

CHATHAM ROCK PHOSPHATE LIMITED

(TSXV: NZP) (NZAX: CRP)

Price: November 23 **\$0.185**
52-Week Range: **\$0.40-\$0.14**

Shares O/S: **20.89 million**
Market Cap: **\$3.86 million**

Average Share Volume
50-day: **9,890**
200-day: **5,980**

Year-End: **March 31**

Symbol: **TSXV: NZP**
NZAX: CRP
FSE: 3GRE

Website:
<http://www.rockphosphate.co.nz/>

Financial Data:

Balance Sheet (C\$000s)	TTM	Year End
	Jun 30/18	Mar 31/18
Cash	\$439,798	\$81,484
Current Assets	\$581,279	\$273,359
Mineral Properties	\$4,407,391	\$4,552,204
Total Assets	\$5,002,185	\$4,839,631
Total Liabilities	\$215,449	\$263,229
Working Capital	\$365,830	\$10,130
Working Capital Ratio	2.70	1.04
Total Equity	\$4,786,736	\$4,576,402
Actual Shares O/S	20,026,131	17,680,360
Wtd Avg Shares O/S	16,003,556	15,486,362
Statement of Loss (C\$000s)	TTM	Year End
	Jun 30/18	Mar 31/18
Net Finance Inc./Exp.	-\$51,045	-\$42,819
Non-disc OpEx ("Burn")	-\$526,514	-\$581,507
Average Monthly Burn	-\$43,876	-\$48,459
Equity Financing	\$1,358,992	\$1,296,954

Source: Company and eResearch

eResearch Analyst (on this report):
Bob Weir, B.Sc., B.Comm., CFA



THIS REPORT

Just as we went to press, on November 21, with our Initial Report on Chatham Rock Phosphate Limited (see Link to that report on the next page), the Company made a significant announcement concerning a proposed transaction with Capital Trust Group Limited. This report provides information regarding that announcement.

THE COMPANY

Chatham Rock Phosphate Limited ("Chatham Rock Phosphate" or the "Company") is a New Zealand-based junior mining exploration and development company. It is focused on developing a marine phosphorite deposit that is located in what is known as the Chatham Rise set in off-shore territorial waters of New Zealand.

Chatham Rock Phosphate is incorporated in British Columbia, Canada with a listing on the Toronto Venture Exchange, and it is registered in Wellington, New Zealand with a listing on the New Zealand Exchange's Alternative Market. The Company's shares are also listed on the Frankfurt Exchange in Germany.

THE PLAN

Chatham Rock Phosphate and Capital Trust Group are two New Zealand companies which have entered into a non-binding agreement to investigate whether there is sufficient business synergy between the two firms to proceed to binding arrangements.

If the companies and their respective shareholders decide that there is, then the plan is for Chatham Rock Phosphate to acquire Capital Trust Group through a share issue.

BACKGROUND

Capital Trust Group is a fin-tech company. It has expertise as a provider of turn-key services for initial coin offerings and asset digitization. It intends to expand into the mining and minerals industry with a focus on identifying, financing, and developing mining projects by using its blockchain-based technologies and its extensive distribution networks. A Link to the firm's website is [HERE](#)

Chatham Rock Phosphate has gained considerable knowledge on the phosphate industry with its Chatham Rise project as well as other international phosphate projects.

The Company's operations could provide an exciting spring-board for Capital Trust Group's service offerings.

GOING FORWARD

It is the respective companies' intentions to seek shareholder and investor interest for a merger of the two entities. If sufficient interest is indicated, the two companies will engage in comprehensive due diligence of each other and consider the way forward as a merged entity. If a positive outcome, they would enter into binding arrangements.

MERGER TRANSACTION

If the necessary financial support for a combined company is forth-coming, Chatham Rock Phosphate would propose to acquire Capital Trust Group by issuing shares equivalent to about 40% of Chatham Rock Phosphate's total issued common stock. The proposal would also envision that Capital Trust Group's shareholders would receive an earn-out bonus over three years based on net revenue it achieved from currently-in-place contracts.

CONDITION

There will be a provision that the combination will only proceed provided that US\$10 million of financing is secured for the merged entity. Of that amount, one-half, or US\$5 million, will be ear-marked for advancing the Company's Chatham Rise project, in particular, for obtaining the required Marine Consent License.

Further, any proposed agreement will also be subject to receiving necessary regulatory approvals.

INITIAL REPORT

The eResearch initial report on Chatham Rock Phosphate, dated November 21, 2018, is a comprehensive 16-page report on the Company, its operations, and its strategies. The report can be accessed [HERE](#).

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ANALYST ACCREDITATION

eResearch Analyst on this Report: Bob Weir, B.Sc., B.Comm., CFA

Analyst Affirmation: I, Bob Weir, hereby state that, at the time of issuance of this research report, I do not own shares of Chatham Rock Phosphate Limited.

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