

Bathurst Resources Limited

Financial statements for the year ended 30 June 2025

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Incorporating the requirements of Appendix 4E.
This financial report announcement incorporates the final report given to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.

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Authorised for and on behalf of the Board of Directors:



Peter Westerhuis
Chairman

26 August 2025



Russell Middleton
Executive director

26 August 2025

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Results for announcement to the market

Audited results for the year ended 30 June 2025

Financial measures	2025 \$000	2024 \$000	% change
Sales revenue and other income	42,539	43,491	(2%)
Profit after tax	4,445	38,547	(88%)

Per share measures	2025 Amount per share (cents)	2024 Amount per share (cents)	% change
Basic earnings per share	2.18	20.14	(89%)
Diluted earnings per share	2.17	19.84	(89%)
Net tangible assets per share	175.03	166.53	5%

Dividend

There were no dividends paid or declared during the year.

Other matters

Included in profit after tax is \$6.5m profit after tax relating to Bathurst's 65 percent equity share of profit in joint venture BT Mining Limited (30 June 2024: \$42.3m). Also included is Bathurst's equity share of loss recorded in joint venture NWP Coal Canada Limited (Bathurst's Canadian coking coal exploration project) of \$74k (30 June 2024: \$107k).

Financial and operating overview

For the year ended 30 June 2025

Letter from the Chief Executive Officer

FY25 was a year in which Bathurst faced logistical and operational challenges across our projects as well as contending with adverse market factors, specifically in our export segment. Collectively, these issues impacted the company's financial performance. Yet FY25 was also a period in which Bathurst raised funds successfully and continued to progress near-term, commercially prospective projects both in New Zealand and British Columbia, Canada.

Bathurst delivered a consolidated EBITDA of \$44m for the full year, which was just below the lower range guidance (FY25 guidance of \$45m - \$55m). Unplanned maintenance costs and a reduction in export revenue during the latter part of the final quarter impacted Bathurst's overall financial performance for the full year. These factors also meant that our consolidated net profit after tax of \$4.4m was also down on the previous year's results.

While it is disappointing to have just missed the FY25 guidance, achieving a consolidated EBITDA of \$44m is a significant achievement during a year where international coal prices for our export coal continued to decline due to market conditions beyond our control. And despite the operational and financial obstacles faced during the year, the consolidated EBITDA of \$44 million enabled Bathurst to hold \$178 million of consolidated cash (including restricted deposits), of which \$40 million was held by Bathurst directly and \$138 million in the BT Mining joint-venture company.

Our export segment encountered major logistical challenges due to a tunnel failure closing the rail route from the Stockton mine, which remained closed for 6 months while repairs were undertaken. The road freighting plan that allowed us to continue export operations and retain all staff, unfortunately came with a significant level of additional cost and also resulted in a material reduction in the amount of coal we were able to export. The HCC benchmark price that determines our export sales also experienced downward pressure throughout the year.

This year's fundraise of \$36m, which was the first equity raise by the company since 2016, was supported by existing shareholders as well as by new investors. The success of the raise highlighted that Bathurst continues to present itself as an appealing investment, as well as emphasizing the return of the wider market interest in metallurgical coal. The funds raised are being used to further advance Bathurst's development projects.

FY25 was a significant year in terms of increased overburden removal at our North Island mines as they continued stripping in new mining areas, particularly at the Rotowaro mine where 9.5 million bcm of overburden was stripped. The stripping phase at the Rotowaro mine requires significant cash outlays and is scheduled to reach completion in FY26, which will transform the Waipuna West Extension pit into a cash positive project.

While financial results are often front and centre, it is important to celebrate non-financial achievements. During FY25 the Maramaru mine celebrated 1,500 days without a lost time injury. This follows the Takitimu mine celebrating 3,000 days without a lost time injury in FY24, an achievement that has continued through FY25, with both mines still yet to record an LTI at the signing of these financial statements. Both are significant achievements and underline the importance of health and safety across our operations.

During the year Bathurst also continued to concentrate proactively on stakeholder relations, and specifically iwi engagement. For example, on the North Island at the Rotowaro mine we established a rehabilitation and closure working group involving iwi, iwi landowners and site and corporate team members, to ensure mine closure activities are optimised for all parties well in advance of closure. Whilst on the South Island, the Buller project team continued to complete a large volume of consultation with iwi, regulators, interested groups and the community as part of the pending Fast Track Approvals Act application.

Looking ahead, FY26 will be a pivotal year for Bathurst as we progress exciting development projects in New Zealand and British Columbia, Canada.

Our New Zealand projects include the Buller Plateaux Continuation Project (BPCP) which will both extend the Stockton mine as well as bring online the fully Bathurst owned Buller Plateau Project. These projects will enable the production and sale of exported coking coal, which is vital for steelmaking, for an estimated further 15 years. Consent and permit application for the BPCP will be submitted under the newly enacted Fast Track Approvals Act in New Zealand, with all required permits and consents expected to be received by June 2026.

The Tenas project in British Columbia is fully owned by Bathurst and was acquired in December 2023. The Tenas Project is about to enter the final stage of assessment, and we expect to lodge the Environmental Assessment Application by the end of 2025. Sitting alongside the Tenas Project in British Columbia is the Crown Mountain joint-venture which is also progressing on its Environmental Impact Statement and Environmental Assessment Application.

With the development of our long-life projects, Bathurst expects that strong demand for metallurgical coal will continue for the foreseeable future, and we look forward to playing an important role in supplying high quality products to key steelmaking customers globally as well as in New Zealand.

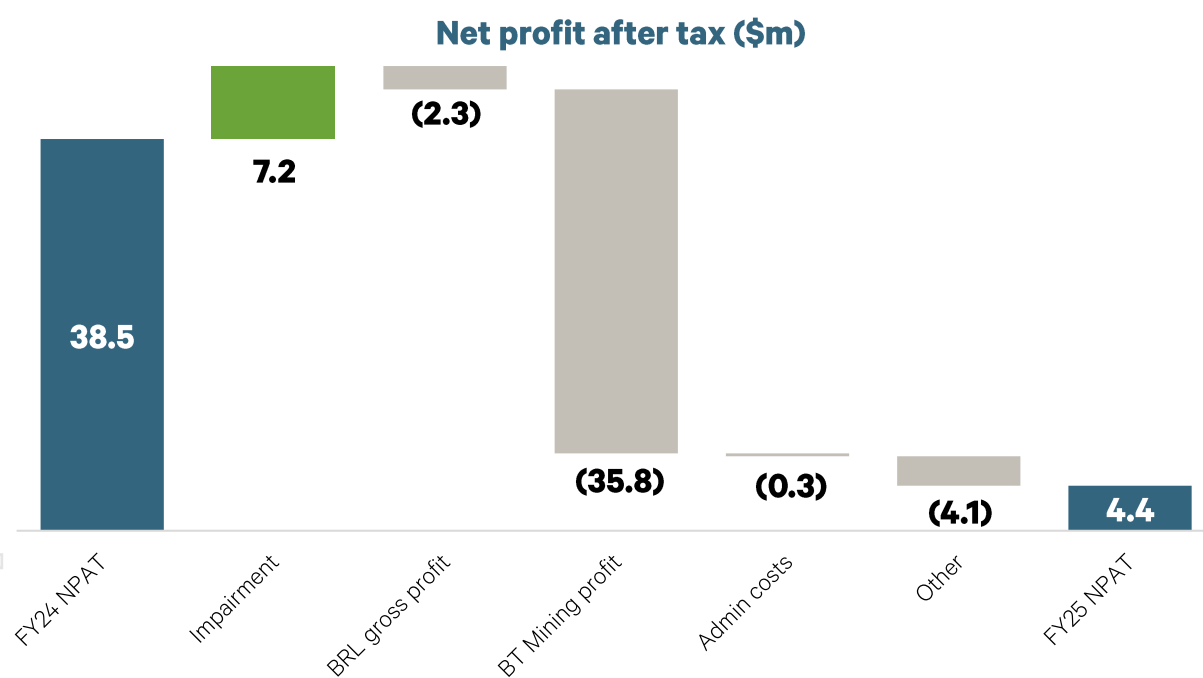
On behalf of shareholders and my fellow directors, I would again like to thank the management and staff across all of Bathurst's operations for their continued commitment and efforts this year

Financial and operating overview

For the year ended 30 June 2025

Financial overview¹

Financial measures (Bathurst and 65 percent BT Mining)	2025 \$m	2024 \$m
Revenue ²	268.0	315.1
EBITDA ³	43.8	90.8
Net profit after tax	4.5	38.5
Underlying profit after tax	3.3	44.6
Cash including restricted deposits and bonds	178.3	140.7
<i>Reconciliation of underlying profit after tax to net profit after tax</i>		
Underlying profit after tax	3.3	44.6
Impairment	1.1	(6.1)
Net profit after tax	4.4	38.5



¹Represent 100 percent of Bathurst operations, and 65 percent of BT Mining operations. This presentation does not reflect reporting under NZ GAAP or NZ IFRS, but is intended to show a combined operating view of the two businesses for information purposes only.

²Coal sales revenue including realised FX and coal pricing hedges. Unrealised movements go through other comprehensive income.

³Earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

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Financial and operating overview

For the year ended 30 June 2025

Financial overview continued

Key movements in net profit after tax:

Impairment	+\$7m	Partial reversal of an impairment made to Takitimu mining assets in FY24.
BRL gross operating profit	-\$2m	Decreased gross profit at the Takitimu mine due to increased costs of mining.
Equity share of joint venture BT Mining profit	-\$36m	Reduction in EBITDA is predominantly driven by a reduction in the benchmark price which the revenue is derived which has seen the average price receive per tonne drop from \$297 in FY24 to \$221 in FY25. This was also coupled with operational challenges and additional freight costs due to the closure of the Tawhai Tunnel.
Administration and other expenses	-\$4m	Fair value movement in deferred consideration, depreciation and finance costs.

Export (65 percent equity share via BT Mining)

Measure		Export 2025	Export 2024
Production (100% basis)	kt	956	963
Sales (100% basis)	kt	1,041	1,106
Overburden (100% basis)	Bcm 000	6,630	5,418
Revenue incl. realised hedging (65% equity share)	\$'000	162,920	213,213
Average price received per tonne (100% basis)	\$/t	221.44	296.64
EBITDA (65% equity share)	\$'000	32,841	79,910

Sales tonnes	<ul style="list-style-type: none"> Decrease in sales tonnes following the tunnel collapse on the rail line from the Stockton mine to Lyttleton port.
Revenue	<ul style="list-style-type: none"> The average price received per tonne reduced year-on-year, NZD \$221/tonne FY25 versus NZD \$297/tonne FY24. Export sales are a mix of being priced against the spot price or a prior 3-month average (t minus 1). Consolidated realised hedging gain of \$13m in FY25 versus a realised hedging loss in FY24 of \$8m.
EBITDA	<p>Reduced flowing the reduction in revenue, which was also met with the following key cost movements:</p> <ul style="list-style-type: none"> The annual average fuel price decreased from prices experienced in FY24. Increased freight costs due to road freight required while the Tawhai Tunnel was closed, this was partially offset by lower rail freight costs during this period. Reduction in profit share for employees which is aligned to sales revenue. Costs have also increased due to a mix of underlying unit cost increases driven by general inflationary adjustments and increases.

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Financial and operating overview

For the year ended 30 June 2025

Operations overview continued

Domestic (100 percent SID and 65 percent NID equity share via BT Mining)

Measure		Domestic 2025	Domestic 2024
Production (100% basis)	kt	779	744
Sales (100% basis)	kt	821	782
Overburden (100% basis)	Bcm 000	13,413	9,477
Revenue (equity share)	\$'000	104,937	101,360
EBITDA (equity share)	\$'000	31,789	30,297

Sales tonnes	North Island domestic ("NID") increased due to increased sales to a steel producer, which offset the planned reduction in sales to food processing customers. South Island domestic ("SID") sales volumes also decreased slightly.
Overburden	Waste moved in advance has increased significantly at the Rotowaro & Maramarua mines (NID) as the striping in the new Waipuna West Extension & M1 pits progressed throughout the year. Takitimu experienced increased overburden removal to achieve production and sales targets.
Revenue	Revenue increased due to higher sales volumes as well as contracted price escalation, particularly at the Rotowaro mine.
EBITDA	Consolidated EBITDA increased, particularly at the Rotowaro mine which offset reductions at Maramarua and Takitimu. NID primarily impacted by: <ul style="list-style-type: none"> Increased production tonnes leading to increased sales volumes at the Rotowaro mine. The increased production and sales volumes meant the cost per tonne decreases particularly at the Rotowaro mine which has a high proportion of fixed costs, particularly during the striping phase of the new pit, notably labour and repairs and maintenance which represent 60 percent of total cash costs. Labour costs have increased in line with contractual CPI adjustments as well as an increase in headcount to enable increased overburden removal and production volumes. SID partially offset NID by: <ul style="list-style-type: none"> Decrease in EBITDA from FY24 due to mining costs associated with additional overburden removal to meet production and sales targets.

Corporate

Corporate overhead costs included in the total group consolidated EBITDA increased year-on-year, \$19.9m FY25 versus \$18.7m FY24.

- Overhead and salary costs increased due to contracted and inflationary increases.
- Increased costs associated with health and safety consultants and compliance, as well as the implementation of a new Learning Management System across our mining and corporate sites.
- Increased consultant costs incurred in project planning and development on extension projects for both Bathurst and BT Mining.
- Increased recruitment following the successful recruitment of our workforce across our mines in development.

Financial and operating overview

For the year ended 30 June 2025

Operations overview continued

Overseas joint venture – Crown Mountain project

A further \$1.5m was invested in the Crown Mountain project, a coking coal exploration project in Canada with joint venture partner Jameson Resources Limited. The funds were invested on a proportional equity basis as ordinary equity and were used to further the environmental assessment application.

Key findings of the updated feasibility study and confirmation of project reserve released in May 2025 reaffirmed the project as a high-quality coking coal opportunity with a competitive operating and capital cost structure, with access to existing common user rail and port infrastructure.

The updated feasibility study identified inflationary increases in both operating and capital costs in Canada, with the cost increases offset by increases in the revised coal price forecasts, resulting in an overall uplift to the projects economic viability.

The combination of the new Federal Government and the Provincial Government has created a positive environment for gaining approval for high quality projects such as Crown Mountain.

In 2024 the project's Environmental Impact Statement (EIS) and Environmental Assessment Application (EA) passed the Impact Assessment Agency of Canada's conformity review process. Management of the project continue to work closely with First Nations with positive engagement received on the project plan.

Bathurst's equity share is 22.1 percent including preference shares, with the option to buy-in to 50 percent of the project at Bathurst's sole discretion.

Telkwa – Tenas project

The Tenas project is a coking coal exploration project in British Columbia, Canada. Bathurst completed the purchase of the Tenas Coking Coal Project comprising the Telkwa Metallurgical Coal Complex in December 2023.

The key transaction details of the purchase were USD \$2.33m at closing, USD \$1.0m 45 days after closing. Deferred consideration of USD \$4.0m which is payable upon receiving all final permits (including all operational and environmental permits) to develop, construct and operate the Tenas Project mine, and USD \$3.0m on the first anniversary of receiving all final permits.

Definitive Study Results (DFS) reinforce the potential of the Telkwa Metallurgical Coal Complex, highlighting a robust project, and representing significant improvement on the pre-feasibility studies previously undertaken in 2017. The DFS followed two pre-feasibility studies, first in relation to the entire Telkwa Metallurgical Coal Complex (July 2017), and the second in relation to the standalone Tenas Project (September 2017). Significantly, the DFS concluded that the Tenas Project is likely to be one of the lowest-cost producers of metallurgical coal on the global seaborne market which at the time comprised around 325 million tonnes of metallurgical coal per annum, and with semi-coking coals accounting for around 60 million tonnes of that trade.

A project assessment agreement was executed with key indigenous nations in 2024. This is a significant milestone which will help advance the Environment Application and move closer to receiving the required permits. Discussions with Witset and the individual house groups commenced in 2024 with the goal of obtaining agreements in 2025/2026.

Financial and operating overview

For the year ended 30 June 2025

Consolidated cash

		2025	2024
	Opening cash (Bathurst and 65 percent BT Mining)	140.7m	163.1m
Operating	EBITDA	43.8	90.8
	Working capital	33.0	(10.2)
	Canterbury rehabilitation	(0.6)	(0.5)
	Corporation tax paid	(6.0)	(51.5)
Investing	Deferred consideration	(1.2)	(1.3)
	Crown Mountain (environmental assessment application)	(1.5)	(0.9)
	PPE net of disposals	(11.8)	(16.9)
	Mining assets including capitalised stripping	(52.7)	(34.1)
Financing	Finance leases	(6.0)	(4.8)
	Financing income/(costs)	5.0	7.0
	Capital contributed from share issue	35.6	-
	Closing cash (Bathurst and 65 percent BT Mining)	178.3m	140.7m

Consolidated EBITDA

YTD EBITDA decreased from FY24, which has been driven by reduced export revenue, due to reduced export pricing and a reduction in sales volumes due to the tunnel failure on the rail line from the Stockton mine to Lyttleton port. Refer to the following page for EBITDA commentary.

Working capital

The timing of sales, and in particular the timing of the final export shipments in June 2025 when compared to June 2024.

Corporation tax paid

Decrease in corporation tax paid which reflects the timing of tax obligations on increased taxable operating profits and income tax obligations from FY24.

Deferred consideration

Payments for the year consisted of royalties on Takitimu mine sales.

Crown Mountain

Funds paid were on a proportional project equity ownership basis and were used to progress the environmental application.

Mining development including capitalised stripping

Spend has increased from the prior year comparative period due to the increased mine development costs and capitalised stripping in the Waipuna West extension at the Rotowaro mine as well as the continued development of the Tenas project assets in British Columbia.

Financing income

Increased interest received on cash balances and deposits held.

Authorised for and on behalf of the Board of Directors:



Peter Westerhuis
Chairman

26 August 2025



Russell Middleton
Executive Director

26 August 2025

Income statement

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Revenue from contracts with customers	3	41,590	43,369
Cost of sales	4	(33,830)	(33,302)
Gross profit		7,760	10,067
Equity accounted profit	13	6,392	42,179
Other income		210	122
Depreciation	10	(1,868)	(1,757)
Administrative and other expenses	5	(8,443)	(8,140)
Movement in deferred consideration	15 (c)	1,028	2,179
(Loss)/gain on disposal of fixed assets		(29)	435
Impairment (losses) / reversals	8	1,137	(6,055)
Operating profit before tax		6,187	39,030
Finance cost	6	(2,481)	(724)
Finance income	6	739	241
Profit before income tax		4,445	38,547
Income tax benefit	7	-	-
Profit after tax		4,445	38,547
Earnings per share:		Cents	Cents
Basic profit per share	19	2.18	20.14
Diluted profit per share	19	2.17	19.84

Statement of comprehensive income

For the year ended 30 June 2025

Profit after tax		4,445	38,547
Other comprehensive income ("OCI")			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,459)	(1,527)
Share of BT Mining hedging through OCI	13	(1,151)	(1,429)
Share of BT Mining tax on hedging through OCI		322	400
Comprehensive income		2,157	35,991

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Statement of financial position

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash and cash equivalents	9	35,718	7,777
Restricted deposits & rehabilitation bonds		4,587	4,576
Trade and other receivables	9	4,105	2,819
Inventories		1,114	1,612
New Zealand emission units		22	1,008
Crown indemnity		53	53
Total current assets		45,599	17,845
Property, plant and equipment	10	10,580	12,963
Mining assets	11	30,691	25,256
Interest in joint ventures	13	293,234	287,625
Crown indemnity		604	651
Other financial assets		620	230
Total non-current assets		335,729	326,725
TOTAL ASSETS		381,328	344,570
Trade and other payables	15 (a)	5,993	4,825
Borrowings	15 (b)	831	785
Deferred consideration	15 (c)	750	1,004
Rehabilitation provisions	16	1,258	1,360
Total current liabilities		8,832	7,974
Borrowings	15 (b)	626	1,139
Deferred consideration	15 (c)	9,862	10,613
Rehabilitation provisions	16	5,276	6,165
Total non-current liabilities		15,764	17,917
TOTAL LIABILITIES		24,596	25,891
NET ASSETS		356,732	318,679
Contributed equity	17	353,995	316,970
Reserves	18	(33,227)	(29,810)
Accumulated earnings		35,964	31,519
EQUITY		356,732	318,679

For and on behalf of the Board of Directors:


Peter Westerhuis
Chairman
26 August 2025


Russell Middleton
Executive Director
26 August 2025

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Statement of changes in equity

For the year ended 30 June 2025

	Contributed equity	Share-based payments	Foreign exchange/hedging	Retained earnings	Re-organisation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 July 2023	316,970	798	3,980	(7,028)	(32,760)	281,960
Income	-	-	(2,556)	38,547	-	35,991
Share-based payments	-	728	-	-	-	728
30 June 2024	316,970	1,526	1,424	31,519	(32,760)	318,679
Income	-	-	(2,288)	4,445	-	2,157
Share-based payments	-	316	-	-	-	316
Share issue	35,580	-	-	-	-	35,580
Conversion of performance rights	1,445	(1,445)	-	-	-	-
30 June 2025	353,995	397	(864)	35,964	(32,760)	356,732

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Statement of cash flows

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000 Restated*
Cash flows from operating activities			
Receipts from customers		42,303	42,919
Payments to suppliers and employees		(37,178)	(38,542)
Net cash inflow from operating activities	21	5,125	4,377
Cash flows from investing activities			
Exploration and consenting expenditure		(3,679)	(1,620)
Mining assets (including capitalised waste moved in advance)		(5,131)	(9,410)
Dividend from BT Mining		-	6,500
Property, plant and equipment purchases		(862)	(3,152)
Property, plant and equipment disposals		1,040	-
Deferred consideration		(1,146)	(1,202)
NWP Coal Canada Limited	13 (b)	(1,542)	(850)
Interest received		86	38
Other		(23)	(183)
Net cash inflow/(outflow) from investing activities		(11,270)	(9,879)
Cash flows from financing activities			
Other finance costs paid		(801)	(81)
Interest on leases		(128)	(95)
Issue of shares		35,580	-
Drawdown / (Repayment) of leases		(578)	643
Net cash inflow/(outflow) from financing activities		34,073	467
Net increase/(decrease) in cash and cash equivalents		27,941	(5,035)
Cash and cash equivalents at the beginning of the year		7,777	12,812
Total cash and cash equivalents at the end of the year	9	35,718	7,777

* The comparative figures in the statement of cashflows have been restated to correct the classification on interest income from financing activities to investing activities. The comparative figures have also been restated to remove the restricted short-term deposits from opening and closing cash and cash equivalent. In the prior year restricted short-term deposits were included as part of cash and cash equivalents in the statement of cash flows. However, these deposits are not classified as cash because they are not available on demand and are not classified as cash equivalents because their purpose is not to meet short-term cash commitments. Rather the purpose is to be held as sureties backing provisions for rehabilitation.

Notes to the financial statements

For the year ended 30 June 2025

1. About our financial statements

General information

Bathurst Resources Limited (“Company” or “Parent” or “BRL” or “Bathurst”) is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the Australian Securities Exchange (“ASX”). These financial statements have been prepared in accordance with the ASX listing rules.

The financial statements presented as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The Group is principally engaged in the exploration, development and production of coal.

These financial statements have been approved for issue by the Board of Directors on 26 August 2025.

Basis of preparation

These Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards (“IFRS”).

These financial statements have been prepared on the going concern basis, and are presented in New Zealand dollars, which is the Company’s functional and presentation currency. References in these financial statements to ‘\$’ and ‘NZ\$’ are to New Zealand dollars. All financial information has been rounded to the nearest thousand unless otherwise stated.

Measurement basis

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value through profit or loss.

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at monthly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Intangible assets – New Zealand emissions units

Emissions trading units are acquired to satisfy its obligations under the New Zealand Emissions Trading Scheme. These units have a finite useful life but are not amortised because they are expected to be utilised to offset the Group’s obligation under the Emissions Trading Scheme within 12 months of balance date. The units are recognised at cost.

Notes to the financial statements

For the year ended 30 June 2025

1. About our financial statements continued

Key judgements and estimates

In the process of applying the Group's accounting policies, management have made a number of judgements and applied estimates and assumptions about future events. These are noted below and/or detailed within the following relevant notes to the financial statements:

- Note 8 Impairment
- Note 11 Mining assets
- Note 15 (c) Deferred consideration
- Note 16 Rehabilitation provisions

Reserves and resources

Reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves of 2012 (the JORC Code). There are numerous uncertainties inherent in estimating reserves and assumptions that are valid at the time of estimation but that may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, provisions for rehabilitation, and deferred consideration.

Standards and interpretations adopted during the year

The financial information presented for the year ended 30 June 2025 has been prepared using accounting policies consistent with those applied in the 30 June 2024 financial statements.

New accounting standards not yet effective

- NZ IFRS 18 – Presentation and Disclosure of Financial Statements.

Bathurst Resources Limited is currently assessing the impact of IFRS18 on its financial reporting and disclosures. The group anticipates that the new standard will improve transparency and provide users of the financial statements with more structured and comparable information.

2. Segment information

The operating segments reported on are:

- Export – 100 percent of BT Mining's export mine (Stockton).
- Domestic - BRL's eastern South Island domestic operations and 100 percent of the BT Mining North Island domestic mines.
- Corporate – BRL corporate overheads, Buller Coal Project and Tenas Project, and 100 percent of BT Mining corporate overheads.

The operating segments are based on the geographic market they serve, and the nature of the service provided.

A reconciliation to profit after tax per BRL's Income Statement is provided via the elimination of BT Mining column. Total assets and total liabilities are reported on a group basis, as with tax expense. BRL owns 65% of the BT Mining joint venture.

Two BRL customers in the Domestic segment met the reporting threshold of 10 percent of BRL's operating revenue in the year to 30 June 2025, Fonterra Clandeboye \$28.6m and Tailored Energy Solutions \$5.0m (2024: Fonterra Clandeboye \$28.9m and Tailored Energy Solutions \$4.7m).

Notes to the financial statements

For the year ended 30 June 2025

2. Segment information continued

	Export	Domestic	Corporate	Total	Eliminate BT Mining	Total BRL
Year ended 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	230,514	139,179	-	369,693	(328,103)	41,590
Operating profit before tax⁴	21,793	1,965	(15,732)	8,026	(8,321)	6,187
Interest income	-	488	8,200	8,688	(7,949)	739
Interest expense	(1,410)	(1,440)	(2,058)	(4,908)	2,427	(2,481)
Income tax	-	-	(3,872)	(3,872)	3,872	-
Movements in OCI	-	-	(2,734)	(2,734)	466	(2,288)
Comprehensive income after tax⁵	20,383	1,031	(16,197)	5,199	(9,525)	2,157
Depreciation and amortisation	(28,866)	(25,677)	(635)	(55,178)	49,687	(5,491)
Impairment	-	(4,585)	-	(4,585)	5,722	1,137
EBITDA ⁵	50,525	41,383	(24,956)	66,952	(63,385)	3,567

	Export	Domestic	Corporate	Total	Eliminate BT Mining	Total BRL
Year ended 30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	340,548	133,376	-	473,924	(430,555)	43,369
Operating profit before tax	100,452	(2,519)	(17,092)	80,841	(84,097)	39,030
Interest income	-	241	9,420	9,661	(9,420)	241
Interest expense	(1,542)	(924)	(851)	(3,317)	2,593	(724)
Income tax	-	-	(25,868)	(25,868)	25,868	-
Movements in OCI	-	-	(3,110)	(3,110)	554	(2,556)
Comprehensive income after tax	98,910	(2,719)	(37,984)	58,207	(64,502)	35,991
Depreciation and amortisation	(23,848)	(28,571)	34	(52,385)	47,026	(5,359)
Impairment	-	(6,055)	-	(6,055)	-	(6,055)
EBITDA	122,939	37,950	(23,675)	137,214	(130,657)	6,557

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

⁴ Total BRL operating profit and comprehensive income does not equal the sum of Total BRL minus elimination of BT Mining, as BRL's 65 percent equity share of BT Mining's profit is added back.

⁵ Earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, fair value movement on deferred consideration and rehabilitation provisions.

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Notes to the financial statements

For the year ended 30 June 2025

3. Revenue from contracts with customers

	2025 \$'000	2024 \$'000
Coal sales	26,248	26,583
Freight and ash disposal revenue	15,342	16,786
Sales revenue from contracts with customers	41,590	43,369

Accounting policy

Revenue from contracts with customers is recognised at a point in time, when satisfaction of the performance obligation(s) in a signed customer contract is achieved, signifying when control has passed to the customer.

Performance obligations

The Group has one key performance obligation across all customer contracts – that to supply (and deliver where relevant) coal. Because of when control transfers to the customer (on delivery if freight is included as a service, on arrival at the collection point if not), freight forms part of the same performance obligation as the supply of coal. Satisfaction of the performance obligation is assumed at the time of delivery or arrival at the collection point, whichever is relevant. There are no unsatisfied performance obligations.

Determination of the transaction price

The value at which revenue is recorded is the stand alone selling price for the good/service provided. Each contract notes a separate price for coal, and freight delivery/ash disposal where relevant. Some customer contracts allow for limited remediations in the instance of the Company providing non-specification coal (either at the option of the customer or BRL). These instances are very rare and in almost all cases are rectified in the month that the non-specification occurs. As such the best estimate of the final consideration to be received is the invoiced amount as based on the transaction prices in the customer contract.

4. Cost of sales

	Note	2025 \$'000	2024 \$'000
Raw materials, mining costs and consumables used		9,569	9,458
Freight costs		13,227	14,155
Mine labour costs		6,914	6,646
Amortisation expenses		3,623	3,602
Changes in inventories of finished goods and work in progress		497	(559)
Total cost of sales		33,830	33,302

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Notes to the financial statements

For the year ended 30 June 2025

5. Administrative and other expenses

Administrative and other expenses include the following items:

Remuneration of auditors		260	257
Directors' fees		428	403
Legal fees		1,647	887
Consultants		755	647
Employee benefit expense		2,177	2,807
Rent		146	142
Share-based payments	18	316	728

Included in remuneration of auditors is \$85k relating to the half year review, and \$18k for an agreed upon process review, with the remainder for end of year audit fees.

6. Net finance costs

Interest income		652	240
Realised foreign exchange		87	1
Total finance income		739	241
Interest expense on finance leases		(128)	(103)
Unrealised foreign exchange loss		(778)	(97)
Rehabilitation provisions unwinding of discount	16	(294)	(214)
Deferred consideration unwinding of discount	15 (c)	(1,258)	(289)
Other finance costs		(23)	(21)
Total finance costs		(2,481)	(724)
Total net finance (cost)/income		(1,742)	(483)

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Notes to the financial statements

For the year ended 30 June 2025

7. Income tax benefit

	2025 \$'000	2024 \$'000
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
Income tax benefit	-	-
Reconciliation of income tax benefit to tax payable		
Profit before income tax	4,445	38,547
Tax at the standard New Zealand rate of 28 percent	1,244	10,793
<i>Tax effects of amounts not assessable in calculating taxable income:</i>		
Share of joint venture equity profit	(1,412)	(12,082)
Taxable temporary differences not recognised	10	(1,149)
Non-taxable adjustments including movement on deferred consideration	158	(90)
Current year tax on dividends not recognised as a deferred tax asset	-	2,528
Income tax benefit	-	-
(b) Imputation credits		
Opening balance imputation credit account	26,954	24,426
Imputation credits attached to dividends received and other items	-	2,528
Imputation credits available for use in future periods	26,954	26,954

Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for New Zealand adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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Notes to the financial statements

For the year ended 30 June 2025

8. Impairment

	Note	2025 \$'000	2024 \$'000
Impairment / (reversal of impairment) of Bathurst domestic coal	11	(1,137)	6,055
Impairment losses / (reversal of losses)		(1,137)	6,055

Management has assessed the cash-generating units ("CGU") for the Group as follows:

- Bathurst domestic coal, as the Timaru coal yard cannot generate its own cash flows independent of the mines. This includes the Takitimu mine and the Timaru coal yard.
- Buller Coal project, as there is a large amount of shared infrastructure between the proposed mines, necessary blending of the pit products at the same site, and the similar geographical location of the pits.

There is a third CGU that is assessed for impairment in note 13. The assets that this CGU represents are only 65 percent owned and due to a joint venture ownership structure not consolidated in the Group results.

Climate change initiatives and businesses wanting to reduce their carbon footprint has led to domestic customers transitioning to renewable energy sources. This transition to renewable energy has resulted in a decline in future sales volumes. Sales included in the future cash flows as part of the impairment assessment are contracted and take into consideration these customers transitioning to renewable energy sources.

Bathurst domestic coal

In assessing the recoverability of the Bathurst domestic coal CGU the value in use future cash flows were calculated with reference to:

- the sale of the estimated recoverable reserves (139kt) over the current life of the mine (2024: 346kt)
- assumption that future coal prices are consistent with current contracted prices; and
- a post-tax discount rate of 12.0 percent, pre-tax 15.7 percent. (2024: post-tax discount rate of 12.0 percent, pre-tax 15.7 percent)

A reversal of the 2024 impairment has been recognised on assets relating to the Takitimu mine due to increased sales volumes and revenue through to the closure of the mine. The reversal of the previous impairment relating to the Takitimu mine forms part of the domestic segment, as reported in note 2. Impairment of Mining assets of \$1.1m has been reversed. The reversed impairment relates to capitalised mine development and exploration costs.

The carrying value of the Bathurst domestic coal CGU at 30 June 2025 was \$5.7m and is based on the forecast cashflows from the mine for the remaining mining period to FY26 based on the current customer contracts and production of 145kt.

Buller Coal project

The Buller Coal project was previously fully impaired in the year ended 30 June 2015. The Buller Coal project has remained on care and maintenance. There are plans to reinstate the project under the newly enacted Fast Track Approvals Act as part of the Buller Coal Plateaux Continuation Project.

There was \$0.7m in capitalised exploration and evaluation expenditure relating to this CGU at 30 June 2021. During the 2022 \$0.3m was written back as these balances related to historical items that could no longer be supported. Apart from \$0.4m of capitalised exploration and evaluation expenditure, the CGU remains impaired at 30 June 2025.

Accounting policy

For non-financial assets, the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Exploration and evaluation and mining assets, as well as property, plant and equipment are assessed for impairment collectively as part of their respective cash-generating units.

Non-financial assets that have been previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the financial statements

For the year ended 30 June 2025

9. Financial assets

	Note	2025 \$'000	2024 \$'000
Trade and other receivables			
Trade receivables from contracts with customers		1,150	1,098
Receivable from BT Mining	13	1,272	790
Other receivables and prepayments		1,683	937
Total trade and other receivables		4,105	2,819

Trade receivables from contracts with customers ("trade receivables") are amounts due from customers for goods sold or services performed in the ordinary course of business. Receivables from BT Mining are salary and shared costs recharged as the mine operator.

Trade and BT Mining receivables are generally due for settlement within 20 to 30 days and as such classified as current. There are no contract assets (accrued revenue) relating to contracts with customers.

Included in other receivables and prepayments are amounts owing from NWP Coal Canada for funds contributed for the advancement of the Crown Mountain project Environmental Assessment application.

	Note	2025 \$'000	2024 \$'000
Cash and cash equivalents			
Bank balances		8,796	7,777
Short term deposits		26,922	-
Total cash and cash equivalents		35,718	7,777

Accounting policy

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. A financial asset is recognised when the Group becomes party to the contractual provisions of the instrument.

Subsequent measurement

Financial assets under NZ IFRS 9 are subsequently classified to reflect the business model in which assets are managed and their contractual cash flow characteristics, as follows:

- Amortised cost: where the business model is to hold the financial assets in order to collect contractual cash flows and those cash flows represent solely payments of principal and interest.
- Fair value through other comprehensive income: where the business model is to both collect contractual cash flows and sell financial assets and the cash flows represent solely payments of principal and interest.
- Fair value through profit or loss: if the asset is held for trading or if the cash flows of the asset do not solely represent payments of principal and interest.

Financial assets at amortised cost

This is the only relevant financial asset category for the Group. The Group's financial assets subsequently measured at amortised cost consist of:

- Cash and cash equivalents and restricted short-term deposits.
- Trade receivables from contracts with customers and related party receivables (within trade and other receivables).
- Other financial assets.
- Crown indemnity.

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Notes to the financial statements

For the year ended 30 June 2025

9. Financial assets continued

Accounting policy continued

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. For information on credit risk and impairment, refer to note 20. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The crown indemnity receivable is carried at the lower of the indemnity escrow limit and the rehabilitation provision limit on a 'mine by mine' basis. The net present value of the receivable is calculated using a risk-free discount rate, the unwinding of the discount applied in calculating the net present value of the provision is charged to the income statement in each reporting period and is classified as a finance cost.

Derecognition

Financial assets are derecognised if the Group's 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 of the asset.

Derecognition

Financial assets are derecognised if the Group's 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 of the asset.

Cash and cash equivalents and restricted short-term deposits

- Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. Restricted cash deposits are sureties held backing provisions for rehabilitation.

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Notes to the financial statements

For the year ended 30 June 2025

10. Property, plant and equipment

	Freehold land	Buildings	Mine infrastructure	Plant & machinery	Furniture and fittings	Work in progress	Total
Year ended 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book value	4,547	1,353	56	6,323	259	425	12,963
Additions including NZ IFRS 16	414	8	-	20	36	395	873
Transfers	-	-	-	485	2	(789)	(302)
Disposals	(20)	(234)	-	(834)	(5)	-	(1,093)
Depreciation including NZ IFRS 16	(28)	(268)	(7)	(1,439)	(126)	-	(1,868)
Net exchange differences	6	-	-	1	-	-	7
Closing net book value	4,919	859	49	4,556	166	31	10,580
Cost	18,454	7,780	2,895	25,113	2,748	13,279	70,269
Accumulated write-downs	(13,535)	(6,921)	(2,846)	(20,557)	(2,582)	(13,248)	(59,689)
Closing net book value	4,919	859	49	4,556	166	31	10,580

Year ended 30 June 2024

Opening net book value	1,972	1,320	66	5,809	89	829	10,085
Additions including NZ IFRS 16	2,608	280	-	1,107	149	2,157	6,301
Transfers	(3)	18	-	1,433	136	(2,561)	(977)
Disposals	-	-	(2)	(674)	(12)	-	(688)
Depreciation including NZ IFRS 16	(30)	(265)	(8)	(1,352)	(103)	-	(1,758)
Closing net book value	4,547	1,353	56	6,323	259	425	12,963
Cost	18,127	8,371	2,894	27,243	2,720	13,673	73,028
Accumulated write-downs	(13,580)	(7,018)	(2,838)	(20,920)	(2,461)	(13,248)	(60,066)
Closing net book value	4,547	1,353	56	6,323	259	425	12,963

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Notes to the financial statements

For the year ended 30 June 2025

10. Property, plant and equipment continued

The value of right-of-use (leased) assets included in property, plant and equipment are noted below:

	Freehold land	Buildings	Plant & machinery	Furniture and fittings	Total
Year ended 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book value	71	522	1,579	31	2,202
Additions	7	-	31	-	38
Disposals	(20)	-	-	-	(20)
Transfers	-	-	(52)	-	(52)
Depreciation	(29)	(206)	(317)	(12)	(564)
Closing net book value	29	316	1,241	19	1,604

	Freehold land	Buildings	Plant & machinery	Furniture and fittings	Total
Year ended 30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book value	90	444	761	12	1,307
Additions	11	280	1,235	59	1,584
Disposals	-	-	(290)	(12)	(302)
Depreciation	(30)	(202)	(127)	(28)	(387)
Closing net book value	71	522	1,579	31	2,202

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Notes to the financial statements

For the year ended 30 June 2025

10. Property, plant and equipment continued

Accounting policy

Leases

The Group assess whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (lease terms of 12 months or less) and leases valued at less than \$10k. Lease payments associated with these leases are recognised as an expense on a straight-line basis. ROU assets for the Group primarily consist of corporate property and yellow goods hire and have an average term of 2.1 years.

The determination of whether an arrangement is, or contains, a lease is based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group must also have the right to obtain substantially all of the economic benefits from use of the asset and have the right to direct the use of the asset.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle or remove or restore the asset. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, being depreciated over the shorter of the estimated useful life of the asset or the lease term.

The corresponding lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate which ranges from 3.6 percent to 8.54 percent dependent on what type of asset the lease relates to and the life of the asset. Subsequently, the lease liability is adjusted to reflect interest on the lease liability (using the effective interest method) and lease payments made.

The Group applies IAS 36 *Impairment of Assets* to determine whether a ROU asset is impaired.

Estimated useful lives for ROU assets are the same as other assets noted below, unless noted otherwise.

Property, plant and equipment

All property, plant and equipment are measured at cost less depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the expenditure will flow to the Group. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised in profit or loss over the estimated useful lives of each item of property, plant and equipment. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for significant items of property, plant and equipment are as follows:

• Buildings	6 - 50 years (3 - 5 years for ROU assets)
• Mine infrastructure	3 - 20 years
• Plant and machinery	2 - 20 years
• Leased land	7 - 8 years
• Furniture, fittings and equipment	2 - 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss on disposals of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Notes to the financial statements

For the year ended 30 June 2025

11. Mining assets

	Note	2025 \$'000	2024 \$'000
Exploration and evaluation assets			
Opening balance		-	3,304
Expenditure capitalised		3,679	1,620
Impairment of Takitimu mining assets	8	-	(4,924)
Total exploration and evaluation assets		3,679	-
Mining licences/permits and capitalised waste moved in advance			
Opening balance		25,256	9,157
Expenditure capitalised		5,056	2,169
Tenas Coal project acquisition		-	18,612
Transfers		75	-
Disposals		(934)	-
Amortisation		(3,623)	(3,602)
Waste moved in advance capitalised		-	51
Net exchange differences		45	-
Impairment of Takitimu mining assets	8	1,137	(1,131)
Total mining licences/permits and capitalised waste moved in advance		27,012	25,256
Total mining assets		30,691	25,256

Accounting policy

Exploration and evaluation

Exploration and evaluation expenditure incurred is capitalised to the extent that the expenditure is expected to be recovered through the successful development and exploitation of the area of interest, or the exploration and evaluation activities in the area of interest have not yet reached a point where such an assessment can be made. All other exploration and evaluation expenditure is expensed as incurred.

Capitalised costs are accumulated in respect of each identifiable area of interest. Costs are only carried forward to the extent that tenure is current and they are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and operations in relation to the area are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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Notes to the financial statements

For the year ended 30 June 2025

11. Mining assets continued

Accounting policy continued

Mining licences/permits

Mining licences/permits include the cost of acquiring and developing mining properties, licences, mineral rights and exploration, evaluation and development expenditure carried forward relating to areas where production has commenced.

These assets are amortised using the unit of production basis over the proven and probable reserves. Amortisation starts from the date when commercial production commences. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably.

Waste moved in advance

Waste removed in advance costs incurred in the development of a mine are capitalised as parts of the costs of constructing the mine and subsequently amortised over life of the relevant area of interest or life of mine if appropriate.

Waste removal normally continues through the life of the mine. The Group defers waste removal costs incurred during the production stage of its operations and discloses them within the cost of constructing the mine.

The amount of waste removal costs deferred is based on the ratio obtained by dividing the volume of waste removed by the tonnage of coal mined. Waste removal costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of mine ratio. Costs above the life of ore component strip ratio are deferred to waste removed in advance. The stripping activity asset is amortised on a units of production basis. The life of mine ratio is based on proven and probable reserves of the operation.

Waste moved in advance costs form part of the total investment in the relevant cash-generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Changes to the life of mine stripping ratio are accounted for prospectively.

Key judgements and estimates

Waste moved in advance

Waste moved in advance is calculated with reference to the stripping ratio (waste moved over coal extracted) of the area of interest and the excess of this ratio over the estimated stripping ratio for the area of interest expected to incur over its life. Management estimates this life of mine ratio based on geological and survey models as well as reserve information for the areas of interest.

Recoverability of mining assets/impairment

The future recoverability of the non-financial assets recorded by the Group is dependent upon a number of factors, including whether the Group decides to exploit its mine property itself or, if not, whether it successfully recovers the related asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal and regulatory changes, and changes to commodity prices and foreign exchange rates. These factors impact both an assessment of whether impairment should be recognised, as well as if there are indicators that previously recognised impairment should be reversed.

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Notes to the financial statements

For the year ended 30 June 2025

12. Investment in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2025 %	2024 %
BR Coal Pty Limited	Australia	Ordinary	100	100
Bathurst New Zealand Limited	New Zealand	Ordinary	100	100
Bathurst Coal Holdings Limited	New Zealand	Ordinary	100	100
Buller Coal Limited	New Zealand	Ordinary	100	100
Bathurst Coal Limited	New Zealand	Ordinary	100	100
New Brighton Collieries Limited	New Zealand	Ordinary	100	100
Bathurst Minerals Limited	New Zealand	Ordinary	100	100
Bathurst Resources (NWP) Limited	Canada	Ordinary	100	100
Bathurst Resources Canada (Holdings) Limited	Canada	Ordinary	100	100
Bathurst Resources (Telkwa) Limited	Canada	Ordinary	100	100
Telkwa Mining Limited	Canada	Ordinary	100	100

All subsidiary companies have a balance date of 30 June and are in the coal industry. All subsidiaries have a functional currency of New Zealand dollars except for BR Coal Pty Limited (Australian dollars) and Bathurst Resources (NWP) Limited, NWP Coal Canada Limited, Bathurst Resources Canada (Holdings) Limited, Bathurst Resources (Telkwa) Limited and Telkwa Mining Limited (Canadian dollars). Bathurst Minerals Limited which was incorporated in 2022 is at present a dormant entity.

Accounting policy

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Contingent consideration (deferred consideration) to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a financial asset or financial liability are recognised in accordance with NZ IFRS 9 in profit or loss as 'fair value (loss)/gain on deferred consideration'.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.



Notes to the financial statements

For the year ended 30 June 2025

13. Interest in joint ventures

	2025 \$'000	2024 \$'000
Interest in BT Mining Limited ("BT Mining")	274,606	268,953
Interest in NWP Coal Canada Limited ("NWP")	18,628	18,672
Total interest in joint ventures	293,234	287,625

(a) BT Mining

(a) Balances held in BT Mining

Equity investment	16,250	16,250
Share of retained earnings net of dividends received	258,356	252,703
Total interest in BT Mining	274,606	268,954
Opening balance	268,953	234,196
Receipt of dividend	-	(6,500)
Share of BT Mining profit	6,482	42,286
Share of BT Mining FX hedging through OCI net of tax	(829)	(1,029)
Closing balance	274,606	268,953

Bathurst holds a 65 percent shareholding in BT Mining, which owns the mining permits and licences as well as the mining assets at the following mine sites:

- Buller Plateau operating assets of the Stockton mine in the South Island; and
- Rotowaro mine, Maramarua mine and certain assets at Huntly West mine located in the North Island.

Bathurst considers BT Mining to be a joint venture. This is because unanimous approval is required on activities that significantly affect BT Mining's operations. As such the investment in BT Mining is accounted for using the equity method.

BT Mining's statement of financial position is shown in note 13 (a) (b), and a summarised income statement for BT Mining is shown in note 2 in the eliminate BT Mining column, of which Bathurst's interest is 65 percent. An unaudited proportionate consolidation of Bathurst and BT Mining is located after the notes to the financial statements.

Impairment assessment

As there are indicators of impairment an impairment assessment has been performed. BT Mining is viewed as a two CGUs for impairment assessment purposes, Buller Plateau and North Island. In assessing the recoverability of the Stockton mine (Buller Plateau) CGU the value in use future cash flows were calculated with reference to:

- forecast sales of estimated recoverable reserves (4,758kt) over the life of the mine to 2031;
- forecast hard coking coal prices USD \$200 per tonne, and the long-term relativity of soft coking coal prices to be 60 percent of hard coking coal prices adjusted by management to reflect a price consistent with the historical blended coal quality;
- NZD/USD foreign exchange rate of 0.58. (2024: 0.62)
- a post-tax discount rate of 10.0 percent, pre-tax 12.9 percent. (2024: 10.0 percent, pre-tax 12.9 percent)

In assessing the recoverability of the North Island CGU the value in use future cash flows were calculated with reference to:

- the sale of the estimated recoverable reserves (2,173kt) over the life of the individual mining permits between three to five years;
- assumption that future coal prices are consistent with current contracted prices; and
- a post-tax discount rate of 11.3 percent, pre-tax 14.7 percent. (2024: 11.3 percent, pre-tax 14.7 percent)

Notes to the financial statements

For the year ended 30 June 2025

13. Interest in joint ventures continued

(a) BT Mining continued

Related party transactions

Salaries for employees who work across both Bathurst and BT Mining are recharged so that staff costs are recorded appropriately. For the year ended 30 June 2025 \$2.0m of salaries were recharged from Bathurst to BT Mining (2024: \$2.5m) and \$0.8m recharged from BT Mining to Bathurst (2024: \$0.8m). There was a receivable balance due from BT Mining to Bathurst of \$1.3m (2024: \$0.8m).

Coal sales are made to Bathurst's BT Mining joint venture partner Talleys Energy Limited and/or associated companies of Talleys Energy Limited for the year ended 30 June 2025 were \$3.7m (2024: \$4.3m).

(b) Statement of financial position (100% basis)	2025 \$'000	2024 \$'000
Cash	165,970	169,733
Restricted short-term deposits	46,266	28,000
Trade and other receivables	35,710	70,132
Crown indemnity	4,967	6,645
Inventories	43,962	46,770
New Zealand emission units	457	417
Income tax	5,442	2,334
Derivative assets	3,486	5,257
Current assets	306,260	329,288
Property, plant and equipment	87,236	94,557
Mining assets	114,898	79,500
Crown indemnity	45,578	49,110
Other financial assets	93	90
Deferred tax asset	12,063	9,913
Non-current assets	259,868	233,170
TOTAL ASSETS	566,128	562,458
Trade and other payables	39,193	37,942
Finance leases	7,127	7,591
Derivative liabilities	-	-
Provisions	6,996	8,588
Current liabilities	53,316	54,121
Finance leases	1,351	8,302
Provisions	88,988	86,260
Non-current liabilities	90,339	94,562
TOTAL LIABILITIES	143,655	148,683
NET ASSETS	422,473	413,775
Share capital	25,000	25,000
Reserves	2,289	3,564
Retained earnings net of dividends paid	395,184	385,211
EQUITY	422,473	413,775

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Notes to the financial statements

For the year ended 30 June 2025

13. Interest in joint ventures continued

(b) NWP

	2025 \$'000	2024 \$'000
Balances held in NWP		
Equity investment	18,668	18,623
Equitable share of profit	(40)	49
Total interest in NWP	18,628	18,672
Opening balance	18,672	19,426
Unrealised FX movement	46	(647)
Equitable share of loss	(90)	(107)
Closing balance	18,628	18,672

The investment in NWP is via a wholly owned subsidiary Bathurst Resources (Canada) Limited. NWP's key asset is the Crown Mountain coking coal project ("Crown Mountain"). The Crown Mountain project consists of coal tenure licences located in the Elk Valley coal field in south-eastern British Columbia, Canada.

The joint venture agreement structures BRL's investment in NWP into three tranches. Further investments are at the sole discretion of BRL. Funds are also contributed on a cash call basis to fund the advancement of the Environmental Assessment.

Investment	Amount	Ownership	Use of proceeds	Status
Initial investment	CAD \$4.0m	8%	Exploration programme	Complete
Tranche one	CAD \$7.5m	12%	Bankable feasibility study	Complete
Tranche two	CAD \$110.m	30%	Construction	In progress
Total	CAD \$121.5m	50%	As above	

Equity funds invested to date equal the NZD equivalent of the initial investment (CAD \$4.0m) and tranche one (CAD \$7.5m) issued in exchange for common ordinary shares in NWP, as well as an advance of CAD \$4.0m as part of tranche two. The advance to tranche two consists of \$2.6m issued in exchange for preference shares, and \$1.4m issued in exchange for ordinary shares. BRL holds a 22.1 percent equity holding in NWP including the preference shares. Payment of the balance of tranche two is not expected in the next twelve months.

The investment in exchange for preference shares is done on a cash call basis at the request of NWP. If BRL exercises the tranche two option, further investment required will equal CAD \$110.0m minus funds invested in the preference shares, at which point the preference shares will automatically convert to ordinary shares on a 1:1 basis. This will increase BRL shareholding to 50%. Preference shares have the same rights and are issued at the same value as ordinary shares, with the key difference that they have a liquidity preference ranking above ordinary shares. Because the preference shares are in substance the same as ordinary shares, giving BRL access to the returns associated with the joint venture, these have been accounted for in the same way as ordinary shares.

An assessment on the investment has been done, and there is nothing to suggest or warrant any impairment.

BRL considers NWP to be a joint venture. This is because unanimous approval is required on activities that significantly affect NWP's operations. As such the investment in NWP is accounted for using the equity method.

NWP unaudited financials of which Bathurst holds 22.1 percent

Cash	395	334
Other current assets	71	111
Exploration and evaluation assets	55,334	47,313
Other non-current assets	1,338	1,347
TOTAL ASSETS	57,138	49,105
Current liabilities	1,949	638
Non-current financial liabilities	1,229	1,250
TOTAL LIABILITIES	3,178	1,888
NET ASSETS	53,960	47,217

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Notes to the financial statements

For the year ended 30 June 2025

13. Interest in joint ventures continued

Accounting policy

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equal or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, except to the extent that the Group has an obligation or has made payments on behalf of the investee. The Company assesses for indicators of impairment for joint venture investments, where indicators exist the Company performs impairment testing.

14. Deferred tax

Temporary differences attributable to:	2025 \$'000	2024 \$'000
Tax losses	22,081	20,589
Employee benefits	243	258
Provisions	1,387	1,337
Mining licences	20,482	20,167
Exploration and evaluation expenditure	812	1,655
Property, plant and equipment	3,698	3,648
Waste moved in advance	-	204
Other	111	427
Total deferred tax assets	48,814	48,285
Total deferred tax liabilities	-	-
Net deferred tax asset not recognised	(48,814)	(48,285)
Net deferred tax asset	-	-

The Group has not recognised a net deferred tax asset on the basis that it is not probable these losses will be utilised in the near future. Included in the tax losses balance above is an amount of \$1.4m related to changes in estimates in prior years necessary to reflect the available tax losses as per the final tax return. The prior period adjustment includes \$1.3m that relates to impairment of mining assets.

Notes to the financial statements

For the year ended 30 June 2025

14. Deferred tax continued

Accounting policy

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

15. Financial liabilities

	2025 \$'000	2024 \$'000
(a) Trade and other payables		
Trade payables	3,187	1,895
Accruals	1,508	1,722
Employee benefit payable	1,298	1,208
Total trade and other payables	5,993	4,825

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(b) Borrowings

Current		
<i>Secured</i>		
Lease liabilities	831	785
Total current borrowings	831	785
Non-current		
<i>Secured</i>		
Lease liabilities	626	1,139
Total non-current borrowings	626	1,139
Total borrowings	1,457	1,924

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

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Notes to the financial statements

For the year ended 30 June 2025

15. Financial liabilities continued

	2025 \$'000	2024 \$'000
(c) Deferred consideration		
Current		
Acquisition of subsidiary	750	1,004
Non-current		
Acquisition of subsidiary	72	691
Acquisition of asset	9,790	9,922
Total deferred consideration	10,612	11,617
Opening balance	11,617	3,206
Unwinding of discount	1,258	289
Acquisition of Tenas project	-	9,922
Fair value adjustment	(1,028)	(2,179)
New Brighton Collieries consideration paid net of movements in accruals during the year	(1,235)	379
Closing balance	10,612	11,617

Buller Coal project

Bathurst acquired the shares in Buller Coal Limited (formerly L&M Coal Limited) ("Buller Coal") from LMCHB Limited (formerly L&M Coal Holdings Limited) ("L&M") in November 2010 pursuant to an agreement for sale and purchase ("ASP"), which contained an element of deferred consideration. The deferred consideration comprised royalties on coal sold, two contingent "performance payments" of USD \$40m each, and the contingent issue of performance shares. The first performance payment is prima facie payable upon 25,000 tonnes of coal being shipped from the Buller Coal project area, and the second payable upon 1 million tonnes of coal being shipped from the Buller Coal project area, or where a change in control of Bathurst is deemed to have occurred both payments are triggered. The performance shares are triggered with the second performance payment.

Bathurst has the option to defer cash payment of both performance payments (and thus also defer issue of the performance shares) by electing to submit a higher royalty on coal sold from the respective permit areas until such time the performance payments are made. The option to pay a higher royalty rate has been assumed in the valuation and recognition of deferred consideration.

Bathurst has and will continue to remit royalty payments to L&M on all coal sold as required by the Royalty Deed and this includes ongoing sales from stockpiles.

If the Buller Coal Project enters production as part of the Buller Plateaux Continuation Project Fast Track application, Bathurst will remit royalty payments to L&M as required by the Royalty Deed for all coal sold.

Tenas Coal project

The Company completed the acquisition of Tenas project on 22 December 2023 via a new subsidiary, Telkwa Mining Limited, which is incorporated in Canada. The Tenas Project is located in the Bulkley Nechako region, 7 km southwest of Telkwa, British Columbia, Canada. The acquisition included the purchase of coal mining licenses, freehold coal rights, land and some existing plant and equipment.

The project is currently undergoing the Environmental Assessment process and is expected to enter production in FY28. The mine is anticipated to produce 750k tonnes of saleable steelmaking coal per year for over 20 years.

The balance due is USD \$4.0m upon receiving all final permits to develop, construct and operate the Tenas project mine and USD \$3.0m on the first anniversary or receiving all final permits.

New Brighton Collieries Limited

Acquisition was completed on 10 March 2015. The balance due on settlement is satisfied by an ongoing royalty based on sales revenue. The fair value of the future royalty payments is estimated using a discount rate based upon the Group's WACC (12.0%), projected production profile based on activity at the Takitimu mine (136kt) and forecast domestic coal prices (\$121 per tonne, inflation adjusted). These are based on the Group's forecasts which are approved by the Board of Directors. Sensitivity analysis on impact to profit based on changes to key inputs to the estimation of the deferred consideration liability is as follows:

Notes to the financial statements

For the year ended 30 June 2025

15. Financial liabilities continued

(c) Deferred consideration continued

New Brighton Collieries Limited continued

Security

Pursuant to a deed of guarantee and security the deferred consideration is secured by way of a first-ranking security interest in all of New Brighton Collieries Limited's present and future assets (and present and future rights, title and interest in any assets).

New Brighton Collieries		2025		2024	
Key input	Change in input	Increase in estimate \$'m	Decrease in estimate \$'m	Increase in estimate \$'m	Decrease in estimate \$'m
Discount rate	2 percent	0.0	0.0	0.0	(0.0)
Production levels	5 percent	0.0	0.0	(0.1)	0.1
Coal prices	\$5 per tonne	0.0	0.0	(0.1)	0.0

(d) Fair value measurements

All financial assets and liabilities (except where specifically noted) have a carrying value that is equivalent to their fair value.

Accounting policy

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and trade and other payables, net of directly attributable transaction costs.

Subsequent measurement

Subsequent measurement of financial liabilities under NZ IFRS 9 is at amortised cost, unless eligible to opt to designate a financial liability at fair value through profit or loss, or other specific exceptions apply.

The Group's financial liabilities fall within two measurement categories: trade and other payables and borrowings at amortised cost, and deferred consideration at fair value through profit or loss.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial liabilities at amortised cost

Trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The fair value of the liability portion of the convertible bonds recognised on issue date was the difference between cash received and the fair value of the conversion option. The liability is amortised to its face value on maturity through the EIR method.

Fair value through profit or loss

Deferred consideration is subsequently measured at present value through profit or loss, as IFRS 9 denotes the measurement requirements of IFRS 3 *Business combinations* applies. The present value of deferred consideration payments is determined at acquisition date. Subsequent changes to the present value of the deferred consideration are recognised through the income statement. The portion of the present value adjustment due to the time value of money (unwinding of discount) is recognised as a finance cost.

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Notes to the financial statements

For the year ended 30 June 2025

15. Financial liabilities continued

Accounting policy continued

Deferred consideration in respect of the Tenas Coal project asset acquisition is subsequently measured at amortised cost. Subsequent changes in the measurement of the liability are recognised in profit or loss as income or expense

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Fair value

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in a transaction between active market participants or in its absence, the most advantageous market to which the Group has access to at the reporting date. The fair value of a financial liability reflects its non-performance risk.

When available, fair value is measured using the quoted price in an active market. A market is active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The following fair value hierarchy, as set out in NZ IFRS 13: *Fair Value Measurement*, has been used to categorise the inputs to valuation techniques used to measure the financial assets and financial liabilities which are carried at fair value:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Deferred consideration is classified as level 3 in the fair value hierarchy. The fair value of debt instruments disclosed has been valued at a fair value hierarchy of level 2.

Key judgements and estimates

Deferred consideration

In valuing the deferred consideration payable under business acquisitions management uses estimates and assumptions. These include future coal prices, discount rates, coal production, and the timing of payments. The amounts of deferred consideration are reviewed at each balance date and updated based on best available estimates and assumptions at that time.

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Notes to the financial statements

For the year ended 30 June 2025

16. Rehabilitation provisions

	2025 \$'000	2024 \$'000
Current	1,258	1,360
Non-current	5,276	6,165
Total provisions	6,534	7,525
<i>Rehabilitation provision movement:</i>		
Opening balance	7,525	5,276
Unwinding of discount	294	214
Movement in Crown indemnity on acid mine drainage for Sullivan permit	(46)	3
Movement in provision net of expenditure incurred	(1,239)	2,032
Closing balance	6,534	7,525

Bonds held as restricted deposits totalling \$4.6m as shown on the face of the statement of financial position (30 June 2024: \$4.6m) are provided to various local councils in respect to future rehabilitation obligations.

Accounting policy

Provisions are made for site rehabilitation costs relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated.

The obligation to rehabilitate arises at the commencement of the mining project; at this point a provision is recognised as a liability with a corresponding asset recognised as part of mining property and development assets. At each reporting date, the rehabilitation liability is re-measured in line with changes in the timing or amount of the costs to be incurred with a corresponding change in the cost of the associated asset.

If the change in the liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying value is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write down recognised in the income statement in the period in which it occurs.

The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the income statement as incurred.

The net present value of the provision is calculated using an appropriate discount rate, based on management's best estimate of future costs of rehabilitation. The unwinding of the discount applied in calculating the net present value of the provision is charged to the income statement in each reporting period and is classified as a finance cost.

A reasonable change in discount rate assumptions would not have a material impact on the provision.

Key judgements and estimates

In calculating the estimated future costs of rehabilitating and restoring areas disturbed in the mining process certain estimates and assumptions have been made. The amount the Group is expected to incur to settle these future obligations includes estimates in relation to the appropriate discount rate to apply to the cash flow profile, expected mine life, application of the relevant requirements for rehabilitation, and the future expected costs of rehabilitation.

Changes in the estimates and assumptions used could have a material impact on the carrying value of the rehabilitation provision. The provision is reviewed at each reporting date and updated based on the best available estimates and assumptions at that time.



Notes to the financial statements

For the year ended 30 June 2025

17. Equity

	2025 Number of shares '000	2024 Number of shares '000
(a) Ordinary fully paid shares		
Opening balance	191,360	191,360
Issue of shares from performance rights	1,818	-
Issue of shares from placement	46,476	-
Issue of shares from share purchase plan	321	-
Closing balance	239,975	191,360

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Every ordinary share is entitled to one vote.

Dividends

There were no dividends paid or declared during the year.

	\$'000	\$'000
(b) Contributed equity		
Opening balance	316,970	316,970
Issue of shares from performance rights	1,445	-
Issue of shares from placement	35,359	-
Issue of shares from share purchase plan	221	-
Closing balance	353,995	316,970

Accounting policy

Ordinary shares are classified as equity. Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

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Notes to the financial statements

For the year ended 30 June 2025

18. Reserves

	2025 \$'000	2024 \$'000
Share-based payment reserve	397	1,526
Foreign exchange translation reserve	(2,352)	(892)
Share of BT Mining FX hedging through OCI	1,488	2,316
Reorganisation reserve	(32,760)	(32,760)
Total reserves	(33,227)	(29,810)

Nature and purpose of reserves

Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of performance rights issued. Fair value for the rights on issue was calculated using the Barrier Pricing Model valuation method as they contain market performance conditions (as detailed below).

The fair value for the executive director performance rights was determined to be AUD \$0.5976 (2024: AU \$0.8504, 2023: AU \$0.5935).

Key inputs used for the valuations were:

Exercise price (nil) (2024: nil, 2023: nil);

Risk free rate 3.89% (2024: 3.67%, 2023: 3.06%);

Weighted average share price AUD \$0.75 (2024: AUD \$0.96, 2023: AUD \$0.74);

Dividend yield (nil) (2024: nil, 2023: nil, 2022: nil);

Expected volatility in the share price which is based on historical actual volatility 45.74% (2024: 83.23%, 2023: 83.23%)

Nature and purpose of reserves continued

Foreign exchange translation reserve

Exchange differences arising on translation of companies within the Group with a different functional currency to New Zealand dollars are taken to the foreign currency translation reserve. The reserve is recognised in the income statement when the investment is disposed of.

Share of BT Mining FX and coal price hedging through OCI

The value booked represents 65 percent equity share of the fair value movement on FX and coal price hedging in BT Mining that is put through other comprehensive income.

Reorganisation reserve

Bathurst Resources Limited was incorporated on 27 March 2013. A scheme of arrangement between Bathurst Resources Limited and its shareholders resulted in Bathurst Resources (New Zealand) Limited becoming the new ultimate parent company of the Group on 28 June 2013. A reorganisation reserve was created, which reflects the previous retained losses of subsidiaries.

Notes to the financial statements

For the year ended 30 June 2025

18. Reserves continued

Details on share-based payments

Grant date	Vesting date	Opening balance 000s	Issued 000s	Vested 000s	Lapsed 000s	Closing balance 000s
Executive director performance rights (2022)	1 December 2024	1,046	-	(1,046)	-	-
SLT performance rights (2022)	1 December 2024	772	-	(772)	-	-
Executive director performance rights (2023)	1 December 2025	502	-	-	(502)	-
Non-executive director performance rights (2023)	1 December 2025	78	-	-	-	78
Executive director performance rights (2024)	1 December 2026	571	-	-	-	571
Executive director performance rights (2025)	1 December 2027	-	603	-	-	603
		2,969	603	(1,818)	(502)	1,253

Performance rights

LTIP performance rights are issued to executive directors and members of the senior leadership team ("SLT") as part of the LTIP which was approved at the 2018 AGM. These rights were issued as an incentive for the future performance. Rights granted to directors during the year were approved at the 2023 annual general meeting.

Rights have a nil issue and exercise price and are convertible into fully paid ordinary shares on a 1:1 basis. Performance requirements include continuous employment with BRL until 1 December 2025 for the performance rights issued during the year (2022: 1 December 2024). BRL also has to achieve a minimum total shareholder return compound annual growth rate for the period 1 July 2022 to and including 30 June 2025 for the performance rights issued during the year (2022: 1 July 2021 to 30 June 2024)

Accounting policy

Share-based compensation benefits are provided to employees via the Bathurst Resources Limited LTIP. The fair value of performance rights granted under the Bathurst Resources Limited LTIP is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to the financial statements

For the year ended 30 June 2025

19. Earnings per share

	2025 Cents	2024 Cents
(a) Earnings per share ("EPS")		
Basic EPS	2.18	20.14
Diluted EPS	2.17	19.84
(b) Reconciliation of earnings used in calculation	\$'000	\$'000
Earnings used to calculate basic and diluted EPS	4,445	38,547
(c) Weighted average number of shares	Shares 000s	Shares 000s
Weighted average shares used in calculation of basic EPS	203,815	191,360
Dilutive potential ordinary shares (performance rights)	1,253	2,969
Weighted average shares used in calculation of diluted EPS	205,067	194,329

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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Notes to the financial statements

For the year ended 30 June 2025

20. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, and interest rate risk), credit risk and liquidity risk.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the management team under policies approved by the Board of Directors. Management identifies and evaluates financial risks on a regular basis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. A material risk of credit risk arises from cash and cash equivalents, restricted short-term deposits, trade receivables from contracts with customers, and related party receivables.

Risk management

The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate as a means of minimising the risk of financial defaults. The credit risk on cash and cash equivalents and restricted short-term deposits is limited because the Group only banks with counterparties that have credit ratings of AA- or higher.

The Group's maximum exposure to credit risk for trade receivables from contracts with customers and loans to related parties is their carrying value. The Group has long standing relationships with all its key customers and historically has experienced very low to nil defaults on its trade receivables.

Impairment

The Group's financial assets are subject to having their impairment assessed against the IFRS 9 forward looking expected credit loss model. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The group applies the NZ IFRS 9 simplified approach to measuring expected credit losses for trade receivables on contracts with customers, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The assessed impairment loss for all financial assets was immaterial at 30 June 2025. There were no indicators that credit risk on financial assets had increased significantly since initial recognition, nor does the Group hold any financial assets that are considered to be credit-impaired.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis.

Maturities of financial liabilities

The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances.

	Less than 6 months	6 - 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years	Total contractual flows
30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	4,971	-	-	-	-	4,971
Leases	391	391	722	407	-	1,911
Deferred consideration	421	421	6,658	4,925	-	12,425
Total	5,783	812	7,380	5,332	-	19,307

Notes to the financial statements

For the year ended 30 June 2025

20. Financial risk management continued

Liquidity risk continued

	Less than 6 months	6 - 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years	Total contractual flows
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	3,705	-	-	-	-	3,705
Leases	440	440	775	407	-	2,062
Deferred consideration	551	551	7,403	4,930	-	13,435
Total	4,696	991	8,178	5,337	-	19,214

Total contractual cash flows on leases equal minimum lease payments plus interest.

Capital management

The Group's capital includes contributed equity, reserves, and retained earnings. The Board's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain the future development of the business. There were no changes to the Company's approach to capital management during the year.

Financial instruments by category

	2025 \$'000	2024 \$'000
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	35,718	7,777
Restricted short-term deposits	4,587	4,576
Trade and other receivables	4,105	2,819
Other financial assets	620	230
Crown Indemnity	657	704
Total financial assets	45,687	16,106
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	5,993	4,825
Borrowings	1,457	1,924
<i>Fair Value</i>		
Deferred consideration	10,612	11,617
Total financial liabilities	18,062	18,366

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Notes to the financial statements

For the year ended 30 June 2025

21. Reconciliation of profit to operating cash flows

	2025 \$'000	2024 \$'000
Profit before income tax	4,445	38,547
Non-cash items:		
<i>Depreciation and amortisation</i>	5,491	5,359
Share-based payments	316	728
Share of joint venture equity share of profit	(6,392)	(42,179)
Non-operating:		
Movement on rehabilitation provision & discount unwind	180	153
Movement on deferred consideration & discount unwind	230	(1,890)
Interest on finance leases	128	103
Other	(652)	(240)
Unrealised FX including movement on deferred consideration	691	97
Impairments	(1,137)	6,055
Loss/(gain) on sale of PPE	29	(435)
Movement in working capital	1,797	(1,920)
Cash flow from operating activities	5,125	4,377

22. Key management personnel compensation

Key management personnel are the senior leadership team and directors (executive and non-executive) of the Group.

	Short-term benefits \$'000	Share-based payments \$'000	Total \$'000
30 June 2025			
Management	2,550	299	2,849
Non-executive directors	294	17	311
Total	2,844	316	3,160
30 June 2024			
Management	3,237	711	3,948
Non-executive directors	292	17	309
Total	3,529	728	4,257

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Notes to the financial statements

For the year ended 30 June 2025

23. Contingent liabilities

Claims by Talley's Group Limited

On 18 December 2024, Bathurst received copies of a statement of claim from Talley's Group Limited ("TGL") (a Bathurst shareholder), that set out the basis of TGL claims against Bathurst, its directors and another party, and is purported to have been brought under the Companies Act 1993 (New Zealand) and the Financial Markets Act 2013 (New Zealand). It was accompanied by a further separate application by TGL, seeking leave to bring a derivative action in the name of and on behalf of Bathurst. The two proceedings have now been consolidated into one, by order of the High Court.

In response, Bathurst and all its directors filed a statement of defence and counterclaim in response to the allegations made by TGL. The counterclaims brought by Bathurst are against Mr Andrew Talijancich (aka Andrew Talley), TGL and Talley's Energy Limited ("TEL").

TGL's principal proceeding asserts an alleged prejudiced shareholders claim and that there have allegedly been misleading representations made. Unspecified damages have been claimed as against Bathurst. TGL seeks non-monetary orders and declarations relating to the conduct of the parties and the governance of Bathurst.

The TGL proceedings make extensive reference to confidential material that, under the laws of New Zealand, is subject to strict statutory and contractual prohibitions on disclosure. Bathurst has filed a counterclaim that objects to TGL's breach of confidence and misuse of that confidential material. Those counterclaims are broadly for breach of confidence and improper use of confidential information and seeks various declarations as well as damages. Bathurst has also, by way of its counterclaim, initiated a prejudiced shareholder claim against TEL in respect of BT Mining Limited.

To date, both parties made various interlocutory applications to the High Court in respect of the first proceeding, all of which have been dismissed.

The trial is likely to be held in mid-2027.

The High Court has imposed non-publication and confidentiality orders in this case.

24. Events after the reporting period

There are no other material events that occurred subsequent to reporting date, that require recognition of, or additional disclosure in these financial statements.

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Additional information

For the year ended 30 June 2025

Unaudited proportionate consolidation of Bathurst and BT Mining operations

The following income statement, balance sheet and cash flow represent 100 percent of Bathurst operations, and 65 percent of BT Mining operations. This presentation does not reflect reporting under NZ GAAP or NZ IFRS, but is intended to show a combined operating view of the two businesses for information purposes only.

Consolidated income statement

	2025 \$'000	2024 \$'000
Revenue from contracts with customers	254,858	323,230
Realised FX and coal price hedging	13,086	(8,143)
Less: cost of sales	(219,410)	(218,530)
Gross profit	48,534	96,557
Other income	3,183	294
Equity accounted loss	(90)	(107)
Depreciation	(17,435)	(15,772)
Administrative and other expenses	(27,530)	(26,133)
Fair value movement on deferred consideration	1,028	2,179
(Loss)/gain on disposal of fixed assets	7	443
Impairment losses	(2,582)	(6,055)
Operating profit before tax	5,115	51,406
Finance cost	(4,059)	(2,409)
Finance income	5,906	6,364
Profit before income tax	6,962	55,361
Income tax expense	(2,517)	(16,814)
Profit after income tax	4,445	38,547

Additional information

For the year ended 30 June 2025

Consolidated statement of financial position

	2025 \$'000	2024 \$'000
Cash and cash equivalents	14,359	118,103
Restricted short-term deposits	34,660	22,776
Trade and other receivables	27,314	48,403
Crown indemnity	3,282	4,372
Inventories	29,689	32,013
Income tax	3,535	1,517
New Zealand emission units	319	1,279
Derivative assets	2,266	3,417
Total current assets	244,664	231,880
Property, plant and equipment ("PPE")	67,283	74,425
Mining assets	105,375	76,931
Crown indemnity	30,230	32,573
Interest in joint ventures	18,628	18,672
Deferred tax asset	7,841	6,443
Other financial assets	680	289
Total non-current assets	230,037	209,333
TOTAL ASSETS	474,701	441,213
Trade and other payables	31,466	29,487
Income tax	-	-
Finance leases	5,353	5,719
Deferred consideration	861	1,004
Provisions	5,805	6,942
Total current liabilities	43,485	43,152
Finance leases	1,504	6,535
Deferred consideration	9,862	10,613
Provisions	63,118	62,234
Total non-current liabilities	74,484	79,382
TOTAL LIABILITIES	117,969	122,534
NET ASSETS	356,732	318,679
Contributed equity	353,995	316,970
Reserves	(33,227)	(29,810)
Retained earnings net of dividends	35,964	31,519
EQUITY	356,732	318,679

Additional information

For the year ended 30 June 2025

Consolidated cash flow

	2025 \$'000	2024 \$'000
Cash flows from operating activities		
Receipts from customers	292,419	306,696
Payments to suppliers and employees	(217,760)	(226,420)
Taxes paid	(5,981)	(51,508)
Net inflow from operating activities	68,678	28,768
Cash flows from investing activities		
Exploration and evaluation expenditure	(5,897)	(3,969)
Mining assets (incl. elevated stripping)	(41,717)	(30,297)
PPE purchases net of disposals	(15,532)	(16,904)
Payment of deferred consideration	(1,199)	(1,255)
Investment in NWP	(1,542)	(850)
Other	(24)	2
Net outflow from investing activities	(65,911)	(53,277)
Cash flows from financing activities		
Repayment of leases net of drawdowns	(5,398)	(3,951)
Interest on leases	(587)	(851)
Interest received	6,161	7,491
Issue of shares	35,580	-
Other finance costs	(1,143)	(432)
Net inflow from financing activities	34,613	2,257
Net increase/(decrease) in cash and cash equivalents	37,380	(22,251)
Opening cash and cash equivalents including restricted short-term deposits	140,879	163,131
Closing cash and cash equivalents	178,259	140,879



Independent Auditor's Report

To the shareholders of Bathurst Resources Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2025;
 - the consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended; and
 - notes, including material accounting policy information and other explanatory information.
- In our opinion, the accompanying consolidated financial statements of Bathurst Resources Limited (the Company) and its subsidiaries (the Group) on pages 10 to 45 present fairly in all material respects: the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
 - In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Bathurst Resources Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to the royalty agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
-----------------------------	--

Assessment of recoverability of mining assets

Refer to Note 8 and 11 to the financial statements.

The recoverability of mining assets is a key audit matter due to the judgement involved in assessing the recoverable value.

Key judgements include:

- future coal prices;
- available coal reserves supporting future production levels;
- mining permit and resource consent conditions;
- future operating and capital costs; and
- discount rate.

As a present impairment indicator, the Group's net assets as at 30 June 2025 of NZ\$357 million compared to the Group's market capitalisation of NZ\$202 million based on the share price at 30 June 2025, implies a shortfall of NZ\$155 million.

Our audit procedures included:

- verifying mining permit and resource consent conditions;
- comparing future coal price assumptions with third party contracts and publicly available forward price curves;
- comparing the forecasted production profiles to the JORC reserve reports prepared by management experts;
- challenging the discount rate used by performing sensitivity analysis to consider the impact on the recoverable value assessments;
- verifying the accuracy and completeness of the assets to be written-off where impairments were identified; and
- assessing the disclosures in the consolidated financial statements using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Rehabilitation provision

Refer to Note 16 to the financial statements.

Judgement is required in the determination of the rehabilitation provision, including:

- assumptions relating to the manner in which rehabilitation will be undertaken; and

Our audit procedures included:

- obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision;
- agreeing rehabilitation cost estimates to underlying support, including where applicable reports from external experts;
- assessing the independence, competence and objectivity of

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The key audit matter

— scope and quantum of costs, and timing of the rehabilitation activities.

How the matter was addressed in our audit

experts used by management;

- confirming the closure and related rehabilitation dates are consistent with the latest estimates of life of mines;
- comparing the inflation and discount rates to available market information; and
- testing the mathematical accuracy of the rehabilitation provision.

We also assessed the appropriateness of the disclosures included in Note 16 to the financial statements.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any 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 materially misstated.

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

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

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

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-3-1/>

This description forms part of our independent auditor's report.



KPMG
Christchurch
26 August 2025