

NEWS RELEASE 17-17

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Chatham condemns KASM moratorium call as a misguided stunt

WELLINGTON New Zealand – Chatham Rock Phosphate Limited (TSXV: “NZP” and NZAX: “CRP” or the “Company”) today condemned recent KASM statements.

The request for a moratorium on seabed mining is a disappointing and misguided stunt by KASM, Chatham Rock Phosphate chief executive Chris Castle said today.

He was commenting on submissions by the protest group to Parliament’s Local Government and Environment Select Committee.

“The idea is nonsensical at a time an independent panel has been employed by the Environmental Protection Authority to closely study an application by Trans Tasman Resources to mine iron sands. The government is taking extraordinary steps to ensure it has the time, expertise and experience available to consider the merits and risks of TTR’s reapplication.”

Mr Castle said New Zealand has one of the most rigorous environmental impact vetting processes in the world. CRP is working towards a reapplication for a consent to extract New Zealand’s only significant rock phosphate resource, on the seabed 450 km east of Christchurch.

Mr Castle said CRP has taken the feedback from its initial rejected application seriously, and is working to ensure it can sustainably develop New Zealand’s seabed resources in a manner that continues to contribute to New Zealand’s economy.

“KASM’s claim that “both officials and the mining industry have underestimated the complexities involved” with seabed mining is a direct attack on the Government’s implementation of the Exclusive Economic Zone Act, and its timing appears to be cynically designed to impact on the TTR decision-making process.

“New Zealand has repeatedly demonstrated its commitment to sustainable development, and the recent amendments to the EEZ Act show the process is continually improving. The EEZ Act, as well as the other legislative instruments applicable to seabed mining, put New Zealand in a strong position with respect to its obligation under the Law of the Sea Convention.

“In fact, the International Seabed Authority, which has released drafts of both extraction and environmental guidelines, has looked for guidance from New Zealand’s legislation, among other countries, as part of its drafting process.

“CRP supports the government’s implementation of legislation ensuring New Zealand continues to be an international benchmark for sustainable development, balancing environmental protection with economic development, under one of the world’s most rigorous assessment processes.”

KASM also claimed “Internationally there is no true seabed mining. There is mining for diamonds in offshore Africa done with much different technology than what is being proposed in TTR and other applications and with very different effects.”

This is incorrect and misleading on two counts. First, TTR is using very similar technology for its ironsand project as is being used in offshore Africa and has even escorted a number of stakeholders on a tour of those offshore projects to demonstrate both the operations and the environmental effects.

Second, marine mining is not new. Tin mining in Asia, the afore-mentioned diamond mining offshore South Africa and Namibia, and most significantly, aggregate mining offshore the United Kingdom and other European countries has been undertaken for several decades. In the UK and Europe the construction industry (roads, buildings, etc) relies heavily on raw materials recovered from the ocean.

In parallel, maintenance dredging of river channels and port entrances has been routinely undertaken for at least a century. The environmental impact of this activity is similar to marine mining, is much closer to coastal communities and has accordingly been subject to rigorous scrutiny for a very long time.

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