

NEWS RELEASE 23-16

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**CHATHAM COMMENTS ON STRONG INTERNATIONAL PHOSPHATE PRICES**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited, “CRP” or “the Company” (TSXV: “NZP”, NZX: “CRP” FSE “3GRE”) notes with interest the continuing strong market prices of rock phosphate. This is despite declining nitrogen and potash market prices.

**An article in World Fertilizer Magazine (May/June 2023) helps explain why:**

“Except for a small amount of production in Finland, there is no commercial mining of phosphate in the EU. Traditionally, Europe has relied on two main sources; Russia accounts for almost 60%, and Morocco around 40%. While phosphate fertilizer imports from Russia have not technically been banned, complications arising from financial payment restrictions and transportation insurance premiums have greatly impeded their movement, not only to Europe, but to many consuming nations. Morocco, which has the world’s largest phosphate reserves, has been increasing its production to take advantage of the gap. State-owned OCP has announced that it will boost shipments by 50%, and is building three 1 million tpy granular phosphate units at Jorf Lasfa. While farmers are calling for increased imports from Morocco, there is a complication. Production from the North African nation is relatively high in cadmium. The toxic trace element and its compounds can cause cancer, attacking the renal, digestive, reproductive, and respiratory systems. Fertilizer is one of the major sources for the build-up of cadmium in soils, and, in 2022, the EU replaced a cap of 60 mg/kg on cadmium levels in fertilizers. Producers were able to meet the cap by mixing Russian-sourced phosphate (which is significantly lower in cadmium than Morocco’s products), but now that option has largely disappeared”.

**Conclusions that can be drawn from this state of affairs are:**

1. Phosphate rock prices are not likely to fall for quite some time.
2. Low cadmium rock phosphate is going to become increasingly highly sought after.

All of Chatham’s rock phosphate that will be mined in Korella (Queensland), Makatea (French Polynesia) and on the Chatham Rise is ultra-low in cadmium.

As such our diversely located phosphate reserves are likely to be viewed by phosphatic fertilizer producers as increasingly attractive strategic products/assets.

Our reserves are expected to be able to sustain forecast production levels of four million tonnes per annum for decades.

**For further information please contact:**

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