



Update

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Chatham Rock Phosphate is well and truly back on the road

Chatham Rock Phosphate (NZ: CRP, TSX.V: NZP) (“CRP” or “the Company”) provides a further shareholder briefing. A lot has happened since our last update was published and it’s timely to provide another informal update on recent events.

Events of note include:

- Sensible and helpful revisions to the 2013 EEZ Act became law on 1 June 2017. The changes are mainly process related and should help improve the calibre of future decision-making by the Environmental Protection Authority’s new Boards of Enquiry.
- The ground-breaking Trans Tasman Resources decision was released on August 10 and the company now holds a granted Marine Consent. While notice of an appeal has been lodged by some lobby groups, the decision stands. We remain confident the decision is robust and has carefully anticipated all of the likely areas of challenge.
- CRP presentations to Canadian investors and share-brokers in May and July received a warm welcome in Vancouver and Toronto and we have been invited to return.
- Two shipments of rock phosphate from Morocco (but mined in the Western Sahara) were seized in foreign ports highlighting our often-expressed concerns about the security of supply of rock phosphate destined for NZ. The first shipment (destined for New Zealand) remains detained in South Africa and the Moroccan exporters have now withdrawn from the related court action, leaving its ownership uncertain.
- The ongoing debate about water quality, fertiliser run off and water royalties continued to highlight the benefits Chatham rock phosphate can bring to our waterways.
- Work continues in the Netherlands on plume related research studies co-funded by Chatham, our business partners and by the Netherlands government.

What’s coming up?

Chatham is about to launch various fund-raising initiatives including the likelihood of an offer to our existing ~ 1,500 shareholders. This will enable our legions of Mum and Dad investors to participate once

again and will be the eighth such issue offered to our loyal supporters since 2010. Other funding will be sought, probably by means of private placements, in Asia, Europe and Canada.

We will once again be presenting (this time two papers) at the Mecca of the marine mining world, the annual Underwater Mining Conference being held this year in Berlin. Our presence there will dovetail nicely into local fundraising-related activities and a media campaign including Swiss based TV coverage.

And while talking about media, Chatham will be a key topic of an upcoming article in Resource World, a Vancouver based publication that is widely distributed in international mining and investment circles.

Operationally, this month we kick off the marine consent reapplication process with the momentum expected to build over the next 15 months. All going well we are targeting a reapplication date in late 2018.

There is also likely to be an increasing focus on securing marine phosphate opportunities offshore, to an extent depending on evolving permitting regimes in our targeted region. As we have indicated previously we are also interested in on-shore deposits with a preference for reactive-phosphate-rock style mineralisation. Both of these initiatives are likely to involve low upfront costs even if they do proceed and will not divert funding from our principal objective, that of gaining the Marine Consent on our second try.

In parallel with those activities Chatham has commissioned research aimed at separating valuable by-products that are also contained within the sandy seafloor matrix that contains the rock phosphate deposit. As our recovery process is already bringing these sands up to the vessel there is no mining cost involved, merely the costs of separating these by-products from the sand before it is returned to the sea-floor. Successful recovery of even a tiny proportion of these by-products could add significantly to our future revenue and profitability. Chatham is seeking independent funding to assist with this research.

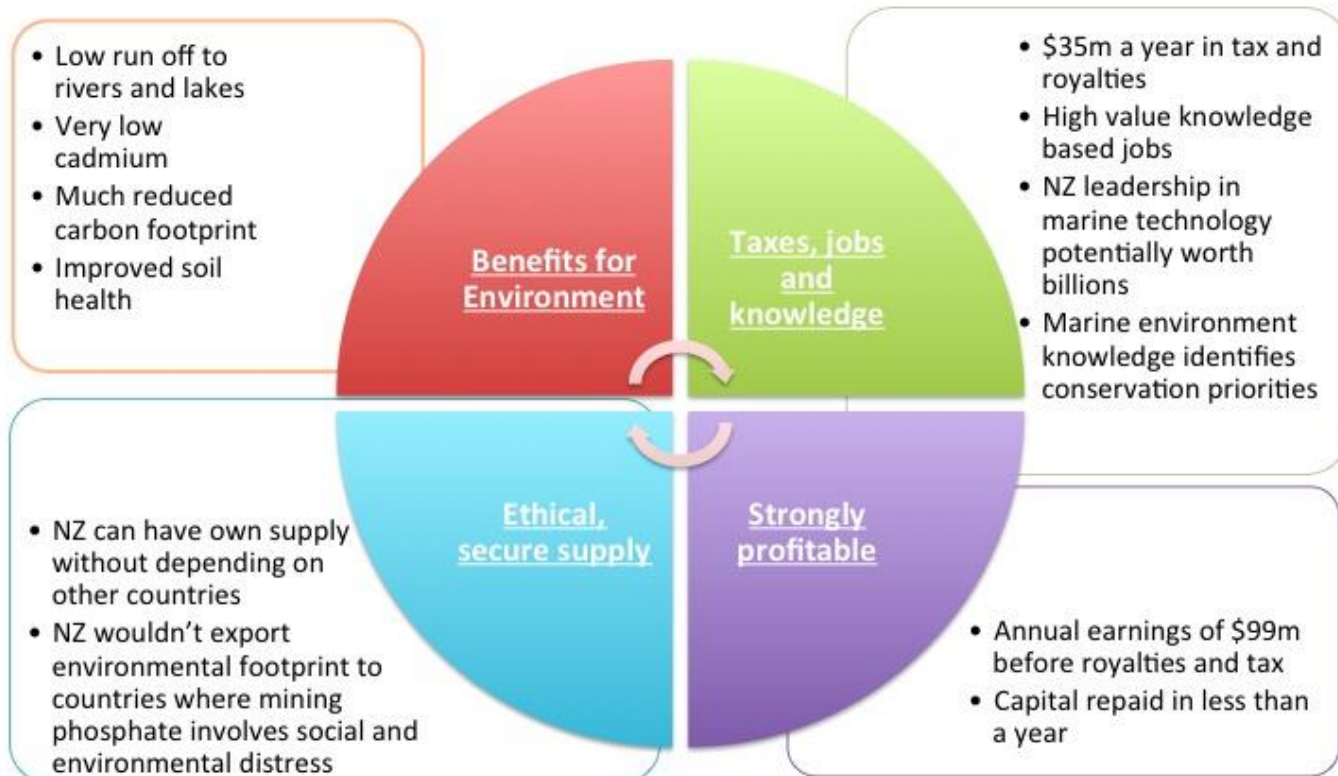
A reminder about our environmental and other benefits

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

- Our rock is a proven reactive phosphate rock. Using it results in much less run-off into waterways and an improved soil profile compared with the effects of manufactured fertilisers.
- As such it is an organic fertiliser
- It also contains ultra-low levels of cadmium, a cancer-causing heavy metal with much greater concentrations in other rock phosphate deposits
- Being locally sourced and needing to be applied less frequently results in much lower carbon emissions
- The environmental footprint of seabed extraction is demonstrably smaller than the impact of onshore phosphate on local communities overseas
- The rock is within one day's sailing distance and supply is far more secure than phosphate rock coming from unstable regions on the other side of the world.
- The project economics are attractive and Chatham will pay significant royalties and income taxes
- The project will generate new jobs in environmental monitoring, on the mining ship, in the home port and in the science and agricultural sectors

The following graphic outlines these and other key benefits. See also our online interactive infographic at <http://www.rockphosphate.co.nz/projectinfographic>

Environmental + ethical + financial + economic benefits = good for NZ



Regards

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