

Fertoz

28 APRIL 2017

ASX RELEASE / MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT MARCH 2017

HIGHLIGHTS

- Fertoz outlines objectives for 2017:
 - **Production Objectives:** Extract up to 10,000 tonnes of rock phosphate from bulk sample permits in Canada; expand supply chain flexibility; broaden product offering; progress application for 75,000-tonne Wapiti mine
 - **Sales and Marketing Objectives:** Build rock phosphate sales book; increase distribution reach; continue greenhouse and field trials; improve product awareness
- Test work progressed on rock phosphate which demonstrated effectiveness of Fertoz's rock phosphate product
- Fertoz adds 540ha to Fernie Project boosting the potential strike length of the phosphate-bearing horizon beyond 30km, with historic work demonstrating at-surface rock phosphate

Organic phosphate development company Fertoz Ltd ("**Fertoz**" or the "**Company**", ASX: **FTZ**) is pleased to provide an update of activities during the quarter ending 31 March 2017.

Fertoz Executive Chairman Patrick Avery stated:

"We have outlined our objectives for 2017 and we have spent the quarter working hard to achieve these which included progressing our test work to confirm the quality of our rock phosphate to support our marketing efforts.

"One of our goals for the year is to expand our supply chain flexibility by acquiring new supply options based on our strategic criteria. We expect the 540ha of prospective phosphate ground at Bighorn, adjacent to our Fernie project, to provide us with further opportunities for identifying high quality phosphate deposits close to our agricultural markets."

ASX : FTZ



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Board of Directors

Non- 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

SUMMARY

Canada

- Added the prospective 540ha Bighorn tenement to the Company's Fernie Project.
- Bighorn chosen due to its proximity to the Company's existing Fernie Project tenements (Mt Lyne, Crows Nest, Marten and Barnes Lake), and its favourable characteristics relating to Fertoz's key project selection criteria, including: indications of shallow at surface sedimentary and weathered phosphate-bearing rock, good road access, close to markets, potential phosphate grades to meet P2O5 >20% specifications, clear path to permitting, close to historical exploration demonstrating phosphate-bearing rocks.
- Fertoz continues to progress its application for a permit on the Bighorn tenement that allows for both exploration activity and for bulk sample extraction.
- Acquisition of Bighorn gives Fertoz a potential strike length of phosphate-bearing horizon to more than 30km across its tenements and the total area of prospective phosphate ground controlled by Fertoz at the Fernie Project is now 7,849ha.
- Progressed test work on Fertoz Rock phosphate during the quarter (results announced on 18 April 2017) which confirmed the effectiveness of Fertoz's premium organic rock phosphate blends.
- Test work indicated our direct application rock phosphate alone has been shown to double plant available phosphate in lab tests. Mixed with other elements such as elemental sulphur, compost and the Bio-Cycle Solutions sulphur product, Bio-Sul, plant available phosphate increased significantly, with up to a 6.5x increase over the control case.



Figure 1 - Previous mining activity at Wapiti enabling finalisation of mine plans

Australia

- Sales of FertAg products increased due to 4 new distributors actively promoting the product – one in NSW, two in Victoria and one in Tasmania.
- Sales in the March quarter of 545 tonnes FertAg 0-8-0 were approximately double the December quarter of 279 tonnes.
- The Company is targeting sales in the June quarter of 800 tonnes.
- Product is now also available in 25kg bags for horticulture and small farms and sales in 25kg bags have reached 44 tonnes.
- Currently there are no stocks left in Sydney and Melbourne and limited stocks in Brisbane. The next shipment of 456 tonnes is due at the end of May. It includes 100 tonnes of granular product for aerial spreading and 48 tonnes being shipped direct to Tasmania.
- The FertAg business has continued to be self-funding.

Fertoz objectives for 2017

In February, Fertoz announced its goals for 2017:

Production Objectives:

- Extract up to 10,000 tonnes of rock phosphate from the Company's existing 27,500 tonne bulk sample permits in Canada.
- Expand supply chain flexibility through low cost exploration work, additional bulk sample permits on existing tenements and new supply options based on strategic criteria.
- Broaden the Company's product offering with additional products or blended rock phosphate products (i.e. blends with sulphur, humates and other products).
- Progress small mine application at Wapiti for 75,000 tonnes.

Sales and Marketing Objectives:

- Build the Company's sales book for rock phosphate in line with production and in various packaging forms such as bulk, blends, super sacks and 50 lb bags.
- Increase the company's distribution reach through targeted joint ventures, acquisitions, or supply agreements.
- Continue to undertake greenhouse trials and field trials to improve the Company's product knowledge and to provide testimonials for the product.
- Improve product awareness of the benefits of rock phosphate through a new web portal (launched in February) for organic farmers with weather information, blogs and educational materials.

Planned Activities for June Quarter 2017

For the coming quarter, Fertoz is focused on delivering value through:

- Progressing the Company's 75,000 tonne per annum small mine application for the next stage of Wapiti.
- Resuming mining at Wapiti and Fernie in late Spring in anticipation of sales to targeted farmers in coming crop rotation seasons.
- Promoting sales to major fertiliser users through science-based recommendations stemming from field trials with leading agronomists.
- Continue Sales growth, in key products, blends and application sizes, to a broad base, dealers, growers, ag, turf, horticulture.
- Progressing permit application for Bighorn.
- Building the order book for FertAg products and importing more product.

Safety

There were no lost time injuries or environmental incidents recorded during the quarter ending March 2017.

Cash

The Company has A\$1.948 million in cash as at 31 March 2017 and no significant loan balances owing.

Fertoz Tenements

A current list of tenements and their movements since last quarter are provided in Appendix 1.

For further information, please contact:

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Competent Person's Statement

The technical information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jo Shearer, a Competent Person, who is a member of the Association of Professional Engineers and Geoscientists of British Columbia, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time. Mr Shearer is the Chief Operating Officer Canada for Fertoz Limited. Mr Shearer has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shearer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Scoping Study.

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.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant Australian Securities Exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Appendix 1 List of Tenements

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Canada					
Wapiti Project					
Wapiti East					
WK-1	851942	100%	450.83	21/04/2021	Fertoz International
WK-2	851948	100%	451.02	21/04/2021	Fertoz International
WK-3	851952	100%	375.66	21/04/2021	Fertoz International
WK-4	851958	100%	451.2	21/04/2021	Fertoz International
WK-5	941760	100%	450.83	21/04/2021	Fertoz International
WK-6	941761	100%	469.87	21/04/2021	Fertoz International
WK-7	941762	100%	432.07	21/04/2021	Fertoz International
WK-8	941763	100%	413.49	21/04/2021	Fertoz International
WK-9	941764	100%	451.33	21/04/2021	Fertoz International
WK-10	941769	100%	432.53	21/04/2021	Fertoz International
WK-11	955278	100%	470.31	21/04/2021	Fertoz International
WK-12	956829	100%	37.56	21/04/2021	Fertoz International
WK-One	982744	100%	18.8	21/04/2021	Fertoz International
Wapiti NE	1015556	100%	375.54	21/04/2021	Fertoz International
Wapiti Two	1015557	100%	168.93	21/04/2021	Fertoz International
Wapiti South	1015558	100%	376.35	21/04/2021	Fertoz International
WAP S2	1018104	100%	451.82	21/04/2021	Fertoz International
WAP S3	1018106	100%	451.75	21/04/2021	Fertoz International
WAP S4	1018107	100%	451.93	21/04/2021	Fertoz International
WAP S5	1018108	100%	452.09	21/04/2021	Fertoz International
WAP S6	1018109	100%	452.3	21/04/2021	Fertoz International
Red Deer 1	1023921	100%	150.2	21/04/2021	Fertoz International
Red Deer 2	1023922	100%	206.3	21/04/2021	Fertoz International
Red Deer 3	1023923	100%	150.1	21/04/2021	Fertoz International
Munok	1029417	100%	207.38	21/04/2021	Fertoz International
Munok 1	1015626	100%	169.58	21/04/2021	Fertoz International
Belcourt 1	1015627	100%	113.27	21/04/2021	Fertoz International
Munok 2	1024783	100%	603.05	21/04/2021	Fertoz International

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Wapiti Project (continued)					
Belcourt 2	1024803	100%	301.76	21/04/2021	Fertoz International
Belcourt 3	1024806	100%	188.7	21/04/2021	Fertoz International
Belcourt 4	1024805	100%	339.78	21/04/2021	Fertoz International
Belcourt Link	1027037	100%	282.59	21/04/2021	Fertoz International
WAP 11	1027038	100%	168.94	21/04/2021	Fertoz International
South 1	1029488	100%	112.64	21/04/2021	Fertoz International
South 2	1029489	100%	376.16	21/04/2021	Fertoz International
South Road 2	1030777	100%	413.66	21/04/2021	Fertoz International

Wapiti Project total 11,870.42

Fernie Project

Barnes Lake

BL 1	1011319	100%	608.98	19/07/2017	Fertoz International
BL 2	1020873	100%	629.00	18/11/2017	Fertoz International
BL 3	1046619	100%	524.89	12/09/2017	Fertoz International
Barnes Lake Subtotal			1,763.74		

Crows Nest

Crows Nest	1023062	100%	1450.89	15/10/2021	Fertoz International
Crows 2	1023064	100%	38.67	15/10/2021	Fertoz International
Crows Nest Subtotal			1,489.56		

Marten

Marten 1	1024365	100%	754.32	29/06/2021	Fertoz International
Marten 2	1025533	100%	460.86	28/06/2021	Fertoz International
Marten Nth	1029979	100%	334.99	1/08/2021	Fertoz International
Marten E	1031107	100%	188.45	23/09/2021	Fertoz International
Marten Subtotal			1,738.63		

Mt Lyne

Line 3	1042176	100%	186.99	19/2/2017	Fertoz International
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Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Mt Lyne (continued)					
Line 4	1042177	100%	332.78	19/2/2017	Fertoz International
Line 5	1042208	100%	290.72	20/2/2017	Fertoz International
Line 6	1042209	100%	499.54	20/2/2017	Fertoz International
Line 7	1042222	100%	497.99	21/2/2017	Fertoz International
Graves Lake1	1046685	100%	499.54	14/9/2017	Fertoz International
Mt Lyne Subtotal			2,307.56		
Bighorn					
Ram 1	1047502	100%	126.72	29/10/2017	Fertoz International
Ram 2	1050068	100%	253.48	16/2/2018	Fertoz International
Ram 3	1060069	100%	168.93	16/2/2018	Fertoz International
Bighorn Subtotal			549.13		
Fernie Project Total			7,848.63		
Canada Total			19,719.05		

Change in Interest in Mining Tenements

Interest	Tenement Reference and Location	Nature of Interest	Interest at the beginning of the Quarter	Interest at the end of the Quarter
Interests in mining tenements relinquished, reduced or lapsed	Mt Lyne BC Canada Line 1 - 1042161	Relinquished	100%	0%
	Line 2 - 1042162		100%	0%
	Line 8 - 1042224		100%	0%
Interests in mining tenements acquired or increased	Mt Lyne BC Canada Grave Lake1 - 1046685	Tenements secured	0%	100%
	BigHorn BC Canada RAM 1 - 1047502		0%	100%
	RAM 2 - 1050068		0%	100%
	RAM 3 - 1050069		0%	100%