Fertoz

Putting Carbon Back Into The Soil

22 October 2021 **ASX RELEASE / MEDIA RELEASE**

Fertoz Advances Forestry Projects

HIGHLIGHTS

- **Drone trial seeding and fertilising over a 10 acre region in Fernie, BC has been successfully completed in partnership with Strongfield Environmental Solutions**
- **Comprehensive data from this trial plot will facilitate verification of the project as a small approved carbon project**
- **Fertoz will utilise the Fernie site as a showcase in ongoing discussions with mining companies and landowners potentially considering forest-based carbon projects**
- **Finalising commercial terms on a 9,000 acre old mine site reforestation project on East Coast USA and progressing a number of additional reforestation project opportunities in North America**
- **Fertoz continues to advance negotiations on carbon forestry projects in Australia and Asia Pacific**

Sustainable land management company, Fertoz Ltd (ASX: FTZ, "Fertoz" or "the Company") is pleased to advise of recent progress in the Company's Carbon division.

The Company initiated Fertoz Carbon to ultimately develop and manage carbon projects and facilitate carbon trading for agricultural producers, retailers and manufacturers willing to tailor their operations to minimise greenhouse gas emissions and sequester carbon beyond their existing practices. In pursuit of these goals, the Company has made advancements in both forestry and agriculture in collaboration with recently-announced partners.

Reforestation and Forest Reclamation

In early October 2021, under perfect weather conditions, the Company's sub-contractor, Strongfield Environmental Solutions, used a drone to seed and fertilize just under 10ha of land near Fernie, British Columbia.

Six separate areas were seeded, each one with varying rates of pine and spruce tree seeds and different application rates of the Company's organic rock phosphate fertilizer. A third-party agronomist was on site to document the activities and resultant data, which will be used for carbon sequestration calculations.

A number of North American mining companies reviewed the trial and are engaging in discussions with Fertoz to reclaim and reforest land to lower their carbon footprints.

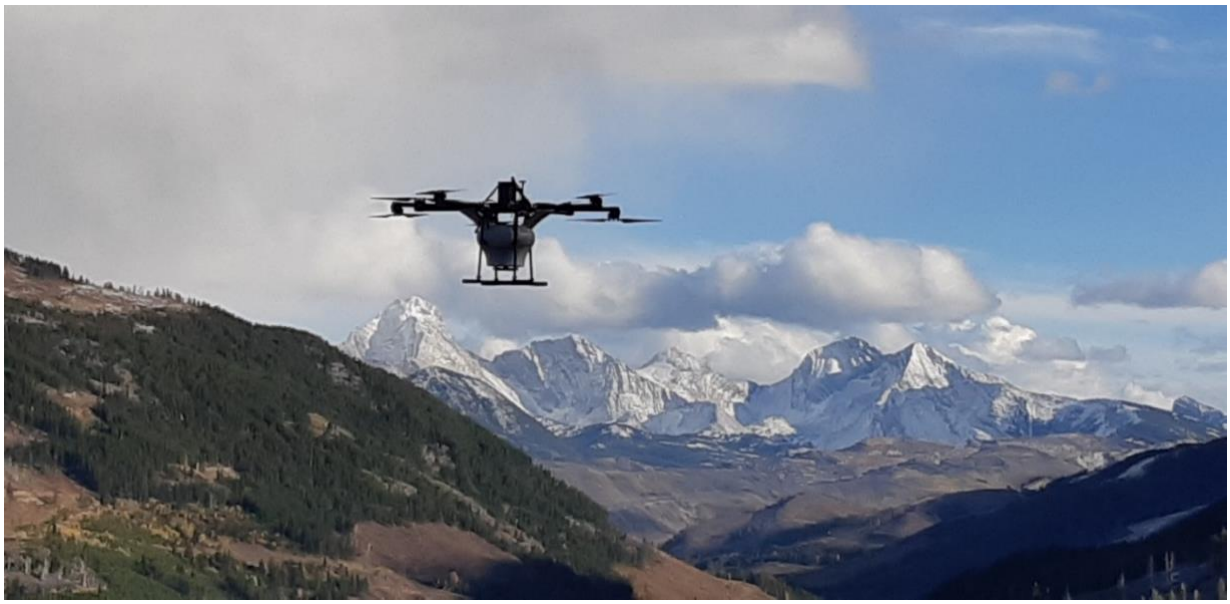

Figure 1: Drone at Application Altitude

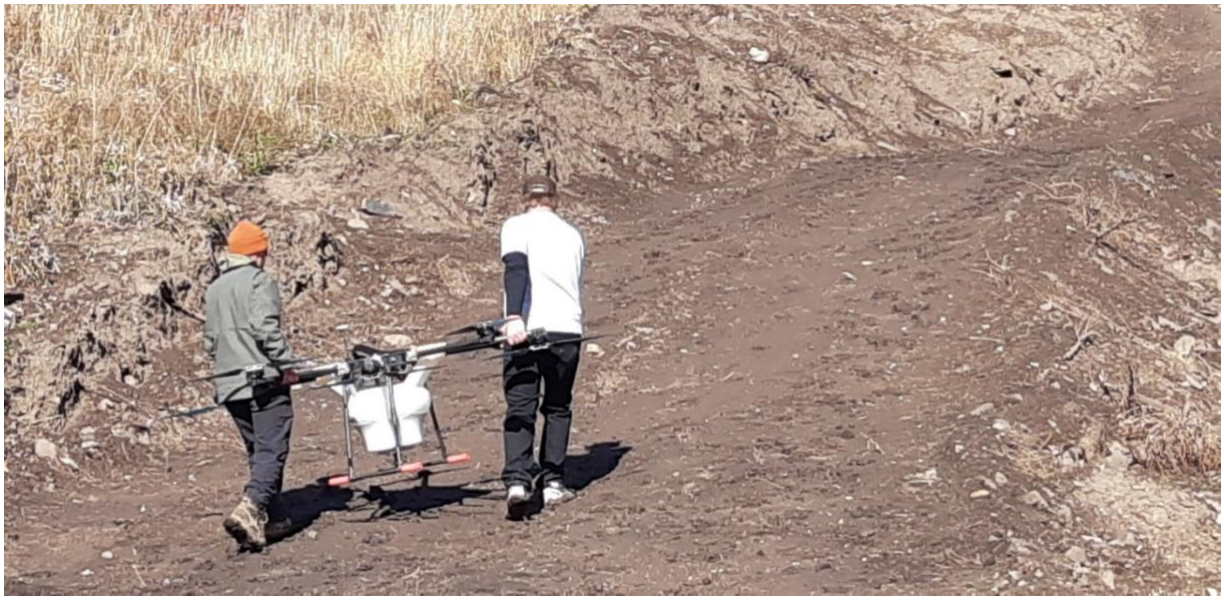

Figure 2: Preparing and Loading Drone

Fertoz's Mining Lead and Geologist, Jo Shearer, was on site during seeding. Mr Shearer said:

"The process from start to finish was seamless and efficient. Both rock phosphate and seed were added to the drone using an auger. The drone had no problem distributing the crushed rock phosphate and seed at a rate of 8 seeds per square metre. This approach to reforestation has a lot of potential, based on what was observed in this pilot project."

Mr Derek Squair, Head of Fertoz Carbon, said:

"We have gained valuable intellectual property through the Fernie reforestation trial. We have demonstrated the cost efficiency of drone use in forestry seeding across six separate control zones within the project area. We will monitor the site for the next 12 months to determine initial tree yield and survival

rates from the drone seeding and growth rates across different plots to better understand tree species and their suitability in the Fernie area. Our ultimate objective is to have this forest site verified and therefore qualify to earn carbon credits, which would be generated on an ongoing basis for up to a project life of 50 years, increasing as the trees grow and mature over the project duration.

"This project will showcase Fertoz and its partners' capabilities in the carbon market. We expect this exercise will enhance Fertoz's credentials in the eyes of mining companies and landowners regarding forestry carbon projects, potentially leading to further project initiations."

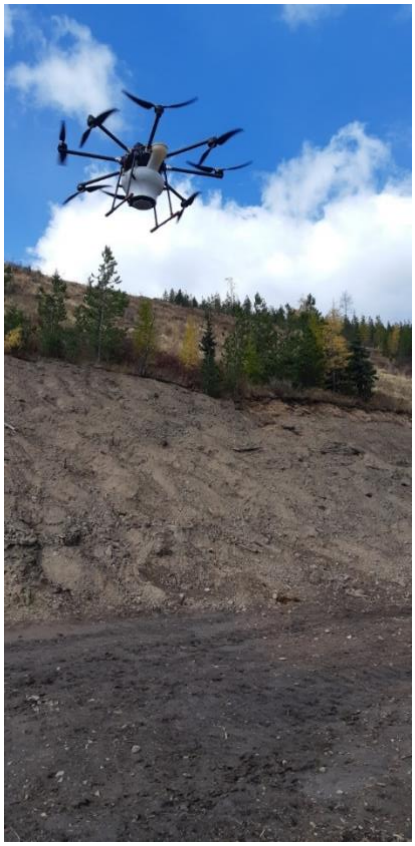

Figure 3: Drone at application altitude delivering to Fernie mined area

Forest Reclamation Project Pipeline

Fertoz is currently finalising commercial terms on a project at a 9,000 acre East Coast USA former mine site. Maple seeds and rock phosphate are to be used to reforest and replenish the area.

These forestry initiatives are part of the Company's larger carbon program, under which Fertoz uses accepted methodologies to quantify, monitor, report and verify greenhouse gas emission reductions and sequestration through regulated and voluntary forestry management protocols. Soil samples and satellite imagery will confirm the carbon sequestration ability of the replanted area over multiple years. To ensure full transparency, the Company will engage carbon consultants, verifiers and observing agronomists throughout the process.

Fertoz Carbon is also evaluating reforestation projects on degraded farmlands in Australia and Asia.

In Australia, discussions are underway to apply the learnings gained from the use of drones to reseed multiple tree species, and then quantify, monitor, report and verify greenhouse gas sequestration on the project areas. Sites are currently being evaluated for suitability.

The deforestation of many sites in Asia provides opportunities to limit and/or change land practices, thus generating carbon credits as well as rehabilitating degraded or low value farmlands. Fertoz is currently in discussions with potential partners in the Asia Pacific region in this regard.

Fertoz Executive Chairman, Pat Avery said:

"Fertoz is advancing carbon sequestration efforts in a range of areas, including reforesting old mine sites and degraded farm lands. A number of opportunities and partnerships with land owners are currently either in negotiations or being evaluated. We have achieved proof of concept that drone seeding and fertilisation is feasible, and are currently scheduling further works in anticipation of contracts.

"Fertoz Carbon continues to expand on extensive agronomic trial data that the broader Fertoz group has generated over many years. With its partners, Fertoz Carbon is leveraging this knowledge to target improved sustainable agricultural practices, including the lowering of emissions in conventional agriculture. We expect to report further advancements on potentially establishing protocols in relation to agricultural practices in the coming months."

Approval

This release has been approved by the Board of Fertoz Ltd

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