ASX ANNOUNCEMENT
31 July 2024

Fertoz
NATURE'S SOLUTIONS

PUTTING CARBON BACK INTO THE SOIL

Fertoz June 2024 Quarterly Activities Report

Highlights

- Q2 sales of A$852,000, which were negatively impacted due to a lack of rock phosphate supply in Canada as Fertoz awaits permits
- Fertoz awaits approval of three applications – bulk sample permits at Barnes and Pump Station (10,000t each) and Marten industrial minerals permit for 150,000t. At least one of these is expected to be granted in Q3 CY2024
- Cost reductions continued across the business, with North America expenses reduced by A$1.635M compared with the same period this time last year, benefitting operating cash outflows
- Experienced financial advisor Malcolm Weber appointed as a Non-Executive Director of Fertoz, bringing 35 years of corporate, institutional and client interaction
- Fertoz welcomes addition of phosphate to Canada's 2024 Critical Minerals List, designating it as a critical mineral for the first time.

Sustainable land management company **Fertoz Limited** (**Fertoz** or the **Company**) (**ASX:FTZ**) is pleased to provide an update on activities during the quarter ending 30 June 2024.

Fertoz Managing Director and CEO Daniel Gleeson said:

"Sales of A$852,000 for the quarter were below budget due to lower than anticipated Canadian sales. These sales continued to be materially impacted due to lack of supply of rock phosphate in Canada as we await confirmation of permits. We were also impacted with two plant shutdowns for expansion upgrades by our manufacturing customers, which are expanding their businesses. Despite strong supply volumes from the USA being available, freight continues to have an impact on the profitability for both Fertoz and our customer base.

"Cost reductions across our North American operations are beginning to benefit operating cash outflows, however Canadian mine permits are the key focus. Across the three permit applications, we are in the advanced stages of a bulk sample for our Barnes permit to provide 10,000 tonnes of local Canadian product. Expectations are for approval in the second half of 2024 which will also help in advancing to the next stage of an industrial minerals permit for Barnes. Pump Station bulk sample (10,000 tonnes) is submitted and has been pre-screened for progression into technical review. Lastly, an application for Marten Industrial Minerals Permit is in progress as we advance towards an expected 150,000 tonne permit in 2025.

"Customer development with key manufacturers across North America is in advanced stages which will broaden revenue streams with these partners buying rock phosphate. The benefits of value adding rock phosphate, particularly in the Canadian market where years of product development and sales reaches a tipping point is well noted. Long-term growth of the sector as growers see the soil health benefits and industry acknowledges the transition that is needed places Fertoz in a strong position for future growth.

"During the quarter, we welcomed Malcolm Weber to our Board, bringing an extensive background in finance and corporate roles that we can leverage as we continue to move Fertoz to becoming a profitable North American focused regenerative agriculture business. We look forward to his input and support."

Figure 1: Fertoz team members Paul Peterson, Dylan Treadwell and Managing Director Daniel Gleeson at the Barnes permit application site

CORPORATE

Malcolm Weber joins Fertoz Board

Fertoz appointed Malcolm Weber as a Non-Executive Director of the Company, following the resignation of Greg West, effective 17 June 2024, to pursue other interests.

Mr Weber is an experienced financial advisor with more than 35 years of corporate, institutional and client interaction. He is a substantial shareholder in the Company and is excited by the opportunities that Fertoz Managing Director and CEO Daniel Gleeson and his team are addressing in regenerative and sustainable agriculture.

Phosphate added to Canada's Critical Minerals List

Canada's Minister of Energy and Natural Resources, Jonathan Wilkinson, announced Canada's 2024 Critical Minerals List on 10 June 2024, designating phosphate as a critical mineral for the first time. The decision emphasizes phosphate's essential role in strengthening food security in Canada as well as globally, and in aiding the energy transition. Phosphate is used directly as a fertilizer and also added to fertilizer products – such as Fertoz's own Fertify™ pelleted product – and is crucial to maintaining and improving soil health needed for food crops. The addition of phosphate to this list acknowledges the fundamental importance of this mineral and the growing understanding of its necessity.

Apart from fertilizers, phosphate is integral to the renewable diesel and sustainable aviation fuel industries and is a critical mineral for producing lithium iron phosphate (LFP) batteries, which are common in electric vehicles and growing in demand for use.

Fertoz's Wapiti and Fernie rock phosphate projects, which are large, high-quality deposits of organic rock phosphate in British Columbia, Canada, will benefit from this announcement as will Fertoz's customers who rely heavily upon this mineral for the manufacturing of sustainable and regenerative fertilizer products.

The Canadian Government has made significant investments to support the development of critical mineral projects and associated value chains. These investments include the $1.5 billion Strategic Innovation Fund, the $1.5 billion Critical Minerals Infrastructure Fund, the Indigenous Natural Resources Partnerships Program, and Indigenous grants related to critical minerals infrastructure. Projects for minerals on Canada's 2024 Critical Minerals List, including phosphate, may also qualify for additional funding, incentives and supports from:

- The Canada Growth Fund;
- The Business Development Bank of Canada;
- Export Development Canada
- The Canada Infrastructure Bank
- Sustainable Development Technology Canada; and,
- Scientific Research and Experimental Development tax incentives.

Fertoz will investigate these funding incentives to determine whether they may be appropriate for Fertoz International (Fertoz's Canadian subsidiary) to apply at a date to be determined if applicable.

Additionally, the Canadian Government is working to streamline the permitting process for the development of critical mineral projects, which may prove beneficial to Fertoz.

Change of Company Secretary

During the quarter, Fertoz appointed Lucy Rowe and Kamille Dietrich as Joint Company Secretaries following the resignation of Leah Pieris from the role of Company Secretary.

For the purposes of ASX Listing Rule 12.6, Ms Rowe and Ms Dietrich are responsible for communications between the Company and ASX.

Update on Carbon projects

During the quarter, the Australian Securities & Investments Commission (ASIC) served Fertoz with infringement notices under section 12GX of the ASIC Act 2011 in relation to its Carbon projects in the Philippines. Fertoz paid $37,560 in relation to the ASIC fines on 21 June 2024.

Fertoz's payment of the infringement notices should not be misconstrued as an admission of misleading conduct. It is a decision made in the interest of resolving the matter expediently and allowing Fertoz management to focus on its phosphate operations and advancement of its carbon projects.

Cash / Appendix 5B Commentary

The Company had A$0.83M in cash plus undrawn funding facilities of A$1.0M at 30 June 2024.

Fertoz holds approximately 12,000 tonnes of inventory in Montana USA which has a sales value of more than A$3.0M. Additionally, access to a further 20,000 tonnes in stockpiles remains in Montana.

The Company intends to secure mining permits in Canada for the 2024 season that will drive improved orders, gross margins and therefore cashflows in FY2024.

Payments to Related Parties - ASX Listing rule 5.3.5

During the June 2024 quarter, Fertoz paid an executive director $123,000 in relation to his ongoing employment contract and Fertoz paid a non-executive director $7,000 relating to interest on a director loan provided to Fertoz, as outlined in Appendix 5B section 6.1.

Ends

Approval

This release has been approved by the Board of Fertoz Limited.

For further information, please contact:

Daniel Gleeson
CEO & Managing Director
Fertoz Limited
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APPENDIX 1 – TENEMENTS AS AT 30 JUNE 2024

Title Number	Claim Name	Owner	Good To Date	Status	Area (ha)
851942	WK 1	276562 (100%)	2022/AUG/21	PROTECTED	450.8337
851948	WK 2	276562 (100%)	2022/AUG/21	PROTECTED	451.0152
851952	WK 3	276562 (100%)	2022/AUG/21	PROTECTED	375.6551
851958	WK 4	276562 (100%)	2022/AUG/21	PROTECTED	451.2027
941760	WK 5	276562 (100%)	2022/AUG/21	PROTECTED	450.829
941761	WK 6	276562 (100%)	2022/AUG/21	PROTECTED	469.869
941762	WK 7	276562 (100%)	2022/AUG/21	PROTECTED	432.0722
941763	WK 8	276562 (100%)	2022/AUG/21	PROTECTED	413.4852
941764	WK 9	276562 (100%)	2022/AUG/21	PROTECTED	432.5329
941769	WK 10	276562 (100%)	2022/AUG/21	PROTECTED	451.3602
955278	WK 11	276562 (100%)	2023/AUG/21	PROTECTED	470.3094
956829	WK 12	276562 (100%)	2022/AUG/21	PROTECTED	37.5615
982744	WK-ONE	276562 (100%)	2022/AUG/21	PROTECTED	18.7971
1011319	BARNES LAKE	276562 (100%)	2026/JUL/19	GOOD	608.9764
1015556	WAPITI NE	276562 (100%)	2022/AUG/21	PROTECTED	375.5435
1015557	WAPITI TWO	276562 (100%)	2022/AUG/21	PROTECTED	168.9294
1015558	WAPITI SOUTH	276562 (100%)	2022/AUG/21	PROTECTED	376.3457
1015626	MUNOK 1	276562 (100%)	2022/AUG/21	PROTECTED	169.5755
1015627	BELCOURT 1	276562 (100%)	2022/AUG/21	PROTECTED	113.2731
1018104	WAP S2	276562 (100%)	2022/AUG/21	PROTECTED	451.8171
1018106	WAP S3	276562 (100%)	2022/AUG/21	PROTECTED	451.7492
1018107	WAP S4	276562 (100%)	2022/AUG/21	PROTECTED	451.9332
1018108	WAP S5	276562 (100%)	2022/AUG/21	PROTECTED	452.0947
1018109	WAP S6	276562 (100%)	2022/AUG/21	PROTECTED	452.3014
1020873	BARNES 2	276562 (100%)	2025/JUL/18	GOOD	629.8798
1023062	CROWSNEST	276562 (100%)	2027/AUG/29	GOOD	1450.888 2
1023064	CROWS 2	276562 (100%)	2024/OCT/15	GOOD	38.6725
1023921	RED DEER 1	276562 (100%)	2022/AUG/21	PROTECTED	150.2184
1023922	RED DEER 2	276562 (100%)	2022/AUG/21	PROTECTED	206.3382
1023923	RED DEER 3	276562 (100%)	2022/AUG/21	PROTECTED	150.1307
1024365	MARTEN	276562 (100%)	2027/AUG/30	GOOD	754.3219
1024783	MUNOK 2	276562 (100%)	2022/AUG/21	PROTECTED	603.0465
1024803	BELCOURT 2	276562 (100%)	2022/AUG/21	PROTECTED	301.7586
1024805	BELCOURT 4	276562 (100%)	2022/AUG/21	PROTECTED	339.7829
1024806	BELCOURT 3	276562 (100%)	2022/AUG/21	PROTECTED	188.6959
1025533	MARTEN 2	276562 (100%)	2026/AUG/28	GOOD	460.8584
1027037	BELCOURT LINK	276562 (100%)	2022/AUG/21	PROTECTED	282.5887
1027038	WAP 11	276562 (100%)	2022/AUG/21	PROTECTED	168.938
1029417	MUNOK	276562 (100%)	2022/AUG/21	PROTECTED	207.3811
1029489	SOUTH 2	276562 (100%)	2022/AUG/21	PROTECTED	376.1569
1029979	MARTEN NORTH	276562 (100%)	2026/AUG/29	GOOD	334.9933

1030777	SOUTH ROAD 2	276562 (100%)	2022/AUG/21	PROTECTED	413.6588
1031107	MARTEN E	276562 (100%)	2026/AUG/29	GOOD	188.4545
1046619	BARNES LK 3	276562 (100%)	2025/JUL/12	GOOD	524.8883
1047502	RAM 1	276562 (100%)	2026/OCT/29	GOOD	21.1186
1055454	BARNES LK WEST	276562 (100%)	2025/JUL/09	GOOD	83.9744
1057281	BIGHORN SOUTHWEST	276562 (100%)	2025/OCT/29	GOOD	211.2753
1058529	SUMMIT 1	276562 (100%)	2026/AUG/29	GOOD	20.9183
1059393	SOUTH OF ALBERTA 1	276562 (100%)	2025/JUL/17	GOOD	309.3128
1059412	BARNES 5	276562 (100%)	2025/JUL/18	GOOD	104.9646
1059422	COAL MOUNTAIN 1	276562 (100%)	2025/JUL/19	GOOD	230.7787
1085341	MOUNT JACKSON	276562 (100%)	2026/MAY/30	GOOD	438.8429
1086422	RAM-BIGHORN	276562 (100%)	2024/DEC/13	GOOD	105.6033
1089118	BIGHORN 3	276562 (100%)	2024/SEP/20	GOOD	295.744
1093403	MTN LYNE 1	276562 (100%)	2025/DEC/21	GOOD	41.5705
1093465	LYNE 7	276562 (100%)	2025/DEC/24	GOOD	62.4768
1094162	BIGHORN 20	276562 (100%)	2024/SEP/29	GOOD	232.3941
1095294	WAPITI SOUTH ROAD	276562 (100%)	2023/APR/22	PROTECTED	131.4155
1095776	MOUNT JACKSON 2	276562 (100%)	2025/NOV/25	GOOD	208.8644
1095777	MOUNT JACKSON 3	276562 (100%)	2025/NOV/25	GOOD	208.771
1095780	MOUNT JACKSON 4	276562 (100%)	2025/NOV/25	GOOD	208.657
1096780	MICHEL HEAD 1	276562 (100%)	2026/JUL/24	GOOD	209.8408
1099871	ALEXANDER NORTH 4	276562 (100%)	2025/DEC/31	GOOD	104.1773
1099872	ALEXANDER NORTH 5	276562 (100%)	2025/DEC/31	GOOD	250.1576
1099878	ALEXANDER NORTH 6	276562 (100%)	2025/DEC/31	GOOD	291.4774
1099881	LYNE TWO	276562 (100%)	2025/DEC/20	GOOD	291.1067
1099882	LYNE THREE	276562 (100%)	2025/DEC/23	GOOD	166.547
1099887	LYNE MOUNTAIN SOUTH	276562 (100%)	2025/DEC/19	GOOD	624.1649
1101178	ALEXANDER NORTH 2	276562 (100%)	2026/JAN/25	GOOD	250.1061
1104899		276562 (100%)	2025/DEC/22	GOOD	416.1128
1108133	Graves Lake 1	276562 (100%)	2024/OCT/16	GOOD	333.0502
1108515	Graves Lake 2	276562 (100%)	2024/OCT/24	GOOD	208.3192
1108517	Graves Lake 3	276562 (100%)	2024/OCT/24	GOOD	166.5387
1110032	Highway 3 phos	276562 (100%)	2025/JAN/07	GOOD	41.8301
1110033	Cro 78	276562 (100%)	2025/JAN/07	GOOD	62.7437
1110255	Alexander South	276562 (100%)	2025/JAN/18	GOOD	250.9147
1110462	GRAVES 1	276562 (100%)	2025/JAN/22	GOOD	41.6141
1110482	Graves 11	276562 (100%)	2025/JAN/22	GOOD	374.512

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Fertoz Limited

ABN	Quarter ended ("current quarter")
86 145 951 622	30 June 2024

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (Six months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	852	1,277
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production - (Input cost)	(294)	(588)
	(d) staff costs	(15)	(34)
	(e) administration and corporate costs	(558)	(1,132)
	- Marketing costs	(120)	(287)
	- Other Administration costs	(400)	(807)
	- ASIC fines	(38)	(38)
1.3	Dividends received	-	-
1.4	Interest received	1	5
1.5	Interest and other costs of finance paid	(38)	(57)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	(a) Other	(14)	(17)
	(b) Other – refund of deposit	-	-
1.9	**Net cash from / (used in) operating activities**	**(66)**	**(546)**

1.2 (c) Raw material costs associated with inventory preparation in Montana, USA and preparation of sites in Canada for bulk sample mining in 2024

1.2(e) "other Admin costs" includes preparatory work on Carbon activities ($20K Year To Date)

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (Six months) $A'000
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(138)	(242)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	14	14
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(124)**	**(228)**

.2.1(d) Mined inventory at cost - available for resale + access roads and permitting costs – Canada

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Proceeds from lease liability borrowings	-	-
3.9	Payments for lease liabilities	(58)	(101)
3.10	**Net cash from / (used in) financing activities**	**(58)**	**(101)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period (*See note 1)*	1,090	1,696
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(66)	(546)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (Six months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(124)	(228)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(58)	(101)
4.5	Effect of movement in exchange rates on cash held	(5)	16
4.6	**Cash and cash equivalents at end of period**	**837**	**837**

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5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	438	228
5.2	Call deposits	399	862
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**837**	**1,090**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	130
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,000	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	1,000	-

7.5	**Unused financing facilities available at quarter end**	1,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The loan facility is a debtors' factoring facility secured against invoices raised by the Company for the sale of inventory. The interest rate is 12.95%pa.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(66)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(138)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(204)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	837
8.5	Unused finance facilities available at quarter end (Item 7.5)	1,000
8.6	Total available funding (Item 8.4 + Item 8.5)	1,837
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	9.00

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

The Board of Directors

Authorised by: ....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.