



Bifox Ltd Shareholder Business Development Update – April to August 2022

Over the past four months Bifox Ltd has undertaken significant business initiatives encompassing phosphate mining, production processing, marketing sales, off take contract development and associated management team expansion.

To this end the 100% owned Chilean subsidiary Fosfatos De Caldera is now positioned to take full advantage of global phosphate supply demand opportunities particularly heightened by both agribusiness food production demand and the Russian Ukrainian war removing Russian phosphate supply.

Bifox Product Pricing: Phosphate Rock (PR) reached US\$320 per tonne in August and Bifox has accordingly increased our phosphate pricing from US\$110 per tonne in April to US\$150 from June to September with subsequent October and December 2022 pricing to be set at US\$200 per tonne for Chile. Pricing has been planned to increase with market demand in 2023 to US\$250 per tonne for a number of LATAM markets.

Phosphate Production has been steady at 2,000tpm from April through August 2022 whilst important existing plant upgrades have continued and related government environmental, paleontological, mining and production approvals have been developed concurrently. On the back of current Chilean governmental approvals Bifox Ltd will see production increase to 5,000tpm by December 2022 and then increase to 10,000tpm by May 2023 and achieve 25,000tpm run rate by December 2023. The company has undertaken a comprehensive mining engineering plan to install a new production plant in 2023 to achieve 25,000tpm production capacity and a second new phosphate production line in 2024 taking the company to 50,000tpm production capacity.

Phosphate Sales has been continuing at approx. 2000tpm April to August with current Bifox revenue the result of all Chilean market activity. Bifox is engaged with product testing and pricing negotiations in order to finalise (PR) off take contracts from agribusiness production and trading operations in Brazil, Argentina, Uruguay and Paraguay. Given market sensitivity of these off take opportunities we can advise they initially represent up to 300,000tpa in PR sales and do not take into account approaches from phosphate trading operations in Singapore, Saudi Arabia, Dubai, Canada, Florida USA, Spain and India.

New Product Development: Through our agronomist LATAM business network Bifox has been developing a number of blended phosphate fertilizer product opportunities. Given the market sensitivity of these opportunities Bifox Ltd will make market announcements as each blended fertilizer product opportunity is commercially contracted.



Audited Accounts: Bifox is now in the process of preparing the 2022 financials with our audit firm RMS Australia. We shall upload these accounts to the Bifox website upon completion.

Bifox Ltd – Expanded New Management Team and Advisors:

- **Valeria Ponce – Finance and Operational Administration 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.
- **Ernesto Lima – Bifox Ltd COO**
Mr Lima is a professional civil engineer with 26 years of experience in the mining industry, he is fluent in English, Spanish and Portuguese, and has worked throughout Latin America for most his career. Ernesto brings to Bifox a wealth of experience in administration, operation, engineering, construction, management and consulting roles, having planned and executed several large mining projects.
Ernesto Lima graduated with a B.A.Sc. degree in Civil Engineering from the University of the Republic, Montevideo, Uruguay. Holds an MBA degree and a Doctorate degree in Management and Organizational Leadership from Phoenix University.
Mr. Lima, among others, developed San Gregorio mining project in Uruguay, was project manager in a project for Escondida in Chile, has



worked as Engineering and Construction Manager on a \$300 million gold mine project in Venezuela, Director of Project Development on a \$450 million silver mine project in Argentina, EPCM Project Manager for an engineering firm on a large gold mine project in Brazil, General Manager of Business Development for another large gold mine project in Brazil, COO of Valor Resources on a large silver-copper mine project in Peru that was sold to Rio Tinto, and more recently Director Project Development of Endeavour Silver with projects in Mexico.

Ernesto's expertise includes leading all stages of project development, including conceptual and detailed operational and economic studies, mine engineering, procurement, construction and commissioning. His strengths include project evaluation, safety performance, strategic analysis, team building, business management and community and government relationships engagement.

- **Javier Pinones - Phosphate Sales Representative:** Javier is an Agronomist Engineer, with extensive experience in sales of agro-inputs in the field and leading commercial vendors. With more than 15 years working in the agricultural field, he has a large farmer's client portfolio and a significant network of distributors and suppliers in Los Ríos & Los Lagos regions in the south of Chile.
His main strengths are commercial experience and solid technical knowledge in agronomy, making him highly effective in offering fertilizer and value add agricultural products. Javier has worked with large Chilean companies in different areas of agronomy, starting as a salesperson and later becoming a branch manager and commercial manager leading a commercial team.
- **Mauricio Martinez - Production & Sales Manager 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 Advisor:** HGG expanded internationally to establish an office in Santiago, Chile 2001, becoming the first Australian law firm with an office in Latin America. **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 Partner at Mallesons now King & Wood Mallesons.) Tom has been working with Bifox over the past three years on a fulltime basis and is a significant shareholder.

Bifox Ltd – Corporate Exit Strategies – 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 ASX 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, compounded by the Russian Ukrainian war.

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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