

NEWS RELEASE 22-01

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### **CHATHAM ANNOUNCES KORELLA DICALCIUM PHOSPHATE PROJECT**

**WELLINGTON New Zealand** – Chatham Rock Phosphate Limited (TSXV: “NZP” and NZX: “Chatham” or the “Company”) has taken another value-adding step to its phosphate production with planned manufacturing of Dicalcium Phosphate (DCP) at Korella South.

Chatham Rock Phosphate Limited (CRP) is pleased to announce the start of a prefeasibility study for the production of Dicalcium Phosphate (DCP) from the Korella and Korella South phosphate projects in Queensland.

DCP is an essential ingredient in the diet for all farmed animals including beef cattle in feedlots as well as all dairy cattle in that it enables healthy bone growth.

DCP is currently a fully imported product that has recently become subject to supply-chain difficulties.

Internal discussions concerning the production of DCP started back in January 2021 when Avenir Makatea Pty Ltd (Avenir Makatea) was approached by Belgium company Prayon SA as to whether the technology was suitable for their Makatea project. Having regard to the high demand for DCP in Australia and in particular Queensland beef feedlots, attention turned to looking at sources of phosphate in Northern Territory and Queensland.

Since the merger of Avenir Makatea and CRP in July 2021, a detailed scoping study for siting of the DCP plant has been undertaken in conjunction with Prayon having regard to supply of the three key ingredients, phosphate, limestone and sulfuric acid. Three sites were considered, one in the Northern Territory and three in Queensland.

Following the recent the application for an exploration area at Korella South adjacent to the Korella Mine, the decision has now been taken to progress to the Prefeasibility Study stage with plant proposed to be located at Korella South and supplied with phosphate from the adjacent Korella Mine.

Samples of Korella phosphate are now on their way to phosphate technology specialists Prayon SA for testing to establish the parameters for production of DCP through their “GetMoreP” technology (GMP).

In the GMP process additional inputs are limestone and sulfuric acid. The process involves the addition of sulfuric acid to the phosphate under diluted conditions followed by a

neutralisation using limestone to form the DCP. The process conditions enable a purification of the product through a chemical removal of the impurities.

Since Korella and Korella South are located in the Northwest Queensland mineral district both additional inputs i.e., limestone and sulfuric acid, are readily available locally.

With the expected arrival of samples in February 2022 at Prayon's European testing facility initial results are expected by the end of March 2022. Prayon will start the program by a Pre-Feasibility Test that will provide the following information:

- Definition of the working conditions (to be applied for further Feasibility Test)
- Determination of the P<sub>2</sub>O<sub>5</sub> extraction rate through the GMP process
- Determination of the P<sub>2</sub>O<sub>5</sub>% in the DCP
- Assessment on the feasibility to produce DCP from Korella raw material through the GMP process.

### **About CRP**

The Company's strategy is to build 2 million tonne per annum international phosphate mining and trading house with a focus on low cadmium, organic phosphate while value-adding through innovative technology.

The first step was taken on December 22, 2020, when we announced the proposed acquisition of Avenir Makatea Pty Limited. The acquisition was completed on 1<sup>st</sup> July 2021 thereby adding a second project to the original Chatham Rise phosphate project.

Avenir Makatea is progressing the recovery of phosphate from the French Polynesia island of Makatea, while enabling the rehabilitation of the island.

Combining the expertise within Chatham and that of Avenir Makatea has enabled Chatham to move rapidly towards our goal of becoming an international producer and trader of organic, low cadmium rock phosphate.

The second step was the announcement, in October 2021, of the acquisition of the fully permitted Korella phosphate and rare earth mine in Queensland, Australia with its ability to generate positive cash flows starting in 2022.

So now Chatham is shortly to be a phosphate producing company with a mine and two projects in the pipeline, with one of these projects only a few months away from being permitted.

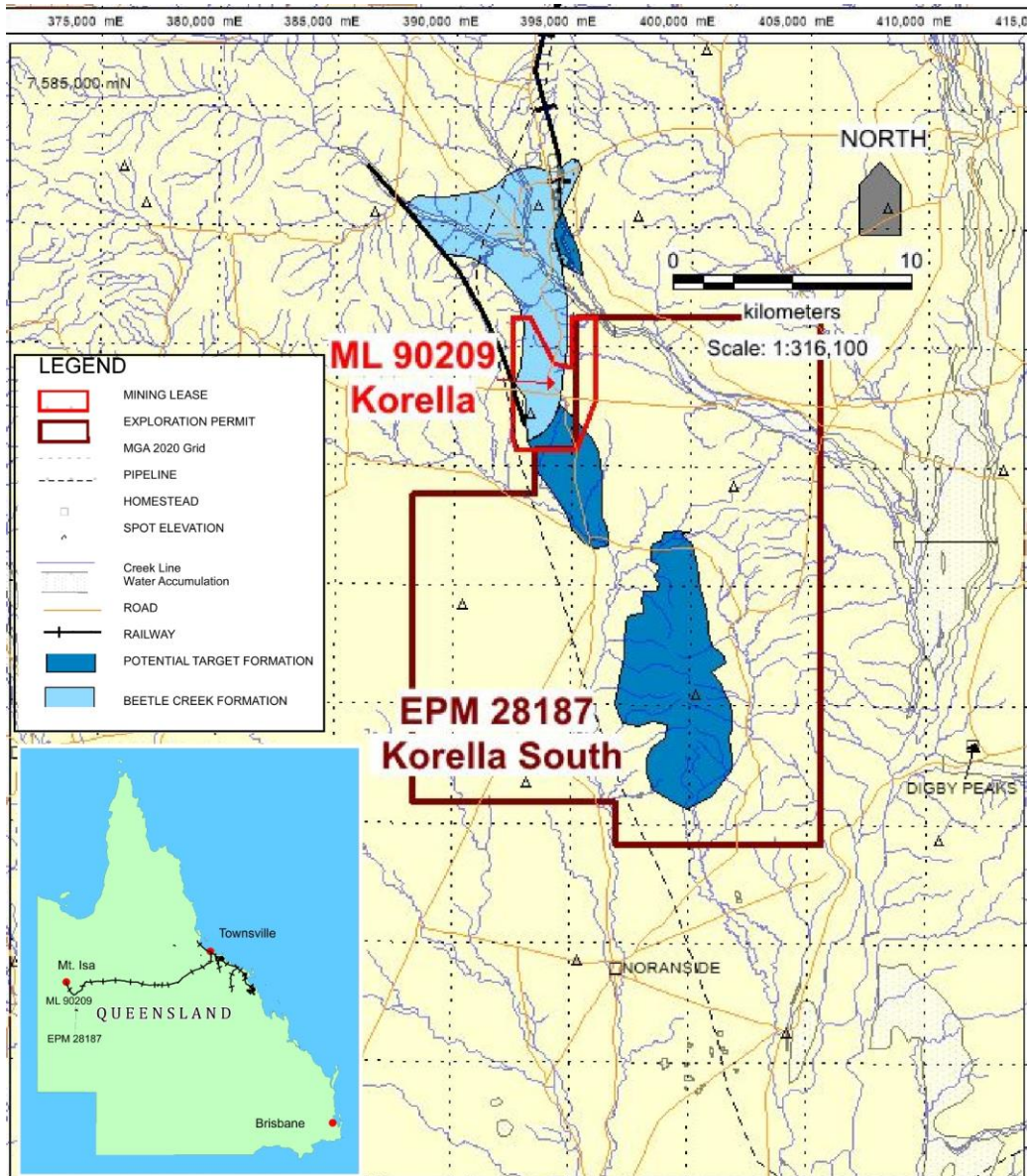
Chatham was also admitted to membership of Safer Phosphates, an exclusive status limited to producers of low cadmium phosphate.

The third step was the application for an exploration permit over an area adjacent to and south of the Korella Mine. The Korella South exploration area of 196 square kilometres will potentially increase phosphate reserves and associated rare earths.

This announcement of planned production of DCP is the fourth step forward for Chatham and is the first initiative in value-adding to our phosphate deposits through use of innovative technology.

Further, and as already announced there are other phosphate projects (both mines and trading relationships) likely to be acquired or developed.

A map showing the Korella ML and Korella South EPM is included below



### About Prayon AG

With more than 75 years' experience, Prayon Technologies has designed, developed, and accompanied the construction of more than 130 plants of phosphoric acid in more than 30 different countries. More than 35 different phosphate rocks are utilized in these plants which offer capacities ranging from 25 to 2.000 t per day of P<sub>2</sub>O<sub>5</sub>.

Technologies of Prayon respond in an optimal way to producers' requirements: reduction of energy consumption, increase of yield, production costs reduction, environmental aspects...

Over a third of the current worldwide production of phosphoric acid comes from plants based on Prayon processes.

Prayon's current dedicated team of experts provide bespoke solutions to ensure a **seamless, efficient, and on-time** project delivery.

Prayon Technologies (PRT), the Licensing division of Prayon, is internationally renowned for its technologies in phosphate production.

- PRT markets Prayon know-how and techniques
- PRT supplies consulting services and assistance related to phosphate production and associated technologies.
- Apart from phosphoric acid technologies, Prayon also offers processes that may use low-grade P sources to produce feed/fertilizer grade DCP.

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