

NEWS RELEASE 21-04

April 28, 2021

**CHATHAM ROCK PHOSPHATE LIMITED**  
**TO ACQUIRE AVENIR MAKATEA OF FRENCH POLYNESIA**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited ([TSXV: “NZP”](#) and NZX: “CRP” or the “Company”) is pleased to announce it has entered into a formal agreement with the shareholders of Avenir Makatea Pty Limited (“**Avenir**”), an Australian incorporated company to purchase all of the issued and outstanding shares of Avenir (the “**Acquisition**”). Avenir, through its wholly-owned French Polynesian subsidiary, SAS Avenir Makatea, holds an exploration research permit to explore for phosphate on the French Polynesian island of Makatea. The Makatea project covers an area of 1,035 ha (10.36 km<sup>2</sup>). The island is a well-known source of phosphate and was previously mined until 1966. Avenir has filed an application for a mining concession over the project area which remains in progress.

The parties originally entered into a non-binding letter of intent regarding the Acquisition dated December 19, 2020, which was announced in the Company’s news release dated December 21, 2020. Under the terms of the Acquisition, CRP will acquire all of the issued and outstanding shares of Avenir in exchange for 17,857,738 common shares of CRP having a deemed value of NZD \$0.0916 per share (CAD\$0.0815), for total consideration of NZD \$1,635,769 (CAD\$1,455,000; AUS\$1,500,000). Upon completion of the Acquisition, the common shares issued to the Avenir will comprise approximately 29% of CRP’s total issued and outstanding shares, not including any common shares to be issued upon completion of the private placement announced by the Company on March 21, 2021 (the “**Private Placement**”).

Upon completion of the Acquisition, Mr. Colin Randall, a director and major shareholder of Avenir and since 2016 the full time Executive Chairman, will be appointed to CRP’s Board of Directors.

Mr. Randall and a trust in which members of his family hold an interest will receive an aggregate of 10,721,785 common shares of CRP upon completion of the Acquisition, representing approximately 17.4% of CRP’s issued shares, not including any common shares to be issued upon completion of the Private Placement. Mr. Randall is a mining engineer with over 50 years-experience and has for 30 years provided independent consultant services in the fields of mining, marketing, management and development to a wide range of clients including mining companies, potential investors, banks, insurance companies and trading houses.

He is a graduate from the University of New South Wales in Mining Engineering, a Fellow of the Australasian Institute of Mining and Metallurgy and is a Past Fellow of the Chartered Institute of Logistics and Transport.

He is a past director of a number of mining, energy and exploration companies.

**Summary of Avenir’s Significant Assets**

Avenir’s flagship property is the Makatea Phosphate Project. This combined rehabilitation and phosphate mining project is located on Makatea Island approximately 240km northeast of Tahiti, French Polynesia. The elevated island is a well-known source of phosphate and was previously mined from 1908 to 1966. The primary phosphate deposits form through the precipitation of carbonate

fluoroapatite within marine sediments before the Island was elevated up to 100m from the surrounding ocean. Samples of the phosphorites of Makatea have an average P<sub>2</sub>O<sub>5</sub> concentration of 33.2% and have very low impurities.

SAS Avenir Makatea (wholly-owned subsidiary of Avenir) was granted an exploration permit on 28<sup>th</sup> January 2014 and in June 2016 applied for a mining concession to mine/rehabilitate an area of 600 ha of previously mined land. The Project has a 30 year life.

The application is now being processed under the terms of a new Mining Code for French Polynesia that was promulgated in January 2020. The existing Environmental Code is currently being harmonized with the new Mining Code.

The Project is subject of a Public Enquiry process that leads to recommendations to the Council of Ministers for the grant of the Mining Concession. The Public Enquiry, which will be based on the presentation of an updated Environmental Impact Assessment and an Economic Benefit Analysis, is expected to be announced in Third Quarter of 2021.

Nominated consultants in French Polynesia in association with the staff of SAS Avenir Makatea will prepare the two reports and present these to the public in advance of /and during the one-month public enquiry period. Following the enquiry, the process for determining the application is set out by the Mining Code including presentations to the nominated Mining Committee. The Committee makes its recommendations to the Council of Ministers. Following the past four years of intensive consultation with landowners of Makatea and the continuing consultation with Government since 2011, Avenir looks forward to the granting of the Mining Concession in December 2021.

Following completion of the Acquisition, the Company will focus its efforts on completing Avenir's application for the mining concession as described above for a budgeted cost of approximately \$600,000. Following that the Company will develop an appropriate work program and budget for the continued exploration and development of the Makatea project.

The Acquisition is an arm's length transaction and constitutes a Reviewable Acquisition under the policies of the TSX Venture Exchange (the "**Exchange**") and is therefore subject to the approval of the Exchange. It is expected that the Acquisition and Private Placement will be completed within two months.

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), nor New Zealand Exchange Limited has in any way passed upon the merits of the Acquisition and associated transactions, and none of them accepts responsibility for the adequacy or accuracy of this release.*