



31 JULY 2017

ASX RELEASE / MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT JUNE 2017

HIGHLIGHTS

- Sales commenced in North America and maiden profit expected for Australian operations
- Fertoz secured exclusive access to 10,000 tons of rock phosphate in Montana, USA, providing additional supply flexibility to key markets of Canadian Prairie Provinces and Midwest USA
- Organic input certification secured from the US states of California and Washington, significantly broadening the immediately addressable market for Fertoz products in North America; certification in other states/provinces being progressed
- Organic certification obtained in Australia as operations hit new milestone on increased sales

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

Fertoz Executive Chairman Patrick Avery stated:

"We have achieved another strong quarter, with the number and value of quotations to customers both in North America and Australia reaching an all-time high. The combination of organic certification and successful farm trials in North America, which has taken some time to achieve, is now starting to bear fruit, with small tonnage sales being recorded during and subsequent to the quarter. Given the strong potential order book, we took the opportunity to test and then secure an additional 10,000t of direct application rock phosphate from Solvay. We obtained organic certification for this stockpile.

"Our Australian operations are also performing well, having sold out of 450 tonnes in June and we expect to order a similar amount for the current quarter, with sales having grown over the past four consecutive quarters. We recently obtained organic certification in Australia for our FertAg 0-8-0 product which should assist our sales efforts in Australia. It has taken some time but we are seeing a significant increase in interest in our FertAg 0-8-0 product and we expect that our North American operations will follow the same path as Australia. Given the size of the organic market in the USA and Canada, at over US\$50b in sales each year, we expect a good return from our North American operations."

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
Fernie

Ownership: 100%
Ownership: 100%

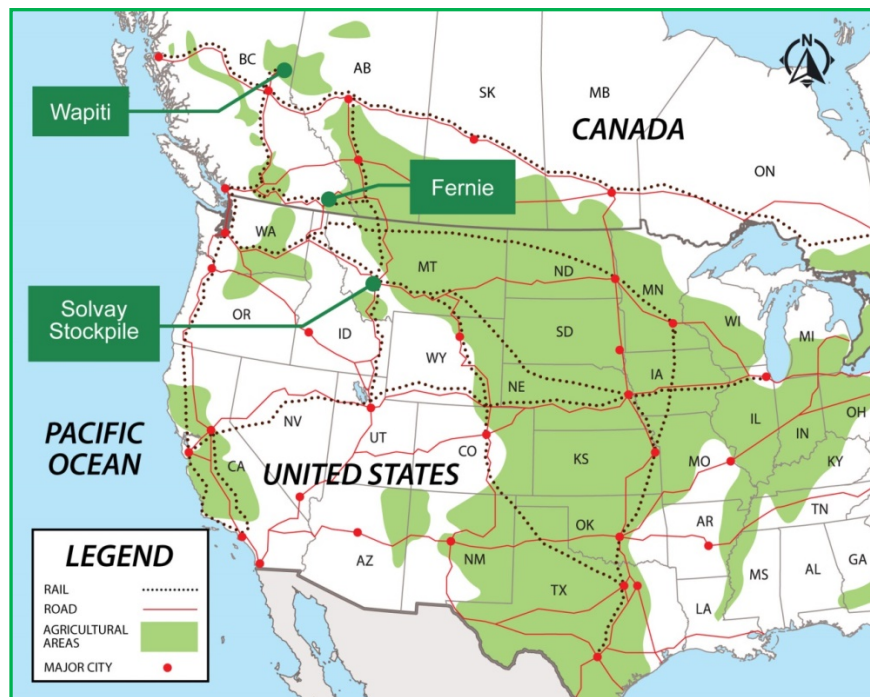
Fertoz Ltd

A.C.N. 145 951 622

SUMMARY

Canada

- Marketing efforts over the North American winter and spring periods resulted in the delivery of orders of organic rock phosphate to a diverse group of North American customers. These included fertiliser manufacturers, multi-site distributors, growers, dealers and North American horticultural groups of significant presence. Subsequent to the quarter, the Company received another order from a North American agriculture group.
- Fertoz increased the number and value of quotations to organic and conventional farmers during the quarter and this is expected to be a pre-cursor to sales later this year.
- Recent positive crop trials are expected to support the Company's move into Sustainable Crop Rotations and lead to market share growth.
- Marketing Agreement signed with Solvay USA Inc:
 - For up to 10,000 tons of rock phosphate from Solvay's operation in Silver Bow, Montana, USA
 - Mined material is currently sitting at surface in stock piles ready for distribution to customers.
 - Procert and USDA Organic certification has been obtained for this product; exclusive rights to market the product for a two-year period.
 - The product was extensively tested and found to be consistent with the Company's high standards of total and available phosphate.
 - Blending trials and discussions have continued with major organic phosphate users in North America.
 - Quotes are currently being submitted to potential customers for the supply of organic rock phosphate and organic rock phosphate blends.



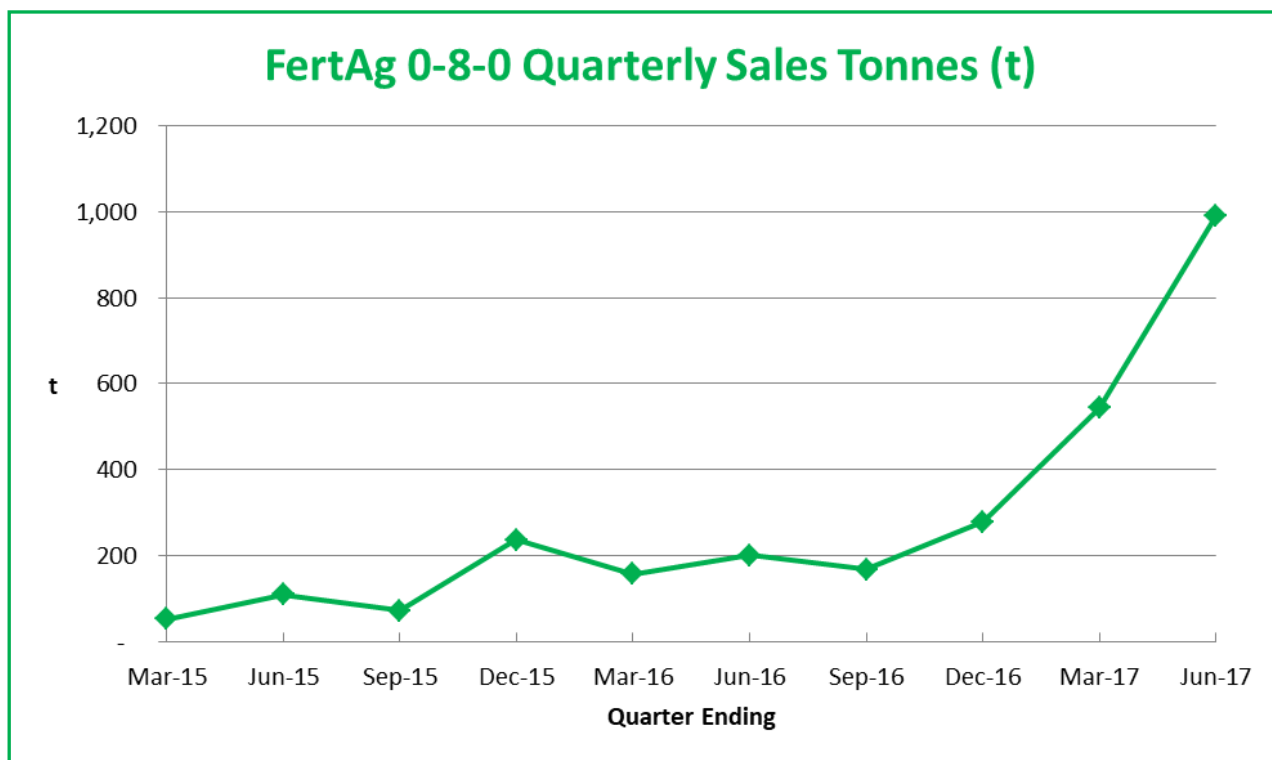
Location of Fertoz Projects, agricultural areas, road and rail infrastructure

Organic input certification secured from US States of California and Washington:

- Certifications complement Fertoz’s previously-earned United States Department of Agriculture (USDA) and Pro-Cert Organic fertiliser registrations.
- Approval in California and Washington is expected to significantly broaden the immediately addressable market for Fertoz’s products.
- Only a select few fertiliser products in the North American market have achieved this approval.

Australia

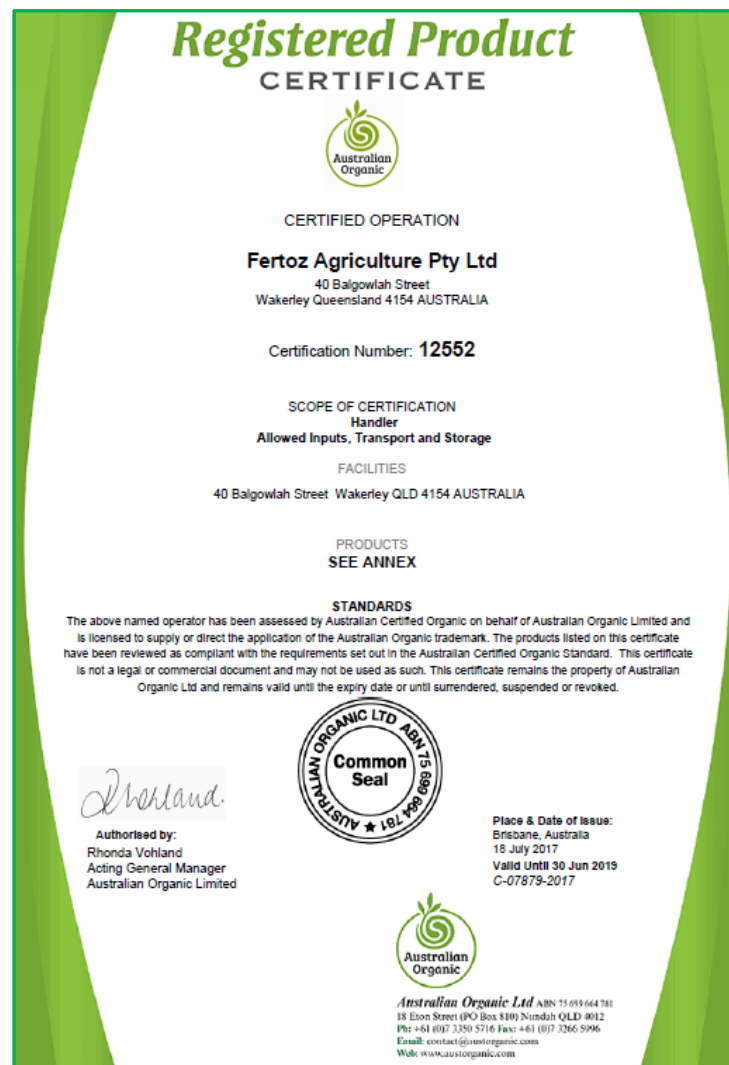
- The Fertoz Australian business, FertAg, continued to quote and supply its Fused Calcium Magnesium Silicate Phosphate Products to Australian customers.
- Sales in the Australian market have grown over the last four consecutive quarters as shown below with a total of 1,000 tonnes in the June quarter up from approximately 550 tonnes in the previous quarter.
- Recent organic certification of FertAg 0-8-0 is expected to assist with the company’s sales efforts in Australia.
- The FertAg business is expected to report a maiden profit for the year ended 30 June 2017.



FertAg 0-8-0 quarterly sales



Pasture in North East NSW showing the benefits of FertAg 0-8-0



FertAg 0-8-0 organic certification certificate

Planned Activities for September Quarter 2017

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

- continued quotations of organic fertilisers to North American and Australian agricultural businesses;
- field days, more farming trails and enhanced communications showing the effectiveness of the Company's range of products on plant yields; and
- continued certification process in other North American states and provinces.

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 Canada and the US.

The North American and Australian organic farming sectors are expanding. According to a recently released report on organic farming in Australia by Australian Organic Ltd entitled "*The Australian Organic Market Report, 2017*", agricultural land under certified organic management in Australia in 2016 was over 27 million hectares, an increase of 23% since 2015. As well, the number of certified organic operations in Australia grew by 5% between 2015 and 2016. There were an estimated 2,075 certified producers and 1,163 certified processors in 2016 with 77% of these located in NSW, Victoria and Queensland, the key target markets for FertAg 0-8-0.

As can be expected, North America has thousands more organic operations. According to the North American Organic Trade Association, there are more than 24,600 organically certified operations in America, with over 17,500 organic producers, a 13% increase over 2015 numbers. In 2016, US organic food sales reached 5.3% of total food sales in the US, the highest amount of organic food sales since the Association began collecting data. This equated to sales of just under US\$50b with almost 14% of all fruits and vegetable sales and 8% of all dairy products sales being organic. Organic food sales in the US increased 8.4% (approx. US\$4b) in 2016 while the overall food market grew only 0.6%. Besides food, cotton is expanding as an organic product in the US, with record production of over 17,000 bales of organic cotton in 2016. Sales of organic non-food products increased almost 9% in 2016.

According to the Canada Organic Trade Association, there are approximately 4,000 organic farms in Canada with almost all of these operations in the prairies and western half of Canada, within economic road and rail distances from Fertoz phosphate sites. It is a smaller market than the US at approx. C\$4b pa in sales, but like the US and Australia, is growing strongly. The value of the organic food market in Canada has grown more than three-fold since 2006. 66% of people living in BC and 62% of families across Canada with children under 2 years of age buy organic food each week, which bodes well for the future of organic fertilisers.

SAFETY

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

Cash

The Company has A1.588 million in cash as at 30 June 2017 and no significant loan balances owing.

Fertoz Tenements

A current list of tenements and there 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

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Fernie Project (Continued)					
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 tenements relinquished, reduced or lapsed	N/A			
Interests in mining tenements tenements acquired or increased	N/A			