

8 September 2021

ASX RELEASE / MEDIA RELEASE

Verification of First Carbon Credits

HIGHLIGHTS

- The Company's partners, Trimble and Brightspot, are verifying the Company's first saleable block of carbon credits
- Additional credits have been generated over the last 8 weeks and these will also be verified
- First credits to be used by a European steel mill to offset carbon dioxide emissions from the production of steel
- Tree planting/carbon credits program on our Fernie, B.C. project to commence in September
- Negotiations continue on reforestation/carbon credits programs in the USA, Australia, Asia, Europe and Canada

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ) is pleased to provide an update on Fertoz Carbon's reforestation and carbon credit projects.

Fertoz Carbon General Manager, Derek Squair, stated:

"Progress has been swift since our last update in the Quarterly Activities report. We have added more carbon credits to our portfolio of credits for sale and are in the accreditation and verification process with Trimble and Brightspot. These first batch of credits will be used to offset greenhouse gas emissions from the production of steel."

"We are also preparing drones and seeds / fertilizer mixes for seed planting / carbon credit projects in Fernie, B.C, and are reviewing potential partners for a similar project at an abandoned mine site in Kentucky, USA. Marketing of our services has generated a number of leads and we are progressing discussions in relation to reforestation / carbon credit projects in Australia, Asia and Europe in addition to other projects in the USA and Canada."

"There are more opportunities at present than we can deal with, so we've been looking for additional sales and experienced carbon project generator personnel to help prepare quotations and negotiate deals with forest and landowners, agricultural operations and mining companies. Our experience in regenerative agriculture and organic fertilizers is resonating with timber and forestry owners looking for sustainable land management practices."

Carbon Credit Verification and New Projects

The Company's partners, Trimble and Brightspot, are currently verifying and accrediting the Company's first series of carbon credits.

ASX: FTZ



Registered Office

Suite 103, Level 1,
2 Queen Street
Melbourne VIC 3000
Ph: +61 3 8395 5446
office@ferto.com
www.ferto.com

Board of Directors

Executive Chairman
Non-Executive Director
Non-Executive Director
NED/Company Secretary

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

Key Projects

Wapiti Ownership: 100%
Fernie Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

The Company is also preparing a seeding pattern for the Fernie project, including the spreading of Fernie rock powder for improved reclamation, currently planned for reseeding at the end of September (refer typical photo below). A local drone reseeding company that has partnered with Fertoz will undertake the drone seeding. The Company is currently arranging seed packets complete with Fertoz organic fertilizer for the project.

A number of local forestry groups and mines have expressed interest in the Company's reforestation and carbon credit services and will attend and observe the drone re-seeding of the Fernie project as an example of a commercial project, potentially generating additional projects for Fertoz Carbon operations.

Figure 1: Typical drone reseeding



Discussions are underway on a major reseeding and carbon credits project that will enable carbon credit generation covering initially around 20,000ha rising to over 100,000ha. The Company's experience in organic fertilizers and sustainable and regenerative agricultural practices is acting as a key point of difference which is prompting forestry groups to make contact with Fertoz to discuss carbon credit generation as an alternative income stream to timber sales. Land, forestry and agricultural companies are quickly moving towards adopting sustainable land management practices, and the Company's experience over many years in this area is attracting rising attention and inbound interest in projects.

Fertilizer Update

The Company continues to progress mining and sales from the Fernie operations. Below are recent photos of operations, showing trucking of the ore down the mountain from the Fernie site, and the processing of the Fernie ore at Fort Macleod, Alberta.

Mining at the site continues according to plan, with the customer taking delivery of the processed ore at Fort Macleod.

The Company is calculating the Scope 3 emissions from these operations. Given the relatively short timeframe to extract the material and move it to Fort Macleod, these emissions are not expected to be a significant contributor to the Company's overall greenhouse gas emissions, as Fertoz continues to market low carbon and carbon neutral fertilizer blends.

Other products continue to sell, including the organic N-P-K product designed in conjunction with WAMCO. Additional fertilizer products are being evaluated at present, but, given the interest generated by Fertoz Carbon, the carbon credit projects are taking precedence. Most, if not all, of these projects will use the Company's range of organic fertilizers to accelerate plant growth and carbon dioxide and nitrous oxide sequestration.

Figure 2: Trucking ore down from the mine; processing ore at Fort Macleod, Alberta



Figure 3: Loading customer trucks with organic rock phosphate at Fort Macleod



Work on the Company's granulator is proceeding, with final civil works being undertaken prior to installation.

Figure 4: Horizontal screen for granulator, awaiting installation in Montana



With increasing market awareness of the Company's products and services, especially in relation to carbon credits and reforestation, the Company is seeking additional sales and account management personnel across the USA. To this end, the Company has recently established a US-based subsidiary, Fertoz Organics, Inc, which will have a 401k and family medical plan in place to attract highly experienced candidates.

Approval

This release has been approved by the Board of Fertoz Ltd.

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