



13 February 2020

Dear Shareholders

Bifox Limited - Business Development Update

Shareholders were updated last November and subsequently some good progress has been achieved over the past three months including;

- **Execution of CDE fine agreement with Chilean government.** The State Treasury of Chile formally executed the Bifox CDE agreement on 31 January at Copiapo. The agreement clears the path for the Company to process its phosphate rock ore and mine phosphate rock at its tenements.
- **Phosphate Ore Processing and Production.** The Company's initial intention is to process the stockpile of phosphate rock which surrounds the processing plant to make plant logistics more efficient. Production is planned to commence at a rate of 5,000 tonnes per month and to scale up over time to 20,000 tonnes per month. Bifox is currently in preparation mode in respect of processing and will be progressively bringing on-line the processing plant during February and early March 2020.
- **Recommencement of Mining.** Servicio Nacional de Geologica y Minería ("Sernageomin") is the relevant Government authority who authorises the recommencement of mining at the Caldera Project. Application to recommence mining with Sernageomin is now in hand.
- **JORC.** The JORC program for the Bahia Inglesa tenements is now in full swing.
- **Seismic Survey Results.** The seismic survey has confirmed extension of the phosphate rock beds into the Company's adjacent KI exploration area. The Bahia Inglesa sedimentary basin is now identified as an enlarged phosphate district with potential for a significant increase over the Chilean government's original resource estimate. In due course the Company will follow the KI seismic survey results with further trenching to confirm grades and continuity.



- **Northern Argentina Field Test.** Bifox phosphate rock has been undergoing field trials in Argentina to measure its efficiency under various conditions against both “unfertilised” soil, partially fertilised soil and has also been tested against competitors’ product. The Company is delighted with the results, which exceeded expectations, particularly in reactivity comparisons with competitor products of phosphate rock. The Bifox phosphate rock tested higher than most across a range of measures and not less than or equal on the balance. The testing also confirmed the chemical reactivity of Bifox phosphate rock is conducive to production of both triple superphosphate (TSP) and single superphosphate (SSP).
- **SSP Tests in Florida.** The Company has followed up the Argentinian field tests by retaining Florida Industrial and Phosphate Research Institute to test and confirm the process for conversion of Bifox phosphate rock into SSP. The testing will also include the trials to produce a specialty product, Partially Acidulated Phosphate Rock (PAPR). The testing is expected to also provide capital cost for the SSP plant and the PAPR. The production of SSP is a significant value add product to the Company and has much improved margins to the Company’s current product.
- **IPO** – The Company continues to work towards the IPO with our preferred lead manager as phosphate production and sales revenue emerge.

Yours Sincerely

Chris West
Director