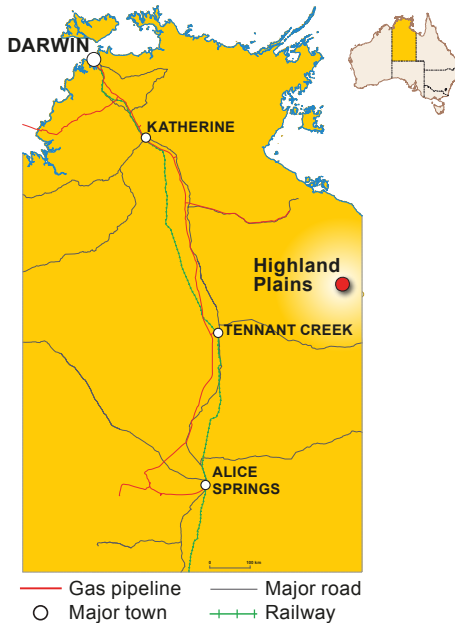


Highland Plains Project

P₂O₅



Project overview

The Highland Plains rock phosphate project in the Northern Territory is located close to Australia's northern coast and to Asian markets. With a JORC Inferred Resource of 53 million tonnes at 16% P₂O₅, the project is targeting the production and sale of 1 to 3 million tonnes per annum of premium grade rock phosphate using a slurry pipeline for transport to produce the lowest-operational cost export product in Australia.

The Highland Plains project comprises 168 km² of tenements which are 100% owned by Phosphate Australia with no private royalties payable. The company's phosphate assets are held in three granted exploration licenses and 7 exploration lease applications which confer first in line mineral rights.

Positive metallurgical test work results so far have established a method of beneficiation with excellent recoveries. The best flotation test to date gives a grade of 32.3% P₂O₅ (upgraded from P₂O₅) at 75% recovery of phosphate. Highland Plains phosphate has low levels of the contaminants C (0.2%), S (0.06%), F (1.82%), Cl (112ppm), Cd (4ppm) and U (38ppm).

Phosphate Australia is seeking a strategic investment partner to progress the project through feasibility studies and into production.

Company overview

Phosphate Australia is publicly listed Australian multi-commodity resources company with various phosphate, gold and diamond mineral projects in the Northern Territory and Western Australia.

ASX: POZ

Market capitalisation:

A\$4.54 million at 29 August 2017

Number of shares:

162,168,333 at 29 August 2017

Website: www.pozminerals.com.au

Resource: Phosphate

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For more information on this project or others available in the Northern Territory, visit www.core.nt.gov.au

Geology and exploration activity to date

The Highland Plains deposit is hosted by the Border Waterhole Formation in the Georgina Basin. Prior geological studies delineated two major tabular phosphatic intervals in the lower part of the formation. The lower of these (1.5–17 m) is at the formation base. Some 7–17 m stratigraphically above this, the upper interval, which is 1.5–11 m thick, grades 16–30% P₂O₅.

To date, Phosphate Australia has spent more than \$2.5 million on exploration in the area, and together with historical drilling in the 1960s, the area has been subject to more than 80 air core/reverse circulation drill holes for more than 2,100 m and 7 diamond drill holes for 136 m.

The company has identified a range of future exploration targets in these tenements, including embayments following the known Proterozoic unconformity, the same setting as the Highland Plains deposit, and radiometric targets which are potential Cambrian inliers within the Proterozoic.

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The project has a total JORC (2004) compliant Inferred Resource of 53 million tonnes at 16% P₂O₅ at a 10% P₂O₅ cut-off. The Western Mine Target Zone (WMTZ), a subset of the total resource, is shallower and has higher grade JORC Inferred Resource of 14 million tonnes at 20% P₂O₅ with a 15% P₂O₅ cut-off.



Infrastructure

- Highland Plains is located on the Northern Territory's border with Queensland, and offers multiple transport and logistics options for exporting phosphate. The company plans a slurry pipeline to transport the phosphate to one of a number of coastal locations, where it will be dewatered and loaded onto a coastal barging operation with transshipment to bulk carriers, in an operation similar to existing operations at Karumba or Bing Bong. The potential slurry pipeline distances range from 220 km to 374 km.
- The project is also only 68 km from existing infrastructure at the Century zinc mine, which already has in place mains power, a full beneficiation plant and an existing slurry pipeline to transport product to Port Karumba.

Project economics

- The project is targeting the production and sale of 1 to 3 million tonnes per annum of premium grade rock phosphate using a slurry pipeline for transport to produce the lowest OPEX cost export product in Australia. Slurry operating cost estimates vary from A\$2.06/t to A\$3.69/t for a 2 to 3 Mtpa operation.
- Extensive laboratory flotation test work has been carried out with a metallurgical flow sheet established.
- A scoping study is underway for the Highland Plains project.

Project status and development timeline

Based on securing funding from a new strategic partner, the project envisages a four year timeline to first production, incorporating drilling to increase the resource base, securing mining approvals, metallurgical feasibility test work and pilot plant processing, and undertaking a bankable feasibility study, before construction and first production within four years.

Investment sought

Phosphate Australia is seeking a strategic investment partner to progress the project through feasibility studies and into production.

JORC Resource Estimates

The Inferred Resource reported on 31 January 2012 at a 10% P₂O₅ cutoff comprises:

10% P ₂ O ₅ cutoff		
Category	Mt	P ₂ O ₅ (%)
Inferred	53	16
TOTAL	53	16

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