



Update

February 2017

2017 Roadmap

To start off the New Year, the CRP team convened to undertake a major stock take of where the project is currently sitting and to plan next steps.

As part of this we contracted an independent environmental specialist to undertake a gap analysis of the project to order to optimise our resubmission strategy.

A two-day session in Wellington last week proved highly stimulating, providing masses of food for thought and resulted in a large number of actions.

While the stock take and resubmission strategy showed we're in pretty good shape, there's still a huge amount to do for a second application.

It's too early to provide a time frame yet but we are all focused on the various requirements. Once we've firmed up a couple of key issues, we'll provide an update on timeframes and the scope of the work required.

Watching TTR

To help inform our strategy, we continue to closely follow progress of the Trans Tasman Resources' reapplication to mine iron sands off the Taranaki coast.

The hearing is due to start on 16 February and could take up to two months, with a decision due after a further 20 working days. These timeframes are indicative.

The Environmental Protection Authority, which is running the application process, is regularly updating its website regarding the application. Check out: <http://www.epa.govt.nz/EEZ/whats-going-on/current->

Friendly Takeover

We now have acceptances totalling 83.6% for the reverse takeover of CRP by Antipodes Gold. We have extended the offer so we can get to the 90% mark and will then be able to compulsorily acquire the final few shares.

We'd really like to wrap this up as quickly as possible so encourage you to file your acceptance as soon as possible so we can start focusing on our Marine Consent reapplication. Every acceptance makes a difference right now.

The aim of this transaction is to be listed on the TSX Venture market in Canada. The Board considers that obtaining an overseas listing in a recognised mining market will help facilitate future financings and liquidity in CRP's shares.

CRP shareholders are being offered one share for every 65.59 CRP shares held, following a 10:1 consolidation by Antipodes Gold. At today's market price in Canada the offer is effectively worth CAD 50 cents (or NZD 52.6 cents) for 65.59 shares or .8 cents per share. This is at a premium over recent market prices for CRP shares.

When Antipodes acquires 100% of CRP's shares, the final percentages in the company once the Offer is complete will be as follows:

Shareholder Group	Securities on issue following completion of Offer	Percentage
CRP shareholders	12,651,967	90.33%
AXG shareholders	1,355,017	9.67%
Total	14,006,984	100%

PDAC

CRP will have its annual presence at the PDAC (Prospectors and Developers Association of Canada) convention, held in Canada every March. Our booth number if you are passing is #2752.

While the weather is generally bitterly cold, our attendance each March is a great opportunity to talk to investors and other parties with an interest in our project. Our upcoming listing in Toronto also makes it excellent timing. I'm combining the trip with a visit to existing and potential investors in Europe.

Dutch Government research grant

Chatham Rock Phosphate and its Dutch technical partners Boskalis and Deltares have received Dutch government research funding to improve the environmental management of marine mining.

The increased global interest in the economic and environmental outcomes of marine mining for resources such as phosphate, manganese nodules and polymetallic sulphides has highlighted the need to develop tools and methods to predict, adaptively manage and reduce the environmental effects of marine mining.

The research project will investigate the behaviour of re-deposited material using a combination of state of the art laboratory analyses and computer modelling to assess both the plume dispersion and the continuous process of settling, deposition and bed formation of sand and silt. The results will reduce the uncertainties regarding predicting re-suspension and dispersion of the material being returned to the seabed.

This jointly developed project will make computer models of plume dispersion more realistic and will look at ways to adaptively manage re-deposited sand and silt in deep water. Additionally, the project will investigate the use of flocculants, natural materials that can be added to the returned sand and silt to make the sediment plume settle from the water more quickly. This may be the first time flocculants have been considered for deep water mining or dredging.

The Dutch Ministry for Economic Affairs stimulates public-private partnerships between research organisations and companies by awarding funds to reviewed high quality research proposals. The results are being developed using the vast amount of data already available for the Chatham Rise marine mining project, but will have direct relevance to all projects in the offshore mining and dredging industry.

In a nutshell

You can be our advocates whenever our project is raised in conversation. To remind you why we continue to believe the Chatham Rise project remains hugely important for New Zealand, here are the 5 key reasons:

The benefits	
1. Environmental benefits	<ul style="list-style-type: none"> • much lower run off to lakes and rivers • very low cadmium • much lower carbon footprint
2. Security of fertiliser supply for farmers	<ul style="list-style-type: none"> • enables New Zealand to have its own supply without depending on other countries
3. An ethical source	<ul style="list-style-type: none"> • New Zealand's main source of phosphate is from a disputed territory • not exporting our environmental footprint to countries mining phosphate where it involves severe social and environmental distress
4. Highly profitable	<ul style="list-style-type: none"> • forecast annual earnings of \$90 million before royalties and tax, with low mining costs - equivalent to shipping cost
5. Good for New Zealand	<ul style="list-style-type: none"> • \$34 million in annual taxes and royalties, millions in port charges • high-value, knowledge-based jobs in the port, on the mining ship, doing environmental monitoring and scientific research, in agriculture and hospitality and the Chatham Is • New Zealand could become a world leader in marine technology and expertise potentially worth billions of dollars • our work at sea enhances knowledge of our marine environment to help identify areas most deserving of conservation

Regards

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