

# Fertoz

## Progress Report



*North American phosphate exploration and development  
November 2013*

[www.fertoz.com](http://www.fertoz.com)

This presentation contains certain statements which constitute “forward-looking statements”. Forward-looking statements are based on the estimates and opinions of Fertoz’s management on the date the statements are made and Fertoz does not undertake any obligation to update forward-looking statements should conditions or management’s estimates or opinions change, whether as a result of new information, future events or other factors, except as required by law.

All statements other than statements of historical fact herein are forward-looking statements and include, but are not limited to: (i) estimates and projections of future phosphate prices; (ii) estimates and projections of future phosphate production and demand; (iii) estimates and projections of reserves and resources; (iv) estimates and opinions regarding geologic and mineralization interpretation; and (v) estimates of exploration investment and scope of exploration programs. When used in this presentation, the words “plans”, “expects”, “anticipates”, “budgets”, “forecasts”, “strategy”, “goals”, “objectives”, “could”, “should”, “may”, “potential” and other similar expressions relating to matters that are not historical facts are forward-looking statements.

All forward-looking statements herein are based on Fertoz’s or its advisors’ current beliefs, as well as various assumptions and information currently available to them. These assumptions include, but are not limited to: (i) continued growth in world population; (ii) continued increase in personal incomes; (iii) continued increase in grain-intensive meat diets; (iv) continued decline in the global agricultural land base; (v) the successful negotiation of native title access agreements for Fertoz’s exploration licences. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements, in particular, the estimates do not include input cost increases or phosphate price variations that could occur in the future.

The forward-looking statements herein are subject to risks, uncertainties and other factors. The risk factors may be generally stated as the risk that the assumptions and estimates expressed herein do not occur, and include, but are not limited to: (i) phosphate and other commodity price volatility; (ii) political and operational risks; (iii) government regulation of mining activities; (iv) environmental risks; and (v) title disputes and claims. We caution potential investors not to place undue reliance on the forward-looking statements herein, as a number of important assumptions could cause the actual outcomes to differ materially from the beliefs, plans, expectations and estimates expressed herein.

Jeames McKibben (BSc (Hons), MBA, MAusIMM(CP), MAIG, Principal Consultant and General Manager), of Xstract Mining Consultants Pty Ltd has prepared an Independent Geologists Report of Fertoz’s projects (July 2013).

Dan Cardinal (P.Geo(BC), P.Geo(AB), F.G.A.C) has prepared an NI 43-101 report for Wapiti East (February 2013)

This presentation has been provided for information purposes only and does not constitute an offer to subscribe for shares in Fertoz. The information included here is not intended to be all-inclusive and may not contain all of the information which a party may require to appropriately assess Fertoz for investment purposes.

**CURRENCY: All monetary amounts herein are referred to in Australian dollars unless otherwise specified.**

- Exploring for high-grade phosphate resources in British Columbia, Canada. Canada became an importer of phosphate rock in November 2013.
- Four projects in BC, Canada – Wapiti East, Barnes Lake, Crows Nest, Wapiti West.
- Small deposits, selectively mined for high grade, low impurity phosphate - suited to the organic farming market or toll-processing at third party beneficiation plants
- Focus on near-term high grade assets that can produce cash flow with low capital expenditure

## Corporate

- Listed on Australian Securities Exchange (ASX) on 2 September 2013
- Raised \$4 million before costs

## Canada Projects

- Wapiti East; completed 2,098 metre, 62-hole drill program since listing; 2 tonne bulk sample at 24.3%  $P_2O_5$ ; confirmed continuous phosphate >20%  $P_2O_5$ , open at depth > 35m and along strike > 17km
- Initiated early stage exploration activities at Wapiti West, Crows Nest and Barnes Lake Projects
- Doubled size of Barnes Lake project area

## Australian Projects

- Executed sale agreement to divest Katherine and Barkly tenements, in Northern Territory to Mandarin Mining Pty Ltd for \$50,000

# Board & Management

# Fertoz



## **James Chisholm, *Non-Executive Chairman***

James Chisholm is an engineer who has worked in the resources sector for thirty years. He is the co-founder of TheChairmen1, the company that started Guildford Coal (ASX: GUF), co-founder of Ebony Coal, and Chairman of Atrium Coal NL (ASX: ATU).



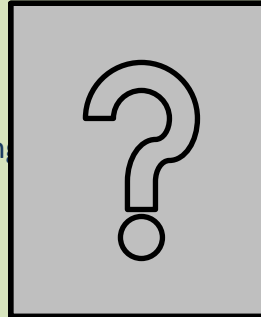
## **Dr. Les Szonyi, *Managing Director***

Les Szonyi (PhD, B.E. (Chem.)) has 30 years' experience in the chemicals processing industry. He is a graduate of the Australian Institute of Company Directors (AICD) and is a member of Institution of Chemical Engineers.



## **Adrian Paul Byass, *Non-Executive Director***

Adrian Byass (B.Sc Hon (Geol), B.Econ, FSEG, MAIG) has 18 years' experience in the mining and minerals industry. He is a Director of Ironbark Zinc Limited (ASX: IBG), Corazon Mining Limited (ASX: CZN) and Plymouth Minerals Limited (ASX: PLH).



## **Vacant, *North America Director***



## **Julien McNally, Chief *Financial Officer***

Julien McNally (CPA, MBA) is a CFO/Company Secretary with 15 years of resource industry experience with public listed companies on the TSXV, AIM and ASX stock exchanges.



## **Jo Shearer, C.O.O., British *Columbia, Canada***

Jo Shearer has 35 years' experience in geology and exploration. He is a fellow of Geological Association of Canada, Geological Society of London, Canadian Institute of Mining and Metallurgy, Society of Economic Geologists. Based in Vancouver Jo will manage Canadian exploration.

<b>TOTAL SHARES ON ISSUE</b>	<b>45,009,595</b>
<b>Cash at 30 September 2013</b>	<b>\$3,507,000</b>
<b>MARKET CAPITALISATION (40 cents per share)</b>	<b>\$19,003,838</b>
<b>ENTERPRISE VALUE</b>	<b>\$15,496,838</b>
<b>TOTAL OPTIONS (ESCROWED 2 YEARS)<sup>1</sup></b>	<b>10,615,384</b>
<b>ESCROWED SHARES</b>	<b>23,649,420</b>

<sup>1</sup> 6.92 Million options @ 25 cents, 1.54 million options @ 35 cents, 1.54 million options @ 45 cents, 0.62 million options @ 55 cents

## Why Phosphate?





## Essential to life

- Essential nutrient for plant and animal life

## Key nutrient in agriculture

- 90% used in fertilisers
- Stimulates root development
- No known substitute in food production

## Limited resource:

- A limited, non-renewable resource
- North Africa, Middle East, Peru supply the rest of the world
- North America imports phosphate rock

## Organic Fertiliser:

- Low impurity rock phosphate suitable for organic fertilizer market



High grade phosphorite conglomerate – Wapiti East, BC, Canada



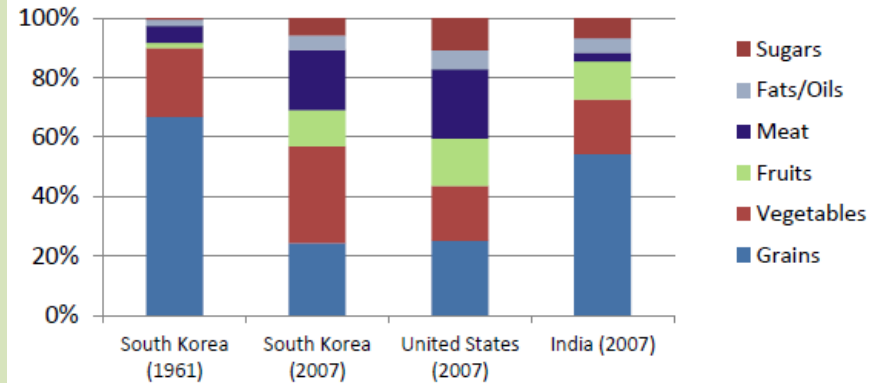


# Phosphate – Demand Drivers

## Demand Drivers

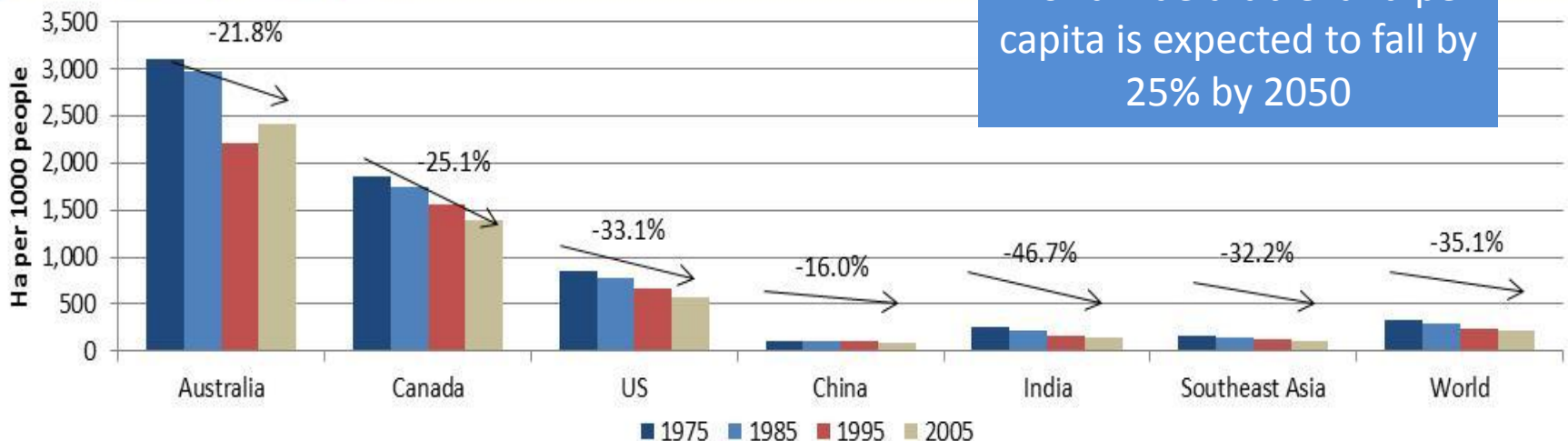
- Increasing world population – 30% increase by 2050 (9 billion people)
- Decreasing arable land
- Developing countries' diets changing towards more meat and thus more food
- Use of biofuels from agriculture

### Food Consumption by Country



Source FAO. Based on kg/capita/yr

### Arable Land per Capita



Worldwide arable land per capita is expected to fall by 25% by 2050

## Company Projects



# Project Overview - Canada



## Wapiti East

- 84km<sup>2</sup>, British Columbia, 75km from Tumbler Ridge, 145km from Prince George
- 2098 m drilled – 62 holes Sept 2013
- 2 tonne bulk sample 24.3% P<sub>2</sub>O<sub>5</sub>, low impurities (target organic market)
- Potentially suitable for open-pit mining,
- Target organic fertiliser markets - USA, Canada

## Barnes Lake

- 12km<sup>2</sup>, British Columbia, 32km south of Sparwood, 27km east of Fernie
- Historical surface trench results of 20.9% to 32% P<sub>2</sub>O<sub>5</sub>
- Potentially suitable for open pit mining – Target domestic market
- 6km from rail head, close to Kootenay East coal fields
- Drilling planned Quarter 3, 2014

## Crows Nest

- 15 km<sup>2</sup>, British Columbia, 15km southeast of Sparwood
- All weather road access, rail access
- Adjacent to Fireside Minerals' Phosphate Quarry
- Two historical results of 27% P<sub>2</sub>O<sub>5</sub> 1m thick; 23% P<sub>2</sub>O<sub>5</sub> 1m thick
- Drilling planned Quarter 3, 2014

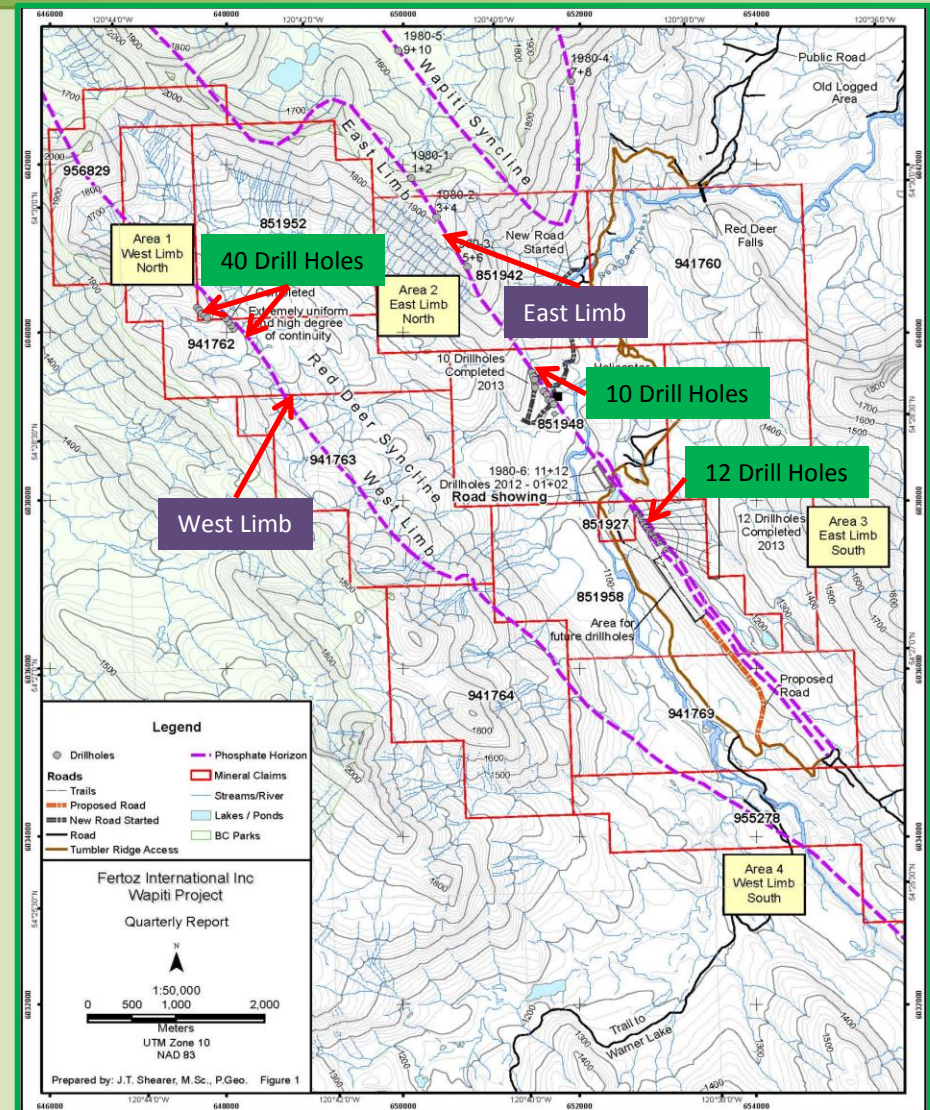
## Wapiti West

- 79km<sup>2</sup>, British Columbia, 40 km from Tumbler Ridge, 145km from Prince George
- 2008 results: 3.6m of 16.1% P<sub>2</sub>O<sub>5</sub> over 900m
- Potentially suitable for open pit mining
- Close to rail and road



## 2013 Drill Results

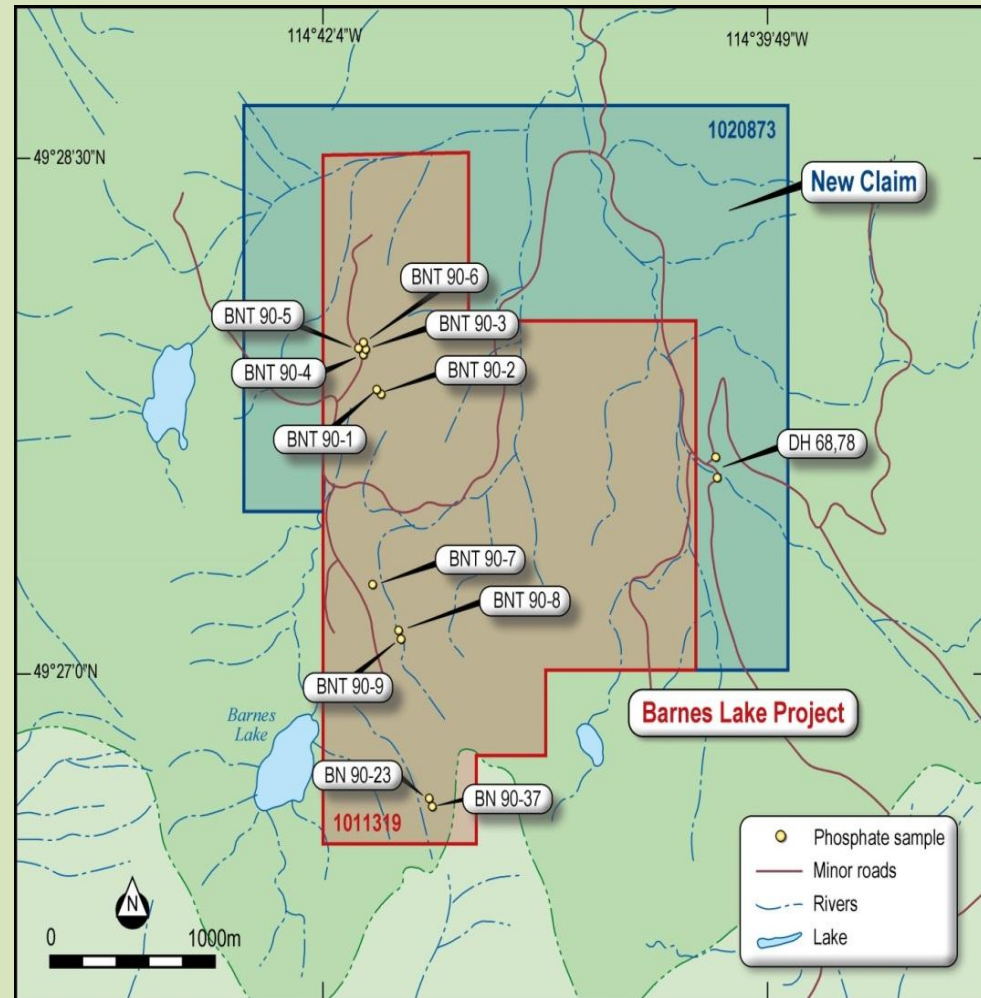
- Consistent and continuous phosphate-bearing horizon along East and West Limbs for a total of 17 km of strike length
- Grade between 13% and 27%
- Thin, shallow seams amenable to low cost trench-type mining methods
- Bulk sample (2 tonne) taken averaging 24.3%  $P_2O_5$  with low impurities



## Next Steps

- Update Environmental Mitigation Report
- Permit application to collect larger bulk sample in Q1 2014 for farm trials and customer sales
- Geochemical testing to determine free phosphate content, particle size and minimum phosphate grade for direct application as an organic fertilizer.
- Resource estimate and economic modelling of low cost mining methods to extract the thin, shallow high grade material only; remaining phosphate can be beneficiated at a later date or joint ventured with other groups looking for larger, but lower grade deposits.
- Plan for large bulk sample late 2014 for further trials and sales

- Project area doubled in Oct13
- Historical drill holes found with phosphate within 10m of surface
- Agreement signed Oct13 with local logging company (TEMBEC), for access
- 1990 trench results, continuity of strike and grade confirmed; 21% – 30%  $P_2O_5$ , thin, shallow seams of high grade material
- Railhead at Corbin within 6km of claims
- Drill program planned Quarter 3, 2014

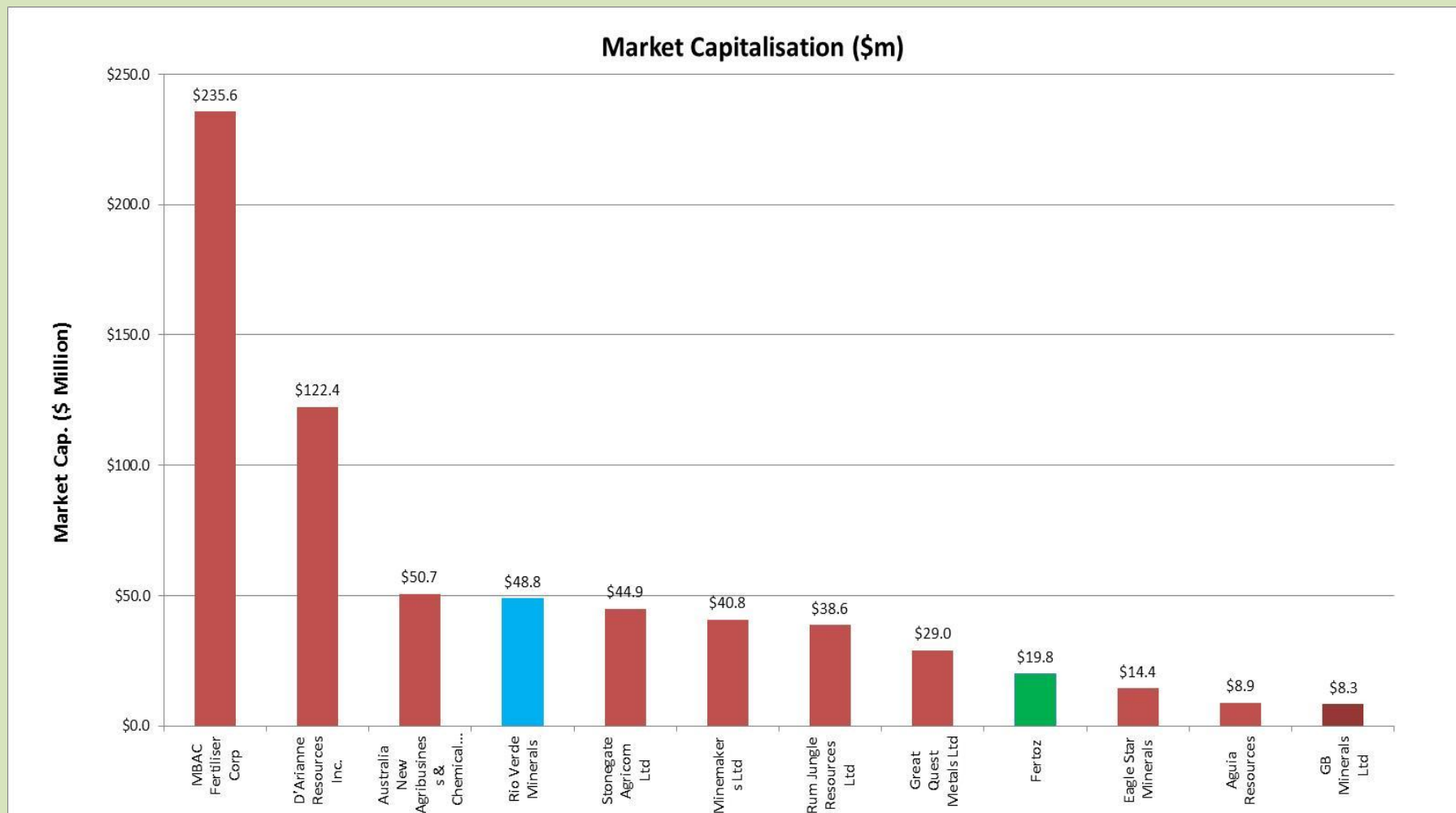




## Comparable Companies



# Market Value Comparables



Data as at 21/11/2013

Source: Company Reports, ASX, TSX-V

Note: Rio Verde Minerals sold to Minercao (B&A) in December 2012 for market value CAD\$48.8m

- Targeting organic fertilizer market at Wapiti, Crows Nest and Barnes Lake, Canada
- Wapiti East bulk sample and sales in 2014
- Drilling planned for Barnes Lake, Crows Nest in Quarter 3, 2014
- Strategy is to minimize exploration expenditure to focus on early cash flow

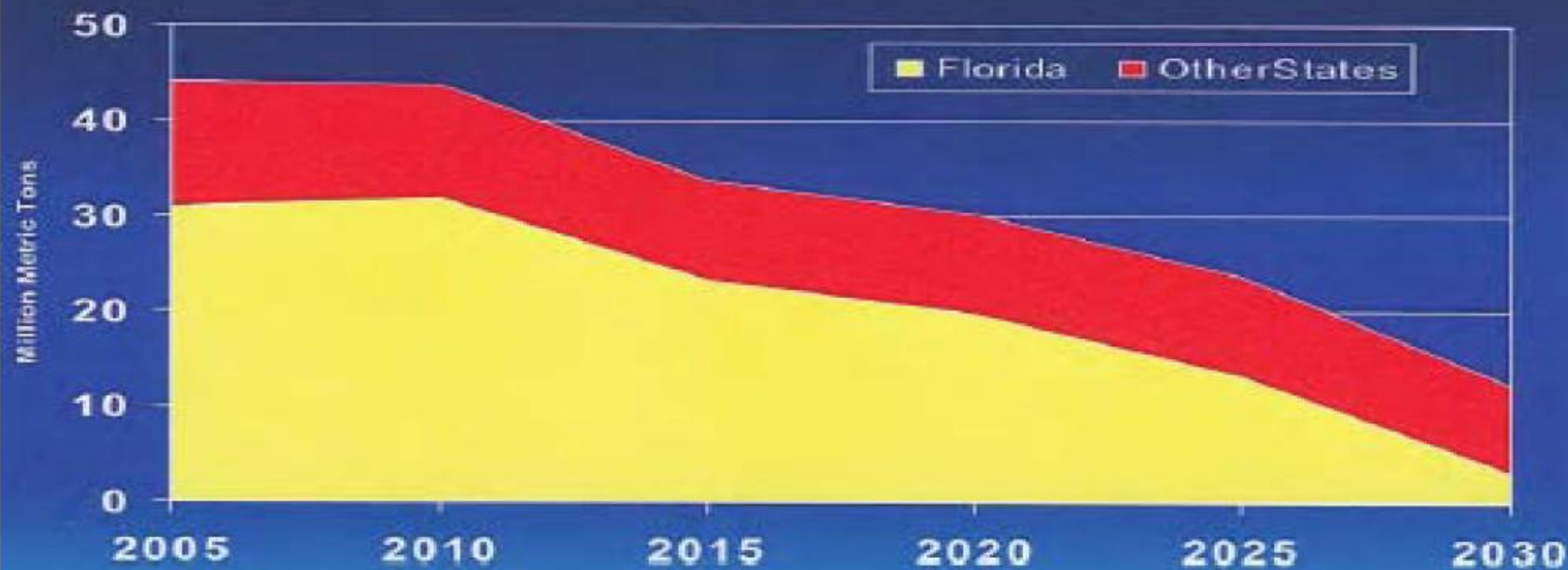


## Appendix: Why North America?





## Current and Projected U.S. Mine Production Capacity



- USA imported an average of 2.5Mtpa phosphate rock from 2003 to 2012, mainly from Morocco
- Approvals for new mines difficult because of environmental legacy issues
- Canada's only phosphate mine to close in 2013, replaced with 1Mtpa Moroccan phosphate rock for processing at Redwater, Alberta



## AGRICULTURE and MEAT WORLD RANKINGS<sup>1</sup>

### USA

### RANK

Corn, soybeans, cow's milk, beef, chicken and turkey meat

1st

Hops

2nd

Tomatoes, lettuce, pig meat, oranges, cherries, eggs and wheat

3rd

Grapes

3rd

### CANADA

Canola

1st

Wheat

5th

Turkey meat, soybeans and beef

Top 10

- USA and CANADA are highly dependent on phosphate-laden fertiliser
- USA is 2<sup>nd</sup> largest manufacturer of phosphate fertiliser products in the world

<sup>1</sup> Source Resource Investor June 2011