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CHATHAM'S PACIFIC RARE EARTHS APPLIES FOR SELENIUM EXPLORATION PERMIT

WELLINGTON New Zealand – Chatham Rock Phosphate Limited (TSXV: “NZP” and NZX: “Chatham” or the “Company”) continues to enlarge its resource asset base with a new prospect in Queensland.

The Queensland Government has released its Resources Industry Development Plan, with six key focus areas and 43 nominated actions.

A key focus area is New Economy Minerals, (NEM)

The Queensland Department of Resources, when deciding to focus on NEM, has set aside \$26 million to fund their Collaborative Drilling Program in exploration areas for these new minerals.

The current draft list of NEM, including selenium, will be converted to a Prescribed List of New Economy Minerals.

With our deep understanding of the fertilizer business and the importance of the trace mineral selenium for plant growth and animal health, we have decided to apply for an exploration area identified as having significant accumulations of selenium.

The exploration area with outcropping beds of the seleniferous Toolebuc Formation limestones north of Tambo was identified in our geological research.

The Department has accepted our application for an Exploration Licence EMPA 28606 over an area of 196 sq km in the Tambo region of Central West Queensland nominating selenium as the target.

The area is accessible by local paved roads and well served by local infrastructure in the town of Blackall north of the area.

The shallow dipping and outcropping beds of Toolebuc limestone are up to 20m thick.

With extensive existing geological data and the shallow nature of the limestone, the exploration program will require limited drilling and analyses to prove up a JORC Resource.

The Importance of Selenium

Selenium was discovered in 1817 by Jons Jakob Berzelius of Sweden.

Named from the Greek word meaning “moon,” selenium is a metalloid element that occurs in at least three forms: a gray metallic form, a deep red or black powder, and a red crystalline form.

Selenium conducts different amounts of electricity, depending on how much light is hitting it. It also can convert light to electricity. Consequently, it is used in photoelectric cells, light meters, TV cameras, photocopiers, solar cells and semi-conductors. Selenium can convert AC electric current to DC current and is used in such converters. It is the active ingredient in dandruff-prevention shampoos and is a cutting agent in rubber. Selenium can remove colour from glass, or it can add a red colour to it. It is also used in alloys, especially with steel.

Hence selenium is a key requirement for many aspects of the technology we routinely use in our daily lives.

Biologically, selenium is also necessary for human life. Its role is that of a cleanser or protector; it shields against cancers and other diseases by scavenging for free radical oxidants and some heavy metals. Natural selenium deficiency in rocks and soils may be related to the incidence of stroke in humans, and excess selenium can cause deformities and disease in animals.

As many soil types are selenium deficient in Australia and New Zealand, selenium needs to be either added to the soil directly, indirectly in fertilizers or fed directly to stock by way of drenching or lick blocks.

Selenium deficient soils are prevalent in Queensland as well as in New South Wales and West Australia

The inclusion of selenium in the Queensland Government schedule of New Economy Minerals recognises the significance of the mineral to the State.

Selenium minerals are rare, and although selenium-rich ores exist, few are mined exclusively for the element. Most selenium is obtained as a by-product of copper ore processing. Selenium is occasionally found in pure form. It occurs in the rare minerals clausthalite and crooksite. Despite the name, the mineral selenite actually contains no selenium. Some selenium is mined in Japan, Canada, United States and Belgium.

Pacific Rare Earths

Chatham’s wholly owned Australian subsidiary Avenir Makatea Pty Ltd, trading as Pacific Rare Earths, made the application.

Pacific Rare Earths Limited (PRE) is the umbrella company for our existing rare earth elements projects at Korella and Korella South in Queensland, the Chatham Rise project offshore New Zealand and now our Tambo project.

This Selenium initiative is a logical extension of the PRE existing portfolio.

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