

Fertoz

17 June 2021

ASX RELEASE / MEDIA RELEASE

Positive Results Enhance Fertoz's Carbon Market Profile

HIGHLIGHTS

- Encouraging recent quality and yield results from two-year field report monitoring the beneficial effects of combining organic rock phosphate and potash fertilizer by Fertoz distributor Soil Works LLC
- The positive results have sparked a steady stream of orders from new and repeat Fertoz customers. Applying Fertoz's rock phosphate alone or in blends offers fertilizer companies a practical way to reduce their greenhouse gas emissions and bolster their plants' nutritional requirements
- Addition of carbon credits on blended fertilizer cropland is now being calculated by Fertoz with the aim of on-selling these credits to an emitter in the USA looking to offset their CO₂

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ) is pleased to provide an update on recent field results that enhance the Company's abilities and profile in the carbon market.

Fertoz Executive Chairman Patrick Avery stated:

"As we noted in our last update, the carbon market and our position within it are both developing rapidly. We have been engaged in numerous trials as well as a number of marketing campaigns to promote our increased range of products and services to farmers, mining companies and larger CO₂ emitters, not only in the USA and Canada, but now in Australia as well.

"The positive results of Soil Works LLC's testing have, therefore, been timely. This testing focused on blending organic rock phosphate and potash with a focus on measuring crop growth, yields and soil health. As expected, the combination was successful from this perspective, but importantly, we want to build on these results to show that fertilizer manufacturers can blend their products with our organic fertilizers to reduce their overall greenhouse gas emissions.

"As well, we are now soil testing for carbon sequestration in this field, as we have groups interested in acquiring carbon credits. We are working through the legislation, rules and regulations in regard to selling these carbon credits to larger CO₂ emitters that we know are seeking such credits.

"We are planning additional marketing campaigns over the coming weeks, to promote the benefits of blending organic and conventional fertilizers, not only for crops, but so that Fertoz is seen as a leader in CO₂ sequestration and putting carbon back in the soil."

ASX: FTZ



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

Key Projects

Wapiti
Fernie

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

Organic Fertilizer Blends with Rock Phosphate to Reduce Greenhouse Gas Emissions

Soil Works LLC, a distributor for Fertoz, has been working closely with a farmer in Nebraska to monitor the soil benefits of applying Fertoz Rock Phosphate (0-20-0) with Sulphate of Potash (0-0-50-17) as a spreadable blend complemented with the Soil Works products and program.

Recent soil analysis results indicate that both rock phosphate and potash fertilizers are increasing the nutrient content in the soil and availability of three important plant nutrients: phosphorus, potassium and sulphur.

A granular blend of 40% Fertoz rock phosphate and 60% sulphate of potash was broadcast at an application rate of 300-400 lbs/acre in March 2020 over 500 acres. The broadcast application was worked in and a soil conditioner with GSR calcium, from Soil Works LLC, was applied around that time. Corn was seeded in spring (end of May) of 2020. The results are shown in Figure 1 below.



Figure 1: Increased corn growth

Unlike conventional fertilizers, organic fertilizers such as rock phosphate and potassium contain minimal salts. Soil Works LLC found that soil salinity was not increased as a result of the application of the rock phosphate and potash blend, a very important feature for organic farmers.

Importantly, the blending of organic rock phosphate with sulphate of potash has the potential to reduce greenhouse gas emissions, as the production of conventional potash produces significant amounts of CO₂.

With a C\$40/tonne tax on excess CO₂ in Canada expected to rise to C\$170/tonne over the next nine years, conventional fertilizer producers are looking for ways to reduce their CO₂ whilst still providing nutrients to enhance plant growth. The blending of organic and inorganic fertilizers is one way that Fertoz can help conventional fertilizer companies to reduce their greenhouse gases. With the focus through a specialist division, Fertoz Carbon, the Company has seen a marked increase in inbound calls, emails and requests, even from companies in Europe, where the price of Carbon Credits reached an all-time high recently of US\$60/tonne.

Authorised by the Board of Directors.

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