

## Chairman's Update 14 February 2012

Fertoz Pty Ltd (“Fertoz” or the “Company”) is seeking to raise \$1 million by offering 50,000,000 shares at an issue price of 2 cents per share (“Offer”). It is intended that the funds will be used in relation to a scoping study regarding Fertoz’s Sherrin Creek tenement application area, ongoing exploration expenditure and working capital requirements.

Fertoz aims to become a leading diversified fertiliser company with a mix of fertiliser resources at various stages of exploration and production.

With those aims in mind, the Company has adopted a strategy based on three key principles:

1. A focus on producing and acquiring near-production assets with the potential to generate early cash flow;
2. The joint venture of early stage exploration projects (up to 50%) with companies that will take on the costs of drilling and exploration in return for equity in those projects; and
3. Commercialisation of developed or acquired JORC indicated / measured fertiliser resources.

Additional fertiliser elements and resources are planned to be added to the Company’s portfolio through mergers and acquisitions.

To date, the Company has achieved the following:

1. Secured a portfolio of exploration tenements and exploration tenement applications covering approximately 33,900 km<sup>2</sup> in the Northern Territory and Queensland, making it one of the largest holders of prospective fertiliser tenements in Australia;
2. Discovered a number of phosphate outcrops and identified high-potential fertiliser targets through both field and desk top geological assessment of its exploration tenements;
3. Secured the application for the advanced Sherrin Creek Phosphate Project in Queensland, which has an historical resource of 46 Mt @ 15.5% P<sub>2</sub>O<sub>5</sub>; cultural heritage submissions are currently underway; and
4. Established an experienced board with a track record of successfully establishing and developing mineral exploration companies.

The Company is in the final stages of negotiating the appointment of a financial adviser in Canada to manage a potential raising of a further \$1,000,000 from Canadian investors.