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Wapiti phosphate project Scoping Study update

Fertoz Limited (ASX:FTZ; "Fertoz" or the "Company") released on 14 May 2015 a Scoping Study for a small-scale rock phosphate mine at the Company's 100%-owned Wapiti project in British Columbia. A 20 year project life was determined from an Indicated and Inferred Resource of 1.54Mt at 21.6% P_2O_5. The project mining model is based on 60% Indicated, 40% Inferred Resources.

The base case study resulted in:

Post tax, unlevered **$NPV_{10\ real}$** (20 years)	**C$20.1m**
Post tax, unlevered **IRR**	**82.4%**
Capital cost phased over 3 years	**C$2.7m**
Payback (discounted, after tax)	**2018**
Net cash flow pre-tax first 20 years	**C$69.8m**

Results using a 10% post tax real discount rate, C$ 1:00: A$1.04, flat real commodity price of C$ 250/t.

Managing Director Les Szonyi said "*Fertoz has enough Indicated Resource for 13 years of project life and further exploration is planned, once the project is generating free cash, to confirm a 20 year project life can be achieved.*"

"*The Scoping Study has been specifically designed to minimise upfront capital expenditure and achieve near term positive cash flow with a shallow, 7m deep open pit design for the initial 7 years of the project. With fertiliser sales well underway through our FertAg JV in Australia and the likelihood of near term commercial production in North America, Fertoz continues to establish its credentials as an emerging agribusiness*."

Cautionary Statement

In accordance with ASX listing rules, the Company advises the results of the Scoping Study referred to in this announcement are based on lower confidence technical and preliminary economic assessments that are not the level of pre-feasibility or feasibility studies. The results and outcomes of this study are not technically sufficient to support Ore Reserves (JORC 2012) or to provide assurances as to the economic viability of any mine development, or that any development will proceed. The production target referred to is partly based on Indicated and Inferred Mineralisation. There is a low level of geological confidence associated with inferred Mineral Resources and there is no certainty that additional exploration work will result in the definition of Indicated Minerals Resources, or that mine development and production will be realised. Approximately 40% of mineralisation included in the study is of the Inferred category.

Next steps and further opportunities

Fertoz is now progressing the final permit approvals and is conducting commercial discussions with potential offtake partners.

There are significant growth options for the Wapiti project beyond the Scoping Study. These options are being assessed by Fertoz concurrently with advancing the project as per this Scoping Study. As well, the Company is advancing certain development aspects to the Feasibility Study level and will update the market as milestones in relation to commencement of mining are reached.

Growth options for Wapiti include, but are not limited to, the following:

1. An extended reach (10m) excavator can be used in Stage 1 mining (compared to a 6m excavator in the Scoping Study). Mining costs for first 7 years have been based on a 6m excavator as this was proven effective during the bulk sample collection in 2014 (constructing a 1m bench and 6m reach for total of 7m). An extended reach excavator would extend Stage 1 mining to 9 years and reduce initial mining costs to C$21.1/t. Preliminary estimates are that an extended reach excavator would increase the Scoping Study NPV to C$22.2m with an IRR of 88.1%;

2. Further exploration is expected to extend the mineable phosphate horizon from 12.5km up to a maximum of 39km. This would increase mine life beyond the current 20 years and reduce Stage 1 costs due to the extended period of Stage 1 mining;

3. The economics are based on selling 0.15mm rock phosphate. In late 2016, at the same time as moving the processing equipment from Stettler to Dawson Creek, additional equipment could be in installed at Stettler to process the 0.15mm phosphate rock into a granule or pellet. Additional products can be added to the process to produce N-P-K conventional fertiliser mixes with numerous trace minerals. With this machinery in place, the Company could produce not only 0.15mm ground rock phosphate for sale to farmers and other fertiliser processing companies from the Dawson Creek facility, but also a conventional fertiliser mix for sale to farmers in western and central Alberta from the Stettler facility, further improving project economics;

4. Project economics could be improved by ramping up to full production of 75ktpa in 2017. This would require bringing forward the capital expenditure of C$2.5m so C$0.5m is spent in 2015 and $2m is spent in 2016. On this basis, the Scoping Study NPV would increase to C$21m with an IRR of 88.0%.

Scoping Study

The Scoping Study is based on a staged open pit development and the recently upgraded Wapiti resource (refer to ASX announcement "*Fertoz upgrades Wapiti phosphate resource*" released 12 May 2015.) The Scoping Study includes 3 stages in the proposed design, with an initial 7m open pit for the first 7 years of the project at an average strip ratio of 1.6:1. The Scoping Study conservatively assumes a 75ktpa production rate is reached in 2018, though it is possible this could be brought forward to 2017. The planned mine area contains a low risk resource which is outcropping, homogenous, and has been drilled and bulk sampled by Fertoz. Refer to Table 1 below for the key assumptions and financial metrics.

Mining

The mineralisation at Wapiti is steeply dipping to sub vertical and extends over an estimated strike of up to 39km in length. Only 12.5km of this has been included in the Scoping Study, with the remainder representing potential additional mining opportunities. The relative uniformity and narrow nature of the deposit means that mining will be of a narrow-slot trenching style from the surface. The trench will progress down in slots (benches) with the first bench 1m below the surface. This method allows the first 6 years of production at Wapiti to be completed at less than a 1.6:1 strip ratio which greatly benefits free cash flow. After mining, excavated areas are backfilled and the area is subject to reclamation. This process has been optimised during the previous bulk sample extraction (Figure 1), where Fertoz gained significant experience in local conditions and expected performance of the extraction process for full scale mining.

Figure 1: Trial mining at Wapiti during 2014

Mining is planned to take place on a seasonal basis between May and October to maximise productivity and ease of access. Mined material will be transported, stockpiled and sold after it is processed to meet various market requirements. Current permits exist for 17.5ktpa of phosphate rock production and additional permit applications have been submitted to increase production to 75ktpa. It is expected that this amount could be produced and transported off-site within a 5 to 6 month period. To date, Fertoz has mined approximately 2.7kt of rock phosphate for processing and sale from both the Wapiti and Fernie projects. The Scoping Study has been completed on the basis of 75ktpa rock phosphate mined and sold. Whilst there is a compelling economic case for development based on this level of production, there are possibilities to expand production levels beyond 75ktpa thereby enhancing economic outcomes.

Infrastructure

The Wapiti project is located 850km north east of Vancouver, British Columbia (BC), 145km north east of Prince George, 70km south east of Tumbler Ridge (coal mining town) and 180km south east of the rail hub at Dawson Creek (Figure 2).

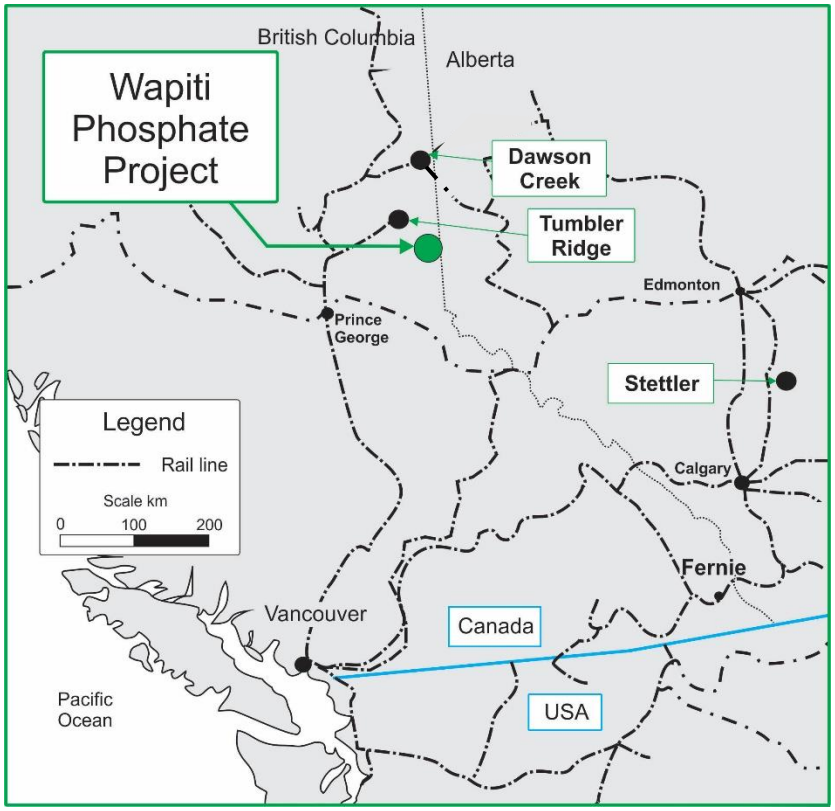

Figure 2: Key project locations and infrastructure in Western Canada

Ready access to the Wapiti site is possible via a number of public roads. These are suitable for the transport of heavy equipment and haulage of excavated material. A number of existing trails and roads exist on the Wapiti property. Several of these roads require an extension to facilitate the bulk sampling activities and to support ongoing operations.

In September 2014, a Notice of Work was submitted to construct a new access road which will allow phosphate rock to be transported from site using highway-registered trucks, most likely of B-Train capacity (36-40t).

The operation requires a limited amount of on-site infrastructure to be developed and used to support extraction operations of the bulk sample. Such infrastructure includes, but is not limited to:

- Feed stockpile;
- Overburden stockpile;
- Staging stockpile;
- Haul roads; and
- Camp accommodation.

Production would commence on a reduced scale with 30kt in 2016, 50kt in 2017 and rising to full production in 2018. Margins per tonne sold are estimated at C$81/t (32% of sales price) for the first 7 years of the project.

Processing

After mining on site, pre-crushed material is transported as broken rock to a manufacturing facility that will be established close to existing infrastructure. At this facility, rock is crushed to reduce the phosphate rock from 40mm (crushed rock) to approximately 0.15mm (ground material). Initial processing of bulk samples is planned to be conducted at Stettler where 1kt of rock phosphate from Fernie is currently stored. A Raymond mill will be purchased to grind the 40mm rock down to 0.15mm. Stettler (Figure 2) is the centre of a major farming area in Alberta. There is a further 9kt of bulk sample available for collection at Fernie for processing at Stettler under the current Fernie Bulk Sample Permit. Extension of the bulk sample amount or permitting for a small-scale mine are growth options for Fernie which will be reviewed by the Company during 2015.

The Scoping Study assumes that the Raymond mill will be moved to Dawson Creek (Figure 2) in 2016 (118km from Tumbler Ridge) where production from Wapiti East will begin. Dawson Creek has the advantage of being a proximal

rail hub to Edmonton, Calgary, Prince George and Vancouver. It also has a trained workforce, industrial facilities, spare parts and industrial land.

The crushed rock phosphate from the Wapiti mine will be transported by road to the Raymond mill at Dawson Creek. From here, the product can be trucked or railed to customers (farmers and other third party fertiliser manufacturers).

Once the Raymond mill has been moved to Dawson Creek, additional processing equipment can be installed at Stettler to process the 0.15mm rock phosphate railed from Dawson Creek into other phosphate products. With this machinery in place at Stettler, the Company could provide ground rock phosphate for sale to farmers in the local area and other fertiliser processing companies, and also a more conventional fertiliser N-P-K mix. As well, rock phosphate from Fernie could be transported for processing at Stettler under an expanded Bulk Sample Permit or Small Scale Mining Permit. There is also the potential for a separate processing facility to be constructed at Fernie however this is not addressed in this Scoping Study. There is also the potential for the Company to supply Fernie rock phosphate to other organic fertiliser facilities in northern Montana and Washington State.

Permitting and timetable

Fertoz currently has permits to extract 17.5ktpa of rock phosphate at Wapiti. In November 2014, the Company submitted a Small Mine Application to the British Columbia Ministry of Mines to extract up to 75ktpa of phosphate rock from its Wapiti project.

The Company is expecting to receive approval for its Small Mine Application at Wapiti in 2015. The next steps in the process are to:

a) Complete a survey of the mine lease – target date June 2015; and
b) Complete benefits agreement with the First Nations – target date August 2015

Discussions are continuing with the First Nations as part of the mine approval process.

The fertiliser season in Canada typically runs from April to September while the best time to mine product at Wapiti is from May to October. The Scoping Study assumes that 10kt of phosphate rock will be sold in 2016 and 30kt of phosphate rock inventory is built up in 2016 for processing and sale from April to June of 2017.

The proposed timetable for the Wapiti development is shown in Figure 3. A key focus of the timetable was to minimise costs in 2015 by collecting the remaining 9kt bulk sample from Fernie and processing it at Stettler using contractors. Sales from the total 10kt Fernie bulk sample are expected to be realised at the start of 2016 generating C$1.8m in revenue for Fertoz. Major processing equipment purchases are not required until 2017 when the production ramp-up to 75ktpa is planned. Some of the Fernie bulk sample located at Stettler may be suitable for screening and supply to local farmers – this is currently being assessed.

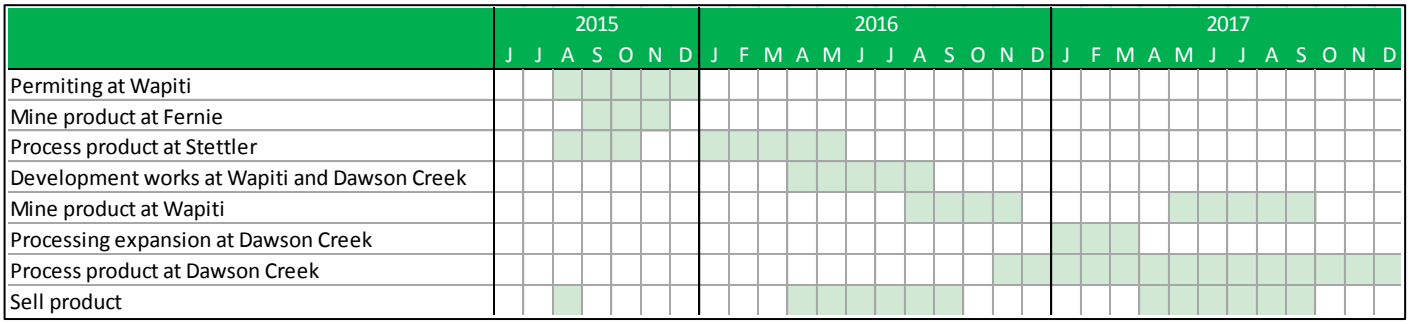

Figure 3: Proposed timetable for the Wapiti development

Capital costs

Capital costs have been estimated using a combination of firm quotes (processing equipment, jaw crusher, industrial site) and industry experience. Total capital required is estimated to be C$2.7m which will occur over the initial 3

years of development (or two years under an accelerated production regime). Table 2 provides a detailed capital cost estimate.

Fixed costs

The Scoping Study assumes that the annual fixed costs associated with the mining operation include camp set-up, site preparation, equipment mobilisation, insurance, environmental analysis, geotechnical assessment, quality assurance, administration and community liaison. Other fixed costs include a full time Chief Operating Officer in Canada, Sales / Business Manager, marketing, administration and associated costs with the processing facility.

Total fixed costs are expected to be C$300k in 2015, C$550k in 2016, C$600k in 2017 and C$616kpa from 2018 onwards when it is expected there will be two teams operating at Wapiti to extract 75ktpa in 5 months.

Phosphate pricing

The Scoping Study assumes an estimated realised price of C$250/t based on consultation with Sunalta Fertilizer Ltd (Fertoz distributor). This is the expected price for bulk product in Alberta with a minimum P_2O_5 content of 19%. A distribution fee of 20% is payable on the sale price.

This compares to market prices which vary from C$285/t (20t lots) to C$700/t (1t bagged material) for phosphate rock ranging between 16% and 27% P_2O_5 with 2% to 3% phosphate availability. The product could also potentially be micronized to less than 10 microns, which attract prices of over C$2,500/t. Fertoz sold an initial 26t at a discounted price of C$200/t in late 2014 within the Stettler farm area between Edmonton and Calgary, Alberta. Fertoz has since confirmed pricing to be at least C$250/t for the Wapiti ground rock phosphate. Pelletised products attract a higher price, as does ground rock phosphate that is bagged and/or micronized. All of these options are available to the Company but have not been included in the current Scoping Study.

Laboratory results from the 2t bulk sample collected at Wapiti East in October 2013 demonstrated low heavy metal impurities from Wapiti. The results achieved a 10% phosphate availability, which makes the Wapiti East product particularly attractive to the organic fertiliser market as a direct application product. The result can be compared to other known phosphate areas such as North Carolina, USA and Sechura, Peru which typically demonstrate 6% to 7% phosphate availability and exhibit good agronomic effectiveness on suitable soils and crops *(Sinclair, New Zealand Journal of Agricultural Research 1998)*.

The Wapiti project is ideally located; close to the major farming regions of eastern British Columbia and western Alberta. Farms in these areas are a mixture of broad-acre and intensive agricultural operations, with farmers fertilising their ground through either broad-acre spreading or directly into seed rows. The area has numerous third-party distribution points – often a series of silos with various fertiliser components. Farmers travel up to 200km to collect their bulk fertiliser from these silos.

Fertoz is aiming to have Wapiti rock phosphate as a feedstock for these third-party distributors so that farmers across British Columbia and Alberta can access Wapiti rock phosphate directly or via third-party agents and distributors. Discussions with third party producers are ongoing and the Company has supplied samples of ground Wapiti rock phosphate to other fertiliser manufacturers for test purposes.

The combined US/Canada organic goods market is worth US$34.5bn, or 48% of the global organic food market. The value of the Canadian organic food market has tripled since 2006, far outpacing the growth rate of other agri-food sectors. It is estimated that 58% of all Canadians are buying organic products on a weekly basis. Currently, there are more than 3,700 certified organic farms in Canada. Organic farms are found in every province in Canada producing fruits, vegetables, hay, crops (i.e. wheat, oats, barley, flaxseed and lentils), animal and animal products, and herbs. More than half of all certified farms are found in Western Canada. Organic growers typically use organic phosphorus sources, like Wapiti rock phosphate, to provide phosphorus for crop development. (*FiBL IFoam Organic World 2014*).

Sensitivity analysis

The sensitivities of the project NPV (C$m) and IRR (%) are summarized below in Figure 4 and Figure 5 respectively, for parameter changes between +20% and -20%.

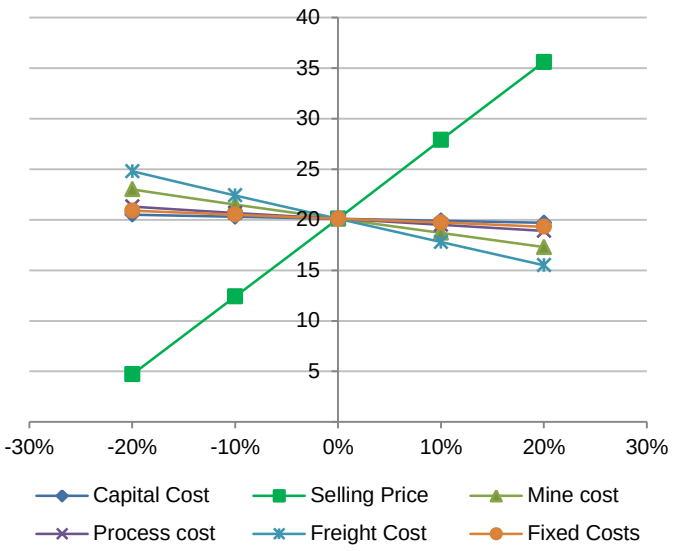

Figure 4: NPV (C$m) sensitivity analysis

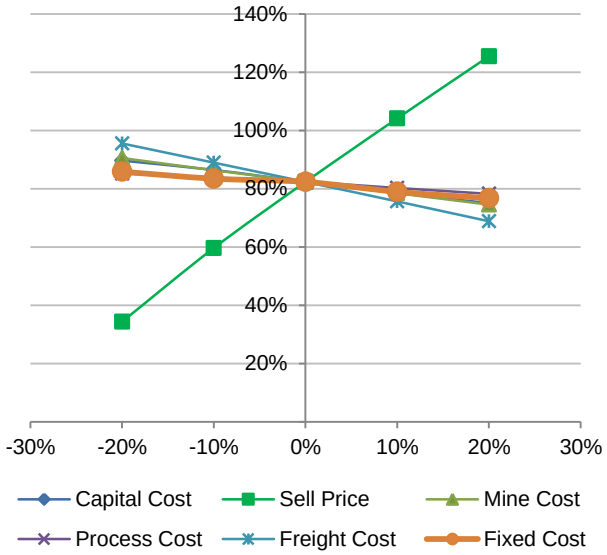

Figure 5: IRR (%) sensitivity analysis

Table 1: Scoping Study assumptions and financial metrics

Item	Units	Value
Project life	years	20
Scoping Study Mined Resource (diluted)	kt	1,336 @ 20% P_2O_5
Capital cost	C$m	2.7
Stage 1 resource mined to 7m	kt	361
Stage 2 resource mined to 19m	kt	600
Stage 3 resource mined to 31m	kt	400
Stage 1 mining cost to 7m	C$/t	24.3
Stage 2 mining cost to 19m	C$/t	40.4
Stage 3 mining cost to 31m	C$/t	56.3
Processing cost	C$/t	15.0
Freight to processing site	C$/t	20.0
Freight to distributor	C$/t	60.0
Distribution cost	% of selling price	20%
Selling price	C$/t	250.0
Discount rate (real)	%	10%
Project NPV (20 years)	**C$m**	**20.1**
Project IRR	**%**	**82.4%**

Table 2: Detailed capital cost estimate

Item	Unit	Value
Road access, setup	C$k	300
Crusher	C$k	100
Processing equipment for 2015/2016	C$k	140
Equipment overhaul and installation at Stettler	C$k	60
Industrial site at Dawson Creek (incl. stamp duty, on-costs)	C$k	300
Building with undercover storage at Dawson Creek for 2,000t	C$k	400
Power installation	C$k	50
Additional processing equipment (to increase production to 20t/hr)	C$k	420
Conveyors, load out hopper with weigh scales	C$k	100
Drying equipment for rock processing	C$k	200
Subtotal	**C$k**	**2,070**
Engineering design (+10%)	C$k	207
Contingency (+20%) and unallocated items	C$k	423
Total	**C$k**	**2,700**

Indicated and Inferred Resource

The combined Inferred and Indicated resource of 1.54Mt @ 21.6% P_2O_5 (at a 7% cut-off) has been calculated to a depth of 30m along a strike length of 12.5km. Refer to ASX announcement "*Fertoz upgrades Wapiti phosphate resource*" released 12 May 2015. The resource classification is shown below in Table 3.

Table 3: Wapiti East Resource

Depth below surface max (m)	Category	Tonnes (M)	P_2O_5 (%)	Al_2O_3 (%)	CaO (%)	MgO (%)	SiO_2 (%)	Fe_2O_3 (%)
30	Inferred	0.73	21.3	1.9	43.6	1.3	13.7	1.2
30	Indicated	0.81	22.3	1.96	43.1	1.3	14.0	1.3
30	**Total**	**1.54**	**21.6**	**1.9**	**43.4**	**1.3**	**13.8**	**1.3**

Note: Estimated using a 7% P_2O_5 cut-off, Density of 2.85g/cm^3, polygonal method

About Fertoz

Fertoz is an emerging agribusiness progressing towards commercial production in North America and an expanding fertiliser distribution business in Australia.

Fertoz is exploring for high-grade phosphate resources in Canada and the United States of America, two of the largest agricultural economies in the world and both of which are net phosphate rock importers. Fertoz has two projects in Canada – Wapiti (East and West), and Fernie (Marten, Barnes Lake, Crows Nest), which are all proximate to infrastructure – and an option on a project in Idaho, USA, again proximate to infrastructure. Fertoz is targeting small, high-grade resources in the Americas that can be commercialised quickly and inexpensively, with high-grade product sold to organic farmers, conventional farmers or third-party fertiliser plants.

Fertoz also has the FertAg JV in Australia set up to distribute fused calcium magnesium silicate phosphate products to counter the acidic soils found across much of Australia's key farming regions. FertAg products provide valuable macronutrient conditioning to soils while reducing unnecessary contamination of creek and reef systems through its slow release properties

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Competent Persons 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 document may contain forward-looking statements. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statement.

Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Fertoz. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates.
Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document.

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APPENDIX 1 – JORC Code, 2012 Edition Table 1 report

Table 1 – Section 1, Sampling Techniques and Data – Wapiti

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Sampling has been conducted historically using mapping, rock chip, channel samples and diamond drilling. Recent work has been based on bulk sampling of mineralised material and analysis of mined material. • In 2014, 1,200t of material was mined using a hydraulic bucket loader. Mining control was conducted visually and with the aid of hand held GPS within areas interpreted to be mineralised by prior diamond drilling. • Representative samples of mined material were then analysed using hand held XRF. Procedures for check assaying and standards are listed elsewhere in this report. • A total of 62 diamond drill holes have been drilled for 2098m in 2013 (BTW size). Holes are generally angled towards 227° between 45° and 60°. Drill core samples were selected to lithological boundaries and mineralization and recorded mineralogy, lithology, grainsize, texture7 diamond drill holes were drilled in 2012 (ATW size) to confirm 2008 and 1980 results at the road showing and as a check sub-surface 1980 deeper drilling at DDH 6-11,12. The results show a good correlation up dip from the 1980 intersections sufficient for the inclusion of ESSO drilling in resource estimation. • 12 drill holes were drilled in 1980 by Esso with NQ size core using a Long year size drill • The drill hole collar locations are picked up by handheld GPS. Drill samples were logged for lithological, weathering, wetness and contamination. Sampling was carried out under QAQC procedures as per industry best practice • Samples were crushed, dried and pulverized (total prep) to produce a representative 10g sub sample for analysis by Induced Coupled Plasma ("**ICP**") Optical Emission Spectrometry ("**OES**") for trace elements, using a QAQC compliant Laboratory, and XRF, routinely checked against assays, for whole rock.

Criteria	JORC Code explanation	Commentary
Sampling techniques (cont.)		• The following elements were analysed Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, p, Pb, Sb, Sc, Sr, Te, Ti, Tl, V, W, Zn and whole rock Al_2O_3, BaO, CaO, Cr_2O_3, Fe_2O_3, K_2O MgO, MnO, Na_2O, P_2O_5, SiO_2, TiO_2, SrO. • Diamond core is BTW size, sampled on geological intervals (0.2m to 1.2m); cut in half core to give sample weights under 3kg. Samples were crushed, dried and pulverized (total prep) to produce a sub sample for analysis by four acid digest with an ICP Mass Spectrometry ("**MS**") finish and XRF by a third party laboratory using QA calibrated equipment • The samples collected are considered representative of the intervals as no unusual bias has been identified.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling to date has been diamond drilling (62 holes-2013) with BTW sized core. • 7 holes in 2012 using ATW core BBS-1 drill • 12 holes 1980 using a Long year 34 with NQ sized core
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For diamond drilling core recoveries are logged and recorded on hard copy drill logs. Overall recoveries are >95%. There are no core loss issues or significant sample recovery problems • Diamond core depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers and recorded onto core blocks for reference. • Diamond core drilling has high recoveries and is considered to preclude any issue of sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill samples for each hole were photographed. Logging of diamond core recorded lithology, mineralogy, mineralization, structural (DDH only), weathering, colour and other features of the samples. Core was photographed in wet form. • All drill holes were logged in full • Mined material was logged and representative cross sections of the exposed face of the mineralised horizon logged and compared to drilling.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All core was cut in half at the site using a core saw. • At this stage of the project field QC procedures involve the review of laboratory supplied certified reference material and in house controls, blanks, splits and replicates are analysed with each batch of samples. These quality control results are reported along with the sample values in the final analysis report. Selected samples are also re-analysed to confirm anomalous results. • The sample preparation of diamond core follows industry best practice involving oven drying, coarse crushing of the half core sample down to ~10mm followed by pulverization of the entire sample (total prep) using Essa LMS grinding mills to a grind size of 85% passing 755 micron. • Duplicates have been taken. Samples are selected to weigh less than 3kg to ensure total preparation at the pulverization stage. • The sample sizes are considered to be appropriate to correctly represent the sought after mineralization style. • Selected samples from bulk sample mining were taken to be representative of the mined material by geologists on site supervising the mining.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• For diamond drill samples the analytical techniques used a four acid digest and multi element suite with ICP/OES or ICP/MS finish. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica based minerals. • XRF methods were routinely employed and checked against assays. Variations between standards and chemical analysis are within industry acceptable standards. • Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No twin holes have been drilled at Wapiti however historical data from 1980 and 2008 was verified with follow up trenching and drilling in 2012. • Primary data was collected using a set of standard Excel templates on paper and re-entered into laptop computers. The information was sent to Fertoz' in house database manager for validation. • No adjustments or calibrations were made to any assay data used in this report. • Hand held XRF analysis has been compared to chemical analysis. Variations in results are within industry acceptable standards.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations were recorded using handheld Garmin GPS. Elevation values were in AHD RL and values recorded within the within the database. Expected accuracy is + or – tm for easting, northing and 10m for elevation coordinates. • Diamond drill holes were not down hole surveyed since the holes were short. • The grid system is UTM (zone 10). • Topographic surface uses handheld GPS elevation area which is adequate at the current stage of the project • Bulk sampling was conducted within mapped extensions of mineralised limbs of the phosphate bearing horizon at Wapiti
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The nominal drillhole spacing is 20m to 200m (northing). • Diamond drilling is designed and spaced to intersect perpendicular to the mapped mineralization. • The domains have not yet demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource and Reserves and the classifications applied under the 2012 JORC Code. • Bulk sample locations were in areas near, historical drilling within limbs of mineralised horizon.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Diamond Is drilled towards grid east at angles varying from 45° to 60° in order to intersect the mineralized horizon. • No orientation based sampling bias has been identified in the data at this point.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Fertoz. Samples are stored on site and either delivered by Fertoz personnel to Port Coquitlam and then to the assay laboratory or delivered to AGAT personnel in Tumbler Ridge. Whilst in storage, they are kept on a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review of the data management system has been carried out.

Table 1 – Section 2, Reporting of Exploration Results – Wapiti

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The drilling is located wholly within Permit MX-9-056 Mine No. 1641109. The tenements are 100% owned by Fertoz. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Esso Minerals conducted work in 1978 to 1980 culminating in drilling of 12 holes. Work in 2008 by Pacific Ridge confirmed trench results previously done by Esso.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type is stratiform upwelling phosphate zones.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* – *easting and northing of the drill hole collar* – *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* – *dip and azimuth of the hole* – *down hole length and interception depth* – *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No new individual drill hole results are reported in this announcement. • All results in December 2013 Quarterly Report and Xstract IGR Report July 2013 (IPO Prospectus – 15 July 2013) .
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All reported assays have been length weighted • No metal equivalents were used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The dip of the mineralized horizon varies between 45° and 55°, at early stage of exploration • The drilling at mainly 45 + 60gives roughly cutting the zone at right angles at this early stage of exploration • Exposure of mineralisation at the working face of trial mine pits and bulk sampling confirms drilling interpretation.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figure 1
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Detailed results have been provided in the December 2013 Quarterly Report and Xstract IGR Report July 2013 (IPO Prospectus– 15 July 2013).
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The Mineral resource is calculated using a weighted average grade times by the thickness (Sectional) methodology. Extrapolations are made between area of high-density drilling, and lower density drilling based on geological observations, mapping, sampling, trenching and additional surface exploration work including bulk sampling and trial mining conducted subsequent to drilling activities.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Reconnaissance core drilling and bulk sampling is proposed. The work to date is sufficient for the current review. Further work is not immediately required.

Table 1 – Section 3, Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Data taken from digital files – produced by Assay Lab, original drill logs proofed by at least 2 persons, final drill sections reviewed by originator and geologist.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Competent person on site during entire drill program, all core logged by competent person. The competent person was on site and supervised bulk sampling.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The sedimentary, syngenetic nature of the deposit was closely observed in drill holes and on surface. Concentration of P_2O_5 and overall sedimentary environment extremely uniform over the strike length observed. The deposit and geological environment is uniform over 27 kilometres. It consists of four phosphate zones: a) Red Deer syncline east limb – 13.64 km b) Red Deer syncline west limb - 8.14 km c) Red Deer syncline west-west limb – 1.5km d) Wapiti syncline – 3.7 km
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The phosphatic horizon has been observed over 27 kilometres having uniform thickness and grade. The Inferred Mineral Resource is based on 12.5 km strike length, outcropping at surface to a depth of 30m. It is made up of 4 zones: a) Red Deer syncline east limb – 5.6km b) Red Deer syncline west limb - 4.3km c) Red Deer syncline west-west limb – 1.5km d) Wapiti syncline – 1 km Average seam width is 1m with width ranging from 0.95 to 1.13m. Average P_2O_5 grade is 21.6% with grade ranging from 18.6% to 23% with a 7% P_2O_5 cut-off grade. Average bulk sample width is 1.3m wide by 85m long by 6m deep. The Indicated Mineral Resource represents 5.7km of the 12.5km Inferred Mineral Resource strike length. It is made up of 2 zones: a) Red Deer syncline east limb – 5.0km b) Red Deer syncline west limb – 0.7km

Criteria	Explanation	Commentary
Estimation and modelling	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	a) Geological Domain: Polygons (domains) were drawn on digital vertical cross-sections, which included all drill hole data (lithology & assays) when available. If sections did not have proximal drill data, estimates based on surface trenching to obtain approximate true width and geological mapping to ascertain dip and dip direction of mineralised sediments was used. In determining the extent of the polygon, two grades of 7% and 20% P_2O_5 were applied as the cut-off grade values to volumes. This provides a surface area value. b) As part of the geological domain creation, the 2D polygons generated in Step1 are extrapolated along strike. In the case of areas with suitable drill density, by using a 'half drill hole spacing' to determine the extent of extrapolation. When there is not sufficient drill hole information, polygons are extrapolated according to available surface sampling and trenching data points. This information allows the construction of 3D solids. This provides a volume value. c) Tonnage: Volume is multiplied by the density value as determined in laboratory testing. Stoichiometric analysis of whole rock samples was also conducted to ensure empirical calculations were accurate. A density value of 2.845g/cm^3 has been applied to mineralised phosphate-bearing sediments at Wapiti. d) Grade: Was determined by the used of weighted averages (width/grade) based on downhole length and assay when drill information was available, or trench samples and true width interpretations when drilling was not proximal. This creates a grade value. e) In addition to P_2O_5 the resource model includes estimated CaO, Fe_2O_3, Al_2O_3, MgO, SiO_2 f) No Acid Rain Drainage (ARD), large carbonate content, independent report produced on evaluating ARD issues g) Selective mining unit is the width of the mineralised horizon, and length is as per mining requirements. Depth has been proven to 9m with current equipment.

Criteria	Explanation	Commentary
Estimation and modelling techniques (continued)	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Direct correlation of Phosphate zone from Hole to Hole and trench data. Grade uniform. The estimation of the 12.5km strike length for the 4 sections which made up the Inferred Mineral Resource are as follows: a) The Resource estimate on east Limb of Red Deer Syncline was determined from drill hole and trench data over a length of 5.6km including an extrapolation to the south of 750m from the nearest drill hole. The phosphate zone extended a further 2.5km. Closely spaced drill holes 40m apart over 540m and 420m strike lengths approximately 2km apart confirmed uniformity of the phosphorate zone. b) The Resource estimate on the west Limb of Red Deer Syncline was determined from drill hole and trench data over a length of 4.3km including an extrapolation of 400km to the south along a phosphate zone which extended a further 9.3 km. Closely spaced drill holes 20m to 40m apart over a strike length of 480m confirmed uniformity of phosphorate zone. c) The Red Deer Syncline "west-west" limb closely paralleled the west limb for 1.5km and the Resource estimate was based on a 750m extrapolation in both directions from trench data. d) The Resource estimate on Wapiti Syncline was determined from drill hole and trench data over a length of 1km including an extrapolation of 250m to the south along a phosphate zone which extended in both directions for a further 2.7 km. e) the Average bulk sample width is 1.3m wide by 85m long by 6m deep. f) The indicated reserves strike length of 5.7km is: the Red Deer Syncline West Limb, 0.69km; the Red Deer Syncline East Limb North 3.64km; the Red Deer Syncline East Limb South 1.36km.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	Cut-off based on resulting average grade for possible phosphate product assumed to be >20% P_2O_5

Criteria	Explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	With a maximum depth of 30m the resources appear amenable to open pit mining. Narrow seam trenching model. Sorting possible through portable XRF grade control. A suitable mining method was developed during the 2014 bulk sample extraction using a steeply dipping slot. Other mining techniques were successfully developed to extract more gently dipping zones. Current permitting allows 17,500 tonnes to be extracted. It is assumed that mining will be conducted with backfill of overburden and waste into previous mined areas.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Low heavy metal analysis and testing using NAC (Neutral Ammonium Citrate) Leach indicates suitability as a direct application fertiliser.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a green fields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Environmental studies were completed as part of a small mine application (< 75,000 tpa). Baseline flora and fauna studies have not indicated any impediments to mining at this stage and approval has been granted to extract 17,500 tonne bulk sample. Back-filling of trench expected to proceed shortly after mining.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	S.G. determination was performed by MetSolve Laboratories in Vancouver. There are two sets of results since the S.G. tests on the “as-received” material had some of the material still had bits of small 1.0 mm rocks in them. Pulverized samples were also tested. The average S.G. of the pulverized phosphate rock is 2.845 (2 tests + 1 Quality Control) It was based on sample size of approximately 105 grams per test. The S.G.s ranged from 2.836 to 2.856. The average S.G. of the as-received phosphate rock is 2.904 (2 tests + 1 Quality Control). The results ranged from 2.893 to 2.914. Approximately 330 grams were used per test. The average S.G. of the pulverised sample was used in resource calculation estimation.

Criteria	Explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	12.5 km of 27km phosphate horizon up to 1.1 m in width and 30m in depth are reported as Inferred or Indicated Mineral Resource. Within this horizon, areas which have been closely drilled and are influenced by the data from bulk sampling have been upgraded to Indicated. Due to uniformity of phosphate horizon a distance of up to 750m from drill or trenching data is used in calculations. Uniformity was confirmed with close space drill holes of between 20m and 40m over distances of 540m and 420m on East Limb and 480m on West Limb The total phosphate horizon of 27km is included in the estimation of an Exploration Target.
Audits or reviews.	• *The results of any audits or reviews of Mineral Resource estimates.*	No outside audit performed
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Sufficient exploration activity has been undertaken to provide a high degree of confidence in the spatial distribution of phosphate mineralisation. The uniform nature of grade distribution and unit thickness is advantageous in modelling Inferred and Indicated Resources. Drill density (20m sections in selected zones) can be decreased (greater spacing) in future and still obtain sufficient confidence for Inferred and Indicated classification. Support from bulk sampling shows that wider spaced drilling can be used to support Inferred and Indicated classification as appropriate.