

CHATHAM ROCK PHOSPHATE LIMITED

(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2017

(Expressed in Canadian Dollars)

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CANADIAN DECLARATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Chatham Rock Phosphate Limited and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Chatham Rock Phosphate maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. ("Committee").

The Committee is appointed by the Board, and the majority of its members are independent non-executive directors. The Committee meets at least four times a year with management, and as required with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the quarterly and the annual reports, the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors. KPMG, the external auditors, were engaged to audit the consolidated financial statements in accordance with Canadian Generally Accepted Auditing Standards and International Standards on Auditing (New Zealand) on behalf of the shareholders. KPMG has full and free access to the Audit Committee.

Chris Castle
Chief Executive Officer

Robyn Hamilton
Chief Financial Officer

June 27, 2017

NEW ZEALAND DECLARATION

DIRECTORS' DECLARATION

In the opinion of the directors of Chatham Rock Phosphate Limited, the consolidated financial statements and notes, on pages 14 to 35:

- materially comply with both International Financial Reporting Standards ("IFRS") and generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the company and the group as at March 31, 2017 and the results of their operations and cash flows for the year ended on that date, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

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

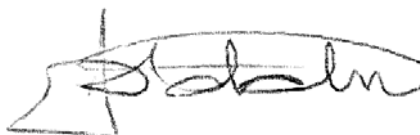
The directors consider that they have taken adequate steps to safeguard the assets of the company and group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability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

The directors are pleased to present the financial statements for Chatham Rock Phosphate Limited for the year ended March 31, 2017.

For and on behalf of the Board of Directors



C Castle
Director
Date: 27 June 2017



J Hatchwell
Director
Date: 27 June 2017



INDEPENDENT AUDITOR'S REPORT BASED ON INTERNATIONAL FINANCIAL REPORTING STANDARDS

To the Shareholders of Chatham Rock Phosphate Limited

We have audited the accompanying consolidated financial statements of Chatham Rock Phosphate Limited, which comprise the consolidated statements of financial position as at March 31, 2017 and March 31, 2016, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chatham Rock Phosphate Limited as at March 31, 2017 and March 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.



Emphasis of Matter

We draw attention to Note 2(e) in the consolidated financial statements financial statements. The Group has a current year working capital surplus of CAD \$126,081 (2016: working capital deficit of CAD \$400,838) as at March 31, 2017 but continued to incurred losses (2017: CAD \$1,636,550; 2016: CAD \$725,230).

The ability to continue to operate long-term is dependent on raising further funding to pursue the Group's corporate goals. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read 'KPMG' with a stylized flourish extending from the end.

27 June 2017
Wellington, New Zealand



Independent Auditor's Report

To the shareholders of Chatham Rock Phosphate Limited

Report on the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Chatham Rock Phosphate Limited (the Company) and its subsidiaries (the Group) on pages 10 to 35:

- i. present fairly in all material respects the Group's financial position as at 31 March 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2017;
- the consolidated income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



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 the group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements 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 also provided other services to the Group in relation to taxation and assurance work in connection with the Filing Statement prepared for the Reverse Takeover Transaction. 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.



Material Uncertainty Related to Going Concern

We draw attention to Note 2(e) in the consolidated financial statements financial statements. The Group has a current year working capital surplus of CAD \$126,081 (2016: working capital deficit of CAD \$400,838) as at 31 March 2017 but continued to incurred losses (2017: CAD \$1,636,550; 2016: CAD \$725,230).

The ability to continue to operate long-term is dependent on raising further funding to pursue the

Group's corporate goals. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at CAD \$46,700 determined with reference to a benchmark of Total assets. We chose the benchmark because, in our view, this is a key measure of the Group's operations.



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 statutory 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

Carrying Value of intangible asset (CAD 4.2 million)

Refer to Note 6 of the Financial Report.

The Group's intangible asset represents the largest individual asset on the balance sheet. The intangible asset relates to capitalised exploration and evaluation costs.

This was determined to be a key audit matter because there is a risk that amounts capitalised do not meet the recognition criteria of NZ IFRS 6 *Exploration for and Evaluation of Mineral Resources* (NZ IFRS 6).

In addition, the intangible asset is subject to impairment testing whenever an impairment trigger is identified. The recoverability of the carrying amounts of capitalised exploration and evaluation costs is dependent on the Group gaining a marine consent for the Chatham Rise project and for it to be commercially successful.

Our audit procedures included

- Assessing a sample of project expenditure to ensure they meet the criteria to be capitalised.
- Performing an assessment for impairment indicators such as:
 - Ensuring that Company continued to hold a mining permit that granted a right to explore a specific area.
 - Confirming that the mining permit will not expire in the near future.
 - Obtaining a copy of the Company's budgeted expenditure which supports future exploration and evaluation in connection with the mining permit.
 - Considering whether any external data existed to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development.
- As an overall test we compared the Groups net assets at 31 March 2017 of CAD \$4.4 million to its market capitalisation of CAD \$6.6 million at 21 June 2017.

The key audit matter

How the matter was addressed in our audit

Reverse Takeover

Refer to Note 2(b) of the Financial Report.

On the 24 February 2017 the Company (the legal acquirer) completed a reverse takeover transaction with Chatham Rock Phosphate NZ Limited (the accounting acquirer).

As a result of this Chatham Rock Phosphate NZ Limited delisted from the NZX and is now 100% owned by the Company.

Accounting for this transaction is complex and requires management judgement determining whether the listed Company is a business.

Our audit procedures included:

- Obtaining a copy of management's analysis to support the reverse takeover accounting and using specialists to ensure that the application of reverse takeover accounting was appropriate.
- Agreeing the share ratio applied in management's calculation determining the number of consideration shares to the Takeover Notice dated 8 December 2016.
- Reviewing management's reverse takeover acquisition cost calculation and agreed takeover values applied to both entities as at takeover notice and takeover completion date to supporting documentation



Other Information

The Directors, on behalf of the Group, are responsible for the other information included in Management's Discussion & Analysis document. Other information includes the Group's historic business overview, financial commentary, and the Group's business outlook including risks and uncertainties. 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 that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this Independent Auditor's Report

This report is made solely to the shareholders as a body. 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, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the 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 generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;

- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the consolidated 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 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 these consolidated financial statements.

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

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page1.aspx.

This description forms part of our Independent Auditor's Report.



David Gates
For and on behalf of
KPMG
Wellington
27 June 2017

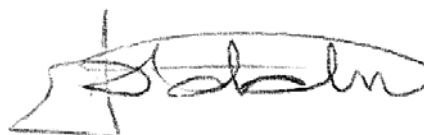
CHATHAM ROCK PHOSPHATE LIMITED
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at March 31, 2017

	Note	March 31 2017	March 31 2016
ASSETS		\$	\$
Current assets			
Cash and cash equivalents		762,672	166,461
Accounts receivables		103,541	50,204
Current tax assets	13	7,573	1,106
Other current assets (including restricted cash)	5	556,450	270,418
Total current assets		<u>1,430,236</u>	<u>488,189</u>
Non-current assets			
Property, plant and equipment		285	786
NZX Bond		13,992	13,463
Mineral property interest	6	4,244,497	3,763,864
Total non-current assets		<u>4,258,774</u>	<u>3,778,113</u>
Total assets		<u>5,689,010</u>	<u>4,266,302</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	1,304,155	889,027
Total current liabilities		<u>1,304,155</u>	<u>889,027</u>
Total liabilities		1,304,155	889,027
EQUITY			
Share capital	8	32,426,568	29,888,605
Currency translation reserve		97,334	(8,833)
Deficit Accumulated through Development Stage		(28,139,047)	(26,502,497)
Total equity		<u>4,384,855</u>	<u>3,377,275</u>
Total equity and liabilities		<u>5,689,010</u>	<u>4,266,302</u>

APPROVED ON BEHALF OF THE BOARD



Christopher Castle, Director



Jill Hatchwell, Director

(The accompanying notes are an integral part of these consolidated financial statements.)

CHATHAM ROCK PHOSPHATE LIMITED
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars except for number of common shares)

	Common Shares	Warrants	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Deficit accumulated during the development stage	Total
	#	#	\$	\$	\$	\$	\$
Balance – April 1, 2015	230,014,877	-	28,357,300	370,687	-	(25,802,377)	2,925,610
Total comprehensive loss for the period	-	-	-	-	-	(725,230)	(725,230)
Issue of shares	260,474,334	-	1,228,632	-	-	-	1,228,632
Share issue costs	-	-	(42,904)	-	-	-	(42,904)
Transfer to share capital for cancelled options	7,717,303	-	345,577	(345,577)	-	-	-
Transfer to accumulated deficit for cancelled options	-	-	-	(25,110)	-	25,110	-
Currency translation gain(loss)	-	-	-	-	(8,833)	-	(8,833)
Balance – March 31, 2016	498,206,514	-	29,888,605	-	(8,833)	(26,502,497)	3,377,275
Balance, March 31, 2016	498,206,514	-	29,888,605	-	(8,833)	(26,502,497)	3,377,275
Total comprehensive loss for the period	-	-	-	-	-	(1,636,550)	(1,636,550)
Issue of shares	343,673,040	-	2,082,124	-	-	-	2,082,124
Cancellation of shares	(12,034,492)	-	(44,553)	-	-	-	(44,553)
Share issue costs	-	-	(88,836)	-	-	-	(88,836)
Shares surrendered in RTO	(817,572,286)	-	-	-	-	-	-
Shares issued for acquisition cost	1,355,037	-	589,228	-	-	-	589,228
Mandatory Warrants issued in RTO	-	379,214	-	-	-	-	-
Discretionary Warrants issued in RTO	-	1,524,618	-	-	-	-	-
Currency translation gain(loss)	-	-	-	-	106,167	-	106,167
Balance – March 31, 2017	13,627,813	1,903,832	32,426,568	-	97,334	(28,139,047)	4,384,855

(The accompanying notes are an integral part of these consolidated financial statements.)

CHATHAM ROCK PHOSPHATE LIMITED
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

For the year ended March 31, 2017

	Note	March 31 2017 \$	March 31 2016 \$
Revenue		-	-
Gross profit		-	-
Finance income	11	8,216	3,845
Finance expenses	11	2,809	2,931
		<u>5,407</u>	<u>914</u>
General and administrative expenses	12	1,488,192	569,095
Depreciation		531	807
Exploration costs		2,513	7,087
Marine Consent Application costs incurred		150,721	149,155
Profit/(loss) before Income Taxes (continuing operations)		<u>(1,636,550)</u>	<u>(725,230)</u>
Income tax expense	13	-	-
Net (Loss)/Profit for the period from continuing operations		<u><u>(1,636,550)</u></u>	<u><u>(725,230)</u></u>
Total Comprehensive (loss)/profit for the period		<u><u>(1,636,550)</u></u>	<u><u>(725,230)</u></u>
Earnings/(loss) per share attributable to the ordinary equity holders			
Basic (loss)/profit per share (Canadian cents)	10	(0.24)	(0.19)
Diluted profit/(loss) per share (Canadian cents)		(0.24)	(0.19)

(The accompanying notes are an integral part of these consolidated financial statements).

CHATHAM ROCK PHOSPHATE LIMITED

Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Note	Group 2017 \$	Group 2016 \$
Cash flows from operating activities			
Net interest & dividends received		1,024	5,656
Cash paid to suppliers		(1,074,746)	(872,433)
Exploration expenditure		(233,044)	(162,562)
Tax refund received		5,927	-
Net cash (used in) operating activities	16	<u>(1,300,839)</u>	<u>(1,029,339)</u>
Cash flows from investing activities			
Cash put on deposit		(273,039)	-
Net cash (used in)/from investing activities		<u>(273,039)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of share capital		1,925,191	1,064,693
Cash received from reverse acquisition		242,005	-
Net cash from financing activities		<u>2,167,196</u>	<u>1,064,693</u>
Net increase/(decrease) in cash and cash equivalents		593,318	35,354
Cash and cash equivalents at 1 April		166,461	131,107
Effect of foreign exchange on cash		<u>2,893</u>	<u>-</u>
Cash and cash equivalents at 31 March		<u>762,672</u>	<u>166,461</u>

(The accompanying notes are an integral part of these consolidated financial statements)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

1. Nature of business

Chatham Rock Phosphate Limited (the “**Company**”) is a development-stage company incorporated under the *Business Corporations Act* (British Columbia) and listed on the Toronto Stock Exchange’s Venture Exchange (“**TSX-V**”). The Company is also registered under the New Zealand Companies Act 1993 and listed on the New Zealand Stock Exchange’s Alternative Market (“**NZAX**”). The Company is an FMC reporting entity under part 7 of the Financial Markets Conduct Act 2013 (New Zealand) and Financial Reporting Act 2013 (New Zealand). The Company is a tier 1 entity in accordance with XRB Standard A1 Accounting Standards Framework.

The Group comprises the parent company and its wholly owned subsidiaries (refer Note 22). The financial statements are presented for the consolidated group.

Chatham Rock Phosphate Limited’s focus is the development and exploitation of the Chatham Rise rock phosphate deposit offshore New Zealand and potential overseas phosphate projects.

The Company’s registered offices are:

- Suite 1750, 1185 West Georgia Street
Vancouver, B.C., Canada V6E 4E6
- Level 1, 93 The Terrace,
Wellington 6011, New Zealand

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

2. Basis of Preparation

(a) Reporting Entity

On February 24, 2017, Antipodes Gold Limited completed the reverse takeover of the New Zealand based company, Chatham Rock Phosphate Limited and was renamed as Chatham Rock Phosphate Limited.

The New Zealand based subsidiary acquired in the reverse takeover has been renamed Chatham Rock Phosphate (NZ) Limited.

For financial reporting purposes, aspects of “reverse acquisition” accounting are relevant and the rules require that Chatham Rock Phosphate (NZ) Limited is treated as the acquirer of Chatham Rock Phosphate Limited (former Antipodes Gold Limited). The consolidated financial statements prepared following a “reverse acquisition” are issued under the name of the legal parent (Chatham Rock Phosphate Limited) but described in the notes as a continuation of the financial statements of Chatham Rock Phosphate (NZ) Limited.

Therefore, the consolidated financial information provided for the year ended 31 March 2017 reflects 12 months of operation of Chatham Rock Phosphate (NZ) Limited, plus 1 month of operation of Chatham Rock Phosphate Limited. The consolidated financial information provided for the comparative year ended 31 March 2016 reflects 12 months of operation of Chatham Rock Phosphate (NZ) Limited.

CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

(b) Acquisition

On February 24, 2017, the Company closed a transaction with Chatham Rock Phosphate (NZ) Limited ("CRP NZ" formerly Chatham Rock Phosphate Limited) whereby the Company acquired all of the issued and outstanding common shares of CRP NZ and CRP NZ became a wholly owned subsidiary of the Company. Under the terms of the Transaction, the Company acquired 100% of the issued and outstanding shares of CRP NZ by issuing to former CRP NZ shareholders 12,272,776 post consolidated shares of the Company (the "Acquisition"). The Company also issued 379,214 Mandatory Warrants, each warrant requiring the holder to acquire one common share of the Company at a price of NZD\$0.394 per share on or before April 17, 2017, and 1,524,618 Discretionary Warrants, each warrant requiring the holder to acquire one common share of the Company at a price of NZD\$0.394 per share on or before March 17, 2018.

In accordance with IFRS 3, *Business Combinations*, the substance of the Acquisition was a reverse acquisition of a non-operating company. The transaction does not constitute a business combination since Antipodes Gold did not meet the definition of a business under the standard. As a result, under IFRS, the transaction is accounted for as a capital transaction with CRP NZ being identified as the acquirer and the transaction being measured at the fair value of the equity consideration issued to Antipodes Gold. The comparative figures included in these financial statements are those of CRP NZ.

IFRS 2, *Share-based Payments*, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Since CRP NZ shareholders have been issued shares with a fair value in excess of the net assets received, IFRS 2 dictates that the difference is recognized in comprehensive loss as a reverse transaction cost.

The fair value of the consideration in the Acquisition is determined by reference to a pre-bid agreement between Antipodes Gold and CRP NZ dated 21 July 2015 which valued Antipodes Gold at the aggregate of NZD300,000 plus net cash held immediately preceding the notice date of the offer. Accordingly, the value of the share capital (1,355,037 shares) owned by the former shareholders of Antipodes Gold at the time of the Transaction was \$589,228.

The allocation of the purchase price of the reverse transaction cost is as follows:

Purchase Price

Number of share held by former shareholders of Antipodes Gold	1,355,037
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Share price	0.4348
	<u>\$ 589,228</u>

Fair value of net assets of Antipodes Gold prior to the Acquisition

Cash	242,005
Receivables	122,643
Prepayments	943
Payables	(111,880)
Net assets assumed	<u>253,711</u>
Reverse acquisition cost	<u>\$ 335,517</u>

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

(c) Statement of Compliance

The consolidated financial statements comply with the principles of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

They have also been prepared in accordance with the Financial Reporting Act 2013 which requires compliance with generally accepted accounting practice in New Zealand. They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The consolidated financial statements were approved by the Board of Directors on June 27, 2017.

(d) Basis of Measurement

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

(e) Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. This includes the Group's minerals mining commitments, being the minimum work requirements under the Minerals Mining Permit 55549, as set out in Note 18.

The Group incurred a net loss of \$1,636,550 during the year ended 31 March 2017 and, as of that date, the Group's current assets exceeded its current liabilities by \$126,081. The Group had cash reserves of \$762,672 and cash held on deposit of \$470,080 and permit work commitments with associated indicative costings as set out in Note 18.

The Directors have prepared a cash flow forecast through to the period ending June 30, 2018 to support the ongoing operations of the Group that includes the following:

- The Group continues to manage its corporate costs appropriately within existing available funds.
- The Directors will continue to raise further capital as required by one of a combination of the following: placement of shares, pro-rata issue to shareholders, and/or further issue of shares to the public.
- The Group applied for and was granted on April 27, 2016 a change of conditions in relation to the Minerals Mining Permit to defer the minimum work program commitments.
- The Directors plan to evolve the company from a single project focus into a more diversified company, principally involving other phosphate assets.
- The Directors are awaiting the outcome of Judicial Review held in March, relating to costs charged by the Environmental Protection Authority (EPA) in respect of the marine consent hearing process. The EPA is seeking payment of approximately \$741,865 of invoiced but unpaid costs which have been challenged by the Directors. The balance has been fully recognised as a trade payable in the financial statements as at March 31, 2017.
- The Group disputes and intends to counter claim a total of NZD884,549 against the EPA.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

- The EPA's handling of the Group's application for a marine consent is currently under investigation by the Ombudsman. The requested scope of the investigation is first to examine the EPA's cost recovery practices for its marine consent process – including the withholding of information from the Group, which was relevant to whether some of the charges were authorised by law.

The above mentioned conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

No adjustments have been made relating to the recoverability and reclassification of recorded net asset amounts and classification of liabilities that might be necessary should the exploration permits be ultimately surrendered or cancelled. The Directors determined the carrying value of assets to be appropriate subject to the above conditions being met.

(f) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars (\$) as the Company's primary listing is on the Toronto Stock Exchange's Venture Exchange. The Group's functional currency is New Zealand dollars (NZD), the currency of the primary economic environment in which it operates.

(g) Significant accounting judgements, estimates and assumptions

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

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

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

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using a binomial option pricing model, and using the assumptions detailed in Note 9.

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For the year ended March 31, 2017

Exploration and evaluation costs

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at March 31, 2017 exploration activities in each area of interest where amounts remain capitalised have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each of those areas of interest are planned and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved.

In the event where ongoing committed activities cannot be funded by existing financial resources, the Company will either need to raise additional capital, or meet its obligations either by farm-out or partial sale of the company's exploration interests, or subject to negotiation and approval, vary the minimum work requirements. The Directors are continually monitoring those areas of interest and are exploring alternatives for funding the development of those areas of interest when economically recoverable reserves are confirmed. If new information becomes available that suggests the recovery of expenditure is unlikely, the amounts capitalised will need to be reassessed at that time.

(h) **New standards and interpretations not yet adopted**

At the date of authorisation of these consolidated financial statements, certain new standards and interpretations to existing standards have been published but not yet effective, and have not been adopted early by the Company.

Management anticipates that all pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations issued but not yet effective, that are not expected to have a material impact on the Group's consolidated financial statements, have not been disclosed.

IFRS 9 - Financial Instruments (effective from 1 January 2018)

The Company has chosen not to early adopt IFRS 9 Financial Instruments (effective for the year ending March 31, 2019), which was issued during the year. The standard is not expected to have a material impact on the group's financial statements.

3. Significant Accounting Policies

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

(a) **Basis of consolidation**

Acquisitions/Business combinations

As explained in Note 2(a) and (b), under "reverse acquisition" accounting Chatham Rock Phosphate (NZ) Limited (formerly Chatham Rock Phosphate Limited) is treated as the acquirer of Chatham Rock Phosphate Limited (formerly Antipodes Gold Limited). Under these rules, the difference between the market capitalisation of Chatham Rock Phosphate Limited as at the transaction date immediately prior to completion of the acquisition of Chatham Rock Phosphate (NZ) Limited and the net assets of Chatham Rock Phosphate Limited at that same time is a share-based payment (included in the Statement of Comprehensive Income at General and Administrative expenses).

Notes to the Consolidated Financial Statements

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For the year ended March 31, 2017

Accordingly, the acquisition of Chatham Rock Phosphate (NZ) Limited does not give rise to any goodwill to be carried at cost (less impairment losses) on the Consolidated Statement of Financial Position.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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

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

Subsidiaries

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

Transactions eliminated on consolidation

Intra-group balances are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income.

(c) Financial instruments

Receivables

Receivables are stated at their cost less impairment losses.

Trade and other payables

Trade and other payables are stated at cost.

(d) Share capital

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

(e) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

Notes to the Consolidated Financial Statements

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An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

(f) Mineral property interest

Exploration and evaluation assets

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

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

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

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

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

Exploration and evaluation assets are assessed for impairment if:

- (i) Sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (e)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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

(g) Mining Property and other property, plant and equipment

Mining property and other property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, for qualifying assets and borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

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(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

(h) Amortisation and Depreciation

Amortisation

Mining properties are generally depreciated on a unit-of-production basis over the proved reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved reserves of the relevant area. The unit of production rate for the amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property and equipment as follows:

Computer Equipment	3 years
Mining Equipment	4 to 10 years
Motor Vehicles	5 years
Office Furniture & Equipment	10 years

Software costs have a finite useful life. Software costs are capitalized and amortized on a straight line basis over the estimated economic life of three years.

(i) Finance income and expenses

Finance income comprises interest income on bank deposits and foreign currency gains that are recognised in the Statement of Comprehensive Income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense and foreign currency losses, are recognised in the Statement of Comprehensive Income. All borrowing costs are recognised in the Statement of Comprehensive Income using the effective interest method.

(j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

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

(k) Earnings per share

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

CHATHAM ROCK PHOSPHATE LIMITED

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For the year ended March 31, 2017

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

4. Segment reporting

For management purposes there is only one operating segment, which is the development of a defined rock phosphate deposit.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board. The Board manages development activity through review and approval of contracts and other operational information.

The Group operates in the minerals exploration industry within New Zealand and has commenced due diligence activities on phosphate assets overseas.

5. Other current assets

	2017 \$	2016 \$
Prepayments	86,370	80,834
Duncan Cotterill Trust Account	470,080	189,584
Balance – end of period	556,450	270,418

Monies are held with Duncan Cotterill in a trust account representing approximately 59% of the unpaid amount claimed by the EPA and in dispute by the Group. The funds are held in trust and in agreement with the EPA until the dispute is settled.

6. Mineral property interest

Exploration and evaluation on Chatham Rise Project

	\$
Balance at 1 April 2015	3,545,041
Exploration costs capitalised	218,824
Balance at 31 March 2016	3,763,865
Balance at 1 April 2016	3,763,865
Exploration costs capitalised	331,917
Foreign exchange fluctuation	148,715
Balance at 31 March 2017	4,244,497

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the Company gaining a Marine Consent for the project to be commercially successful. Commitments and tenure of the permit is included in Note 18.

CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements

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For the year ended March 31, 2017

The Company was granted a Minerals Prospecting Licence ("MPL") 50270 under the Continental Shelf Act 1964 on February 25, 2010 for a period of four years. The licence covers 2887km² of the Chatham Rise and is located approximately 450 kilometres east of Christchurch.

On November 13, 2013 the Company submitted a notice to renew the Licence for a further four years. All work commitments have been met to date.

On December 6, 2013 the Company was granted a Mineral Mining Permit 55549 to extract phosphates (refer Note 18), expiring December 5, 2033.

On February 11, 2015 the Company was refused Marine Consent from the Environmental Protection Authority (EPA), New Zealand's environmental regulator on grounds which the Company disputes. Subsequently, the Directors impaired the carrying value of the capitalised costs to represent their best estimate of the recoverability as the Company reconsiders the re-submission of the Marine Consent with the EPA. On April 27, 2016 the Company was granted a change of conditions in the permit to defer the minimum work programme commitments.

In June 2012, the Company applied for 5 prospecting licences offshore Namibia. It remains the intention of the Directors to pursue these licences.

7. Trade and other payables

	2017	2016
	\$	\$
Current Liabilities		
Trade and other payables due to related parties	212,247	23,470
Other trade payables	179,383	85,748
Environmental Protection Agency	741,865	713,791
Accrued expenses	170,660	66,018
	1,304,155	889,027

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 15.

8. Share capital

(a) Authorised

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

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

(b) Issue of ordinary shares

In May 2016 the Company issued 11,318,796 ordinary shares in aggregate to contractors with a total value of \$74,465 in satisfaction for services under their respective consultancy agreements.

In May 2016 the Company cancelled 12,034,492 shares with a value of \$44,553 including the balance of unpaid shares held by Boskalis issued under the agreement for service, refer to Note 11 for further details.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

Additionally during the year, 332,354,244 ordinary shares were issued to qualified investors, for a combined value of \$2,007,659.

In February 2017 the Company acquired Antipodes Gold Limited via a reverse acquisition. Each shareholder was offered 1 AXG share for 65.59 shares held in the Company.

(c) **Mandatory Warrants**

In February 2017 the Company issued 379,214 Mandatory Warrants as a result of the reverse takeover by Chatham Rock Phosphate (NZ) Limited (formerly Chatham Rock Phosphate Limited). Each mandatory warrant requires the holders to acquire one common share of the Company at a price of NZD\$0.394 per share on or before April 17, 2017. All of these Mandatory Warrants were exercised post balance date.

(d) **Discretionary Warrants**

In February 2017 the Company issued 1,524,618 Discretionary Warrants as a result of the reverse takeover by Chatham Rock Phosphate (NZ) Limited (formerly Chatham Rock Phosphate Limited). Each discretionary warrant requires the holder to acquire one common share of the Company at a price of NZD\$0.394 per share on or before March 17, 2018.

9. Share-based payments

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

The purpose of the share-based payments is to reward key consultants and cornerstone investors in a manner that aligns remuneration with the creation of shareholder wealth.

As the Company's activities have been predominantly developing an already defined mineral deposit, shareholder wealth is dependent, for the foreseeable future, on development success rather than an improvement in the Company's earnings.

(b) **Equity-settled transactions**

Prior to the reverse takeover share-based payments of \$84,839 (2016: \$120,414) settled by the issue of 11,318,795 (2016: 10,717,524) ordinary shares in the Company, have been initially capitalised in exploration expenditure or included in consultants fees during the year.

(c) **Boskalis Offshore Subsea Contracting BV**

The Company entered into a contract for services with Boskalis Offshore Subsea Contracting BV ("Boskalis") in July 2012 to undertake a range of services including the provision of geotechnical reports, the conceptual design of recovery and separation systems, environmental impact assessments and transportation options for rock phosphate recovery.

The contract for services provided that payment for the above work would be met under the terms of an investment agreement between the parties. The investment agreement was approved by a meeting of shareholders and Boskalis was issued with 25,355,266 fully paid ordinary shares in the Company (representing a 19.99% shareholding) at an issue price of NZD\$0.22 per share.

In June 2014 the Company and Boskalis, agreed to a "Variation Agreement" to the July 2012 services agreement.

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For the year ended March 31, 2017

Under the Variation Agreement, Boskalis assisted the Company with the Marine Consent application; including providing technical advice and making available personnel with relevant technical expertise to attend the application hearings. Consideration for the services under the Variation Agreement was satisfied by shares vested to Boskalis from those issued in 2012, which was a prepayment for services to be provided.

The 10,650,833 shares held by Boskalis that remained unpaid at March 31, 2016 were transferred back to the Company and cancelled in accordance with the Agreements.

Boskalis will continue to provide services to the Company on an informal basis as agreed from time to time and will charge the Company at the relevant personnel's usual charge out rates and invoice the Company at 31 March each year. The Company will then satisfy such invoices by issuing new shares to Boskalis at a price that is equal to the average 20 day volume weighted average market price of the Company shares at the end of each calendar year quarter during the preceding year in which the services were provided.

10. Earnings per share (cents)*Basic earnings/(loss) per share*

The calculation of basic earnings per share at March 31, 2017 was based on the net profit/(loss) attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding, calculated as follows:

	2017	2016
	\$	\$
For basic and diluted earnings per share:		
Profit/(loss) attributable to ordinary shareholders	(1,636,550)	(725,230)
Weighted average number shares:		
Weighted number of ordinary share for basic earnings per share	693,708,728	378,290,487
Effect of dilution, weighted number of mandatory warrants	36,363	-
Weighted number of ordinary shares adjusted for the effect of dilution	693,745,091	378,290,487
Earnings per share	(0.24)	(0.19)
Diluted earnings per share	(0.24)	(0.19)

Mandatory Warrants and Discretionary Warrants issued under the terms of the Reverse Takeover Offer have been included in the determination of diluted earnings per share. All the Mandatory Warrants were exercised subsequent to balance date.

CHATHAM ROCK PHOSPHATE LIMITED

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For the year ended March 31, 2017

11. Finance income and expenses

	2017	2016
Interest income on bank deposits	8,216	3,845
Net foreign exchange gains	-	-
Finance income	8,216	3,845
Net foreign exchange losses	2,809	2,931
Finance expense	2,809	2,931
Net finance income/(expense)	5,407	914

12. General and administrative expenses

The following items of expenditure are included in administrative expenses:

	2017 \$	2016 \$
Auditor's remuneration to KPMG comprises:		
Audit of annual financial statements	26,996	22,168
Professional fees charged in respect of RTO	21,881	-
Total auditors' remuneration		
Accountancy	21,411	22,714
Consultancy fees	223,615	164,266
Directors fees	-	-
Insurance	6,502	4,816
Legal fees	303,290	139,827
Listing fees	39,223	11,937
Management fees	107,904	53,202
Registry fees	55,241	18,922
Rent	18,618	15,517
Reverse acquisition costs	335,517	-
Travel expenses	53,071	71,874

The Board has agreed to forfeit directors fees for the year ended March 31, 2017 (beyond the amount charged) as they are remunerated for their services through consulting fees.

Refer to Note 17 for discussion on consultancy fees, which are charged by related parties.

CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

13. Income tax expense in the Statement of Comprehensive Income

Reconciliation of effective tax rate

	2017 \$	2016 \$
Profit/(loss) for the year	(1,636,550)	(725,230)
Income tax using the Company's domestic tax rate 26% (2016 28%)	(426,503)	(203,064)
<i>Tax effect of:</i>		
Non-deductible expenses	185,512	40,496
Current year losses for which no deferred tax is recognised	379,201	228,130
Change in unrecognised temporary differences	(106,479)	(65,562)
Foreign tax rate differentials	(32,731)	-
Income tax expense	-	-
<i>Comprising:</i>		
Current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(98,873)	(65,562)
Change in unrecognised temporary differences	98,873	65,562
Total income tax expense in income statement	-	-
<i>The current tax assets consists of:</i>		
Resident withholding tax paid	7,573	1,106
Current tax asset	7,573	1,106

14. Deferred tax assets and liabilities

Unrecognised deferred tax assets

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

	2017 \$	2016 \$
Deductible temporary differences	-	-
Tax losses	(9,244,220)	(7,450,976)
	(9,244,220)	(7,450,976)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017 \$	2016 \$
Property, plant & equipment	43	(38)
Intangible assets	1,014,914	1,041,200
Trade and other payables	6,051	(19,039)
Tax losses	(1,021,008)	(1,022,123)
	-	-

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

For the year ended March 31, 2017

15. Financial Instruments

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

Financial instruments are comprised of accounts receivable and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, other financial liabilities.

Recognition and de-recognition of financial assets and liabilities

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

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

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

Subsequent measurement of financial assets

All financial assets held by the Company in the years reported have been designated into one classification, "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default.

Subsequent measurement of financial liabilities

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

Foreign currency risk

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than the Company's functional currency, New Zealand dollars (NZD). It is the Company's policy not to hedge foreign currency risks.

At March 31, 2017, the Company had CAD14,065 in accounts payable and AUD6,646 in accounts payable. As at March 31, 2017, CAD amounts were converted at 0.9328 and AUD amounts were converted at 0.9165 both to NZD\$1.

Sensitivity analysis

In managing currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in foreign exchange will have an impact on profit.

It is estimated that a general increase of one percentage point in the value of the Canadian dollar against other foreign currencies would have decreased the Company's profit before income tax by approximately \$nil for the year ended 31 March 2017 (2016: \$nil). As a purchaser of foreign currency, the Company's risk is that the CAD depreciates.

Notes to the Consolidated Financial Statements

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Credit risk

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

Market risk

Market risk is that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group has no material exposure to market risk.

Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk framework for the management of the Company's short, medium and longer term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities through monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities. Refer to Note 2(d) for management's strategies for managing liquidity risk.

The only financial liabilities are trade and other payables. At 31 March 2017, the Company had \$1,304,155 (2016: \$889,027) in trade and other payables. Trade payables are non-interest bearing and have a contractual maturity of less than 30 days.

Capital management

The Company's capital includes share capital, reserves, and accumulated losses.

The Company is not subject to any externally imposed capital requirements.

There have been no material changes in the Company's management of capital during the year.

Classification of financial instruments

The fair value of all financial instruments is deemed to be their carrying value due to their short term nature.

CHATHAM ROCK PHOSPHATE LIMITED

Notes to the Consolidated Financial Statements

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For the year ended March 31, 2017

	Loans and receivables \$	Liabilities at amortised cost \$	Total carrying amount \$
2017			
Assets			
NZX Bond	13,992	-	13,992
Total non-current assets	13,992	-	13,992
Other current assets	470,080	-	470,080
Trade and other receivables	71,172	-	71,172
Cash and cash equivalents	762,672	-	762,672
Total current assets	1,303,924	-	1,343,866
Total assets	1,317,916	-	1,317,916
Liabilities			
Trade and other payables	-	1,304,155	1,304,155
Total current liabilities	-	1,304,155	1,304,155
Total liabilities	-	1,304,155	1,304,155
	Loans and receivables \$	Liabilities at amortised cost \$	Total carrying amount \$
2016			
Assets			
NZX Bond	13,463	-	13,463
Total non-current assets	13,463	-	13,463
Other current assets	189,584	-	189,584
Trade and other receivables	50,204	-	50,204
Cash and cash equivalents	166,461	-	166,461
Total current assets	406,249	-	406,249
Total assets	419,712	-	419,712
Liabilities			
Trade and other payables	-	889,027	889,027
Total current liabilities	-	889,027	889,027
Total liabilities	-	889,027	889,027

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Notes to the Consolidated Financial Statements

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16. Reconciliation of the profit/(loss) for the year with the net cash from operating activities

	2017 \$	2016 \$
Profit/(loss) for the year	(1,636,550)	(725,230)
Adjustments for:		
Depreciation	532	807
Reverse acquisition cost (non-cash)	335,517	-
Expenses (non-cash)	30,810	25,271
Change in trade and other receivables	20,224	21,103
Change in other current assets	(17,663)	(195,087)
Change in current tax assets	(1,281)	1,811
Change in trade and other payables	257,063	15,709
Change in exploration expenditure	(289,490)	(173,722)
Net cash from operating activities	(1,300,839)	(1,029,338)

17. Related Party Transactions

Transactions with key management personnel

Key management personnel remuneration includes the following:

	2017 \$	2016 \$
<i>Short-term benefits:</i>		
Consultancy fees paid for key management personnel services	373,363	214,614
Total remuneration	373,363	214,614

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

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Transactions and balances with key management personnel and their related parties

During the year, the Company paid management fees of \$52,050 (2016: \$53,202) to Chris Castle. The outstanding balance at balance date was \$52,050 (2016: \$nil).

During the year, the Company paid consultancy fees of \$6,284 (2016: \$32,885) to Nevay Holdings Ltd, a company in which Mr C Castle & Ms J Hatchwell are also Directors. The outstanding balance at balance date was \$nil (2016: \$nil).

During the year, the Company paid consultancy fees for stakeholder management of \$74,286 (2016: \$nil) to LJ Sanders Consulting Ltd, a company in which Ms L Sanders is also a Director. The outstanding balance at balance date was \$49,881 (2016: \$nil) of which \$24,556 (2016: \$nil) is included in trade payables.

During the year, the Company paid consultancy fees of \$nil (2016: \$37,197) to Onekaka Links Ltd, a company in which Mr C Castle is a Director and in which Ms L Sanders is a shareholder. The outstanding balance at balance date was \$nil (2016: \$12,369).

During the year, the Company paid consultancy fees of \$81,879 (2016: \$nil) to Robin Falconer Associates Ltd, a company in which Mr R Falconer is also a Director. The outstanding balance at balance date was \$54,009 (2016: \$nil) of which \$27,984 (2016: \$nil) is included in trade payables.

During the year, the Company paid consultancy fees of \$49,058 (2016: \$91,330) to CRP-OCS Consulting Ltd, a company in which Mr R Wood is also a Director. The outstanding balance at balance date was \$30,282 (2016: \$30,502) of which \$27,671 (2016: \$19,925) is included in trade payables.

During the year, the Company paid consultancy fees of \$53,952 (2016: \$nil) to Robert Goodden Consulting Ltd, a company in which Mr R Goodden is also a Director. The outstanding balance at balance date was \$26,025 (2016: \$nil).

Some of the Directors of Chatham Rock Phosphate Ltd are commonly Directors in Aorere Resources Ltd, which in its own name and through its subsidiary; Mineral Investments Ltd has a combined 4.58% (2016: 8.3%) shareholding in Chatham Rock Phosphate Ltd.

Ms L Sanders, Mr C Castle and Ms J Hatchwell are Directors of Chatham Rock Phosphate Ltd and are also commonly Directors in Widespread Ltd.

During the year, the Company paid consultancy fees of \$55,854 (2016: \$nil) to Aorere Resources Ltd. The outstanding balance at balance date was \$nil (2016: \$nil).

18. Commitments and contingencies

Licence work commitments

The Company has the following indicative expenditure commitments at balance date (being minimum work requirements under the Company's minerals mining permit and minerals prospecting licence). The Company is dependent on certain factors to be able to meet these minimum work requirements. They are set out in Note 2(e).

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	Group 2016	2015
Within one year	-	-
After one year but not more than five years	6,000,000	10,000,000
	<u>6,000,000</u>	<u>10,000,000</u>

Minerals Mining Permit 55549

The Minerals Mining Permit was granted on December 6, 2013. On April 27, 2016 the Company was granted a change of conditions in the permit to defer the minimum work programme commitments. The minimum work programme includes:

Within 36 months of the commencement date of the permit, the permit holder shall:

- Complete an updated resource optimisation study for the permit area.

Within 48 months of the commencement date of the permit, the permit holder shall:

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

Within 72 months of the commencement date of the permit, the permit holder must spend on average \$2 million per annum completing appropriate sampling, geophysical and geotechnical surveys and data analysis (without limitation) in respect of the mining blocks identified for the first five years of production. For the remainder of the term the Company must spend \$2 million per annum on carrying out further specified work programme commitments.

Legal claim contingency

In May 2016 an overseas broker threatened action against the Company in respect of an unpaid invoice relating back to 2014. The estimated cost is \$60,000 should the action be successful. The Company gave Notice of Termination to the broker in October 2014 for various material breaches of the terms of their Agreement. Accordingly, no provision for any liability has been made in these financial statements.

Glass Earth Gold

In December 2014 Glass Earth (New Zealand) Limited (Company's wholly owned subsidiary) received a notice of claim of \$300,000 from the owner of a property, at which the subsidiary undertook mining activity over the years 2010-12, in relation to a land access agreement. Whilst it is the intention of the subsidiary to defend this claim, a \$37,000 provision has been recognized in these financial statements (no changes from the prior year) to reflect the Company's best estimate of any potential legal and other costs associated with defending this claim.

CHATHAM ROCK PHOSPHATE LIMITED

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Judicial review costs

The Directors are awaiting the outcome of Judicial Review held in March 2017, relating to costs charged by the Environmental Protection Authority (EPA) in respect of the marine consent hearing process. The EPA is seeking payment of approximately \$741,865 of invoiced but unpaid costs which have been challenged by the Directors. The balance has been fully recognised as a trade payable in the financial statements as at March 31, 2017. In the event the outcome of this review is unfavourable for the Group there is likely to be a liability for costs awarded in favour of the defendant, the Company's best estimate for this is NZD130,000.

19. Capital management

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

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

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

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

The Group manages its capital structure by performing the following:

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

There were no changes in the Company's approach to capital management during the period ended twelve months to March 31, 2017. The Company is not subject to externally imposed capital requirements.

20. Investments in controlled entities

Legal subsidiaries	Country of incorporation	Ownership Interest (%)	
		2017	2016
Chatham Rock Phosphate (NZ) Limited	New Zealand	100	-
Manmar Investments One Hundred and Six (Proprietary) Limited	Namibia	100	100
Glass Earth (New Zealand) Limited	New Zealand	100	-
HPD New Zealand Limited	New Zealand	100	-
Glass Earth Geothermal Limited	New Zealand	100	-
Glass Earth Mining Limited	New Zealand	100	-
Goldmines New Zealand Limited	New Zealand	100	-

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21. Subsequent events

On April 4, 2017, the Company announced that it had listed on the Frankfurt Stock Exchange. The Company's ticker code in Frankfurt is "3GRE".

Between June 1 and June 14, 2017 379,214 shares were issued as a result of the exercise of mandatory warrants outstanding.

On June 14, 2017 the Company announced a non-brokered private placement of up to 900,000 units (the "Units") at a price of CAD\$0.50 per Unit for gross proceeds of up to CAD\$450,000. Each Unit will consist of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to acquire one common share at a price of CAD\$1.00 per share at any time prior to the date that is two years from the date of issuance. In the event that the common shares of the Company trade on the TSX Venture Exchange at a closing price of greater than CAD\$1.20 per common share for a period of 20 consecutive trading days at any time after four months and one day after the closing date of the private placement, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof by way of a news release and in such case the Warrants will expire on the 30th day after the date of dissemination of the news release. The proceeds of this placement will be used for general working capital purposes. There will be a finders' fee payable in cash to arm's length parties in connection with this placement as permitted under the policies of the TSX Venture Exchange. The private placement is subject to the acceptance by the TSX Venture Exchange.