



Update

21 October 2015

Chatham progresses Canadian listing and advances onshore phosphate projects

It's timely to report on Chatham's continuing progress and also to comment on recent events that have a direct bearing on your Company's future.

Notwithstanding the staff reductions we made earlier in the year we are very gainfully occupied.

Current initiatives include:

- Pursuing ongoing fund raising initiatives locally and in Canada and Europe together with possible tertiary market listings where required
- Making good progress in the merger process with Antipodes Gold to list on the Toronto Stock Exchange as our primary listing, while retaining our NZAX listing
- Working through the steps required before we decide whether to resubmit our application for a Marine Consent. This includes reviewing the previous application to EPA – we have commissioned a 360 degree review from the key players involved in the last application
- Working with officials in various government ministries to seek efficiencies in the permitting process
- Investigating and advancing trading relationships with other participants in the phosphate sector
- Continuing to build our shareholder base – we now have more than 1,000 shareholders

- Advancing towards sourcing reactive rock phosphate from several well located on-shore deposits – we may end up with ownership stakes in one or more of these projects
- Continuing to build farming sector, academic, industry and central government support for the Chatham Rise project and for the use of Chatham rock phosphate as a sustainable, environmentally friendly phosphorous source. As part of this we've commissioned further pot tests to be followed by field trials
- Resolving the fee dispute with EPA
- Seeking a refund of overcharged mining permit fees
- Being actively involved and frequently invited to present at fertiliser sector, marine mining, and undersea environmental protection forums.

Recent News

The very recent Overseas Investment Office decision concerning the OceanaGold acquisition of Newmont Waihi indirectly facilitates the cashing up of Antipodes Gold, the company we are in the process of merging with in order to list on the Toronto Stock Exchange. This is very good news with the next step being an Antipodes shareholder meeting to sanction the sale of their gold assets, their name change and the merger with Chatham. That meeting is expected to be held in November and the merger with Chatham will follow.

Impact on Chatham Funding Requirements

Linked to the merger and the subsequent Toronto listing is the TSX requirement to raise sufficient working capital to fund the cost of operations until the end of calendar 2016.

The precise level of funding required depends on a number of factors including the cash retained within Antipodes when we merge, the outcome of ongoing discussions relating to permit fees and EPA hearing costs, and the extent to which the next Marine Consent application does or does not require previously agreed submissions to be re-litigated.

Based on our assessment of these factors we estimate the funding required to list on the TSX while maintaining prudent yet sustainable forward momentum is \$C880,000 or about \$NZ1 million. To put that funding target in perspective that is \$NZ1,000 for each existing shareholder.

Chatham will very soon be in contact with both existing shareholders and prospective investors with a view to sourcing this modest funding target by the end of 2015.

Restated Goals and objectives

As shareholders will be aware Chatham Rock Phosphate has redefined its goals and objectives and it's timely to restate these.

Chatham Rock Phosphate (CRP) aims to be the premier supplier of direct application phosphate to the New Zealand and global agricultural sector. We are passionate about the benefit of direct application fertiliser to sustainable farming and agricultural practices.

Our objectives are to:

- Achieve consent of the Chatham Rise project and develop the asset
- Diversify our product mix to include other onshore phosphate resources
- Maintain our involvement at the forefront of the marine minerals sector to leverage our expertise as a project pioneer
- Develop a pathway for CRP products for the agricultural and retail sectors

Why do we prefer to focus on supplying direct application phosphate?

Three reasons:

1. It's the sort of special rock that is in the substantial Chatham Rise deposit
2. Direct application rock phosphate is proven to be significantly more environmentally friendly toward both soils and waterways
3. In some markets it sells at a significant premium despite the lower production costs

Why do we intend to develop other on-shore phosphate resources?

1. Because we can achieve this at a low capital cost and in a much shorter time frame.
2. Because it reduces our reliance on a single marine source which has not been fully permitted.
3. Because they are overseas and in jurisdictions that are more supportive of mineral development.
4. Because we already have the marketing expertise in-house and we already know where to sell the rock.

How well are we progressing with these aims?

1. After a global search of rock phosphate deposits we have identified a short list of small, well located, low capital cost "boutique" phosphate resources.

2. We are now in contact with the permit holders and embarking on exploratory discussions concerning both the sourcing of rock for sale and possible joint ownership of the deposits. Our ace in the hole is the expertise and experience of Moroccan Najib Moutia, our vice president strategy and marketing.
3. Target markets for these deposits are localised, making freight costs much less of an issue.
4. We will target a range of buyers in these markets, including bulk supply, niche organic/sustainable users, and into the retail market. We are making good ground in all three arenas.

The Chatham Rise timetable from here

November 2015 – Antipodes shareholders approve sale of assets, merger with Chatham and change of name of the merged company

December 2015 – March 2016 - Chatham completes financing programme, Antipodes and Chatham merge with the combined entity listed on the TSX.V and NZAX

March 2016 – decision made to resubmit Marine Consent Application

June 2016 – Marine Consent Application lodged

December 2016 – fast tracked decision released

June 2017 – Marine mining contract finalised and ship conversion commences

September 2019 – trial mining

January 2020 – commercial mining commences

In parallel with this Chatham will be steadily building a phosphate trading business in preparation for accepting and marketing the offtake from the Chatham Rise deposit.

Our confidence in achieving these parallel onshore and offshore objectives is based on both our in-house phosphate trading expertise and the progress we have made in just a few months identifying suitable rock phosphate sources and suitable trading partners.

Any shareholder wishing to discuss any aspects of this announcement and Chatham's business plan can call me on +64 21 558 185, email me at chris@crpl.co.nz, or Skype me at [phosphateking](#).

Regards,

Chris Castle

CEO - Chatham Rock Phosphate Limited