

Chatham Rock Phosphate Limited

Market announcement

16 June 2016

RAMPartners SA issue Chatham buy recommendation

Geneva based investment banking firm RAMPartners SA met with Chatham Rock Phosphate earlier this year and received our investor presentation with obvious interest. Subsequently they requested the opportunity to prepare an independent, investor focused, research report.

This report has now been released and is available on our website as well as being filed on NZX today. Alternatively, if requested I can email or post it to you.

The salient features of the report include:

1. A buy recommendation with a price target of NZ 50 cents compared with the current market price of 0.7 cents, assuming a project valuation of NZD 472 million.
2. This independent valuation is based on a range of key assumptions by RAMPartners relating to the market price of rock phosphate, Chatham's production costs and relevant currency interactions.
3. They include a detailed discussion of the forces affecting phosphate market prices both now and in the future.
4. There is a detailed examination of the permit risk that Chatham still faces and the evolving factors that are mitigating this risk
5. Finally, there is an intensive and potentially hard hitting evaluation of the calibre of the Chatham project management team. Encouragingly we rate a very solid pass in this respect – RAMPartners conclude that our management team “has the necessary skills, ability, devotion, focus and skin in the game” to make our project work.

Obviously we are gratified that this independent report is so positive and confirms the decision we made in February 2015 to continue notwithstanding the body blow we sustained when the EPA unexpectedly withheld the Marine Consent.

The strong investor support we have received subsequently further tangibly evidences that we made the correct decision.

Regards,

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