

NEWS RELEASE 20-07

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## **CHATHAM ROCK PHOSPHATE LIMITED QUARTERLY UPDATE**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited ([TSXV: “NZP”](#) and NZX: “CRP” or the “Company”) provides shareholders and stakeholders with another of our regularly quarterly updates.

First, we can confirm that the Covid19 pandemic has not adversely affected either Chatham Rock Phosphate’s operations, or any of our team.

Further, there have been a number of recent developments including financing success, strategic partnerships in Canada, and a helpful change in the permitting ground-swell in NZ. It also appears some fertiliser prices are trending up.

Chatham is also looking actively at other phosphate assets with a view to widening our portfolio and lessening the importance of the perceived binary permitting risk associated with the Chatham Rise project. We still have five prospecting licence applications over marine phosphate rich deposits offshore Namibia.

It’s also timely to confirm our management team, board and advisory panel remain in place and collectively encompass hundreds of years of expertise and experience relevant to marine mineral exploration, mining and capital markets. Unsurprisingly, this valuable intangible asset is attracting attention from other marine mining project developers.

### **Financing Success**

Earlier this month we closed a successful private placement which will continue to keep the company in good standing as we pursue our strategic objective of securing a new cornerstone investor to fund our environmental permit re-application which continues to move forward.

Based on the success of that financing, and the partnership agreement we now have with [Stockhouse](#) we immediately announced we were proceeding with a further non-brokered private placement of up to CAD \$1,000,000 in up to 12,500,000 units at a price of CAD \$0.08 per Unit (NZ\$0.10).

We expect the global reach that Stockhouse has can materially assist CRP in reaching our target.

## Strategic Partnerships

Both Stockhouse and another company, Venture Ad Network, have recently invested in CRP and are both now substantial shareholders (under 10%). The decision of these Canada-based powerhouses to invest in our company is both encouraging and consistent with their decisions to promote and raise the CRP profile in the global marketplace. The outcome of working with these two companies will be a significantly enhanced online presence and investor awareness of our rock phosphate project.

We have also joined up with NZ based Reap and our investor information is now available on the Reap mobile app: (<https://company.reapapp.io/chatham-rock>).

Chatham is at the forefront of this new communications technology and joins leading New Zealand Exchange (NZX) listed companies including major telecom company Spark and NZX itself.

We recommend you download the free Reap app now to stay up to date with our latest developments. A link to the app is also on the home page of the Chatham website.

## Changes in Environmental Permitting in New Zealand

In response to the devastating impacts of the Covid-19 closedown on the New Zealand economy, the Government has announced it will introduce legislation designed to enable fast-tracking of the environmental permitting process. This is aimed at **onshore** strategic infrastructure and other projects of national significance, many of which are presently constrained by a cumbersome consultation process and by varying interpretations of the New Zealand Resource Management Act.

Our Company strongly supports this initiative and we have written to the key Government Ministers (including the Prime Minister of New Zealand) requesting that the concept be extended to strategic **offshore** projects in the New Zealand Exclusive Economic Zone.

## Rare Earths

It's been known for a decade that the seafloor muds in our permit area include rare earths and other valuable minerals or elements. Subsequently, we established that the phosphate nodules (which will be recovered using our existing engineering designs) also contain rare earths and other valuable minerals.

These include 15 of the 17 recognised rare earths, as well as other valuable minerals including nickel, cobalt, chromium, vanadium, zirconium, elemental fluorine and strontium.

The issue we face is to establish the technical and economic feasibility of extracting these valuable substances. Before that we need to better understand how they are chemically and physically bound together in both the seafloor muds and in our phosphate nodules. We are presently working with a New Zealand university to scope that work before applying for a grant from the New Zealand government to fund the project.

## **The Way Forward**

Our key objective is to create value for shareholders. While prioritizing and pursuing the grant of our environmental permit, we are seeking to acquire and advance other projects to create shareholder value.

With respect to the Chatham Rise Phosphate project, we are very confident the outcome of a second application with the New Zealand Environmental Protection Authority for a Marine Consent will be successful because many positive changes have occurred since February 2015. For example: Evolving farming related environmental standards, more rigorous health and safety standards and phosphate ethical supply issues tilt the playing field in our favour.

Chatham is benefiting from evolving social standards and views concerning a range of environment and health issues. It's clear that the greater likelihood of our gaining a social licence or community approval to operate will improve our chances of being granted the Marine Consent.

Upon the grant of the Marine Consent, Chatham will be a fully permitted guardian of a substantial source of low cadmium, reactive phosphate rock, relatively close to all the key Asian markets. When successful with the Marine Consent, given the strategic nature of the resource and the nil development costs required, the intrinsic value of the Company is expected to be significantly higher than at present.

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