

Fertoz

30 OCTOBER 2019

ASX RELEASE / MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2019

HIGHLIGHTS

- Fertoz signs multiple distribution agreements; significant expansion of sales channels
- Awarded bulk sample permit for Marten deposit in British Columbia and extracted first phosphate on Alberta leases
- First container of FertAg 0-15-0 despatched to Philippines, appoints experienced sales manager and Philippines distributor
- Poor weather impacts 2019 sales in North America and Australia
- Experienced North American fertiliser executive, Ron Wilkinson appointed as a Non-Executive Director

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ) is pleased to provide an update of activities during the quarter ending 30 September 2019.

Fertoz Executive Chairman Patrick Avery stated:

"We were pleased to announce FertAg's first shipment into the Philippines during the quarter, which was the culmination of nine months of hard work. This followed FertAg's earlier expansion into the Western Australian and New Zealand markets. FertAg has also recently sold a container into Papua New Guinea with product due to arrive early November. Les Szonyi has done a great job in expanding the FertAg business in the face of one of the worst droughts in the Eastern regions of Australia for the last century.

"Our key grower regions in North America also suffered some severe weather events this year and that has impacted sales. However, we have started getting deliveries going again for winter plantings, and during the quarter, we also made good progress on our Wapiti and Marten Projects. As shareholders would have seen from recent press releases, we are also gaining the attention of some major agricultural companies. This, coupled with the results of on-going field trials is leading to an increasing number of farmers and distributors wanting to trial our fertiliser products, so although our progress to date has taken longer than we had planned, the future looks extremely bright.

"With some of our third-party fertiliser manufacturers now finished with their plant upgrades, we also expect to benefit from increasing orders as they ramp up production over the coming year."

ASX: FTZ



Registered Office

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Board of Directors

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

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

Key Projects

Wapiti
Ferne

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

SUMMARY

North America

- Bulk sampling commenced at the Alberta leases in August;
- Multiple phosphate zones identified through surface mapping across the Marten project, in both Alberta and British Columbia;
- Water monitoring undertaken at Wapiti as a precedent to securing a small-mine permit; application process for permit still underway with a number of questions raised by the BC Mining Regulator answered during the quarter;
- Blairs Ag signed a 15,000t Supply Agreement, with the first 5,000t to be delivered over the coming months;
- Archer Daniels Midland Co (NYSE: ADM), one of the largest agricultural businesses in the world, will offer Fertoz products;
- Saskatchewan-based Ponderosa Ag has signed a Distribution Agreement with Fertoz;
- AgVend, an on-line agricultural marketing platform, now promoting Fertoz products;
- Humic Growth completed their Idaho granulation plant and have started accepting deliveries of Fertoz products for blending with humates;
- Chicken manure, alfalfa and volcanic rock dust blends all tested during the quarter – Fertoz expects to announce additional distributor and/or supply agreements prior to year-end;
- Deliveries ramping up on good-weather days during the quarter, albeit rains and early snow delayed some deliveries in some areas during the quarter – Fertoz expects to make up these deliveries in October through December;
- Secured organic farming database with contact details of farmers proximate to Fertoz distributors and partners – Fertoz is now targeting organic farmers close to these centres in British Columbia, Alberta, Saskatchewan, Manitoba, Oregon, Montana and Washington;
- A number of other distribution, partnership, sales and processing agreements are in the works.

International expansion

- Dennis Northey appointed as FertAg Philippines sales manager based in Mindanao
- FertAg approved for import and sale in the Philippines by the Philippines Fertiliser and Pesticide Authority
- Order of first container of 24 tonnes of FertAg 0-15-0 in 50kg bags for delivery to Cayagan de Oro, Philippines and shipped on 18 August 2019

Australia & New Zealand

- Eastern Australia drought significantly impacted planned deliveries – like North America, farmers chose to claim insurance rather than fertilise and plant
- In the quarter, FertAg has focussed on developing business in the Atherton Tablelands west of Cairns, Queensland as it is well irrigated. The first container was delivered in late October
- FertAg has appointed a distributor in Papua New Guinea. A container of 24 tonnes of FertAg 0-8-0 in 50kg bags has been purchased with delivery expected early November
- FertAg 0-8-0 is undergoing analysis in Canada as a precursor to organic certification in North America

Planned Activities for December Quarter 2019

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

- Promoting results of farm trials to all distributors and partners to generate interest and sales
- Ramping up deliveries of processed ore to farmers and distributors now that the weather has stabilised in key North American target markets
- Ensuring sufficient tonnage is in storage in Butte, Montana to launch an early 2020 sales campaign

SAFETY

There were no lost time injuries or environmental incidents recorded during the quarter ending 30 September 2019.

CORPORATE

Cash

The Company has A\$1.07 million in cash as at 30 September 2019 and no significant loan balances owing.

Fertoz Tenements

A list of tenements is provided in Appendix 1.

For further information, please contact:

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APPENDIX 1- TENEMENTS

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Canada					
Wapiti Project - British Columbia, Canada					
Wapiti East					
WK-1	851942	100%	450.83	4/21/22	Fertoz International
WK-2	851948	100%	451.02	4/21/22	Fertoz International
WK-3	851952	100%	375.66	4/21/22	Fertoz International
WK-4	851958	100%	451.2	4/21/22	Fertoz International
WK-5	941760	100%	450.83	4/21/22	Fertoz International
WK-6	941761	100%	469.87	4/21/22	Fertoz International
WK-7	941762	100%	432.07	4/21/22	Fertoz International
WK-8	941763	100%	413.49	4/21/22	Fertoz International
WK-9	941764	100%	451.33	4/21/22	Fertoz International
WK-10	941769	100%	432.53	4/21/22	Fertoz International
WK-11	955278	100%	470.31	4/21/22	Fertoz International
WK-12	956829	100%	37.56	4/21/22	Fertoz International
WK-One	982744	100%	18.8	4/21/22	Fertoz International
Wapiti NE	1015556	100%	375.54	4/21/22	Fertoz International
Wapiti Two	1015557	100%	168.93	4/21/22	Fertoz International
Wapiti South	1015558	100%	376.35	4/21/22	Fertoz International
WAP S2	1018104	100%	451.82	4/21/22	Fertoz International
WAP S3	1018106	100%	451.75	4/21/22	Fertoz International
WAP S4	1018107	100%	451.93	4/21/22	Fertoz International
WAP S5	1018108	100%	452.09	4/21/22	Fertoz International
WAP S6	1018109	100%	452.3	4/21/22	Fertoz International
Red Deer 1	1023921	100%	150.2	4/21/22	Fertoz International
Red Deer 2	1023922	100%	206.3	4/21/22	Fertoz International
Red Deer 3	1023923	100%	150.1	4/21/22	Fertoz International
Munok	1029417	100%	207.38	4/21/22	Fertoz International
Munok 1	1015626	100%	169.58	4/21/22	Fertoz International
Belcourt 1	1015627	100%	113.27	4/21/22	Fertoz International
Munok 2	1024783	100%	603.05	4/21/22	Fertoz International
Belcourt 2	1024803	100%	301.76	4/21/22	Fertoz International
Belcourt 3	1024806	100%	188.7	4/21/22	Fertoz International
Belcourt 4	1024805	100%	339.78	4/21/22	Fertoz International
Belcourt Link	1027037	100%	282.59	4/21/22	Fertoz International
WAP 11	1027038	100%	168.94	4/21/22	Fertoz International
South 1	1029488	100%	112.64	4/21/22	Fertoz International
South 2	1029489	100%	376.16	4/21/22	Fertoz International
South Road 2	1030777	100%	413.66	4/21/22	Fertoz International
Wapiti Project total			11,870.32		

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Fernie Project					
Barnes (formerly Barnes Lake)					
Barnes Lake	1011319	100%	608.98	5/19/22	Fertoz International
BL 2	1020873	100%	629.88	4/18/22	Fertoz International
BL 3	1046619	100%	524.89	1/12/22	Fertoz International
Barnes Lk West	1055454	100%	83.97	10/09/22	Fertoz International
South of Alberta 1	1059393	100%	309.31	3/17/22	Fertoz International
Barnes 5	1059412	100%	104.96	3/18/22	Fertoz International
Coal Mountain 1	1059422	100%	230.78	3/19/22	Fertoz International
Barnes Subtotal			2,492.77		
Pump Station (formerly known as Crows Nest)					
Crows Nest	1023062	100%	1450.89	10/15/2021	Fertoz International
Crows 2	1023064	100%	38.67	10/15/2021	Fertoz International
Pump Station Subtotal			1,489.56		
Marten					
Marten 1	1024365	100%	754.32	6/29/21	Fertoz International
Marten 2	1025533	100%	460.86	6/28/21	Fertoz International
Marten Nth	1029979	100%	334.99	8/01/21	Fertoz International
Marten E	1031107	100%	188.48	9/23/21	Fertoz International
Marten Subtotal			1,738.65		
Mt Lyne					
Mt Lyne	1058747	100%	41.57	8/20/20	Fertoz International
Mt Lyne Subtotal			41.57		
Graves Lake					
Graves Lake 1	1046685	100%	499.54	10/14/22	Fertoz International
Graves 2	1058774	100%	208.29	10/22/22	Fertoz International
Graves 5	1063603	100%	208.42	10/04/21	Fertoz International
Graves 5	1063646	100%	83.38	10/06/21	Fertoz International
Graves 6	1063647	100%	228.87	10/06/21	Fertoz International
Graves 7	1063598	100%	166.44	10/04/21	Fertoz International
Graves 8	1063648	100%	41.60	10/06/21	Fertoz International
Graves 9	1063655	100%	41.61	10/07/21	Fertoz International
Graves 10	1063656	100%	41.66	10/07/21	Fertoz International
Graves Subtotal			1,519.81		

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
Big Horn					
RAM 1	1047502	100%	126.72	29/10/2021	Fertoz International
RAM 2	1050068	100%	253.48	16/03/2021	Fertoz International
RAM 3	1050069	100%	168.93	16/03/2021	Fertoz International
RAM 4	1050660	100%	105.64	3/10/21	Fertoz International
RAM 5	1050661	100%	295.58	3/10/21	Fertoz International
RAM 6	1050662	100%	253.5	3/10/21	Fertoz International
BIGHORN 7	1050686	100%	211.28	3/10/21	Fertoz International
Bighorn Southwest	1057281	100%	211.28	10/29/21	Fertoz International
BIG HORN Subtotal			1,626.39		
Fernie Project Total			8,908.75		
Crowsnest, Alberta, Canada					
TWP	9318030431	100%			Fertoz International
TWP	9318100162	100%			Fertoz International
Alberta Subtotal					
Canada Total			20,779.07		