

PUTTING CARBON BACK INTO THE SOIL

Fertoz September 2024 Quarterly Activities Report

Highlights

- First significant (+US\$200,000) Fertify™ order delivered, with further growth expected in Q4 as application season begins in earnest.
- Overall sales for Q3 were below historical levels as supply constraints continued due to permitting delays in Canada, whilst distribution partners (manufacturers) faced delays in plant upgrades.
- Sales for direct application of rock phosphate in Canada remained consistent but did not cover the shortfall for granulated product sold in the market by our distribution manufacturers.
- Technical Assessment Review (TAR) submitted for Barnes bulk sample permit.
- Wapiti samples undergoing testing for suitability in the production of phosphoric acid for use in LFP battery manufacturing and liquid phosphorous fertilizer production.
- Grant application submitted to the BHP Xplor program for up to US\$500,000 to support further exploration at Wapiti.
- \$1.225 million Share Placement completed, scaled up from an initial \$1M target, to assess rock phosphate assets for Canadian agricultural applications and lithium iron phosphate (LFP) battery market.
- Q3 cashflow reflects costs associated with order deliveries in September, with receivables largely due in October. Fertoz also paid the majority of outstanding payables in the quarter. As a result, cash and accounts receivable at 30 September was a solid \$1.6M.

Fertoz Ltd (**ASX:FTZ**) (**Fertoz** or **the Company**) is pleased to provide an update on activities during the quarter ending 30 September 2024.

Fertoz Managing Director and CEO Daniel Gleeson said: *“Demand for direct application of rock phosphate and blended Fertify remained positive in Q3, with significant orders for Fertify beginning in September (+\$200,000) and expected to continue through late 2024. This was despite significant losses for farmers in the Alberta region of Canada due to pre-harvest hailstorms.*

ASX : FTZ

REGISTERED OFFICE

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www.ferto.com

BOARD OF DIRECTORS

Stuart Richardson – Non-Executive Chairman
Daniel Gleeson – Managing Director
Malcolm Weber – Non-Executive Director

KEY PROJECTS

Wapiti – Ownership 100%
Ferne – Ownership 100%

FERTOZ LTD ACN: 145 951 622

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There were delays in upgrades to granulation processing equipment by our key customers, which slowed sales. Expectations are for completion of these upgrades by the end of 2024 which would provide significantly greater demand for our rock phosphate moving forward.

Permitting is in the final stages with submission of a Technical Assessment Review (TAR) to the Ministry of Energy, Mines and Low Carbon Innovation. This bulk sample permit for 10,000 tonnes in Barnes is expected to be ready for mining at the beginning of the season in 2025. In addition, our next bulk sample permit at Pump Station for 10,000 tonnes will further support our advancement towards an industrial minerals permit for up to 250,000 tonnes. This is also expected to be completed in early 2025.

We continue to work on assessing our Wapiti project for suitability in the production of phosphoric acid to be supplied into the lithium iron phosphate (LFP) battery and liquid phosphate fertilizer markets. Wapiti samples have been received by the testing party, with positive desktop results achieved, and will now process them in the laboratory for final reportable and definitive results. . These final testing results are expected in December.

Concurrently, we continue to engage with relevant parties of the LFP supply chain industry in North America who have expressed interest in our resources. Given the significant direct government investments across North America in the development of EVs, storage batteries and substantial future tax credits for locally manufactured products, interest remains high in our high quality, low impurity sedimentary rock phosphate deposits.

Cash/Appendix 5B Commentary

Fertoz incurred significant cash outflows in Q3 due to processing of account payables whilst receivables are due in Q4 for product delivered in Q3. Our net cash and receivables position of A\$1.6M at 30 September is expected to reflect stronger inflows next quarter, receipt subject to shareholders approval of directors funds from placement and minimal outstanding payables. Fertoz continues to maintain undrawn funding facilities of A\$1.0M at 30 September 2024.

Fertoz holds adequate inventories to support 4Q sales with approx. 4,000 tons of phosphate in Montana USA which will be sold at a positive margin over costs

CORPORATE

Share Placement

In August, Fertoz completed a \$1.225 million Share Placement to accelerate phosphate development in North America.

Fertoz Directors participated, bidding for \$209,000, with shareholder approval to be sought at a General Meeting of the Company to be called in late 2024.

The Placement consisted of:

- The issue of 46,211,655 fully paid ordinary shares in the capital of the Company ("Shares") at an offer price of \$0.022 per share to raise \$1,016,656 (before costs) in Tranche 1; and
- A second tranche of 9,500,000 Shares at an offer price of \$0.022 per Share to be issued to Directors of the Company ("Director Shares") subject to shareholder approval under Listing Rule 10.11, to raise \$209,000 (before costs).



The shares (other than the Director shares) were issued on 28 August 2024, pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Blackwood Capital, co-owned by Non-Executive Chairman Stuart Richardson and thereby a related party of Fertoz, acted as Lead Manager for the Placement and received a gross fee of 5% of the funds raised.

COMPLIANCE

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, during the September 2024 quarter Fertoz paid an executive director \$122,688 in relation to his ongoing employment contract.

Fertoz paid a non-executive director \$7,459 relating to interest on a director loan provided to Fertoz as outlined in Appendix 5B section 6.1. Fertoz also paid a non-executive director \$4,973 relating to interest on a convertible note provided to Fertoz in November 2023.

Expenditure incurred on exploration and evaluation

During the Quarter, the Company made payments of \$197,891 million for exploration and evaluation (Q2 2024: \$138,177), \$499,597 for production input costs (Q2: 2024 \$294,130), and \$503,667 for administration and corporate related costs (Q2 2024: \$557,936).

Ends

Approval

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

For further information, please contact:

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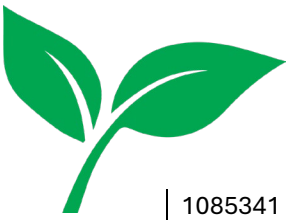
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APPENDIX 1 – TENEMENTS AS AT 30 SEPTEMBER 2024

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	1450.8882
1023064	CROWS 2	276562 (100%)	2027/AUG/26	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

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1085341	MOUNT JACKSON	276562 (100%)	2026/MAY/30	GOOD	438.8429
1086422	RAM-BIGHORN	276562 (100%)	2024/DEC/13	GOOD	105.6033
1093403	MTN LYNE 1	276562 (100%)	2025/DEC/21	GOOD	41.5705
1093465	LYNE 7	276562 (100%)	2025/DEC/24	GOOD	62.4768
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
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%)	2027/OCT/27	GOOD	41.8301
1110033	Cro 78	276562 (100%)	2027/AUG/28	GOOD	62.7437
1110255	Alexander South	276562 (100%)	2027/AUG/28	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

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Appendix 5B

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

Name of entity

Fertoz Limited

ABN

86 145 951 622

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (Nine months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	365	1,642
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production - (Input cost)	(500)	(1,088)
(d) staff costs	(12)	(46)
(e) administration and corporate costs	(503)	(1,635)
- Marketing costs	(95)	(382)
- Other Administration costs	(408)	(1,215)
- ASIC fines	-	(38)
1.3 Dividends received	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(38)	(95)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 (a) Other	(24)	(41)
(b) Other – refund of deposit	-	-
1.9 Net cash from / (used in) operating activities	(711)	(1,257)

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 (\$29K Year To Date)

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

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(199)	(441)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	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	(199)	(427)

.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)	1,017	1,017
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	(52)	(52)
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	(40)	(141)
3.10	Net cash from / (used in) financing activities	925	824

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)	837	1,696
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(711)	(1,257)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(199)	(427)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	925	824
4.5	Effect of movement in exchange rates on cash held	38	54
4.6	Cash and cash equivalents at end of period	890	890

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	206	438
5.2	Call deposits	684	399
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	890	837

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	135
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

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

7. Financing facilities <i>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.</i>	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)	(711)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(198)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(909)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	890
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)	1,890
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.07

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: 28 October 2024

Authorised by: The Board of Directors
(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.