

Fertoz

27 November 2018

ASX RELEASE / MEDIA RELEASE

Fertoz Partnering Progress and Operational Delivery

HIGHLIGHTS

- Fertoz is developing a robust new customer pipeline, having achieved first sales of organic fertiliser products to Nutrien, the world's largest provider of crop inputs, and progressed to the final stages of becoming an approved supplier to the Scotts Miracle-Gro Company, with a view to commencing sales to Scotts' cannabis-focused subsidiary.
- With CY18 deliveries of about 8,500 tons and sales of approximately 13,000 tons, Fertoz will have more than 15,000 tons in inventory ready for spring sales and deliveries. Through the winter months, Fertoz will generate cash through delivering more of the pending CY18 sales volumes.
- Fertoz is currently negotiating up to six additional key product and geographic partnerships which cover multiple growing regions of the United States, including one with established customer Seven Springs Farm.

Organic phosphate development company Fertoz Limited ("Fertoz" or the "Company", ASX: FTZ) is pleased to update investors on recent partnering activity and operational execution.

Robust new customer pipeline: Nutrien and Scotts

The Company is pleased to advise that it has achieved first sales to Nutrien (TSX: NTR).

Headquartered in Saskatoon, Saskatchewan, Canada, Nutrien is the world's largest supplier of crop inputs and services. Formed through the 2017 merger of PotashCorp and Agrium, Nutrien has forged a unique position of strength within the agriculture industry, selling more than 26 million tonnes of potash, nitrogen and phosphate per year.



ASX: FTZ



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Board of Directors

Executive Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director
Company Secretary

P. Avery
S. Richardson
A. Byass
J. Chisholm
Stedwell

Key Projects

Wapiti
Fernie

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

After detailed testing and analysis, Fertoz has progressed to the final stages of becoming an approved supplier to one of North America's largest lawn and garden care providers, the Scotts Miracle-Gro Company (NYSE: SMG), and its family of plant nutrient and soil amendment businesses.



With market capitalisation of more than US\$4 billion, Scotts markets a wide range of industry-leading brands including Osmocote, General Hydroponics and Miracle-Gro, through which it generates US\$2.8 billion in annual sales.

Following approval of Fertoz's organic credentials, the Company expects to start by providing fertiliser products to Scotts' fast-growing subsidiary for cannabis growers, the Hawthorne Gardening Company.

Fertoz Executive Chairman, Pat Avery, said:

"I am delighted with the growing market awareness of Fertoz's certified organic phosphate and our product's agronomic benefits for farmers. We are now supplying major agricultural networks through distributor agreements, JVs and to fertiliser companies direct.

"Sales volumes continue to match or exceed the targets set in our three-year business plan. CY17 saw sales of 1,250 tonnes, in CY18 we will achieve approximately 13,000 tonnes and in CY19 we forecast 30 to 50,000 tonnes. To drive this, Fertoz has developed rail and truck logistic networks, crushing, screening and storage facilities, and a full end-to-end supply chain operation servicing all major organic agricultural hubs.

"Our expanded sales team (now with six personnel) has now contacted more than 5,000 customers — farmers direct, distributors and phosphate companies. We continue to expand the target list and aim to turn each call into future customers and recurring sales. The business remains on track, well-funded and focused on delivering shareholder returns."

Mining, sales, delivery and permitting progress

Having processed mine run to 50-70 mesh powder, Fertoz has crushed over 20,000 tons of product since May 2018. With CY18 deliveries of about 8,500 tonnes and sales of approximately 13,000 tonnes, the Company will have more than 15,000 tons in inventory ready for spring sales and deliveries. Through the coming winter months, Fertoz will generate cash through delivering more of the pending CY18 sales volumes.

In October 2018, Fertoz located and entered a supply and marketing agreement for over 100,000 tonnes of phosphate ore near Butte, Montana. This is of similarly high quality to the rest of the Company's deposits and will flow through Fertoz's existing processing facilities.

On this basis, Fertoz has secured more than enough supply to meet its next two years' group sales targets, being for 30-50,000 tonnes in CY19 and 100,000 tonnes in CY20, independent of its Canadian permitting plans.

Fertoz has been advised that the Company has moved into the final comment period for the Alberta bulk sample permit.

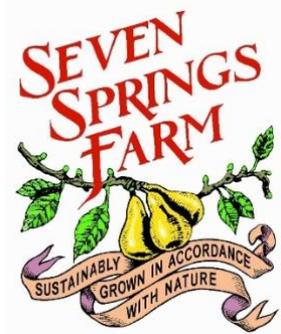
At a recent high-level meeting with British Columbia Mining and Environmental Ministers, Fertoz made the case that the agencies have all the information required to approve the Company's Wapiti and Fernie area permit applications. The authorities agreed and have assigned a high level agency operative to facilitate Fertoz's final review and approval.

Following approval, the Company plans to begin mining the 5,000 tonne bulk sample in early spring (ie. March-April) 2019.

Distributorships and partnerships

Fertoz is currently finalising a distribution agreement with Seven Springs Farm. Based in Virginia, USA, Seven Springs is an established organic farm product retailer and supplier. Seven Springs has developed a network of dealers in more than 10 US states with particularly strength along the eastern seaboard.

Over the past year, Fertoz has sold increasing amounts of fertiliser products to Seven Springs, and the Company looks forward to deepening this relationship through a formal distribution agreement.



The Company has commenced the Sales and Supply contract with Humic Growth Solutions announced to the ASX on 22 November 2018. HGS is a leading global supplier of soluble humic powder, granulated and liquid products. The parties are actively working towards the establishment of a joint venture to facilitate a series of value-added rock phosphate and humic products.

The parties' 10 Year Sales and Supply Contract targets 12,000 tonnes in CY19, 28,000 tonnes in CY20 and yearly increases thereafter.

Fertoz is currently negotiating up to six additional key product and geographic partnerships which cover multiple growing regions of the United States.

Fertoz management will discuss these and more at the Company's upcoming AGM in Melbourne, Australia on 29 November, and on investor visits following the meeting.

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