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Fertoz Releases Strong 12-Month Field Trial Results

HIGHLIGHTS

- **Results of several field trials started in October 2018 show materially stronger growth of organic crops attributable to the application of Fertoz inputs across multiple regions in Canada**
- **Yields on Fertoz-treated fields are up to 25% higher compared to untreated samples, reiterating Fertoz's value proposition to producers across North America's fast-growing organic ag market**
- **Farmers report easy use regardless of application method, observable health in plants fed with Fertoz products, increased yields and good root growth**
- **More trials and an intensified education and marketing program are underway, with continued positive trial results to drive future sales growth**

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ) is pleased to provide an update on progress of field trials of the Company's rock phosphate-based fertiliser products conducted over the last 12 months.

Fertoz Marketing Manager, Reanne Pernerowski, stated:

"We are pleased to provide an update on a number of field trials conducted in Canada over the last year. The results speak for themselves – the addition of Fertoz products can improve yields and plant growth and farmers are happy with the results.

"We continue to undertake field trials and will report regularly over the coming 12 months as more results come to hand. I'd like to take this opportunity to thank all those farmers who participated and also thank our Fertoz personnel for diligently following up the trials to ensure we can monitor and map our results. This enables us to show customers the great potential offered by Fertoz products."

Canadian Field Trials

In October 2018, organic farmers in Western Canada were offered 500 kg supersacs of rock phosphate and sulphur blends (70:30) to try in their fields as part of a promotional campaign to demonstrate the effectiveness of Fertoz rock phosphate. Depending on regional weather conditions, producers were encouraged to apply the product at 300 lbs/acre in the autumn or the following spring before seeding. Enough product was supplied to cover 3-4 acres in a "treated" strip, while the remainder of the field was left "untreated".

The primary objective of the trial was to get rock phosphate into the hands of organic producers in the Canadian prairies to raise brand awareness of Fertoz, and earn feedback (testimonials) on product application and effectiveness.

All of the producers were happy with the flowability of the product through their equipment, being air seeders and fertiliser spreaders. The next key finding was that many organic producers don't typically have access to inputs that are approved for use on their fields (i.e. organic fertilisers) and were pleasantly surprised to learn that practical options are now available for organic fertilisers. This underscored the need for Fertoz to intensify its education and marketing to raise awareness of its organic fertiliser products with organic farmers.

Multiple parties including Blairs Ag, the Mackenzie Applied Research Association (MARA), Fertoz and individual producers conducted plant counts during early emergence of the planted crops. Fertoz rock phosphate provided better emergence in 83% of the total counts with an average increase of 15% emergence from treated strips. Given weather and soil variability across the Prairies, the 17% of total counts that did not lead to an increase was no surprise. Further tests in the coming year will seek to modify the rock phosphate/sulphur blend and the application rate in areas with low emergence.

Spring soil samples were collected at most of the organic field locations. Soil phosphate comparisons between treated and untreated fields showed lots of variation due to location, soil type, application timing, weather and moisture. Most producers applying Fertoz's blend saw an increase in soil P levels (5 ppm average increase); however, phosphorus availability was minimised by dry conditions in the spring and late spring product application. Where no treatments were applied, approximately half of the fields tested returned results within the very low to medium phosphate range, indicating that Canadian Prairie Organic soils are often deficient in phosphate. Rock phosphate is a suitable input for phosphorus deficient organic soils.

Figure 1: Alix Alberta – Multiple Rate Study

Figure 2: Increased plant growth on RHS with application of Fertoz products

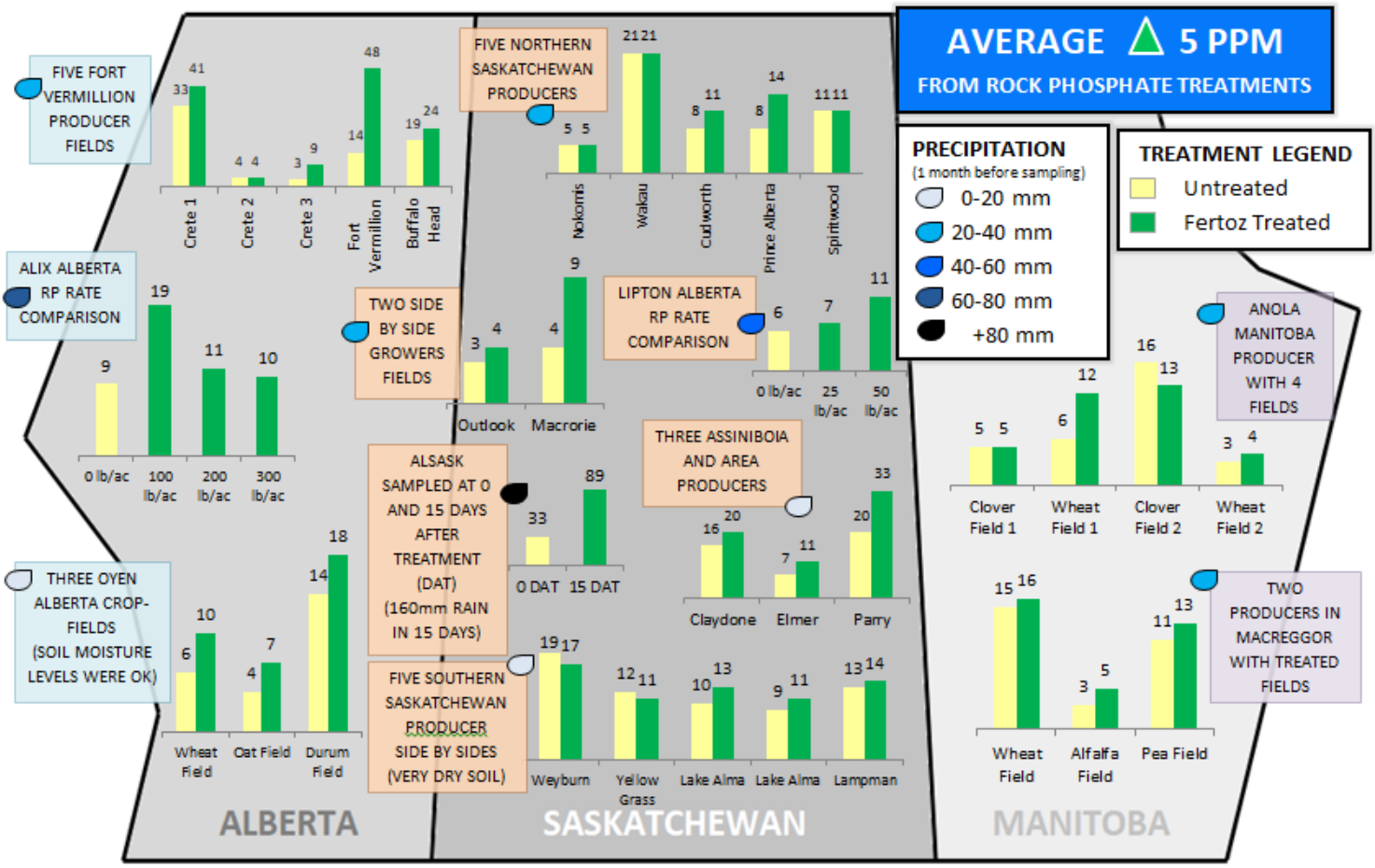

Figure 3: Summary of major findings of the Oct '18 to Oct '19 Field Study

As displayed in the chart above, fields in Weyburn, Saskatchewan clearly demonstrated the benefits of rock phosphate on wheat from emergence through early growth, crop development, and yield. After collecting and testing plant tissue samples, Fertoz rock phosphate was found to increase wheat tissue phosphorus levels from low (25 ppm) to sufficient (39 ppm) range. Wheat heads were double the size in the treated strip. Yield was 25% higher in the Fertoz treated field with a 4-5 bu/ac increase from 20 to 25 bu/ac. With organic wheat prices at approximately $18 per bushel, the field will return a good profit.

Figure 4: Wheat results, Weyburn, Saskatchewan

In La Crete, Alberta, an organic producer's wheat field gave variable yields, indicating this year was a very poor year with lots of crop damage due to early frost. Nonetheless, an approximate 5% yield increase was

realised in this producer's treated strip. Another La Crete producer has collected treatment samples of oats and will be obtaining bushel weights.

The Mackenzie Applied Research Association (MARA) saw many positive early growth results in oats from application of Fertoz rock phosphate. More vigorous plants, improved shoot health and greenness, better root development and even emergence were all evident. These benefits were also realised among Saskatchewan producers where strips of treated field appeared greener than untreated areas.

Figure 5: La Crete Alberta – Early Growth Benefits

A Manitoba organic producer collected drone footage of his red clover field strip treated with Fertoz rock phosphate. According to the producer, the footage showed an indication of better growth as a result of the treatment. This producer has also collected yield data from his fall rye harvest and will share the data and drone footage with Fertoz in the month ahead. Fertoz is also expecting harvest data from a producer in Vermillion, AB who used rock phosphate in combination with humates in multiple 1 acre crop plots.

Figure 6: Better plant and root growth on RHS due to application of Fertoz rock phosphate

In Saskatchewan, producers have seen mostly positive results from the application of Fertoz rock phosphate/sulphur blend. In Wakau, SK an organic oat producer testified that he could visibly see a better stand from the treated strip, with also faster maturation and no greens found in his harvested seed. The producer estimated a 65 bu/ac average yield, with a 5 bu/acre increase in the treated strip.

A producer north of Saskatoon, SK saw record high certified organic oat yields of 69 bu/acre in his Fertoz treated field. This producer expects to see residual effects of rock phosphate in future years.

While yield data was not collected from a Lipton, SK field, protein analysis on Fertoz treated organic milling wheat was 1.1% higher, at 13.8% (untreated) and 14.9% (treated).

In Claydon, SK an organic producer averaged 40 bu/ac organic wheat yields and saw visual improvements in crop growth and colour in his Fertoz treated strip. Visual observations are concurrent with other Saskatchewan producer fields in Lapman, Lake Alma and Yellow Grass.

Another site tested different amounts of Fertoz product on fields – 100lbs/ac, 200lbs/ac and 300lbs/ac, with results indicating that farmers need to be aware of their soil composition in order to apply the optimum amount of product.

Figure 7: Multiple application rates testing

Given the extreme weather conditions throughout the prairies this growing season, many producers were challenged with a dry spring and limited growth, delayed harvest, frost damage, weed overpopulation or with a narrow window of opportunity for harvest. One Alberta producer, for example, who treated his field based on variable application rates had to turn and blend his entire crop together in order to dry it sufficiently for harvesting.

Fertoz continues to communicate with producers on yield data as it becomes available. Protein analysis is also underway on selected wheat samples. The Company hopes for more favourable conditions in 2020 in order to continue to monitor the second and third-year effects of rock phosphate on these Canadian fields.

Summary

Recent testing proves that Fertoz develops products that demonstrate clear agronomic benefits to growers. The Company continues to test these inputs in fields on a wide array of geographies, soil types and crops. Fertoz has found that its rock phosphate product delivers significant value to the grower under decent conditions, by improving soil health and crop emergence, early growth, maturity, yield and quality.

Executive Chairman, Patrick Avery, said:

"Field trials and positive results drive future sales. Fertoz will continue to engage farmers, dealer networks and agronomy groups in collaborative trials as positive results are the best evidence to an intending buyer."

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