

NEWS RELEASE 21-21

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CHATHAM GROUP STEPS FORWARD

WELLINGTON New Zealand – Chatham Rock Phosphate Limited (TSXV: “NZZ” and NZX: “Chatham” or the “Company”) has over the last 12 months taken giant steps forward.

The Company is pleased to provide a summary of the key milestones achieved by our group of companies during the last 12 months.

It’s been a remarkable and momentous 12 months for Chatham.

A year ago we were a single project company treading water while we sought the major funding to reapply for a Marine (environmental) Consent for our Chatham Rise phosphate project.

We were also constrained at that time by a series of conflicting legal judgements in respect of another offshore marine mining project which made it difficult to know how to frame our next application.

Despite those uncertainties we were able to raise enough working capital to remain viable and focused on achieving our key objective, that of a fully permitted Chatham Rise phosphate project. We were able to do so as we had ongoing support from both existing long-term shareholders and from a continuous flow of new investors.

Then on December 22 last year we announced the proposed acquisition of Avenir Makatea Pty Limited.

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’s executive director Colin Randall, a mining engineer with 50 years’ experience, has brought together encyclopedic knowledge of the world-wide fertiliser sector (both companies and the markets).

This has enabled Chatham to move rapidly towards our goal of becoming an international producer and trader of organic, low cadmium rock phosphate.

The Avenir Makatea deal was finalised in June 2021 but before then we had been working closely with Colin Randall as we investigated several other investment opportunities in the phosphate market.

The first of these to come to fruition was the announcement, in October 2021, of the acquisition of the Korella phosphate and rare earths mining lease and assets based in Queensland.

So now we are 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.

As a result, our recent financings have attracted further investor support and we expect this to continue as we tick off the milestones on the road to self-sufficiency.

We anticipate Korella to forward-sell rock phosphate in the quite near future and we could therefore become self-sustaining during 2022.

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

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

While all this has been happening international fertiliser prices have risen very rapidly.

For example, triple super phosphate (for which Chatham rock can be substituted) has moved from \$US273/t a year ago to \$US665/t. Raw rock phosphate ex Casablanca has soared from \$US83/t to \$US185. Reactive phosphate rock has increased from \$US275/t to \$US325/t.

Some commentators are likening this fertiliser shock to the oil shock that occurred in the early 1970s.

The good news is all three of our prospective mines were already expected to be profitable based on the prices prevailing a year ago.

Chatham Strategy

The acquisition of Avenir Makatea was the first step in the Company's strategy to build an international phosphate mining and trading house with a focus on low cadmium, organic phosphate.

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

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