

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Fertoz Ltd

ABN

86 145 951 622

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | a) Ordinary shares fully paid<br>b) Ordinary shares issued under Employee Share Plan ("ESP")<br>c) Unlisted Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | a) 428,571 Fully Paid Ordinary Shares<br>b) 350,000 Ordinary shares issue under ESP<br>c) 1,064,287 Unlisted Options   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) 428,571 Fully Paid Ordinary Shares<br>b) 350,000 Fully Paid Ordinary Shares issued under ESP as provided for in Annexure 2 to this form.<br>c) 1,064,287 Unlisted Options as provided for in Annexure 2 to this form. |

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes – Fully paid ordinary shares will rank equally
	If the additional +securities do not rank equally, please state:	
	<ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	No – Unlisted Options will only rank equally once exercised.
5	Issue price or consideration	<p>a) 428,571 Fully Paid Ordinary Shares issued at 14 cents/share for \$59,999.94</p> <p>b) 350,000 issued at zero subscription price</p> <p>c) 1,064,287 Unlisted Options issued for zero consideration</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>a) Issued in lieu of director fees</p> <p>b) Issued as part of ESP</p> <p>c) Issued partly of performance incentives and partly in lieu of director fees</p>
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	Yes
	If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	206,694

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>08/08/16 – 10,200,001 ordinary shares (Resolution 1 approved at EGM on 19 September 2016 under ASX rule 7.4)</p> <p>30/09/16 – 20,871,435 ordinary shares (Resolution 2 approved at EGM on 19 September 2016 under ASX rule 7.1)</p> <p>28/12/16 – 428,571 ordinary shares (Resolution 4,5, and 6 approved at AGM on 29 November 2016 under ASX rule 7.1)</p>
6f	Number of +securities issued under an exception in rule 7.2	<p>16/01/16 – 1,429 ordinary shares (exercise of listed options exception 4)</p> <p>14/12/15 – 5,600,000 ordinary shares (issue of shortfall on pro rata entitlement offer exception 3)</p> <p>22/03/16 - 3,143,401 ordinary shares (Resolution 6,7,8 and 9 approved at EGM on 18 March 2016 exception 14)</p> <p>28/12/16 – 350,000 ordinary shares (Issue of shares under employee incentive scheme exception 9)</p>
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Remaining share under</p> <p>Rule 7.1 = 13,945,528</p> <p>Rule 7.1A = 9,434,815</p> <p><b>Total remaining 23,380,343</b></p> <p>refer to annexure 1</p>

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

28 December 2016

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
94,554,824	Fully paid ordinary shares
15,461,136	Quoted options exercise price \$0.15 Expiry Date: 1/12/2017

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+ See chapter 19 for defined terms.

	Number	+Class
9	6,307,692	Unlisted Option –exercise price \$0.25 Expiry Date: 1/09/2017
	1,538,461	Unlisted Option –exercise price \$0.35 Expiry Date: 1/09/2017
	1,538,461	Unlisted Option –exercise price \$0.45 Expiry Date: 1/09/2017
	615,385	Unlisted Option –exercise price \$0.55 Expiry Date: 1/09/2017
	150,000	Unlisted Option –exercise price \$0.65 Expiry Date: 27/11/2017
	150,000	Unlisted Option –exercise price \$0.75 Expiry Date: 27/11/2017
	150,000	Unlisted Option –exercise price \$0.85 Expiry Date: 27/11/2017
	4,333,333	Unlisted Option –exercise price \$0.18 Expiry Date: 1/12/2017
	250,000	Unlisted Option –exercise price \$0.20 Expiry Date: 28/02/2017
	250,000	Unlisted Option –exercise price \$0.25 Expiry Date: 29/08/2017
	250,000	Unlisted Option –exercise price \$0.30 Expiry Date: 28/02/2018
	250,000	Unlisted Option –exercise price \$0.35 Expiry Date: 29/8/2018
	5,100,002	Unlisted Option –exercise price \$0.18 Expiry Date: 07/08/2018
	10,650,023	Unlisted Option –exercise price \$0.18 Expiry Date: 29/09/2018
	100,000	Unlisted Option –exercise price \$0.20 Expiry Date: 31/08/2017
	250,000	Unlisted Option –exercise price \$0.18 Expiry Date: 31/08/2017
	250,000	Unlisted Option –exercise price \$0.18 Expiry Date: 28/02/2018
	250,000	Unlisted Option –exercise price \$0.18 Expiry Date: 31/08/2018
	<u>32,383,357</u>	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

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+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>†</sup> Issue date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>†</sup>securities  
(tick one)

(a)  <sup>†</sup>Securities described in Part 1

(b)  All other <sup>†</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37  A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- 
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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+ See chapter 19 for defined terms.



41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A
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42	<p>Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="790 465 1088 510">Number</th> <th data-bbox="1088 465 1388 510">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 510 1088 734">N/A</td> <td data-bbox="1088 510 1388 734"></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
.....  
(Director/Company secretary)

Date: 28 December 2016

Print name: Julien McNally

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	59,353,309
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>16/01/16 – 1,429 ordinary shares (exercise of listed options exception 4)</p> <p>22/03/16 - 3,143,401 ordinary shares (Resolution 6,7,8 and 9 approved at EGM on 18 March 2016 exception 14)</p> <p>08/08/16 – 10,200,001 ordinary shares (Resolution 1 approved at EGM on 19 September 2016 under ASX rule 7.4)</p> <p>30/09/16 – 20,871,435 ordinary shares (Resolution 2 approved at EGM on 19 September 2016 under ASX rule 7.1)</p> <p>28/12/16 – 428,571 ordinary shares (Resolution 4,5, and 6 approved at AGM on 29 November 2016 under ASX rule 7.1)</p> <p>28/12/16 – 350,000 ordinary shares (Issue of shares under employee incentive scheme exception 9)</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	94,348,146

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	14,152,222
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>206,667 ordinary shares issued on 22 March 2016</p> <p>11 ordinary shares issued on 30 September 2016</p> <p>16 options issued on 30 September 2016</p>
“C”	206,694
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	14,152,222
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	206,694
<b>Total</b> [“A” x 0.15] – “C”	13,945,528  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	94,348,146
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	9,434,815
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	nil
<b>“E”</b>	nil

+ See chapter 19 for defined terms.

<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10  <i>Note: number must be same as shown in Step 2</i>	9,434,815
<b>Subtract "E"</b>  <i>Note: number must be same as shown in Step 3</i>	nil
<b>Total</b> ["A" x 0.10] – "E"	9,434,815  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

## Appendix 3B - Annexure 2

- b) 350,000 ordinary shares Issued under the employee share plan scheme approved on 29 November 2016 annual general meeting. Shares are under escrow for three years and subject to the performance hurdles being met as per below:

No of Shares	Subscription price	Milestone Date	Performance Hurdle
100,000	nil	30/6/2017	The sale of a total of 10,000t of rock phosphate product from any of the Company's North American operations or joint ventures or project in which the Company has a majority stake prior to 30 June 2017
50,000	nil	31/8/2017	the Company extracting and processing a total of 10,000t of at specification rock phosphate product from any of the Company's North American operations which the Company has a majority stack in, by the 31 August, 2017
75,000	nil	31/12/2017	the Company extracting and processing a total of 20,000t of at specification rock phosphate product from any of the Company's North American operations which the Company has a majority stack in, by the 31 December 2017
125,000	nil	31/12/2018	the Company extracting and processing a total of 30,000t of at specification rock phosphate product from any of the Company's North American operations by the 31 December 2018

If the Performance Hurdle is not met by the Milestone Date the shares are returned to the Company

- c) The principal terms of the 1,064,287 Unlisted Options are provided below.

No of Options	Exercise Price	Expiry Date	Performance Hurdle
100,000	20 cents	31/8/2017	None
250,000	20 cents	31/8/2017	Volume Weighted Average Price (VWAP) of the Company's Shares exceeds 25 cents for 21 consecutive trading days
250,000	30 cents	28/2/2018	VWAP of the Company's Shares exceeding 40 cents for 21 consecutive trading days
250,000	40 cents	31/8/2018	VWAP of the Company's Shares exceeding 50 cents for 21 consecutive trading days
214,287	18 cents	29/9/2018	None

+ See chapter 19 for defined terms.