

Fertoz

27 OCTOBER 2017

ASX RELEASE / MEDIA RELEASE

FERTOZ SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Progressed permitting activities for Wapiti and Fernie phosphate projects in British Columbia, Canada, placing Fertoz in a good position to build a quality book of organic agriculture sales
- 65,000tpa small quarry at Wapiti progressed
- Australian FertAg business achieved a maiden profit for FY17 after revenue increased by 222% for the year
- Maintained resolute focus on growing product awareness by educating farmers of the benefits of Fertoz's high-quality organic rock phosphate and blended phosphate fertilisers

Phosphate exploration and development company, Fertoz ("Fertoz" or the "Company", ASX: FTZ) is pleased to provide an update on activities during the quarter ending 30 September 2017.

Fertoz Executive Chairman, Patrick Avery, commented:

"Over the past quarter, we have positioned Fertoz for expansion as the organic fertiliser market continues to flourish in both North America and Australia. Our operations and stockpiles are in regions that host a significant proportion of the North American organic agriculture sector, and we are aiming to capitalise on this.

"To this end, we have worked on optimising our plans regarding mining, logistics and permitting, having strengthened our relationships with key Government departments as well as First Nations groups to expedite the process.

"Our achievement of a maiden profit for our Australian business, FertAg, in FY2017 shows what Fertoz is capable of doing. We are working toward replicating this success in the larger North American market.

"We achieved good starter spring and summer sales, and this fall saw great agronomic results. We look forward to updating the market on sales progress, which we will provide in a separate announcement."

ASX : FTZ



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Board of Directors
Executive Chairman
Non-Executive Director
Non-Executive Director
Company Secretary

P. Avery
J. Chisholm
A. Byass
J. McNally

Key Projects

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

Canada

- Progressed permitting activities for Wapiti and Fernie through meetings with British Columbia's Ministry of Mines Executive Director
- Progressed plans for 65,000tpa small quarry at Wapiti, with a focus on building First Nations relationships. The Company has approximately 60,000 tonnes available through its Bulk Sampling permits
- Updated mining, logistics and permitting plans for Fertoz projects to enable an increase in sales of rock phosphate to organic farmers in North America
- Secured additional product to ensure available material to supply a growing market
- Achieved good starting sales with great agronomic results; securing solid fall sales with leading innovative dealers, growers and applicators in all markets: ag, specialty, turf and horticulture

United States

- Focussed on growing awareness of Fertoz's products and educating farmers on the benefits of rock phosphate and blended phosphate fertilisers at field days and trade shows
- Positioned the Company to benefit from structural change in the US fertiliser market in a shift away from importation of fertilisers. Imports are expected to almost halve by 2020 as farmers look towards domestic products, placing Fertoz in a good position
- Supporting upcoming fall, winter and then spring sales, Fertoz continued to quote products and undertake trials in anticipation of future sales growth

Australia

- The Australian FertAg business achieved a profit of \$74,418 for FY17. This was accomplished through annual revenue growth of 222%
- As reported last quarter, in July Fertoz secured organic certification for FertAg 0-8-0 from Australian Organic Ltd, the largest certifier for organic and biodynamic produce in Australia
- This allows Fertoz to market FertAg 0-8-0 as a certified organic input for Australian organic farms, a sector which has seen a 23% increase in certified organic farming land over the past 12 months

Planned Activities for December Quarter 2017

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

- Advancing the Small Quarry Permit for Wapiti
- Advancing the Bulk Sampling Permit for Fernie area leases
- Building an order book by quoting late fall 2017 and spring 2018 fertiliser sales
- Building on the market education delivered during the North American winter through detailed mailings, meetings and seminars with the 300+ dealers and 3,000+ growers in Fertoz's network

The Company looks forward to gaining organic certification with more states and territories in its target markets in the coming months as it continues to market its premium organic products to a wide range of growers in Australia, Canada and the US.

SAFETY

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

Cash

The Company has A\$1.080 million in cash as at 30 September 2017 and no significant loan balances owing.

Fertoz Tenements

A list of tenements at the end of the quarter and the changes during the 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	21/04/2022	Fertoz International
WK-2	851948	100%	451.02	21/04/2022	Fertoz International
WK-3	851952	100%	375.66	21/04/2022	Fertoz International
WK-4	851958	100%	451.2	21/04/2022	Fertoz International
WK-5	941760	100%	450.83	21/04/2022	Fertoz International
WK-6	941761	100%	469.87	21/04/2022	Fertoz International
WK-7	941762	100%	432.07	21/04/2022	Fertoz International
WK-8	941763	100%	413.49	21/04/2022	Fertoz International
WK-9	941764	100%	451.33	21/04/2022	Fertoz International
WK-10	941769	100%	432.53	21/04/2022	Fertoz International
WK-11	955278	100%	470.31	21/04/2022	Fertoz International
WK-12	956829	100%	37.56	21/04/2022	Fertoz International
WK-One	982744	100%	18.8	21/04/2022	Fertoz International
Wapiti NE	1015556	100%	375.54	21/04/2022	Fertoz International
Wapiti Two	1015557	100%	168.93	21/04/2022	Fertoz International
Wapiti South	1015558	100%	376.35	21/04/2022	Fertoz International
WAP S2	1018104	100%	451.82	21/04/2022	Fertoz International
WAP S3	1018106	100%	451.75	21/04/2022	Fertoz International
WAP S4	1018107	100%	451.93	21/04/2022	Fertoz International
WAP S5	1018108	100%	452.09	21/04/2022	Fertoz International
WAP S6	1018109	100%	452.3	21/04/2022	Fertoz International
Red Deer 1	1023921	100%	150.2	21/04/2022	Fertoz International
Red Deer 2	1023922	100%	206.3	21/04/2022	Fertoz International
Red Deer 3	1023923	100%	150.1	21/04/2022	Fertoz International
Munok	1029417	100%	207.38	21/04/2022	Fertoz International
Munok 1	1015626	100%	169.58	21/04/2022	Fertoz International

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Wapiti Project (continued)					
Belcourt 1	1015627	100%	113.27	21/04/2022	Fertoz International
Munok 2	1024783	100%	603.05	21/04/2022	Fertoz International
Belcourt 2	1024803	100%	301.76	21/04/2022	Fertoz International
Belcourt 3	1024806	100%	188.7	21/04/2022	Fertoz International
Belcourt 4	1024805	100%	339.78	21/04/2022	Fertoz International
Belcourt Link	1027037	100%	282.59	21/04/2022	Fertoz International
WAP 11	1027038	100%	168.94	21/04/2022	Fertoz International
South 1	1029488	100%	112.64	21/04/2022	Fertoz International
South 2	1029489	100%	376.16	21/04/2022	Fertoz International
South Road 2	1030777	100%	413.66	21/04/2022	Fertoz International
Wapiti Project total			11,870.32		
Fernie Project					
Barnes Lake					
BL 1	1011319	100%	608.98	19/05/2019	Fertoz International
BL 2	1020873	100%	629.00	18/04/2019	Fertoz International
BL 3	1046619	100%	524.89	12/01/2019	Fertoz International
Barnes Lake Subtotal			1,762.87		
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			1,738.62		

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Mt Lyne					
Line 3	1042176	100%	186.99	19/2/2019	Fertoz International
Line 4	1042177	100%	332.78	19/2/2019	Fertoz International
Line 5	1042208	100%	290.72	20/2/2019	Fertoz International
Line 6	1042209	100%	499.54	20/2/2018	Fertoz International
Line 7	1042222	100%	497.99	21/2/2018	Fertoz International
Graves Lake1	1046685	100%	499.54	14/9/2018	Fertoz International
Mt Lyne Subtotal			2,307.56		
Bighorn					
Bighorn 7	1050686	100%	211.28	11/03/2020	Fertoz International
Ram 1	1047502	100%	126.72	29/10/2021	Fertoz International
Ram 2	1050068	100%	253.48	16/3/2021	Fertoz International
Ram 3	1060069	100%	168.93	16/3/2021	Fertoz International
Ram 4	1050660	100%	109.64	10/03/2021	Fertoz International
Ram 5	1050661	100%	295.58	10/03/2021	Fertoz International
Ram 6	1050662	100%	253.48	10/03/2020	Fertoz International
Bighorn Subtotal			1,419.11		
Fernie Project Total			8,717.72		
Canada Total			20,588.04		

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	N/A			
Interests in mining tenements acquired or increased	BigHorn BC Canada Bighorn 7 – 1050686 RAM 4 - 1050660 RAM5 - 1050661 RAM6 - 1050662	Tenements acquired	0%	100%