BATHURST
RESOURCES LIMITED

Bathurst Resources Limited

Financial statements for the year ended 30 June 2026

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

Contents

Authorised for and on behalf of the Board of Directors:

Peter Westerhuis Chairman	Richard Tacon Executive director
26 August 2026	26 August 2026

Results for announcement to the market

Audited results for the year ended 30 June 2026

Financial measures	2026 $000	2025 $000	% change
Sales revenue and other income	25,120	42,539	(41%)
Profit / (loss) after tax	(4,594)	4,445	(203%)

Per share measures	2026 Amount per share (cents)	2025 Amount per share (cents)	% change
Basic earnings per share	(1.91)	2.18	(188%)
Diluted earnings per share	(1.90)	2.17	(188%)
Net tangible assets per share	147.51	175.03	(16%)

Dividend

There were no dividends paid or declared during the year.

Other matters

Included in profit after tax is $1.4m profit after tax relating to Bathurst's 65 percent equity share of profit in joint venture BT Mining Limited (30 June 2025: $6.5m). Also included is Bathurst's equity share of loss recorded in joint venture NWP Coal Canada Limited (Bathurst's Canadian coking coal exploration project) of $39k (30 June 2025: $74k).

Financial and operating overview

For the year ended 30 June 2026

Letter from the Chief Executive Officer

Bathurst's FY26 consolidated EBITDA result of $45m is at the top end of the FY26 guidance range of $35m-$45m. Achieving a consolidated EBITDA of $45m is a significant achievement during a year where international coal prices for our export coal products struggled for prolonged periods.

During the first half of the year, the Hard Coking Coal (HCC) benchmark price was as low as USD $172 per tonne, before recovering over the second half of the year and finishing at USD $243 per tonne at the end of June. This increase in price contributed directly to the favourable full year result and was much welcomed by the industry.

For much of this period, escalating fuel costs impacted the global mining and energy sectors, including Bathurst's operation in New Zealand. The additional expense has been largely offset by the HCC price increases; however, the company continues to monitor developments here closely.

Bathurst's strong operating and financial performance has enabled the maintenance of a solid consolidated cash position which, including restricted short-term deposits, totalled $145m at 30 June. The favourable cash position has been maintained while also advancing our long-term growth projects in New Zealand and British Columbia, Canada.

In New Zealand, Bathurst committed significant resources into preparing its Fast Track Approvals Act application for the Buller Plateaux Continuation Project (BPCP), which was formally submitted on 21st August. Similarly, in Canada, the company also further invested in its program to receive its Environmental Assessment Certificate (EAC) with the Environmental Assessment Office (EAO) for the Tenas Project in British Columbia. In what is a significant milestone for the project, on 17th August, the EAO confirmed that the application has satisfied the information requirements to commence the Effects Assessment and Recommendation phase. This phase represents the final stage of the EAC approval process. Once operational these growth projects will increase overall production and extend operations for Bathurst for up to 20 years.

The performance of the domestic segments has consistently provided additional earnings to complement our export segment during periods of lower international coal pricing. This year, while our export segment navigated a difficult start to the year to produce a solid full year result, it is pleasing to note that the North Island and South Island domestic segments continued to also deliver positive results both financially and operationally.

Increased overburden stripping volumes at the Rotowaro mine continued throughout FY26 and the mine is nearing the completion of the stripping phase of the Waipuna West Extension pit. Alongside the increased overburden volumes, the mine also maintained high levels of coal production, producing 24kt more than in FY25.

Following the much welcomed increases in export coal pricing during the second half of FY26, the HCC benchmark price is forecast to remain stable with gradual increases expected through FY27, and at the time of signing the financial statements had risen to USD $260 per tonne.

As we look forward to FY27, along with providing consistent earnings for shareholders, we are excited to continue moving forward with our exciting development projects in New Zealand and Canada. Both projects are pivotal to our long term growth plan and our strategy of developing long-life steelmaking coal assets. Bringing these development projects online at a time of strengthening HCC prices has the potential to benefit all shareholders.

Financial and operating overview

For the year ended 30 June 2026

Financial overview[1]

Financial measures (Bathurst and 65 percent BT Mining)	**2026 $m**	**2025 $m**
Revenue[2]	261.0	268.0
EBITDA[3]	44.7	43.8
Net profit / (loss) after tax	(4.6)	4.5
Underlying profit / (loss) after tax	(3.1)	3.3
Cash including restricted deposits and bonds	144.8	178.3
Reconciliation of underlying profit / (loss) after tax to net profit / (loss) after tax		
Underlying profit / (loss) after tax	(3.1)	3.3
Impairment	(1.5)	1.1
Net profit / (loss) after tax	(4.6)	4.4

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

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

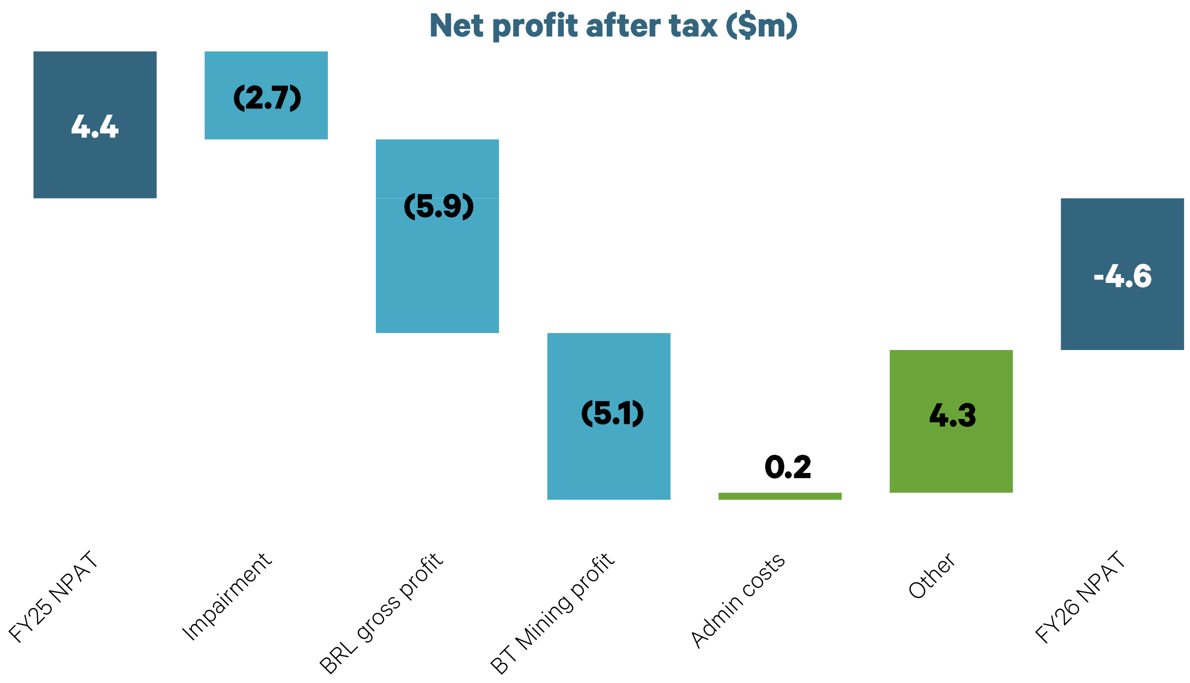
[3] Earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

Financial and operating overview

For the year ended 30 June 2026

Financial overview continued

Key movements in net profit after tax:



Impairment	-$2.7m	Impairment of the Takitimu cash generating unit of $1.5m as the mine enters the last stages of production. FY25 included an impairment reversal of $1.2m
BRL gross operating profit	-$5.9m	A planned step down in sale revenue as customers transition to alternative fuel sources.
Equity share of joint venture BT Mining profit	-$5.1m	Revenue has increased when compared to FY25, however this was offset by increased costs of mining as well as increased amortisation of the mine development costs of the Waipuna West Extension pit at the Rotowaro mine as it has entered full production.
Other	+$4.3m	Increased interest income and realised foreign exchanges gains on term deposits held as well as fair value movements in deferred consideration

Financial and operating overview

For the year ended 30 June 2026

Operations overview

Export (65 percent equity share via BT Mining)

Measure			Export 2026	Export 2025
Production	(100% basis)	kt	1,036	956
Sales	(100% basis)	kt	1,145	1,041
Overburden	(100% basis)	Bcm 000	6,249	6,630
Revenue incl. realised hedging (65% equity share)		$'000	172,755	162,920
Average price received per tonne (100% basis)		$/t	232.15	221.44
EBITDA (65% equity share)		$'000	44,878	32,841

Sales tonnes	• Increase in sales tonnes when compared to FY25 which was impacted by the tunnel collapse on the rail line from the Stockton mine to Lyttleton port.
Revenue	• The average price (excluding hedging) received per tonne increased year-on-year, NZD $232/tonne in FY26 versus NZD $221/tonne FY25. Export sales are a mix of being priced against the spot price or a prior 3-month average (t minus 1). • Consolidated realised hedging loss of $1m in FY26 versus a realised hedging gain in FY25 of $13m.
EBITDA	Increased from FY25 following the increase in revenue, which was also met with the following key cost movements: • The annual average fuel price increased during FY26 due to the Iran conflict. • Decreased freight costs when compared to FY25 due to road freight required while the Tawhai Tunnel was closed, this was partially offset by lower rail freight costs during this period. • Costs have also increased due to a mix of underlying unit cost increases driven by general inflationary adjustments and increases.

Financial and operating overview

For the year ended 30 June 2026

Operations overview continued

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

Measure			Domestic 2026	Domestic 2025
Production	(100% basis)	kt	753	779
Sales	(100% basis)	kt	727	821
Overburden	(100% basis)	Bcm 000	11,973	13,413
Revenue (equity share)		$'000	88,262	104,937
EBITDA (equity share)		$'000	17,309	31,789

Sales tonnes	North Island domestic ("NID") increased due to increased production at both the Rotowaro and Maramarua mines. South Island domestic ("SID") sales volumes decreased as customers continued the planned transitions to alternative fuel sources.
Overburden	Waste moved in advance was in line with FY25 at the Rotowaro mine, which was offset by a reduction at Maramarua mine (NID) as the stripping in the M1 pits was completed. Takitimu experienced decreased overburden removal to achieve lower production and sales targets.
Revenue	Revenue decreased due to lower sales volumes in the SID segment.
EBITDA	Consolidated EBITDA decreased, particularly at the Rotowaro & Takitimu mines which was partially offset by an increase at Maramarua NID primarily impacted by: • Increased production tonnes leading to increased sales volumes at the Rotowaro mine. • Sales volumes at the Rotowaro mine exceeded production, so the use of stockpiles was required. • The increased production and sales volumes meant the cost per tonne decreases particularly at the Rotowaro mine which has a high proportion of fixed costs, particularly during the striping phase of the new pit, notably labour and repairs and maintenance. • Fuel costs increased significantly at during the last quarter of FY26 due to the conflict in Iran and the Middle East. SID partially offset NID by: • Decrease in EBITDA from FY25 due to lower sales volumes and revenue which was partially offset by a related reduction in mining costs.

Corporate

Corporate overhead costs included in the total group consolidated EBITDA decreased year-on-year, $17.5m FY26 versus $19.9m FY25.

Financial and operating overview

For the year ended 30 June 2026

Overseas development projects overview

Tenas project

Project Summary

The regulatory environment for approvals and permits has changed significantly over the past 12 months in British Columbia, Canada with the Provincial Government actively promoting projects for fast tracking.

Since acquiring the assets of the Tenas Coking Coal Project in December 2023, the project has been advancing as planned. In August 2026 Bathurst received confirmation from the British Columbia (BC) Environmental Assessment Office (EAO) that it has satisfied the information requirements necessary to commence the Effects Assessment and Recommendation phase of the provincial environmental assessment process. This phase represents the final stage of the Environmental Assessment Certificate (EAC) approval process.

The Effects Assessment and Recommendation phase has a legislated timeframe of 150 days, followed by a 30-day Decision phase, during which the Minister of Mining and Critical Minerals and the Minister of Environment and Parks will determine whether to issue an Environmental Assessment Certificate.

One of the attractive features of the project is the low strip ratio of 3.6:1 BCM/t, which enables the project to be one of the lowest cost producing metallurgical coal mines on the seaborne market. The mine is expected to enter production in FY29 and will produce 750ktpa of saleable coal for approximately 21 years.

Definitive Feasibility Study Update

In October 2025 we released an updated Feasibility Study for the 100% Bathurst owned Tenas Project. The renewed study was undertaken by leading independent advisors and focused on reviewing and updating economic data inputs from the initial Definitive Feasibility Study (DFS) undertaken in May 2019, including revised capital and operating costs and coal price assumptions.

Notable changes from the original DFS were an increase to startup capital expenditure requirements by USD $46m to USD $139m, an increase to operating costs of USD $7.16/t to $USD 80.48/t FOB, both of which are offset by increased revenue due to an increased coal pricing profile with the average price received per tonne increasing from USD $114 to USD $175.

Pleasingly, the review and updates have resulted in an improved post tax NPV8 of USD $269m. This result emphasises and confirms that the project remains a compelling steelmaking coal development opportunity with a competitive operating and capital cost structure.

Overseas joint venture – Crown Mountain project

Project Summary

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

A consent agreement was executed with key First Nations groups in 2023. The agreement includes innovative accelerated reclamation initiatives, best practice environmental design, management and monitoring to ensure protection of the flora, fauna and water quality in the Elk Valley.

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

In May 2026, the BC Environmental Assessment Office (EAO) issued a formal notice confirming completion of the Environmental Application Review and requested Crown Mountain Resources to submit the Final Revised Environmental Application.

It is expected that the Final Application will be submitted in the Dec quarter of 2026. Following submission, the EAO has a legislated 150 days to develop a draft Assessment Report and Environmental Assessment Certificate with approval conditions.

Bathurst's equity share is 21.8 percent of the metallurgical coal project.

Bankable Feasibility Study Update

In May 2025 the Crown Mountain Project's Bankable Feasibility Study (BFS) was updated following a review of key economic inputs of the BFS completed in July 2020 and the Yield Optimisation Study done in August 2021. The review was undertaken by leading independent technical advisors and focused on the impact of capital and operating cost inflation as well as changes to coal pricing and foreign exchange forecasts. The outcome of the updated study resulted in an increase of USD $85m to pre-production capital and cash operating costs of USD $13.38/t (FOB Vancouver), however, pleasingly the increases in coal pricing significantly offset the increases in capital and operating cost and resulted in a 200% improvement to the pre-tax NPV10 to USD $942m. This increase further confirms the development opportunity of the steelmaking coal project.

Financial and operating overview

For the year ended 30 June 2026

Consolidated cash

		2026	2025
	Opening cash (Bathurst and 65 percent BT Mining)	**178.3m**	**140.7m**
Operating	EBITDA	44.7	43.8
	Working capital	(14.4)	33.0
	Canterbury rehabilitation	(0.1)	(0.6)
	Corporation tax paid	(1.7)	(6.0)
Investing	Deferred consideration	(0.3)	(1.2)
	Crown Mountain (environmental assessment application)	(1.8)	(1.5)
	PPE net of disposals	(11.8)	(11.8)
	Mining assets including capitalised stripping	(49.7)	(52.7)
Financing	Finance leases	(5.0)	(6.0)
	Financing income/(costs)	6.6	5.0
	Capital contributed from share issue	-	35.6
	Closing cash (Bathurst and 65 percent BT Mining)	**144.8m**	**178.3m**

Consolidated EBITDA

YTD EBITDA increased slightly from FY25, which has been driven by increased export revenue, due to increased export pricing which has offset a reduction in the domestic segment earnings.

Working capital

The timing of sales, and in particular the timing of export shipments in June 2026 when compared to June 2025.

Corporation tax paid

Decrease in corporation tax paid which reflects the timing of tax obligations on taxable operating profits and income tax obligations from FY25 along with existing tax balances available for use.

Deferred consideration

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

Crown Mountain

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

Mining development including capitalised stripping

Spend has decreased from the prior year comparative period due to the decreased mine development costs and capitalised stripping in the Waipuna West extension at the Rotowaro mine. This has been offset by increased spending on the BPCP Fast Track application as well as the continued development of the Tenas project assets in British Columbia.

Financing income

Interest received on cash balances and deposits held.

Authorised for and on behalf of the Board of Directors:

Peter Westerhuis
Chairman

26 August 2026

Richard Tacon
Executive Director

26 August 2026

Income statement

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Revenue from contracts with customers	3	20,845	41,590
Cost of sales	4	(18,944)	(33,830)
Gross profit		**1,901**	**7,760**
Equity accounted profit	13	1,390	6,392
Other income		437	210
Depreciation	10	(1,641)	(1,868)
Administrative and other expenses	5	(8,231)	(8,443)
Movement in deferred consideration	15 (c)	1,282	1,028
Gain / (loss) on disposal of fixed assets		105	(29)
Impairment (losses) / reversals	8	(1,527)	1,137
Operating profit (loss) before tax		**(6,284)**	**6,187**
Finance cost	6	(2,148)	(2,481)
Finance income	6	3,838	739
Profit (loss) before income tax		**(4,594)**	**4,445**
Income tax benefit	7	-	-
Profit (loss) after tax		**(4,594)**	**4,445**
Earnings per share:		**Cents**	**Cents**
Basic profit per share	19	(1.91)	2.18
Diluted profit per share	19	(1.90)	2.17

Statement of comprehensive income

For the year ended 30 June 2026

Profit (loss) after tax		**(4,594)**	**4,445**
Other comprehensive income ("OCI")			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		4,677	(1,459)
Share of BT Mining hedging through OCI	13	(3,793)	(1,151)
Share of BT Mining tax on hedging through OCI		1,062	322
Comprehensive income		**(2,648)**	**2,157**

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Statement of financial position

As at 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash and cash equivalents	9	13,139	35,718
Restricted deposits & rehabilitation bonds		4,594	4,587
Trade and other receivables	9	3,743	4,105
Inventories		2,019	1,114
New Zealand emission units		9	22
Crown indemnity		53	53
Total current assets		**23,557**	**45,599**
Property, plant and equipment	10	8,102	10,580
Mining assets	11	46,181	30,691
Interest in joint ventures	13	297,284	293,234
Crown indemnity		622	604
Other financial assets		1,069	620
Total non-current assets		**353,258**	**335,729**
TOTAL ASSETS		**376,815**	**381,328**
Trade and other payables	15 (a)	5,924	5,993
Borrowings	15 (b)	527	831
Deferred consideration	15 (c)	219	750
Rehabilitation provisions	16	1,639	1,258
Total current liabilities		**8,309**	**8,832**
Borrowings	15 (b)	112	626
Deferred consideration	15 (c)	10,525	9,862
Rehabilitation provisions	16	3,830	5,276
Total non-current liabilities		**14,467**	**15,764**
TOTAL LIABILITIES		**22,776**	**24,596**
NET ASSETS		**354,039**	**356,732**
Contributed equity	17	354,046	353,995
Reserves	18	(31,377)	(33,227)
Accumulated earnings		31,370	35,964
EQUITY		**354,039**	**356,732**

For and on behalf of the Board of Directors:

Peter Westerhuis
Chairman
26 August 2026

Richard Tacon
Executive Director
26 August 2026

Statement of changes in equity

For the year ended 30 June 2026

	Contributed equity	Share-based payments	Foreign exchange reserve	Hedging reserve	Retained earnings	Re-organisation reserve	Total equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
1 July 2024	**316,970**	**1,526**	**(892)**	**2,316**	**31,519**	**(32,760)**	**318,679**
Income	-	-	(1,459)	(829)	4,445	-	2,157
Share-based payments	-	316	-		-	-	316
Share issue	35,580	-	-		-	-	35,580
Conversion of performance rights	1,445	(1,445)	-		-	-	-
30 June 2025	**353,995**	**397**	**(2,351)**	**1,487**	**35,964**	**(32,760)**	**356,732**
Income	-	-	4,677	(2,731)	(4,594)	-	(2,648)
Share-based payments	-	(45)	-	-	-	-	(45)
Share issue	-	-	-	-	-	-	-
Conversion of performance rights	51	(51)	-	-	-	-	-
30 June 2026	**354,046**	**301**	**2,326**	**(1,244)**	**31,370**	**(32,760)**	**354,039**

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		21,569	42,303
Payments to suppliers and employees		(27,324)	(37,178)
Net cash inflow/(outflow) from operating activities	**21**	**(5,755)**	**5,125**
Cash flows from investing activities			
Exploration and consenting expenditure		(9,118)	(3,679)
Mining assets (including capitalised waste moved in advance)		(8,860)	(5,131)
Dividend from BT Mining		-	-
Property, plant and equipment purchases		(409)	(862)
Property, plant and equipment disposals		560	1,040
Deferred consideration		(226)	(1,146)
NWP Coal Canada Limited	13 (b)	(1,751)	(1,542)
Interest received		835	86
Other		(28)	(23)
Net cash inflow/(outflow) from investing activities		**(18,997)**	**(11,257)**
Cash flows from financing activities			
Other finance income / (costs)		3,085	(801)
Interest on leases		(84)	(128)
Issue of shares		-	35,580
Drawdown / (repayment) of leases		(828)	(578)
Net cash inflow/(outflow) from financing activities		**2,173**	**34,073**
Net increase/(decrease) in cash and cash equivalents		**(22,579)**	**27,941**
Cash and cash equivalents at the beginning of the year		35,718	7,777
Total cash and cash equivalents at the end of the year	**9**	**13,139**	**35,718**

Notes to the financial statements

For the year ended 30 June 2026

1. About our financial statements

General information

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

The financial statements presented as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group").

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

These financial statements have been approved for issue by the Board of Directors on 26 August 2026.

Basis of preparation

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

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

Measurement basis

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

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

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

Foreign currency translation

Transactions and balances

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

Group companies

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

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

Intangible assets – New Zealand emissions units

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

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Notes to the financial statements

For the year ended 30 June 2026

1. About our financial statements continued

Key judgements and estimates

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

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

Reserves and resources

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

Standards and interpretations adopted during the year

The financial information presented for the year ended 30 June 2026 has been prepared using accounting policies consistent with those applied in the 30 June 2025 financial statements.

New accounting standards not yet effective

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

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

2. Segment information

The operating segments reported on are:

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

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

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

Three BRL customers in the Domestic segment met the reporting threshold of 10 percent of BRL's operating revenue in the year to 30 June 2026, Fonterra Clandeboye $13.7m, Tailored Energy Solutions $4.8m and Fonterra Studholme 2.2m (2025: Fonterra Clandeboye $28.6m and Tailored Energy Solutions $5.0m).

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Notes to the financial statements

For the year ended 30 June 2026

2. Segment information continued

Year ended 30 June 2026	Export $'000	Domestic $'000	Corporate $'000	Total $'000	Eliminate BT Mining $'000	Total BRL $'000
Revenue from contracts with customers	267,417	124,564	-	391,981	(371,136)	20,845
Operating profit before tax[4]	**33,369**	**(21,604)**	**(20,646)**	**(8,881)**	**(1,168)**	**(6,284)**
Interest income	-	-	12,103	12,103	(8,265)	3,838
Interest expense	(1,460)	(1,063)	(4,061)	(6,584)	4,436	(2,148)
Income tax	-	-	(463)	(463)	463	-
Movements in OCI	-	-	(475)	(475)	1,471	1,946
Comprehensive income after tax[5]	**31,909**	**(22,667)**	**(12,592)**	**(3,350)**	**(727)**	**(2,648)**
Depreciation and amortisation	(35,694)	(30,679)	(576)	(66,949)	71,050	4,101
Impairment	(195)	(6,213)	-	(6,408)	4,881	(1,527)
EBITDA[5]	69,043	23,423	(21,632)	70,834	(74,553)	(3,719)

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

Accounting policy

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

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

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

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For the year ended 30 June 2026

3. Revenue from contracts with customers

	2026 $'000	2025 $'000
Coal sales	14,321	26,248
Freight and ash disposal revenue	6,524	15,342
Sales revenue from contracts with customers	**20,845**	**41,590**

Accounting policy

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

Performance obligations

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

Determination of the transaction price

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

4. Cost of sales

	Note	2026 $'000	2025 $'000
Raw materials, mining costs and consumables used		6,339	9,569
Freight costs		5,564	13,227
Mine labour costs		5,453	6,914
Amortisation expenses		2,460	3,623
Changes in inventories of finished goods and work in progress		(872)	497
Total cost of sales		**18,944**	**33,830**

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Notes to the financial statements

For the year ended 30 June 2026

5. Administrative and other expenses

Administrative and other expenses include the following items:	Note	2026 $'000	2025 $'000
Remuneration of auditors		261	260
Directors' fees		447	428
Legal fees		1,143	1,647
Consultants		935	755
Employee benefit expense		2,362	2,177
Rent		278	146
Share-based payments	18	(45)	316

Included in remuneration of auditors is $51.5k relating to the half year review, and $9k for an agreed upon procedures engagement, with the remainder for end of year audit fees.

6. Net finance costs

	Note	2026 $'000	2025 $'000
Interest income		858	652
Realised foreign exchange		2,980	87
Total finance income		**3,838**	**739**
Interest expense on finance leases		(82)	(128)
Realised foreign exchange		(30)	-
Unrealised foreign exchange loss		(494)	(778)
Rehabilitation provisions unwinding of discount	16	(212)	(294)
Deferred consideration unwinding of discount	15 (c)	(1,314)	(1,258)
Other finance costs		(16)	(23)
Total finance costs		**(2,148)**	**(2,481)**
Total net finance income/(cost)		**1,690**	**(1,742)**

Notes to the financial statements

For the year ended 30 June 2026

7. Income tax benefit

(a) Income tax benefit	Note	**2026 $'000**	**2025 $'000**
Current tax		-	-
Deferred tax		-	-
Income tax benefit		**-**	**-**
Reconciliation of income tax benefit to tax payable			
Profit before income tax		(4,594)	4,445
Tax at the standard New Zealand rate of 28 percent		(1,286)	1,244
Tax effects of amounts not assessable in calculating taxable income:			
Share of joint venture equity profit		(381)	(1,412)
Taxable temporary differences not recognised		1,483	10
Non-taxable adjustments including movement on deferred consideration		162	158
Effect of different foreign income tax rates		22	-
Income tax benefit		**-**	**-**
(b) Imputation credits			
Opening balance imputation credit account		26,964	26,954
Imputation credits attached to dividends received and other items		-	-
Imputation credits available for use in future periods		**26,964**	**26,954**

Accounting policy

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

8. Impairment

	Note	2026 $'000	2025 $'000
Impairment / (reversal of impairment) of Bathurst domestic coal	11	1,527	(1,137)
Impairment losses / (reversal of losses)		**1,527**	**(1,137)**

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

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

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

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

Bathurst domestic coal

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

- the sale of the estimated recoverable reserves (97kt) over the current life of the mine (2025: 139kt)
- assumption that future coal prices are consistent with current contracted prices; and
- a post-tax discount rate of 10.25 percent, pre-tax 13.3 percent. (2025: post-tax discount rate of 12.0 percent, pre-tax 15.7 percent)

An impairment has been recognised on assets relating to the Takitimu mine, which is planned to cease operating in FY28. The impairment relating to the Takitimu mine forms part of the domestic segment, as reported in note 2. Impairment loss of $1.5m has been recognised and relates to Takitimu mining assets and property, plant and equipment.

The carrying value of the Bathurst domestic coal CGU at 30 June 2026 was $2.9m and is based on the forecast cashflows from the mine for the remaining mining period to FY28 based on the current customer contracts and production of 85kt.

Buller Coal project

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

There was $0.7m in capitalised exploration and evaluation expenditure relating to this CGU at 30 June 2021. During the 2022 $0.3m was written back as these balances related to historical items that could no longer be supported. Apart from $0.4m of capitalised exploration and evaluation expenditure, the CGU remains impaired at 30 June 2026.

Accounting policy

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

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

Notes to the financial statements

For the year ended 30 June 2026

9. Financial assets

Trade and other receivables	Note	2026 $'000	2025 $'000
Trade receivables from contracts with customers		1,116	1,150
Receivable from BT Mining	13	165	1,272
Other receivables and prepayments		2,462	1,683
Total trade and other receivables		**3,743**	**4,105**

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

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

Cash and cash equivalents	Note	2026 $'000	2025 $'000
Bank balances		4,623	8,796
Short term deposits		8,516	26,922
Total cash and cash equivalents		**13,139**	**35,718**

Accounting policy

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

Notes to the financial statements

For the year ended 30 June 2026

9. Financial assets continued

Accounting policy continued

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

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

Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers the financial asset to another party without retaining control of the asset.

Cash and cash equivalents and restricted short-term deposits

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

Notes to the financial statements

For the year ended 30 June 2026

10. Property, plant and equipment

Year ended 30 June 2026	Freehold land $'000	Buildings $'000	Mine infrastructure $'000	Plant & machinery $'000	Furniture & fittings $'000	Work in progress $'000	Total $'000
Opening net book value	**4,919**	**859**	**49**	**4,556**	**166**	**31**	**10,580**
Additions including NZ IFRS 16	-	23	-	167	19	45	254
Transfers	-	-	-	60	6	(66)	-
Disposals	-	(5)	-	(474)	(16)	-	(495)
Depreciation including NZ IFRS 16	(19)	(264)	(6)	(1,266)	(86)	-	(1,641)
Impairment	-	(167)	-	(525)	-	-	(692)
Net exchange differences	89	-	-	6	1	-	96
Closing net book value	**4,989**	**446**	**43**	**2,524**	**90**	**10**	**8,102**
Cost	18,543	7,789	2,895	22,751	2,750	13,258	67,986
Accumulated write-downs	(13,554)	(7,343)	(2,852)	(20,227)	(2,660)	(13,248)	(59,884)
Closing net book value	**4,989**	**446**	**43**	**2,524**	**90**	**10**	**8,102**

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

Notes to the financial statements

For the year ended 30 June 2026

10. Property, plant and equipment continued

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

Year ended 30 June 2026	Freehold land $'000	Buildings $'000	Plant & machinery $'000	Furniture & fittings $'000	Total $'000
Opening net book value	**29**	**316**	**1,241**	**19**	**1,605**
Additions	-	23	-	-	23
Disposals	-	-	-	-	-
Transfers	-	-	(241)	-	(241)
Depreciation	(19)	(216)	(313)	(12)	(560)
Closing net book value	**10**	**123**	**687**	**7**	**827**

Year ended 30 June 2025	Freehold land $'000	Buildings $'000	Plant & machinery $'000	Furniture & fittings $'000	Total $'000
Opening net book value	**71**	**522**	**1,579**	**31**	**2,203**
Additions	7	-	31	-	38
Disposals	(20)	-	-	-	(20)
Transfers	-	-	(52)		(52)
Depreciation	(29)	(206)	(317)	(12)	(564)
Closing net book value	**29**	**316**	**1,241**	**19**	**1,605**

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Notes to the financial statements

For the year ended 30 June 2026

10. Property, plant and equipment continued

Accounting policy

Leases

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

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

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

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

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

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

Property, plant and equipment

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

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

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

• Buildings	3 - 50 years (3 – 5 years for ROU assets)
• Mine infrastructure	3 - 20 years
• Plant and machinery	2 - 20 years
• Leased land	7 - 8 years
• Furniture, fittings and equipment	2 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Notes to the financial statements

For the year ended 30 June 2026

11. Mining assets

Exploration and evaluation assets	Note	2026 $'000	2025 $'000
Opening balance		**3,679**	**-**
Expenditure capitalised Buller Plateaux Continuation Project		9,118	3,679
Total exploration and evaluation assets		**12,797**	**3,679**
Mining licences/permits and capitalised waste moved in advance			
Opening balance		**27,012**	**25,256**
Expenditure capitalised Tenas Coal Project		8,857	5,023
Expenditure capitalised Takitimu		-	33
Transfers		(33)	75
Disposals		-	(934)
Amortisation		(2,460)	(3,623)
Waste moved in advance capitalised		37	-
Net exchange differences		806	45
Impairment of Takitimu mining assets	8	(835)	1,137
Total mining licences/permits and capitalised waste moved in advance		**33,384**	**27,012**
Total mining assets		**46,181**	**30,691**

Included in the total mining assets are amounts related to Buller Plateaux Continuation Project $12.8m (30 June 2025: $3.7m) and the Tenas Coal Project $33.1m (30 June 2025: $23.5m). Both projects are progressing through their respective regulatory processes.

Accounting policy

Exploration and evaluation

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

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

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

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

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

11. Mining assets continued

Accounting policy continued

Mining licences/permits

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

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

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

Waste moved in advance

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

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

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

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

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

Key judgements and estimates

Waste moved in advance

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

Recoverability of mining assets/impairment

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

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

Notes to the financial statements

For the year ended 30 June 2026

12. Investment in subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding 2026 %	Equity holding 2025 %
BR Coal Pty Limited	Australia	Ordinary	100	100
Bathurst New Zealand Limited	New Zealand	Ordinary	100	100
Bathurst Coal Holdings Limited	New Zealand	Ordinary	100	100
Buller Coal Limited	New Zealand	Ordinary	100	100
Bathurst Coal Limited	New Zealand	Ordinary	100	100
New Brighton Collieries Limited	New Zealand	Ordinary	100	100
Bathurst Minerals Limited	New Zealand	Ordinary	100	100
Bathurst Resources (NWP) Limited	Canada	Ordinary	100	100
Bathurst Resources Canada (Holdings) Limited	Canada	Ordinary	100	100
Bathurst Resources (Telkwa) Limited	Canada	Ordinary	100	100
Telkwa Mining Limited	Canada	Ordinary	100	100

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

Accounting policy

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

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

13. Interest in joint ventures

	Note	2026 $'000	2025 $'000
Interest in BT Mining Limited ("BT Mining")		273,304	274,606
Interest in NWP Coal Canada Limited ("NWP")		23,980	18,628
Total interest in joint ventures		**297,284**	**293,234**

(a) BT Mining

(a) Balances held in BT Mining		
Equity investment	16,250	16,250
Share of retained earnings net of dividends received	257,054	258,356
Total interest in BT Mining	**273,304**	**274,606**
Opening balance	**274,606**	**268,953**
Receipt of dividend	-	-
Share of BT Mining profit	1,429	6,482
Share of BT Mining FX hedging through OCI net of tax	(2,731)	(829)
Closing balance	**273,304**	**274,606**

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

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

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

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

Impairment assessment

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

- forecast sales of estimated recoverable reserves (6,222kt) over the life of the mine to 2038;
- forecast sales and estimated recoverable reserves are based on the Buller Plateaux Continuation Project (BPCP) Fast Track Approvals (FTA) application being successful.
- forecast hard coking coal prices USD $235 per tonne, and the long-term relativity of soft coking coal prices to be 60 percent of hard coking coal prices adjusted by management to reflect a price consistent with the historical blended coal quality;
- NZD/USD foreign exchange rate of 0.60. (2025: 0.58)
- a post-tax discount rate of 8.25 percent, pre-tax 10.5 percent. (2025: 10.0 percent, pre-tax 12.9 percent)

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

- the sale of the estimated recoverable reserves (1,525kt) over the life of the individual mining permits between two to six years;
- assumption that future coal prices are consistent with current contracted prices; and
- a post-tax discount rate of 9.5 percent, pre-tax 12.0 percent. (2025: 11.3 percent, pre-tax 14.7 percent)

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Notes to the financial statements

For the year ended 30 June 2026

13. Interest in joint ventures continued

(a) BT Mining continued

Related party transactions

Salaries for employees who work across both Bathurst and BT Mining are recharged so that staff costs are recorded appropriately. For the year ended 30 June 2026 $2.3m of salaries were recharged from Bathurst to BT Mining (2025: $2.0m) and $0.9m recharged from BT Mining to Bathurst (2025: $0.8m). There was a receivable balance due from BT Mining to Bathurst of $0.2m (2025: $1.3m).

Coal sales are made to Bathurst's BT Mining joint venture partner Talleys Energy Limited and/or associated companies of Talleys Energy Limited for the year ended 30 June 2026 were $0.2m (2025: $3.7m).

(b) Statement of financial position (100% basis)	Note	2026 $'000	2025 $'000
Cash		137,091	165,970
Restricted short-term deposits		58,471	46,266
Trade and other receivables		51,027	35,710
Crown indemnity		7,406	4,967
Inventories		61,330	43,962
New Zealand emission units		605	457
Income tax		4,337	5,442
Derivative assets		-	3,486
Current assets		**320,267**	**306,260**
Property, plant and equipment		77,641	87,236
Mining assets		114,274	114,898
Crown indemnity		44,985	45,578
Other financial assets		94	93
Deferred tax asset		15,370	12,063
Non-current assets		**252,364**	**259,868**
TOTAL ASSETS		**572,631**	**566,128**
Trade and other payables		44,563	39,193
Finance leases		970	7,127
Derivative liabilities		2,350	-
Provisions		13,812	6,996
Current liabilities		**61,695**	**53,316**
Finance leases		1,482	1,351
Provisions		88,985	88,988
Non-current liabilities		**90,467**	**90,339**
TOTAL LIABILITIES		**152,162**	**143,655**
NET ASSETS		**420,469**	**422,473**
Share capital		25,000	25,000
Reserves		(1,913)	2,289
Retained earnings net of dividends paid		397,382	395,184
EQUITY		**420,469**	**422,473**

Notes to the financial statements

For the year ended 30 June 2026

13. Interest in joint ventures continued

(b) NWP

Balances held in NWP	Note	2026 $'000	2025 $'000
Equity investment		24,060	18,668
Equitable share of profit		(80)	(40)
Total interest in NWP		**23,980**	**18,628**
Opening balance		**18,628**	**18,672**
Movement in share capital		3,706	-
Unrealised FX movement		1,685	46
Equitable share of loss		(39)	(90)
Closing balance		**23,980**	**18,628**

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

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

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

Equity funds invested to date equal the NZD equivalent of the initial investment (CAD $4.0m) and tranche one (CAD $7.5m) issued in exchange for common ordinary shares in NWP, as well as an advance of CAD $4.0m as part of tranche two. The advance to tranche two consists of CAD $2.6m issued in exchange for preference shares, and CAD $5.1m issued in exchange for ordinary shares. Bathurst holds a 21.8 percent equity holding in NWP including the preference shares. Payment of the balance of tranche two is not expected in the next twelve months.

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

There are milestones essential to the successful completion of the Crown Mountain project, which are still to be reached. While there is continued progress on the project, Bathurst believes these remaining milestones effectively mean that any potential perceived upside in value in NWP, over and above the pre-set price, is unable to be reliably valued.

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

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

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Notes to the financial statements

For the year ended 30 June 2026

13. Interest in joint ventures continued

NWP unaudited financials of which Bathurst holds 21.8 percent	2026 $'000	2025 $'000
Cash	8	395
Other current assets	137	71
Exploration and evaluation assets	67,414	55,334
Other non-current assets	1,377	1,338
TOTAL ASSETS	**68,936**	**57,138**
Current liabilities	2,842	1,949
Non-current financial liabilities	2,582	1,229
TOTAL LIABILITIES	**5,424**	**3,178**
NET ASSETS	**63,512**	**53,960**

Accounting policy

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

14. Deferred tax

Temporary differences attributable to:	2026 $'000	2025 $'000
Tax losses	27,412	22,081
Employee benefits	263	243
Provisions	1,172	1,387
Mining licences	17,168	20,482
Exploration and evaluation expenditure	812	812
Property, plant and equipment	3,913	3,698
Other	85	111
Waste moved in advance	-	-
Total deferred tax assets	**50,825**	**48,814**
Total deferred tax liabilities	-	-
Net deferred tax asset not recognised	(50,825)	(48,814)
Net deferred tax asset	-	-

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Notes to the financial statements

For the year ended 30 June 2026

14. Deferred tax continued

The Group has not recognised a net deferred tax asset on the basis that it is not probable these losses will be utilised in the near future. Included in the tax losses balance above is an amount of $2.5m related to changes in estimates in prior years necessary to reflect the available tax losses as per the final tax return.

Accounting policy

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

15. Financial liabilities

(a) Trade and other payables	2026 $'000	2025 $'000
Trade payables	1,858	3,187
Accruals	2,633	1,508
Employee benefit payable	1,433	1,298
Total trade and other payables	**5,924**	**5,993**

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

(b) Borrowings	2026 $'000	2025 $'000
Current		
Secured		
Lease liabilities	527	831
Total current borrowings	**527**	**831**
Non-current		
Secured		
Lease liabilities	112	626
Total non-current borrowings	**112**	**626**
Total borrowings	**639**	**1,457**

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

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Notes to the financial statements

For the year ended 30 June 2026

15. Financial liabilities continued

(c) Deferred consideration	2026 $'000	2025 $'000
Current		
Acquisition of subsidiary	219	750
Non-current		
Acquisition of subsidiary	175	72
Acquisition of asset	10,350	9,790
Total deferred consideration	**10,744**	**10,612**
Opening balance	10,612	11,617
Unwinding of discount	1,314	1,258
Acquisition of Tenas project	-	-
Fair value adjustment	(1,282)	(1,028)
New Brighton Collieries consideration paid net of movements in accruals during the year	100	(1,235)
Closing balance	**10,744**	**10,612**

Buller Coal project

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

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

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

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

Tenas Coal project

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

The project is currently undergoing the Environmental Assessment process and is expected to enter production in FY29. The mine is anticipated to produce 750k tonnes of saleable steelmaking coal per year for over 20 years.

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

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15. Financial liabilities continued

(c) Deferred consideration continued

New Brighton Collieries Limited

Acquisition was completed on 10 March 2015. The balance due on settlement is satisfied by an ongoing royalty based on sales revenue. The fair value of the future royalty payments is estimated using a discount rate based upon the Group's WACC (10.25%), projected production profile based on activity at the Takitimu mine (97kt) and forecast domestic coal prices. These are based on the Group's forecasts which are approved by the Board of Directors. Sensitivity analysis on impact to profit based on changes to key inputs to the estimation of the deferrred consideration liability is as follows:

Security

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

New Brighton Collieries		2026		2025	
Key input	Change in input	Increase in estimate $'m	Decrease in estimate $'m	Increase in estimate $'m	Decrease in estimate $'m
Discount rate	2 percent	0.0	0.0	0.0	0.0
Production levels	5 percent	0.0	0.0	0.0	0.0
Coal prices	$5 per tonne	0.0	0.0	0.0	0.0

(d) Fair value measurements

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

Accounting policy

Initial recognition and measurement

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

Subsequent measurement

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

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

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

Financial liabilities at amortised cost

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

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

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15. Financial liabilities continued

Accounting policy continued

Fair value through profit or loss

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

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

Derecognition

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

Fair value

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

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

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

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

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

Key judgements and estimates

Deferred consideration

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

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16. Rehabilitation provisions

	2026 $'000	2025 $'000
Current	1,639	1,258
Non-current	3,830	5,276
Total provisions	**5,469**	**6,534**
Rehabilitation provision movement:		
Opening balance	6,534	7,525
Unwinding of discount	212	294
Movement in Crown indemnity on acid mine drainage for Sullivan permit	17	(46)
Movement in provision net of expenditure incurred	(1,294)	(1,239)
Closing balance	**5,469**	**6,534**

Bonds held as restricted deposits totalling $4.6m as shown on the face of the statement of financial position (30 June 2025: $4.6m) are provided to various local councils in respect to future rehabilitation obligations.

Accounting policy

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

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

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

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

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

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

Key judgements and estimates

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

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

Notes to the financial statements

For the year ended 30 June 2026

17. Equity

(a) Ordinary fully paid shares	2026 Number of shares '000	2025 Number of shares '000
Opening balance	**239,975**	**191,360**
Issue of shares from performance rights	78	1,818
Issue of shares from placement	-	46,476
Issue of shares from share purchase plan	-	321
Closing balance	**240,053**	**239,975**

Ordinary shares

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

Dividends

There were no dividends paid or declared during the year.

(b) Contributed equity	2026 $'000	2025 $'000
Opening balance	**353,995**	**316,970**
Issue of shares from performance rights	51	1,445
Issue of shares from placement	-	35,359
Issue of shares from share purchase plan	-	221
Closing balance	**354,046**	**353,995**

Accounting policy

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

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18. Reserves

	2026 $'000	2025 $'000
Share-based payment reserve	301	397
Foreign exchange translation reserve	2,326	(2,351)
Share of BT Mining FX hedging through OCI	(1,244)	1,487
Reorganisation reserve	(32,760)	(32,760)
Total reserves	**(31,377)**	**(33,227)**

Nature and purpose of reserves

Share-based payment reserve

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

The fair value for the executive director and senior leadership team performance rights was determined to be AUD $0.2793 (executive directors) and AUD $0.3111 (senior leadership team) (2025:AU $0.5976, 2024: AU $0.8504).

Key inputs used for the valuations were:

Exercise price (nil) (2025:nil, 2024:nil);

Risk free rate 3.89% (executive directors) and 4.05% (senior leadership team) (2025: 3.89%, 2024: 3.67%);

Weighted average share price AUD $0.62 Executive directors) and AUD $0.65 (senior leadership team) (2025: AUD $0.75, 2024: AUD $0.96);

Dividend yield (nil) (2025:nil, 2024: nil);

Expected volatility in the share price which is based on historical actual volatility 37.66% (executive directors) and 37.82% (senior leadership team) (2025: 45.74%, 2024: 83.23%)

Nature and purpose of reserves continued

Foreign exchange translation reserve

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

Share of BT Mining FX and coal price hedging through OCI

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

Reorganisation reserve

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

Notes to the financial statements

For the year ended 30 June 2026

18. Reserves continued

Details on share-based payments

Grant date	Vesting date	Opening balance 000s	Issued 000s	Vested 000s	Lapsed 000s	Closing balance 000s
Non-executive director performance rights (2023)	1 December 2025	78	-	(78)	-	-
Executive director performance rights (2024)	1 December 2026	571	-	-	(571)	-
Executive director performance rights (2025)	1 December 2027	603	-	-	-	603
Executive director performance rights (2026)	1 December 2028	-	664	-	-	664
Senior leadership team performance rights (2026)	1 December 2028	-	576	-	-	576
		1,252	**1,240**	**(78)**	**(571)**	**1,843**

Performance rights

LTIP performance rights are issued to executive directors and members of the senior leadership team ("SLT") as part of the LTIP which was approved at the 2018 AGM. These rights were issued as an incentive for the future performance. Rights granted to directors during the year were approved at the 2025 annual general meeting.

Rights have a nil issue and exercise price and are convertible into fully paid ordinary shares on a 1:1 basis. Performance requirements include continuous employment with BRL until 1 December 2028 for the performance rights issued during the year (2025: 1 December 2027). BRL also has to achieve a minimum total shareholder return compound annual growth rate for the period 1 July 2025 to and including 30 June 2028 for the performance rights issued during the year (2025: 1 July 2024 to 30 June 2027).

Accounting policy

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

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

Notes to the financial statements

For the year ended 30 June 2026

19. Earnings per share

(a) Earnings per share ("EPS")	2026 Cents	2025 Cents
Basic EPS	(1.91)	2.18
Diluted EPS	(1.90)	2.17

(b) Reconciliation of earnings used in calculation	$'000	$'000
Earnings used to calculate basic and diluted EPS	**(4,594)**	**4,445**

(c) Weighted average number of shares	Shares '000	Shares '000
Weighted average shares used in calculation of basic EPS	**240,005**	**203,815**
Dilutive potential ordinary shares (performance rights)	1,843	1,253
Weighted average shares used in calculation of diluted EPS	**241,848**	**205,067**

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

Notes to the financial statements

For the year ended 30 June 2026

20. Financial risk management

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

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

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

Credit risk

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

Risk management

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

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

Impairment

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

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

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

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

Liquidity risk

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

Maturities of financial liabilities

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

Notes to the financial statements

For the year ended 30 June 2026

20. Financial risk management continued

30 June 2026	Less than 6 months $'000	6 - 12 months $'000	Between 1 – 2 years $'000	Between 2 – 5 years $'000	Over 5 years $'000	Total contractual flows $'000
Trade and other payables	4,797	-	-	-	-	4,797
Leases	278	278	116	-	-	672
Deferred consideration	121	121	7,288	5,307	-	12,837
Total	**5,196**	**399**	**7,404**	**5,307**	**-**	**18,306**

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

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

Capital management

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

Financial instruments by category

Financial assets	2026 $'000	2025 $'000
Amortised cost		
Cash and cash equivalents	13,139	35,718
Restricted short-term deposits	4,594	4,587
Trade and other receivables	3,743	4,105
Other financial assets	1,069	620
Crown Indemnity	675	657
Total financial assets	**23,220**	**45,687**

Financial liabilities	2026 $'000	2025 $'000
Amortised cost		
Trade and other payables	5,924	5,993
Borrowings	639	1,457
Fair Value		
Deferred consideration	10,744	10,612
Total financial liabilities	**17,307**	**18,062**

Notes to the financial statements

For the year ended 30 June 2026

21. Reconciliation of profit to operating cash flows

	2026 $'000	2025 $'000
Profit (loss) before income tax	**(4,594)**	**4,445**
Non-cash items:		
Depreciation and amortisation	4,101	5,491
Share-based payments	(45)	316
Share of joint venture equity share of profit	(1,390)	(6,392)
Non-operating:		
Movement on rehabilitation provision & discount unwind	(758)	180
Movement on deferred consideration & discount unwind	32	230
Interest on finance leases	82	128
Other	(858)	(652)
Unrealised FX including movement on deferred consideration	(2,457)	691
Impairments	1,527	(1,137)
(Gain)/loss on sale of PPE	(105)	29
Movement in working capital	(1,290)	1,797
Cash flow from operating activities	**(5,755)**	**5,125**

22. Key management personnel compensation

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

30 June 2026	Short-term benefits $'000	Share-based payments $'000	Total $'000
Management	2,985	172	3,157
Non-executive directors	149	7	156
Total	**3,134**	**179**	**3,313**
30 June 2025			
Management	2,550	299	2,849
Non-executive directors	294	17	311
Total	**2,844**	**316**	**3,160**

23. Contingent liabilities

Claims by Talley's Group Limited

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

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

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

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

In 2025 both parties made various interlocutory applications to the High Court in respect of the first proceeding, all of which were dismissed.

In respect of the second proceeding, TGL's application for leave to bring a derivative was heard in the High Court on 24 November 2025. In a reserved judgment dated 11 June 2026, the High Court declined TGL's application, meaning that no such derivative action may be brought. TGL has since confirmed that it will not be appealing the High Court's decision here.

The substantive trial has been scheduled for May 2028.

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

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Notes to the financial statements

For the year ended 30 June 2026

24. Events after the reporting period

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

Additional information

For the year ended 30 June 2026

Unaudited proportionate consolidation of Bathurst and BT Mining operations

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

Consolidated income statement

	2026 $'000	2025 $'000
Revenue from contracts with customers	262,083	254,858
Realised FX and coal price hedging	(1,066)	13,086
Less: cost of sales	(220,854)	(219,410)
Gross profit	**40,163**	**48,534**
Other income	2,326	3,183
Equity accounted loss	(39)	(90)
Depreciation	(18,451)	(17,435)
Administrative and other expenses	(29,196)	(27,530)
Fair value movement on deferred consideration	1,282	1,028
Gain/(loss) on disposal of fixed assets	143	7
Impairment losses	(4,700)	(2,582)
Operating profit (loss) before tax	**(8,472)**	**5,115**
Finance cost	(5,031)	(4,059)
Finance income	9,210	5,906
Profit (loss) before income tax	**(4,293)**	**6,962**
Income tax expense	(301)	(2,517)
Profit (loss) after income tax	**(4,594)**	**4,445**

Additional information

For the year ended 30 June 2026

Consolidated statement of financial position

	2026 $'000	2025 $'000
Cash and cash equivalents	102,248	143,599
Restricted short-term deposits	42,600	34,660
Trade and other receivables	36,911	27,314
Crown indemnity	4,867	3,282
Inventories	41,884	29,689
Income tax	2,816	3,535
New Zealand emission units	402	319
Derivative assets	-	2,266
Total current assets	**231,728**	**244,664**
Property, plant and equipment ("PPE")	58,569	67,283
Mining assets	120,459	105,375
Crown indemnity	29,862	30,230
Interest in joint ventures	23,980	18,628
Deferred tax asset	9,991	7,841
Other financial assets	1,130	680
Total non-current assets	**243,991**	**230,037**
TOTAL ASSETS	**475,719**	**474,701**
Trade and other payables	34,887	31,466
Finance leases	1,158	5,353
Deferred consideration	219	861
Derivative liabilities	1,528	-
Provisions	10,617	5,805
Total current liabilities	**48,409**	**43,485**
Finance leases	1,075	1,504
Deferred consideration	10,525	9,862
Provisions	61,671	63,118
Total non-current liabilities	**73,271**	**74,484**
TOTAL LIABILITIES	**121,680**	**117,969**
NET ASSETS	**354,039**	**356,732**
Contributed equity	354,046	353,995
Reserves	(31,377)	(33,227)
Retained earnings net of dividends	31,370	35,964
EQUITY	**354,039**	**356,732**

Additional information

For the year ended 30 June 2026

Consolidated cash flow

	2026 $'000	2025 $'000
Cash flows from operating activities		
Receipts from customers	254,155	292,419
Payments to suppliers and employees	(223,508)	(217,760)
Taxes paid	(1,697)	(5,981)
Net inflow from operating activities	**28,950**	**68,678**
Cash flows from investing activities		
Exploration and evaluation expenditure	(13,748)	(5,897)
Mining assets (incl. elevated stripping)	(36,369)	(41,717)
PPE purchases net of disposals	(11,694)	(15,532)
Payment of deferred consideration	(288)	(1,199)
Investment in NWP	(1,751)	(1,542)
Other	(29)	(24)
Net outflow from investing activities	**(63,879)**	**(65,911)**
Cash flows from financing activities		
Repayment of leases net of drawdowns	(4,746)	(5,398)
Interest on leases	(310)	(587)
Interest received	3,629	6,161
Issue of shares	-	35,580
Other finance income/(costs)	2,946	(1,143)
Net inflow from financing activities	**1,519**	**34,613**
Net increase/(decrease) in cash and cash equivalents	**(33,410)**	**37,380**
Opening cash and cash equivalents including restricted short-term deposits	178,259	140,879
Closing cash and cash equivalents	**144,849**	**178,259**

Independent Auditor's Report

To the shareholders of Bathurst Resources Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Bathurst Resources Limited (the **Company**) and its subsidiaries (the **Group**) on pages 11 to 47 present fairly in all material respects:

- the Group'sfinancial position as at 30 June 2026 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board.

Basis for opinion

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

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

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

The key audit matter	How the matter was addressed in our audit
Assessment of recoverability of mining assets	
Refer to Note 8 and 11 to the financial statements. The recoverability of mining assets is a key audit matter due to the judgement involved in assessing the recoverable value. Key judgements include: — future coal prices; — available coal reserves supporting future production levels; — mining permit and resource consent conditions, including extension of permits under existing Fast-track Approvals Act 2024; — future operating and capital costs; and — discount rate. As a present impairment indicator, the Group's net assets as at 30 June 2026 of NZ$354 million remained below the market capitalisation based on the share price at 30 June 2026.	Our audit procedures included: — verifying mining permit and resource consent conditions; — comparing future coal price assumptions with third-party contracts and publicly available forward price curves; — comparing the forecasted production profiles to the Joint Ore Reserves Committee (JORC) reserve reports prepared by management experts; — challenging the discount rate used by engaging a specialist to independently determine an appropriate discount rate and performing sensitivity analysis to consider the impact on the recoverable value assessments; — verifying the accuracy and completeness of the assets to be written-off where impairments were identified; and — assessing the disclosures in the consolidated financial statements using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.
Rehabilitation provision	
Refer to Note 16 to the financial statements. Judgement is required in the determination of the rehabilitation provision, including: — assumptions relating to the manner in which rehabilitation will be undertaken; and — scope and quantum of costs, and timing of the rehabilitation activities.	Our audit procedures included: — obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision; — agreeing rehabilitation cost estimates to underlying support, including where applicable reports from external experts; — assessing the independence, competence and objectivity of experts used by management; — comparing the inflation and discount rates to available market information; and

The key audit matter	How the matter was addressed in our audit
	— testing the mathematical accuracy of the rehabilitation provision. We also assessed the appropriateness of the disclosures included in Note 16 to the financial statements.

Other information

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

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

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

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

Use of this independent auditor's report

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

Responsibilities of directors for the consolidated financial statements

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

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

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

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent auditor's report that includes our opinion.

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

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

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KPMG
Christchurch
26 August 2026