

For personal use only



**CANADIAN
PHOSPHATE LTD.**



ACN 145 951 622

**Audited Financial Statements
For the year ended 31 December 2025**

Canadian Phosphate Limited

Year ended 31 December 2025

Directors	Mr. Stuart Richardson	Non-Executive Chairman
	Mr. Daniel Gleeson	Managing Director
	Mr. Malcolm Weber	Non-Executive Director

Company Secretary	Mr. Daniel Smith (resigned 13 June 2025) Mr. John Kay
--------------------------	--

Registered office and Principal Place of business	Level 8, 99 St Georges Terrace Perth WA 6000
--	---

Share Register	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace, Perth WA 6000
-----------------------	---

Auditor	Moore Australia Audit (WA) Level 15 Exchange Tower 2 The Esplanade, Perth WA 6000
----------------	--

Banker	Westpac Banking Corporation
---------------	-----------------------------

Stock Exchange Listing	Australian Securities Exchange (CP8)
-------------------------------	--------------------------------------

Website	www.canadianphosphate.com
----------------	--

For personal use only

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

The following persons were directors of Canadian Phosphate Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Stuart Richardson
Mr. Daniel Gleeson
Mr. Malcolm Weber

Principal activities

The Company's key objective is to become a leading supplier of rock phosphate in Canada to produce high-grade phosphoric acid used in synthetic fertilizer and lithium iron phosphate (LFP) battery manufacturing across North America.

Dividends

There were no dividends paid, recommended, or declared during the current period or previous year.

Review of operations

Overview

CP8 is an exploration and mine development company that aims to become a leading supplier of sedimentary rock phosphate into Canada for use in manufacturing synthetic phosphate fertilizers and LFP batteries across North America.

As a holder of some of the largest and most advanced sedimentary, high-grade, low impurity rock phosphate projects in Western Canada, CP8 has the opportunity to become the only domestic source of synthetic phosphate fertilizer for the agricultural market. Additionally, with the support of phosphoric acid plant technology developed by Novaphos, with whom CP8 has signed a Letter of Intent, CP8 can become a critical source of phosphate for the Lithium Iron Phosphate (LFP) battery market in North America.

CP8 is now working to expand its mineral resource estimates in Canada through planned exploration to become a future key supplier to the synthetic fertilizers and LFP battery markets. These industries are valued at US\$61 billion¹ (2021) and US\$18.7 billion² (2024) respectively, with the latter expected to grow to US\$90.3 billion by 2034². CP8 is reviewing opportunities to secure additional high grade phosphate projects in North America to add to an expanding minable inventory in both Canada and USA.

CP8 aims to develop this through the latest mining and processing technologies, minimizing its environmental footprint, significantly reducing upfront capital investment requirements compared with traditional processing plants, whilst targeting high-grade, high margin phosphoric acid and synthetic fertilizer production.

In parallel, CP8's Canadian deposits are strategically positioned to benefit from the extensive existing rail and road network infrastructure as well as cost-competitive industrial inputs available in its operating regions, including sulfuric acid, natural gas, and hydro-electric power. Access to these inputs available in Western Canada supports the potential development of synthetic fertilizer production and purified phosphoric acid, while improving operating margins and enabling a lower-cost, lower-emissions production profile.

Through this integrated approach, CP8 seeks to build a sustainable phosphate platform capable of serving both traditional agricultural markets and the rapidly expanding LFP battery supply chain. The strategy ultimately aims to create long-term shareholder value by combining disciplined capital deployment, early cashflow generation, and scalable growth toward large-scale production.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Operations Overview

North America

Phosphate product sales of A\$2,306,615 for 2025 remained relatively flat compared with 2024 at A\$2,493,825 due to lengthy plant upgrade developments experienced by a key customer of CP8. Despite this, the company continued to streamline its existing fertilizer business through disciplined cost-reduction initiatives while maintaining consistent sales performance to deliver 51% gross margin.

Full year results have delivered a loss for the year of \$2,210,144, compared with \$1,664,217 in 2024, an increase of \$545,926. The increased loss compared with 2024 comes as a result of the disposal of the pelleting plant book loss of \$532,575, share based payments of \$609,100 and an impairment of an existing non-erected storage shed of \$139,687. These one-off, non-recurring items total \$1,281,362.

CP8 did materially strengthen its balance sheet during the period. Divestment of the pelleting plant generated approximately A\$1.0 million (US\$654,000) in gross cash received in October, while a A\$2.0 million capital raise completed in December was scaled to meet high demand, reflecting strong support from both new and existing investors. This funding outcome validates the Company's mine-to-market strategy articulated last quarter, highlighting CP8's unique position as the only holder of advanced sedimentary rock phosphate projects in Canada, with direct access to critical processing inputs including sulfur and natural gas.

Aligned with the company strategy, CP8 continues to advance through the permitting process for the Wapiti exploration permit, with recent regulatory engagement providing positive feedback to the project. CP8 expects a decision on this application to be finalized in the near term. A positive outcome will allow CP8 to execute the exploration program designed in consultation with Dahrouge Geological Consulting in the summer of 2026, with a view to an updated Mineral Resource Estimate and further metallurgical testing results in late 2026.

Concurrently, CP8 secured a 10,000-tonne bulk sample permit for its Barnes deposit at the Fernie Project in June 2025, and its Pump Station project in Fernie continues to progress towards a 10,000-tonne bulk sample permit, with the application currently out for referral. This application represents an important step toward validating material handling, logistics, geology and processing assumptions while generating representative material for downstream testing with customers. These permitting milestones are central to de-risking the Company's project pipeline and advancing assets along the development pathway and the Pump Station permit will be in addition to the Barnes bulk sample permit.

Australian Operations

FertAg Agriculture 2025 resulted in profit before tax being 8% above budget. This was despite sales being 80% of budget. The improved profit was due to a small increase in gross margin and savings in operating costs. The lower-than-expected sales were due to delays in expanding the retail home and garden market segment.

2025 results when compared to 2024 represent a return to profitability. In 2025 the groundwork has been laid for the introduction of FertAg into a major home and garden retail outlet. This will be implemented progressively in 2026 and is expected to lead to continued improvement in profit performance.

Safety

There were no lost time injuries or environmental incidents recorded during the year ended 31 December 2025.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Outlook for 2026

Global fertilizer markets are expected to remain highly dynamic in 2026, influenced in part by the ongoing conflict involving Iran and USA/Israel, with the resulting disruption to key supply chains for sulfur and sulfuric acid.

Iran is a significant participant in the regional sulfur and fertilizer markets, and geopolitical instability across the Middle East has historically created volatility in sulfur and sulfuric acid pricing. As sulfuric acid is a critical reagent in the production of phosphoric acid and downstream phosphate fertilizers, sustained price increases or supply disruptions have a direct impact on global phosphate production costs. In response, governments across North America and other agricultural regions are increasingly prioritizing fertilizer security as a matter of national food security, placing greater emphasis on domestic production capacity and reduced reliance on imported nutrients.

This structural shift toward fertilizer self-sufficiency aligns closely with the Company's strategy to develop a domestic source of synthetic phosphate fertilizer. By advancing projects capable of producing single super phosphate (SSP) for regional agricultural markets, the Company is positioning itself to become a reliable local supplier of phosphate nutrients at a time when governments and agricultural stakeholders are seeking resilient supply chains. The strategic focus on SSP production leverages the Company's phosphate resources while aligning with regional fertilizer demand and domestically accessible inputs required for production.

While the Company continues to progress through the critically important permitting process for its Wapiti project, early-stage engagement with fertilizer retailers and distribution partners has already commenced to evaluate potential offtake opportunities for SSP. These discussions are focused on understanding regional demand dynamics, expected volumes, pricing frameworks, and market positioning, as well as identifying opportunities for strategic investment participation across the fertilizer value chain. Although these conversations remain preliminary, they provide important validation that the market has the capacity to absorb the anticipated production volumes and that the underlying economic fundamentals of the project remain sound.

In parallel, the Company intends to advance exploration planning at its Fernie phosphate project through the engagement of Dahrouge Geological Consulting. Initial work will involve desktop geological and technical studies designed to refine exploration targets and inform the permitting strategy for future drilling programs. Subject to permitting approvals, this work is expected to position the Company to potentially commence drilling activities at Fernie in 2027. The strategic importance of Fernie lies not only in its geological potential, but also in its logistical advantage, with proximity to Saskatchewan—the largest agricultural producing province in Canada—providing a potential pathway to efficiently supply phosphate fertilizers into one of North America's most significant farming regions.

Supporting this next phase of development, the Company strengthened its governance and technical depth through the establishment of a Strategic Advisory Team to support the Board. The advisory group will provide specialist expertise across the key disciplines required to successfully advance the Company's phosphate assets from resource development through to end-market delivery. This includes deep technical capability in sedimentary phosphate geology, mine development and project execution, as well as downstream fertilizer processing with a particular focus on single super phosphate (SSP) production. The team also brings practical experience in commercializing phosphate projects, including market positioning, fertilizer distribution, and the integration of mining and processing operations to deliver a mine-to-market strategy. The formation of this advisory group ensures that the Board has direct access to industry-leading technical and commercial insights as the Company progresses its projects toward scalable production and long-term value creation.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

To support permitting efforts, CP8 engaged Greenwood Environmental Inc., a leading environmental consulting firm with nearly two decades of expertise in mine permitting, regulatory strategy, and environmental assessment. Greenwood has a proven track record of successfully guiding complex mining projects through British Columbia's environmental and regulatory frameworks, including major operations such as Red Chris Mine, Mt. Milligan Mine, and Kitsault Mine. Its senior-led team specializes in regulatory strategy, environmental assessments, water management, closure planning, and Indigenous engagement, ensuring efficient and defensible permitting processes across all stages of the mining lifecycle. This partnership underscores CP8's dedication to sustainable practices and adherence to regulatory requirements.

Financials

The loss for the consolidated entity after providing for income tax amounted to \$2,210,144 (2024: \$1,664,217).

Sales for the year ended 31 December 2025 were 8% lower than the previous year, \$2,306,615 (2024: \$2,493,825), whilst gross margin increased from 50% to 51% in 2025. The Group also spent \$442,578 (2024: \$519,294) on exploration during the year.

Current assets total approximately \$2,871,591 and include unfinished inventory at cost \$181,721. This inventory is expected to have a gross sales value of \$900,000 and be sold in FY 2026.

The Group loss in FY 2024 was \$2,210,144. This was impacted by non-recurring items:

- A loss on the disposal of the pelletising plant of \$532,575.
- Non-cash share-based payments for the issue of options to directors and consultants of \$609,100.
- Impairment of the carrying value of a storage shed purchased several years ago but not currently installed for use of \$139,687.

Available cash balance at year-end amounted to \$2,442,502 (2024: \$780,921).

Company Name Change

At a general meeting of shareholders held on 21 February 2025, shareholders approved the Company's name change from Fertoz Ltd to Canadian Phosphate Limited, with new ASX ticker code "CP8".

Company Secretary Changes

On 13 June 2025, Mr Daniel Smith resigned as joint company secretary.

Share Registry Changes

On 7 March 2025, the Company changed its share registry from Automic Group to Computershare Investor Services.

Capital Raising

The Company completed a capital raising on 11 December 2025 with support from new and existing shareholders. The capital raised was a gross \$2 million before costs.

Shareholder Meeting

The Company held its Annual General Meeting on 29 May 2025, with all resolutions passed.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Cost control

Despite relatively flat revenue growth in 2025 compared to 2024, the cost basis continues to improve from decisions taken in 2022, 2023 and 2024. Gross margin increased from 50% in 2024 to 51% in 2025. This was despite pricing challenges for Canadian supplied sales from the USA as previously mentioned. Additionally, our operating expenditure increased from \$2.89M in 2024 to \$3.46m in 2025, driven largely through charges to expenses as one off items including the disposal of assets (pelleting plant), share based payments and impairment of a non-current asset(shed) . Comparing the operating costs excluding these three items results in a decrease in expenditure of \$584,000 in FY2025.

Significant changes in the state of affairs

During the year ended 31 December 2025, the Group:

- (a) following the approval of shareholders in February 2025, the Company issued 9,500,000 shares to Directors as part of their participation in a share placement that was undertaken in August 2024;
- (b) following the approval of shareholders in May 2025, the Company issued 18,000,000 options to directors; and
- (c) the Company completed a share placement in December 2025 to new and existing shareholders raising \$2,000,000 before costs through the issue of 40,000,000 shares at \$0.05 per share.

Other than disclosed in this report, in the opinion of the directors there were no significant changes in the state of affairs of the Company during the financial period under review.

Risk Management

Below summarises the material business risks that the Company considers could impede the achievement of its future operational and financial success, and which are relevant to the expectations of the directors that the Company has adequate financial resources to continue as a going concern.

The Company seeks to manage risk to its business through appropriate risk controls and mitigants, however, if any of the following risks materialize, business, financial condition and operating results are likely to be adversely impacted. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in CP8.

Limited Operating History

CP8 has a relatively limited consistent operating history from which an investor can evaluate its business and prospects, particularly with respect to its fertilizer operating segment. The fertilizer operations have generated net losses and negative cash flow from operations since the commencement of operations and CP8 may continue to incur net losses and negative cash flow from operations for a significant period of time as it expands its operations, streamlines fertilizer production options and commercialization of rock phosphate sales to fertilizer manufacturers. Also, the ongoing requirement of applying for regulatory permits and approvals associated with any such expansion.

Reliance on key personnel

CP8 is a development company and will be dependent on its directors, managers and consultants to implement its business strategy. A number of factors, including the departure of senior management of CP8 or a failure to attract or retain suitably qualified key employees, could adversely affect CP8's business strategy.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Capitalization

CP8 had negative operating cash flow on 31 December 2025 and may continue to have negative operating cash flow until revenues increase. The Company currently has adequate funds to develop its business, however, may require additional financing (which may include the issuance of equity or debt securities) or other capital investment to implement its business plan if budgets are not met. The Company has no assurance that additional funding will be available to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of its business plan. If additional funding is required in the future funds that are raised by offering equity securities may result in existing shareholders suffering significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and could also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Additional Financing

CP8 will require additional financing in order to make further investments or take advantage of future opportunities and to grow its business. The ability of CP8 to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business success of CP8. There can be no assurance that CP8 will be successful in its efforts to arrange additional financing on terms satisfactory to CP8.

Profitability

There is no assurance that CP8 will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue CP8's business development and marketing activities. If CP8 does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Management of Growth

CP8 may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of CP8 to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of CP8 to deal with this growth may have a material adverse effect on CP8's business, financial condition, results of operations and prospects.

Issuance of Debt

From time to time, CP8 may enter into transactions to acquire assets or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase CP8's debt levels. Depending on future plans, CP8 may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to CP8.

Dilution

CP8 may make future acquisitions or enter into financings or other transactions involving the issuance of securities of CP8 which may be dilutive to the holdings of existing shareholders.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Price Volatility of Publicly Traded Securities

In recent years, the securities markets globally and specifically Australia where CP8 is listed (CP8: ASX) have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for securities will be subject to market trends generally, notwithstanding any potential success of CP8 in creating revenues, cash flows or earnings. The value of securities will be affected by such volatility. A public trading market in securities having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of securities at any given time, which, in turn is dependent on the individual decisions of investors over which CP8 has no control. There can be no assurance that an active trading market in securities of CP8 will be established and sustained. The market price for CP8's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of CP8. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for securities does not develop, the liquidity of a shareholder's investment may be limited, and the share price may decline.

Dividends

CP8 has not paid any dividends on its outstanding shares. Any payments of dividends on Shares will be dependent upon the financial requirements of CP8 to finance future growth, the financial condition of CP8 and other factors which CP8's board of directors may consider appropriate in the circumstance. It is unlikely that CP8 will pay dividends in the immediate or foreseeable future.

Markets for Securities

There can be no assurance that an active trading market in Shares will be established and sustained. The market price for Shares could be subject to wide fluctuations. Factors such as agriculture commodity prices, government regulation, the demand for fertilizer, interest rates, share price movements of CP8's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of CP8.

Development of Canadian rock phosphate leases

The Company's ability to successfully develop and commercialize key mining leases located in Canada may be affected by numerous factors including but not limited to macro-economic conditions, obtaining required approvals, ability to obtain sufficient funding, customer offtakes, delays in commissioning or ramp up, the mine operations not performing in accordance with expectations and costs overruns.

Tenements

Currently, CP8 wholly licenses all exploration tenements required to operate and develop the said exploration assets in Canada. Renewal of title is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state or territory mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

Exploration risks

Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. CP8's exploration activities will also be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling, and other data.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Mineral Resource and Ore Reserve Estimates

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the Mineral Resource and Ore Reserve estimates may change.

Accordingly, the actual resources and reserves when calculated and reported may materially differ from the existing estimates and assumptions and no assurances can be given that the Mineral Resource and Ore Reserve estimates and the underlying assumptions will be realized. This could result in alterations to development and mining/extraction plans which may in turn affect CP8's operations and ultimately CP8's financial performance and the value of shares.

Fertilizer Products and Markets

The market for CP8's products is undeveloped and development of such markets will require significant marketing efforts, working capital and increased sales and marketing staff. This may present difficulties due to limited resources as the price at which CP8 may sell its products in commercial quantities continues to be assessed and is subject to change due to a number of factors. Examples include having to modify its growth strategy as a result of actual or anticipated competition, customer response, lack of resources, regulatory requirements or other reasons. Operating results and the price at which CP8 will be able to sell its products and services will be highly dependent on the existence of a market for such products and overall farm receipts. Success in marketing and selling products will depend upon multiple factors, including:

- The effectiveness of the products.
- The ability to source ongoing rock phosphate at an acceptable cost and in compliance with regulatory requirements.
- The ability to generate commercial sales of products.
- Acceptance of products and services by target markets.
- Inherent development risks, such as fertilizer products not having the anticipated effectiveness.
- The ability to develop repeatable processes to manufacture our products in sufficient quantities; and
- General economic conditions.

If any of these factors cannot be overcome, CP8 may not be able to introduce products to target markets in a timely or cost-effective manner, which could adversely affect future growth and results. Operating results and the price at which CP8 can sell products will be dependent on demand for products. Demand for products will be affected by a number of factors including weather conditions, commodity prices, and government policies. It is likely that the price at which CP8 sells its products will fluctuate if there are significant changes in the price and availability of other fertilizer products.

Sales Cycle

CP8 is affected by seasonality risk due to weather and the potential buying patterns of major customers. CP8's revenue may therefore be affected by these buying patterns, notably a potential slowdown in sales over the winter and early spring.

Marketing and Distribution Expertise

Achieving market success will require substantial marketing efforts and the expenditure of funds to inform potential customers of the distinctive benefits and characteristics of our fertilizer. CP8's long term success will depend on its ability to expand current marketing capabilities. CP8 will, among other things, need to attract and retain experienced marketing and sales personnel. No assurance can be given that CP8 will be able to attract and retain such personnel or that any efforts undertaken by such personnel will be successful.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Commodity prices

CP8's future prospects and the share price will be influenced by the prices obtained for the commodities produced and targeted in CP8's development and exploration programs. Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for fertilizer, forward selling by producers, costs of production, geopolitical factors (including trade tensions), hostilities and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on CP8's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.

There is no guarantee CP8 will secure sale contracts for fertilizer products on terms favourable to the Company. The market prices for fertilizers have been volatile and are influenced by numerous factors and events beyond the control of the Company.

Product Price and Margin

Operating results are and will be dependent upon product prices and margins, which are in turn dependent on demand for crop inputs. Demand for crop inputs can be affected by a number of factors including weather conditions, outlook for crop nutrient prices and farmer economics, governmental policies, access of our customers to credit, and build-up of inventories in distribution channels. Product price and margins are also significantly influenced by competitor actions that change overall industry production capacity, such as decisions to build or close production plants, changes in utilization rates and pricing decisions.

Competition

CP8's ability to enter into contracts for the supply of products at profitable prices may be adversely affected by the introduction of new suppliers and any increase in competition in the global fertilizer market, either of which could increase the global supply of these products and thereby potentially lower the prices.

Supply chain and counterparty risk

The development and commercialization of CP8's fertilizer operations will involve a complex supply chain. CP8 will depend on suppliers of raw materials, services, equipment and infrastructure to develop the operations, and on providers of logistics to ensure products are delivered. Failure of significant components of this supply chain due to strategic factors such as business failure or serious operational factors could have an adverse effect on the Company's business and results of operations.

Government Regulation

CP8's operations will be subject to a variety of federal, provincial, state and local laws, regulations, and guidelines, including laws and regulations relating to health and safety, fertilizer management, production and sale of fertilizers, including for organic farming use, the conduct of operations, the protection of the environment, the operation of equipment used in operations, the transportation and the import and export of products. CP8 believes that it is currently in compliance with such laws and regulations. CP8 intends to invest financial and managerial resources to ensure such compliance in the future. Although such expenditures historically have not been material, such laws or regulations are subject to change. Accordingly, it is impossible for the Company to predict the cost or impact of such laws and regulations on its future operations. If CP8 is unable to comply with current or future government regulations of its products and production activities, CP8 may be forced to discontinue production of current or future products. Each product that is developed, produced, marketed, or licensed presents unique regulatory problems and risks. The problems and risks depend on the product type, its uses, and method of manufacture. For products used in human nutrition, CP8 will be required to adhere to requirements published by the CFIA, USDA, the International Organization for Standardization ("ISO"), and other applicable standards.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Operating Risks and Insurance

CP8's operations will be subject to hazards inherent in the fertilizer manufacturing and sale of products, such as labour disruptions and unscheduled downtime, equipment defects, malfunctions and failures, loss of product in processing, and natural disasters, that can cause personal injury, loss of life, suspension of operations, damage to plants, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose CP8 to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages and the imposition of civil or criminal penalties. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In the event of equipment defects, malfunctions or failures, there can be no assurance that supplier warranties will be effective to compensate us for any losses. CP8 will continuously monitor its activities for quality control and safety. However, there are no assurances that safety procedures will always prevent the damages described above. Although CP8 will maintain insurance coverage that it believes to be adequate and customary in the industries in which it operates, there are no assurances that such insurance will be adequate to cover all liabilities. In addition, there are no assurances that CP8 will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits, or a claim at a time when CP8 is not able to obtain liability insurance, could have a material adverse effect on its ability to conduct normal business operations.

Environmental and Regulatory Risk

CP8's operations are subject to environmental risks and regulatory compliance and there are no assurances that CP8 operations will be in compliance with all regulatory requirements. New or amended environmental laws and regulations may require CP8 to curtail or stop operations at one or more sites or may require expenditures by us to install environmental control equipment or modify operations. Failure to comply could subject CP8 to fines or penalties. There can be no assurances that CP8 will not experience difficulties in its efforts to comply with such laws and regulations in future years, or that the costs associated with CP8's continued compliance efforts will not have a material adverse effect on its business and financial condition. The ability to use its product in organic agriculture is a key component to the marketability of such product. Should any regulatory body prohibit organic matter fertilizers for use in organic agriculture it would materially adversely affect the marketability of the products of CP8.

Taxation

In all places where CP8 has operations, in addition to the normal level of income tax imposed on all industries, CP8 may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Foreign exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on CP8's operating costs and cash flows expressed in Australian dollars.

Occupational health and safety

Exploration and production activities may expose CP8's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a license or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Economic factors

The operating and financial performance of CP8 is influenced by a variety of general economic and business conditions, including levels of consumer spending, energy prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of CP8.

Weather and Climate

Adverse weather conditions represent a very significant operating risk affecting CP8 operations and customers demand for products. Weather conditions affect the types of crops grown, the quality and quantity of production and the levels of farm inputs which, in turn, will affect demand for CP8 products. The impacts of climate change may affect CP8 operations and the markets in which CP8 sell its products. Regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions may impact negatively CP8's operations, customers operations and supply chains globally. Climate change may also result in adverse weather conditions, such as drought or excessive rains, which can directly impact farmers resulting in both reduced demand for fertilizers and/or reduced crop production by farmers resulting in less demand for CP8 products. Such adverse weather conditions could have a material adverse effect on operating results and the financial condition of CP8.

Political risk and instability

CP8's operations are located in Australia, USA, and Canada. CP8 is subject to the risk that it may not be able to carry out its activities as it intends, including because of a change in government, legislation, regulation or policy. This can include, but not limited to potential tariffs between the USA, Canada and Mexico in particular. The impact of this is potentially higher when CP8 is challenged with supply constraints in any of these countries it operates in as it necessitates movement of product across the borders where tariffs are implemented.

International conflicts risk

Global geopolitical tensions, including the ongoing Russia-Ukraine and Iran-USA/Israel conflict, continue to contribute to volatility in global financial, energy and commodity markets. These developments have the potential to disrupt international trade flows, shipping routes, and supply chains, particularly for key industrial and agricultural inputs such as energy, sulfur and sulfuric acid, which are important components in fertilizer production.

While CP8 does not have direct operational exposure to jurisdictions currently subject to international sanctions, broader geopolitical developments may indirectly affect commodity prices, input costs, capital markets and investor sentiment. As a listed company on the ASX, CP8 may also be impacted by periods of increased market volatility and uncertainty affecting access to capital.

Litigation risks

CP8 is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position.

Force Majeure

CP8's operations now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics (i.e., COVID-19), explosions or other catastrophes, epidemics or quarantine restrictions.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Review of operations (continued)

Risk Management

CP8 seeks to manage enterprise-wide risk through a number of risk controls and mitigants. Specific risk controls and mitigants include but are not limited to:

- Board risk oversight
- Implementation and adoption of Company policies and standards
- Adoption of a Group risk procedures document (under development)
- Implementation of compliant Occupational Health and Safety processes and procedures at all operations (under development)
- Insuring business activities and operations in accordance with industry practice
- Engaging appropriate tax, finance, accounting and legal advisors.

Forward-Looking Statements

This announcement may include forward-looking statements and opinions. Forward-looking statements, opinions and estimates are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements, opinions or estimates. Actual values, results or events may be materially different to those expressed or implied in this announcement.

Given these uncertainties, readers are cautioned not to place reliance on forward-looking statements, opinions or estimates. Any forward-looking statements, opinions or estimates in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, CP8 does not undertake any obligation to update or revise any information or any of the forward-looking statements opinions or estimates in this announcement or any changes in events, conditions or circumstances on which any such disclosures are based.

Matters subsequent to the end of the financial year

On or about 6 February 2026, the Company appointed a strategic advisory team, consisting of three experts to help drive execution of its mine-to-market phosphate strategy. Each member was issued 1,000,000 performance rights, with 3,000,000 performance rights being issued in total. Each member has been engaged for a twelve-month term, and the performance rights will vest into fully paid ordinary shares on a 1 for 1 basis upon completion of twelve months' service with the Company.

No other significant events occurred after the reporting date.

Likely developments and expected results of operations

The consolidated entity intends to continue its fertilizer development and production activities.

Environmental regulation

The consolidated entity is subject to environmental regulations under laws of British Columbia and Alberta, Canada where it either holds or has a right to explore on such tenements. During the financial year the consolidated entity's activities recorded no non-compliance issues.

Corporate Governance

CP8's Corporate Governance Statement and Appendix 4G can be found on the Company's website at: <https://canadianphosphate.com/company/corporate-governance/>

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Information on directors

Mr. Stuart Richardson BBA, CPA

Non-executive Chairman (appointed 2 December 2022)

Mr Richardson has extensive experience with more than 40 years in capital markets both in Australia and overseas in investment banking and stockbroking. He is a founding director of Blackwood Capital Limited an Australian based investment bank operating in capital markets, advisory and funds management in equities and private equity. Mr Richardson has not been a director of any other listed company in the last three years.

Interests in shares:	19,475,556
Interests in options:	6,600,000
Contractual rights to shares:	None

Mr. Daniel Gleeson

Managing Director (appointed 2 December 2022)

Mr. Gleeson has more than 20 years' experience in the agribusiness sector and was formerly the Global Marketing Head of global agricultural technology and science company Syngenta Group, based in Chicago, USA.

Prior to his role at Syngenta, he held various positions at Limagrain, an international agricultural co-operative Group based in France, which specialises in field seeds, vegetable seeds and cereal products. These roles included Vice President, Global Portfolio Manager, General Manager and National Sales Manager, based in locations including Thailand, USA, Australia, and France. In his roles he has managed teams of up to 700 staff and revenues of more than USD \$700 million and has gained experience in M&A including due diligence and integration, research and development, portfolio, and geographical expansion, introducing new operating models and talent acquisition. Mr Gleeson has not been a director of any other listed company in the last three years.

Interests in shares:	2,000,000
Interests in options:	10,000,000 options
Contractual rights to shares:	5,750,000 performance rights subject to various KPIs

Mr. Malcom Weber

Non-executive Director (appointed 17 June 2024)

Mr Weber is an experienced financial advisor with more than 35 years of corporate, institutional and client interaction. He is a substantial shareholder in the Company and is excited by the opportunities that CP8 Managing Director and CEO Daniel Gleeson and his team are addressing in regenerative and sustainable agriculture. Mr Weber is currently pursuing his generational interest in cattle breeding and the associated demands of pasture and production. He understands the needs of growers and the increasing requirements for organic, regenerative fertilizers which are beneficial to the producer, the environment and the end-product consumer. Mr Weber has not been a director of any other listed company in the last three years.

Interests in shares:	23,801,034
Interests in options:	3,000,000
Contractual rights to shares:	None

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2025, and the number of meetings attended by each director were:

	Year ended 31 December 2025 Board of Directors	
	Number eligible to attend*	Number attended
Mr. Stuart Richardson	1	1
Mr. Daniel Gleeson	1	1
Mr Malcolm Weber	1	1

The Board of the Company undertakes the responsibilities of both the Nomination and Remuneration Committee and the Audit and Risk Committee. Note that the board and key management have met by-weekly throughout 2025 to discuss operational matters, opportunities and funding requirements including all necessary due diligence and project evaluation and sign offs. They continue to meet by-weekly in 2026.

REMUNERATION REPORT (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. There are currently no key management personnel other than Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms to the market best practice for the delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board undertakes the responsibilities of the Nomination and Remuneration Committee and is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

The framework seeks to align performance to shareholders' interests by:

- Having economic profit as a core component of plan design
- Focusing on sustained growth in shareholder wealth as well as focusing the executive on key non-financial drivers of value
- Attracting and retaining high calibre executives.

and aligns the program participants' interests by:

- Rewarding capability and experience
- Reflecting competitive reward for contribution to growth in shareholder wealth
- Providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Non-executive directors may receive share options to ensure alignment with the Board's responsibility of creating shareholder wealth. The remuneration for each non-executive director has been set at no greater than \$50,000 per annum by way of either cash payments and/or shares issued in lieu (refer details of Directors remuneration table).

ASX listing rules require the aggregate non-executive director's remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held in April 2024, where the shareholders approved an aggregate remuneration of \$500,000 per annum. To conserve cash for the Group, the non-executive directors agreed to waive their directors' fees for the years ended 31 December 2025, 2024 and 2023.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave payable to eligible employees.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the consolidated entity and provides additional value to the executive. The consolidated entity has short-term incentives ('STI').

The company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the company's shareholders.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

Consolidated entity performance and link to remuneration

The consolidated entity's remuneration framework is designed to attract, retain and motivate those people who can drive CP8' culture and deliver its business strategy and supports alignment to long term overall company performance and creation of shareholder value. Remuneration packages are structured to reward meeting individual, business unit and the entity's targets and objectives, including maximising returns for shareholders.

The link between remuneration, company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international phosphate prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The earnings of the consolidated entity for the years ended 31 December 2021 to 2025 are summarised below:

	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$
Sales revenue	2,306,615 ¹	2,493,825 ¹	2,785,863 ¹	3,556,807 ¹	2,243,501 ¹
EBITDA	(1,909,965)	(1,262,986)	(4,194,579)	(4,135,163)	(3,733,438)
EBIT	(2,115,829)	(1,555,555)	(4,411,856)	(4,218,125)	(3,752,831)
(Loss) after income tax	(2,210,144)	(1,664,217)	(4,475,098)	(4,215,190)	(3,752,831)

¹ This does not include receipt from sale of materials removed from the Company's Fernie Project in British Columbia of \$nil (2024: \$nil, 2023: \$259,663; 2022: \$828,627)

The factors that are considered to affect total shareholders return ('TSR') for the years ended 31 December 2021 to 2025 are summarised below:

	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$
Share price at financial year end (\$)	0.075	0.025	0.051	0.17	0.25
Total dividends declared (<i>cents per share</i>)	-	-	-	-	-
Basic earnings per share (<i>cents per share</i>)	(0.72)	(0.62)	(1.79)	(1.73)	(1.94)

Use of remuneration consultants

The consolidated entity did not engage remuneration consultants during the year ended 31 December 2025.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM')

At the 2025 AGM, the remuneration report for the year ended 31 December 2024 was adopted. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

Details of remuneration

Amounts of remuneration

Details of the remuneration of Key Management Personnel ("KMP") of the consolidated entity for the year ended 31 December 2025 are set out in the following tables. The key management personnel of the consolidated entity consisted of the following directors of Canadian Phosphate Limited:

- Mr. Daniel Gleeson - Managing Director and CEO
- Mr. Stuart Richardson – Non-Executive Chairman
- Mr. Malcolm Weber - Non-Executive Director

For the year ended 31 December 2025

Director	Short Term Benefits				Post Employment	Share Based Payments		Total \$	Fixed (%)	Proportion of remuneration performance related
	Salary and fees \$	Bonus \$	Short-term benefits \$	Long-term benefits \$	Superannuation \$	Options / Perf Shares \$	Shares \$			LTI (%)
Stuart Richardson	-	-	-	-	-	106,795	-	106,795	-	-
Daniel Gleeson	318,526	-	19,072	-	31,474	263,389	-	632,461	58%	42%
Malcolm Weber	-	-	-	-	-	64,077	-	64,077	-	-
Total	318,526	-	19,072	-	31,474	434,261	-	803,333		

For the year ended 31 December 2024

Director	Short Term Benefits		Post Employment	Share Based Payments		Total \$	Fixed (%)	Proportion of remuneration performance related
	Salary and fees \$	Bonus \$	Superannuation \$	Options / Perf Shares \$	Shares \$			LTI (%)
Gregory West ¹	-	-	-	-	-	-	-	-
Stuart Richardson	-	-	-	-	-	-	-	-
Daniel Gleeson	435,872	-	-	24,692	-	460,562	95%	5%
Malcolm Weber ²	-	-	-	-	-	-	-	-
Total	435,872	-	-	24,692	-	460,562	-	-

¹ Resigned 17 June 2024

² Appointed 17 June 2024

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

Service agreements

Remuneration and other terms of employment for key executive management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Daniel Gleeson
Title: Managing Director & CEO
Agreement commenced: 1 January 2025
Term of agreement: The Employment Agreement provides for a base salary of AUD \$350,000 per annum inclusive of statutory superannuation and has the following additional compensation:
a) 8,000,000 options exercisable at \$0.05 each, with an expiry of 6 June 2030;
b) 2,000,000 options exercisable at \$0.10 each, with an expiry of 6 June 2030.

Key management personnel have no additional entitlement to termination payments in the event of removal for misconduct.

Shareholding

The number of shares in the company held during the year ended 31 December 2025 by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals /other	Balance at the end of the year
<i>Ordinary shares</i>					
Stuart Richardson	14,325,556	-	5,150,000	-	19,475,556
Daniel Gleeson	2,000,000	-	-	-	2,000,000
Malcolm Weber	18,966,420	-	4,834,614	-	23,801,034
	35,291,976	-	9,984,614	-	45,276,590

Additional disclosures relating to key management personnel

Performance rights

The number of performance rights which are treated as in-substance options held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Converted to ordinary shares	Expired*	Balance at the end of the year
<i>Performance shares</i>					
Daniel Gleeson	5,750,000	-	-	-	5,750,000
	5,750,000	-	-	-	5,750,000

For information regarding the fair value of these performance rights, refer to note 30 to the financial statements.

Options

The number of options held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Converted to ordinary shares	Expired*	Balance at the end of the year
<i>Options</i>					
Stuart Richardson	1,600,000	5,000,000	-	-	6,600,000
Daniel Gleeson	-	10,000,000	-	-	10,000,000
Malcolm Weber	-	3,000,000	-	-	3,000,000
	1,600,000	18,000,000	-	-	19,600,000

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

Share based compensation

Shares under option

The Company issued 14,400,000 options to directors Daniel Gleeson, Stuart Richardson and Malcolm Weber, following receipt of shareholder approval on 29 May 2025, with an exercise price of \$0.05, expiring on 6 June 2030. These options were valued at \$317,533 and recorded as share-based payments expense during the year. Refer to note 30(b) for further details.

The Company issued 3,600,000 options to directors Daniel Gleeson, Stuart Richardson and Malcolm Weber, following receipt of shareholder approval on 29 May 2025, with an exercise price of \$0.10, expiring on 6 June 2030. These options were valued at \$66,929 and recorded as share-based payments expense during the year. Refer to note 30(b) for further details.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued

No shares were issued to Directors during the 2025 year.

Other transactions with Key Management Personnel

Loan from a Director

As detailed above and in Note 14 of this Annual Report during the year ended 31 December 2023, Mr Stuart Richardson, a director of the Company agreed to provide the Company with a fully drawn short-term unsecured loan of \$300,000 on commercial arms' length terms. On 22 March 2025, the loan was extended by an additional three years on the same terms.

The loan was applied towards working capital purposes of the Company. The total amount payable by the Company at balance date is \$307,541 which includes accrued interest of \$7,541. The total interest expense for the year ended 31 December 2025 was \$30,000.

Consulting Fees

The Company paid \$132,000 (incl GST) to Blackwood Capital Pty Ltd, a related entity of Mr Stuart Richardson, for consulting fees associated with the share placement raised during the year ended 31 December 2025.

*******This concludes the remuneration report, which has been audited. *******

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year ended 31 December 2025, the company paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Canadian Phosphate Limited

Year ended 31 December 2025

DIRECTORS' REPORT

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Amounts paid or payable of \$9,350 (2024: \$nil) to Moore Australia Pty Ltd, a related company of the auditor, for non-audit services provided during the year ended 31 December 2025. This related to preparation of the tax return and taxation advice.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Moore Australia Audit (WA)

There are no officers of the company who are former partners of Moore Australia Audit (WA)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Moore Australia Audit (WA) is the Company's auditor and prevails in office in accordance with section 327 of the Corporation Act 2001.

On behalf of the directors



Stuart Richardson

27 March 2026

For personal use only

Auditor's Independence Declaration **Under Section 307c of the Corporations Act 2001**

To the directors of Canadian Phosphate Limited

As lead auditor of Canadian Phosphate Limited, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Suan Lee Tan
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)

Perth
27 March 2026



Moore Australia Audit (WA)
Chartered Accountants

Canadian Phosphate Limited

Year ended 31 December 2025

CONTENTS

Contents

Consolidated statement of profit or loss and other comprehensive income	23
Consolidated statement of financial position	24
Consolidated statement of changes in equity	25
Consolidated statement of cash flows	26
Notes to the financial statements	27
Directors' declaration	54
Independent auditor's report to the members of Canadian Phosphate Limited	55
Shareholder information	60

General information

The financial statements cover Canadian Phosphate Limited as a consolidated entity consisting of Canadian Phosphate Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Canadian Phosphate Limited's functional and presentation currency.

Canadian Phosphate Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

Level 8, 99 St Georges Terrace, Perth, WA 6000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 March 2026. The directors have the power to amend and reissue the financial statements.

Canadian Phosphate Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		\$	\$
Revenue from contracts with customers	4	2,306,615	2,493,825
Cost of goods sold		(1,139,216)	(1,258,549)
		<u>1,167,399</u>	<u>1,235,276</u>
Other Income	4	180,056	103,322
Expenses			
Audit & accounting		200,508	172,747
Carbon project expenditure		-	12,521
Consultant fees & employee compensation		522,598	637,315
Depreciation & amortisation		205,864	292,791
Impairment expense		139,687	109,139
Insurance		119,293	152,422
Investor relations		66,433	52,415
Legal		21,855	9,277
Listing fees and share registry		75,195	106,978
Marketing & selling		788,904	1,096,337
Provision for impairment of debt	7a	-	40,224
Share based payment	30	609,100	(19,036)
Loss on disposal of non-current assets		532,575	-
Other expenses		181,272	231,166
Total expenses		<u>3,463,284</u>	<u>2,894,296</u>
Finance			
Interest income	4	(9,514)	(7,962)
Interest expense		103,905	116,402
Foreign exchange loss/(gain)		(76)	80
		<u>94,315</u>	<u>108,520</u>
Loss before income tax expense		(2,210,144)	(1,664,217)
Income tax expense	5	-	-
Loss after income tax expense for the year		<u>(2,210,144)</u>	<u>(1,664,217)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain/(loss)		(893,021)	342,456
Other comprehensive income for the year, net of tax		<u>(893,021)</u>	<u>342,456</u>
Total comprehensive income for the year		<u>(3,103,165)</u>	<u>(1,321,671)</u>
Loss per share for loss attributable to the owners of Canadian Phosphate Limited			
Basic loss per share (cents)	29	(0.72)	(0.62)
Diluted loss per share (cents)	29	(0.72)	(0.62)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Canadian Phosphate Limited
Consolidated statement of financial position
As of 31 December 2025

	Note	2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	2,442,502	780,921
Trade and other receivables	7a	242,588	300,134
Inventories	7b	181,721	463,349
Other current assets	8	4,780	77,862
Total current assets		2,871,591	1,622,266
Non-current assets			
Exploration and evaluation assets	9	7,218,952	7,488,180
Property, plant and equipment	10	144,870	339,803
Right-of-use assets	13	-	1,764,381
Environmental Bonds	11	382,944	334,881
Total non-current assets		7,746,766	9,927,245
Total assets		10,618,357	11,549,511
Current liabilities			
Trade and other payables	12	206,266	293,047
Lease liability	13	2,465	126,804
Borrowing	14	-	307,541
Convertible notes	15	135,860	-
Total current liabilities		344,591	727,392
Non-current liabilities			
Lease liability	13	-	224,516
Borrowing	14	307,541	-
Convertible notes	15	-	237,069
Total non-current liabilities		307,541	461,585
Total liabilities		652,132	1,188,977
Net assets		9,966,225	10,360,534
Equity			
Issued capital	16,17	37,479,913	35,380,157
Convertible note (Equity component)		934,575	934,575
Share based payment reserve		4,182,911	3,573,811
Translation reserve		(22,013)	871,008
Accumulated losses		(32,609,161)	(30,399,017)
Total equity		9,966,225	10,360,534

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Canadian Phosphate Limited
Consolidated statement of changes in equity
For the year ended 31 December 2025

	Issued capital	Accumulated losses	Equity component of convertible note	Share Based Payment Reserve	Translation Reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2025	35,380,157	(30,399,017)	934,575	3,573,811	871,008	10,360,534
Loss after income tax expense for the period	-	(2,210,144)	-	-	-	(2,210,144)
Other comprehensive loss for the period	-	-	-	-	(893,021)	(893,021)
Total comprehensive profit/(loss) for the period	-	(2,210,144)	-	-	(893,021)	(3,103,165)
<i>Transaction with owners in their capacity as owners:</i>						
Shares issued (Note 17)	2,225,800	-	-	-	-	2,225,800
Capital raising costs	(126,044)	-	-	-	-	(126,044)
Equity component of convertible notes issued	-	-	-	-	-	-
Share-based payments	-	-	-	609,100	-	609,100
At 31 December 2025	37,479,913	(32,609,161)	934,575	4,182,911	(22,013)	9,966,225
Balance at 1 January 2024	34,415,604	(28,734,800)	934,575	3,592,847	528,552	10,736,778
Loss after income tax expense for the period	-	(1,664,217)	-	-	-	(1,664,217)
Other comprehensive loss for the period	-	-	-	-	342,456	342,456
Total comprehensive profit/(loss) for the period	-	(1,664,217)	-	-	342,456	(1,321,761)
<i>Transaction with owners in their capacity as owners:</i>						
Shares issued (Note 17)	1,016,656	-	-	-	-	1,016,656
Capital raising costs	(52,103)	-	-	-	-	(52,103)
Equity component of convertible notes issued	-	-	-	-	-	-
Other shares issued (vesting of performance shares)	-	-	-	-	-	-
Shares issued in lieu of consulting fees	-	-	-	-	-	-
Reversal of prior share-based payments	-	-	-	(169,115)	-	(169,115)
Share-based payments	-	-	-	150,079	-	150,079
At 31 December 2024	35,380,157	(30,399,017)	934,575	3,573,811	871,008	10,360,534

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Canadian Phosphate Limited
Consolidated statement of cashflows
For the year ended 31 December 2025

	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,549,197	2,663,443
Payments to suppliers and employees		(2,904,957)	(3,703,807)
Interest received		2,284	7,852
Interest and other costs of finance paid		(152,690)	(133,818)
Net cash inflow / (outflow) from operating activities	28	(506,166)	(1,166,329)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(516,293)	(586,153)
Proceeds from sale of assets		969,967	13,619
Net cash inflow / (outflow) from investing activities		453,674	(572,535)
Cash flows from financing activities			
Proceeds from issue of shares		2,209,000	1,016,656
Payments for equity raising costs		(126,044)	(52,104)
Lease principal repayments		(373,519)	(165,019)
Net cash inflow / (outflow) from financing activities		1,709,437	799,534
Net increase/(decrease) in cash and cash equivalents		1,656,945	(939,330)
Cash and cash equivalents at the beginning of the financial period		780,921	1,695,854
Effects of exchange rate changes on cash and cash equivalents		4,636	24,397
Cash and cash equivalents at the end of the financial period	6	2,442,502	780,921

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies

Corporate Information

The financial report of Canadian Phosphate Limited for the year ended 31 December 2025 was approved by the board on 27 March 2026. Canadian Phosphate Limited (the Company) is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 8, 99 St Georges Terrace, Perth, WA 6000.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Canadian Phosphate Limited ('company' or 'parent entity') as of 31 December 2025 and the results of all subsidiaries for the year then ended. Canadian Phosphate Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or the 'Group'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies *(continued)*

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Canadian Phosphate Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is reclassified through profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts (if any), which are shown within borrowings in current liabilities on the statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value on a weighted average basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	3-10 years
---------------------	------------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies *(continued)*

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leaves not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies (continued)

Employee benefits (continued)

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo, Trinomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, market based vesting conditions, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The value of equity-settled transactions is determined by applying either the Monte Carlo or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The carrying values of financial assets and financial liabilities approximate their fair values due to their short-term nature.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies *(continued)*

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Canadian Phosphate Limited, 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 financial 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Revenue Recognition

Sale of phosphate

Sale of phosphate is recognised when the phosphate is delivered to the customer and there is no unfulfilled obligation that could affect the customers' acceptance of the phosphate. Delivery occurs when the phosphate has been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the phosphate in accordance with the sales contract the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Payment is typically due after 30-45 days from invoice date. There is no significant financing component in the pricing.

Unsatisfied performance obligations

The Group continues to recognise its contract liabilities under AASB 15 in respect of any unsatisfied performance obligations, which are disclosed as Unearned revenue in the Consolidated Statement of Financial Position.

Financing components

The Group does not recognise adjustments to transition prices or Contract balances where the period between the transfer of promised goods or services to the customer and payment by customer does not exceed one year.

Loss making contracts

A provision for loss making contracts is recorded for the difference between the expected costs of fulfilling a contract and the expected remaining economic benefits to be received where the forecast remaining costs exceed the forecast remaining benefits.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Trade and other receivables

Trade receivables are initially recognised at the fair value of the goods provided to the customer and subsequently at amortised cost less expected credit loss allowances. Other receivables are initially recognised at cost and subsequently measured at amortised cost less expected credit loss allowances. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 1. Material accounting policies (continued)

New and Amended Accounting Policies Adopted

The Company has considered the implications of new or amended AASBs which have become applicable for the current annual financial period beginning on or after 1 January 2025. It has been determined by the Company that there is no impact, material or otherwise, of the new or amended AASBs and therefore no changes to Company's accounting policies. No retrospective change in accounting policy or material reclassification has occurred during the financial year.

Accounting Standards Issued but not yet effective

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements. The Company does not anticipate that there will be any material impact arising from the issue of these new and amended pronouncements.

New standards and interpretations effective for the period commencing 1 January 2026 include:

- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11

New standards and interpretations effective for the period commencing from 1 January 2027 include:

- AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity
- AASB 18 Presentation and Disclosure in Financial Statements

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition

The Group has recognised revenue net of trade discounts and adjustment for moisture content during the year. The customer is entitled to receive a discount if the moisture contents in the product are above certain levels as specified in the contract. Management determined that the discount applied as a result of moisture content has been adjusted for when recognising the revenue and a significant reversal in the amount of revenue recognised will not occur, therefore it is appropriate to recognise revenue on the invoiced amount net of discounts upon delivery of the product.

Revenue from the sale of product removed from the Group's exploration sites has been offset against capitalised exploration and evaluation expenditure as the sale of this product is part of the bulk sampling and evaluation phase for these tenements.

Trade Receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables have been Grouped based on shared credit risk characteristics and the days past due. The Group has concluded that the expected loss rates for trade receivables are a reasonable approximation based on payment profiles of sales over a period of 36 months before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using market price of the shares or either the Monte Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. These models require a number of assumptions to be made including the expected future volatility of the share price, the estimated vesting date and the risk-free interest rate. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a net loss after tax of \$2,210,144 and net operating cash outflows of \$506,166 for the year ended 31 December 2025. As at 31 December 2024 the Group had cash of \$2,442,502.

The ability of the Group to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Group to meet its cashflow forecasts;
- the ability of the Group to raise capital, as and when necessary; and
- the ability of the Group to sell non-core assets.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The Group has a cash balance of \$2,442,502.
- proven ability of the Group to raise the necessary funding or settle debts via the issuance of shares; and
- the Group is operating an expanding rock phosphate and organic fertilizer business and plans to continue to expand this business in the coming year.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on geographical location being Australian and North American operations, reflected by the subsidiaries in the Group. These operating segments are based on the internal reports that are reviewed and used by the board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The CODM reviews earnings before and after tax. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Where applicable, corporate costs, finance costs, interest revenue, tax and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a consolidated entity basis thus disclosed under unallocated category.

Consolidated – 31 December 2025	Australia	North America	Carbon	Unallocated	Total
	\$	\$	\$	\$	\$
<i>Revenue</i>					
Sales of phosphate fertilizer	510,448	1,796,167	-	-	2,306,615
Other income	180,056	-	-	-	180,056
Total revenue and other income	690,504	1,796,167			2,486,671
Profit/(Loss) before income tax expense	51,162	(782,274)	-	(1,479,032)	(2,210,144)
Income tax revenue	-	-	-	-	-
Profit/(Loss) after income tax expense	51,162	(782,274)	-	(1,479,032)	(2,210,144)
<i>Assets</i>					
Segment assets	321,115	8,029,177	-	2,268,065	10,618,357
Segment liabilities	(5,518)	(21,846)	-	(624,768)	(652,132)
Segment net assets	315,597	8,007,331	-	1,643,297	9,966,225

Canadian Phosphate Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

Note 3. Operating segments (Continued)

Consolidated – 31 December 2024	Australia	North America	Carbon	Unallocated	Total
	\$	\$	\$	\$	\$
<i>Revenue</i>					
Sales of phosphate fertilizer	525,938	1,968,087	-	-	2,493,825
Other income	103,322	-	-	-	103,322
Total revenue and other income	629,260	1,968,087	-	-	2,597,147
Profit/(Loss) before income tax expense	(55,810)	(1,099,247)	(100,748)	(408,412)	(1,664,217)
Income tax revenue	-	-	-	-	-
Profit/(Loss) after income tax expense		(1,099,247)	(100,748)	(408,412)	(1,664,217)
<i>Assets</i>					
Segment assets	385,873	10,577,279	-	586,359	11,549,511
Segment liabilities	(25,797)	(481,388)	-	(681,792)	(1,188,977)
Segment net assets	360,076	10,095,891	-	(95,433)	10,360,534

Segment non-current asset

Consolidated	
2025	2024
\$	\$

Non-current assets, excluding financial instruments and deferred tax assets, located in:

Australia	-	-
North America	7,363,822	9,592,364
	7,363,822	9,592,364

Note 4. Revenue and other income

Consolidated	
2025	2024
\$	\$

Sales Revenue

Sale of phosphate fertilizer products – at point in time	2,306,615	2,493,825
	2,306,615	2,493,825

Other income

Interest	9,514	7,962
----------	-------	-------

Other income

	180,056	103,322
	180,056	103,322

Canadian Phosphate Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

Note 5. Income tax

	Consolidated	
	2025 \$	2024 \$
Income tax expenses		
Current tax expense	(313,519)	(291,229)
Deferred tax expense	313,519	291,229
Aggregate income tax expenses	-	-
<i>Numerical reconciliation of income tax and tax at statutory rate</i>		
Profit/ (loss) before income tax expenses from continuing operations	(2,210,144)	(1,664,217)
Tax at statutory tax rate of 25% (2024: 25%)	(552,536)	(416,054)
Tax effect on amounts which are not deductible/(taxable) in calculating income		
Tax adjustment for tax rate variance in foreign jurisdictions	81,024	109,925
Entertainment expenses	334	656
Share-based payments	152,275	(4,759)
Non-deductible Convertible Note interest	5,364	19,004
Deferred tax assets derecognised/(recognised)	313,539	291,229
Income tax expense	-	-
Unrecognised deferred tax assets		
Unused tax losses	25,745,992	26,626,726
Unused capital losses	10,000	10,000
Capital raising costs in equity	154,084	279,473
Accruals and provisions	128,654	152,148
Other deductible temporary differences	136,077	465,667
AASB16 Lease Liability	2,465	351,320
	26,177,271	27,885,333
Deferred tax assets not taken up at 25% (2024: 25%)	6,544,318	6,971,333

Note 6. Current assets – Cash and cash equivalents

	Consolidated	
	2025 \$	2024 \$
Cash at bank	2,442,502	780,921
	2,442,502	780,921
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	2,442,502	780,921
Balance as per statement of cashflows	2,442,502	780,921

Canadian Phosphate Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

Note 7a. Current assets – Trade and other receivables

Consolidated	
2025	2024
\$	\$
Trade receivables	237,774
Less: expected credit loss provision	(55,295)
Other receivables	117,655
242,588	300,134

The following table shows the movement in lifetime expected credit loss that has been recognised for trade receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

Lifetime ECL opening balance	55,295	54,542
Add: expected credit loss provision	(55,295)	40,224
Less: bad debts written off	-	(39,471)
Closing balance	-	55,295

The balance of receivables that remain within initial trade terms (tabled below) are considered to be of acceptable credit quality.

	Gross amount	Past due & impaired	Past due but not impaired	Within initial trade terms
	\$	\$	\$	\$
At 31 December 2025	142,407	-	-	142,407
At 31 December 2024	237,774	55,295	3,297	179,182

Note 7b. Current assets – Inventory

Consolidated	
2025	2024
\$	\$
Crushed raw ore	401,475
Finished products	61,874
181,721	463,349

Inventory consists of the following

Crushed raw ore
 Finished products

The amount of inventory recognised in cost of goods sold expense during the year ended 31 December 2025 was \$228,822 (2024: \$357,003)

Note 8. Current assets – Other current assets

Consolidated	
2025	2024
\$	\$
GST & other receivables	77,862
4,780	77,862

GST & other receivables

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 9. Non-current assets – Exploration and evaluation assets

	Consolidated	
	2025	2024
	\$	\$
Exploration and evaluation assets, at cost	7,218,952	7,488,180
Reconciliations of the carrying amounts at the beginning and the end of the current and previous financial year are set out below		
<i>Movements in property, plant and equipment</i>		
Carrying amount at beginning of the period	7,488,180	6,873,957
Additions	442,578	519,294
Proceeds from sale of material removed from Fernie	-	-
Foreign exchange movement	(711,806)	94,929
Carrying amount at the end of period	7,218,952	7,488,180

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of projects or alternatively through the sale of the area of interest.

Note 10. Non-current assets – Property, plant and equipment

	Plant & Equipment	Asset under Construction ¹	Total
	\$	\$	\$
<i>Cost or valuation</i>			
At 1 January 2025	358,113	147,939	506,052
Additions	-	-	-
Impairment	-	(139,687)	(139,687)
Exchange difference	1,069	(8,252)	(7,183)
Balance at 31 December 2025	359,182	-	359,182
<i>Accumulated depreciation</i>			
At 1 January 2025	166,249	-	166,249
Charge for the year	48,822	-	48,822
Exchange difference	(759)	-	(759)
Balance at 31 December 2025	214,312	-	214,312
Net book value			
At 31 December 2025	144,870	-	144,870
At 31 December 2024	191,864	147,939	339,803

¹These assets were impaired during the year as they are idle and directors are assessing options

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 11. Non-current assets – Environmental bonds

Carrying amount at the end of the year

Consolidated	
2025	2024
\$	\$
382,944	334,881

Note 12. Current liabilities -Trade and other payables

Trade creditors
Accruals
Other payables

Consolidated	
2025	2024
\$	\$
85,215	201,343
85,335	80,488
20,091	11,216
190,641	293,047

Note 13. Right-of-use assets and lease liabilities

The Group has leased assets – motor vehicles, office building, and pelletizing plant during the year ended 31 December 2025. Information about the leases is presented below.

Right-of-use assets

	Motor Vehicle	Pelletizing Plant	Total
	\$	\$	\$
At 1 January 2025	16,607	1,747,774	1,764,381
Disposal of asset/end of lease	-	(1,606,672)	(1,606,672)
Amortisation	(15,939)	(141,102)	(157,041)
Exchange difference	(668)	-	(668)
	-	-	-

Lease liabilities

	Motor Vehicle	Pelletizing Plant	Total
	\$	\$	\$
At 1 January 2025	22,930	328,390	351,320
Termination of lease	-	(249,116)	(249,116)
Interest expenses	923	38,241	39,164
Lease payments	(20,380)	(104,322)	(124,702)
Foreign exchange movement	(1,008)	(13,193)	(14,201)
At 31 December 2025	2,465	-	2,465
Lease liability within one year	2,465	-	2,465
Lease liability between 1-5 years	-	-	-

Interest expense (lease charges) amounting to \$39,164 has been recognised in the profit or loss for the year ended 31 December 2025. Amount of lease liability payments recognised in the statement of cashflows is \$373,519.

Canadian Phosphate Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

Note 13. Right-of-use assets and lease liabilities (continued)

Right-of-use assets

	Motor Vehicle	Office Building	Pelletizing Plant	Total
	\$	\$	\$	\$
At 1 January 2024	138,360	67,342	1,752,871	1,958,573
Additions	-	-	-	-
Disposal of asset/end of lease	(66,651)	(62,737)	-	(129,388)
Amortisation	(60,660)	(4,605)	(177,865)	(243,130)
Exchange difference	5,558	-	172,768	178,326
	16,607	-	1,747,774	1,764,381

Lease liabilities

	Motor Vehicle	Office Building	Pelletizing Plant	Total
	\$	\$	\$	\$
At 1 January 2024	111,960	67,791	382,449	562,200
Termination of lease	(70,018)	(39,072)	-	(109,090)
Additions	-	-	-	-
Interest expenses	2,275	1,716	35,187	39,178
Lease payments	(2,153)	(32,801)	(130,065)	(165,019)
Foreign exchange movement	(19,134)	2,366	40,819	24,051
At 31 December 2024	22,930	-	328,390	351,320
Lease liability within one year	22,930	-	103,874	126,804
Lease liability between 1-5 years	-	-	224,516	224,516

The Group concluded its leased office space during the year.

The Group leases a motor vehicle with a lease term of 3 years. At the expiry of the lease, the Group has the option to buy the vehicles for US\$5,985. Renewal options have not been included in the lease term.

Note 14. Borrowings

	Consolidated	
	2025	2024
	\$	\$
CURRENT		
Loan – unsecured	-	300,000
Accrued interest	-	7,541
	-	307,541
NON-CURRENT		
Loan – unsecured	300,000	-
Accrued interest	7,541	-
	307,541	-
	307,541	307,541

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 14. Borrowings (continued)

The key terms of the unsecured loan are as follows:

Related Party Disclosure:	Loan facility provided by Boston First Capital Pty Ltd. Related party of Director, Stuart Richardson.
Maturity:	The loan and interest will be repayable within 12 months
Repayments:	Principal and interest
Security:	Nil
Key covenants:	Nil
Interest costs:	10% per annum

On 22 March 2025, the loan was extended by an additional three years on the same terms.

Note 15. Convertible note

	Consolidated	
	2025	2024
	\$	\$
NON-CURRENT		
Issue of Convertible Notes at Face Value	1,230,000	1,230,000
Less: Component of convertible note recognised as Equity (refer Note 16)	(934,575)	(934,575)
Interest adjustment	(190,483)	(89,274)
Accrued interest	30,918	30,918
	<u>135,860</u>	<u>237,068</u>

On 20 November 2023, the Company received \$1.23 million from the issue of 1,230,000 unlisted convertible notes.

A summary of the material terms are as follows:

- Maturity period of 3 years.
- Interest rate of 10% per annum paid quarterly in arrears.
- Conversion price of \$0.10 per share (adjustable as per ASX Listing Rule requirements)
- At the noteholder's option, notes can be converted at any time into ordinary shares of the Company at the conversion price to ordinary shares up to maturity date.
- Mandatory conversion by the Company upon maturity (3 years) at the conversion price into ordinary shares.
- The face value of the convertible note is \$1.00 per convertible note.
- Notes may not be sold or transferred prior to the maturity date without the Company's consent.
- The convertible notes are unsecured.

Note 16. Equity component of convertible note

	2025	2024	2025	2024
	Number of	Number of	\$	\$
Convertible Notes	Notes	Notes		
Issue of convertible notes	12,300,000	12,300,000	934,575	934,575
	<u>12,300,000</u>	<u>12,300,000</u>	<u>934,575</u>	<u>934,575</u>

Refer to Note 15 for details of the convertible notes on issue for the year ended 31 December 2025.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 17. Equity – Issued share capital

(a) Movement in ordinary share capital of the Company:

	2025	2024	2025	2024
	Number of shares	Number of shares	\$	\$
Ordinary shares – fully paid	346,760,527	296,460,527	37,479,913	35,380,157

Movements in share capital

Details	Date	No of Shares	Issued Price (\$)	Amount (\$)
Balance	31 December 2023	257,834,822		34,415,604
Treasury shares cancelled ¹	16 February 2024	(7,585,950)	-	-
Placement	29 August 2024	46,211,655	0.22	1,016,656
Capital raising costs		-	-	(52,103)
Balance at 31 December 2024		296,460,527		35,380,157
Issue of shares in lieu of consultancy fees	24 February 2025	800,000	0.021	16,800
Placement	27 February 2025	9,500,000	0.022	209,000
Placement	18 December 2025	40,000,000	0.050	2,000,000
Capital raising costs		-	-	(126,044)
Balance at 31 December 2025		346,760,527		37,479,913

¹ On 16 February 2024 treasury shares were cancelled Cancellation pursuant to an employee share scheme buy-back.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

No on-market share buy-back occurred during the financial year.

Capital risk management

The Board's policy is to maintain a strong base so to maintain investor, creditor and market confidence and to sustain future development of the business. As an emerging explorer and developer, the Group does not establish a return on capital. Capital management requires the maintenance of strong cash balance to support ongoing exploration and development.

(b) Option Issues

Options to purchase ordinary shares

	Consolidated	
	Dec 2025	Dec 2024
	Options	Options
Balance at 1 January	7,500,000	7,500,000
Issue of directors and consultant's options	27,500,000	-
Less expired options	(5,900,000)	-
Balance at 31 December	29,100,000	7,500,000

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 18. Equity – Reserves

	Consolidated	
	2025 \$	2024 \$
(a) Reserves		
Share based payment reserve	4,182,911	3,573,811
Foreign currency translation reserve	(22,013)	871,008
	<u>4,160,898</u>	<u>4,444,819</u>
Movements		
<i>Share based payment reserve</i>		
Balance 1 July	3,573,811	3,592,847
Option expense	549,153	-
Performance rights expense	59,947	150,079
Reversal of performance rights expense	-	(169,115)
Balance 30 June	<u>4,182,911</u>	<u>3,573,811</u>
<i>Foreign currency translation reserve</i>		
Balance 1 July	871,008	528,552
Currency translation	(893,021)	342,456
Balance 30 June	<u>(22,013)</u>	<u>871,008</u>

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share based payment reserve

The reserve is used to recognise share-based payments made to suppliers and employees.

Note 19. Equity – dividends

Dividends

No dividends were paid during the year.

Note 20. Financial Instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Chief Financial Officer under policies approved by the Board of Directors ("the Board"). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Chief Financial Officer identifies, evaluates and hedges financial risks within the consolidated entity's operating units and reports to the Board on a monthly basis.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 20. Financial Instruments (continued)

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	\$	\$	\$	\$
US Dollars	19,810	61,087	(19,839)	(463,316)
Canadian Dollars	255,262	333,741	(2,007)	(18,072)
	275,072	394,828	(21,846)	(481,388)

The consolidated entity had net financial assets denominated in foreign currencies of \$253,226 as at 31 December 2025 (2024: net liabilities of \$86,560). Based on this exposure, had the Australian dollar weakened by 5% or strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's net financial assets would have been \$12,661 (2024: \$4,328) lower and \$12,661 (2024: \$4,328) higher respectively. Additionally, a +/-5% movement in the AUD against the USD/CAD would have resulted in the net equity position of the consolidated entity decreasing by \$44,651 (2024: \$17,352) or increasing by \$44,651 (2024: \$17,352) upon the translation of its foreign operations into AUD.

Price risk

There are currently no financial assets or liabilities subject to price risks. With respect to inventories, the policy of the consolidated entity is to sell phosphate-based fertilizer at the spot price, and it has not entered into any hedging contracts. The consolidated entity's revenues were exposed to fluctuation in the price of this commodity. If the average selling price for the financial year had increased/decreased by 10% the change in the profit before income tax for the consolidated Group would have been an increase /decrease of \$230,662 (2024: \$249,362). If there was a 10% increase or decrease in market price of inventory, the net realizable value of inventory on hand would increase/(decrease) by \$18,172 (2024: \$46,335). As the phosphate-based fertilizer on hand are held at cost there would be no impact on profit or loss.

Interest rate risk

The consolidated entity has no interest rate risk. All interest bearing assets (term deposits) and liabilities (including lease liabilities, loans and convertible notes) are subject to fixed interest rates.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The Company has bank deposits with the Westpac Banking Corporation, Commonwealth Bank of Australia, Toronto Dominion Bank, and JP Morgan Chase Bank, N.A. which have a S&P short term credit rating of A-1+, A-1+, and A-1.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 20. Financial Instruments (continued)

Impairment

The Company uses the simplified approach to impairment under AASB 9: Financial Instruments. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables or contract assets which do not contain a significant financing component.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2025	2024
	\$	\$
Debtor financing facility (unused)	1,000,000	1,000,000
	1,000,000	1,000,000

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflow
	%	\$	\$	\$	\$	\$
Consolidated – 2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables and other payables	-%	190,641	-	-	-	190,641
Lease liability	8%	2,465	-	-	-	2,465
Borrowings	10%	-	-	307,541	-	307,541
Convertible note	10%	-	135,860	-	-	135,860
Total non-derivatives		193,106	135,860	307,541	-	636,507

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflow
	%	\$	\$	\$	\$	\$
Consolidated – 2024						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables and other payables	-%	293,047	-	-	-	293,047
Lease liability	8%	126,804	112,712	111,804	-	351,320
Borrowings	10%	307,541	-	-	-	307,541
Convertible note	10%	-	-	237,069	-	237,069
Total non-derivatives		727,392	112,712	348,873	-	1,188,977

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 21. Key Management Personnel Compensation

Compensation

The aggregate compensation made to directors and other members while they were key management personnel of the consolidated entity is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term benefits	337,598	435,872
Post-employment benefits	31,474	-
Share-based payment	434,261	24,692
	<u>803,333</u>	<u>460,564</u>

Other

Blackwood Capital Pty Ltd, a director related entity of Mr Richardson, assisted with the share placement during the year. For the assistance provided, Blackwood Capital received brokerage fees of \$132,000 incl GST.

Boston First Capital Pty Ltd, a director related entity of Mr Richardson, earned \$30,000 interest on a director loan during the year. The closing balance of the loan at 31 December 2024 is \$307,541.

Note 22. Auditors remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd and Moore Australia Audit (WA), the auditors of the company, its network firms and unrelated firms:

	Consolidated	
	2025	2024
	\$	\$
Tax services – BDO Services Pty Ltd	-	6,000
Tax services – Moore Australia Pty Ltd	9,350	-
Audit services – Moore Australia Audit (WA)	58,611	62,722
	<u>67,961</u>	<u>68,722</u>

Note 23. Contingency

There were no contingent assets or liabilities at balance date.

Note 24. Commitments

Exploration

So as to maintain current rights to tenure of exploration tenements, the Group will be required to outlay amounts in respect of tenement rent to the relevant governing authorities (C\$10 – C\$40 per hectare) or to incur exploration expenditures in lieu (C\$5 -C\$20 per hectare). These work requirement outlays which arise in relation to granted tenements are as follows:

	Consolidated	
	2025	2024
	\$	\$
Due within one year	33,407	339,981
Due after one year and within five years	639,903	1,235,765
Due after five years	-	-

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 25. Related Party transactions

Parent entity

Canadian Phosphate Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Other transactions with key management personnel

Refer to note 14 for details of the loan provided by Mr Stuart Richardson, a Director of the Company.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity, Canadian Phosphate Limited.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Loss after income tax	(1,515,486)	(509,158)
Total comprehensive loss	(1,515,486)	(509,158)

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	2,268,065	586,359
Total assets	23,591,211	21,956,050
Total current liabilities	635,637	561,966
Total liabilities	635,637	799,035
Equity		
Issued share capital	38,414,488	36,350,732
Share based payment reserve	4,182,911	3,537,811
Accumulated loss	(19,641,825)	(18,162,793)
Total equity	22,955,574	21,725,750

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2025 and 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2025 and 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2025 and 2024.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Fertoz International Organic Inc.	Canada	100%	100%
Fertoz Agriculture Pty Ltd.	Australia	100%	100%
Fertoz Organics Inc.	United States	100%	100%

Note 28. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2025 \$	2024 \$
Loss after income tax expense for the year	(2,210,144)	(1,664,217)
<i>Adjustments for:</i>		
Share-based payments	609,100	(19,036)
Provision for doubtful debts	-	40,224
Impairment expense	139,687	-
Depreciation	205,864	292,791
Loss on disposal of non-current assets	532,575	-
Lease and borrowing interest	103,905	116,402
<i>Change in operating assets and liabilities</i>		
Decrease/(Increase) in trade and other receivables	57,546	92,879
Decrease/(Increase) in inventories	281,628	302,333
(Decrease)/increase in trade and other payables	(226,327)	(327,705)
Net cash used in operating activities	(506,166)	(1,166,329)

Non-cash transactions

The only changes to liabilities arising from financing activities are as disclosed in note 13 Leases, note 14 borrowings and note 15 convertible notes.

Note 29. Loss per share

	Consolidated	
	2025 \$	2024 \$
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Loss after income tax expense for the period	(2,210,144)	(1,664,217)
	Number	Number
Weighted average number of shares used in calculating basic earnings per share	306,555,048	266,904,212
Weighted average number of shares used in calculating diluted earnings per share	306,555,048	266,904,212
	Cents	Cents
Basic loss per share	0.72	0.62
Diluted loss per share	0.72	0.62

At 31 December 2025, there were 29,100,000 (2024: 7,500,000) options outstanding which could potentially dilute basic earnings per share in the future. Because there is a loss from continuing operations, these would have an anti-dilutive effect and therefore diluted earnings per share is the same as the basic earnings per share.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 30. Share-based payments

Expenses arising from share-based payment transactions

(a) Performance Shares

Total expenses arising from share-based payment transactions recognised during the period as part of contract for services in terms of options and shares issued to directors, employees and consultants were \$609,100 (2024: write-back of \$19,036).

For the reporting period, movement in performance rights are as per below:

31 December 2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ vested	Expired/ forfeited/ other	Balance at the end of the period
26/04/2022	-	\$0.00	5,750,000	-	-	-	5,750,000
05/09/2022	-	\$0.00	700,000	-	-	-	700,000
			6,450,000				6,450,000
Weighted average exercise price			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

During the year ended 31 December 2023, the Group agreed to issue 1,800,000 performance rights to two employees. These are as follows:

Performance Rights	Number	Assumed Vesting Date	Milestone for release from escrow	Issue Price
Employee Rights	1,200,000 ¹	Anniversary dates	400,000 vested at commencement of employment. 400,000 rights will vest at each of the first and second anniversary of continuing employment and in good standing.	Nil
	200,000 ²	7 May 2026	200,000 rights will vest when shares trading on ASX at a VWAP of, or in excess of, \$0.45 for 10 consecutive days	Nil
	200,000 ²	20 May 2026	200,000 rights will vest when shares trading on ASX at a VWAP of, or in excess of, \$0.55 for 10 consecutive days	Nil
	200,000 ²	30 May 2026	200,000 rights will vest when shares trading on ASX at a VWAP of, or in excess of, \$0.65 for 10 consecutive days	Nil
	1,800,000³			

¹ The performance rights were valued at the date of commencement of employment for the two employees, being 5 September 2022 at \$0.18 per right for a total of \$144,000, with a probability of vesting of 100% for four of the tranches, and 0% for two other tranches. On 16th February 2024, 400,000 performance rights were forfeited. Amount recognised during the period to 30 June 2024 was \$11,293.

² The fair value of rights are determined at grant date, by the Company, using a Monte Carlo Simulation Methodology (MCSM) that takes into account the share price at grant date, performance hurdles prices, expected volatility (determined by reference to historical volatility of the share price), performance right life based on a term of 3 years, the risk free rate, and the fact that the performance rights are not tradeable. The inputs used for the MCSM pricing model for options outstanding during the period ended 30 June 2024 were as follows:

Grant date	Assumed Expiry date	Number Issued	Share price at grant date	Exercise price	Performance hurdle price	Expected volatility	Risk-free Interest rate	Time to achieve hurdle price	Fair value at grant date
05/09/2022	23/06/2026	100,000	\$0.18	-	\$0.45	85%	3.25%	3 years	\$0.1922
05/09/2022	23/06/2026	100,000	\$0.18	-	\$0.55	85%	3.25%	3 years	\$0.1889
05/09/2022	23/06/2026	100,000	\$0.18	-	\$0.65	85%	3.25%	3 years	\$0.1845

The total gross expense relating to the above performance rights during the year was \$10,148.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 30. Share-based payments (continued)

During the year ended 31 December 2022, the Group agreed to issue 7,750,000 performance rights to the Chief Executive Officer. These are as follows:

Performance Rights	Number	Assumed Vesting Date	Milestone for release from escrow	Issue Price
CEO Rights	3,000,000 ¹	Anniversary dates	1,000,000 vested at commencement of employment. 1,000,000 rights will vest at each of the first and second anniversary of continuing employment and in good standing	Nil
	1,000,000 ²	04/04/2028	Vest if the Company's shares trade on ASX at a VWAP of, or in excess of, \$0.40 for 10 consecutive days	Nil
	1,000,000 ²	04/04/2029	Vest if the Company's shares trade on ASX at a VWAP of, or in excess of, \$0.50 for 10 consecutive days	Nil
	2,000,000 ²	04/04/2030	Vest if the Company's shares trade on ASX at a VWAP of, or in excess of, \$0.65 for 10 consecutive days	Nil
	250,000 ²	31/12/2024	Achievement of 10,000ha of reforested or rehabilitated land managed in a carbon project by Fertoz Carbon before 31 December 2024	Nil
	250,000 ²	31/12/2024	Sale of \$500,000 of Carbon Credits in a project managed by Fertoz Carbon before 31 December 2024	Nil
	250,000 ²	31/12/2024	Achievement of 60,000t of fertilizer sales in any one year before 31 December 2024	Nil
	7,750,000			

¹ The performance rights were valued at the date of shareholders' approval at the Annual General Meeting held on 31 May 2022 at \$0.20 per right for a total of \$600,000, with a probability of vesting of 100%. During the year ended 31 December 2022, the above performance hurdle of employment commencement was met and the performance shares were exercised and ordinary shares issued. The performance shares were valued at the fair value of the shares at the date of the general meeting where they were approved, given that the performance hurdles had already been met at that date. Amount recognised during the year to 31 December 2025 was \$nil.

² The performance rights were valued at the date of commencement of employment at \$0.20 per right for a total of \$100,000, with a probability of vesting of 100% for the reforested land and fertilizer sales milestones and a probability of vesting of 0% for the carbon credit milestone. Amount recognised during the year to 31 December 2025 was \$nil.

³ The fair value of rights are determined at grant date, by the Company, using a Monte Carlo Simulation Methodology (MCSM) that takes into account the share price at grant date, performance hurdles prices, expected volatility (determined by reference to historical volatility of the share price), performance right life based on an assumed tenure of 10 years, the risk free rate, and the fact that the performance rights are not tradeable. The inputs used for the MCSM pricing model for options outstanding during the year ended 31 December 2022 were as follows:

Grant date	Assumed Expiry date	Number Issued	Share price at grant date	Exercise price	Performance hurdle price	Expected volatility	Risk-free Interest rate	Time to achieve hurdle price	Fair value at grant date
04/04/2022	04/04/2032	1,000,000	\$0.20	-	\$0.40	86%	3.25%	6 years	\$0.1922
04/04/2022	04/04/2032	1,000,000	\$0.20	-	\$0.50	86%	3.25%	7 years	\$0.1889
04/04/2022	04/04/2032	2,000,000	\$0.20	-	\$0.65	86%	3.25%	8 years	\$0.1845

The total expense relating to the above performance rights during the year was \$49,799.

(b) Options

On 3 April 2025, the Company granted 9,500,000 options to employees and consultants. The options are exercisable at a price of \$0.05 (7,125,000 options) and at a price of \$0.10 (2,375,000 options) on or before 3 April 2029. The options were recognised at a fair value, based on Black Scholes Valuation Model, of \$0.0183 per option (7,125,000 options) and of \$0.0145 per option (2,375,000 options) for a total value of \$164,692. The valuation is based on an expected volatility of 97.8%, risk free interest rate of 3.85%, expected life of 4 years and stock price of \$0.03.

At 31 December 2025, the options with an average remaining life of 3.26 years, were vested and unexercised.

Canadian Phosphate Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

Note 30. Share-based payments (continued)

On 29 May 2025, the Company granted 18,000,000 options to directors. The options are exercisable at a price of \$0.05 (14,400,000 options) and at a price of \$0.10 (3,600,000 options) on or before 6 June 2030. The options were recognised at a fair value, based on Black Scholes Valuation Model, of \$0.0220 per option (14,400,000 options) and of \$0.0186 per option (3,600,000 options) for a total value of \$384,461. The valuation is based on an expected volatility of 97.8%, risk free interest rate of 3.85%, expected life of 5 years and stock price of \$0.032.

At 31 December 2025, the options with an average remaining life of 4.44 years, were vested and unexercised.

Note 31. Events since the end of the financial year

On or about 6 February 2026, the Company appointed a strategic advisory team, consisting of three experts to help drive execution of its mine-to-market phosphate strategy. Each member was issued 1,000,000 performance rights, with 3,000,000 performance rights being issued in total. Each member has been engaged for a twelve-month term, and the performance rights will vest into fully paid ordinary shares on a 1 for 1 basis upon completion of twelve months' service with the Company.

No other significant events occurred after the reporting date.

Canadian Phosphate Limited
Consolidated Entity Disclosure Statement
For the year ended 31 December 2025

For personal use only

Name	Entity type	Body corporate country of incorporation	Country of tax residence	Body corporate % of ownership interest	
				2025	2024
				%	%
Canadian Phosphate Ltd.	Body Corporate	Australia	Australia	N/A	N/A
Fertoz International Organic Inc.	Body Corporate	Canada	Canada	100	100
Fertoz Agriculture Pty Ltd.	Body Corporate	Australia	Australia	100	100
Fertoz Organics Inc.	Body Corporate	United States	United States	100	100

Canadian Phosphate Limited

Directors' Declaration

For the year ended 31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as of 31 December 2025 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Richardson
Chairman

27 March 2026

Independent Audit Report

To the members of Canadian Phosphate Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Canadian Phosphate Limited (the “Company”) and its controlled entities (the “Group”), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration. The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group’s financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 2 Going Concern of the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter
How the matter was addressed in our audit
Revenue Recognition
Refer to Note 4 Revenue, Note 1 Revenue Recognition & Note 2 Critical Accounting Judgments, Estimates and Assumptions / Revenue Recognition

The Group generates revenue predominantly from the sales of crushed raw ores & fertilizer products. Revenue is considered a key audit matter given the significance of revenue to the Group's results as well as the fraud risk around cut-off including:

- an overstatement of revenues through premature revenue recognition or recording of fictitious sales.
- understatement of revenues when control is transferred to the customer but not recorded in the correct period.

Revenue is recognised when control is transferred to the customer & the amount of revenue can be reliably determined. This occurs when the product is shipped.

Our procedures included, amongst others:

- We obtained an understanding of the Group's process & controls in place around sales revenue.
- We tested a sample of sales transactions made during the year to invoices and receipt of cash.
- We assessed the Group's policies for recognition of sales against AASB 15 & checked these were adequately disclosed in the financial report.
- We reviewed sales revenues close to and post year-end to ensure revenues were recorded in the correct periods.

Share-Based Payments
Refer to Note 30 Share-Based Payments, Note 1 Employee Benefits & Note 2 Critical Accounting Judgments, Estimates and Assumptions / Share-Based Payments

During the financial year, the Group transacted with Key Management Personnel (KMP) and consultants including:

- Awarded share-based payments amounting to \$0.609 million in the form of share options to directors and consultants.

Transactions with related parties carry additional inherent risks including the potential for them to be made on terms and conditions more favourable higher than if they had been with an independent third party.

The value of share-based payments is a key audit matter due to it being key material transactions, the valuation of which involved significant judgment and accounting estimation.

Our procedures included the following:

- Enquiring and obtaining confirmation from Key Management Personnel regarding related-party transactions occurring during the period.
- Reviewing minutes of meetings, ASX announcements, terms of the Employee Incentive Securities Plan and results of shareholder meetings to approve the issue of such equities to Directors and other consultants.
- Considered other transactions undertaken during the period including review of the ongoing amortization of any share-based payment plans granted in prior years.
- Reviewing payments, receipts and general journals throughout the period, and examining transactions with known related parties, or those that appear large or unusual for the Group.
- Critically evaluating the valuation methodology used by management to estimate fair value of share options issued, including testing the integrity of the information provided and assessing the appropriateness of key assumptions built into the valuation model such as the risk-free rate and share price volatility.
- Assessing whether share-based payments have been appropriately classified and accounted for in the financial statements in accordance with AASB 2 Share-Based Payment.
- Assessing the appropriateness of the relevant disclosures in the financial statements.

Key audit matter
How the matter was addressed in our audit
Capitalised Exploration & Evaluation Assets
Refer to Note 9 Exploration and evaluation (“E & E”) assets, Note 1 E & E Assets & Note 2 Critical Accounting Judgments, Estimates and Assumptions / E & E costs

At balance date, the Group’s statement of financial position includes capitalised exploration and evaluation (“E & E”) assets of approximately \$7.22 million.

The ability to recognise and to continue to defer E & E assets under AASB 6: Exploration for and Evaluation of Mineral Resource is impacted by the Group’s ability, and intention, to continue to explore the tenements or its ability to realise this value through development or sale.

Due to the significance of these assets (being approximately 68% of the Group’s total assets) and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter.

Our procedures included:

- We evaluated the Group’s accounting policy to recognise E & E assets using the criteria in the accounting standard.
- Ensuring the Group has the ongoing right to explore in the relevant exploration areas of interests by performing tenement title searches via the British Columbia Mineral Titles Department (British Columbia Mineral Titles Online Viewer) and considering whether the Group maintains the tenements in good standing.
- Tested a sample of E & E expenditures capitalised during the year to supporting documentation including invoices.
- Ensuring the Group is committed to continue E & E activity in the relevant exploration areas of interest by assessing their plans with respect to future exploration and development expenditures that have been budgeted. We assessed this through discussions with management and reviewing minutes of Board meetings, ASX announcements made by the Group and other internal documents.
- Assessing the carrying value of these assets for any impairment indicators such as the Company’s market capitalization at balance date and up to the date of this report. No indicators were present.
- Review and confirmation from the Company that no capitalized expenditure in respect of areas of interest or projects was impaired at year end and should be written off.
- We also assessed the appropriateness of the disclosures contained in the financial report.

For personal use only

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf . This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included within the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Canadian Phosphate Limited, for the year ended 31 December 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Suan Lee Tan
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)

Perth
27 March 2026



Moore Australia Audit (WA)
Chartered Accountants

Canadian Phosphate Limited

Shareholder information

31 December 2025

Shareholders' information set out below was applicable as at 19 March 2026

Unlisted Options and Performance Rights

The Company has the following unlisted securities on issue:

- 1,600,000 Options exercisable at \$0.27 each expiring 31/05/2026 held by 1 option holder;
- 7,125,000 Options exercisable at \$0.05 each expiring 3/04/2029 held by 3 option holders;
- 2,375,000 Options exercisable at \$0.10 each expiring 3/04/2029 held by 3 option holders;
- 14,400,000 Options exercisable at \$0.05 each expiring 6/06/2030 held by 3 option holders;
- 3,600,000 Options exercisable at \$0.10 each expiring 6/06/2030 held by 3 option holders;
- 9,450,000 Performance Rights held by 5 holders;
- 1,230,000 Convertible Notes with a face value of \$1.00 and expiring 20/11/2026 held by 10 holders

The following holders hold 20% or more of the securities in the above class:

- Options exercisable at \$0.27 each expiring 31/05/2026
 - Blackwood Capital Partners Fund 1 Pty Ltd
- Options exercisable at \$0.05 each expiring 3/04/2029
- Options exercisable at \$0.10 each expiring 3/04/2029
- Options exercisable at \$0.05 each expiring 6/06/2030
 - Daniel Gleeson, Boston First Capital Pty Ltd
- Options exercisable at \$0.10 each expiring 6/06/2030
 - Daniel Gleeson, Boston First Capital Pty Ltd
- Convertible Notes
 - Allundy Pty Ltd
- Performance Rights
 - Daniel Francis Gleeson

Distribution

The number of ordinary shareholders, by size of holding is:

Spread of Holdings	Holders	% of units
1-1,000	36	0.00
1,001-5,000	135	0.12
5,001-10,000	104	0.25
10,001-100,000	348	4.18
100,001 - and over	256	95.45
Total on register	879	100.00%
Total Overseas holders	21	2.39%

The number of shareholdings held in less than marketable parcels is 212 with a total of 683,741 Shares.

Substantial Shareholders

The Company has been notified of the following substantial shareholdings:

	Number
Stephens Group and related entities	40,902,337
Stuart Richardson and associates	19,475,556
Malcolm John Weber and associates	23,801,034

Canadian Phosphate Limited

Shareholder information

31 December 2025

20 LARGEST HOLDERS OF ORDINARY SHARES AS AT 31 DECEMBER 2025:

Ordinary Shareholder	Fully paid	
	Number	Percentage
BOSTON FIRST CAPITAL PTY LTD	17,161,014	4.95
ASHABIA PTY LTD <ASHABIA SUPER FUND A/C>	17,007,015	4.90
HAJEK FT CUSTODIANS PTY LTD <THE HAJEK FAMILY A/C>	15,049,747	4.34
MR WILLIAM BOOTH	10,657,397	3.07
STEPHENS GROUP SUPER FUND PTY LTD <STEPHENS GROUP S/F A/C>	10,000,000	2.88
CITICORP NOMINEES PTY LIMITED	9,826,383	2.83
TWO TOPS PTY LTD	9,662,542	2.79
PINNACLE SUPERANNUATION PTY LIMITED <PJF S/F A/C>	9,272,702	2.67
NIREB NOMINEES PTY LTD <NIREB A/C>	7,865,239	2.27
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,830,192	2.26
GUNDY PARK PTY LTD <BRUCE FOYE P/L S/F A/C>	7,720,000	2.23
HAJEK SUPERANNUATION PTY LTD <THE AUSTRATRONICS S/F A/C>	7,605,500	2.19
NIREB NOMINEES PTY LTD <NIREB A/C>	7,134,761	2.06
MR MICHAEL BERNARD STEPHENS + MRS TAHLIA JAE STEPHENS <MB & TJ STEPHENS FAMILY A/C>	5,430,000	1.57
ALLUNDY PTY LTD	5,000,000	1.44
KTAP PTY LTD	5,000,000	1.44
JMW & LOB BUSINESS GROUP PTY LTD	4,545,500	1.31
WISEVEST PTY LTD	4,183,489	1.21
WILLSTREET PTY LTD	4,040,000	1.17
YALLIPSE PTY LTD	4,000,000	1.15
Total	168,991,481	48.73

PARTLY PAID SHARES

The Company does not have any partly paid shares on issue.

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

On-market buy-back

The Company is not currently conducting an on-market buy-back.

Canadian Phosphate Limited

Shareholder information

31 December 2025

TENEMENT SCHEDULE

Tenements held directly or in application by Canadian Phosphate Limited or a subsidiary company at 31 December 2025.

Title Number	Claim Name	Owner	Good To Date	Status	Area (ha)
851942	WK 1	276562 (100%)	2030/DEC/31	GOOD	450.8337
851948	WK 2	276562 (100%)	2030/DEC/31	GOOD	451.0152
851952	WK 3	276562 (100%)	2030/DEC/31	GOOD	375.6551
851958	WK 4	276562 (100%)	2030/DEC/31	GOOD	451.2027
941760	WK 5	276562 (100%)	2030/DEC/31	GOOD	450.829
941761	WK 6	276562 (100%)	2030/DEC/31	GOOD	469.869
941762	WK 7	276562 (100%)	2030/DEC/31	GOOD	432.0722
941763	WK 8	276562 (100%)	2030/DEC/31	GOOD	413.4852
941764	WK 9	276562 (100%)	2030/DEC/31	GOOD	432.5329
941769	WK 10	276562 (100%)	2030/DEC/31	GOOD	451.3602
955278	WK 11	276562 (100%)	2030/DEC/31	GOOD	470.3094
956829	WK 12	276562 (100%)	2030/DEC/31	GOOD	37.5615
982744	WK-ONE	276562 (100%)	2022/AUG/21	PROTECTED	18.7971
1011319	BARNES LAKE	276562 (100%)	2027/JAN/07	GOOD	608.9764
1015556	WAPITI NE	276562 (100%)	2030/DEC/31	GOOD	375.5435
1015557	WAPITI TWO	276562 (100%)	2030/DEC/31	GOOD	168.9294
1015558	WAPITI SOUTH	276562 (100%)	2030/DEC/31	GOOD	376.3457
1015626	MUNOK 1	276562 (100%)	2030/DEC/31	GOOD	169.5755
1015627	BELCOURT 1	276562 (100%)	2030/DEC/31	GOOD	113.2731
1018104	WAP S2	276562 (100%)	2030/DEC/31	GOOD	451.8171
1018106	WAP S3	276562 (100%)	2030/DEC/31	GOOD	451.7492
1018107	WAP S4	276562 (100%)	2030/DEC/31	GOOD	451.9332
1018108	WAP S5	276562 (100%)	2030/DEC/31	GOOD	452.0947
1018109	WAP S6	276562 (100%)	2030/DEC/31	GOOD	452.3014
1023062	CROWSNEST	276562 (100%)	2027/AUG/29	GOOD	1450.8882
1023064	CROWS 2	276562 (100%)	2027/AUG/26	GOOD	38.6725
1023921	RED DEER 1	276562 (100%)	2022/AUG/21	PROTECTED	150.2184
1023922	RED DEER 2	276562 (100%)	2022/AUG/21	PROTECTED	206.3382
1023923	RED DEER 3	276562 (100%)	2022/AUG/21	PROTECTED	150.1307
1024365	MARTEN	276562 (100%)	2027/AUG/30	GOOD	754.3219
1024783	MUNOK 2	276562 (100%)	2030/DEC/31	GOOD	603.0465
1024803	BELCOURT 2	276562 (100%)	2030/DEC/31	GOOD	301.7586
1024805	BELCOURT 4	276562 (100%)	2030/DEC/31	GOOD	339.7829
1024806	BELCOURT 3	276562 (100%)	2030/DEC/31	GOOD	188.6959
1025533	MARTEN 2	276562 (100%)	2026/AUG/28	GOOD	460.8584
1027037	BELCOURT LINK	276562 (100%)	2030/DEC/31	GOOD	282.5887
1027038	WAP 11	276562 (100%)	2022/AUG/21	PROTECTED	168.938
1029417	MUNOK	276562 (100%)	2030/DEC/31	GOOD	207.3811
1029489	SOUTH 2	276562 (100%)	2030/DEC/31	GOOD	376.1569
1029979	MARTEN NORTH	276562 (100%)	2026/AUG/29	GOOD	334.9933
1030777	SOUTH ROAD 2	276562 (100%)	2030/DEC/31	GOOD	413.6588
1031107	MARTEN E	276562 (100%)	2026/AUG/29	GOOD	188.4545
1047502	RAM 1	276562 (100%)	2026/OCT/29	GOOD	21.1186
1055454	BARNES LK WEST	276562 (100%)	2027/JAN/07	GOOD	83.9744
1058529	SUMMIT 1	276562 (100%)	2026/AUG/29	GOOD	20.9183

Canadian Phosphate Limited
Shareholder information
31 December 2025

1095294	WAPITI SOUTH ROAD	276562 (100%)	2023/APR/22	PROTECTED	131.4155
1096780	MICHEL HEAD 1	276562 (100%)	2027/JAN/07	GOOD	209.8408
1099878	ALEXANDER NORTH 6	276562 (100%)	2027/APR/30	GOOD	291.4774
1110032	Highway 3 phos	276562 (100%)	2027/OCT/27	GOOD	41.8301
1110033	Cro 78	276562 (100%)	2027/AUG/28	GOOD	62.7437
1110255	Alexander South	276562 (100%)	2027/AUG/28	GOOD	250.9147
1119876	Fertoz 1	276562 (100%)	2026/FEB/04	GOOD	37.6153
1119877	Fertoz 2	276562 (100%)	2026/FEB/04	GOOD	112.8972
1119878	Fertoz 3	276562 (100%)	2026/FEB/04	GOOD	187.7786
1119880	Fertoz 4	276562 (100%)	2026/FEB/04	GOOD	244.1355
1119881	Fertoz 5	276562 (100%)	2026/FEB/04	GOOD	187.8942
1120451	ALEXANDER NORTH 1	276562 (100%)	2027/APR/30	GOOD	166.6423
1126904	Jackson 7	276562 (100%)	2027/SEP/07	GOOD	333.9738
1126905	Jackson 8	276562 (100%)	2027/SEP/07	GOOD	83.4542
1126906	Jackson 9	276562 (100%)	2027/SEP/07	GOOD	564.0958
1126907	Jackson 10	276562 (100%)	2027/SEP/07	GOOD	83.6116
1126908	Coal Mountain 3	276562 (100%)	2027/JAN/07	GOOD	498.1168
1126909	Coal Mountain 4	276562 (100%)	2027/JAN/07	GOOD	41.9747
1126910	Barnes 8	276562 (100%)	2027/JAN/07	GOOD	1028.7679
1126911	Barnes 7	276562 (100%)	2027/JAN/07	GOOD	230.9648
1126916	Lyne 4	276562 (100%)	2027/JAN/23	GOOD	311.8892
1126917	Lyne 5	276562 (100%)	2027/JAN/23	GOOD	20.788
1126918	Lyne 6	276562 (100%)	2027/JAN/23	GOOD	936.2341
1126919	Lyne 7	276562 (100%)	2027/JAN/23	GOOD	104.0436
1126920	Lyne 8	276562 (100%)	2027/JAN/23	GOOD	208.2024
1126921	Lyne 9	276562 (100%)	2027/JAN/23	GOOD	20.8213
1126922	Alexander North 2	276562 (100%)	2027/APR/30	GOOD	500.2638
1126923	Alexander North 3	276562 (100%)	2027/APR/30	GOOD	104.1773
1127169	Claim (Bighorn)	276562 (100%)	2026/OCT/29	GOOD	211.2753
1128185	BIGHORN	276562 (100%)		UNDER APPLICATION	232.3941