

# Fertoz

29 JULY 2016

ASX RELEASE / MEDIA RELEASE

## QUARTERLY ACTIVITIES REPORT 30 JUNE 2016

### HIGHLIGHTS

- Fertoz positioning mining operations to deliver into the fast-growing organic agriculture market in North America
- Fertoz signs non-binding Memorandum of Understanding for the sale of 2,000 tonnes of phosphate rock per year subject to completion of farm trials
- Sales from the MoU would add to previously announced 2,000 tonnes of contracted sales, which would together represent 40% of the 10,000 tonnes sales target by the end of 2016
- 1,700t of phosphate rock crushed and available for field trials and sale
- Four agricultural groups currently testing Fertoz certified organic input rock phosphate for long term use which will potentially support the company's sales growth
- Field trials commenced in Saskatchewan and Alberta on wheat and hay crops
- Significant progress on Wapiti permitting and First Nations relationships
- Private placement book build currently underway by the Company's Joint Lead Brokers Blackwood Capital and Novus Capital – Trading halt requested until 2 August 2016.

Phosphate exploration and development company, Fertoz ("Fertoz" or the "Company", ASX:FTZ) is pleased to provide an update of activities during the quarter ending June 2016. Commenting on the achievements, Stephen Keith, Managing Director of Fertoz stated:

*"The quarter ending June 2016, has been transformative for Fertoz. Not only have we been able to quantify the size and speed of growth of this North American organic agriculture industry, but also we have been able to continue to de-risk our operations by (1) achieving greater sales, well ahead of any targets we set and (2) by moving our projects forward. In the last quarter, our sales team has been successful in starting field trials on multiple crops, providing product samples and tests for multiple potential customers and by generating more sales. We have now sold or have agreements to sell more than 40% of our stated 2016 target, well before we had planned on achieving the sales. In addition, our operating team has done an exceptional job adding new projects, moving permits forward and lining up the contractors and team required to meet our sales goals for 2016. Now, Fertoz looks forward to a quarter focused on two critical items: proving out our model through field trials, growing our sales; and, building out the required infrastructure for our flagship project to allow us to maintain a steady supply of rock phosphate to a fast growing, under-serviced market. This next quarter and following that into 2017 should see Fertoz gain significant momentum in this highly profitable, fast-growing market. We have the team, the strategy and the market – now we start the important task of building this out and generating cash. "*

ASX : FTZ



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**Board of Directors**  
Chairman  
Managing Director  
Non-Executive Director  
Alternate Director  
Company Secretary

J. Chisholm  
S. Keith  
A. Byass  
A. Penha  
J. McInally

**Key Projects**

Wapiti  
Fernie  
Dry Ridge

Ownership: 100%  
Ownership: 100%  
Option

**Fertoz Ltd**

A.C.N. 145 951 622

## SUMMARY

### Canada

- Fertoz has set itself up for success by focusing on the significant, yet under serviced, opportunity in the fast-growing organic agriculture market in North America
- Sales and marketing efforts have yielded significant results both through generating sales and through commencing field trials that will feed into sales growth
- Operations have focused on ensuring that Fertoz was positioned not only to provide the 2016 sales target to customers, but also developing the assets such that we can meet long-term demand in this market
- Fertoz has signed a non-binding Memorandum of Understanding (**MOU**) for the potential sale of 2,000 tonnes of phosphate rock per year for 3 years subject to the satisfactory performance of a farm trial which is currently underway.
- This MOU adds to the 2,000 tonne contracted sale announced on 25 February 2016 and which is planned for supply in the third quarter of this year and places the Company on track to reach its 10,000 tonnes sales target by end of 2016.
- An additional 730 tonnes have been successfully crushed at a farm in Alberta in May 2016, bringing the total to 1,720 tonnes of crushed phosphate rock ready to be delivered for field trials.
- There are currently 4 agricultural groups testing the benefits and applicability of our certified organic input rock phosphate fertilizer with field trials commenced in Saskatchewan and Alberta on wheat and hay crops.
- Results of these field trials are anticipated to come during the third quarter of 2016, in time for the autumn sales season in the fourth quarter of the year, as the Company had projected.
- The Company has obtained an access permit from Ministry of Mines which provides better access to the Company's permitted 17,500 tonne bulk sample area and which would be used once the Company obtains the 75,000 tpa small mine permit.
- Progress has been achieved on Wapiti's 75,000 tpa small mine permit with the following aspects achieved in the last month: 1) license to cut timber received from Ministry of Forests; 2) permit to operate above 1,400 metres; and 3) protocol Agreement signed with West Moberly First Nation.

### USA

- No work was completed on the Company's Idaho project this quarter and with no joint venture partners likely to assist with the development of this asset, the Company is reviewing its options.
- The company continues to seek out opportunities in the USA with a focus on assets that will allow it to supply the largest organic markets in North America.

### Australia

- Demand for FertAg 0-8-0 in Australia has remained strong. Product has again sold out in Brisbane and Melbourne and a larger order has been placed for delivery to Brisbane, Sydney and Melbourne in late September.
- The FertAg business has continued to be self-funding.

## **Planned Activities for September Quarter 2016**

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

- Building out the first BC phosphate project and having 10,000 tonnes of material available for sale
- Working, through the sales and marketing team, to sign additional agreements to supply rock phosphate to targeted farmers in western Canada
- Continuing field trials of direct application rock phosphate in order to develop a broader market
- Progressing the Company's 75,000 tonne per annum small mine application for the next stage of Wapiti
- Commencing the process for contracting equipment and contractors for road development, extraction of bulk sample, logistics and sales from the BC projects
- Building our asset base in the USA to give better access to larger North American markets
- Building the order book for Fertag products and importing more product for Queensland and Northern NSW.

## **SAFETY**

There were no lost time injuries or environmental incidents recorded during the quarter ending June 2016.

## **Cash**

The Company has A\$299,000 in cash as at 30 June 2016 and no significant loan balances owing.

The Company went into a trading halt today while it undertakes a book build on a private placement to fund its activities which is being led by joint lead brokers Blackwood Capital and Novus Capital.

## **Issue of shares**

During the quarter there were no changes to the Company's share capital.

## **Fertoz Tenements**

A current list of tenements and there movements since last quarter are provided in Appendix 1.

## COMPANY OVERVIEW

Fertoz is a phosphate exploration and development company which is developing the Wapiti and Fernie phosphate deposits in Canada. The Company's main focus is on production in Canada, servicing the local organic farming market as well as conventional farmers looking for alternatives to standard, high leaching fertilisers. Although focused on the North American organic agriculture market, the Company also sells imported phosphate products to Australian organic and conventional farmers.

The Company has confirmed the mining method at Wapiti and Fernie through the collection of approximately 2,000 tonnes of bulk samples, processing 1,720 tonnes of this product and getting it to trial or market, submitting a small mine application for Wapiti for a 75,000tpa mine, and completed a Scoping Study for Wapiti to confirm its viability (please refer to press release dated 14 May 2015).

Initially, a contract mining model is planned at Wapiti and Fernie to produce direct application rock phosphate for use by local agricultural industries. Wapiti is located on the edge of the north-western farming region of Alberta and Fernie is located on the western extent of the southern Alberta farming region. Given the costs of moving bulk materials, the Company's strategy is to identify and commercialise multiple small fertiliser resources proximate to users. Wapiti and Fernie are the first two such projects identified and undergoing commercialisation. The Company is evaluating other small, near production phosphate deposits suitable for supply to local farming communities in Canada and the USA, especially close to California – the largest organic food market in the world.

The Company plans to begin commercial extraction of direct application rock phosphate in 2016 from its Canadian projects. To this end, in April and May 2016, the Company completed the processing of two batches of direct application rock phosphate with bulk sample material previously extracted from the Wapiti and Fernie Projects. The company processed approximately 1,720 tonnes of rock phosphate through a hired crusher and pulveriser, producing a 90% powdered product, which is now available for sale and for additional field trials in British Columbia, Saskatchewan and Alberta.

There are currently 4 agricultural groups testing the benefits and applicability of our certified organic input rock phosphate fertilizer with field trials commenced in Saskatchewan and Alberta on wheat and hay crops. Results of these field trials are anticipated to come during the third quarter of 2016, in time for the autumn sales season in the fourth quarter of the year, as the Company had projected.

Upon completion of the field trials, Fertoz believes that it will be well positioned to be an important source of organic fertilizer to the Canadian organic food market which is represented by more than 3,500 producers over an area of almost 2.5 million acres (84% located in Western Canada), according to the Canada Organic Trade Association (2014 data).

The extraction of a further 2,000 tonnes of material from Fernie is still on track for the third quarter of 2016 in order to meet the sales agreement to a fertilizer manufacturer and distributor as announced on 25 February 2016.

The Company has found that there is equipment readily available for hire which can adequately meet its needs and it is expected that with larger production runs, significant improvements could be made to throughput rates resulting in lower costs of production. Hence, Fertoz is evaluating the option of hiring crushing equipment for limited periods of time in order to crush phosphate rock in batches to match

production runs with expected sales. This should significantly reduce the initial capital expenditure estimates on the Company's two direct application rock phosphate projects at Wapiti and Fernie.

Later development will entail bagging operations and blending the rock phosphate with other resources to make additional fertiliser products. To facilitate sales, the Company is in discussions with potential long-term off-take partners as well as with marketing partners. These discussions are now being coordinated by Fertoz in partnership with our independent team of highly experienced sales and marketing professionals with immediate access to existing marketing channels and networks. The team will be focused on marketing, sales and distribution of the Company's unique organic phosphate products in North America with a sales target of 10,000t of direct application rock phosphate in the 2016 calendar year.

Rock phosphate samples have been provided to organic fertiliser manufacturers with the aim of mixing the Wapiti and Fernie phosphate with their resources to make different types of organic fertilisers. The Company aims to supply direct application phosphate rock with minimal processing to both the lucrative organic and conventional fertiliser markets in North America. The USA is the largest organic food market in the world while Canada is the fourth largest. Organic farmers in the USA and Canada need to use natural fertilisers in order to retain their organic certification, which is critical as organic crops command significantly higher prices than crops from conventional farms.

To that end, since end of April 2016, Fertoz's rock phosphate products have been certified for use in the production and/or processing of organic agriculture products in compliance with the requirements of the Canadian Organic Standards (COS) and the USDA National Organic Program

Fertoz products have a much higher availability than competing products and sales prices are strong, typically more than C\$250/t for organic rock phosphate sold in bulk. This figure rises for bagged products and blended granular products (for example, natural rock phosphate mixed with other resources that allow organic farmers to fertilise using typical N-P-K formulations). 20kg bagged products for niche organic farmers are currently selling at about US\$20/bag in some US states.

The Company's Wapiti and Fernie operations present a great opportunity for the Company, with exploration upside not yet taken into account. Their proximity to local farming regions is a key factor in the overall low cost, high margin strategy being pursued by management. Subsequent to the quarter, the Company has been focussed on sales and farm trials.

The company also has option to acquire the Dry Ridge project in Idaho, USA and has unsuccessfully been trying to secure a joint venture partner, hence, the company is reviewing its options in regard to this project.

## ORGANIC FARMING AND FOOD INDUSTRY IN NORTH AMERICA

Fertoz’ Wapiti and Fernie Phosphate Projects are ideally located to provide certified rock phosphate to the growing organic food market in Western Canada and the US, where most North American organic farmland is located. Fertoz’s rock phosphate products have been certified for use in the production and/or processing of organic agriculture products in compliance with the requirements of the Canadian Organic Standards (COS) and the USDA National Organic Program.

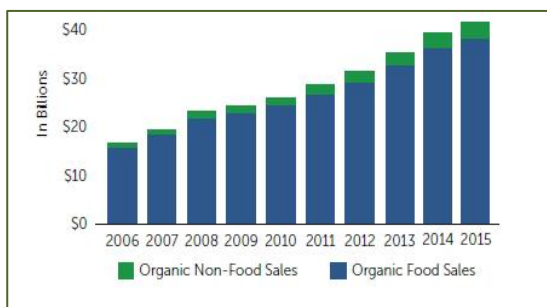
### Organic Agriculture in the US

According to the Organic Trade Association (OTA), the US organic food market has grown by double-digits every year since the 1990s, with sales increasing from \$3.6 billion in 1997 to over \$43 billion in 2015. The growth rate in 2015 was 11% over 2014, about four times the rate of the overall food market, which is growing at 3%.

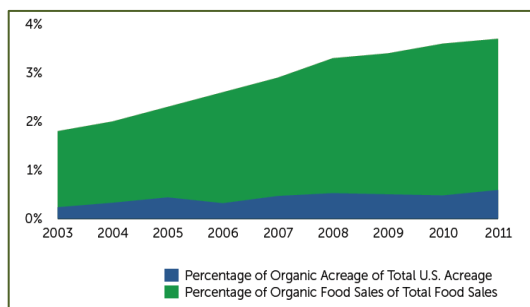
The OTA notes however that production growth is not keeping up with demand. Organic food sales currently make up 4% of total food sales, while acreage devoted to organic agriculture is less than 1% of total US cropland, despite having increased substantially since early 1990s. The potential for expansion is significant, as evidenced by the number of distributors now offering organic fertilisers (refer below).

Latest data reported by the USDA (2011, United States Department of Agriculture) identified over 14,000 US organic farms, comprising 5.5 million acres of land, of which about 3.1 million acres were harvested cropland and the balance were pasture or rangeland. From 1992 to 2011, the compound annual growth rate registered 9.7%.

While there were organic farms or ranches in all US states, nearly 20% of the operations were in California, which is also the leader in organic sales, corresponding to about 36% of all US sales. Overall, states located in western US represents approximately 50% of total organic cropland.



**Total US Organic Sales and Growth 2006-2015**



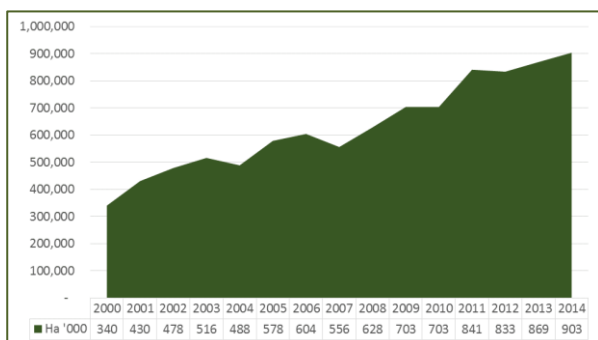
**Organic Acreage vs. Organic Food Sales**

Source: Organic Trade Association

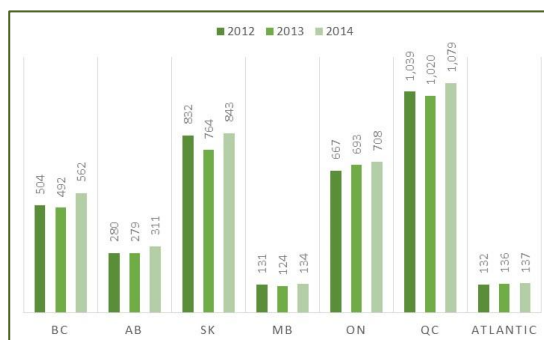
## Organic Agriculture in Canada

According to the Canada Organic Trade Association, Canada has seen a steady rise in organic agricultural land since 2000, increasing from 340,200 hectares to 903,948 hectares in 2014, or equivalent to a 7.2% compound annual growth rate (CAGR). This is represented by a total of 3,780 organic producers.

Western Canada (British Columbia, Saskatchewan, Alberta and Manitoba) is the lead organic region in the country, with approximately 84% of total planted area and 49% of organic producers.



**Hectares of Canadian Organic Natural Land**



**Organic Producers in Canada**

Source: COG-COTA 2000-2016

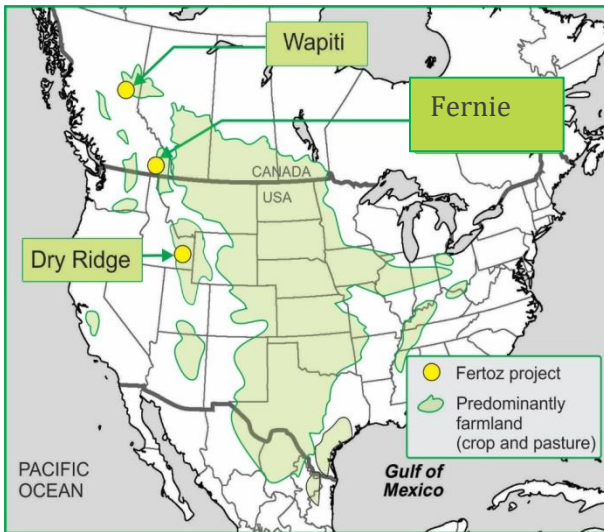
The National Sustainable Agriculture Assistance Program website (<https://atra.ncat.org>) lists over 200 distributors and suppliers of organic fertilisers and soil amendments in the USA and Canada, showing the diversity and growth of the organic markets. However, there are currently no operating phosphate mines in Canada, and much of the direct application rock in the US is high in deleterious minerals making it unsuitable for organic agriculture. This has resulted in high prices for highly available direct application rock phosphate with low impurities. Recent discussions with Californian organic groups has highlighted the US\$300/t to US\$400/t cost for low impurity direct application rock phosphate being paid by organic farmers.

## PROJECT DETAILS

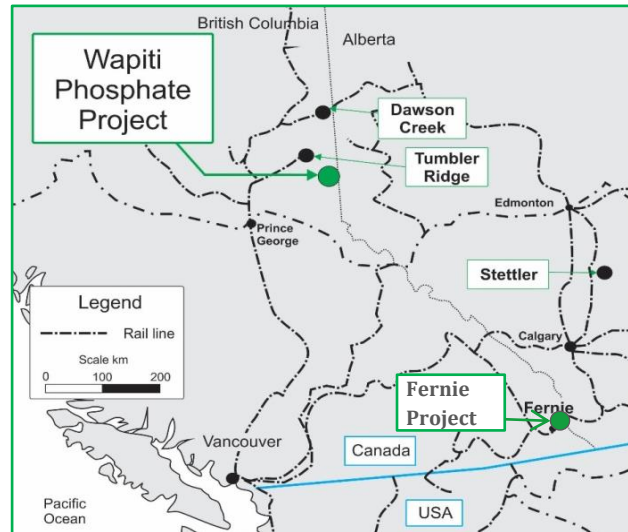
The following section highlights the North American phosphate assets.

### Project Locations: Wapiti, Fernie (Crows Next, Barnes Lake) and Dry Ridge

The Wapiti project is located 850km north east of Vancouver, British Columbia (BC), 145km north east of Prince George, 70km south east of Tumbler Ridge (a coal mining town) and 180km south east of the rail hub at Dawson Creek (Figure 2). It is well located; as shown in Figure 1, the project is proximate to a large agricultural region in north-eastern British Columbia and north-western Alberta.



**Figure 1: FertoZ’s North American project locations and proximity to Canadian agriculture areas**



**Figure 2: Key project locations and infrastructure in Western Canada**

Similarly, the Fernie project is well located – proximate to a large agricultural region, road, rail, power and labour pool. Both projects are in the western Canadian coal fields, with multiple coal mines already permitted in the area.



## Wapiti Project

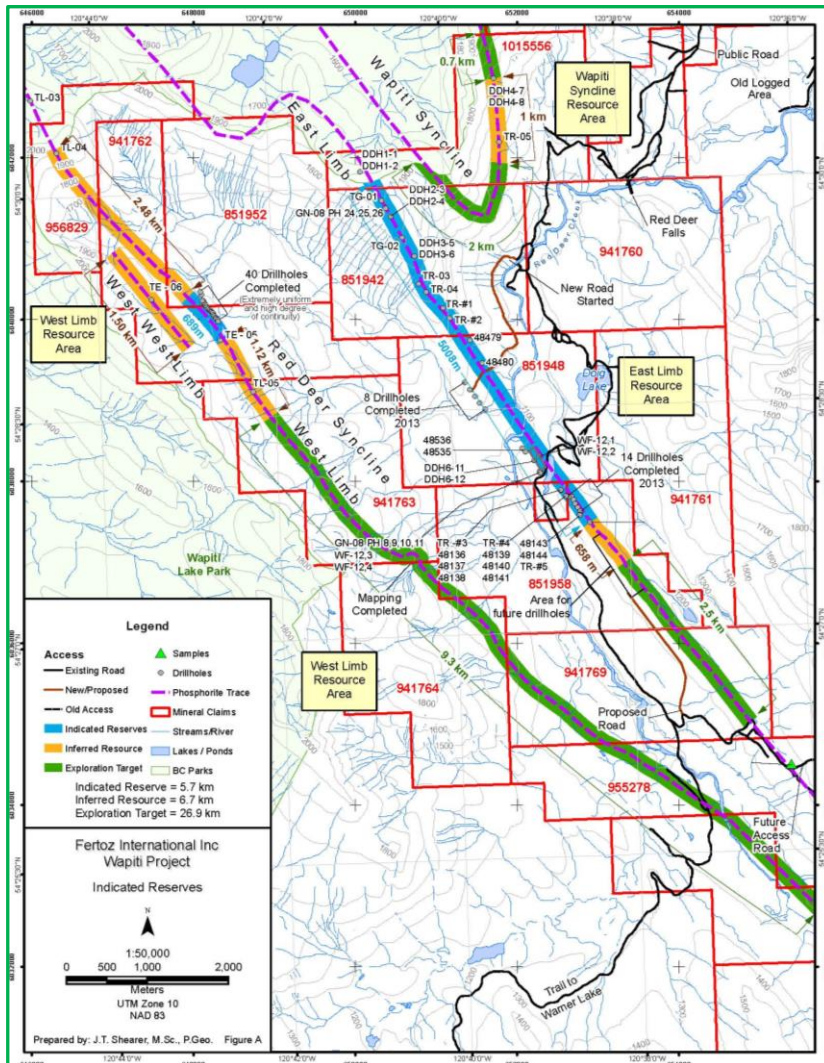
The Wapiti Project has a combined Inferred and Indicated resource of 1.54Mt @ 21.6% P<sub>2</sub>O<sub>5</sub> (at a 7% cut-off) and has been calculated to a depth of 30m along a strike length of 12.5km. See below Table 1 for the resource classifications and for further information refer to ASX announcement “Fertoz upgrades Wapiti phosphate resource” released 12 May 2015.

**Table 1: Wapiti East Resource**

Depth below surface max (m)	Category	Tonnes (M)	P <sub>2</sub> O <sub>5</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	CaO (%)	MgO (%)	SiO <sub>2</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)
30	Inferred	0.73	21.3	1.9	43.6	1.3	13.7	1.2
30	Indicated	0.81	22.3	1.96	43.1	1.3	14.0	1.3
30	<b>Total</b>	<b>1.54</b>	<b>21.6</b>	<b>1.9</b>	<b>43.4</b>	<b>1.3</b>	<b>13.8</b>	<b>1.3</b>

Note: Estimated using a 7% P<sub>2</sub>O<sub>5</sub> cut-off, Density of 2.85g/cm<sup>3</sup>, polygonal method

The total strike length is 39km hence there is a further 26.5km of phosphate horizon which has not been pursued. As such there is a large potential upside in relation to size and longevity of the proposed 20-year project life at Wapiti.



**Figure 3: Wapiti Project – Indicated + Inferred JORC Resource and Exploration Target locations**

The Company completed a scoping study on the Wapiti Project and based on its findings it intends to start producing phosphate rock product for sale this year utilising its 27,500 tonne bulk sample permits. The Company has a target to sell 10,000 tonnes of phosphate rock this calendar year and has a 2,000 tonne agreement to sell to a fertilizer manufacturer and distributor and a non-binding MoU for a further 2,000 tonnes.

## Mining

The planned mine area contains a resource of which is outcropping, homogenous, and has been drilled and bulk sampled by Fertoz.

The Company plans to mine Wapiti on a seasonal basis between May and October to maximise productivity and ease of access during the warmer periods. Trial mining at Wapiti as shown in Figure 4 below, proved the ease of mining and allowed the Company to more accurately predict future mining operations.



Figure 4: Trial mining at Wapiti during 2014

## Processing

After mining on site, pre-crushed material is planned to be transported as broken rock to a manufacturing facility that will be established at Dawson Creek or to third party processing facilities. The phosphate rock will be crushed to reduce its size from 40mm (crushed rock) to approximately 0.15mm (ground material).

990 tonnes of rock phosphate from the Company's Fernie project has been processed and crushed through a hired crusher and pulverizer, producing a 90% powdered product, which is now available for sale and for additional field trials in British Columbia and Alberta. An additional 730 tonnes material from Wapiti have also been crushed at a farm in Alberta in May 2016, bringing the total to 1,720 tonnes of crushed phosphate rock ready to be delivered for field trials. The extraction of a further 2,000 tonnes

of material from Fernie is still on track for the third quarter of this year in order to meet the sales agreement to a fertilizer manufacturer and distributor as announced on 25 February 2016.

Material from the Fernie project was processed using a rented Keestrack “Destroyer 1011” horizontal hammermill with re-circulating capability and throughput capacity of 200 tonnes per hour. Fertoz achieved a throughput of up to 40-50 tonnes per hour over a 26 hour period. It is expected that significant improvements to throughput rates can be achieved with larger batch runs.



**Figure 5: Fernie rock phosphate being processed by Keestrack “Destroyer 1011” crusher and pulverizer**



**Figure 6: Stockpile of direct application rock phosphate available for sale and trial - ~990 tonnes**

With the processing and crushing recently performed, the Company has found that there is equipment readily available for hire which can adequately meet its needs. With larger production runs, significant improvements could be made to throughput rates resulting in lower costs of production. Hence, Fertoz is evaluating the option of hiring crushing equipment for limited periods of time in order to crush phosphate rock in batches to match production runs with expected sales.

Fertoz has continued to focus on both near and long-term value drivers. During and subsequent to the quarter, the Company has engaged with numerous third party fertiliser manufacturers and end users of direct application rock phosphate. Several potential customers have been provided with samples for testing and a number of potential users have been awaiting the crush to secure product for blending, spreading or farm trials. Although the Company is focused on organic farm inputs, (the local organic farming market is expanding at over 10% per annum), conventional farmers also use direct application rock phosphate.

## FERTOZ AGRICULTURE (FERTAG) AGRIBUSINESS

Demand for FertAg 0-8-0 in Australia has remained strong. Product has again sold out in Brisbane and Melbourne and a larger order has been placed for delivery to Brisbane, Sydney and Melbourne in late September.

The Company attended Ingham Farmlife Expo in early June, hosted by Ingham CRT (a Ruralco store). Meetings were held with a number of sugar cane farmers and interest in FertAg product was high. Sugar cane sales in the Mackay area were also strong with new distributor Kennedy Creek Lime identified.

The Company also attended the Primex a 3 day agricultural and horticultural exhibition held in Casino between the 23 to 25 June. Good sales of product in 25kg bags occurred and strong demand for FertAg product was generated from the show for the July order.

The focus in the 3rd quarter of 2016 is to continue to build sales order book and import more FertAg product for Eastern Australia.



Figure 7: Fertag stall at Primex, Casino in June 2016

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**Competent Person's Statement**

The technical information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jo Shearer, a Competent Person, who is a member of the Association of Professional Engineers and Geoscientists of British Columbia, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time. Mr Shearer is the Chief Operating Officer Canada for Fertoz Limited. Mr Shearer has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shearer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Scoping Study.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, exploration and project development risks, political and social risks, environmental risks, changes to government legislation, extreme weather conditions, retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and that could impact the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be impacted in any material manner by these or other factors not foreseen or foreseeable by the Company or management or that are beyond the Company’s control. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant Australian Securities Exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## Appendix 1 List of Tenements

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
<b>Canada</b>					
<b>Wapiti Project</b>					
<b>Wapiti East</b>					
WK-1	851942	100%	450.83	21/04/2021	Fertoz International
WK-2	851948	100%	451.02	21/04/2021	Fertoz International
WK-3	851952	100%	375.66	21/04/2021	Fertoz International
WK-4	851958	100%	451.2	21/04/2021	Fertoz International
WK-5	941760	100%	450.83	21/04/2021	Fertoz International
WK-6	941761	100%	469.87	21/04/2021	Fertoz International
WK-7	941762	100%	432.07	21/04/2021	Fertoz International
WK-8	941763	100%	413.49	21/04/2021	Fertoz International
WK-9	941764	100%	451.33	21/04/2021	Fertoz International
WK-10	941769	100%	432.53	21/04/2021	Fertoz International
WK-11	955278	100%	470.31	21/04/2021	Fertoz International
WK-12	956829	100%	37.56	21/04/2021	Fertoz International
WK-One	982744	100%	18.8	21/04/2021	Fertoz International
Wapiti NE	1015556	100%	375.54	21/04/2021	Fertoz International
Wapiti Two	1015557	100%	168.93	21/04/2021	Fertoz International
Wapiti South	1015558	100%	376.35	21/04/2021	Fertoz International
WAP S2	1018104	100%	451.82	21/04/2021	Fertoz International
WAP S3	1018106	100%	451.75	21/04/2021	Fertoz International
WAP S4	1018107	100%	451.93	21/04/2021	Fertoz International
WAP S5	1018108	100%	452.09	21/04/2021	Fertoz International
WAP S6	1018109	100%	452.3	21/04/2021	Fertoz International
Red Deer 1	1023921	100%	150.2	21/04/2021	Fertoz International
Red Deer 2	1023922	100%	206.3	21/04/2021	Fertoz International
Red Deer 3	1023923	100%	150.1	21/04/2021	Fertoz International
Munok	1029417	100%	207.38	21/04/2021	Fertoz International
Munok 1	1015626	100%	169.58	21/04/2021	Fertoz International
Belcourt 1	1015627	100%	113.27	21/04/2021	Fertoz International
Munok 2	1024783	100%	603.05	21/04/2021	Fertoz International

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
<b>Wapiti Project (continued)</b>					
Belcourt 2	1024803	100%	301.76	21/04/2021	Fertoz International
Belcourt 3	1024806	100%	188.7	21/04/2021	Fertoz International
Belcourt 4	1024805	100%	339.78	21/04/2021	Fertoz International
Belcourt Link	1027037	100%	282.59	21/04/2021	Fertoz International
WAP 11	1027038	100%	168.94	21/04/2021	Fertoz International
South 1	1029488	100%	112.64	7/07/2015	Fertoz International
South 2	1029489	100%	376.16	7/07/2015	Fertoz International
South Road 2	1030777	100%	413.66	6/09/2015	Fertoz International
<b>Wapiti East Subtotal</b>			<b>11,870.32</b>		
<b>Wapiti West</b>					
Tunnel 1	942096	100%	446.13	27/03/2016	Fertoz International
Tunnel 2	942097	100%	445.97	27/03/2016	Fertoz International
Sukunka1	851714	100%	18.51	15/09/2016	Fertoz International
Sukunka2	980302	100%	444.23	15/09/2016	Fertoz International
<b>Wapiti West Subtotal</b>			<b>1,354.84</b>		
<b>Wapiti Project total</b>			<b>13,225.16</b>		
<b>Fernie Project</b>					
<b>Barnes Lake</b>					
BL 1	1011319	100%	608.98	19/07/2017	Fertoz International
BL 2	1020873	100%	629.00	18/10/2016	Fertoz International
<b>Barnes Lake Subtotal</b>			<b>1,237.98</b>		
<b>Crows Nest</b>					
Crows Nest	1023062	100%	1450.89	15/10/2021	Fertoz International
Crows 2	1023064	100%	38.67	15/10/2021	Fertoz International
<b>Crows Nest Subtotal</b>			<b>1,489.56</b>		



<b>Fernie Project (Continued)</b>					
<b>Marten</b>					
Marten 1	1024365	100%	754.32	29/06/2021	Fertoz International
Marten 2	1025533	100%	460.86	28/06/2021	Fertoz International
Marten Nth	1029979	100%	334.99	1/08/2021	Fertoz International
Marten E	103167	100%	188.48	23/09/2021	Fertoz International
<b>Marten Subtotal</b>			<b>1,738.65</b>		
<b>Mt Lyne</b>					
Line1	1042161	100%	124.69	18/2/2017	Fertoz International
Line 2	1042162	100%	145.52	18/2/2017	Fertoz International
Line 3	1042176	100%	186.99	19/2/2017	Fertoz International
Line 4	1042177	100%	332.78	19/2/2017	Fertoz International
Line 5	1042208	100%	290.72	20/2/2017	Fertoz International
Line 6	1042209	100%	499.54	20/2/2017	Fertoz International
Line 7	1042222	100%	497.99	21/2/2017	Fertoz International
Line 8	1042224	100%	374.42	21/2/2017	Fertoz International
<b>Mt Lyne Subtotal</b>			<b>2,452.65</b>		
<b>Fernie Project Total</b>			<b>6,918.84</b>		
<b>Canada Total</b>			<b>20,144.00</b>		
<b>United States</b>					
Dry Ridge	I-07238	0% <sup>1</sup>	210	31/05/2016	Solvay USA Inc.
<b>United States Total</b>			<b>210</b>		

## Change in Interest in Mining Tenements

Interest	Tenement Reference and Location	Nature of Interest	Interest at the beginning of the Quarter	Interest at the end of the Quarter
Interests in mining tenements relinquished, reduced or lapsed	N/A			
Interests in mining tenements acquired or increased	N/A			