

Fertoz

30 November 2017

ASX RELEASE / MEDIA RELEASE

Fertoz 2017 AGM Chairman's Address

HIGHLIGHTS

- **Fertoz sales continuing to gather pace**
- **Organic farming hubs identified and sales focus on these areas**
- **Organic market continues to expand in Australia, the USA and Canada**
- **Fertoz products being well accepted by organic and conventional farmers**

Good morning everyone.

Thanks for joining us today at the 2017 Annual General Meeting for Fertoz Limited. For those who don't know me, I am Pat Avery, the Executive Chairman of Fertoz. I will make a quick Annual summery here, but following the AGM, we'll do a detailed presentation on where we are headed as a company and team.

During 2017, Fertoz worked hard on its strategy to become a leading supplier of rock phosphate and other critical inputs to organic farmers in North America and Australia.

The organic food industry is a market that continues to exhibit favourable growth dynamics, and it is expanding at a rate of more than 10 per cent a year. Fertoz is continuing to build its place within this growing market. There is now more than 50m hectares of organic farmland worldwide. The worldwide organic market has grown from US\$15b pa in 1999 to US\$81bn in 2016. And in order to retain their organic certification, organic farmers require organically certified fertilisers; and we can help them with that in the United States, Canada and Australia.

2017 saw several important achievements across our operations, spanning our mining projects in Canada, our sales across Canada and the United States, as well as the FertAg business we have developed for the Australian market.

Key highlights for the year include:

- ✓ Increasing our tenements in Canada, and advancing the permitting process on those tenements
- ✓ Securing exclusive distribution rights for organic rock phosphate in Montana and Mexico
- ✓ Securing Procert and USDA organic certifications and state organic certification in California and Washington state
- ✓ Exceeding yield expectations in rigorous farm trials where crops with our products exhibited yield increases of up to 50% over control crops

ASX : FTZ



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Board of Directors

Executive Chairman	P. Avery
Non-Executive Director	J. Chisholm
Non-Executive Director	A. Byass
Company Secretary	J. McNally

Key Projects

Wapiti	Ownership: 100%
Fernie	Ownership: 100%
Fertoz Ltd	A.C.N. 145 951 622

- ✓ Achieving outstanding plant available phosphate of over 6x when mixed with elemental Sulphur
- ✓ Identified organic farming hubs across the USA and Canada – our distribution strategy is now focusing on offering products to farmers in these hubs so that word of mouth advertising will assist with brand development and increased sales
- ✓ Quoting more than 2,000t of organic fertilisers so far since 1 July 2017, as well as engaging in additional farm trials and tests as noted below:
 - Sales to local turf, farming, horticultural operations
 - Sales to organic farm input distributors for local trials
 - Eight agricultural dealers across North Dakota, Montana, the Pacific Northwest and California are testing the Company's products or have samples ready for testing; and recently, three dealers requested samples and products, due to replace poorer quality rock phosphate from two of our three competitors
 - Made phone sales presentations to 10 groups that use our competitors' products. 6 related frustration with poor quality competitor products, and requested quotes and samples.

I believe this strong sales pipeline is coming off the back of our agronomic evidence, as well as word of mouth support which is spreading about our North American products. We expect to continue this momentum throughout 2018.

Based on our 2017 work we are seeing an emerging strategy in distribution. We currently mine and then lease processing, storage and staging facilities. As wholesale and retail dealers have consolidated to retain relationships with the major commercial ag manufacturers (Agrium, Mosaic and Potash Corp), many smaller process/storage distribution locations have been closed, or reduced. Some of these are located proximate to organic farming hubs and we are looking to utilize these facilities in 2018 to expand our reach into these organic farming hubs.

Our Australian business, Fertoz Agricultural, or FertAg, steadily improved in 2017, achieving a maiden profit for the financial year of nearly A\$75,000, and a revenue increase of 222%. Our FertAg business obtained organic certification of its FertAg 0-8-0 product in July 2017 immediately after the financial year, which we expect to drive further sales as we move into 2018.

We have good sales and several partnerships in the pipeline and we expect this to bear fruit in early 2018 with a consequent rise in share price.

I would like to thank my fellow Directors and Fertoz management and staff for their efforts throughout 2017. I also thank our Shareholders for your continued support and your belief that we can achieve the goals which we have set out.

With a strong start to 2018 financial year, I expect the coming 12 months will see Fertoz continue to progress on several fronts across our operations, including achieving our products sales goals, and I look forward to updating you on our successes.

Thank you for your time today. As I mentioned, if you have time, we'll be presenting our recently released Fertoz Go Forward Strategy. It details our efforts and plans for the next 2-3 years.

For further information, please contact:

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Forward Looking Statements

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Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, exploration and project development risks, political and social risks, environmental risks, changes to government legislation, extreme weather conditions, retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and that could impact the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be impacted in any material manner by these or other factors not foreseen or foreseeable by the Company or management or that are beyond the Company’s control. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

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