

NEWS RELEASE 22-08

May 31, 2022

CHATHAM PROVIDES PACIFIC RARE EARTHS PROGRESS REPORT

WELLINGTON New Zealand – Chatham Rock Phosphate Limited (TSXV: “NZP” and NZX: “CRP” or the “Company”) is pleased to provide a further update on the activities now taking place under the umbrella of our 100% owned subsidiary Pacific Rare Earths Limited (PRE).

PRE was originally formed in 2018 to project-manage a Rare Earths Elements (REE) study on rock phosphate nodules and seafloor muds on the Chatham Rise.

PRE is now coordinating the scoping study for concentration of Total Rare Earth Oxides (TREO) from our Korella Mine and Korella South Exploration Area.

Three Rare Earth Oxides, Yttrium, neodymium, and dysprosium, described as critical minerals and Heavy Rare Earth Elements, are found in abundance at Korella and Korella South as well as Chatham Rise.

Our Resources

- According to an independent report filed with the ASX in 2009, Korella Mine has an inferred yttrium JORC resource of 4.2 million tonnes at 746 g Y/tonne (i.e., 0.96 kg Y₂O₃/t)
- Neodymium and dysprosium were also identified at that time in both overlying sediments and the phosphate.
- Recent portable XRF analyses has shown the pervasiveness of both yttrium and neodymium in primarily the Korella phosphate.
- At the same time wet chemistry analysis of Korella phosphate samples has confirmed the presence of dysprosium and anomalous concentrations of gadolinium and samarium.
- Korella phosphate is the major host of the HREE.

The current sampling and testing program for Korella and Korella South to identify all HREE will be expanded progressively to quantify resources.

Processing and Enrichment

PRE recently engaged a third party to undertake sensor-based ore sorting of Korella phosphate testing in order to most effectively aid in REE enrichment.

In the first instance a 75kg sample of overlying silicious sediments and phosphate was tested. Initial results showed that sensor-based (density criteria) ore sorting was highly effective in separating phosphate from waste.

With HREE concentrated in the phosphate this has provided impetus to undertake further testing.

A one tonne sample of Run of Mine phosphate has been sent for pilot plant testing to prove HREE concentration using sensor-based ore sorting technology.

Further, as recently announced, we have engaged CSIRO (the Australian Commonwealth Scientific and Industrial Research Organisation) to study the extraction of Rare Earths from Korella phosphate using biomining technology. Three sets of samples have now been sent to CSIRO in Western Australia for the studies.

The Australian Government is assisting building an on-shore REE processing capacity

Marketing

Australia is a major non-China resource of Rare Earth Elements, now being classified in Australia as Critical Minerals. Australia has recently Critical Minerals agreements with South Korea.

Other relevant international developments include the USA legislating in favor of using non-China REE in defense materiel and Japanese interests signing an agreement for exploration and joint development in Queensland.

The PRE target market will involve the sale of TREO with 50% heavy rare earths content to Japan.

About Rare Earth Elements

Yttrium, neodymium, and dysprosium are the three critical minerals that are described as Heavy Rare Earth Elements.

They are present as an integral part of the technology supporting modern life. This includes magnets, computer hard drives, wind turbines, electric vehicles, lasers, TV/computer screens, exotic light sources and superconductors.

Recent market prices of these rare earth elements are (Source: Institut fur Seltene und Metalle AG)

- Yttrium oxide US\$ 12.28 per kilo.
- Dysprosium oxide US\$ 366.61 per kilo.
- Neodymium oxide US\$ 129.54 per kilo.
- Gadolinium oxide US\$ 66.48 per kilo.
- Samarium oxide US\$ 3.71 per kilo.

For further information please contact:

Chris Castle
President and Chief Executive Officer
Chatham Rock Phosphate Limited

64 21 55 81 85 or chris@crpl.co.nz

Neither the Exchange, its Regulation Service Provider (as that term is defined under the policies of the Exchange), or New Zealand Exchange Limited has in any way passed upon the merits of the Transaction and associated transactions, and has neither approved nor disapproved of the contents of this press release.