![Fertoz – Nature's Solutions logo]

Fertoz Carbon Credit Programs

- ➢ Provide incentives to growers to lower their carbon footprint and improve their farm practices
- ➢ Offer value to retailers as they begin to educate growers on the importance of low carbon farming
- ➢ Initiate long term potential to work with Fertoz on a growing list of carbon friendly practices that are stackable and economically valuable to retailers and growers
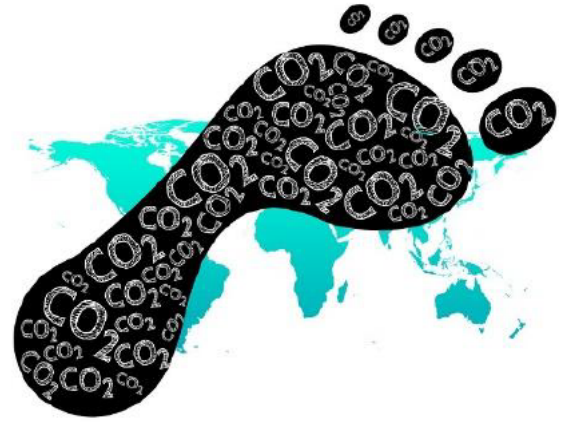
What is Fertoz?

- Fertoz is an organic fertilizer manufacturer and supplier.
- We supply organic, regenerative, and environmentally conscious conventional growers with quality rock phosphate and other fertilizer blends of NPKS.

Fertoz Carbon

- Fertoz has opened a Carbon division focused on helping producers generate carbon credits as a result of implementing sustainable and environmentally conscious management practices.
- Carbon credits are sold to industry and producers receive revenue from the sale.
- Fertoz carbon is also committed to forest regeneration, long term establishment and maintenance through our re-forestation programs.

Fertoz brings together policy makers, agronomists, third party testing services, carbon trading facilitators and industrial organizations to facilitate the carbon trading process in North America.

Carbon drawn from the air has the ability to enrich our lands, reduce greenhouse gas emissions and foster global sustainability.

Fertoz aims to align agriculture with climate policy by encouraging the implementation of sustainable soil management practices to reduce greenhouse gas emissions.

Contact

Derek Squair

derek.squair@fertoz.com

306-435-9344

Fertoz Programs

Fertoz currently offers multiple programs with which a producer can generate carbon credits with more programs to be released in the future. Multiple programs can be implemented simultaneously to increase carbon credit production. Programs currently available with Fertoz include:

1) <u>**Reduced Tillage Incentives**</u> – Annual crops sequester CO_2 (carbon dioxide) from the atmosphere. Soil disturbance is known to release N_2O. The goal is to ensure that CO_2 is being sequestered, while significantly reducing N_2O emissions from the soil.
   - Must seed an annual season crop.
   - Allowed up to 2 passes that penetrate the subsurface during a season (the season begins after harvest and ends at harvest)
   - During each pass, up to 38% soil disturbance is allowed, calculated based one equipment opener width and shank spacing in inches
   - % disturbance = opener width/shank spacing*100

   Rewards
   Annual accumulations. Based on soil type, determined through provincial soil maps.
   - High organic matter soils (dark brown and black): 1 ton CO_2 eq / 9 ac (1 carbon credit every 9 acres)
   - Low organic matter soil (sandier light soil): 1 ton CO_2 eq / 17 ac (1 carbon credit every 17 acres)
   - Payouts are awarded based on current market price, which is expected to increase.
   - All of the offset generation costs (verification, registration, serialization, land titles, legal cost of any transaction, data storage) are borne by our Aggregation partner.

2) <u>**Nitrous Oxide Emissions Reductions Program (NERP)**</u> - Nitrogen containing fertilizers (urea, ammonium phosphates), when applied to the soil, volatilize and release significant amounts of nitrous oxides (N_2O) into the atmosphere.

   - The goal of NERP is to optimize the crop response per unit of added nitrogen, and, minimize the risk for nitrate-N to accumulate or persist in the soil where it is potentially denitrified and/or emitted directly or indirectly as N_2O or lost from the system through leaching and runoff.
   - Implementing the 4R plan of applying fertilizer using the ***Right Source, Right Rate, Right Time***, and ***Right Placement***, designed to address the risk of nitrogen losses by promoting comprehensive nitrogen management across the 4Rs.
   - This 4R Plan is a risk-based approach, informed by over 40 years of peer-reviewed research on the effect specific management practices have on the biological processes that lead to nitrogen losses in North American cropping systems.
   - The data from annual soil samples and geo-referenced yields are used to calculate nitrogen use efficiency (NUE).

   Rewards
   - The difference between the NUE as a result of the program and the NUE in the absence of the program determine the number of credits generated.
   - Payouts are awarded based on current market price, which is expected to increase.
   - All of the offset generation costs (verification, registration, serialization, land titles, legal cost of any transaction, data storage) are borne by our Aggregation partner.

   Future Programs
   Upcoming programs include using canola meal as feedstock to reduce on-farm enteric methane emissions associated with livestock production. As well as using cover crops to improve soil health by sequestering carbon and reducing nitrogen loss. Furthermore, using rock phosphate fertilizer in conjunction with cover crops to reduce the need for synthetic N and P fertilizers.

Get Started Today!

Fertoz' programs are available to all growers and retailers seeking to reduce their operations' carbon footprint.

Retailer Partnership Details

- Partner with Fertoz through an agreement that allows you to register your producers
- We will work together to accumulate producer documentation
- Let Fertoz trade producer carbon credits with producers getting a 60% return on each credit sold. Producer share can be negotiated to a larger share depending on level of participation.
- Get regular updates on new carbon offset opportunities as they become available for growers

Producer Requirements

1. Partner with Fertoz through a contract, so we can register your credits
2. Equipment Declaration
3. Provide annual field information sheets
4. Provide legal documentation proving ownership of land (if applicable)

Fertoz can handle all your on-farm carbon offset projects through a range of carbon offset programs. This provides the grower with multiple, on-going sources of carbon credits. Get started today-trade carbon credits by implementing a program today.