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ASX RELEASE / MEDIA RELEASE

Fertoz Operations Continue to Ramp Up to Support Planned Growth into Spring/Summer 2022

HIGHLIGHTS:

- Interest in Fertoz products is rising strongly, driven by concerns over high conventional fertilizer costs and offshore production supply chain issues
- Mexico mining agreement renewed until late 2023, with orders increasing in southern US
- Agreement with Humic Growth Solutions ensures exclusive sourcing of Fertoz rock phosphate and sales of their newly developed Humi[K] Phos products
- Sales agreements have allowed the advancement of Fernie extraction and ore processing into 2022
- New equipment installations at Butte, Montana will increase effectiveness of processing and introduce granulation from this year's extraction of phosphate from nearby Deer Lodge
- Fertoz expands expertise in sales and research for agriculture, retail, carbon, and forestry through recruitment of new and experienced team members
- Completion of another drone seeding project in Virginia, USA

Sustainable land management company Fertoz Ltd (ASX: FTZ, "Fertoz" or "the Company") is pleased to advise of recent progress in the Company's Organic Farm Inputs and Carbon divisions.

Fertoz Executive Chairman, Pat Avery, said:

"Fertoz has experienced a strong summer and fall of 2021. We have achieved several milestones in operations and sales for our Organic Farm Inputs business, and our Carbon division is making great progress in agriculture and forestry. This complements our ongoing

ASX : FTZ



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Board of Directors

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NED/Company Secretary

P. Avery
S. Richardson
J. Chisholm
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Key Projects

Wapiti
Fernie

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

developments on mine permitting, new partnerships and customers, enhancing our operations and process flow.

“As we progress into 2022, we will continue to take advantage of new resources, advance business relationships, develop new partnerships, increase manufacturing, and build a strong agronomy and sales team. In addition, we are advancing the Carbon division by offering carbon credit programs to our farmer producers, and nurturing carbon neutral forestry initiatives.”

Fernie Mining and Crushing Operations

Fertoz is working productively with McNally Contractors to finalise its 2021 program of crushing, screening and offloading excavated rock phosphate from the Fernie site. The first year partnership between McNally and Fertoz has been beneficial to both companies, with McNally providing great field support and quality control, and the rock phosphate logistically favourable for both Fertoz and McNally’s locations.

Strong fall sales have contributed to putting the Company’s 2021 inventory into a “sold out” position. Fertoz continues to apply for additional permitting opportunities to service this high demand. The Fernie area is well known for its mining and forestry efforts, leading Fertoz’s Carbon division to a strong set of opportunities near the Company’s leases.

Wapiti Operations

Prompted by strong interest and potential demand for high quality, low carbon fertilizer among customers in northern Alberta and Saskatchewan, the Company plans to extract 3,000-5,000 metric tonnes of rock phosphate for late summer 2022. Permitting and environmental advanced planning is ongoing.

Butte, Montana Production

In anticipation of new and steady sales, a new ball mill was recently installed in Butte, Montana at the Company’s storage site. This will provide a smooth consistent feed to the new granulation system expected to be operational by the new year. Great fall weather enabled the movement of targeted tons of high-quality rock phosphate from Deer Lodge, Montana to the Butte processing site to meet 2022 projected sales. As freight and supply chain issues continue to be real concerns in North America, the Company continues to expand its rail capabilities to lessen the burden of truck freight.

The delivery of parts required for the granulation facility has been significantly impacted by supply chain issues, pushing back the commissioning date of the granulation facility to the New Year. Although the Company will not benefit from the economic advantage of in-house granulation in the calendar year, the early 2022 commissioning will enable the granulation of product ready for Spring 2022 sales.

Mexico Rock Phosphate Supply Secured with New Contract

Monterrey rock phosphate sales have been increasing steadily driven largely by newly developed business relationships with eastern seaboard and southern U.S. farmer driven companies that provide long term regenerative, sustainable, and balanced soil nutritional solutions to their growers. A renewed 2-year contract with a 2-year extension has been signed to continue to supply Monterrey Ore to our customers.

Humic Growth Solutions – Exclusive Supply Deal

A Fertoz partner since November 2018, Humic Growth Solutions provides top quality, highly soluble, and proprietary humic farm input products from its base in Dubois, Idaho. Fertoz has secured the opportunity to become the exclusive supplier of phosphate to Humic Growth Solutions and plans to market Humic Growth Solutions' complete product line including Humi[K] Phos. Recent additions to the US sales team, detailed below, will support the Company's growth objectives in the large US market.

Fertoz Carbon

Fertoz provided an ASX announcement on 22 October 2021 detailing the Company's recent activities developing its Carbon division. Fertoz Carbon recently completed another drone reforestation project on a mine site in West Virginia, with a national reporter on-site filming and taking pictures for planned articles on the carbon market. This was a successful trial project for a series of future additional mine-site drone seeding and carbon credit projects, including the 9,000 acre project referred to in the press release of 22nd October 2021 and the Quarterly Activities Report of 28th October 2021. The Company is advancing discussions on this and additional projects now. The trial allowed Fertoz personnel to work through the logistics of drone hire and piloting, seed selection and delivery, site establishment and drone seeding operations. Personnel on site to watch the drone seeding commented how quick and easy the reforestation project was compared to traditional reforestation projects. Soil and existing vegetation samples were collected prior to the seeding to provide a baseline for future carbon credit calculations.

With another operational update planned soon, the Company's focus remains on the following:

- Evaluating forestry and reforesting contracts throughout North America
- Advancing Fertoz's carbon protocols as they relate to conservation tillage, emissions reductions from rock phosphate processing, increasing carbon sequestration through the use of rock phosphate, and reductions in nitrous oxide emissions
- Rolling out the new voluntary protocol to agricultural producers following its approval in Canada for Conservation Cropping and Reduced Tillage

Fertoz Carbon is currently interviewing and engaging individuals with experience in research, agriculture, carbon, soil, fertility, and forestry to fill a new position as a carbon program coordinator.



Drone Seeding at mine site in Virginia



Seeding drone used for the Virginia mine project

The Company is also progressing research and discussions on prospective carbon projects in Australia and South-East Asia. A number of opportunities have been identified. Although the carbon credits markets vary across regions, one attractive aspect of such projects in developing nations is the potential to tie carbon credit generation and sales to the development of infrastructure such as clinics and schools. Large emitters are starting to seek carbon projects that do more than just sequester greenhouse gases – projects with a social component as well as an environmental component allow emitters to not only offset their greenhouse gas emissions but also score highly on ESG metrics.

Welcoming Two Sales Managers to our Growing Team

Marvin Rassel has joined Fertoz with 25+ years of agricultural experience in operations, sales, quality control and management. From Marcus, Iowa, Marvin's expertise and experience in livestock has generated interest in blending of rock phosphate with manure and compost through previous and new farmer and ag retailer connections in surrounding states including Minnesota, Nebraska, Wisconsin and Illinois, which is where he is focusing his sales efforts.

Paul Peterson has joined Fertoz as a Sales Territory Manager with extensive experience in territory development and management, as well as the introduction of new product lines. From Queen Creek, Arizona, Paul's experience and networks provide a valuable asset to the Fertoz team as he engages and educates new customers on the Fertoz product lines and explores new avenues for the use of Fertoz products, including foliar and fertigation in West Coast US states.

Approval

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

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