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11 June 2014 **ASX RELEASE / MEDIA RELEASE**

Fertoz locates high grade phosphate outcrop at Fernie Project

- **Reconnaissance field work has located two phosphate mine shafts, associated stockpiles and road base pit that contains phosphate mineralisation**
- **Phosphate stockpiles assayed between 24% to 27% P_2O_5 using portable XRF**
- **Historical road base pit averages 20.7% P_2O_5 with rock float[1] greater than 30% P_2O_5**
- **Close to infrastructure including major roads, mining towns and a rail link across Canada**

Fertoz Limited ("**Fertoz**" or the "**Company**") is pleased to announce that it has located historical phosphate mine shafts, associated stockpiles and a road base pit containing phosphate on the Marten tenements of its Fernie Project in British Columbia, Canada. Fertoz was aware of the existence of these from historical reports when it acquired the property, but no exact coordinates were available prior to field work.

Assays of phosphate stockpile samples using a portable Olympus X-Ray Flourescence (XRF) device were between 24% and 27% P_2O_5. Analysis over a grid traverse in the property was carried out with the XRF to locate the phosphorite zone which was found within a road base pit located 1,200m from the shafts. The pit averaged 20.7% P_2O_5 on the surface of the phosphorite zone using the portable XRF, while rock float[1] close to the pit exceeded 30% P_2O_5. The pit has good road access and is suitable for easy trenching. The location and results are provided in the map and table of results provided below.

Fertoz is finalising the exploration permit in preparation for drilling and trenching later in 2014 at Fernie. This will be the first work carried out on the property using modern methods.

Managing Director Les Szonyi said: "*We have located the phosphate horizon which enables us to carry out a small targeted drill programme and collect a bulk sample in 2014 for further testing. It is the same approach we have applied successfully at Wapiti East. Marten is particularly attractive because of the excellent road and rail access.*"

Figure 1: Coal train and roadway on Marten property

[1] Float are loose pieces of rock laying about on the surface

Table of Results

Sample #	UTM Location	P_2O_5 %	Error on Reading ± P_2O_5
Marten Upper Shaft	11 U 660604E 5494668N	27.64	0.18
MTT1	11 U 660681 5493509	24.23	0.16
Marten Upper Shaft	660689 5493503	24.44	0.13
MTT Float1	11 U 660694 5493500	20.34	0.12
Lower Shaft	11 U 660686 5494735	25.90	0.16
Waypoint #39 Float	11 U 660686 5494735	32.65	0.16
MN1 Float	11 U 660673 5494706	25.62	0.83
MNMOC14	660644E 5494801N	20.65	0.12
MNMOC14 (repeat)	11 U 660644 5494801	24.71	0.13
FLT MND 29	11 U 660638 5494561	20.91	0.13
MTT14	11 U 660733 5493337	22.51	0.14

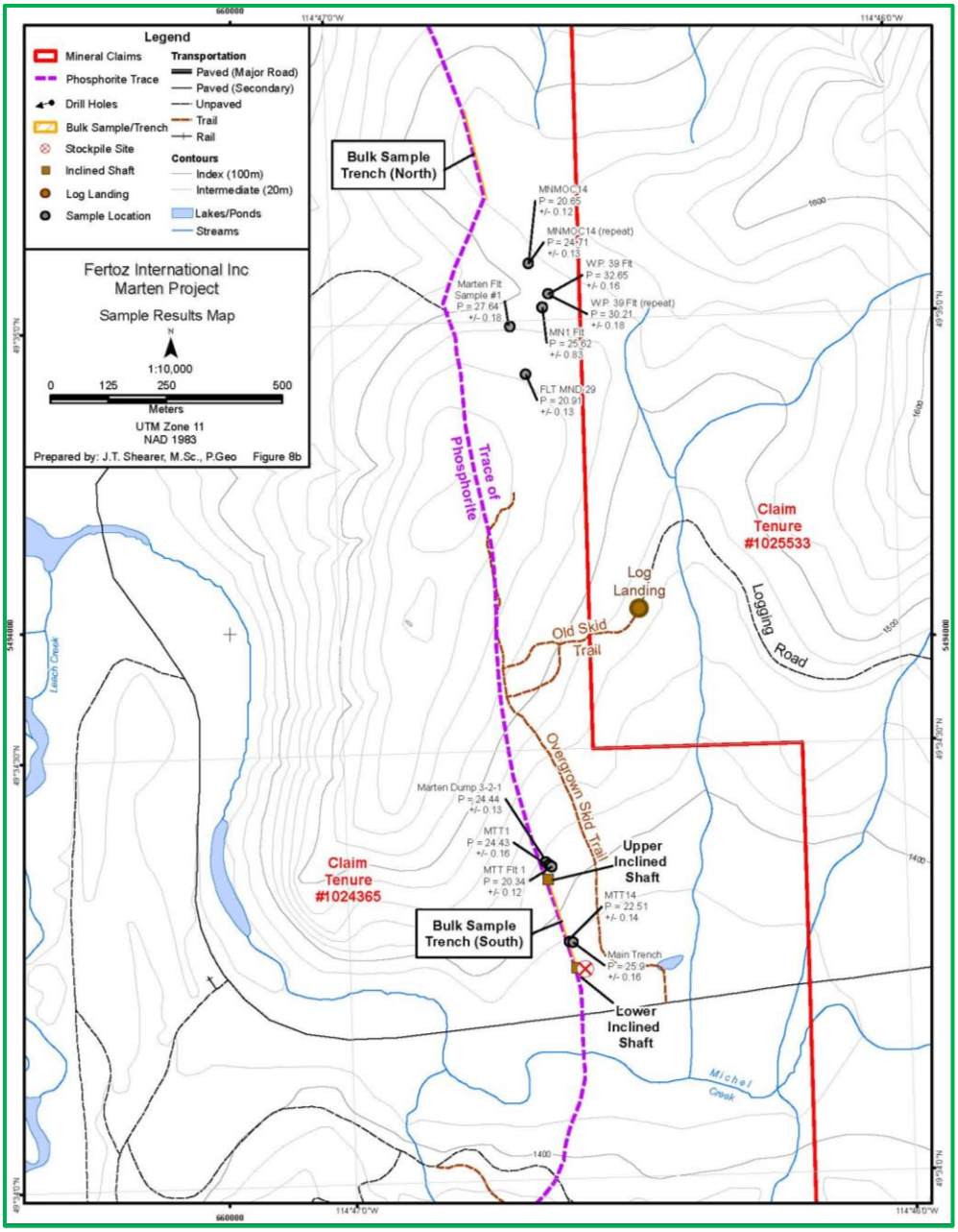

Figure 2: Fernie Project, Marten tenements – location of samples

About the Marten Tenements

Marten is a 1,215 hectare tenement package located 20km south east of Sparwood along Corbin Road between Fertoz's tenements at Crows Nest and Barnes Lake. The three lots of tenements, known as the Fernie Project, are located within 25kms of each other and are well supported by the established mining communities of Fernie and Sparwood, which are located less than 30km away and provide a ready source of labour, business and government facilities. The area has well-developed road and rail transportation, links to ports on Canada's west coast and regional centres in Alberta and the north-western United States. The Fernie Project adjoins the largest agricultural area in Canada, responsible for 80% of Canadian agricultural output. It is on the border with the United States, the largest organic market in the world.

The Consolidated Mining and Smelting Company of Canada Limited (Cominco) carried out exploration in an extensive area of phosphate bearing rocks in 1926, covered by the Marten tenements. Cominco established an underground phosphate mine for exploration purposes there in 1929, employing 13 people. Two shallow incline shafts were sunk and two small prospect tunnels were driven on the outcrop of the phosphate bed and a 7ft by 8ft drift (2.1m by 2.4m) was advanced 200 ft (61m)-Ref. BC Minfile Report 082G10.

Fertoz plans to follow the low cost model of exploration and development successfully used at the Company's Wapiti Project.

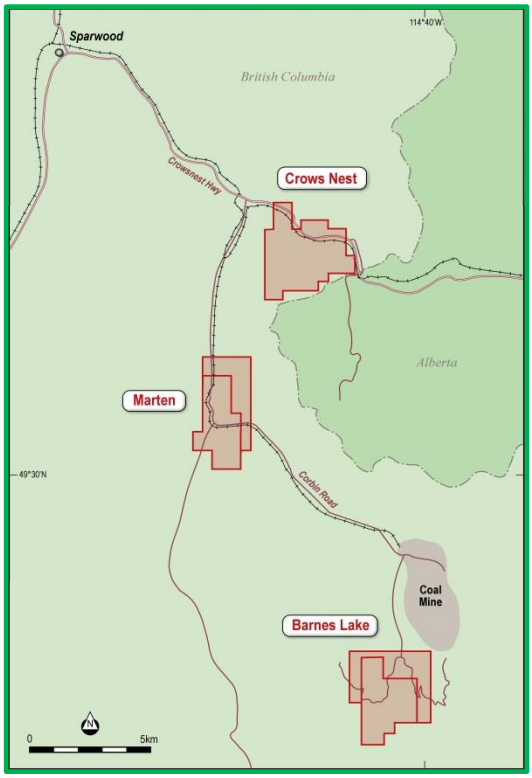

Figure 3: Fernie Project

About Fertoz

Fertoz is exploring for high grade phosphate resources in Canada and the United States of America, which are two of the largest agricultural economies in the world and which both import phosphate rock. Fertoz has two projects in Canada – Wapiti Project (East and West Tenements) and Fernie Project (Barnes Lake, Crows Nest and Marten Tenements) – all proximate to infrastructure, and an option on one project in Idaho, USA, again proximate to infrastructure. Fertoz is targeting small, high grade resources in the Americas that can be commercialised quickly and inexpensively, with high grade product sold to organic farmers or third-party fertiliser plants.

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Competent Persons 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 document may contain forward-looking statements. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statement.

Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Fertoz. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates.

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JORC Code, 2012 Edition – Table 1 report

The following JORC Code Table 1 and Sections are provided in accordance with the Joint Ore Resources Committee Code (2012) for the reporting of exploration results.

JORC Code Table 1 - Section 1 Sampling Techniques and Data – Fernie

Criteria	JORC Code Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Hand held XRF assays of Phosphorite samples collected from stockpiles, dumps, outcrop and float. These samples were considered typical of mineralisation documented and observed in the Property
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Observations by a geologist ensured that samples selected for analysis were representative of the nature and style of mineralisation within the area. Multiple XRF scans of each sample using a factory calibrated (Cert No. 0154-0557-1) on October 30, 2013, Instrument 540557 Type Olympus DPO-2000.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The instrument was calibrated using Alloy Certified reference materials by ARM1 and NIS5 standards. The unit was also calibrated using Fertoz Lab assayed materials for P_2O_5. Only certified operators were employed that were experienced in XRF assay procedures.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling completed
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	No drilling completed

Criteria	JORC Code Explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	Detail sample descriptions were recorded by J.T. Shearer, M.Sc., P.Geo (BC & Ontario)
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Only flat surfaces were analyzed
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Hand held XRF assays of Phosphorite samples collected from stockpiles, dumps, outcrop and float. Multiple XRF scans of each sample using a factory calibrated (Cert No. 0154-0557-1) on October 30, 2013, Instrument 540557 Type Olympus DPO-2000. The instrument was calibrated using Alloy Certified reference materials by ARM1 and NIS5 standards. The unit was also calibrated using Fertoz Lab assayed materials. Only certified operators were employed and that were experienced in XRF assay procedures. Read times were 120 seconds or greater.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	No drilling completed. At surface samples taken were via multiple XRF scans as described above. There were no adjustments to assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Location of samples were determined by a combination of portable GPS units and Trimble Yuma Tablet using ArcGIS software accuracy ± 1.7m to 4.0m.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Initial Prospecting with samples obtained in and around areas of historical disturbance (mining and exploration).
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Upwelling sedimentary phosphate. Stratiform deposit
Sample security	*The measures taken to ensure sample security.*	Standard sample security protocols were observed with samples in the constant locked care of J. T. Shearer, M.Sc., P.Geo.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration. These are preliminary results not considered absolute and no audit or reviews have been undertaken at this stage of exploration.

JORC Code Table 1 - Section 2 Reporting of Exploration Results - Fernie

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Mineral Titles online, staked claims owned outright 100% by Fertoz. Permit application in process, only Preliminary Field Reconnaissance Archaeology required and is underway.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	1920's and 1930's underground exploration by Cominco
Geology	*Deposit type, geological setting and style of mineralisation.*	Upwelling environment
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	No drilling completed
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Averages of multiple at surface samples are provided.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No drilling completed.

Criteria	JORC Code Explanation	Commentary
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	No drilling completed.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All substantive exploration data has been provided.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Reconnaissance core drilling and bulk sampling is proposed