

Fertoz

19 May 2021

ASX RELEASE / MEDIA RELEASE

Fertoz Establishes Carbon Division

HIGHLIGHTS

- **New Division within Fertoz to focus on carbon sequestration, consulting, activities, trading and implementation of carbon strategies using Fertoz organic fertilizers**
- **Currently in discussions with multiple private land-owners in Canada and the USA in regard to reforestation and native replanting/reseeding works to generate CO2 credits**
- **Multiple party discussions also underway in relation to blending Fertoz low carbon organic fertilizers with conventional fertilizers to significantly reduce farm carbon footprint and increase CO2 sequestration on farms**
- **Derek Squair to lead Fertoz Carbon; Derek has over 25 years of experience in ag, both grains and fertilizers**
- **Carbon Division will help expand the Company's ESG credentials and assist the Company to further develop, educate and promote better agricultural practices to all stakeholders**

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ) is pleased to announce the formation of Fertoz Carbon.

Fertoz Executive Chairman Patrick Avery stated:

"The carbon market is moving quickly and in order to stay ahead of our competitors and benefit from this huge opportunity, we have elected to focus our carbon efforts into a new division – Fertoz Carbon. Derek Squair has agreed to lead this important initiative. He is active in our sales effort but will also now lead carbon programs. He is currently in planning stages for field tests, full sales and assessment of carbon programs with a number of Fortune 500 companies and many ag dealers.

"This evolving market has presented numerous opportunities for Fertoz – from strong interest in our phosphate fertilizer in both organic and conventional blends, new consulting opportunities, to on-ground carbon monitoring and calculations, to paid services in replanting native cover plants that sequester significant amounts of CO₂, right through to carbon credit trading on behalf of farmers. New opportunities are emerging daily with dealers and farmers now becoming aware of the huge potential to generate additional income through sequestration of CO₂; we are receiving an increased number of enquiries for assistance.

"Over the remainder of 2021 we expect to generate additional revenues through fertilizing and planting traditionally non-farmed areas on agricultural sites with native cover species, turning non-income generating areas on farms into CO₂ sinks that produce carbon credits for farmers. As well, we expect to begin trading carbon credits on behalf of farmers and acting as an intermediary between large CO₂ emitters seeking carbon credits and dealers/farmers, that have carbon credits to sell. Then, with the use

ASX: FTZ



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Board of Directors

Executive Chairman	P. Avery
Non-Executive Director	S. Richardson
Non-Executive Director	J. Chisholm
Non-Executive Director	J. Stedwell
/Company Secretary	

Key Projects

Wapiti	Ownership: 100%
Fernie	Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

of our organic fertilizers, we can show farmers how to increase the amount of CO₂ sequestered each year, generating additional income. Finally, we expect to partner with traditional fertilizer manufacturers, as the manufacture of conventional fertilizer typically emits huge quantities of CO₂. Blending our low carbon organic fertilizer with conventional fertilizer helps both traditional fertilizer manufacturers and farmers to lower their carbon footprints. While our main focus is phosphate fertilizer (due to our large ore resources and infrastructure), our recently announced nitrogen product has a far smaller nitrogen fertilizer CO₂ base compared to ammonia and urea.

“As referenced in our quarterly report, from May 1, we have been providing carbon reduction certificates with each sale of our fertilizer, and while new regional and federal programs are being developed, growers can begin saving these for future trading.”

The Carbon Market

The Carbon Market represents a major opportunity for Fertoz, expanding the Group’s ESG credentials. Since promoting the Company’s additional services in the carbon space, weekly enquiries have increased and each week, more carbon-related opportunities are presenting themselves.

At present, the Company is in discussions with multiple private land-holders and farmers in relation to providing Fertoz products and services to increase CO₂ sequestration through application of organic fertilizers through to planting/seeding non-producing areas with additional vegetation to increase CO₂ sequestration and generate additional farm income from CO₂ credits. Discussions are underway and quotes being prepared for sites in British Columbia, Alberta, Montana, Virginia and New Brunswick. Based on the response to date, these are likely to be just the start of increased sales of products and services over the remainder of the year.

Fertoz is in discussions with two coal companies to reforest areas and help offset CO₂ emissions. Fertoz will manage all fertilizing and planting/seeding of the sites, 5-yearly brush-cutting to enhance timber growth, annual CO₂ sequestration calculations using drone and satellite imagery, and regular report preparation of the amount of carbon sequestered in the vegetation and soil. As well, Fertoz will benefit from assisting with the registration and trading of the relevant carbon credits.

The addition of a focus on carbon, through the establishment of Fertoz Carbon, is expected to generate more sales leads, as well as help educate farmers and CO₂ emitters about the benefits that Fertoz can provide. A marketing campaign advertising the services offered by Fertoz Carbon is now underway.

The Company has been reviewing parties that can provide independent third-party accreditation of the Company’s ESG strategy. Third-party accreditation of the Company’s ESG strategy is expected to drive additional sales leads and increase the Company’s profile in the fast-moving carbon market.

Authorised by the Board of Directors.

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