

NEWS RELEASE 18-5

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Chatham Rise rock phosphate will reign supreme in a low cadmium world

WELLINGTON, New Zealand – Chatham Rock Phosphate Limited (TSXV: “**NZP**” and NZAX: “**CRP**” or the “**Company**”) wishes to advise shareholders of a recent article by Richard Taylor in International Policy Digest that has commented on the effects of the proposed lowering of accepted cadmium levels in phosphate rock imported into EU countries.

In this article it is estimated that a lowering of the limit to 20 gm/kg will effectively bar 95% of phosphate ore from entering the EU market.

CRP cannot confirm that estimate but we do know that the reduced cadmium limits will affect a significant proportion of traded rock phosphate including rock sourced from Egypt, Israel, Boucraa & Youssoufia (Western Sahara/Morocco), Senegal, Togo, Tunisia, Nauru and Christmas Island.

As the EU ban on high cadmium levels has arisen due to food safety concerns, it would be logical to assume that similar restrictions will occur in other regions. There have been voluntary restrictions in place in New Zealand for many years.

According to Chatham Rock Phosphate managing director Chris Castle “the good news for Chatham Rock Phosphate shareholders is that cadmium levels in Chatham Rise rock phosphate are among the lowest in the world.”

Mr Castle said the rock, located on the Chatham Rise seabed east of New Zealand showed an average of 2.2 parts per million (expressed as mg/kg of P) from a range of samples gathered by CRP in 2012 from 11 separate locations. The lowest value was 1.3 parts per million with a high of 5.3 parts per million.

Rock phosphate is already the scarcest of the three fertiliser constituents used to sustain world food and primary sector production. And if world-wide sales restrictions are placed on 95% of that resource the likely effect on the market value of the remaining 5% of traded phosphate rock (and its producers) can only be imagined.

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.

Using this phosphate will support sustainable farming practices, including healthier soil profiles and reduced accumulation of the heavy metal cadmium, reducing carbon emissions and dramatically lowering runoff to waterways and shrinking fertiliser needs over time.

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 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.

For more information contact Chris Castle on 021 55 82 85 or chris@widespread.co.nz or check out www.rockphosphate.co.nz

Neither the Exchange, its Regulation Service Provider (as that term is defined under the policies of the Exchange), or NZX Limited has in any way passed upon the merits of the Transaction and associated transactions, and has neither approved nor disapproved of the contents of this press release.