

Fertoz

6 September 2016

ASX RELEASE / MEDIA RELEASE

Appointment of North American Chairman

Fertoz Ltd (“Fertoz” or the “Company”, ASX:FTZ) is pleased to announce that the Company has appointed a North American Chairman, Mr Patrick Avery, to complement the Company’s strategy of being a leading supplier of rock phosphate and other input products to the growing organic market in North America. Former Chairman, Mr James Chisholm, will remain as a Non-executive Director.

On his appointment as Chairman, Mr Avery said:

“I am delighted to be taking on the Chairman’s role as the Company moves towards production and sales of rock phosphate product in North America. Having worked in the traditional N-P-K conventional fertilizer market for many years, I have been amazed at the consistent growth of organic demand to the point where it has now become a substantial industry with over US\$43 billion in organic retail sales in the USA alone. Our high quality, high available rock phosphate will fill the organic demand for phosphate supplies to organic row, speciality and tree crops growers. We have a solid team from the board through to mine production and sales and marketing, to realise the potential that this market has to offer.

“On behalf of the Company, I’d like to thank James for his leadership in listing the Company in 2013 and overseeing the Company’s transition from an exploration company to a company with a substantial rock phosphate resource poised to begin sales into the growing organic markets.”

Mr. Avery has been on Fertoz’s board since February 2016 and he has over 30 years of primary industry experience which includes 20 years in the fertilizer industry. He began his focus in fertilizers at JR Simplot where he was Senior V.P of Mining and Manufacturing and was responsible for production, operations, capital and project management, lean manufacturing and optimization initiatives. In this role Mr Avery was responsible for ten facilities and a \$600 million operating budget with over 3 million tons of fertilizer production.

In addition, within the JR Simplot agribusiness, Mr Avery headed up wholesale sales and marketing of all phosphate and nitrogen products, including global sourcing and supply chain; and for two years he led retail sales efforts through the over 100 retail Grower Solutions units, for phosphate and nitrogen products, seeds and specialty chemicals.

Subsequently he was President and Chief Operating Officer of Intrepid Potash where he led mining, processing, sales and marketing of potash and specialty products. After leaving Intrepid, he led several junior mining efforts in potash and continues to consult to private industry, private equity and investor groups.



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

P. Avery
S. Keith
A. Byass
J. Chisholm
J. McNally

Key Projects

Wapiti
Fernie
Dry Ridge

Fertoz Ltd

Ownership: 100%
Ownership: 100%
Option

A.C.N. 145 951 622

Mr Avery has significant experience in sales and marketing of fertilisers. Over the last few months, Mr Avery has led the sales and marketing effort within the Company, and identified a number of potential opportunities for the Company in relation to extending the reach and use of organic rock phosphate. Preliminary trials have been encouraging and in order to maximise the application of phosphate rock throughout Canada and North-Western USA, Mr Avery and the sales and marketing team have commenced discussions with various local fertiliser manufacturers that can assist with the processing and/or distribution of Wapiti and Fernie rock phosphate. Third party processing including micronizing, pelletizing with additional organic fertilisers and bagging, will reduce the need for capex associated with new, large production facilities. Of course, operating costs will likely increase, but the demand for organic fertilisers, particularly blended fertilisers, is strong across the US and Canada and Mr Avery and the marketing team have identified ways to capitalise on this strong demand by utilising partners. This is designed to conserve the Company's cash compared to the option whereby the Company builds new facilities.

As noted by the Managing Director, Mr Stephen Keith in the recent corporate update presentation, the US and Canadian markets are expanding. According to farmers, there is a shortage of high quality, certified organic fertilisers. The Company has identified additional elements in short supply in farms across Canada, and particularly in the Western regions of Canada and the North-western region of the USA. This research has resulted in trials to blend the Company's rock phosphate with two other fertiliser elements – sulphur and humates – that when combined with the Company's rock phosphate provide access to more farms, including conventional farms, which account for millions of tonnes of phosphate use per year.

Mr Avery's package consists of non-executive Chairman fees of A\$72,000/annum plus an additional A\$1,500 per day for work conducted over and above his Chairman's role. In addition, Mr Avery will receive options and/or performance rights package which will be linked to the performance of the Company and which is subject to shareholder approval at the Annual General Meeting.

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