

NEWS RELEASE 25-022

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Chatham advises proposed sale of subsidiary Avenir Makatea Pty Ltd

WELLINGTON New Zealand - Chatham Rock Phosphate Limited (TSXV: "NZP", NZX: "CRP" and "3GRE" (Frankfurt) or the "Company") is pleased to announce that it has signed a non-binding framework agreement with Melbourne based Australian company Austure Pty Ltd (Austure) that involves the sale of the wholly owned Australian subsidiary Avenir Makatea Pty Ltd for a consideration of AU\$ 1.4 million, comprised of AU\$ 900,000 in cash over a 24-month period, and the Company taking a 20% shareholding in a DCP/MCP manufacturing plant to be established through an Austure subsidiary company. The parties have agreed to work together to negotiate and sign a binding formal definitive agreement regarding the sale.

This agreement advances the Korella North mine with a local market for its mined rock phosphate which will be supplied to this revolutionary manufacturing plant to be built in Cloncurry by the Austure subsidiary company.

Austure Pty Ltd has developed a unique technology that enables a manufacturing plant to produce both Dicalcium Phosphate (DCP) and Monocalcium phosphate (MCP). This unique DCP/MCP technology was developed in Melbourne by Monash alumni chemists of which one is a principal of Austure Pty Ltd.

Both DCP and MCP are utilised in lick blocks that provide cattle with supplemental phosphorus which is essential for healthy cattle in the phosphorus-deficient Northern Queensland and other northern Australian states. Currently all 50,000 tonnes per annum (tpa) of DCP/MCP utilised in Australia is imported.

The technology utilises a novel green process where electricity is used to generate phosphoric acid from rock phosphate. The phosphoric acid is then used to manufacture downstream products such as fertiliser and feed phosphate. The electricity can be generated from renewable resources in a private off-grid plant.

The technology utilises tailings-grade rock phosphate as low as 16% in concentration of P₂O₅ while at the same time avoiding generation of the toxic phosphor-gypsum waste. The lower quality of the Korella North Mine fits with the supply criteria for the proposed plant.

Background

Since 2021 CRP's wholly owned Australian subsidiary, Avenir Makatea Pty Ltd., through its subsidiary Korella MCP Pty Ltd, has been investigating the establishment of a 30,000 tpa DCP/MCP plant in Cloncurry to utilise phosphate from its Korella deposits.

In the feasibility studies for such a plant, Chatham always faced two considerable issues. First, the matter of scale. At 30,000 tpa the proposed plant was too small for economical production. Most plants had to be 100,000 tpa and also based near a seaport, second

was the dependence on utilisation of sulphuric acid in the manufacturing process. With the supply of sulphuric acid in the Northwest Mineral Province a major unknown, this provided an unacceptable risk to a conventional DCP/MCP manufacturing plant proposed to be located in Cloncurry.

As a local supply of sulfuric acid is not a prerequisite for this new DCP/MCP manufacturing technology, it is feasible for the plant to be located in Cloncurry, with proximity to the DCP/MCP market. This is expected to undercut the imported competitors because of the saving in transport costs.

This new system can be established in modules of 5,000 tpa of DCP equivalent calcium-phosphate. This allows rapid commencement of the plant with a low CAPEX hurdle yet permits gradual expansion at our own determined pace. The new jointly owned company will be licensed to utilise the technology (currently being patented).

At the same time the newly jointly owned Austure subsidiary company will establish its competitive position in the lick block market by offering imported high quality DCP/MCP sourced from affiliated plants of the Melbourne based technology partner.

With the Framework Agreement now signed the next stage is the execution of a Memorandum of Understanding later this month and all the related documents by the end of December 2025

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Statements about the Company's future expectations and all other statements in this press release other than historical facts are "forward looking statements". Such forward-looking statements are based on numerous assumptions, and involve known and unknown risks, uncertainties and other factors, including risks inherent in mineral exploration and development, which may cause the actual results, performance, or achievements of the Company to be materially different from any projected future results, performance, or achievements expressed or implied by such forward-looking statements.

Neither the TSX Venture Exchange, its Regulation Service Provider (as that term is defined under the policies of the TSX Venture Exchange), or New Zealand Exchange Limited has in any way passed upon the merits of the above described transaction, and has neither approved nor disapproved of the contents of this press release.