

## ASX RELEASE

31 March 2015

**FERTOZ LTD (ASX:FTZ)**

### ISSUED CAPITAL (31/03/15)

46,897,907 Ordinary Shares which includes  
4,720,752 Escrowed Shares<sup>1</sup>  
10,899,999 Options<sup>2</sup>

<sup>1</sup> Includes 1,250,000 Voluntary Escrowed Shares  
<sup>2</sup> See Appendix 5B for more detail (lodged 30/04/15)

### SHAREHOLDERS

375 shareholders

Top 20 shareholders hold 58.79%

### LARGEST SHAREHOLDERS

Lenark Pty Ltd (and related parties) – 12.6%

Terra Capital Pty Ltd 12.2%

UBS Nominees Pty Ltd – 4.5%

### DIRECTORS

James Chisholm – Non Exec Chairman

Leslie Szonyi – Managing Director

Adrian Byass – Non Exec Director

Stephen Keith – Non Exec Director

Alex Penha – Alternate Director

### SENIOR MANAGEMENT

Julien McNally – CFO and Company Secretary

Jo Shearer - Chief Operating Officer Canada

### CASH BALANCE

As at 31/03/15, Fertoz's cash balance was approximately \$0.43 million

## HIGHLIGHTS

### AUSTRALIA

- Commenced sales of FertAg products generating revenue of A\$38,000 in the last three weeks of the quarter
- Imported 800 tonnes of FertAg 0-8-0 for sale in March and June quarters
- Secured National Supplier Agreement for distribution of FertAg's specialty phosphate products with major Australian agribusiness Ruralco
- Introduced granular product, FertAg Granular 0-7-0, in response to customer feedback
- Introduced Shareholder Rewards Program providing discounts on FertAg products for Fertoz shareholders

### CANADA

- Conducted additional exploration analysis on Wapiti project in preparation for a scoping study
- Carried out processing trials on Wapiti rock phosphate to finalise grinding equipment selection
- Leased premises in Stettler, B.C. for storage of Fertoz rock phosphate

### CORPORATE

- FertAg JV established A\$1 million working capital facility with Moneytech Finance
- Fertoz Chairman James Chisholm exercised 615,385 options at A\$0.25 per option.

### PLANNED ACTIVITIES – JUNE QUARTER 2015

- Continue to grow FertAg sales in Australia and increase sales force in regional Victoria (interviews currently being conducted)
- Appoint agent in New Zealand to distribute FertAg products
- Investigate the import of bagged FertAg retail products for home garden market in Australia and New Zealand
- Develop Indicated Resource at Wapiti and finalise scoping study
- Finalise selection of processing equipment for small mine production at Wapiti
- Process Wapiti and Fernie bulk phosphate rock samples
- Conduct blending trials for product sales in Canada to both organic and conventional agriculture customers



# PHOSPHATE ROCK PROJECTS

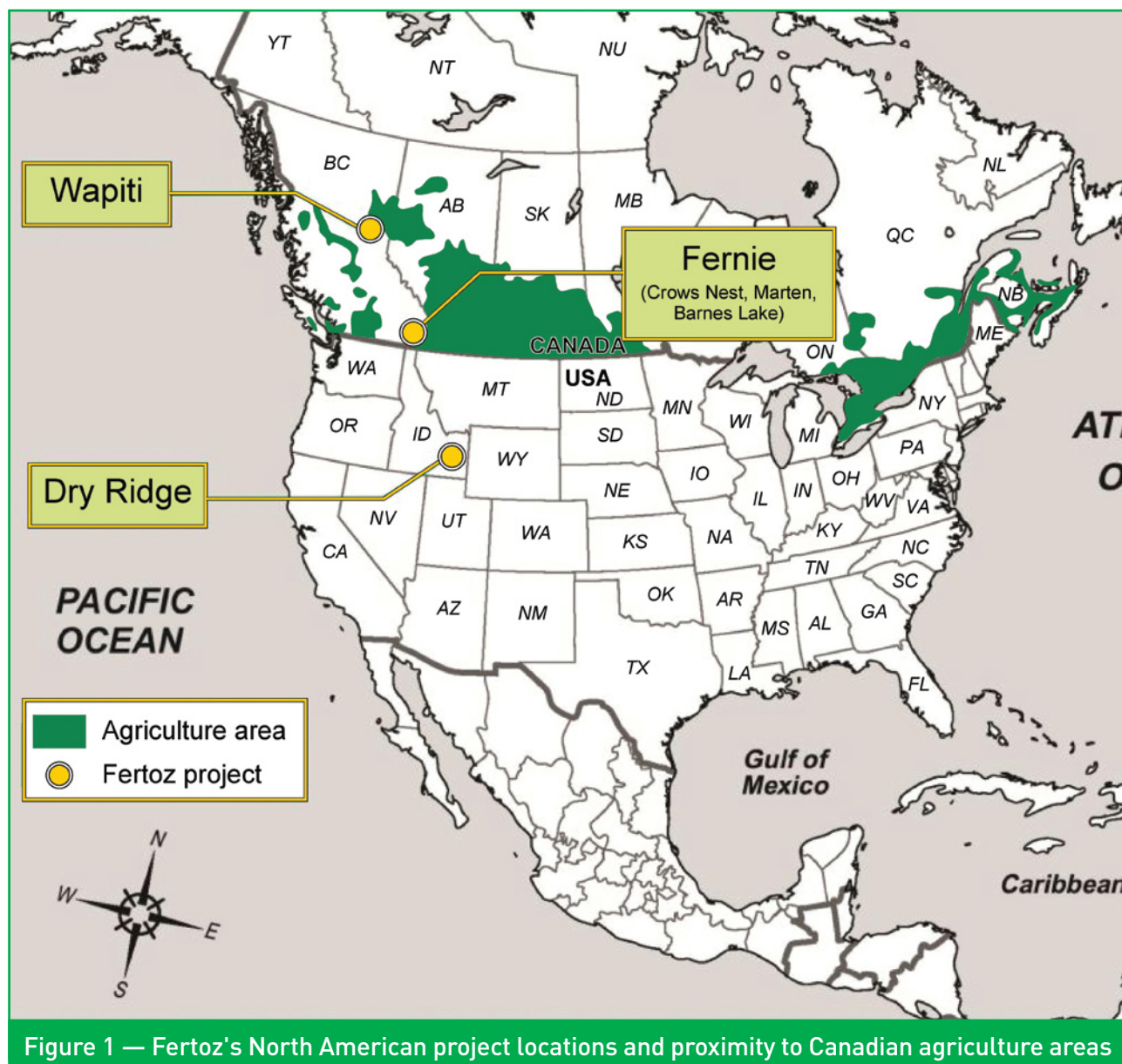


Figure 1 — FertoZ's North American project locations and proximity to Canadian agriculture areas

## WAPITI PROJECT (100% OWNED)

BRITISH COLUMBIA, CANADA  
(WAPITI EAST AND WAPITI WEST TENEMENTS)

The Company has been working on updating its JORC Resource at Wapiti utilising the data obtained from its bulk sample collection in the December Quarter 2014. In addition, crushing tests were completed on the bulk sample during the quarter to finalise equipment selection to support the Wapiti scoping study which is currently underway to quantify the economic potential of the Wapiti mine. The Company also progressed a marketing plan during the quarter in preparation for sales once the snow has melted.

Due to the winter period in North America there was no on-site activity at Wapiti and the Company's inventory

levels remain at 1,000 tonnes of bulk phosphate rock at the end of the quarter.

## FERNIE PROJECT (100% OWNED)

BRITISH COLUMBIA, CANADA (MARTEN, BARNES LAKE AND CROWS NEST TENEMENTS)

A bunker was leased at Stettler and approximately 1,000 tonnes of rock phosphate was collected from Fernie, crushed to 4 inch minus and transported there. Further processing is required before the product is suitable for sale. 20 tonnes was also transported to Vancouver for processing trials and equipment selection.



# PHOSPHATE ROCK PROJECTS

(CONTINUED)

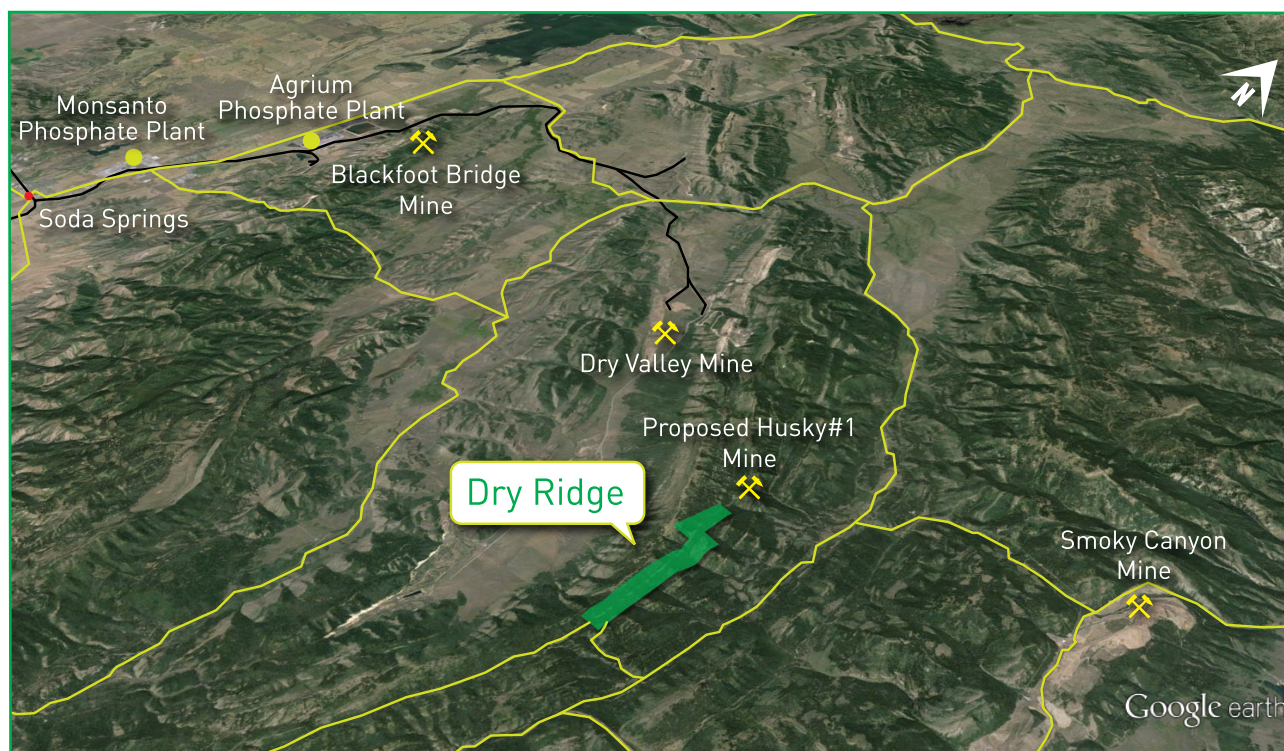


Figure 2 — Location of FertoZ's Dry Ridge project and Agrium's Husky #1 mine within SE Idaho phosphate mining and processing region

## DRY RIDGE PROJECT (OPTION TO ACQUIRE 100% OWNERSHIP)

### IDAHO USA

Work progressed on the Environmental Assessment of the proposed Dry Ridge exploration programme. The public notice for the final report is expected in the next few weeks.

Dry Ridge has the potential to be a much larger resource than either Wapiti or Fernie, although it would take longer to develop. Dry Ridge has the potential to be developed and brought into production with relatively low capital investment. It is close to existing infrastructure, and three phosphate processing plants. While waiting for approval of the Notice of Works, the Company is focused on generating cash from its other projects.

## AUSTRALIAN PROJECTS

During the quarter, Rum Jungle Resources Limited ("Rum Jungle") withdrew from the Option Agreement in place at the Barrow Creek Project, NT. Hence FertoZ has relinquished tenement EL26915 with the expiry of its six year exploration lease on 6 April 2015.

# FERTOZ AGRICULTURE (FERTAG) AGRIBUSINESS

Sales revenue for FertAg 0-8-0 in the March quarter was A\$38,000 from sales in Queensland and Victoria. Sales have continued to grow since with orders also coming from Tasmania and Kangaroo Island. Due to customer demand, FertAg has introduced a granular product, FertAg Granular 0-7-0 ("FertAg G 0-7-0") which is available in 1 tonne bags and 25kg bags.

FertAg 0-8-0 is a fused calcium-magnesium-silicate phosphate, not a reactive phosphate rock. It is manufactured at high temperature from naturally occurring minerals and because there is no chemical change, is suitable for use in both organic and conventional agriculture where soils are acidic. The product is insoluble in water and does not leach into waterways like conventional phosphate fertilisers, yet 95% of the phosphate is readily available for uptake to plants.

FertAg G 0-7-0 has the advantage of being able to be spread through air seeders and also by aircraft over large pastures. FertAg products are not hygroscopic and do not pick up moisture and harden like single super phosphate. They can be stored indefinitely and are easy to spread at all times. FertAg 0-8-0 and FertAg G 0-7-0 are effective alternatives for superphosphate. Australian farmers use approximately 710,000 tonnes of superphosphate per year (Australian Bureau of Statistics 2012 data) while New Zealand farmers use approximately 1,000,000 tonnes each year (Ballance 2015).

Initiatives introduced during the quarter:

1. Secured a non-exclusive National Supplier Agreement (ASX announcement 9 February 2015) for distribution of FertAg's specialty phosphate products with Ruralco Holdings Ltd ("Ruralco"), a major Australian agribusiness.

2. Introduced a Shareholder Rewards program (ASX announcement 12 February 2015) where Fertoz shareholders who own a minimum of 5,000 shares can receive a refund of A\$15 per tonne for FertAg products purchased in Australia. Key terms and conditions are available on the Company's websites ([www.fertoz.com](http://www.fertoz.com), [www.fertag.com](http://www.fertag.com)) and were also provided in the press release.
3. Entered into a working capital facility (ASX announcement 27 February 2015 with Moneytech Finance Pty Ltd ("Moneytech") for up to A\$1 million (the "Facility"). The Facility provides FertAg with up to 90 days to pay Moneytech for expected proceeds from goods sold. A global insurance group, currently rated A+ by Standard & Poors, agreed to insure the Facility.
4. Introduced a granular product, FertAg G 0-7-0, in response to customer feedback. It is suitable for aerial spreading and use in air seeders. It is available in 1 tonne and 25kg bags.
5. Implemented the marketing strategy of FertAg products through advertising, attendance at Farm World 2015, the development of FertAg web page [www.fertag.com](http://www.fertag.com) and the distribution of a FertAg brochure.

FertAg is looking to supplement its sales team with the appointment of a Territory manager for Victoria, and additional sales personnel in other regions around Australia over the coming months. FertAg has also appointed an agent to sell the FertAg products in New Zealand and discussions have begun with fertiliser companies in New Zealand to find a suitable distributor.



Figure 3 — FertAg 0-8-0 and FertAg G 0-7-0

# FERTOZ AGRICULTURE (FERTAG) AGRIBUSINESS

(CONTINUED)

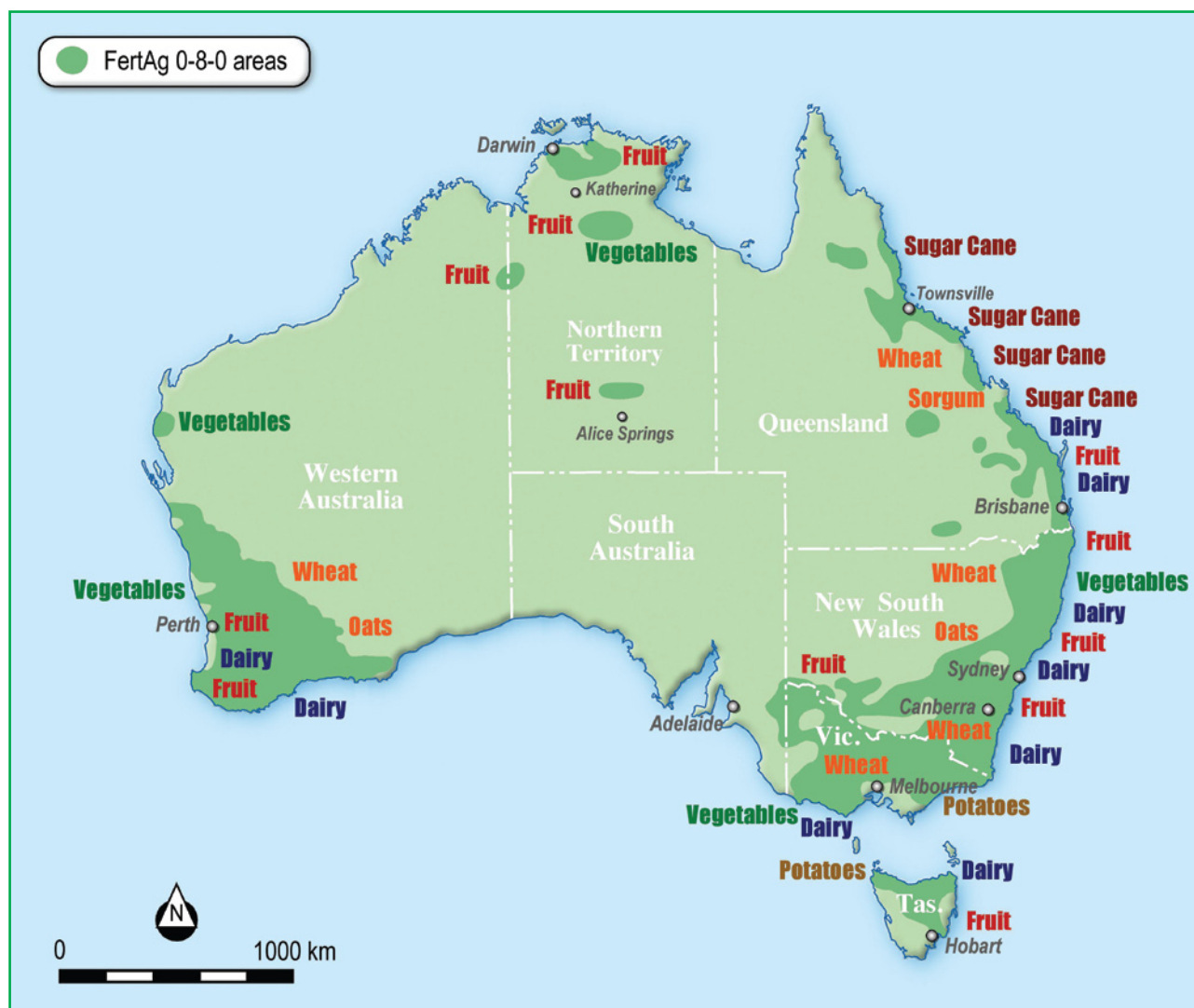


Figure 4 — Agricultural areas in Australia suitable for FertAg 0-8-0 and FertAg 0-7-0 use



## STRATEGY

Fertoz is a multinational agricultural supply company which is selling phosphate products to the agricultural sector in North American and Australia. The Company's strategy is to invest in cash generating businesses and projects which supply agricultural products and services while maintaining a disciplined approach to capital expenditure and investment.

North America (USA and Canada) are both net importers of phosphate rock and are two of the largest agricultural economies in the world. 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. The Wapiti and Fernie rock phosphates are particularly suited to acidic soils, which cover much of Canada and the lower parts of the USA.

Fertoz also has the FertAg JV in Australia set up to distribute fused calcium magnesium silicate phosphate products to counter the acidic soils found across much of Australia's key farming regions. FertAg products provide valuable macronutrient conditioning to soils while reducing unnecessary contamination of creek and reef systems through its slow release properties. FertAg expects to expand into New Zealand, the high-margin retail market and introduce new additional products on an opportunistic basis where key competitive advantages exist. FertAg sales and marketing learnings and technical resources will be applied to the North American business as Fertoz transitions from selling rock phosphate for organic agriculture to adding rock phosphate formulations for conventional agriculture to its product suite.

## SAFETY

There were no lost time injuries or environmental incidents recorded during the quarter ending March 2015.

# CORPORATE

## CASH

Company has A\$0.43 million in cash as at 31 March 2015 and access to an A\$1.25 million debt facility through its Chairman, James Chisholm, and a working capital facility for its Australian FertAg business of A\$1.0 million.

## FERTAG WORKING CAPITAL FACILITY

During the quarter the FertAg Australian JV established a working capital facility with Moneytech for up to A\$1 million. The Facility provides FertAg with up to 90 days to pay Moneytech for expected proceeds from goods sold. A global insurance group, currently rated A+ by Standard & Poors, has also agreed to insure the Facility. The facility will assist FertAg in generating near-term cash flows and allows the Company to separately focus on completing the scoping study for Wapiti.

## EXERCISE OF OPTIONS

During the quarter Fertoz Chairman Mr James Chisholm exercised 615,385 Fertoz options at an exercise price of A\$0.25 generating proceeds of A\$154,000 for Fertoz. Mr Chisholm and his associated entities now own 5,918,765 Fertoz shares, representing 12.6% of Fertoz's issued capital. Collectively Fertoz's Board and senior management own 16.5% of Fertoz.

## ISSUE OF SHARES TO COO CANADA

Jo Shearer, Chief Operating Officer (COO) Canada, was issued 22,927 ordinary shares in March in accordance with his employment agreement for wages from June to November 2014. It was equivalent to A\$12,356 (shares were priced at A\$0.5396).

# APPENDIX 1 - LIST OF TENEMENTS

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
<b>CANADA</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%	450.77	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%	450.86	21/04/2021	Fertoz International
WK-8	941763	100%	451.08	21/04/2021	Fertoz International
WK-9	941764	100%	451.33	21/04/2021	Fertoz International
WK-10	941769	100%	451.36	21/04/2021	Fertoz International
WK-11	955278	100%	470.31	21/04/2021	Fertoz International
WK-12	956829	100%	225.35	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
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



# APPENDIX 1 - LIST OF TENEMENTS

(CONTINUED)

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
<b>CANADA (continued)</b>					
<b>Wapiti East (continued)</b>					
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>SubTotal</b>			<b>12,208.43</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
PAL 1	1025451	100%	18.49	24/01/2015	Fertoz International
PAL 2	1018084	100%	443.88	27/03/2016	Fertoz International
PAL 3	1018085	100%	388.49	27/03/2016	Fertoz International
PAL 4	1018086	100%	444.1	27/03/2016	Fertoz International
SUK 3	1018087	100%	444.32	27/03/2016	Fertoz International
SUK 4	1018095	100%	444.53	27/03/2016	Fertoz International
SUK 5	1018096	100%	444.71	27/03/2016	Fertoz International
SUK 6	1018097	100%	444.89	27/03/2016	Fertoz International
SUK 7	1018098	100%	445.08	27/03/2016	Fertoz International
SUK 8	1018099	100%	445.25	27/03/2016	Fertoz International
SUK 9	1018101	100%	445.39	27/03/2016	Fertoz International
SUK 10	1018102	100%	445.57	27/03/2016	Fertoz International
SUK 11	1018103	100%	445.8	27/03/2016	Fertoz International
<b>SubTotal</b>			<b>6,971.52</b>		
<b>Barnes Lake</b>					
BL 1	1011319	100%	608.98	19/07/2017	Fertoz International
BL 2	1020873	100%	629.00	18/07/2015	Fertoz International
<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

# APPENDIX 1 - LIST OF TENEMENTS

(CONTINUED)

Project Name	Tenement Number	Ownership	Approx. Area (ha)	Expiry Date	Registered Holder
<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>SubTotal</b>			<b>4,466.19</b>		
<b>Canada Total</b>			<b>23,646.14</b>		

<b>UNITED STATES</b>					
<b>Dry Ridge</b>	I-07238	0% <sup>1</sup>	210.0	31/05/2016	Solvay USA Inc.
<b>United States Total</b>			<b>210.0</b>		

<b>AUSTRALIA</b>					
<b>Sherrin North</b>	EPM19448	100%	22,100.0	5/05/2018	Fertoz Limited
<b>Australia Total</b>			<b>22,100.0</b>		

<sup>1</sup> Fertoz has an option to acquire 100% of the tenement prior to 9 December 2016.

## INTERESTS IN MINING TENEMENTS ACQUIRED OR INCREASED

Tenement reference and location	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Interests in mining tenements relinquished, reduced or lapsed	EL26915 Barrow Creek Australia	Rum jungle had an option to purchase this tenement which was not exercised. Hence tenement was dropped	100%	0%
Interests in mining tenements acquired or increased	N/A			

## 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.

Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document.

Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, Fertoz, its agents, directors, officers, employees, advisors and consultants do not undertake any obligation to update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such a statement.

## COMPETENT PERSON

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.



## FOR FURTHER INFORMATION CONTACT

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