



30 OCTOBER 2020

ASX RELEASE / MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2020

HIGHLIGHTS

- Fertoz signs distribution agreement with Parrish and Heimbecker (P&H), one of Canada's largest grain and fertilizer businesses
- Fertoz signs distribution agreement with Sylvite to improve the Company's distribution in eastern Canada and northern USA, where Sylvite has been an agricultural input provider for more than 40 years
- Five-year distribution agreements with Sylvite and P&H expected to generate sales of 5,500 tons in year 1 (combined), ramping up to 27,000 tons (combined) by year 5
- Agreements will see Fertoz products distributed through more than 90 additional retail outlets
- Fertoz will work closely with both new distribution partners to develop value-added organic sustainable products, as well as marketing, agronomic studies, and grower outreach
- New distribution agreements will provide better logistics and product blending capability as Fertoz expands its customer base
- Fertoz adding consumer sales, 10 - 25 pound bags, for wholesalers and retailers and Fertoz website sales, allowing Fertoz to reach an entirely new market segment
- Conducted surveys and water quality testing of Fernie area leases

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 2020.

Fertoz Executive Chairman Patrick Avery stated:

"Our signing of distribution agreements with P&H and Sylvite are significant in that will we further extend our distribution in North America through an additional 90 retail outlets. These two companies are large players in the grain and fertilizer business and the ability of Fertoz to secure these agreements validates the quality of the products we offer. Both of these companies are seeing increased trends towards organic and sustainable agriculture and we are pleased to help them meet this demand and expand their businesses. P&H is dedicating a large ag warehouse to 100% organic, and soon we think others will follow this trend.

"These agreements are expected to generate additional sales of 5,000 tons in the first year and up to 27,000 tons per annum by Year 5, adding to our sales book.

"COVID continues to cause issues. Some customer locations have personnel shortages, or staff in

ASX: FTZ



Registered Office

Suite 103, Level 1
2 Queen Street, Melbourne
VIC 3000
Ph: +61 3 9191 0135
office@ferto.com
www.ferto.com

Board of Directors

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

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

Key Projects

Wapiti
Fernie

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

quarantine. Additionally, freight rates across North America have increased significantly. This is due to both COVID causing personnel shortages, and also reduced freight volumes across North America. As well, a lot of trucks are not operating at present, further increasing pricing in the logistics chain. We expect this impact to reduce somewhat in the Spring of 2021. In the meantime, we have modified our pricing to suit these COVID-related conditions.”

SUMMARY

North America

- Fertoz expands organic footprint in North America with distribution agreements signed with Parrish and Heimbecker (P&H), one of Canada’s largest grain and fertilizer businesses, and Sylvite, an agricultural input provider
- P&H is the largest family-owned milling company in Canada, established more than 100 years ago, with 30 retail locations across western Canada
- Sylvite is a full-service agricultural supplier in wholesale, agriculture and transport, with 13 retail locations of its own and partnerships with 47 others through the Sylvite alliance
- New agreements will provide better access to Fertoz products and facilitate the development of new sustainable and organic product offerings
- P&H is dedicating a large warehouse to 100% organic products. Fertoz will supply P&H and Sylvite with products blended from elemental sulphur, potash, nitrogen and the Company’s main product and base ingredient: rock phosphate mined from properties owned and leased by Fertoz in Canada, USA and Mexico
- P&H distribution agreement targets sales goals of 5,000 tons in year 1, 10,000 tons in year 2, up to 25,000 tons per annum in the 5th year of the five-year agreement.
- Sylvite distribution agreement targets sales goals of 500 tons in each of years 1 and 2, 1,000 tons in each of years 3 and 4, and 2,000 tons per annum in the 5th year of the five-year agreement
- Both companies expressed intent to renew contracts based on initial success

- Conducted field surveys in the Fernie lease area and conducted water testing (pictured below)



- Finalising consumer product rollout of 10lb – 25lb bags. Pallets of consumer sized Fertoz products will be sent to wholesalers and retailers, and these products can soon be ordered through our website
- All existing customers are taking volumes for fall, and the Company has picked up several new accounts, but tonnages are down and transport costs have increased
- Our partners, Propeat (a fertilizer manufacturer) and John Pocock Trucking, will begin making a 100% organic product called PhoSul. Fertoz is currently obtaining all organic certifications for Phosul, which will be a 0 N - 16 P – 0 K - 4 S (sulfur) product (i.e. 0 16 0 4)

Australia and Asia Pacific

- Sales were strong in the September quarter in Australia and year to date sales are slightly ahead of budget
- With the easing of COVID restrictions, sales have picked up in the Philippines with firm orders for the next shipment of 48 tonnes due to arrive in November

Planned Activities for December Quarter 2020

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

- Initiating retail sales of Fertoz organic fertilizers. 10lb – 25lb bags will be available through the 200 retail outlets across Canada and the USA as well as being able to be directly ordered via the Fertoz website
- Marketing campaign to third party organic fertilizer businesses to promote the use of Fertoz rock phosphate in their blends
- Continued monitoring of costs and impact of COVID-19 and adjusting workstreams appropriately to ensure the maintenance of the Fertoz brand in North America

SAFETY

There were no lost time injuries or environmental incidents recorded during the quarter ending 30 September 2020.

CORPORATE

Board Changes

On 14 October 2020, Fertoz advised of the resignation of Ron Wilkinson as a Non-Executive Director of Fertoz.

Payments to related parties of the entity and their associates

During the quarter, the Company paid \$74K to directors as director fees and CEO fees.

Cash

The Company had A\$1.3 million in cash as at 30 September 2020 and no significant loan balances owing.

Fertoz Tenements

A list of tenements is provided in Appendix 1.

Authorised by the Fertoz Board of Directors

For further information, please contact:

Pat Avery

Executive Chairman

Fertoz Limited

m: +1 720 413 4520

Tim Dohrmann

Investor and Media Enquiries

NWR Communications

m: +61 468 420 846

APPENDIX 1 – TENEMENT LIST

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		