

Fertoz

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ASX RELEASE / MEDIA RELEASE

Fertoz completes first crushing and pulverizing for its Fernie Phosphate Project

Fertoz Ltd (“Fertoz” or the “Company”, ASX:FTZ) is pleased to announce that the Company has successfully completed processing its first batch of direct application rock phosphate from its Fernie Phosphate Project in British Columbia, Canada.

Highlights

- Fertoz produces 990 tonnes of rock phosphate ready for sale this planting season
- Extraction and sale of a further 2,000 tonnes of product on track for third quarter 2016
- High availability of equipment for rent lessens capex and improves IRR's for Wapiti and Fernie projects
- Market for high quality organic rock phosphate remains strong ; Fertoz "organic certification" under way

The company processed approximately 990 tonnes of rock phosphate 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.

The Company processed bulk sample material previously extracted from the company's 100% owned Fernie Project. 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.

Managing Director Stephen Keith commented: *“We are very pleased with the results from this first process batch, as not only were the results in line with expectations, but also these results indicate to us that we can achieve significant savings relative to our scoping study. Now Fertoz can focus on selling this product; crushing additional material that has previously been extracted via bulk samples and which has been stockpiled near the agricultural area of the Grande Prairie, Alberta; and, on reviewing our operating and capital plans. We are encouraged to find that there is abundant equipment available to rent or lease in the project area. As such, we expect our initial capital expenditure to decrease while maintaining a similar operating cost to what we had forecast in our scoping study for Wapiti, which should yield significant economic improvements on an already robust IRR of 84%. In addition, we are pleased to be able to have this newly processed material available now in time for this planting season.”*



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Key Projects

Wapiti
Fernie
Dry Ridge

Fertoz Ltd

Ownership: 100%
Ownership: 100%
Option

A.C.N. 145 951 622

Material was processed using a rented Keestrack “Destroyer 1011” horizontal hammermill with re-circulating capability, achieving throughput capacity of 40-50 tonnes per hour. The Company expects that with larger production runs, significant improvements could be made to throughput rates resulting in lower costs of production. The Company has found that there is equipment readily available for hire which can adequately meets its needs. Hence, Fertoz is re-working the Scoping Study based on 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 on the Company’s two direct application rock phosphate projects at Wapiti and Fernie.



Fernie rock phosphate being processed by Keestrack “Destroyer 1011” crusher and pulverizer



Stockpile of direct application rock phosphate available for sale and trial - ~990 tonnes

During the time required to set up and complete the processing of this first batch, Fertoz has continued to focus on both near- and long-term value drivers. Over the last two months, 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. Organic certification documentation has been submitted to the relevant organic bodies and the Company is awaiting the outcome of this process.

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