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CHATHAM OFFERS EASY PATHWAY TO REDUCING CARBON EMISSIONS

WELLINGTON New Zealand –Chatham Rock Phosphate Limited (TSXV: “NZP” and NZAX: “CRP” or the “Company”) is calling on the government to support its project if it wants to transition to a lower emissions economy.

“We’re on the same page and have been for years,” Chief Executive Chris Castle said in commenting on Cabinet papers just released regarding its Just Transitions Unit tasked with finding ways for industry to reduce carbon emissions.

Chatham offers a much simpler and immediately available solution, and it is on New Zealand’s doorstep.

“No new technology is required; all the government needs to do is work in parallel with our privately funded project to help get this new phosphate extraction industry on its feet. This can best be done by ironing out the existing anomalies in the permitting process and relevant legislation.”

The papers say the Government will intervene heavily in markets to achieve its aims. An undated Cabinet paper, led by Megan Woods, the Minister responsible for the Just Transitions Unit, says, "from time to time, the Government may also need to act in entrepreneurial mode to help drive the transition through". Such action could support the development of new technologies and industries, “where it is necessary to fully realise emerging opportunities e.g. clean energy”.

Dr Woods also proposes the private sector will lead “the large-scale investments required to effect meaningful and positive change”.

“We’re ready, willing and able to invest in New Zealand in a project that will deliver multiple environmental and economic benefits.”

Mr Castle said Chatham has been talking to successive Ministers since 2012 about the role Chatham can play in reducing emissions.

“We have calculated that 800,000 tonnes of rock phosphate nodules mined from the Chatham Rise would entail 4000 tonnes of carbon dioxide in transport emissions. That compares with 80,000t of CO2 emissions from mining and shipping the same quantity of product from Morocco to New Zealand.

“The fact the Moroccan phosphate transport emissions are 20 times that of New Zealand sourced phosphate ought to resonate with the Government, and its drive to reduce emissions. Putting it another way, local production of rock phosphate would have the immediate effect of taking 19,000 petrol driven vehicles off the roads.”

The Cabinet papers refer to how a just transition can understand the different pathways to transform New Zealand's economy to one that is more productive, sustainable and inclusive. This includes partnering with business, Maori/iwi, local government, communities and the workforce to identify, create and support new opportunities, new jobs, new skills and new investments that will emerge from transition.

The Cabinet papers reveal the Government will intervene heavily in markets to achieve its aims and "from time to time, the Government may also need to act in entrepreneurial mode to help drive the transition through".

Such action could support the development of new technologies and industries, "where it is necessary to fully realise emerging opportunities e.g. clean energy".

The report says the Government has a critical role to play in facilitating a market response to the climate change challenge, including through an effective ETS, high-quality regulation and effective standards.

Mr Castle called on the Government to seize opportunities such as Chatham that can help New Zealand become a more sustainable economy.

We will continue to seek meetings with the key Ministers to better communicate the carbon emission related benefits of the Chatham Rise project, which are supplemented with a range of water and soil quality related benefits. We have communicated these benefits to Ministers of this and previous governments a number of times and the message must inevitably get through.

About Chatham Rock Phosphate

Chatham Rock Phosphate is the custodian of New Zealand's only material resource of ultra-low cadmium, environmentally friendly pastoral phosphate fertiliser. Our key role is connecting the resource with those who need it.

The resource represents one of New Zealand's most valuable mineral assets and is of huge strategic significance because phosphate is essential to maintain New Zealand's high agricultural productivity.

New Zealand's current access to phosphate is vulnerable to economic and political events in the six countries controlling 98% of the world's phosphate reserves, with 85% of the total in the Western Saharan state of Morocco.

Chatham takes very seriously the responsibility vested in it through its granted mining permit to use the world's best knowledge and technology to safely extract this resource to help sustainably feed the world.

Our initial environmental consenting process independently established extraction would have no significant impact on fishing yields or profitability, marine mammals or seabirds.

Our project ticks all the boxes: environmental, health, ethical, security of supply, economic, regional development, rare earths and other green minerals

- ✓ Our rock is a proven reactive phosphate rock. Using it results in much less run-off into waterways and an improved soil profile compared with the effects of manufactured fertilisers.
- ✓ It's an organic fertiliser with no additives and with the only processing being grinding and possible pelletisation
- ✓ It contains ultra-low levels of cadmium, a cancer-causing heavy metal with much greater concentrations in other rock phosphate deposits
- ✓ Being locally sourced and needing to be applied less frequently results in much lower carbon emissions (in effect increasing the present NZ electric vehicle fleet from 10,000 to 29,000 vehicles)
- ✓ It is New Zealand's only significant source of phosphate and seabed extraction involves a far smaller environmental impact than that imposed on local overseas communities which mine phosphate
- ✓ The rock is located within one day's sailing distance and supply is far more secure (and more ethical) than phosphate rock imported from unstable regions on the other side of the world
- ✓ The project economics are attractive and Chatham will pay significant royalties and income taxes
- ✓ The project will generate new jobs in environmental monitoring, on the mining ship, in the home port and in the science and agricultural sectors
- ✓ Chatham rock phosphate has been independently shown to be as effective as other phosphate fertilisers used in New Zealand. We could provide the two fertiliser co-ops supplying most of New Zealand's fertiliser with a green fertiliser alternative to naturally complement their other products.

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