

Consolidated Financial Statements  
(Expressed in Canadian dollars)

## **CHATHAM ROCK PHOSPHATE LIMITED**

For the year ended March 31, 2025

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## **CANADIAN DECLARATION**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying consolidated financial statements of Chatham Rock Phosphate Limited (hereafter will be referred to as "the Company") and all the information in this annual report have been prepared by and are the responsibility of management.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and reflect management's best estimate and judgement based on currently available information. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements before they are presented to the Board of Directors for approval.

The Company's independent auditors, Grant Thornton New Zealand Audit Limited, are appointed by the shareholders to conduct an audit in accordance with International Standards on Auditing, and their report follows.

**Chris Castle**  
*Chief Executive Officer*

**Robyn Hamilton**  
*Chief Financial Officer*

July 29, 2025

## NEW ZEALAND DECLARATION

### DIRECTORS' DECLARATION

In the opinion of the directors of Chatham Rock Phosphate Limited, the consolidated financial statements and notes, on pages 8 to 46:

- materially comply with both International Financial Reporting Standards ("IFRS") and generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of the Group as at March 31, 2025 and the results of their operations and cash flows for the year ended on that date, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the company and group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The directors present the consolidated financial statements for Chatham Rock Phosphate Limited for the year ended March 31, 2025.

**For and on behalf of the Board of Directors**

s/ "Chris Castle"

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**C Castle**  
**Director**  
**Date: July 29, 2025**

s/ "Jill Hatchwell"

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**J Hatchwell**  
**Director**  
**Date: July 29, 2025**

# Independent Auditor's Report

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## To the Shareholders of Chatham Rock Phosphate Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Chatham Rock Phosphate Limited (the "Company") and its subsidiaries (the "Group") on pages 8 to 46 which comprise the consolidated statements of financial position as at 31 March 2025 and 31 March 2024, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chatham Rock Phosphate Limited as at 31 March 2025 and 31 March 2024, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a loss of \$1,182,703 during the year ended 31 March 2025. As of 31 March 2025, the Group's current liabilities exceeded its current assets by \$314,189 and the Group expects to incur further losses in the development of its business. As stated in Note 1, the Directors acknowledged that there are material uncertainties regarding the successful implementation of the Group's plan to manage its corporate costs, raise adequate further capital necessary to support the development of existing projects control scalable expenditure, and successful completion of due diligence with the interested party followed by an execution of definitive investment agreement. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key audit matter	How our audit addressed the Key audit matter
<p><b>Mineral Property Interest impairment assessment</b> (Refer to Notes 3(f) and 5 in the consolidated financial statements)</p> <p>Mineral Property Interest intangible assets had a carrying value of \$6,710,333 as at March 31, 2025.</p> <p>The recoverability of the carrying amount of exploration and evaluation assets is dependent on the Group gaining various mining consents and permits.</p> <p>In respect to the Chatham Rise project, in 2015, the Group was refused Marine Consent and as a result, the Directors impaired the carrying value of the previously capitalised costs. On August 23, 2021, the Group applied for a change of conditions in the permit to further defer the minimum work programme commitments, this change was denied on the basis that the Company has not made sufficient progress in applying for Marine Consent. Under the Crown Minerals Act 1991, where work programme conditions are not met, this results in non-compliance being recorded against the activity. Subject to NZP&amp;M's discretion, non-compliance may result in the decline of applications for new permits or revocation of an existing permit.</p> <p>The Group is evaluating its options to raise the necessary level of funding for the process of re-application for Marine Consent and additional data collection related to the Consent application process.</p> <p>In addition, Avenir Makatea has an outstanding mining concession application to mine/rehabilitate the subject area.</p> <p>Management assesses on an annual basis whether facts and circumstances suggest an impairment indicator or the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Accordingly, additional impairment is required to be recognised.</p> <p>Given the significance of the value of mineral property and management's judgement around successfully raising the necessary level of funding within a reasonable period to secure marine consent and license, "valuation" of mineral property has been identified as a significant risk of material misstatement.</p>	<p>To audit the valuation of mineral property interest assets, our audit procedures included:</p> <ul style="list-style-type: none"> <li>- gaining an understanding of management's process and controls to prepare an impairment indicator assessment;</li> <li>- gaining an understanding of the industry prospect as well as changes to the regulatory requirements which may impact the Group's ability to get the required consents.</li> <li>- gaining an understanding of key assumptions used in management's impairment indicator assessment;</li> <li>- evaluating the accuracy and reasonableness of the data used in the management's impairment indicator assessment;</li> <li>- assessing and challenging key assumptions and where possible, considering events subsequent to the balance date;</li> <li>- performing sensitivity testing on the key assumptions used in the forecast cash flows to assess the level of forecasting risk; and</li> <li>- consulting with our valuation specialists who assessed the appropriateness of the approach taken by management and our assessments in consideration of the relevant circumstances.</li> <li>- Considering the adequacy of the disclosures made in Note 3(f) material accounting policies and Note 5 Mineral Property Interest to the consolidated financial statements.</li> </ul>

### **Other information**

Directors are responsible for the other information. The other information comprises the Management's Discussion and Analysis, the Canadian declaration – Management's responsibility for financial reporting and the New Zealand declaration – Directors' declaration but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Tej Sethi.

#### **Restriction on use of our report**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**



**Tej Sethi**

**Partner**

**Auckland**

**29 July 2025**



# CHATHAM ROCK PHOSPHATE LIMITED

Consolidated Statement of Financial Position  
(Expressed in Canadian dollars)

	Notes	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		35,206	110,172
Accounts receivable and other receivables		18,561	157,868
Prepayments		32,178	35,750
		85,945	303,790
Non-current assets:			
Other financial assets		20,082	19,478
Investment in equity accounted investee	3(a)	25,979	-
Property, plant & equipment		7,488	12,691
Right of use assets	7	26,348	54,276
Mineral property interest	5	6,710,333	6,568,266
		6,790,230	6,654,711
<b>Total assets</b>		<b>6,876,175</b>	<b>6,958,501</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Trade and other payables	6	370,722	326,710
Lease liabilities	7	29,412	28,500
Monies received for subscriptions for shares		-	23,906
		400,134	379,116
Non-current liabilities:			
Lease liabilities	7	-	29,227
		-	29,227
<b>Total liabilities</b>		<b>400,134</b>	<b>408,343</b>
Shareholders' equity:			
Share capital	8	43,723,004	42,608,988
Warrants reserve		-	22,810
Foreign currency translation reserve		(691,789)	(709,169)
Employee share option reserve		165,682	165,682
Accumulated deficit		(36,720,856)	(35,538,153)
<b>Total shareholders' equity</b>		<b>6,476,041</b>	<b>6,550,158</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,876,175</b>	<b>6,958,501</b>

Commitments and contingencies (Note 21)

The accompanying notes form an integral part of these consolidated financial statements.

# CHATHAM ROCK PHOSPHATE LIMITED

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

For the year ended March 31, 2025 and 2024

	Notes	2025	2024
<b>Revenue</b>			
Total revenue		-	-
<b>Expenses</b>			
General and administrative expenses	12	(1,189,983)	(1,529,666)
Depreciation and amortisation	13	(33,922)	(37,522)
Total expenses		(1,223,905)	(1,567,188)
Loss from operations before income tax		(1,223,905)	(1,567,188)
<b>Other income</b>			
Legal settlement	21	-	88,691
Finance income	11	1,100	6,450
Gain on loss of control of a subsidiary	3	43,760	-
Total other income		44,860	95,141
Gain from other income before income tax		44,860	95,141
Share of loss on equity accounted investee		(3,658)	-
Income tax expense	14	-	-
Net loss for the period		(1,182,703)	(1,472,047)
<b>Other Comprehensive loss</b>			
Foreign currency translation**		17,380	(246,580)
Total comprehensive loss for the period		(1,165,323)	(1,718,627)
Basic shareholders' loss per share	10	\$ (0.0115)	\$ (0.0164)
Diluted shareholders' loss per share		\$ (0.0115)	\$ (0.0164)
Weighted average number of common shares outstanding		103,251,401	89,987,227

**\*\*Items which can subsequently be reclassified to profit or loss**

The accompanying notes form an integral part of these consolidated financial statements.

# CHATHAM ROCK PHOSPHATE LIMITED

Consolidated Statement of Changes in Shareholders' Equity  
(Expressed in Canadian dollars, except number of common shares and warrants)  
For the year ended March 31, 2025 and 2024

	Number of common shares	Number of warrants	Share capital	Warrants reserve	Foreign currency translation reserve	Employee share option reserve	Accumulated deficit	Shareholders' equity
Balance, April 1, 2023	<b>85,329,287</b>	<b>35,333,094</b>	<b>41,451,064</b>	<b>185,958</b>	<b>(462,589)</b>	<b>340,963</b>	<b>(34,241,387)</b>	<b>7,274,009</b>
Issue of shares and discretionary warrants	10,003,619	10,003,619	1,023,081	-	-	-	-	1,023,081
Transactions costs	-	-	(28,305)	-	-	-	-	(28,305)
Expiry of employee share options	-	-	-	-	-	(175,281)	175,281	-
Expiry of share warrants	-	(3,311,328)	163,148	(163,148)	-	-	-	-
<i>Transactions with owners</i>			1,157,924	(163,148)	-	(175,281)	175,281	994,776
Loss for the period	-	-	-	-	-	-	(1,472,047)	(1,472,047)
Currency translation loss	-	-	-	-	(246,580)	-	-	(246,580)
Total comprehensive loss for the year			-	-	(246,580)	-	(1,472,047)	(1,718,627)
<b>Balance, March 31, 2024</b>	<b>95,332,906</b>	<b>42,025,385</b>	<b>42,608,988</b>	<b>22,810</b>	<b>(709,169)</b>	<b>165,682</b>	<b>(35,538,153)</b>	<b>6,550,158</b>
Issue of shares and discretionary warrants	14,150,861	1,599,152	1,116,077	-	-	-	-	1,116,077
Transactions costs	-	-	(24,871)	-	-	-	-	(24,871)
Expiry of share warrants	-	(1,323,657)	22,810	(22,810)	-	-	-	-
<i>Transactions with owners</i>			1,114,016	(22,810)	-	-	-	1,091,206
Loss for the period	-	-	-	-	-	-	(1,182,703)	(1,182,703)
Currency translation loss	-	-	-	-	17,380	-	-	17,380
Total comprehensive loss for the year			-	-	17,380	-	(1,182,703)	(1,165,323)
<b>Balance, March 31, 2025</b>	<b>109,483,767</b>	<b>42,300,880</b>	<b>43,723,004</b>	<b>-</b>	<b>(691,789)</b>	<b>165,682</b>	<b>(36,720,856)</b>	<b>6,476,041</b>

The accompanying notes form an integral part of these consolidated financial statements.

# CHATHAM ROCK PHOSPHATE LIMITED

Consolidated Statements of Cash flows

(Expressed in Canadian dollars)

For the year ended March 31, 2025 and 2024

	Notes	2025	2024
Cash flows from operating activities:			
Interest received		1,100	6,450
Cash received from customers		-	-
Cash paid to suppliers		(1,140,006)	(1,519,589)
Interest paid		(3,845)	(6,498)
Net cash used in operating activities	19	(1,142,751)	(1,519,637)
Cash flows from investing activities:			
Proceeds on loss of control of subsidiary		13,248	-
Payments in respect of exploration and evaluation		(122,337)	(154,843)
Payments for other financial assets		(320)	(443)
Net used in investing activities		(109,409)	(155,286)
Cash flows from financing activities:			
Principal elements of lease payments		(29,181)	(27,209)
Proceeds from issue of share capital, net of issue costs		1,209,077	1,020,276
Monies received for subscriptions for shares		-	23,906
Net cash from financing activities		1,179,896	1,016,973
Net decrease in cash and cash equivalents		(72,264)	(657,950)
Cash and cash equivalents, beginning of period		110,172	820,381
Effect of foreign exchange rate fluctuations on cash held		(2,702)	(52,259)
Cash and cash equivalents, end of period		35,206	110,172

The accompanying notes form an integral part of these consolidated financial statements.

# CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)  
For the year ended March 31, 2025 and 2024



## 1. Nature of business and going concern

Chatham Rock Phosphate Limited (the "Group" or "CRP") is a development-stage Group incorporated under the Business Corporations Act (British Columbia) and listed on the Toronto Stock Exchange's Venture Exchange ("TSX-V"). The Company is also registered on the overseas company register under the New Zealand Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). The Group is an FMC reporting entity under part 7 of the Financial Markets Conduct Act 2013 (New Zealand).

The Group comprises of the parent Company and its wholly owned subsidiaries. The financial statements are presented for the consolidated group.

The acquisition of Avenir Makatea in 2021 was the first step in the Group's strategy to build an international phosphate mining and trading house with a focus on low cadmium, organic phosphate.

The Group's registered offices are:

- 3200 – 650 West Georgia Street, Vancouver, B.C., Canada V6B 4P7
- Level 1, 93 The Terrace, Wellington 6011, New Zealand

Accordingly, the Group has reporting obligations in both the Canadian and New Zealand jurisdictions.

### *Going concern*

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group has the ability to continue to be able to pay its debts as and when they fall due for a period of at least 12 months from the date of the approval of the financial statements.

The Group incurred a net loss of \$1,182,703 during the year ended 31 March 2025 (2024: \$1,472,047 net loss) and as of that date the Group's current liabilities exceed its current assets by \$314,189 (2024: current liabilities exceed current assets by \$75,326). During the year the Group had operating cash outflows of \$1,142,751 (2024: \$1,519,637), investing cash outflows of \$109,409 (2024: \$155,286), and financing cash inflows of \$1,179,896 (2024: \$1,016,973). The cash balance at the end of the year was \$35,206 (2024: \$110,172).

The Group expects to incur further losses in the development of its business. To assess ongoing liquidity of the Group and its ability to meet its other financial obligations as they fall due in the normal course of business, management has prepared cash flow forecasts. In preparing these forecasts, management considered and, where required made assumptions as follows.

- The Group continues to manage its corporate costs appropriately within existing available funds.
- In addition to the additional capital raised up to the date of signing, refer to note 22, the Directors will continue to raise further capital as required by one or a combination of the following: placement of shares; pro-rata issue to shareholders; and/or further issue of shares to the public.
- Expenditure is scalable such that the Group can continue to operate depending on funding obtained. This includes continuing to operate for a period of 12 months from the date of the approval of the financial statements in the event no further funding is obtained during that period.
- The Group may consider farm down of its interests and/or sale of assets to advance commercialisation of mineral property interests, in particularly in relation to the Chatham Rise project

# CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)  
For the year ended March 31, 2025 and 2024



## 1. Nature of business and going concern (continued)

### *Going concern (continued)*

- Successful completion of due diligence with the interested party followed by an execution of definitive investment agreement consistent with the signed term sheet subsequent to the balance date. Refer to Note 22 for more detail.
- Subsequent to the balance date, the Group has received confirmation from the Director confirming that they will not demand repayment of outstanding dues for 12 months from the date of signing of these consolidated financial statements.

The Directors acknowledged that there are material uncertainties regarding the successful implementation of the Group's plan to manage its corporate costs, raise adequate further capital necessary to support the development of existing projects control scalable expenditure and successful completion of due diligence followed by execution of the definitive investment agreement with the interested party. These material uncertainties may cast significant doubt on the Group's ability to realise its assets, meet its financial obligations in the normal course of business, and continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of business operations. Such adjustments could be material.

## 2. Basis of preparation

### (a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with the principles of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

### (b) Approval of the financial statements:

The consolidated financial statements for the year ended March 31, 2025 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 29, 2025.

### (c) Basis of measurement:

These consolidated financial statements have been prepared on the historical cost basis, utilising the accrual method of accounting unless otherwise described in the following notes.

### (d) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars (\$) as the Group's primary listing is on the Toronto Stock Exchange's Venture Exchange. The functional currency of the Company is Canadian Dollars and the functional currency of Chatham Rock Phosphate (NZ) Limited, a subsidiary company, is New Zealand dollars (NZD). The functional currency of Avenir Makatea Pty Ltd, a subsidiary company, is Australian dollars (AUD) and SAS Avenir Makatea, is French Polynesian francs (XPF).

# CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)  
For the year ended March 31, 2025 and 2024



## 2. Basis of preparation (continued)

### Currency translation:

Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are translated at the exchange rate in place on the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Foreign currency translation differences are recognised in the Consolidated Statements of Operations and Comprehensive Loss.

For consolidation purposes, Chatham Rock Phosphate (NZ) Limited, Avenir Makatea Pty Ltd and SAS Avenir Makatea are translated into the Group's presentation currency of Canadian dollars.

Assets and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rate for the relevant period. Translation differences are recognised in other comprehensive income (loss) and are accumulated within the Consolidated Statement of Changes in Shareholders' Equity in the foreign currency translation reserve.

### (e) Material accounting judgements, estimates and assumptions:

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on amounts recognised in the consolidated financial statements:

### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The Company includes an estimate of forfeitures, share price volatility, expected life of awards, and risk-free interest rates in the calculation of the expense related to certain long-term employee incentive plans. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact the share-based payments reserve.

# CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)  
For the year ended March 31, 2025 and 2024



## 2. Basis of preparation (continued)

### *Exploration and evaluation costs*

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure relating to the Chatham Rise project and Avenir Makatea's Exploration permits in both Australia & French Polynesia. In the judgement of the Directors, at March 31, 2025 exploration activities in each area of interest where amounts remain capitalised have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each of those areas of interest are planned and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved.

The Group is carrying a value of mineral assets related to Chatham Rise of \$4.6 million. The Group cannot commence mining operations without the Marine Consent. The Group filed for the Marine Consent on May 14, 2014, but was declined on February 11, 2015. While the Group considers that it has a good case to receive the Marine Consent on re- application, there is no guarantee that the Marine Consent will be granted. If the Marine Consent is not granted or is granted subject to economically unfeasible conditions, the Group will not be able to proceed with mining operations in respect of the Mining Permit. The outcome of the re-submission is uncertain.

In respect to the Makatea Phosphate Project on Makatea Island in French Polynesia, the Group is carrying a value of mineral assets of \$1.9 million. The Group requires the grant of a Mining Concession. In September 2016 Avenir Makatea applied for a mining concession to mine/rehabilitate previously mined land. The application is being processed under the terms of a new Mining Code for French Polynesia that was promulgated in January 2020. The Project is subject to a Public Enquiry process that leads to recommendations to the Council of Ministers for the grant of the Mining Concession. The outcome of the application is also uncertain.

In the event that the mining permit for Chatham Rise and the mining concession for Avenir Makatea is not granted, the Group will be unable to realize the assets and would require material adjustments to bring the assets at a carrying value other than those recorded in the financial statements.

### *Lease Contracts*

At inception of a contract, the Group uses judgement in assessing whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

### *Discount rate*

The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.



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## 2. Basis of preparation (continued)

### *Renewal term*

The Group determines the lease term as the non-cancellable lease term including renewals that are reasonably assured.

### *New accounting standards*

#### *(i) New IFRS standards and interpretations adopted*

The Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for an accounting period that begins on or after April 1, 2024.

#### *(ii) New IFRS standards and interpretations issued but not yet adopted*

NZ IFRS 18 was issued in May 2024 and will apply to reporting periods commencing 1 January 2027. NZ IFRS 18 replaces NZ IAS 1 *Presentation of Financial Statements* and primarily introduces the following:

1. a defined structure for the statement of comprehensive income by classifying items into one of the five categories: operating, investing, financing, income taxes and discontinued operations. Entities will also present expenses in the operating category by nature, function, or a mix of both, based on facts and circumstances.
2. disclosure of management-defined performance measures in a single note together with reconciliation requirements
3. additional guidance on aggregation and disaggregation principles (applied to all primary financial statements and notes).

The Group has not yet assessed the impact of NZ IFRS 18.

Other new standards, amendments to standards and interpretations are issued but not yet effective. None of these are expected to have a significant effect on the financial statements of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and will not have a material impact on the financial statements.

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## 3. Material accounting policies

The accounting policies set out below have been applied consistently for all periods presented in these consolidated financial statements.

### (a) Basis of consolidation:

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Company has power, exposure to variable returns and the ability to use that power to affect its returns from an entity.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. The Group recognises the fair value of all identifiable assets, liabilities and contingent liabilities of the acquired business.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### *Associates (equity accounted investees)*

Associates are those entities in which the Group had significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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## 3. Material accounting policies (continued)

### (a) Basis of consolidation (consolidated):

#### *Transactions eliminated on consolidation*

Intra-group balances are eliminated in preparing the consolidated financial statements. These consolidated financial statements include the accounts of the Group and its subsidiaries. All inter-Group transactions and balances are eliminated on consolidation.

Significant subsidiaries of the Group are as follows:

Name	Country of Incorporation	Effective interest	
		2025	2024
Chatham Rock Phosphate (NZ) Limited	New Zealand	100	100
Avenir Makatea Pty Ltd	Australia	100	100
SAS Avenir Makatea	French Polynesia	100	100
Manmar Investments One Hundred and Six (Proprietary) Limited	Namibia	100	100
Pacific Rare Earths Limited	New Zealand	100	100
Korella MCP Pty Ltd	Australia	100	100
Pacific Rare Earths Pty Ltd	Australia	100	100
Organoselenium Pty Ltd	Australia	45	95

All of the subsidiaries have a March 31 reporting date except for the Australian subsidiaries and SAS Avenir Makatea which have a June 30 reporting date. For purposes of consolidation to the parent, financial statements for the year ended March 31 are being prepared by management. Pacific Rare Earths Limited did not have any transactions during the years ended March 31, 2025, and 2024.

On 24 June 2024 and 9 December 2024, the Group disposed of 10% and 40% of its interest in Organoselenium Pty Ltd, respectively. It resulted in the loss of control over the subsidiary. Prior to these disposals, Organoselenium Pty Ltd was fully consolidated in the Group's financial statements.

The Group has recorded a gain of \$43,760 in the consolidated statement of profit or loss under "Other income" as a result of loss of control in Organoselenium. The remaining interest in Organoselenium has been equity accounted in the consolidated financial statements of the Group.

### (b) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

### (c) Share purchase warrants:

The Group issues transferrable share purchase warrants as part of their common share capital offering. The warrants are classified as an equity instrument as it only allows the holder to purchase one common share at a fixed price and is a non-derivative contract. The consideration received on the sale of share and share purchase warrant is allocated using the residual method. The allocated amounts are presented respectively as share capital and warrants reserve account, within the Statement of Changes in equity.

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## 3. Material accounting policies (continued)

### (c) Share purchase warrants (continued):

Any re-measurement adjustment, as a result of a subsequent modification of the terms of warrants, is not recognised within equity.

### (d) Share-based payments:

The Company has a share option plan, under which the fair value of all share-based awards as estimated using the Black-Scholes Option Pricing Model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset is credited to share-based payments reserve.

Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Charges for share purchase options that are forfeited before vesting are reversed from the share-based payments reserves. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to accumulated deficit.

### (e) Impairment:

Non-financial assets other than indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group conducts an annual internal review of asset values, which is used as a source of information to assess any indicators for impairment. If any impairment exists, an estimate of the asset's recoverable amount is calculated. Refer to factors considered in identifying whether the mineral asset may be impaired in Note (f).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that have suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

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## 3. Material accounting policies (continued)

### (f) Mineral property interest:

Exploration and evaluation costs, including the costs of applying and acquiring licences, are capitalised as intangible assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Consolidated Statements of Operations and Comprehensive Loss.

Exploration and evaluation assets are classified as intangible assets and are measured at cost less any accumulated amortisation and impairment losses. Amortisation will commence once the Group has commenced mining operations and will be recognised on a unit of production basis.

Exploration and evaluation assets are recognised and carried forward if the rights of the area of interest are current and either:

- (i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Ultimate recoupment of costs is dependent on successful development and commercial exploitation or alternatively sale of respective areas. Costs are written off as soon as an area has been abandoned or considered to be non-commercial.

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying amount of the exploration and evaluation assets may exceed its recoverable amount. The below facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):

- (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (c) exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

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## 3. Material accounting policies (continued)

### (g) Finance income and expenses:

Finance income comprises interest income on bank deposits and foreign currency gains that are recognised in the Consolidated statement of operations and comprehensive loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expenses and foreign currency losses, are recognised in the Consolidated statement of operations and comprehensive loss. All borrowing costs are recognised in the Consolidated Statement of Operations and Comprehensive Loss using the effective interest method.

### (h) Income tax:

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated statement of operations and comprehensive loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (i) Financial assets:

Financial asset are measured at:

(i) Amortized cost;

(ii) Fair Value in Other Comprehensive Income ("FVOCI") – debt investment;

(iii) FVOCI – equity investment; and

(iv) Fair Value Through Profit or Loss ("FVTPL").

The classification depends on the business model in which the financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9, Financial Instruments, are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Group does not have any FVOCI instruments.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are recognised initially at fair value plus transaction costs.

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## 3. Material accounting policies (continued)

### (i) Financial assets (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

### *Impairment of financial assets*

IFRS 9 requires the use of forward-looking information to recognise any expected credit losses for financial instruments. The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2). Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The Group always recognizes lifetime expected credit losses for trade receivables, contract assets and lease receivables.

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## 3. Material accounting policies (continued)

### (j) Financial assets (continued)

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### *Presentation of impairment*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to accounts and other receivables are presented separately in the Consolidated statement of operations and comprehensive loss. Impairment losses on other financial assets are presented under 'finance costs', and not presented separately in the Consolidated statement of operations and comprehensive loss due to materiality considerations.

### (k) Financial liabilities:

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortized cost. The Group has no financial liabilities at fair value through profit or loss.

#### *Financial liabilities*

Financial liabilities at amortized cost are initially measured at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the Consolidated statement of operations and comprehensive loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity dates. The Company has classified accounts payable and other liabilities as liabilities at amortized cost.

#### *De-recognition of financial liabilities*

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.



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## 3. Material accounting policies (continued)

### (l) Leases:

#### *The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

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## 3. Material accounting policies (continued)

### (l) Leases (continued):

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(e) above.

### (m) Earnings per share:

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share warrants and options.

### (n) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known cash amounts of cash which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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## 4. Segment reporting

During the period the Group has increased its operations to three business segments (three geographical areas) for the development of a defined rock phosphate deposit - in New Zealand, French Polynesia, and Australia.

The chief operating decision maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that are not independent directors of the Company. They manage development activity through review and approval of contracts and other operational information.

The information presented for operating segments is on the same basis as the internal reports provided to the CODM, who is responsible for the allocation of resources to operating segments and assessing their performance.

As the Group's business activities and operations continue to evolve the information provided to the CODM may be impacted. The Group will monitor this on an ongoing basis and the Group's segment information disclosure will evolve as required.

March 31, 2025	New Zealand	French Polynesia	Australia	Total segment	Unallocated	Consolidated
Total revenue	-	-	-	-	-	-
Segment result	(566,961)	(134,519)	(447,301)	(1,148,781)	-	(1,148,781)
Depreciation	-	(3,862)	(30,060)	(33,922)	-	(33,922)
<b>Loss from continuing operations, before income tax</b>	(566,961)	(138,381)	(477,361)	(1,182,703)	-	(1,182,703)
<b>Assets</b>						
Total current assets	39,782	7,051	39,112	85,945	-	85,945
Total non-current assets	4,637,036	1,932,730	220,464	6,790,230	-	6,790,230
<b>Total assets</b>	4,676,818	1,939,781	259,576	6,876,175	-	6,876,175
<b>Liabilities</b>						
Total current liabilities	(287,378)	(9,302)	(103,454)	(400,134)	-	(400,134)
Total non-current liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	(287,378)	(9,302)	(103,454)	(400,134)	-	(400,134)

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## 4. Segment reporting (continued)

March 31, 2024	New Zealand	French Polynesia	Australia	Total segment	Unallocated	Consolidated
Total revenue	-	-	-	-	-	-
Segment result	(485,773)	(186,977)	(761,745)	(1,434,525)	-	(1,434,525)
Depreciation	(499)	(4,367)	(32,656)	(37,522)	-	(37,522)
<b>Loss from continuing operations, before income tax</b>	(486,272)	(191,344)	(794,431)	(1,472,047)	-	(1,472,047)
Assets						
Total current assets	250,628	23,011	30,152	303,791	-	303,791
Total non-current assets	4,551,580	1,937,028	166,132	6,654,740	-	6,654,740
<b>Total assets</b>	4,802,208	1,960,039	196,284	6,958,531	-	6,958,531
Liabilities						
Total current liabilities	(171,974)	(23,615)	(183,527)	(379,116)	-	(379,116)
Total non-current liabilities	-	-	(29,227)	(29,227)	-	(29,227)
<b>Total liabilities</b>	(171,974)	(23,615)	(212,754)	(408,343)	-	(408,343)

## 5. Mineral property interest

	March 31, 2025	March 31, 2024
Chatham Rise project	4,624,782	4,538,878
Makatea phosphate project	1,929,574	1,928,372
Korella project	155,977	101,016
<b>Mineral property interests</b>	<b>6,710,333</b>	<b>6,568,266</b>

# CHATHAM ROCK PHOSPHATE LIMITED

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## 5. Mineral property interest (continued)

### (a) Exploration and evaluation on Chatham Rise Project

	March 31, 2025	March 31, 2024
Opening balance	4,538,878	4,660,578
Exploration costs capitalised	68,894	68,100
Foreign exchange fluctuation	17,010	(189,800)
<b>Net book value</b>	<b>4,624,782</b>	<b>4,538,878</b>
Cost	19,930,353	19,787,303
Impairment	(15,305,571)	(15,248,425)
<b>Net book value</b>	<b>4,624,782</b>	<b>4,538,878</b>

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the Group gaining a Marine Consent for the project to be commercially successful. Commitments and tenure of the permit are included in Note 21.

The Group holds Minerals Mining Permit 55549 which was granted on December 6, 2013. The Minerals Mining Permit covers 820 sq km within the MPL 50270 area. The Mining Permit is for twenty years (expiry 2033) and subject to the granting of a Marine Consent from the Environmental Protection Authority ("EPA"), which will allow the Group to conduct mining operations. The relinquishment of MPL 50270 has no impact on the mining permit and the proposed mining programme.

On February 11, 2015, the Group was refused Marine Consent by an Independent Decision-Making Committee (DMC) convened by the Environmental Protection Authority (EPA), New Zealand's environmental regulator on grounds which the Group disputes. Subsequently, the Directors impaired the carrying value of the capitalised costs to represent their best estimate of the recoverability as the Group reconsiders the re-submission of the Marine Consent with the EPA.

On August 23, 2021, the Group applied for a change of conditions in the permit to further defer the minimum work programme commitments to align the hurdles with an expected realistic timeline for preparation of a new marine consent application. The application was declined by New Zealand Petroleum & Minerals on March 14, 2023, on the basis that the Company has not made sufficient progress in applying for Marine Consent.

The decision by New Zealand Petroleum & Minerals to decline the change of conditions did not result in the revocation of the permit and as at 31 March 2025, and the current permit remains valid. However, under the Crown Minerals Act 1991, work programme conditions not met result in the non-compliance being recorded against the activity. Subject to NZP&M's discretion, non-compliance may result in a decline of applications for new permits or revocation of an existing permit. There has been no subsequent change in the twelve months to 31 March 2025. MBIE has confirmed that NZP&M has not taken and is not in the process of undertaking any non-compliance action in respect of MP 55549. The permit remains in good standing.

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## 5. Mineral property interest (continued)

The Group is evaluating its options to raise the necessary level of funding for the process of re-application for Marine Consent and additional data collection related to the Consent application process.

The Group has considered whether there are any facts or circumstances that would indicate that the mineral property interest should be assessed for impairment, and noted the following:

- The Group's tenure to the mining permit over the area is current and will not expire in the near future. Although the work commitments have not been met, this does not affect the validity of the existing permit or the future right to mine.
- Substantive expenditure on further exploration for and evaluation of mineral resources is still planned;
- Relevant studies suggest that the phosphate within the area remains commercially viable and once the exploitation begins the carrying amount of the asset is likely to be recovered.

The above factors are unchanged and no impairment indicators were noted. As a result, no impairment is required (2024: no impairment).

### (b) Makatea Phosphate Project

	March 31, 2025	March 31, 2024
Opening balance	1,928,372	1,932,487
Capitalised acquisition cost	-	-
Foreign exchange fluctuation	1,202	(4,115)
Net book value	1,929,574	1,928,372

On June 30, 2021, the Company acquired the Makatea Phosphate Project through the acquisition of 100% of the shares of an Australian private company, Avenir Makatea Pty Limited. Avenir Makatea, through its wholly owned French Polynesian subsidiary, SAS Avenir Makatea (SAS) holds the exploration research permit (ERP) to explore for phosphate on the French Polynesian island of Makatea (the "Makatea Phosphate Project").

The Makatea Phosphate Project is a combined rehabilitation and phosphate mining project located on Makatea Island approximately 240km northeast of Tahiti, French Polynesia. It covers an area of 1,035 ha (10.36 km<sup>2</sup>). The island is a well-known source of phosphate and was previously mined from 1908 to 1966.

SAS Avenir Makatea was granted an exploration permit on 28 January 2014 and in September 2016 Avenir applied for a mining concession to mine/rehabilitate an area of 600 ha of previously mined land.

The application is now being processed under the terms of a new Mining Code for French Polynesia that was promulgated in January 2020. The existing Environmental Code was recently successfully harmonised with the new Mining Code.

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## 5. Mineral property interest (continued)

The Project is subject to a Public Enquiry process that leads to recommendations to the Council of Ministers for the grant of the Mining Concession. The Public Enquiry, which will be based on the presentation of an updated Environmental Impact Assessment and an Economic Benefit Analysis, is expected to take place in FY2025-26.

Nominated consultants in French Polynesia, in association with the staff of SAS Avenir Makatea, will prepare the two reports and present these to the public in advance of /and during the one-month public enquiry period.

Following the enquiry, the process for determining the application is set out by the Mining Code including presentations to the nominated Mining Committee. The Committee makes its recommendations to the Council of Ministers. Following the past four years of intensive consultation with landowners of Makatea and the continuing consultation with Government since 2011, Avenir looks forward to the granting of the Mining Concession in late FY2025-26.

The Group has considered whether there are any facts or circumstances that would indicate that the mineral property interest should be assessed for impairment, and noted the following:

- The Group's tenure to the mining permit over the area is current and will not expire in the near future.
- Substantive expenditure on further exploration for and evaluation of mineral resources is still planned.
- Relevant studies suggest that the phosphate within the area remains commercially viable and once the exploitation begins the carrying amount of the asset is likely to be recovered.

The above factors are unchanged and no impairment indicators were noted. Therefore, no impairment is required.

### (c) Korella Projects

	March 31, 2025	March 31, 2024
Opening balance	101,016	14,626
Capitalised acquisition cost	53,443	86,743
Foreign exchange fluctuation	1,518	(353)
Net book value	155,977	101,016

The Group was also granted exploration permit EPM 28882 (Korella North) during the year (2024: EPM 28589) to exploit near surface phosphate deposits in Queensland, Australia. These permits provide a low-cost entry into commercial mining.

Exploration is yet to commence in EPM 28882.

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## 5. Mineral property interest (continued)

EPM 28589 - Korella North, was granted 8 February 2024 and provides a near surface phosphate deposit, some 22 m thick, with low-cost entry to commence mining. The adjacent rail provides early opportunity for bulk loading onto rail when there is capacity for ship loading in Port of Townsville. A conceptual geological model and mine plans have been completed utilising extensive drill and quality data from previous exploration.

This EPM provides the opportunity to undertake drilling/trenching to delineate mining reserves.

On 28 September 2024 the Group was granted a Mining License ML 100379 pursuant to section 271A of the Mineral Resources Act 1989 for Korella North. The license is for an initial period of 10 years, expiring on 30 December 2034 and covers 118.62 hectares.

There are no indicators of impairment for the Korella Projects.

## 6. Trade and other payables

	Note	2025	2024
Trade and other payables due to related parties	18	144,489	42,976
Other trade payables		63,449	161,979
Accrued expenses		162,784	121,755
		370,722	326,710



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## 7. Leases

### (a) Right of Use assets

	March 31, 2025	March 31, 2024
Opening balance	54,276	87,052
Depreciation	(28,989)	(30,693)
Foreign exchange movement	1,061	(2,083)
Closing balance	26,348	54,276

The Group has leased Crown land on which to develop the Cloncurry Distribution Hub central to the Group's Cloncurry phosphate projects. The lease is for a 3-year term and commenced in March, 2023. The lease agreement contains an option to extend the lease for 2 x 3-year renewal periods. The renewal terms are subject to CPI or a minimum 5% increase. There are no termination options and no residual value guarantees.

During the year ended March 31, 2025, there was \$3,727 (2024: \$6,498) interest expense on the lease liability and \$28,989 (2024: \$30,693) amortisation on right of use asset recorded.

### (b) Lease Liabilities

	March 31, 2025	March 31, 2024
Current	29,412	28,500
Non-current	-	29,227
	29,412	57,727

### Maturity analysis

Year 1	30,638	32,205
Year 2	-	30,466
Year 3	-	-
	30,638	62,671

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## 8. Share capital

### (a) Authorised

The Group's share capital consists of an unlimited number of common shares without par value.

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Group, to the extent to which they have been paid up. All shares rank equally with regard to the Group's residual assets.

### (b) Issued and outstanding

Ordinary Shares	Number of shares	Amount
Balance, April, 1, 2023	85,329,287	41,451,064
Issued during the year:		
Shares issued net of costs	10,003,619	994,776
Expiry of share warrants	-	163,148
Balance, March 31, 2024	95,332,906	42,608,988
Issued during the year:		
Shares issued net of costs	14,150,861	1,091,206
Expiry of share warrants	-	22,810
Balance, March 31, 2025	109,483,767	43,723,004

On May 10, 2024, the Company announced that it has closed its non-brokered private placement of 3,878,441 shares at a price of CAD\$0.08 per Share for gross proceeds of CAD\$310,275.

On July 7, 2024, the Company announced that it has closed its non-brokered private placement of 878,000 shares at a price of CAD\$0.08 per Share for gross proceeds of CAD\$70,240.

On August 16, 2024, the Company announced that it has closed a Share Purchase Plan made to New Zealand residents. The Share Purchase Plan closed with an aggregate of 92 shareholders subscribing for 3,313,721 shares at a price of CAD\$0.08 per Share for gross proceeds of CAD\$265,098.

On September 10, 2024, the Company announced that it has closed its non-brokered private placement of 1,405,555 shares at a price of CAD\$0.08 per Share for gross proceeds of CAD\$112,444.

On December 6, 2024, the Company announced that it has closed its non-brokered private placement of 3,075,992 shares at a price of CAD\$0.08 per Share for gross proceeds of CAD\$246,079. All securities issued pursuant to the private placement are subject to a hold period and may not be traded until April 7, 2025.

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## 8. Share capital (continued)

### (b) Issued and Outstanding (continued)

On March 21, 2025, the Company closed a non-brokered private placement of 1,599,152 units at a price of CAD \$0.07 per Unit for gross proceeds of CAD \$111,940. Each Unit consists of one common share in the capital of the Company and one transferable share purchase warrant. The warrants were valued at \$nil. Refer to note 8(c).

Issued capital at March 31 2025 includes 245,220 shares which are unpaid. An amount outstanding at reporting date of \$4,723 is included in accounts receivable (March 31, 2023: \$146,500).

### (c) Warrants

Expiry Date	Exercise prices	Balance March 31, 2024	Issued	Exercised	Expired/ cancelled/ forfeited	Balance March 31, 2025
Apr 23, 2024	\$0.45	676,026	-	-	(676,026)	-
Dec 23, 2024	\$0.45	647,631	-	-	(647,631)	-
May 05, 2025	\$0.45	5,029,820	-	-	-	5,029,820
Jun 23, 2025	\$0.45	2,365,894	-	-	-	2,365,894
Jul 19, 2026	\$0.45	3,173,435	-	-	-	3,173,435
Sep 09, 2026	\$0.45	7,201,000	-	-	-	7,201,000
Apr 08, 2025	\$0.45	12,927,960	-	-	-	12,927,960
July 14, 2026	\$0.45	5,380,464	-	-	-	5,380,464
Jan 26, 2027	\$0.45	4,623,155	-	-	-	4,623,155
Mar 21, 2026	\$0.20	-	1,599,152	-	-	1,599,152
		42,025,385	1,599,152	-	(1,323,657)	42,330,880
Weighted average exercise price		\$0.45	\$0.20	-	\$0.45	\$0.44
Weighted average remaining life (years)		1.72	-	-	-	0.77

On March 21, 2025, as part of a non-brokered private placement, the Company issued 1,599,152 non-transferable share purchase warrants. Each warrant entitles the holder to purchase one common share at a price of CAD\$0.20 per share any time prior to March 21, 2026.

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## 8. Share capital (continued)

### (c) Warrants

In the event that the common shares of the Company trade on the TSX Venture Exchange at a closing price of greater than CAD \$0.60 per common share for a period of 20 consecutive trading days at any time after four months and one day after the closing date of the private placement, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof by way of a news release and in such case the Warrants will expire on the 30th day after the date of dissemination of the news release.

In the event that the common shares of the Company trade on the TSX Venture Exchange at a closing price of greater than CAD \$0.25 per common share for a period of 20 consecutive trading days at any time after four months and one day after the closing date of the private placement, the Company may accelerate the expiry date of the March 2025 Warrants by giving notice to the holders thereof by way of a news release and in such case the Warrants will expire on the 30th day after the date of dissemination of the news release.

Using the residual approach, the warrants issued in March 2025 were valued at \$nil. These are deemed Level 3 fair values as the warrants' value made using a valuation technique that require inputs i.e. fair value of shares, which is significant to the overall fair value measurement.

## 9. Share based payments

### (a) Recognised share-based payment expenses

The purpose of the share-based payments is to reward key consultants and cornerstone investors in a manner that aligns remuneration with the creation of shareholder wealth. As the Company's activities have been predominantly developing an already defined mineral deposit, shareholder wealth is dependent, for the foreseeable future, on development success rather than an improvement in the Company's earnings.

The Company grants share purchase options pursuant to the policies of the TSX-Venture Exchange with respect to eligible persons, exercise price, maximum term, vesting, maximum options per person and termination of eligible person status. These are treated as equity-settled share-based payments.

### (b) Stock options

The Company has a stock option plan under which options to purchase shares in the company may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants. All stock options have a maximum term of ten years and the vesting period for each grant is determined at the discretion of the Board of Directors.

No options were granted during the year ended March 31, 2025 (2024: nil).

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## 9. Share based payments (continued)

The continuity of outstanding share-based options for the year ended March 31, 2025, is as follows:

Expiry Date	Exercise prices	Balance March 31 2024	Issued	Exercised	Expired/ cancelled/ forfeited	Balance March 31, 2025
October 8, 2029	\$0.11	500,000	-	-	-	500,000
October 20, 2026	\$0.13	1,930,000	-	-	-	1,930,000
		2,430,000	-	-	-	2,430,000
Weighted average exercise price		\$0.13	-	-	-	\$0.13
Weighted average remaining life (years)		3.17	-	-	-	2.17

## 10. Earnings per share

The earnings and weighted average number of outstanding shares used in the calculation of basic and diluted earnings per share are as follows:

	2025	2024
Loss used in the calculation of basic EPS	(1,182,703)	(1,472,047)
Weighted average number of outstanding shares for the purpose of basic EPS	103,251,401	89,987,227
Effect of dilution, weighted number of mandatory warrants	-	-
Weighted average number of outstanding shares used in the calculation of diluted EPS	103,251,401	89,987,227
Basic loss per share	(0.0115)	(0.0164)
Diluted loss per share	(0.0115)	(0.0164)

The outstanding warrants and share options were not considered to have any dilutive effect on the EPS as the Company was operating at a net loss for the period and these warrants are currently out of the money and are not expected to be exercised.

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## 11. Finance income and expenses

	2025	2024
Interest income on bank deposits	1,100	6,450
Net finance income and expenses	1,100	6,450

## 12. General and administrative expenses

The following items of expenditure are included in administrative expenses:

	2025	2024
Auditor's remuneration to Grant Thornton New Zealand Audit Limited comprises:		
Audit of annual financial statements	113,323	102,270
Auditor's remuneration to KPMG comprises:		
Annual audit of financial statements – SAS Avenir Makatea	7,464	3,666
Total auditors' remuneration	120,787	105,936
Accountancy fees	52,658	48,207
Consultancy fees	234,562	446,661
Directors' fees	9,914	9,867
Employee benefits	86,146	129,691
Insurance	1,745	711
Legal fees	96,205	260,456
Listing fees	22,130	21,225
Management fees	58,193	72,434
Marketing	44,961	21,371
Motor Vehicle	39,099	37,179
Net foreign exchange losses	3,285	-
Registry fees	36,665	27,042
Rent	37,548	38,540
Travel	56,568	79,496

The Board of Directors has agreed to forfeit directors' fees for the year ended March 31, 2025 (beyond the amount charged). Some directors are remunerated for their services through consultancy fees.

Refer to Note 18 for discussion on consultancy fees, which are charged by related parties.

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## 13. Depreciation and amortisation

Depreciation and amortisation included in the Consolidated statement of operations and comprehensive loss is as follows:

	2025	2024
Depreciation plant and equipment	4,933	6,829
Depreciation on right of use assets	28,989	30,693
	33,922	37,522

## 14. Income tax expense in the Statement of Comprehensive Income

Reconciliation of effective tax rate

	2025	2024
Loss for the year	(1,182,703)	(1,472,047)
Income tax using the Company's domestic tax rate 27%	(319,330)	(397,453)
Tax effect of:		
Non-deductible expenditure	45,713	63,965
Current year losses for which no deferred tax is recognised	311,166	324,655
Change in unrecognized temporary differences	(25,722)	23,560
Foreign tax rate differentials	(11,827)	(14,719)
Income tax expense	-	-
<i>Comprising:</i>		
<b>Current tax expense</b>	-	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(24,804)	22,719
Change in unrecognized temporary differences	24,804	(22,719)
<b>Total income tax expense in income statement</b>	-	-
<i>The current tax assets consists of:</i>		
Resident withholding tax paid	-	-
<b>Current tax assets</b>	-	-

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## 15. Deferred tax assets and liabilities

### *Unrecognised deferred tax assets*

Deferred tax assets have not been recognized in respect of the following:

	2025	2024
Deductible Temporary differences	-	-
Tax losses	(11,587,091)	(11,275,925)
	(11,587,091)	(11,275,925)

Deferred tax assets have not been recognized in respect to these items as it is not probable at this time that future taxable profits will be available against which the group can utilize the benefit.

### *Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	2025	2024
Mineral property interest	(1,731,085)	(1,707,590)
Trade and other payables	46,131	32,576
Tax losses	1,684,954	1,675,014
	-	-



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## 16. Financial instruments

Exposure to credit, market, foreign currency, equity prices and liquidity risks arise in the normal course of the Group's business.

### *Credit risk:*

The Group incurs credit risk from financial instruments when a counter party fails to meet its contractual obligations. Credit risk arises on cash, accounts receivable and other receivables. The Group does not have a significant concentration of credit risk with any single party.

In addition, receivable balances are monitored on an ongoing basis with the result being that the Group's exposure to bad debts is not significant. Currently there are no receivables that are impaired or past due but not impaired.

### *Market risk:*

Market risk is that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *Foreign currency risk:*

The Group has transactional currency exposure arising from corporate costs which are denominated in New Zealand dollars (NZD) and Australian dollars (AUD) and investing costs which are denominated in French Polynesian Francs (XPF). The Group does not undertake any hedging activities.

The Group owns a mineral property interest in French Polynesia and is exposed to foreign currency risk arising from various currency exposures to the Canadian dollar.

The Board of Directors approved the policy of holding certain funds in Canadian dollars to manage foreign exchange risk. The Group's exposure to foreign exchange risk at the reporting date was as follows:

	31 March 2025		
	NZD	AUD	XPF
<i>Financial assets:</i>			
Cash and cash equivalents	20,456	1,483	(15)
Accounts receivable and other receivables	4,198	1,252	7,067
<i>Financial liabilities:</i>			
Trade and other payables	134,615	74,042	9,302

At the reporting date, if the currencies set out in the table above, strengthened or weakened against the Canadian dollar by the percentage shown, with all other variables held constant, net loss for the year would increase/(decrease) and net assets would increase/(decrease) by:

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## 16. Financial instruments (continued)

	31 March 2025		
	NZD	AUD	XPF
<i>Impact on post tax profit</i>			
Exchange rate +10%	(10,996)	(7,131)	(225)
Exchange rate -10%	10,996	7,131	225
<i>Impact on Equity</i>			
Exchange rate +10%	(10,996)	(7,131)	(225)
Exchange rate -10%	10,996	7,131	225

Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial instruments. A movement of +/- 10% is selected because a review of recent exchange rate movements and economic data suggests this range is reasonable.

### *Interest rate risk:*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of New Zealand banking rates, which are at present historically low; however, the Group's conservative investment strategy mitigates the risk of deterioration to capital invested. A change of 100 basis points in the interest rate would not be material to the consolidated financial statements.

### *Liquidity risk:*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk framework for the management of the Group's short, medium and longer terms funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash balances through monitoring of future rolling cash flow forecasts of its operations and equity raising, which reflect management's expectations of the settlement of financial assets and liabilities.

The financial liabilities include trade and other payables and lease liabilities. At March 31, 2025, the Group had \$370,722 (2024: \$326,710) in trade and other payables including accrued liabilities. Trade payables are non-interest bearing and have a contractual maturity of less than 30 days. Refer to note 7 for the maturity analysis of lease liabilities.

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## 16. Financial instruments (continued)

### (a) Fair value:

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.
- Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full contractual term of the asset or liability.
- Level 3 - Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

The Group has no financial assets or liabilities included in Level 1, 2 or 3 of the fair value hierarchy.

## 17. Capital management

The Group defines the capital that it manages as its Shareholders' equity.

The Group's objectives with respect to managing capital are to safeguard the Group's ability to continue as a going concern so that it can provide future returns to shareholders and benefits for other stakeholders.

The Group's capital structure reflects a Group focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

In order to maintain or adjust its capital structure, the Group may issue new shares or sell assets to fund ongoing operations.

The Group manages its capital structure by performing the following:

- Preparing budgets and cash-flow forecasts which are reviewed and approved by the Board of Directors;
- Regular internal reporting and Board of Directors meetings to review actual versus budgeted spending and cash-flows; and
- Detailed project analysis to assess and determine new funding requirements.

There were no changes in the Group's approach to capital management during the period. The Group is not subject to externally imposed capital requirements.

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## 18. Related party transactions

### (a) Balances receivable and payable:

The amounts due to related parties and included in accounts payable, are non-interest bearing, unsecured and due on demand, and comprise the following:

	2025	2024
Due to directors	144,489	42,976
	144,489	42,976

### (b) Key management personnel:

Key management personnel costs includes employee benefits, consulting and management fees paid and/or accrued to the Group's senior officers and directors as follows:

	2025	2024
Consultancy fees	49,295	35,768
Management fees	58,193	72,434
Employee benefits	55,606	73,746
Directors fees	9,914	9,867
	173,008	191,815

Depending on the nature of services and costs, certain amounts have been capitalised to intangible assets as they are directly attributable to existing projects.

#### *Transactions and balances with key management personnel and their related parties*

During the year, the Group paid employee benefits of \$55,606 (2024: \$73,746) to Colin Randall. The outstanding balance at the reporting date was \$10,349 (2024: \$5,895).

During the year, the Group paid Directors fees of \$9,914 (2024: \$9,867) to Ms L Sanders. The outstanding balance at the reporting date was \$17,155 (2024: \$7,325).

During the year, the Group paid consultancy fees of \$9,586 (2024: \$9,867) to Robert Goodden. The outstanding balance at the reporting date was \$18,228 (2024: \$7,325).

During the year, the Group paid consultancy fees of \$9,586 (2024: \$9,867) to Ryan Wong. The outstanding balance at the reporting date was \$17,155 (2024: \$7,324).

During the year, the Group paid consultancy fees of \$9,586 (2024: \$9,867) to Georg Hochwimmer. The outstanding balance at the reporting date was \$9,803 (2024: \$7,324). Georg Hochwimmer also made a short-term advance to the Group of \$20,160 (2024: \$nil).

# CHATHAM ROCK PHOSPHATE LIMITED

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## 18. Related party transactions (continued)

### (b) Key management personnel (continued):

During the year, the Group paid consultancy fees of \$19,880 (2024: \$16,034) to Nevay Holdings Ltd, a company in which Mr C Castle & Ms J Hatchwell are also Directors. The outstanding balance at the reporting date was \$34,723 (2024: \$15,107).

Ms L Sanders, Mr C Castle and Ms J Hatchwell, Directors of Chatham Rock Phosphate Ltd are commonly Directors in Aorere Resources Limited, which in its own name and through its subsidiary; Mineral Investments Ltd has a combined 1.7% (2024: 1.8%) shareholding in Chatham Rock Phosphate Ltd.

During the year, the Group paid management fees of \$58,193 (2024: \$72,434) to Aorere Resources Limited. The outstanding balance at the reporting date was \$nil (2024: \$nil).

During the year, Mr C Castle incurred expenses on behalf of the Group. The outstanding balance at the reporting date was \$16,916 (2024: \$ nil).

## 19. Reconciliation of the loss for the year with the net cash from operating activities

	2025	2024
Loss for the period	\$ (1,182,703)	\$ (1,472,047)
Adjustments for:		
Depreciation	33,922	37,522
Gain on loss of control of a subsidiary	(43,760)	-
Non-cash share in net loss	4,676	-
Change in trade and other receivables	(2,470)	49,168
Change in other current assets	3,572	30,777
Change in trade and other payables	44,012	(165,057)
<b>Net cash used in operating activities</b>	<b>\$ (1,142,751)</b>	<b>\$ (1,519,637)</b>

## 20. Legal Settlement

During the prior year, the Group received settlement funds amounting to \$88,691 to conclude court proceedings with a third party over the acquisition of a phosphate mining license. The dispute was in relation to the validity and enforceability of the Term Sheet.

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## 21. Commitments and contingencies

Licence work commitments:

The Group has the following indicative expenditure commitments at March 31, 2025 being minimum work requirements under its minerals mining permit and minerals prospecting licence). The Company is dependent on certain factors to be able to meet these minimum work requirements. They are set out in Note 1.

	2025	2024
Within one year	-	-
After one year but not more than five years (NZD 6,000,000)	4,901,400	4,883,400
	4,901,400	4,883,400

### Minerals Mining Permit 55549

The Minerals Mining Permit was granted on December 6, 2013. On November 7, 2019, the Group was granted a change of conditions in the permit to defer the minimum work programme commitments. On August 23, 2021, the Group applied for a change of conditions in the permit to further defer the minimum work programme commitments program to align the hurdles with an expected realistic timeline for preparation of a new marine consent application. The application was declined by New Zealand Petroleum & Minerals on March 14, 2024, on the basis that the Group has not made sufficient progress in applying for Marine Consent.

The decision by New Zealand Petroleum & Minerals to decline the change of conditions does not impact the validity of the permit.

The Group is evaluating its options to raise the necessary level of funding for the process of re-application for a Marine Consent and additional data collection related to the Consent application process.

The minimum work programme includes:

Within 96 months of the commencement date of the permit, the permit holder shall:

- Complete and submit a sufficiently detailed engineering study and feasibility study, which (without limitation) is at the level of detail to reach a decision-to-mine milestone; and
- Submit a detailed timeline for the construction/refit of a selected vessel including (without limitation) the detail timing of the commissioning and mobilisation to the Chatham Rise; and
- Complete and submit a marine operations risk review report that includes (without limitation) a HAZID Risk Assessment Matrix, risk review of on-board processing and risk review of planned and unplanned maintenance in various weather scenarios; and
- Either commit by notice in writing to the Chief Executive to carry out the work programme obligations set out for the following 24 months and to commence production within 60 months of the commencement date of the permit or surrender the permit.

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## 21. Commitments and contingencies (continued)

Within 120 months of the commencement date of the permit, the permit holder must spend on average NZD 2 million per annum completing appropriate sampling, geophysical and geotechnical surveys and data analysis (without limitation) in respect of the mining blocks identified for the first five years of production. For the remainder of the term the Group must spend NZD 2 million per annum on carrying out further specified work programme commitments.

In addition to those disclosed above, there are other specific work programme commitments under the permit which applies only once the Group enters the production stage.

As the Group has not yet obtained a marine consent, the Group has been unable to carry out certain aspects of their minimum work programme.

## 22. Subsequent events

On April 4, 2025, a proposed sale of Korella Project fell through and the exclusivity rights to Marshall Group to conduct due diligence expired. The leases to be sold were ML100379, EPM 28589, EPM 28882 in respect of Korella North and EPM 28178 in respect of Korella South. The Directors are revisiting their decision for the sale of the Korella licenses. Currently the Group is looking for the Strategic Partner who can join the group for future development of this project. Therefore, the carrying value of the asset have been classified as non-current asset in the financial statements.

On July 4, 2025, an interested party entered into a non-binding term sheet with the Group and commenced due diligence on the Chatham Rise Project. The exclusivity period to finalize the transaction is six months from 4 July 2025. Upon successful completion of due diligence, the Group may enter into a definitive investment agreement which would provide an option to the interested party to acquire up to 75% stake in the Chatham Rise project through an agreed earn-in program.

On July 24, 2025, the Company announced it had closed its non-brokered private placement of units by issuing 2,764,003 units at a price of CAD\$0.05 per Unit for gross proceeds of CAD\$138,200. Each unit consists of one common share and one transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$0.10 per share any time prior to the date that is two years from the date of issuance. In the event that the common shares of the Company trade on the TSX Venture Exchange at a closing price of greater than CAD\$0.15 per common share for a period of 20 consecutive trading days at any time after four months and one day after the closing date of the private placement, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof by way of a news release and in such case the Warrants will expire on the 30th day after the date of dissemination of the news release.

Subsequent to the balance date, the Group has received confirmation from the Director confirming that they will not demand repayment of outstanding dues for 12 months from the date of signing of these consolidated financial statements.

There were no other material subsequent events up to the date of this report.