



Phosphate Australia Limited

Brokers Presentation

“Phosphate Australia's primary development assets, both 100% owned, comprise:

- 1. The Highland Plains rock phosphate project in the Northern Territory with a resource of 56 million tonnes at 16% P₂O₅**
- 2. The advanced and emerging high grade Tuckanarra gold project in the Murchison of WA, and which has hosted historic production of 125,000 ounces of gold”**



ASX Code: POZ

March 2012

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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.

Company Structure (ASX Code – POZ)



Total Shares on Issue	109,876,250
Options on Issue (exp July 31 2012 @ \$0.20 & \$0.30)	24,950,000
Options (exp 2013&14 @ \$0.19 & \$0.20)	500,000
Options (exp 2014 @ \$0.10)	950,000
Market Capitalisation (undiluted \$0.07c per share)	\$7.7 M
Cash on Hand (End Q Dec 2011)	\$2.95 M

IMPORTANT NOTES:

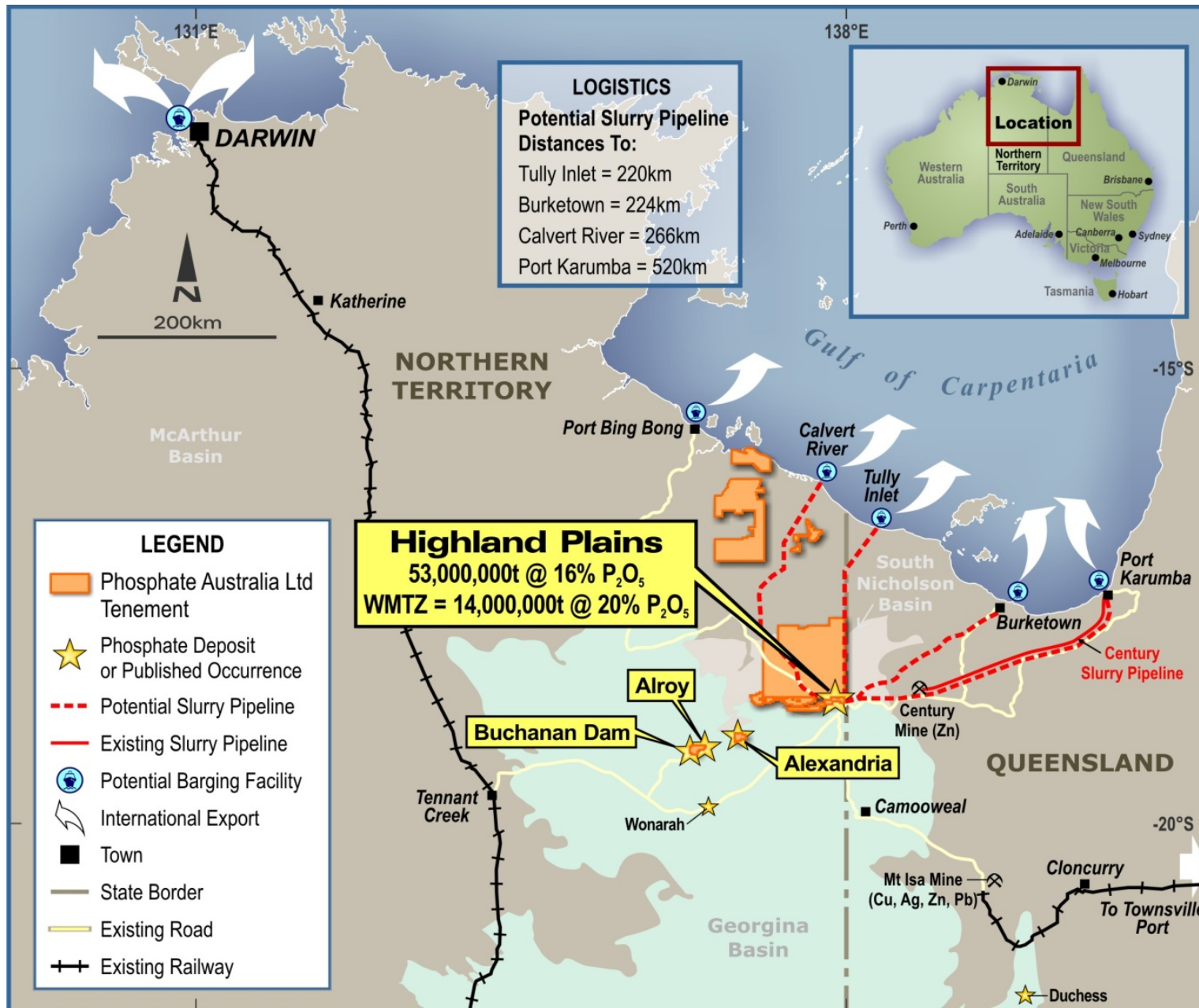
1. POZ operated projects are 100% owned.
2. All POZ Projects have No non- government royalties

MAJOR SHAREHOLDERS

Holder	Shares	% of Capital	Options
Board & Management	35,250,000	32.4	16,700,000
Top 20 Holders	63,339,060	57.7	24,700,000
BHP Billiton Ltd	5,000,000	4.5	6,000,000



Highland Plains – Phosphate Project Location



1. POZ Flagship Project at Highland Plains in the NT has a JORC compliant resource of 53,000,000 tonnes @16%P₂O₅

2. Other POZ Phosphate projects in the vicinity with historic drilling intersections include Buchanan Dam, Alroy and Alexandria

3. Projects owned 100% by POZ with no private royalties

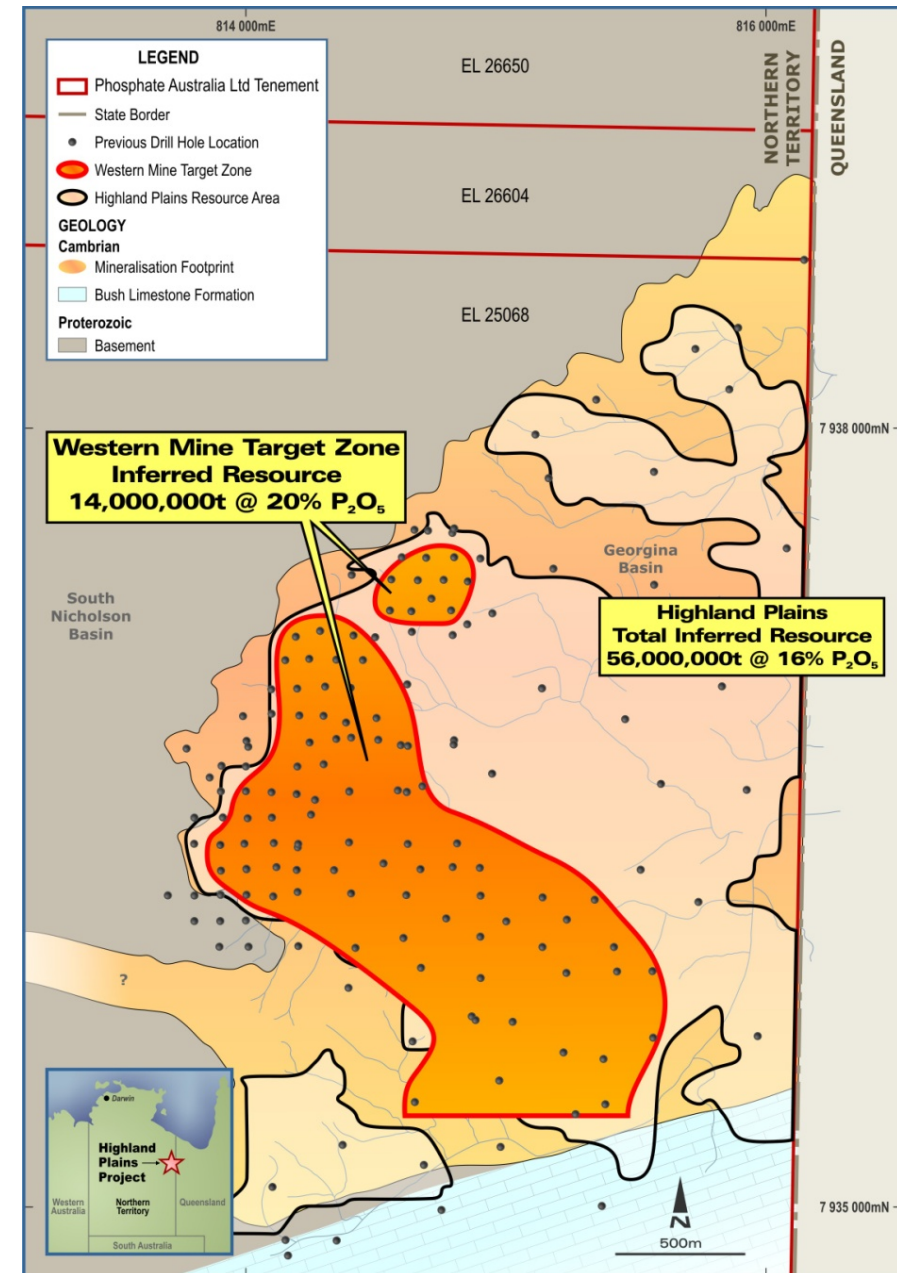
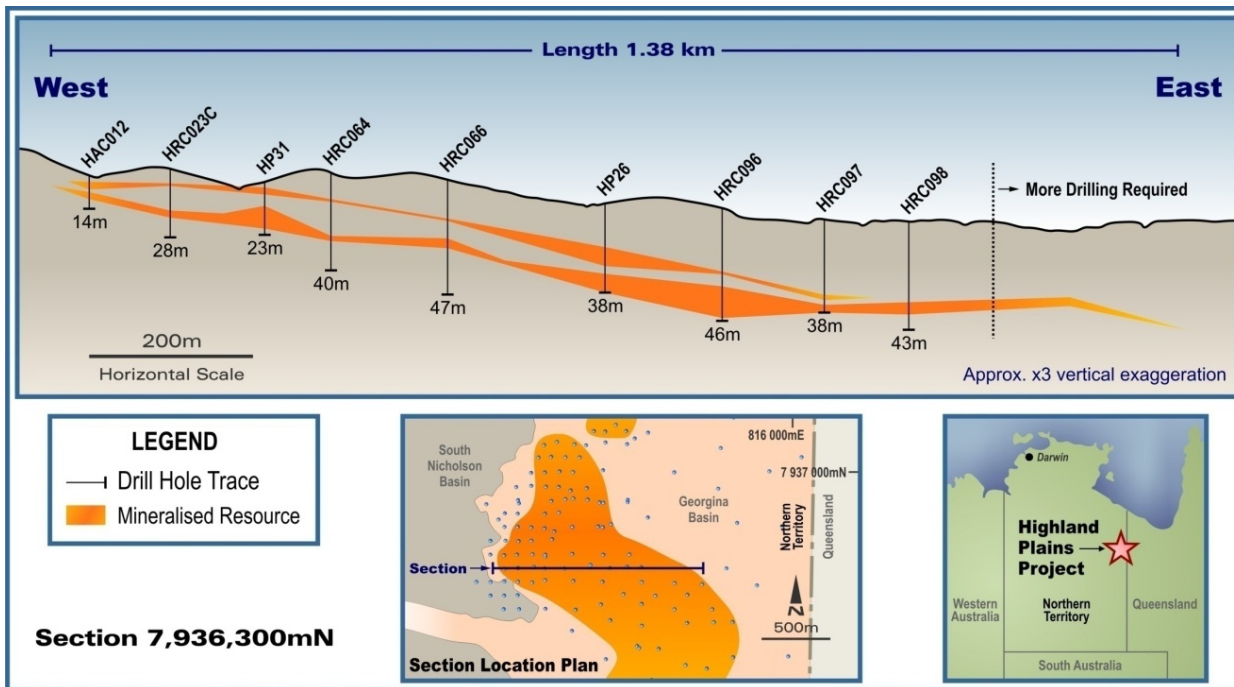
- ✓ **Resource Upgrade:** Doubling of WMTZ Resource to 14 million tonnes at 20% P₂O₅ (Total JORC Inferred Resource at Highland Plains is 53 million tonnes at 16% P₂O₅).
- ✓ **Transport Solutions:** 3 million tonnes per annum slurry pipeline initiative. Scoping study indicates transport costs estimated from only A\$2.06 to \$3.69 per tonne (pipeline operating costs only – Dec 09).
- ✓ **Water Bore Drilling and Testing:** Pump testing of the best bore (WB02) at approximately 15 litres/second from shallow depths indicates potential yields of at least 25 litres/second with the maximum rate not determined due to capacity limitations of the pumping equipment.
- ✓ **Environmental Field Studies:** Initial fauna and flora survey fieldwork has been completed to support the application for a mining license.
- ✓ **Flotation tests:** Float from the coarse fraction gives a grade of **37.4% P₂O₅ (upgraded from 23.4% P₂O₅) at 53% recovery of phosphate.**
- ✓ **Flotation tests:** Float from the coarse and fine fractions gives a grade of **32.3% P₂O₅ (upgraded from 23.4% P₂O₅) at 76% recovery of phosphate.**



Highland Plains – Geology & Resource

JORC compliant Inferred Resource
56 million tonnes at 16% P₂O₅ with a 10% P₂O₅ cut:

Includes WMTZ Inferred Resource:
14 million tonnes at 20% P₂O₅ with a 15% P₂O₅ cut

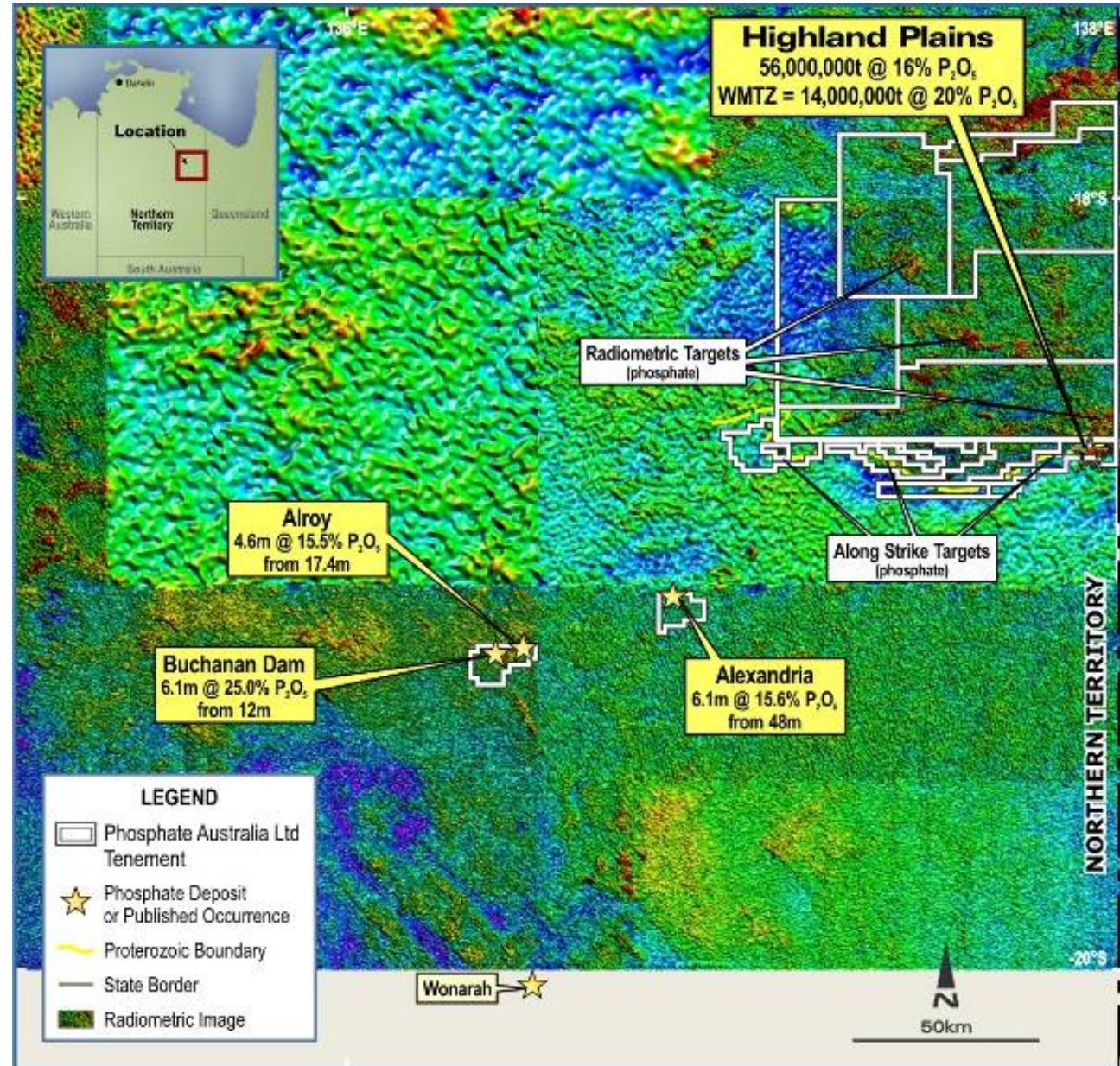


Targeting Further Major Phosphate Deposits

- ✓ Large area of tenement holdings prospective for phosphate deposits
- ✓ 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).
- ✓ Along strike targets due west from Highland Plains following the Proterozoic unconformity
- ✓ Previous Drill Intersections Include:

- Alexandria – 6.1m @ 15.6% P_2O_5 from 48.8m
- Alroy – 6.4m @ 12.0% P_2O_5 from 16.2m
- Buchanan Dam – 6.1m @ 25% P_2O_5 from 12.2m

Regional Radiometrics



- **Flotation tests:** Best float test to date from the **coarse** fraction gives a grade of **37.4% P₂O₅** (upgraded from **23.4% P₂O₅**) at **53%** recovery of phosphate

Table 1: Best Metallurgical Results to Date

		P ₂ O ₅ %	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	Recovery P ₂ O ₅ %
Test 1	Input Material	23.4	30.8	4.3	4.2	
	Coarse Fraction (>5 um)	37.4	6.3	0.5	0.7	53.1
	Coarse and Fine Fractions	32.3	12.3	4.3	1.8	75.8
Test 2	Input Material	25.6	26.2	3.9	4.1	
	Coarse Fraction (>5 um)	36.5	7.6	0.7	1.0	51.0
	Coarse and Fine Fractions	31.8	12.9	4.4	2.0	73.7

- **Highland Plains phosphate has low levels of the contaminants organic carbon, sulphur, fluorine, chlorine, cadmium and uranium**

Minor Element Assays (average using 22.9% P₂O₅ cut off)

C %	S %	F %	Cl ppm	Cd ppm	U ppm
0.20	0.06	1.82	112	4	38



POZ Products from fines WHIMS testing. Iron rich residue on left. Samples to right are the non-magnetic fractions (phosphate rich)

BEST LOCATION WITH TRANSPORT SOLUTION

Mine To Coast – Slurry Pipeline

- ✓ CAPEX estimates vary from AUD184 M to AUD226M
- ✓ OPEX estimates vary from A\$2.06/t to A\$3.69/t for a 2 to 3 Mtpa operation
- ✓ CAPEX payback: 2.5 to 3 years.
- ✓ Early hydro geology investigation indicates ample water to support slurry pipeline operation

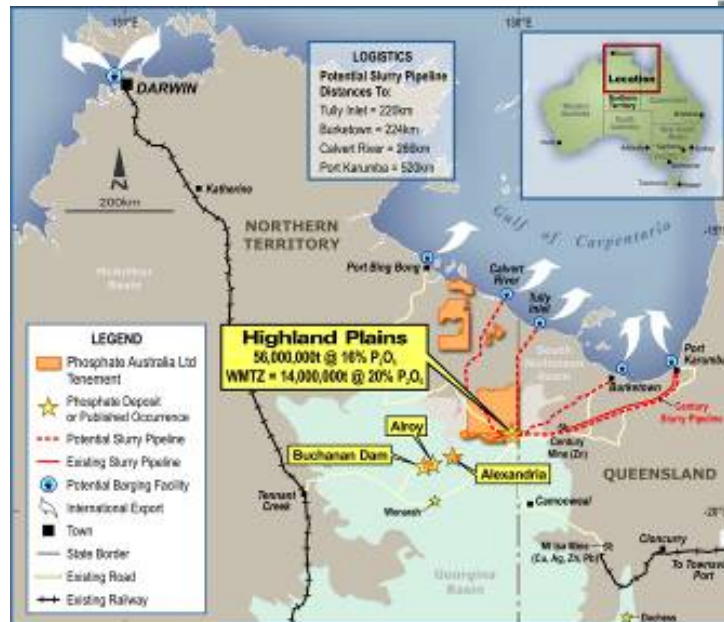


BURKETOWN: Previous shipping at the Ballast Grounds



Coast To Vessel – Barging and Transhipment

PORT BING BONG: Supporting McArthur River Lead/Zinc operations



PORT KARUMBA:

Port of Karumba exports ~1 million tonnes per annum of lead/zinc concentrate



Development Timeline - Proposed

Task	2012		2013		2014		2015	
	H1	H2	H1	H2	H1	H2	H1	H2
Source Strategic Partner	■							
Drilling To Increase Resource Base		■	■	■	■			
Mining Lease Application Lodged and Proceed To Grant		■	■					
Marketable Product To Potential Off-take Partners			■	■				
Metallurgical Feasibility Testwork & Pilot Plant		■	■	■	■			
Slurry Pipeline Feasibility		■	■	■	■			
Barging Facility & Hydrographic Feasibility		■	■	■	■			
Permitting and Clearances		■	■	■	■			
Completion of Bankable Feasibility Study					■	■		
Project Financing						■		
Project Construction & Commissioning						■	■	■
First Production								■



This proposed development timeline is conceptual in nature. The numbers are based upon in-house estimates by POZ management and are subject to change depending upon varying circumstances, including financing. These estimates should be independently verified before any investment decisions are made.

OPEX – 2 million tpa operation*

(Life of Mine)

Activity	AUD/Tonne
◆ Mining	20
◆ Beneficiation	30
◆ Slurry Pipeline Transport	4
◆ Barge Loading & Ship Loading	12
◆ Contingency	6
Total	~ <u>72</u>

CAPEX – 2 million tpa operation

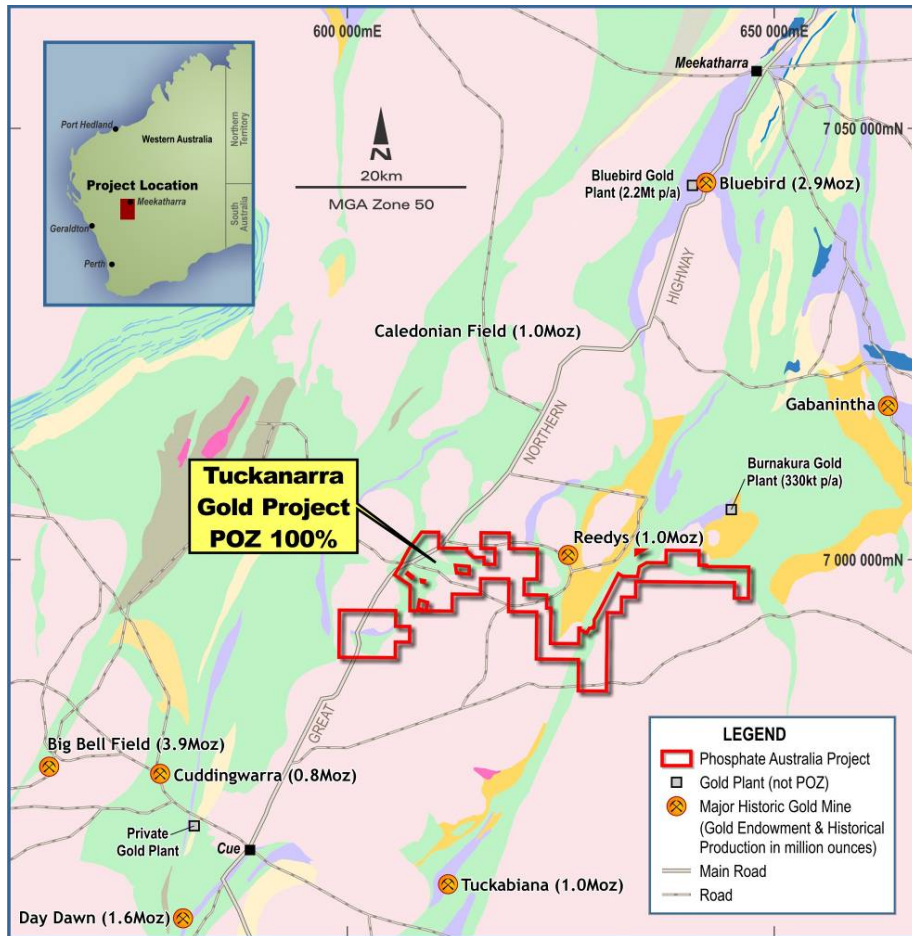
Activity	AUD Million
◆ Mine Construction	72
◆ Beneficiation Plant	90
◆ Road Upgrades	20
◆ Slurry Pipeline and Handling	190
◆ Loading Facility and Barges	30
◆ Contingency	20
Total	~ <u>422</u>

NB:

1. *Shipped beneficiated Product of 34% P_2O_5 gives a price advantage versus 30% P_2O_5 of approximately USD18 per tonne

The above Opex and Capex numbers are based upon in-house estimates by POZ management or by scoping study where previously announced. These are scoping level estimates and should be independently verified before any investment decisions are made.

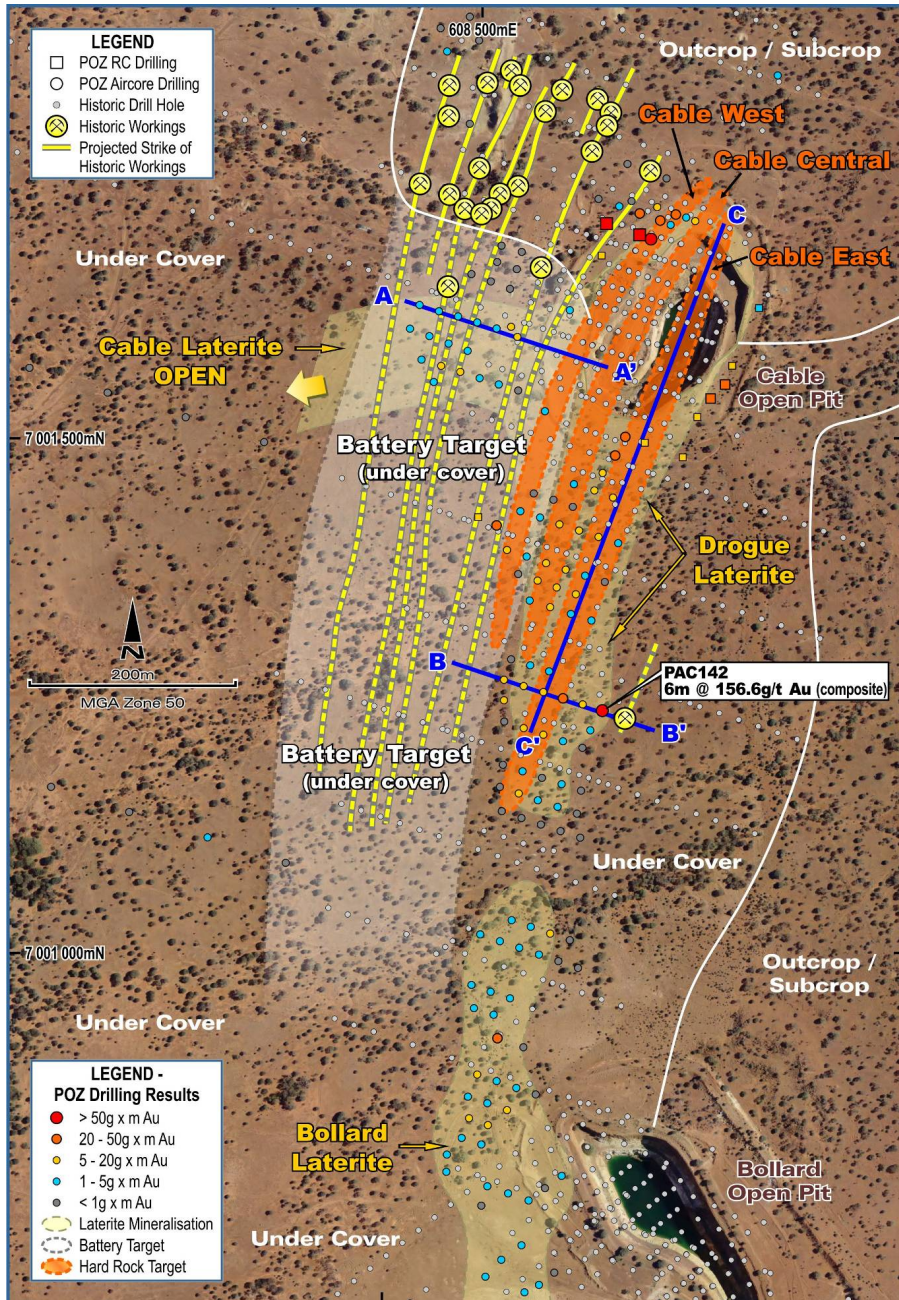
Tuckanarra Gold Project (WA)



- ◆ 100% interest in the historic Tuckanarra Gold Project, WA no private royalties
- ◆ Historic production ~125,000 ounces
- ◆ August 2011 – Project acquired
- ◆ Permits granted and 2 x drilling programs completed to date
- ◆ Situated centrally within the Murchison goldfield with nearby existing gold plants at Burnakura (40 km), Bluebird (on highway), Cue (40 km on highway) and Tuckabiana (planned mill 65 km on highway and haul road) opening up possibilities for toll treatment.

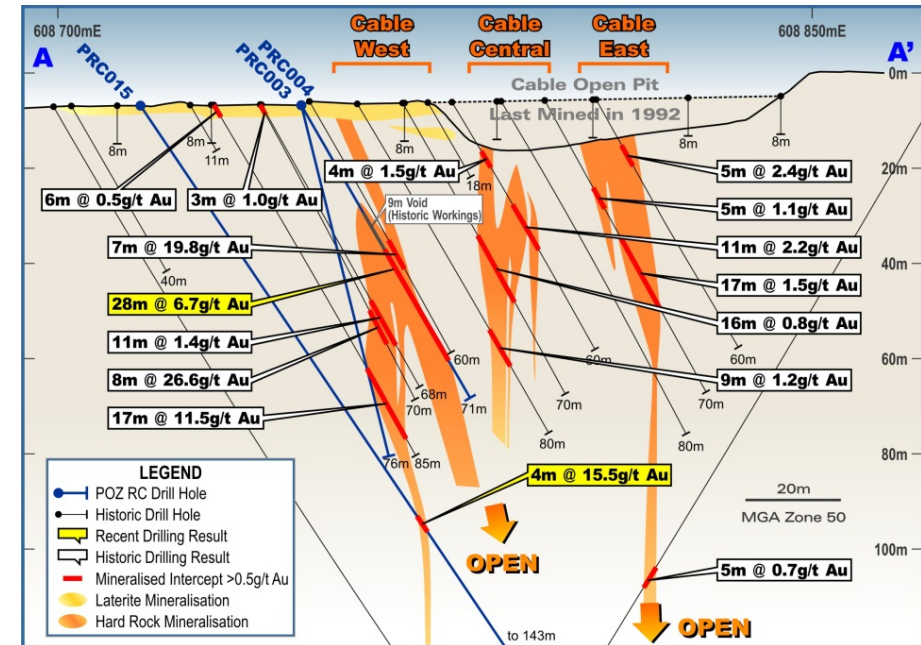
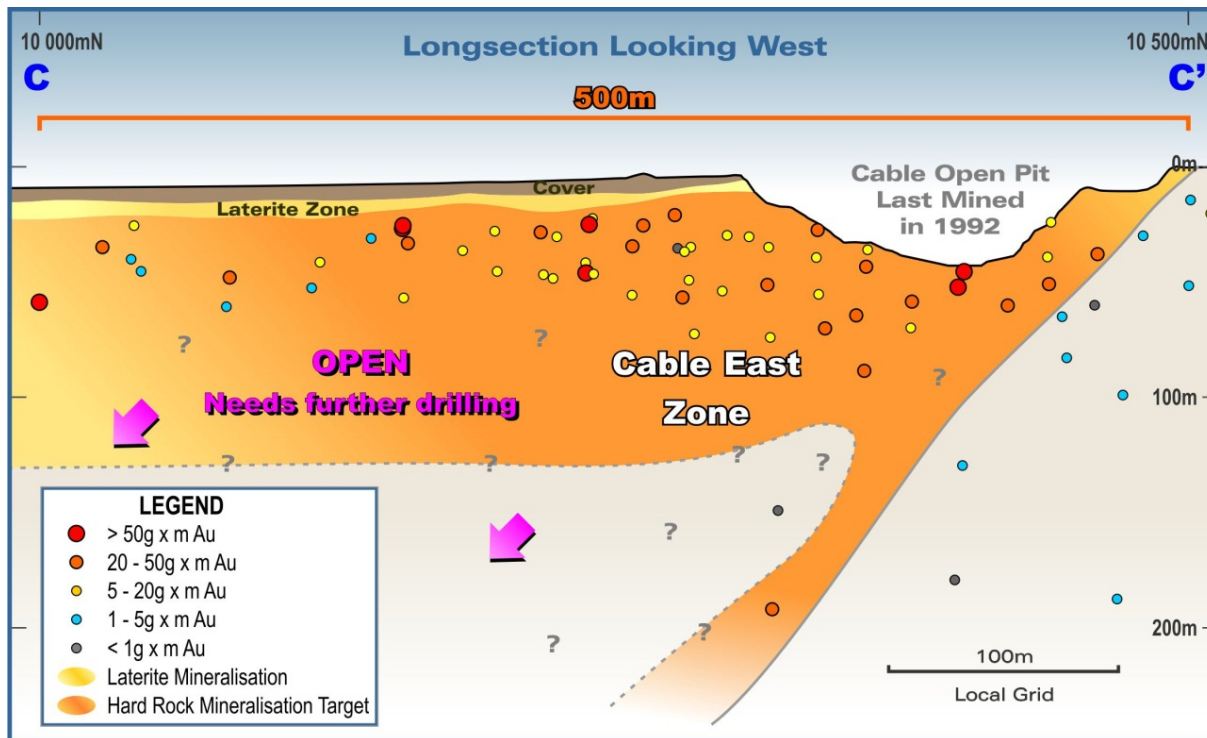


Tuckanarra Gold Project – Cable Bollard Prospect



- ◆ Cable-Drogue-Bollard line of historic workings and open pits is a significant area of previous mining which was last worked in 1993 when the gold price was around US\$330/ounce.
- ◆ Cable West, Cable Central and Cable East Vein Targets
- ◆ New Target at Battery
- ◆ New Discovery at 'Drogue' (6m @ 156.6g/t from 6m (composite))
- ◆ Upcoming RC Drill program April 2012
- ◆ Metallurgical testwork underway
- ◆ ongoing drilling, resource modelling and metallurgical test work. Pit optimisation and mine planning to follow.

Tuckanarra – Cable East and Cable West



Cable East Vein is a continuous 500m long mineralised structure

Hole PAC084 intersected the Cable East vein just south of the Cable open pit and returned **12metres @ 3.28 g/t from 16m to end of hole.**

Cable West Vein is a very strongly mineralised structure with very high grades in part and the potential for a true width of up to 10 metres.

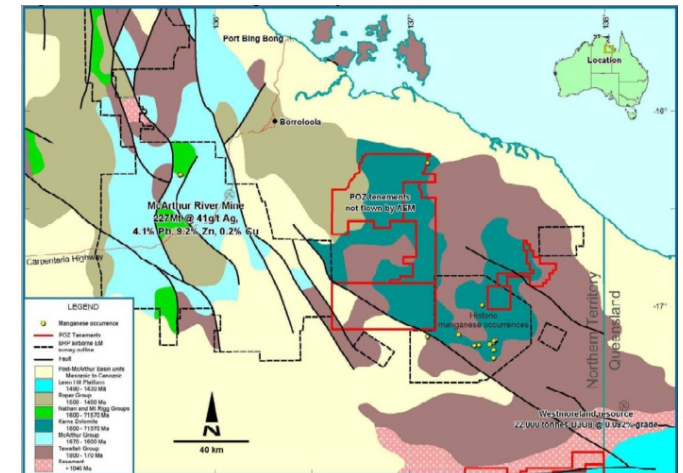
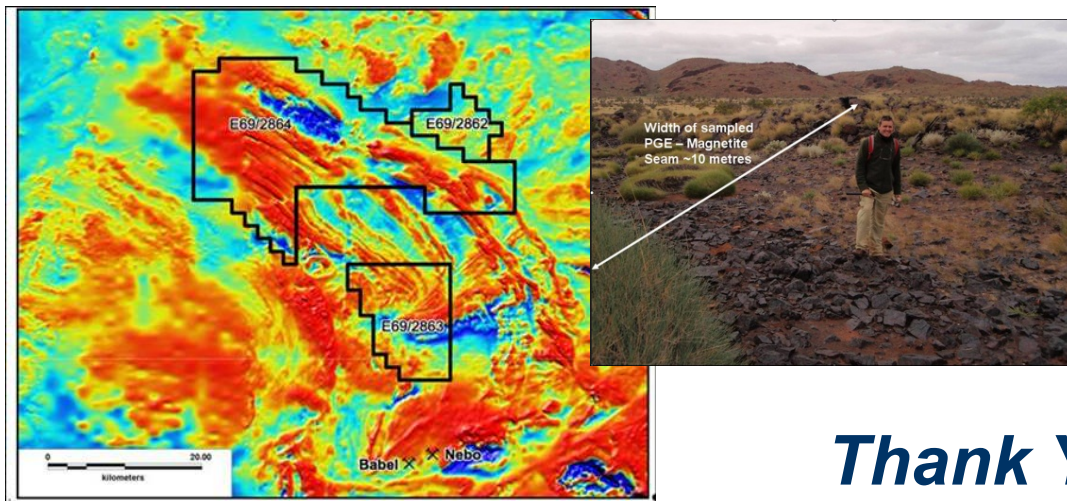
POZ drillhole PRC004 (Phase 1 program) intersecting **28m at 6.7g/t Au from 25m**

Other Projects and Deals

- ◆ **Musgrave Project (WA) Anglo-American Farm in:** \$50,000 to POZ, Fly SPECTREM EM Survey, Right to earn 70% in a JV, must spend \$3million, required to complete a minimum 5,000metres drilling. POZ then free carried through JV until completion of BFS.

Prospective for PGE's and Ni-Cu. Platinum Group Element assays at surface of up to 3.4 g/t (mainly platinum), 10's of km of strike potential. The BHP Billiton Ltd controlled Nebo-Babel deposit (393 Mt at 0.3% nickel and 0.3% copper) remains the most significant discovery in the region to date.

- ◆ **Robinson River Manganese (NT) Agreement signed with Mineral Resources Limited subsidiary, PMI:** to exclusively explore and develop manganese deposits within POZ's Robinson River project in NT for a free carried royalty. PMI is a very significant manganese mining and development company with considerable expertise in bringing manganese resources to production.
- ◆ **Nicholson Iron (NT) POZ 100%:** Large area of 1,400 km² prospective for Clinton-style oolitic iron mineralisation. Recently a one tonne metallurgical sample was collected by Company geologists from one of the mineralised sites POZ had discovered, the sample beneficiated to up to 59.1% Fe, 7.4%SiO₂, 0.03% P with a 55% recovery. Overall size potential of the iron project in this under-explored region is large.



Thank You