

NEWS RELEASE 23-10

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CHATHAM CONFIRMS SIGNIFICANT PROGRESS IN ITS MONOCALCIUM PHOSPHATE PROJECT

WELLINGTON New Zealand – Chatham Rock Phosphate Limited, “CRP” or “the Company” (TSXV: “NZP”, NZX: “CRP” FSE “3GRE”) wishes to announce that our wholly-owned Australian subsidiary, Korella MCP Pty Ltd., has taken a significant first step in its march to become the sole Australian producer of monocalcium phosphate (MCP).

The first step to produce MCP is to produce the precursor weak phosphoric acid (WPA) which has just been successfully accomplished in bench scale tests at Monash University.

Background

Since early 2021, plans have been progressed by CRP to enable production of 30,000 tonnes per annum (tpa) of MCP to meet the needs of primarily the cattle industry of Northern Australia.

The severe phosphorus deficiencies in North Australian range land means that for cattle production in this extensive region supplemental feeding of phosphorus is an essential part of cattle raising and management.

MCP is a soluble and palatable form of phosphorus readily taken up by all farmed animals to build healthy bones. MCP, presently 100% imported, is an essential part of all cattle lick blocks and cattle dry lick. There are some 14 major lick block manufacturers in Queensland and NSW serving the cattle industry in the North.

MCP is also the preferred phosphorus supplement for pigs and poultry.

With Australia importing all of its animal feed grade phosphorus supplements of around 50,000 tpa, the development of a Cloncurry based manufacturing facility to produce 30,000 tpa will deliver a reliable quality product into a resilient supply chain.

The inputs for production of MCP of phosphate, limestone and sulphuric acid will, apart from sulphuric acid, be sourced from our Korella North mine. However, sulphuric acid will be manufactured on-site utilising prilled sulphur imported from Canada.

Alternative Strategy

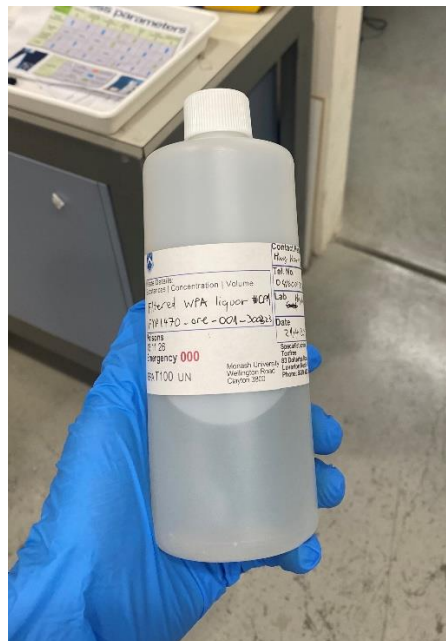
Although Korella MCP has already worked with Belgium phosphate technology company Prayon, an alternative strategy has been pursued to utilise existing technology in Australia to develop MCP production capability.

As part of this strategy CRP commissioned Monash University to work on this project.

Bench scale tests have commenced and the **first step** in this three-stage process has been the successful production of weak phosphoric acid (WPA).



Mac Thuy Duong Nguyen checks the reactor level while generating crude WPA.



Filtered Crude WPA liquor produced at Monash University from Korella MCP ore.

The **second step** is for the WPA to be partially neutralised using slaked lime to produce soluble monohydrated MCP. In the **third step** the soluble monohydrated MCP is then heated at low temperature in acidic conditions to evaporate the water to crystallize the MCP.

Negotiations are underway with Monash University to use their Pilot Plant to undertake the full range of processes required to manufacture MCP.

Korella MCP will be produced to meet the highest international quality and consistency standards which will enable CRP to also supply overseas markets.

Project Logistics and Funding

The Cloncurry site for the manufacturing facility has been selected and preparation of a Development Application to Cloncurry Shire Council is underway.

At the same time, after an initial approach to the Northern Australia Infrastructure Fund, further discussions are expected to have the MCP project assessed for possible funding under the scheme as the development of an MCP plant in Australia is of national importance.

Executive Director, Colin Randall will present a paper entitled “***The Top End Cattle Industry is dependent on MCP***” to the annual Developing Northern Australia Conference being held in Darwin from 24-26 July 2023 in Darwin.

Meanwhile approaches have been made to both European and Malaysian based MCP producers to become involved in the project.

Korella MCP Pty Ltd plans to be the reliable and resilient supplier of choice for Australian consumers of quality MCP.

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Statements about the Company's future expectations and all other statements in this press release other than historical facts are "forward looking statements". Such forward-looking statements are based on numerous assumptions, and involve known and unknown risks, uncertainties and other factors, including risks inherent in mineral exploration and development, which may cause the actual results, performance, or achievements of the Company to be materially different from any projected future results, performance, or achievements expressed or implied by such forward-looking statements.

Neither the Exchange, its Regulation Service Provider (as that term is defined under the policies of the Exchange), or New Zealand Exchange Limited has in any way passed upon the merits of the Transaction and associated transactions, and has neither approved nor disapproved of the contents of this press release.