



15 January 2010

Company Announcements Office
Australian Securities Exchange

Electronic lodgment

CI Resources, being the major shareholder of Phosphate Resources Limited ("PRL"), advises that the Company has received the attached ASIC disclosure notice from PRL.

CI Resources holds 41.74% of the issued shares in PRL.

Janelle Burns
Company Secretary

Form 1003

Disclosure notice for unlisted disclosing entity

ANNEXURE A

Phosphate Resources Ltd

Continuing creep by CI Resources Ltd

The Independent Directors of the Company have met and considered written advice they have received from CI Resources Ltd that they intend to exercise their rights under the Corporations Act to seek to acquire a further 3% of the Company in the first quarter of 2010 and a further 3% in the third quarter of 2010.

CI Resources Ltd currently hold 1,429,180 shares of the 3,423,507 shares in Phosphate Resources Ltd.

The Independent Directors of the Company advise that if CI Resources Ltd acquire a further 3% of the Company shares they will have absolute control of the Company.

It is the view of the Independent Directors that such an acquisition is not in the best interests of the remaining shareholders as it will have the effect of reducing the liquidity and the value of their shares.

The latest unaudited Net Tangible Asset position of the Company as at 30 November 2009 was \$67,131,190. This results in a NTA based value per share of \$19.60.

The Independent Directors advise that given the current profitability and conservative forward projections and allowing for a control premium, a true market value per share would be properly some dollars higher than this.

The decision to accept an offer to purchase their shares is a matter for individual shareholders and their own financial advisors.

This information on value is provided simply as a guide to value in the absence of a market mechanism to generate a publically available valuation for shareholders and does not purport to constitute an expert valuation or take the form of financial advice..

CI Resources Ltd have also advised that they wish to consider merging the two companies if they complete the proposed two further 3% creeps. The Independent Directors advise that they are unlikely to support any merger proposal which does not provide at least an NTA valuation per share to the remaining shareholders.



Kevin Edwards
Company Secretary
11 January 2010.