

NEWS RELEASE 23-7

April 12, 2023

## **CHATHAM ROCK PHOSPHATE LIMITED** **PRIVATE PLACEMENT**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited, “CRP” or “the Company” (TSXV: “NZP”, NZX: “CRP” FSE “3GRE”) wishes to announce that the Company is proceeding with a non-brokered private placement (the “**Private Placement**”) of up to 30,000,000 units (the “**Units**”) at a price of CAD \$0.13 per Unit (NZ\$0.154) for gross proceeds of up to CAD \$3,900,000 (NZD \$4,620,000).

Each Unit will consist of one common share in the capital of the Company and one (1) transferable share purchase warrant (“**Warrant**”), transferable subject to applicable securities legislation. Each Warrant will entitle the holder thereof to acquire one common share at a price of CAD \$0.45 per share at any time prior to the date that is three (3) years from the date of issuance.

### **Effect of this Private Placement**

CRP’s existing issued ordinary capital is 83.5 million shares, and the fully diluted capital is 125 million shares.

Assuming that the Private Placement were to be fully subscribed, existing shareholders who did not participate would have their shareholdings diluted (in percentage terms) by 26.4% on the issue of the Private Placement shares. However an offsetting factor is that our balance sheet would be significantly strengthened by the CAD \$3.9 million raised in that scenario.

### **This Opportunity to Invest in the New Chatham Rock Phosphate Group**

CRP shares have enjoyed strong investor support during the last 16 months following recent announcements by the Company detailing the following milestones:

- An significantly oversubscribed private placement in April 2022
- Granting of exploration permit at Korella South
- Granting of selenium related exploration permits at Tambo and Gunnerside
- Commencement of several rare earth extraction feasibility studies
- Lodging of an application for an exploration permit at Korella North
- Ongoing progress in the SASAM (French Polynesia) permitting process
- Appointment of Mining Services provider Golding Contractors to provide mining services for the development of the Korella North Mine.
- Appointment of Logistics service providers Aurizon for mine to Cloncurry distribution hub transport as well as transport by rail to Port of Townsville
- Signing of a lease for the Cloncurry Round Oak Road Distribution Hub
- Signing of MOU with MC Group for the operation of the processing plant at Round Oak Road distribution Hub
- Significant advances toward proposed establishment of a monocalcium phosphate manufacturing plant.
- The execution of an agreements with leading Australian environmental firm C&R Consulting to provide environmental services for the development of the phosphate distribution hub in Cloncurry and the Korella North Mine.

## **Disposition of Funds**

The Private Placement funds raised will be used for the following purposes:

- Fast tracking the development of the Round Oak Road Distribution Hub and the Korella North mine, the latter presently anticipated to be in production in Q4, 2023
- Completion of the permitting process for the Avenir Makatea onshore phosphate project in French Polynesia with expected operating cash flows in 2025
- Rapid advancement of the feasibility studies for our monocalcium phosphate plant
- Rare earths extraction optimisation studies
- Advancing our two selenium projects at Tambo and Gunnerside
- General working capital

It is anticipated that operating cash flows from the Korella North mine will, during 2024, provide working capital while also financing the reapplication for a Marine Consent (environmental permit) for our Chatham Rise project.

## **Terms of the Issue**

Each Unit will consist of one common share in the capital of the Company and one (1) transferable share purchase warrant (“Warrant”), transferable subject to applicable securities legislation. Each Warrant will entitle the holder thereof to acquire one common share at a price of CAD \$0.45 per share at any time prior to the date that is three (3) years from the date of issuance.

In the event that the common shares of the Company trade on the TSX Venture Exchange at a closing price of greater than CAD \$0.60 per common share for a period of 20 consecutive trading days at any time after four months and one day after the closing date of the Private Placement, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof by way of a news release and in such case the Warrants will expire on the 30<sup>th</sup> day after the date of dissemination of such news release.

The common shares and Warrants issued pursuant to this proposed offering are subject to a hold period of four months plus one day after the closing date of the Private Placement as provided by securities legislation.

Finders’ fees may be payable in cash to arm’s length parties in connection with the Private Placement as permitted under the policies of the TSX Venture Exchange. The Private Placement is subject to the acceptance by the TSX Venture Exchange and is expected to close on or before May 18, 2023. Eligible investors are encouraged to contact me directly immediately if they wish to participate.

For further information please contact:

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*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.*