

Bifox Ltd Shareholder Business Development Update – December 2021 to March 2022

This December 2021 to March 2022 business development update highlights Bifox's new management team, Chilean sales and production including development of our phosphate business in Argentina, Uruguay and Paraguay.

We have also attached the 2020 and 2021 audited financials and to this end will advise timing of the AGM in the next shareholder update.

Bifox has developed significantly since June 2021 and to this end we look forward to addressing all business and balance sheet metrics with shareholders in the subsequent quarterly 2022 shareholder update.

The next 2022 Bifox shareholder update will also address potential exit strategies which given market sensitivities will be high level until a specific option is tabled for shareholder consideration.

Bifox Ltd – New Management Team and Advisors:

- **Valeria Ponce – Finance and Operational Manager:** Valeria specializes in providing her services to well established South American and ANZ businesses by applying her strong business acumen, bilingual communications skills in Spanish and English and extensive experience in operations, finance reporting and auditing (ex BDO Santiago) in the different types of accounting standards such as GAAP and IFRS, financial controlling and regional workforce operational management.
- **Martin Torres Duggan – Bifox LATAM Agronomist :** Dr. Torres Duggan provides senior consultant services to fertilizer and agri-mining companies by offering an integrated assistance on technical and market issues necessary to successfully doing business in Argentina and other South American countries. Martin Torres Duggan is Agronomist with a M.S degree (Soil Science) and a Ph.D degree (Natural Resources) from the University of Buenos Aires. Dr. Torres Duggan is very active in the research and extension fields as wells as a well-known consultant in Argentina and South American's countries.
- **Mauricio Martinez – Production & Sales Director Chile :** Mauricio Mining Engineer - Master of Engineering Sciences and Master in Computer Science. +30 years' experience in management of mine operations, technical services, planning and mine operation - recently Compañía Minera San Geronimo responsible for all production 1.4mtpa of concentrate Cu and Ag with 700 people employed.

- **Harris Gomez Group - Chilean Business Development:** HGG expanded internationally to establish an office in Santiago, Chile 2001. This international expansion meant we could provide an essential bridge for Australian companies with interests and activities in Latin America, and in so doing, became the first Australian law firm with an office in Latin **HGG** provides Bifox in Sydney and Santiago with legal and commercial resource business expertise to operate in Chile & Sydney whilst expanding into LATAM markets. Harris Gomez is on the board of the Australia Latin America Business Council & Australia Chile Chamber of Commerce.
- **Tom Lennox – Corporate Development:** Tom has over 30 years experience in corporate finance including debt and equity issues and structured finance across a range of asset classes including technology, mining, fintech, real estate, debt, transport assets and infrastructure. Tom has advised sponsors and lenders on a wide range of such matters in Australia, the United Kingdom, China, Hong Kong and the United States. (Tom was Managing Partner at Mallesons now King & Wood Mallesons.)

Bifox Ltd Business Development – December 2021 to March 2022

- Bifox Ltd has accumulated 10,000 Tons of initial Chilean orders during this period to be delivered between March and May 2022.
- We anticipate an increase in Q3 production from 2,000 to 4,000 plus tpm.
- These orders are already contracted to our new Chilean customers and are being delivered from March 2022 onwards.
 - In order to achieve these production targets Bifox has:
 - Introduced a 2nd Front Loader which is just extracting PhR.
 - Introduce a 3rd small Front Loader which is just in charge of the packaging the PhR into Maxi Mags of 1 Ton each.
 - Creation of a production bonus scheme for the employees to make more attractive the extra work required to meet targets.
 - At the moment we are working with one production shift (5 people), expanding to achieve two different shifts (5 people each) in order to meet the target of 4,000 plus tons of production per month.
- Bifox is now considering a sea transport strategy to southern Chile utilizing the Port of Caldera 8km from our Bahia Inglesa production plant.
- Bifox is identifying a southern Chile warehouse facility in order to store all Bifox rock phosphate product from Caldera.
- This warehouse facility will be logistically easier, cheaper and faster to organize cost effective trucking transport for phosphate fertilizer delivery to customers in the Chile and Argentina, Uruguay, Paraguay.
- This will assist in pricing negotiations with Argentine, Uruguay and Paraguay based businesses who are interested in importing our Phosphoric Rock from Chile.

- The following 2022 pricing trends have been confirmed which apply to the attached current Bifox sales and projected Phosphate Rock sales encompassing Chile , Argentina, Uruguay and Paraguay;
- **Chile:** At the moment Rock Phosphate as a commodity is priced at US\$120 per ton, and given increased global rock phosphate fertilizer demand, pricing is trending up to US\$ 180 per ton, confirmed through Bayovar’s latest pricing benchmark.
- **Argentina, Uruguay & Paraguay:** Pricing is fluctuating between US\$140 to USD\$180 per ton, confirmed through weekly fertilise market reports including Acerto Ltd.
- **Note:** This does not take into account blended Bifox rock phosphate fertilizer market product pricing at US\$300 plus per ton in Chile , Argentina Uruguay and Paraguay.

Bifox Ltd Business Development - Q1 2022

- Bifox has relocated into an office same address Level 7, 92 Pitt Street shared with Harris Gomez Group (HGG)
- Harris Gomez Group are located in Sydney and Santiago as commercial business trade, mining, business development advisors and lawyers.
- Harris Gomez is on the board of the Australian Latin American Business Council.
- Harris Gomez is also the president of the Australia Chile Chamber of Commerce.
- Tim Koster Bifox Business Development Director is being invited to functions with Harris Gomez and senior LATAM trading officials.
- Martin Torres Duggan our agronomist has commenced a series of technical rock phosphate fertilizer briefings encompassing Argentina, Uruguay, Paraguay and Brazil targeting 80,000 plus tonnes per annum.
- Martin has a number of existing contracted Argentine clients that are now engaged with Bifox in developing blended “organic” rock phosphate fertilizer applications for significant LATAM agribusiness market applications.
- Bifox has appointed a LATAM marketing team based in Argentina who have 20 years fertilizer sales , trading and importing experience.
- This new Bifox marketing team are working Martin Torres Duggan in packing Bifox rock phosphate as a single fertilizer or blended fertilizer product commanding pricing at US\$300 plus per ton.
- Bifox appointed Sydney based Valeria Ponce as Finance & Operations manager in February following a three month trial period.
- Valeria has restructuring all operational business management between Chile and Australia whilst driving phosphate sales revenue and reducing significant operational overheads.
- Bifox has restructured Mauricio Martinez’s role to encompass 50% Chile rock phosphate fertilizer sales and 50% rock phosphate production which has proven to be highly effective. On the back of increasing rock phosphate fertilizer and global phosphate commodity demand over the past 12 months Bifox has now been able to

sell into the Chilean market profitably and is planning similar expansion into other LATAM markets.

- To this end Bifox anticipates 2nd & 3rd quarter market increases, enabling the business to be cash flow positive for the first time since the initial asset acquisition.
- Our key operational objective in 2022 is to secure the optimum level of contracted phosphate sales orders from Chile and now all LATAM markets.
- Bifox is building on existing Chilean sales volumes with longer term contracts, expanding into a broader Agribusiness client base, whilst replacing imported product suppliers from Morocco and Peru.
- Bifox is building on three years of phosphate product testing undertaken by Martin Torres Duggan launching a comprehensive sales program into Argentina, Uruguay ,Paraguay agribusiness and pharma groups.

Bifox Corporate Exit Strategies – Q2 2022:

- Bifox is considering a number of strategic opportunities for the company including potential long term off take contracts, staged “farm in” acquisition and merger opportunities in addition to a straight acquisition or IPO.
- These opportunities have materialized as a result of changes to the current global phosphate market enjoying an upsurge in demand particularly over the past twelve months, now compounded by the Russian Ukrainian conflict.
- Given market sensitivities we shall table potential exit strategies as they are confirmed with the management team and board to all shareholders.

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