

NEWS RELEASE 21-12

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### **IT'S FULL SPEED AHEAD AT CHATHAM ROCK AND AVENIR MAKATEA**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited (TSXV: “NZP” and NZX: “CRP” or the “Company”) is pleased to announce, now that the merger with Avenir Makatea (AM) is complete, that we are rapidly progressing our business plans.

Funds raised in the two recently completed 2021 private placements are sufficient to support this heightened level of activity until year end although we will likely offer our supporters another opportunity to invest before then.

Exciting new developments include:

- ongoing substantial increases in the sales value of rock phosphate
- an expected acquisition of a further, near production, fully-permitted onshore phosphate project in Australia.
- deepening discussions on marketing of Makatea organic phosphate into USA and Canada

#### **Phosphate Rock Price increases**

AM rock is organically certified in both Canada and the USA and Chatham Rise sourced rock has been demonstrated by independent tests in New Zealand to be an effective reactive phosphate rock (RPR). In fact it is so effective the tests established crop yields were almost as high (85%) as those achieved using triple superphosphate (TSP).

The good news is in the last six months the market price of RPR has risen from \$US 276/t to \$US 334/t and TSP from \$US 337/t to \$US 550/t.

Feasibility studies undertaken over the last decade had already established the mining/phosphate recovery and production costs for both projects are likely to be well below \$US100/t and, when operating at full capacity, total annual production could exceed 1.7 million tonnes per annum.

#### **Potential New Acquisitions**

Recently we announced that Avenir has been conducting due diligence on three phosphate projects in Queensland and Northern Territory since August 2020. Two of these projects are

located in Queensland (both with mining leases) and one is in the Northern Territory (NT), all with defined JORC resources.

Due diligence on one of the Queensland projects is in its final stages and alternative indicative offers have been submitted. Due diligence on the NT phosphate project and the other Queensland project are progressing on the basis of utilising innovative technology to produce a high value product that can stand the high transport costs to market.

The three projects qualify for support through the Australian Government's Northern Australia Infrastructure Facility, Major Projects Facilitation Agency and recently announced Supply Chain Resilience Initiative. Further announcements with respect to these projects will be made as negotiations progress. Readers are cautioned that there is no assurance that the negotiations will result in binding agreements being entered into.

CRP is taking advantage of the work already undertaken by Avenir to expand and deepen its overall ambitions to build an international phosphate mining and trading house focusing on the rapidly expanding organic phosphate marketplace.

#### Avenir Makatea mining application to be heard soon

SAS Avenir Makatea (wholly-owned subsidiary of Avenir) was granted an exploration permit on 28 January 2014 and in June 2016 Avenir applied for a mining concession to mine/rehabilitate an area of 600 ha of previously mined land. The Project, if it proceeds, is expected to have 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 harmonised with the new Mining Code. Completion of this process is expected within the next few weeks.

The Project is subject to 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 commence in the last quarter.

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 early 2022.

#### Marketing of Makatea organic phosphate into USA and Canada

Following earlier studies by Avenir into the organic farming market in the USA and Canada , Makatea phosphate was certified by OMRI as an organic phosphate to facilitate marketing.

Recent discussions with US based companies with current marketing to the organic farming market, are progressing with the aim of establishing long term offtake agreements for sales into the expanding organic market in USA and Canada.

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