

26 October 2016**Chatham offers phosphate resource option to NZ farmers on their doorstep**

Scarce overseas sources of reactive rock phosphate highlights the importance of developing New Zealand's own resource, Chatham Rock Phosphate managing director Chris Castle said today.

"The solution for New Zealand farmers is literally on their doorstep. Chatham has decades of supply of highly reactive rock phosphate with the lowest cadmium levels available. This rock phosphate was successfully field tested back in the 1980s and recent pot trials have re-confirmed those earlier results.

"It's a no-brainer that our product is perfect for the needs of local users."

Ballance Agri-Nutrients announced yesterday that political, economic and social instability in South America and North Africa is making it increasingly difficult for New Zealand farmers to secure sources of reactive phosphate rock (RPR).

Ballance has been without an RPR product since autumn. CEO Mark Wynne said the co-operative had been working hard to find an alternative RPR supply, eventually finding a source in Morocco. He noted there were very limited options that would meet both nutrient specifications and continuity of supply. He understood other major suppliers are having similar difficulties supplying needs, especially those of organic farmers looking for a slow release rock that meets BioGro certification standards.

Mr Wynne said given recent experiences globally he was uncertain of volume and continuity of supply for suitable product. Small volumes of RPR are available from various parts of the world, but quality is variable and volumes are unpredictable. Fertmark has specifications on phosphate, citric solubility and cadmium that products imported into New Zealand must meet in order to be marketed and sold as RPR.

Chatham has New Zealand's only significant source of environmentally friendly pastoral phosphate fertiliser. The company is now preparing for a revised environmental consent application.

"As custodian of this resource we can deliver a secure and sustainable local supply of low-cadmium phosphate that will also reduce fertiliser run-off into waterways, produce healthier soils and shrink fertiliser needs over time," Mr Castle said.

The resource, with an estimated worth of \$5 to \$7 billion, represents one of New Zealand's most valuable mineral assets and is of huge strategic significance because phosphate is essential to maintain New Zealand's high agricultural productivity.

Chatham proposes to extract up to 1.5 million tonnes a year of phosphate nodules from the top half metre of sand on identified parts of an 820m² area on the Chatham Rise, 450km off the west coast of New Zealand, in waters of 400m.

“Our environmental consenting process has established extraction would have no material impact on fishing yields or profitability, marine mammals or seabirds.”

Mr Castle said Chatham is also seeking other sustainable rock phosphate sources, to move from being a single project company and take more control of our destiny.

Recent approval of a Namibian environmental consent for a marine phosphate mining resource also opens the door for Chatham to advance its own Namibian permit applications. Chatham applied in 2012 for prospecting permits over five distinct areas well offshore Namibia, some not far from the area held by the successful applicant. These 2012 applications were lodged with the confidence that, based on research undertaken to date, this area of the seabed likely contains substantial quantities of rock phosphate.

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About Chatham Rock Phosphate

Chatham Rock Phosphate, a publicly listed company, was granted a mining permit in 2013 to develop New Zealand’s only significant source of environmentally friendly pastoral phosphate fertiliser and is now preparing for a revised environmental consent application.

Local and international investors have contributed more than \$40 million to develop the project’s financial viability, environmental benefits and impacts, technical and logistical requirements, local and international product uses.

In progressing plans to submit a new application we are working with government officials to seek improvement in the permitting process and iwi, academic, industry and central government input to ensure New Zealand can benefit from an environmentally superior phosphate source.

Progress is continuing to achieve a Toronto Stock Exchange listing, to provide a more useful share-trading platform for overseas shareholders and facilitate the capital raising needed for the consenting process and beyond.