

Frontier phosphate play

Chatham Rock Phosphate (CRP) is moving closer to demonstrating a technically and commercially viable undersea mining project. Risks still remain but the most significant are easing. Doubts over the technical viability of CRP's seabed mining concept have reduced significantly with global dredging major Royal Boskalis taking a cornerstone equity stake in CRP. The other main area of risk – mining and environmental approvals – will be CRP's major focus over the coming 12 months.

Year end	Revenue (NZ\$m)	EBITDA (NZ\$m)	PBT* (NZ\$m)	Debt (NZ\$m)	Net cash (debt) (NZ\$m)	Capex (NZ\$m)
03/11	0.0	(0.5)	(0.5)	0.0	0.2	(0.8)
03/12	0.0	(0.8)	(0.7)	0.0	0.3	(3.8)
03/13e	0.0	(3.0)	(3.0)	0.0	4.0	0.0
03/14e	0.0	(1.9)	(1.9)	0.0	8.3	(0.9)

Note: *PBT is normalised, excluding intangible amortisation and exceptional items.

Undersea phosphate

CRP is seeking to commercialise a known significant resource of rock phosphate residing as nodules on or near the seabed in around 400m of water on an area known as the Chatham Rise, around 450km east of Christchurch. Exploration and surveying completed since the resource was first discovered in the 1950s gives CRP significant confidence in the nature and extent of the likely endowment. With a substantial pastoral-based primary sector, New Zealand has a very significant fertiliser market that currently imports all its rock phosphate from Morocco. A clear import-parity regional market opportunity therefore exists.

Project risk material but abating

A commercial mining operation at the depths CRP is contemplating would represent a world-first for the subsea sector. Offsetting this, concept studies completed by three of the world's largest dredging operators each concluded the project as technically viable at economic cost. One of those operators, Royal Boskalis, has recently taken a 20% equity stake in CRP, significantly lifting confidence in the mining concept and reducing CRP's standalone risk profile.

In addition to design and execution of the mining concept, CRP's other key pre-production challenge is achieving mining and environmental approvals. Preparations on this front are well advanced and CRP expects to apply for a mining licence within the next few weeks. Final environmental approvals should be applied for and a decision reached during 2013.

Valuation

CRP intends to complete a TSX-V listing before the end of 2012 to accompany a US\$10m raising that it considers would bridge it to first production in late 2014. Our modelling concludes a success-case valuation of \$1.87 per fully-diluted share. CRP's economics are strongly leveraged to its three key value drivers: rock phosphate pricing, forex and the cost of its contract mining arrangements.

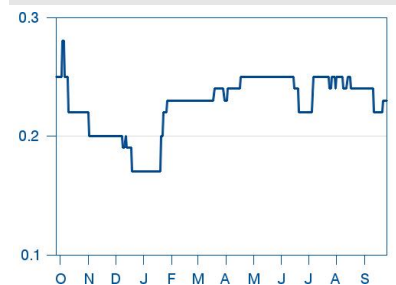
Mining

26 September 2012

Price NZ\$0.23
Market cap NZ\$29m

Shares in issue 127.0m
Free float 69%
Code CRP
Primary exchange NZX
Other exchanges N/A

Share price performance



%	1m	3m	12m
Abs	0.2	(4.2)	4.6
Rel (local)	(8.2)	(5.9)	(17.0)
52-week high/low	NZ\$0.28		NZ\$0.17

Business description

Chatham Rock Phosphate holds an exploration licence over 4,726km² off the east coast of New Zealand known to house significant seabed deposits of rock phosphate and other minerals.

Next events

Mining licence application	October 2012
Capital raise & TSX-V listing	Q412
Commit to FEED	December 2012

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Investment summary: Frontier phosphate play

Company description: Undersea rock phosphate

CRP is progressing the appraisal and potential development of a large permit area 450km offshore of the east coast of New Zealand's South Island. The area has been known since the 1950s to contain large deposits of high-grade rock phosphate on or near the seabed, 400m below the surface.

Royal Boskalis: Global-scale validation

In July CRP announced that Dutch company Royal Boskalis, the world's largest integrated dredging company, would take a 20% stake in it. Boskalis already had a significant association, with the project being selected as the preferred submitter of three mining concept studies tendered by global dredging operators in early 2011. In our view, Boskalis deciding to join the project at an equity level after completing extensive hands-on due diligence over the past 18 months is a very material endorsement of the project and of the confidence Boskalis has in the technical viability of its mining concept.

The Boskalis announcement followed earlier share placements to new and existing investors including a US-based private equity fund. The result is that CRP has recruited US\$12m of new funding since the start of the year. CRP remains committed to completing a secondary TSX-V listing in Q412 to support what it considers will be a final pre-start US\$10m equity raising that will meet its funding needs until first production in late 2014.

An NI43-101 report is being prepared for the TSX-V listing process, although a formal resource estimate is not expected to be part of that study.

Subsea challenge

Despite the progress it has made, CRP still faces a number of significant project risks. In respect of technical risk, the most material lies in successfully executing its undersea mining concept. If sanctioned, the Chatham Rise project would be the first time that seafloor mining at depth has been undertaken anywhere in the world.

Regulatory risk distils largely to CRP securing the marine and mining licences it requires to support a commercial operation. CRP expects to submit an application for a mining licence in the next few weeks. Separate marine consents will be required and will be subject to a new regulatory regime being implemented. CRP intends applying immediately after the new regulations come into effect, expected to be in May 2013. The new regime will require all new applications to be dealt with within six months, meaning a decision should be expected in Q413.

Valuation: Substantial success case upside

Surveys to date have indicated a resource of 25Mt at 22% P₂O₅. Assuming a mining operation of 1.5Mtpa and a long-term benchmark price of US\$160/t for 32% P₂O₅, we conclude a dividend discount valuation of NZ\$1.87 per fully-diluted share. The response of our base valuation to changes in key value drivers of phosphate rock price, forex and mining costs is strong, but under most downside scenarios there remains a substantial premium to the current share price. CRP's challenge over the next 18-24 months is to prove the validity of the success valuation case.

Company description: Frontier phosphate play

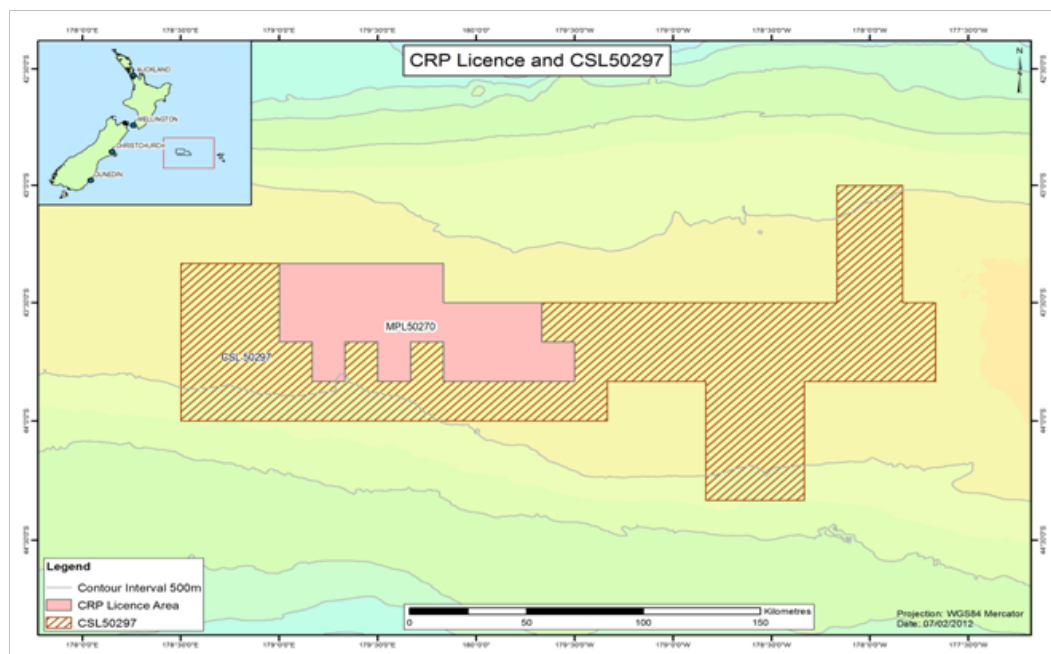
CRP is listed on the New Zealand Exchange (NZX). Its primary focus is on an undersea prospecting permit in New Zealand waters around 450km east of Christchurch. The permit sits in a region known to house widespread deposits of rock phosphate and other minerals including glauconite and potash on or near the seabed. CRP holds a 100% interest in the permit.

New Zealand: MPL50270

CRP's key asset is outright title to a single 4,726km² prospecting permit located over a submarine topographic feature named the Chatham Rise, which lies between the east coast of New Zealand's South Island and the west coast of Chatham Island.

The presence of significant rock phosphate deposits on the Chatham Rise has been known since 1952 when a major marine survey conducted over the area revealed widespread concentrations of rock phosphate and other minerals. Subsequent government and commercial surveys in 1966, 1971, 1975, 1978 and 1981 served to confirm the nature and extent of the deposits. CRP estimates that more than \$70m has been spent on surveying the Chatham Rise area before it acquired MPL50270. Surveys have shown the rock phosphate nodules in the main area of interest with a typical diameter of 1mm to 40mm lying in water depths of between 350 and 450 metres. Sampling from more than 100 grab sites has concluded an average phosphate (P₂O₅) content of 21-22%, which compares favourably with industry benchmarks. The nodules lie on or within 20-70cm of the seafloor surface in a glauconitic sand, meaning extraction would be suited to a suction or dredge format and not require drilling. Estimates made from the results of past surveys have concluded an extractable resource of 25Mt.

Exhibit 1: MPL50270 and surrounding licences



Source: CRP

Until recently low global phosphate prices and the early-stage nature of seabed mining technology have prevented commercialisation of the resource. The structural uplift in global P_2O_5 prices since 2008 and advances made in seabed mining technology have recently enabled previously marginal or uneconomic projects, such as CRP's, to be considered for development.

A major marine survey conducted in late 2011 and early 2012 served to lift CRP's understanding of the geology of its permit areas and the topography of the seabed area where the rock phosphate deposits are known to lie. Grab sampling conducted during the voyage validated the conclusions reached in earlier surveys of high rock phosphate and glauconite concentrations. The survey also collected data to support an environmental impact assessment report, which must accompany an application for a mining licence.

Geographical, political and regulatory context

Geography

Due to its relatively small landmass, the scale of New Zealand's sovereign territory is often overlooked. In 2008 the United Nations ratified an application from the New Zealand government under the UN Convention of the Law of the Sea recognising significant boundary extensions to the existing 200-mile nautical limit that previously marked New Zealand's exclusive economic zone (EEZ). The declaration extended New Zealand's territorial waters $1.7m km^2$ beyond its existing EEZ, so that New Zealand waters now total $8.4m km^2$. The inference therefore is that 96% of New Zealand lies underwater. Put another way, New Zealand's sovereign territory is comparable in size to the landmass of Brazil, the largest country in the southern hemisphere and fifth-largest country in the world.

Political environment

Mining is already a significant industry in New Zealand with local operations supporting sizeable export businesses for commodities including oil, coal, gold and silver. According to the latest sector-level official GDP figures, the mining sector made up 2.5% of nominal GDP in 2009 but grew at a three-year CAGR of 32.8% pa compared to 4.8% pa across the whole economy.

The current government has identified the resources sector as an important part of its economic development agenda. While a misjudgement by the government in 2009/10 when it proposed to open some parcels of conservation land to possible mining was unpopular and resulted in it having to back down from its plans, political support for the sector remains strong.

The concept and practice of undersea mining is relatively new in New Zealand. Despite this, a number of local and international operators have been actively progressing work programmes towards eventually starting undersea mining, particularly focusing on iron sands off the West Coast of the North Island. Companies advancing work programmes include Trans Tasman Resources, Rio Tinto, Sinosteel and Fortescue.

Regulatory environment

Partly in response to the 2010 Deepwater Horizon catastrophe in the Gulf of Mexico, the government has recently moved to tighten the regime that applies to offshore activities in New Zealand waters. This had previously been an area of significant uncertainty, particularly for activities beyond the 12-mile nautical limit (for activities within the 12-mile limit the existing Resource Management Act applies, which essentially represents an extension of the onshore consenting regime).

In August the government passed the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act into law, which will see marine activities beyond the 12-mile limit fall under the responsibility of the Environmental Protection Agency (EPA). Under the legislation, the new regime will

take effect in May 2013 and the EPA will have a maximum statutory timeframe of six months to process a marine consent application.

Fiscal environment

As part of a review of the Crown Minerals Act, which regulates all prospecting, exploration and production of New Zealand Crown-owned minerals, the government undertook to review the respective royalty structures that apply to petroleum and minerals. In the case of minerals, royalty rates under the incumbent regime have previously been decided on a case by case basis at the discretion of the minister. The review is now in its final stages with a release likely to be made in the next few weeks. It appears likely that the review will recommend that a single, common royalty structure be put in place, as is already the case for petroleum. We anticipate the structure to reflect the same basic (albeit lower-base) as for petroleum, being the higher of a revenue-based ad-valorem royalty (AVR) or a profit-based accounting profit royalty (APR).

Permit work programme

CRP acquired its MPL50270 prospecting permit in February 2010 on a four-year term, comprising two by two-year commitments. CRP's commitments under the first two-year term exceeded the work and spend levels required and the prospecting permit was extended in February. CRP's work to date in the second term is also well ahead of that required under the permit terms.

CRP intends to apply for a mining licence by October. Key documents to accompany a licence application, primarily involving an environmental impact assessment and economic contribution study, have been completed and will be submitted. CRP expects the mining licence application to take up to six months to process. While CRP is not anticipating any significant issues with the application, processing backlogs at NZ Petroleum & Minerals means there is a risk of delay.

Global market context

Rock phosphate is a central component in the manufacture of fertiliser. Phosphate is essential for all living systems (both animal and vegetable) as it is a building block of DNA and cellular membranes, which enables plant and root development. The spiral of food demand against diminishing available land through encroaching urban development means an ever-increasing demand for fertiliser products to enhance the soil to ensure adequate plant growth.

Phosphate deposits fall into three categories: guano (1% of global production), igneous rock deposits (23%) and marine sedimentary deposits (76%) formed along ancient shorelines from the chemical deposition of sea fossils. Economic deposits usually contain rock grading 15-20% P_2O_5 , which are suitable for mining as long as they are situated near ports suitable for bulk shipping.

Untreated basic phosphate rock can be spread directly onto soil. In New Zealand, ground rock phosphate is mixed with sulphuric acid and water which reacts to produce superphosphate fertiliser. The percentage of P_2O_5 in phosphate rock varies, with low grades undergoing further processing while high P_2O_5 grades above 30% are considered suitable for direct export.

Phosphate rock is found in several countries, with the largest recoverable deposits in Morocco/Western Sahara, China and the United States. The current rate of extraction of approximately 165Mt/year is expected to peak around 2030. Current global reserves (estimated to be approximately 65bn tonnes, including 50bn tonnes in Morocco) are expected to be depleted within 100 years. The largest phosphate exporter is Morocco/Western Sahara.

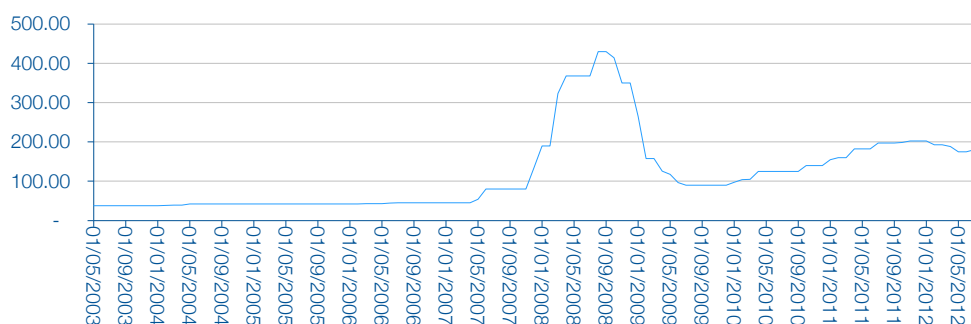
Phosphate markets and prices

More than 90% of the world's global phosphate production is used to make fertilisers. Global phosphate rock production (which peaked momentarily in 2008 at approximately 190Mt before retreating to approximately 160Mtpa) is expected to increase further. According to the US Geological Survey, world phosphate production is expected reach almost 250Mt by 2030. Phosphate prices have been volatile over the past few years, with prices rallying strongly throughout 2007 and 2008. These high prices forced farmers to ration fertiliser use and run down stocks. During 2008, a sharp fall in demand was exacerbated by the global recession. In 2010 demand and prices recovered to their previously high levels due in part to the recovery in the price of agricultural produce. In general, the phosphate rock market is relatively opaque and regionalised. Current rock phosphate prices FOB Morocco are c US\$185/t.

Future pricing

Given the increased global demands of a growing population, the demand for phosphate rock will inevitably continue to rise. The supply of new resources capable of supplying export demand is out of sync with increased global demand for phosphate rock and fertilisers, which is expected to continue to grow for the foreseeable future. In our view, price pressure will continue to remain strong.

Exhibit 2: Phosphate rock prices, US\$/t



Source: Bloomberg

Local market context

New Zealand's economy remains dominated by its primary sector. As is the case globally, the application of fertilisers to support pasture growth and health is mainstream farming practice and phosphatic fertilisers account for around 40% of all fertiliser now used in New Zealand. Nearly all fertiliser manufacture in New Zealand is undertaken by two large farmer cooperatives: Ravensdown and Ballance AgriNutrients. Together these companies import between 800kt and 1Mt pa of rock phosphate as feedstock for superphosphate and other production processes.

As is the case with other internationally fungible commodities produced and either consumed locally or exported from New Zealand (oil, coal, gold and silver included), a commercial rock phosphate mining operation would attract pricing terms determined by global markets adjusted for quality and freight differentials.

Royal Boskalis: Validation of mining concept

A key area of risk for CRP lies in planning and executing its mining method. Although dredging is a widely used subsea technique around the world, mining at the depths and conditions being contemplated by CRP would represent a world first. In January 2011 CRP engaged four international

subsea and dredging specialist firms – Dutch company Royal Boskalis (the world’s largest integrated dredging company) and Belgian companies Jan de Nul, IHC Dredgers BV and Tideway BV – to separately undertake jointly-funded mining concept studies. Each of the studies concluded that extraction was technically viable using extensions of existing technology.

From the three proposals, CRP selected Royal Boskalis to progress a two-phased work programme focused towards specifying, designing and ultimately constructing the infrastructure to enable a seafloor mining operation. The first phase, involving initial design engineering and environmental assessment studies, was completed in July and will form part of the mining license application. The second stage, involving final design, construction and testing, will likely be committed to at the end of 2012 and take six months to complete. CRP and Boskalis are therefore expecting to be in a position to reach final investment decision on the development early in H213. If plans proceed to their intended end-point, Boskalis will operate the entire extraction process on a contract-mining basis, and will be responsible for building all above- and below-water equipment. As is routinely done in the oil and gas sector where specialist operation of floating production and storage and offloading (FPSO) vessels is undertaken under contract by third parties, CRP would contract Boskalis under a contract mining agreement, costs under which would likely be at least partly pegged to production.

Importantly, Boskalis personnel have been closely involved with CRP since the start of the concept study process. Technical Boskalis staff joined CRP’s marine survey over the Chatham Rise in early 2012 and are very familiar with the technical characteristics of the Chatham Rise prospect.

In July, CRP announced that Boskalis had agreed to take a 20% stake in CRP. While a significant component of Boskalis’s share subscription is by way of equity in lieu of fees, the validation that Boskalis joining CRP’s register presents as very significant and, with the commercial and reputational risk at stake, in our view is a reflection of the confidence Boskalis has in being able to successfully deliver a successful mining operation. Boskalis subscribed in July 2012 at 22cps.

CRP announced in March it had agreed with US-based private equity fund, Subsea Investments, for Subsea to subscribe to shares and a convertible loan totalling \$7m.

At a special meeting of shareholders held on 24 September, CRP received approval for the Boskalis and Subsea share issues, including for the remaining balance of the convertible loan held with Subsea Investments to be converted into shares, at the 20cps conversion price stated in the investment agreement.

Valuation

We have constructed a DCF model to underpin our valuation assessment of a success scenario. Within this we take a dividend discount approach, thereby discounting the expected success-generated dividend flow to shareholders over the expected life of the project. Under this framework, and assuming full distribution of free cash flows in each year, we conclude a fully-diluted valuation of \$1.87/share.

Exhibit 3 summarises the assumption set that underpins our base valuation.

Exhibit 3: Base valuation assumption set

Variable	Assumption
Timings	First production April 2015 for 20-year mine life. Final production year FY35.
Resource	25mt at P ₂ O ₅ concentration 22%.
Production	1.5mtpa over FY15-FY25, on 7.5% decline curve from FY26-FY35.
Sales	750ktpa into local sales, balance into export market.
Capex	NZ\$6m in FY13, NZ\$3.6m FY14, NZ\$2m FY15. Capital costs associated with vessel refit to the account of Boskalis under contract mining agreement.
Pricing	US\$150/t real-terms 2012 for 32% rich P ₂ O ₅ . Pricing for local sales adjusted to 22% rich import parity-equivalent with US\$65/t freight (Casablanca-New Zealand) component and US\$25/t local buyer discount. Pricing for export cargoes at 22% FOB benchmark ex Morocco plus US\$35/t freight (as proxy for landed CIF Mumbai) less US\$30/t freight (as proxy for NZ-Mumbai). P ₂ O ₅ price held in nominal terms, freight items escalated with global inflator.
Opex	Pre-opex: NZ\$3m FY13, NZ\$1.9m FY14, each real-terms 2012. Onshore/corporate opex: NZ\$5m pa from FY15, real-terms 2012. Mining operations: €70/t long-term, held constant in nominal terms.
Royalties	Higher of 1% AVR or 10% APR.
Fiscal	Depreciation 15% DV, corporate tax rate 28%.
WACC	10% nominal post-tax.
Capital	Issued share capital of 126.8m. US\$5m raising assumed in FY13 at US25cps with further US\$5m in FY14 on same pricing. Fully diluted capital base assumes exercise of 37.0m options in FY15.
Macroeconomic	Global and local inflation 2.5% pa, US\$/NZ\$ of \$0.80 in FY13 falling to \$0.70 long-term, €/\$ of \$0.625 in FY13 falling to \$0.55 long-term.

Source: Edison Investment Research

In June CRP announced it had applied for five prospecting licenses covering acreage off the coast of Namibia in waters similar in depth to its Chatham Rise permit. We have ascribed no value to these potential holdings, which have yet to be awarded.

A particular issue for CRP is share liquidity. In the past 12 months just 930,000 shares traded, equating to less than 1% of current issued share capital. CRP intends for the TSX-V listing to support stronger trading volumes. However, as it already has a significant number of strategic cornerstone shareholders, the extent of the support will depend on the profile of those parties who participate in the current fundraising round.

Sensitivities

As CRP has engaged Boskalis to undertake all mining operations on its behalf, its business model is dominated by operational and risk factors that are beyond its direct control. This is not necessarily negative (Boskalis's dredging capability makes it far better placed to successfully execute a successful mining concept than CRP itself) but it does highlight the relatively high-risk profile of CRP's proposition. Execution will be critical to CRP realising the success case.

Sensitivity analysis confirms the high responsiveness of CRP's economics to its main value drivers: rock price, forex and mining costs. On our base rock pricing benchmark, CRP's valuation retains a >400% premium to current share price with a NZ\$1/US\$0.85. At the €70/t contract mining rate indicated by Boskalis, a US\$120/t reference rock price infers a valuation of \$1.01/share.

Exhibit 3: Valuation sensitivity to rock phosphate price and currency								
Long-term US\$/NZ\$								
	1.87	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Rock price US\$/t	\$ 75.0	0.68	0.26	- 0.14	- 0.52	- 0.89	- 1.21	- 1.49
	\$ 100.0	1.61	1.15	0.76	0.41	0.07	- 0.26	- 0.58
	\$ 125.0	2.53	1.99	1.54	1.15	0.81	0.51	0.22
	\$ 150.0	3.44	2.83	2.32	1.87	1.49	1.15	0.85
	\$ 175.0	4.36	3.67	3.09	2.59	2.16	1.78	1.45
	\$ 200.0	5.28	4.51	3.87	3.31	2.83	2.41	2.04
	\$ 225.0	6.19	5.35	4.64	4.03	3.51	3.04	2.64

Source: Edison Investment Research

Exhibit 4: Valuation sensitivity to rock phosphate price and contract mining costs								
Boskalis Contract Mining Rate €/t								
	1.87	40	50	60	70	80	90	100
Rock price US\$/t	\$ 75.0	1.31	0.77	0.20	- 0.52	- 1.34	- 2.17	- 2.99
	\$ 100.0	2.03	1.50	0.96	0.41	- 0.26	- 1.07	- 1.89
	\$ 125.0	2.75	2.22	1.68	1.15	0.60	- 0.02	- 0.79
	\$ 150.0	3.47	2.94	2.41	1.87	1.34	0.80	0.21
	\$ 175.0	4.19	3.66	3.13	2.59	2.06	1.53	0.99
	\$ 200.0	4.91	4.38	3.85	3.31	2.78	2.25	1.72
	\$ 225.0	5.63	5.10	4.57	4.03	3.50	2.97	2.44

Source: Edison Investment Research

Financials

At the end of August CRP had c NZ\$0.4m cash on hand. Having finalised (subject to shareholder approval) the Subsea and Boskalis investments, CRP is seeking what it considers would be a final tranche of funding to meet its spend commitments to bridge it to the start of production in (we assume) FY15. CRP has appointed a US-based adviser targeting a raising of US\$10m to accompany and support a TSX-V listing, which it intends to complete in Q412. A requisite NI43-101 resource report is nearly complete and a supporting broker has been appointed. Listing approval would require CRP to demonstrate sufficient funding for the immediate 12 post-listing months, which totals c US\$4.5m. Our assumption of a US\$5m raise in the current fundraising round would therefore meet this threshold. We assume US\$5m is raised at an issue price of US\$0.25/share in each of FY13 and FY14.

CRP also has 37.1m options on issue, of which 36.3m were issued to Subsea Investments, carry an exercise price of 30cps and expire in March 2015. Under its current capital structure, if Subsea exercises in full CRP would realise NZ\$10.9m of cash and Subsea's stake would rise to 44.7%. Fully diluted share capital would total 204m shares.

Exhibit 6: Financial summary

	NZ\$'000s	2010	2011	2012	2013e	2014e
31-Mar		IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue		0	0	0	0	0
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
EBITDA		(142)	(529)	(761)	(3,000)	(1,917)
Operating Profit (before amort. and except.)		(142)	(529)	(761)	(3,000)	(1,917)
Intangible Amortisation		0	0	0	0	0
Exceptionals		(91)	(123)	8	0	0
Other		0	0	0	0	0
Operating Profit		(233)	(652)	(754)	(3,000)	(1,917)
Net Interest		34	22	13	4	59
Profit Before Tax (norm)		(107)	(506)	(749)	(2,996)	(1,857)
Profit Before Tax (FRS 3)		(198)	(629)	(741)	(2,996)	(1,857)
Tax		0	0	0	0	0
Profit After Tax (norm)		(107)	(506)	(749)	(2,996)	(1,857)
Profit After Tax (FRS 3)		(198)	(629)	(741)	(2,996)	(1,857)
Average Number of Shares Outstanding (m)		17.3	25.2	48.1	1,080.9	156.8
EPS - normalised (c)		(0.6)	(2.0)	(1.6)	(0.3)	(1.2)
EPS - normalised and fully diluted (c)		(0.3)	(1.2)	(1.4)	(0.3)	(1.0)
EPS - (IFRS) (c)		(1.1)	(2.5)	(1.5)	(0.3)	(1.2)
Dividend per share (c)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A	N/A
BALANCE SHEET						
Fixed Assets		738	4,398	11,389	19,096	19,969
Intangible Assets		440	4,283	11,374	19,096	19,969
Tangible Assets		15	15	15	0	0
Investments		283	100	0	0	0
Current Assets		553	455	478	3,965	8,289
Stocks		0	0	0	0	0
Debtors		24	117	196	0	0
Cash		507	231	270	3,965	8,289
Other		21	107	12	0	0
Current Liabilities		(132)	(250)	(3,621)	(247)	(158)
Creditors		(132)	(250)	(3,621)	(247)	(158)
Short term borrowings		0	0	0	0	0
Long Term Liabilities		0	0	0	0	0
Long term borrowings		0	0	0	0	0
Other long term liabilities		0	0	0	0	0
Net Assets		1,159	4,603	8,245	22,814	28,100
CASH FLOW						
Operating Cash Flow		(133)	(493)	(666)	(4,701)	(2,006)
Net Interest		17	17	10	4	59
Tax		18	3	3	0	0
Capex		(105)	(819)	(3,848)	0	(873)
Acquisitions/disposals		0	0	0	0	0
Financing		367	1,016	4,539	8,393	7,143
Dividends		0	0	0	0	0
Net Cash Flow		163	(276)	39	3,696	4,324
Opening net debt/(cash)		(344)	(507)	(231)	(270)	(3,965)
HP finance leases initiated		0	0	0	0	0
Other		(0)	0	(0)	0	(0)
Closing net debt/(cash)		(507)	(231)	(270)	(3,965)	(8,289)

Source: Company data, Edison Investment Research

Contact details	Revenue by geography
Level 1 93 The Terrace Wellington New Zealand +64 (0)3 525 9170 www.rockphosphate.co.nz	N/A

CAGR metrics	Profitability metrics	Balance sheet metrics	Sensitivities evaluation
EPS 2010-14e	N/A ROCE 13e	N/A Gearing 13e	N/A Litigation/regulatory
EPS 2012-14e	N/A Avg ROCE 2010-14e	N/A Interest cover 13e	N/A Pensions
EBITDA 2010-14e	N/A ROE 13e	N/A CA/CL 13e	N/A Currency
EBITDA 2012-14e	N/A Gross margin 13e	N/A Stock turn 13e	N/A Stock overhang
Sales 2010-14e	N/A Operating margin 13e	N/A Debtor days 13e	N/A Interest rates
Sales 2012-14e	N/A Gr mgn / Op mgn 13e	N/A Creditor days 13e	N/A Oil/commodity prices

Prospective board with TSX-V listing

Managing Director: Chris Castle	Chairman: Jim Askew
Mr Castle is a chartered accountant with more than 37 years' experience in investment and corporate finance. He is also a non-executive director of TSX.V listed Asian Mineral Resources and ASX listed King Solomon Mines. Since 2007, he has been managing the CRP opportunity.	Mr Askew has 37 years of international mining and business experience assembling management teams and leading mining companies, both publicly-traded and private firms.

Director: Dr Robin Falconer	Director: Robert Goodden
Dr Falconer has 35 years' experience in geosphere, atmosphere, and ocean science surveys. His work has included marine mineral and oil exploration, seabed surveys, weather analyses, oceanography, environmental studies, geographic information systems, and computer mapping	Mr Goodden has 36 years' experience in offshore engineering and contracting. In 1976 he founded the offshore drilling company Seacore, which specialises in seabed investigation and excavation, owns vessels and develops its own technology.

Principal shareholders	(%)
Subsea Investments LLC	28.8%
Boskalis Offshore B.V.	20.0%
Odyssey Marine Exploration Inc	7.3%
Mineral Investment Ltd	6.8%
Widespread Portfolios Ltd	4.2%
Tasman Portfolio Ltd	2.9%

Companies named in this report

Ballance AgriNutrients, Fortescue (ASX:FMG), IHC Dredgers, Jan de Nul, Trans Tasman Resources, Ravensdown, Royal Boskalis, Sinosteel, Tideway.

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