RC drilling program was planned to increase and further delineate areas of known mineralisation to allow a JORC-compliant resource to be calculated.

Drill targets for the Phase 3 program included:

- Cable West Vein: Follow up high grade hits along strike.
- Cable East Vein: Infill drilling on the 500 m long structure.
- Drogue East (new discovery): Follow up the 4 metres @ 195.1 g/t Au from 6 m depth.
- Battery Target: Drill strike extensions of old workings under alluvial cover.
- Lucknow: follow up of historic drilling (location of Lucknow is published on figure 2 in ASX Release dated 14 Feb 2012).
- Maybelle North: Two holes drilled to collect material for metallurgical testing.

Further details of these targets are included in the POZ ASX release dated 19 March 2012.

Figure 2: Tuckanarra Project Main Phase 3 Drilling Target Areas, Plan View



NB: Sections A-A' and C-C' are published in the POZ ASX release dated 19 March 2012, Section B-B' is published in the ASX release dated 17 May 2012

3.0 Summary

The Board is pleased with the successful completion of the phase 3 drilling campaign and awaits these important results with great anticipation.

The Tuckanarra gold project continues to go from strength to strength and the proximity of various third party mills in the region gives the company further confidence in the future of this project.

Jim Richards
Chairman

*NB: All exploration results are uncut
Fire assay on a 25g charge by Genalysis laboratories*

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.