

Fertoz

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ASX RELEASE / MEDIA RELEASE

Fertoz Provides Operational Update on its Phosphate Projects

Highlights

- Additional phosphate rock successfully crushed and now available for field trials and sale
- Four groups currently testing Fertoz certified organic input rock phosphate for long term sales contracts
- Field trials commenced in Saskatchewan and Alberta on wheat and hay crops
- Significant progress on Wapiti permitting and First Nations relationships

Fertoz Ltd (“Fertoz” or the “Company”, ASX:FTZ) is pleased to provide a corporate update regarding operational activities for the months of April and May 2016 furthering the development of its phosphate projects in British Columbia, Canada.

Managing Director Stephen Keith commented: “We are very pleased to provide this update, as Fertoz is moving its projects and sales forward successfully, as promised. Not only have the past two months yielded significant progress of our BC rock phosphate projects, but also the coming month is expected to show continued success. In total, we have crushed 1,720 tonnes of rock this year, when we include the information provided in our press release of 21 April, 2016. Field trials have commenced, which will allow us to get real data for our 2016 sales effort focused on the Canadian Fall of 2016, and product is being tested by multiple groups in order to consider long term sales contracts. We are making good progress towards our sale of 2,000 tonnes as announced on 25 February with the preliminary work to extract the product well underway and still expected in the third quarter of 2016. Permitting continues to move ahead at our flagship Wapiti project and we continue to have success both with the regulator as well as the local First Nations, with whom we are developing long-term, mutually beneficial relationships. We continue to meet our 2016 targets and advance our projects to add real value for our shareholders.”

Crushing and Pulverizing Tests

An additional 730 tonnes have been successfully crushed at a farm in Alberta in May 2016, bringing the total to 1,720 tonnes of crushed phosphate rock ready to be delivered for field trials.



Original 730 Ton Wapiti Phosphate



Finished Product with majority at <3"

Sales

Fertoz continues to make progress marketing its product and anticipates that mining and sales completion of the first contracted 2,000 tonnes of rock phosphate will be concluded in the next quarter, as outlined in our 25 February 2016 press release.

The company continues to advance discussions on additional sales following the same model of the recently signed Memoranda of Understanding in which trials are performed prior to final purchase agreements. There are currently 4 groups testing the benefits and applicability of our certified organic input rock phosphate fertilizer with field trials commenced in Saskatchewan and Alberta on wheat and hay crops. Results of these field trials are anticipated to come during the third quarter of 2016, in time for the autumn sales season in the fourth quarter of the year, as the Company had projected.

Upon completion of the field trials, Fertoz believes that it will be well positioned to be an important source of organic fertilizer to the Canadian organic food market which is represented by more than 3,500 producers over an area of almost 2.5 million acres (84% located in Western Canada), according to the Canada Organic Trade Association (2014 data). Since end of April 2016, Fertoz's rock phosphate products have been certified for use in the production and/or processing of organic agriculture products in compliance with the requirements of the Canadian Organic Standards (COS) and the USDA National Organic Program.

Permitting and First Nations Affairs

The Company has obtained an access permit in the last month from Ministry of Mines which provides better access to the Company's permitted 17,500 tonne bulk sample area and which would be used once the Company obtains its 75,000 tpa small mine permit. Progress has been achieved on Wapiti's 75,000 tpa small mine permit with the following aspects achieved in the last month:

1. license to cut timber received from Ministry of Forests,
2. permit to operate above 1,400 metres, and
3. protocol Agreement signed with West Moberly First Nation

FertAg – Fertoz Agriculture Pty

FertAg sales continue to show good progress. Over the last two months, Fertag has sold out of product in Victoria. Fertag purchased an additional 140 tonnes of product which was delivered in April; the bulk of this product has already been allocated to customers. Due to increasing demand, a further order was placed in May for 120 tonnes of granular and regular products to be delivered by the end of June. Fertag continues to be self-sustaining out of its own cash flows.

Fertoz Agriculture Pty Ltd is a 50/50 joint venture between Fertoz Limited and Vast Resources Pty Ltd to import and market a proven specialty phosphate fertiliser in Australia and New Zealand. FertAg has obtained exclusive Australian/New Zealand distribution rights from an Asian supplier to supply up to 50,000 tpa of a specialty high grade phosphate product that can be used by organic and conventional farmers.

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