



16 May 2019

ASX RELEASE / MEDIA RELEASE

## Progress on permitting and phosphate distribution agreements

### HIGHLIGHTS

- **Fertoz signs Distribution Agreement with Thompsons Limited, a full-service agri-business with 12 branches throughout Ontario and significant exposure to the eastern Canadian organic sector**
- **Fertoz signs Supply Agreement with Humic Growth Solutions for Canadian sales**
- **Secures Bulk Sample Permit at Marten and Exploration License for Barnes Lake**
- **Awarded distribution rights for high-quality recycled gypsum that will complement existing products**
- **Deliveries ramping up after record-breaking cold winter**
- **Marketing outreach campaign underway to organic farmers in Canada**

Organic phosphate development company, Fertoz Ltd (“Fertoz” or the “Company”, ASX: FTZ) is pleased to provide an update regarding operational achievements in the current quarter to date.

Fertoz Executive Chairman Patrick Avery stated:

*“We are pleased to announce that, in addition to the Bulk Sample Permit awarded to us for the Alberta section of our Fernie leases, we have also secured a Bulk Sample Permit for the Marten property of the Fernie leases, located in British Columbia, Canada. We are very excited to have been granted the Bulk Sample Permit by the BC Government, coming hot on the heels of the Exploration License that the same authorities have granted us for Barnes Lake. Bulk Sample Permits allow us to mine our own deposits, and achieving this milestone will empower us to send high-quality, high-availability phosphate ore to the numerous organic farms in Canada looking to trial our products.*

*“The ore we mine from our Fernie leases will complement that which we have stockpiled at Deer Lodge, Montana and ore that we intend to mine from the approved Alberta leases. Trucks have already commenced collecting products from our processing facility at Butte for spring planting application. Even though we have just come through a record-breaking cold winter, with snow falling as recently as two weeks ago in many of our target farming communities, we are confident of being able to catch up delayed deliveries over the season.*

*“We have recently added a new product to our mix – a high quality gypsum. Many farmers ask for this and until now, we have not been able to supply it. We are pleased to have now signed an agreement with*

ASX : FTZ



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#### Board of Directors

Executive Chairman  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Company Secretary

P. Avery  
S. Richardson  
J. Chisholm  
A. Byass  
J. Stedwell

#### Key Projects

Wapiti  
Fernie

Ownership: 100%  
Ownership: 100%

**Fertoz Ltd**

A.C.N. 145 951 622

*Pacific Recycling in Surrey, BC to supply powdered and granulated gypsum products for our customers, in a deal which will see Fertoz make a margin on each sale.*

*“Continuing our expansion across Canada, we have recently signed a distribution agreement with Thompsons Limited, which deals in farm inputs across 12 branches throughout Ontario. Thompsons have a dedicated organics business unit with which we look forward to jointly growing sales. Thompson’s is a leader in organic farm inputs across the geographic areas in which it operates, primarily from Toronto through to Detroit.*

*“We are also pleased to have signed an additional agreement with Humic Growth Solutions for the Canadian market. Fertoz’s relationship with Humic has developed positively since the Company first announced a Sales and Supply Agreement between the parties on 22 November 2018, which initially covered only the USA. This new Supply Agreement expands the scope of the partnership to include Canada.*

*“Our recent progress on permitting, operations and partnerships reinforces our confidence in hitting our 30,000 – 50,000 tonne volume target for 2019, representing another year of significant growth.”*

The recent award of the Bulk Sample Permit at Marten, along with the Bulk Sample Permit in Alberta, and the existing stockpile in Deer Lodge, will enable the Company to extract sufficient tonnage to meet customer trial and order requirements during 2019 and 2020. Beyond these immediate needs, the Company expects further drilling during summer to add more resource to the Fernie project. Further field work will be undertaken at Barnes Lake, another portion of the Fernie leases, to test for additional shallow high quality, low-impurity phosphate resources. The Company has gained approval to explore this area.

As the Company found in Australia as it grew sales of FertAg 0-8-0, farmers need to know they can get organic fertiliser products quickly (as often weather events can impact fertilising schedules), from a local distributor who knows the products, and that the products have been proven in other farms in the area. This experience drives the Company’s distribution policy, which has seen Fertoz sign up multiple distributors across the USA and Canada to promote the Company’s organic fertiliser products.

The Company has just signed a distribution agreement with Thompsons Limited, based in Ontario, Canada. Thompsons has 12 branches in Ontario, providing specialised farm services to crop and vegetable growers in the areas surrounding the branches.

Further to the new agreement with Thompson’s Limited and the appointment of Blairs as a distributor as announced on 29 April 2019, the Company has now secured distribution agreements with:

- Federated Co-Operatives Ltd – 170 branches including 98 retail centres across western Canada
- Blairs – 10 branches in Saskatchewan, Canada
- Thompsons Limited – 12 branches in Ontario with extensive organic input experience
- Seven Springs Farms – Virginia, USA
- Ag Unlimited – now part of the GrowWest brand, a Lyman Ag company based in California, USA with 3 farm supply centres in California

Fertoz is also progressing distributor initiatives with Limoges Seed Farms, Providence Grain Solutions, and others with more expected to follow in the coming months.

The Company also now has two Supply Agreements with Humic Growth Solutions, one covering the USA and one for Canada. The Company has just signed a Supply Agreement with Humic Growth Solutions (HGS) covering Canada manufacturing and sales.

Fertoz announced and commenced the Sales and Supply contract with Humic Growth Solutions for the USA on 22 November 2018. HGS is a leading global supplier of soluble humic powder, granulated and liquid products. The parties are actively working towards the establishment of a joint venture to facilitate a series of value-added rock phosphate and humic products. The parties' 10 Year Sales and Supply Contract for the USA targets 12,000 tonnes in CY19, 28,000 tonnes in CY20 and yearly increases thereafter.

HGS mines their high-quality humic products from northern Alberta and have processing facilities in Brooks, AB. The new supply agreement will target growing to 20,000 to 50,000 tonnes per annum in Canada over the next several years.

Fertoz has also just signed an agreement to source high quality gypsum from Pacific Recycling in Surrey, BC. Gypsum is a common soil amendment in acidic soils and even though there are gypsum deposits in the Company's target farming communities, the quality and price vary greatly.

After reviewing various potential suppliers, the Company has settled on a deal with Pacific Recycling. Pacific Recycling collects only unused, constructions dry wall pieces, removes the paper and recovers the clean, high-quality gypsum. Fertoz often receives customer requests for gypsum, and will now be able to consistently offer high quality gypsum in powder and granulated form.

The Company continues to market its high-quality fertiliser products directly to organic farmers. This campaign has been designed as a direct result of market research undertaken by the Company over the last six months that highlights that many organic farmers in Canada and the USA are not aware of the availability of competitively-priced organic inputs. Further to this research, the Company is also reviewing the potential to co-locate processed ore and granulated fertiliser products at various sites across Canada and the USA to facilitate rapid delivery to local farms.

**For further information, please contact:**

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