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ASX RELEASE / MEDIA RELEASE

## Fertoz purchases Wapiti royalty

- **Fertoz to buy out long term Wapiti royalty**
- **Bulk sample collection of 17,500 tonnes expected to start in July**
- **Fertoz progressing small mine application (up to 75,000 tonnes per annum)**

Fertoz Ltd ("**Fertoz**" or the "**Company**") is pleased to announce that it has renegotiated an agreement with Homegold Resources Ltd ("**Homegold**") regarding the royalty for its Wapiti Phosphate Project in British Columbia, Canada

Homegold was to receive a royalty of CAD\$2.50 per tonne of phosphate rock produced from Wapiti, provided the royalty did not exceed 5% of earnings before interest and tax from the operation. The royalty has been replaced with two milestone payments totalling C\$100,000 which will be paid on achievement of the following milestones.

- First Milestone - the sale of 7,500 tonnes of phosphate rock from the Wapiti Project.
- Second Milestone - the sale of 100,000 tonnes of phosphate rock from the Wapiti Project.

C\$50,000 will be payable on achievement of the First Milestone with C\$5,000 to be paid in cash and C\$45,000 to be paid in ordinary shares in Fertoz at the 10-day weighted average share price prior to the First Milestone.

C\$50,000 will be payable on achievement of the Second Milestone to be paid in Fertoz ordinary shares at the 10-day weighted average share price prior to the Second Milestone.

Under the terms of the original agreement, Fertoz would pay Homegold a CAD\$50,000 cash payment payable once the Company decided to proceed with commercial operations at Wapiti. Under the new terms, payment will be paid in Fertoz ordinary shares at the 10-day weighted average share price prior to achieving the First Milestone.

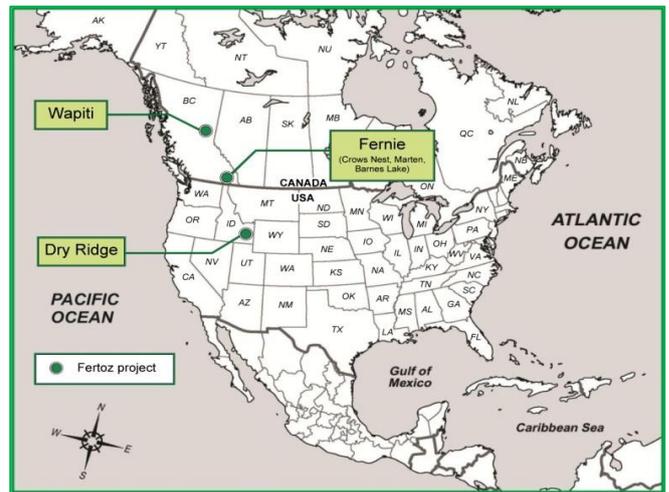
Jo Shearer, Fertoz's senior geologist and Chief Operating Officer in Canada, provides his services through Homegold. In addition to changing the bulk of the royalty payment to Fertoz scrip, from 1<sup>st</sup> June 2014, Mr Shearer has also agreed to receive \$12,000 of his salary in Fertoz scrip every six months in lieu of cash.

Managing Director Les Szonyi said "*The buyout of the royalty was a good outcome for both parties. Homegold is able to receive payment earlier and, predominately, in the form of Fertoz shares, with the potential upside associated with scrip while Fertoz has eliminated an ongoing long-term royalty arrangement, allowing for an increase in gross margin from the sale of Wapiti organic phosphate.*"

The Company has approval to collect 17,500 tonne bulk sample from the Wapiti project, with plans in place to begin extraction in July. The Company is continuing discussions with potential organic agricultural marketing agents and distributors, with the aim of appointing one in 2014. Fertoz is also progressing a small scale (up to 75,000tpa) mining lease application.

## About Fertoz

Fertoz is exploring for high-grade phosphate resources in Canada and the United States of America, which are two of the largest agricultural economies in the world and which both import phosphate rock. Fertoz has two projects in Canada – Wapiti (East and West), Fernie (Marten, Barnes Lake, Crows Nest ), which are all proximate to infrastructure -- and an option on one project in Idaho, USA, again proximate to infrastructure. Fertoz is targeting small, high-grade resources in the Americas that can be commercialised quickly and inexpensively, with high-grade product sold to organic farmers or third-party fertilizer plants.



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