CI RESOURCES

CI RESOURCES

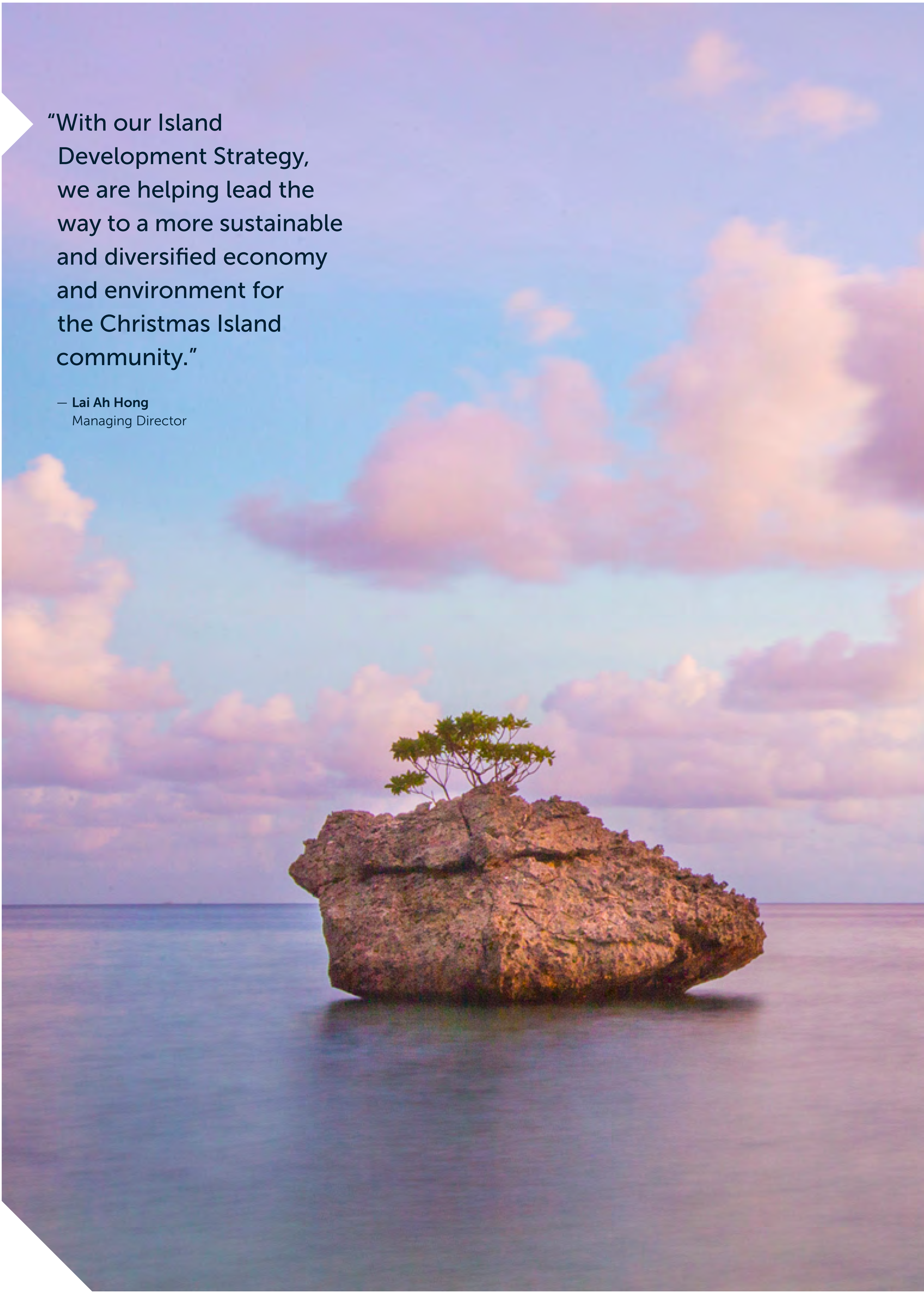
2023 Annual Report

PRL GROUP

Phosphate Resources Ltd

"With our Island Development Strategy, we are helping lead the way to a more sustainable and diversified economy and environment for the Christmas Island community."

— **Lai Ah Hong**
Managing Director



Contents

www.prlgroup.com.au

Photographer: Chris Bray

Group Structure

CI RESOURCES

PRL GROUP

Phosphate Resources Ltd

Logistics*

- LIVEN NUTRIENTS
- Kemoil

Island Development‡

- green space tech
- PHOSPHATE RESOURCES PROPERTIES

Fertilisers

- CHRISTMAS ISLAND PHOSPHATES
- Alphos®
- INDIAN OCEAN STEVEDORES
- PRL SHIPPING
- PHOSPHATE RESOURCES MALAYSIA

Agri-Business

- green space tech
- CHEEKAH-KEMAYAN PLANTATIONS SDN. BHD.

Energy & Other†

- PRL ENERGY
- CI Maintenance Services
- INDIAN OCEAN OIL CO. PTY LTD

* Logistics business unit formed on 1 July 2021 with the acquisition of Kemoil.

† Renewable Energy initiatives such as solar are planned to be included into a PRL Energy entity.

‡ Island development initiatives such as tourism and eco-adventure are planned to be separated into a new business unit together with the existing Phosphate Resources Properties entity.

Performance Highlights

REVENUE
$1.15b
↑ 114% YoY

GROSS PROFIT
$80.5m
↑ 253% YoY

NET PROFIT AFTER TAX
$25.3m
↑ 233% YoY

EARNINGS PER SHARE
21.87c
↑ 233% YoY

FY23 DIVIDEND
7.5c Fully Franked
↑ 4.5c YoY

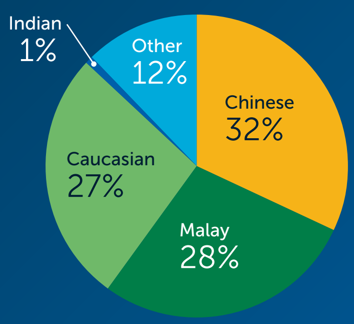
SALARIES & JOBS
$40.0m
↑ 33% YoY

GOVERNMENT PAYMENTS
$18.0m
↑ 37% YoY

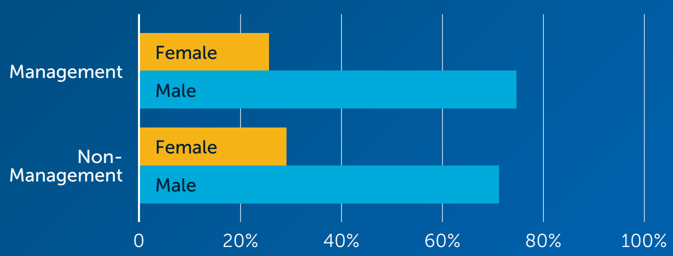
ENVIRONMENTAL CONTRIBUTIONS
$1.5m
↑ 25% YoY

DIVERSITY

Ethnic Diversity



Gender Diversity 2022-23



SAFETY

↑ **41%** Hazard Reporting

↓ **26%** Total Recordable Injury Frequency Rates (TRIFR)

↓ **4%** Lost Time Injury Frequency Rates (LTIFR)

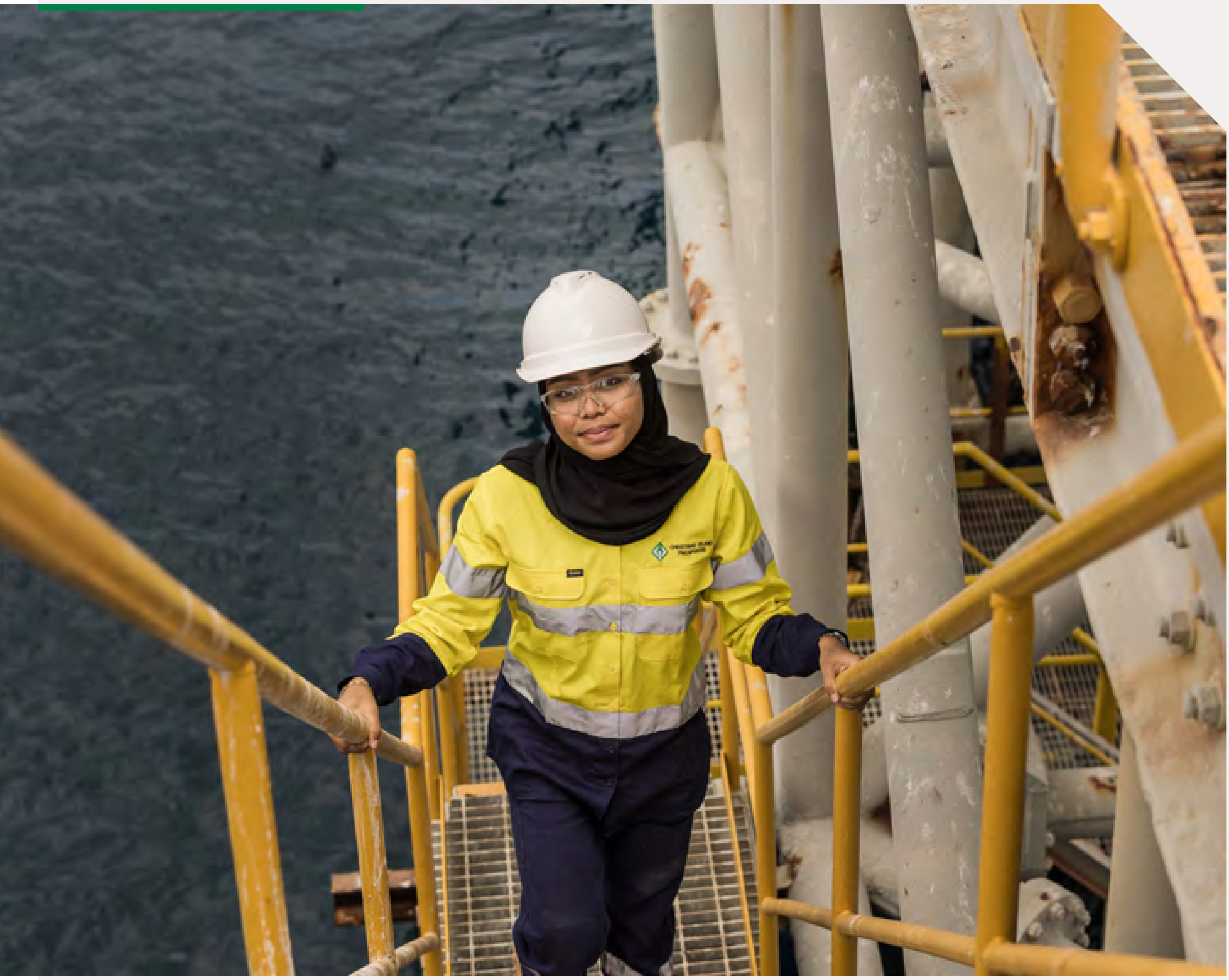
Chairman's Report

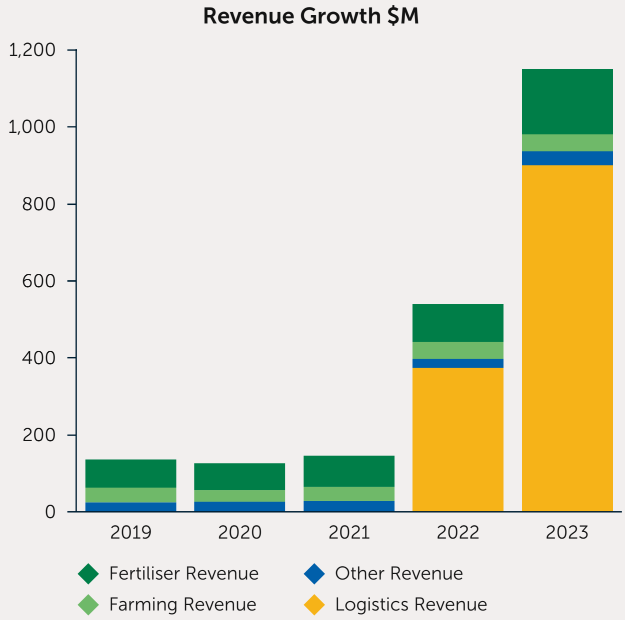
I am pleased to present the Annual Report for the Company for financial year ended 30 June 2023, a year which has delivered strong operational and financial results on the back of our successful implementation of the Group's diversification strategy.

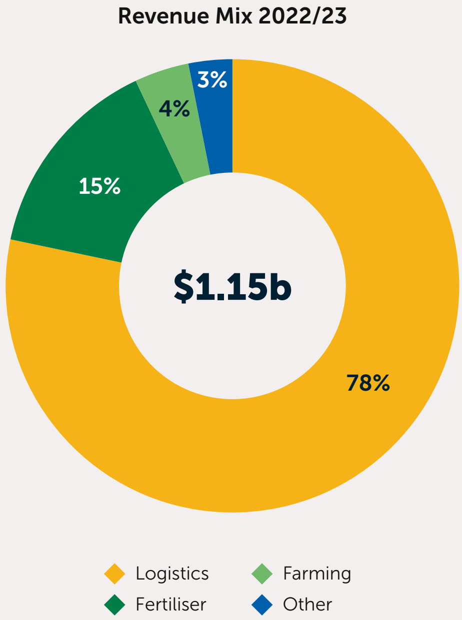
We are a proudly Christmas Island domiciled, ASX-listed diversified industrial company with interests across several industries. Our goal has and will continue to be maximising value to our shareholders and broader stakeholders via the further roll-out of the Group's on-island and off-island diversification strategy.

While Christmas Island remains an important cornerstone for the Group in terms of current earnings and future growth, this has been augmented by the Group's increasingly global footprint thanks to Malaysia-based PRM, along with the recent acquisitions of Singapore-based Liven Nutrients, and Swiss-based Kemoil.

Despite this focus on diversification, which is largely focussed on complementing our market delivery, the Board acknowledge the fundamental role Christmas Island will continue to play in the Group, and we will continue our strong support for the island, its community and broader stakeholders – via the delivery of economic, environmental, and social outcomes.







Financial Performance

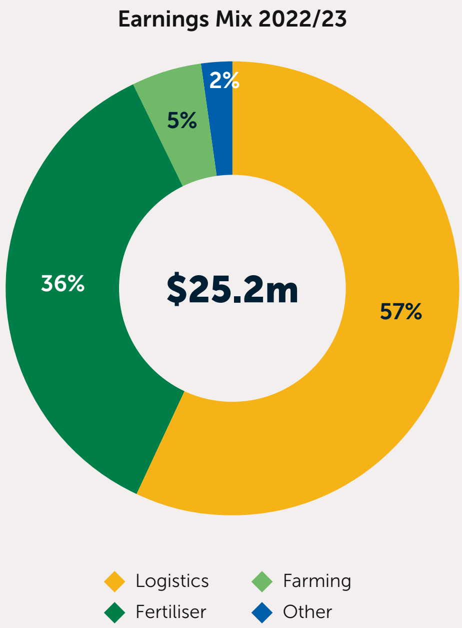
For the year ended 30 June 2023, the Group delivered robust financial results and performance reflected by the growing and outperforming Logistics segment. This was despite the Group's Fertiliser segment experiencing difficult production circumstances with an unseasonably early and enduring wet season leading to significant production challenges, negatively impacting phosphate, and fertiliser sales volumes.

The Board and Management successfully managed the Company to an underlying net profit after tax (NPAT) of $25.2 million, a significant 233% year-on-year increase on FY2022 NPAT of $7.6 million. Earnings per share for the period equated to 21.87 cents per share, representing a 233% increase from the previous year (FY2022: 6.56cps).

Revenue from ordinary activities came in at $1.15 billion, up 114% from the previous corresponding period's revenue of $539 million, in thanks largely to the acquisition of fertiliser trading and logistics business Liven Nutrients.

The Board does not expect this proportionate performance will be consistent moving forward and is cognisant that business and market cycles impact the various segments of the Group on an ongoing basis.

The Board also believes its diversification strategy should assist to balance the impact of these cycles going forward.



Key Business Themes

A key objective for the Group in FY2023, as in recent years, has been to pursue a dedicated diversification strategy via investments on Christmas Island and abroad that ultimately benefits the Christmas Island economy and community as well as the Group's employees and shareholders, the majority of which still have ties to Christmas Island.

On the following page I would like to discuss how this diversification strategy was implemented in FY2023.

Malaysian Downstream Warehousing Strategy

Our Christmas Island Phosphates business is the largest employer within the CI Resources group of companies. In order to continue to strengthen this business, our focus in FY2023 has been to secure new key fertiliser markets for our Christmas Island Rock Phosphate (CIRP).

This culminated in our Malaysian downstream warehousing strategy to build a network of warehouses near to our customers to support CIRP, providing both secondary market opportunities and capacity to access stored product for delivery to customers during the challenging wet season on Christmas Island.

This financial year we completed construction of a second purpose-built fertiliser warehouse in Port Klang by our Malaysian subsidiary Phosphate Resources Malaysia to house CIRP product and complementary products.

This strategy will continue into FY2024 with Phosphate Resources Malaysia aiming to commence construction of a further fertiliser warehouse in Bintulu, on the west coast of the island of Borneo, Malaysia, to further support and reach our customers in that region.

Vertical Integration

Importantly, the warehousing strategy has led to the successful vertical integration of Liven Nutrients into the Logistics business (the Group acquired a 60% stake in Liven at the beginning of the 12-month period), providing both downstream fertiliser products which enhance the end-customer experience and a further source of quality diversified earnings.

The new warehouses in addition to the existing will store, along with CIRP product, complementary and value-added offerings to satisfy demand from key markets for a wider array of fertiliser products such as controlled released fertilisers, mixtures and NPK's. As a large fertiliser trading business based in Singapore with global reach, Liven will continue to build value across the Group by coordinating logistics and sourcing of these complementary products, and leveraging our Malaysian warehouse network.

Dividends

CI Resources has sought to maintain a policy of providing consistent dividends supported by earnings which we have delivered on over the past several years. Whilst applying conservatism over recent challenging years, the Board expects continuing solid diversified earnings performance, which will underpin this dividend policy going forward.

Based on the strong financial results, the Board of Directors recommend a final dividend of 5.0 cents per share be paid for FY2023, resulting in a total of 7.5 cents per share in dividends declared for shareholders in respect of the 2023 financial year.

Sustainability

Sustainability is a key tenet for the Company, underpinning – earnings and growth, operations and employment, a vibrant community and the environment.

Our diversified operations are creating new jobs in new industries for the next generation of workers both on Christmas Island and across our other operations, globally.

Sustainable earnings allow us to invest more heavily in supporting a thriving community and environment for this and future generations.

Further during the year, the group established an ESG Committee, with the mandate of overseeing the Group's sustainability agenda. The ESG Committee has since developed key priorities and a specific ESG budget which will allow the delivery and oversight of ESG initiatives going forward. This will also ensure the Group is well-set to report under the newly established ISSB framework.

Future

The future for CI Resources, via the continuing implementation of our on-island and off-island diversification strategy, is highly positive for our shareholders and broader stakeholders.

Our highly skilled team have successfully shown that we can build sustainable and long-term value across our various business segments. We are cognisant that business and market cycles impact the various segments of the Group on an ongoing basis. However, The Board are of the strong belief the continuing implementation of an on-island and off-island diversification strategy should balance the impact of these cycles going forward.

We anticipate our Logistics segment, on the back of continuing strong market conditions and opportunities, will continue to perform well into FY2024.

While the Fertiliser segment underperformed in FY2023, we do not envisage this performance will be consistent moving forward. We remain confident that with the assistance and backing of stakeholders we can turn the Fertiliser business around and achieve a better performance driven by efficiency in our production, increasing our market share and delivery of quality products in future years.

The Company is continuing to expand it's footprint in Malaysia in fertiliser trading, warehousing and product manufacturing – and intends focussing directly on these expansion opportunities – to ensure we match our island production with market opportunities for the immediate and long term future.

I finally take this opportunity on behalf of the Board to thank our loyal shareholders, employees, managers and executives for their important contributions to achieving a strong result for the Group in FY2023 and look forward to keeping the market informed of our achievements in FY2024.

David Somerville
Chairman
18 September 2023

Managing Director's Report

It is with great pleasure that I provide my Managing Director's report for CI Resources for the financial year ending 30 June 2023, a year in which our diversification strategy yielded strong results for our company.

FY2023 has been a watershed year for the Group as the implementation of our on-island and off-island diversification strategy came to bear on our operational and financial performance.

On strategy it is worth noting that this year saw the largest share of non-mining revenue and earnings in the Company's history. This historic result came from our long-term diversification strategy aimed at building a sustainable and diverse base in earnings while vertically integrating in fertilisers.

Market Conditions

Fertiliser market conditions during the financial year ending 30 June 2023 cooled from the record highs experienced in FY2022 when Russia's invasion of Ukraine led to sanctions on major producers Russia and Belarus triggering a global supply shortage.

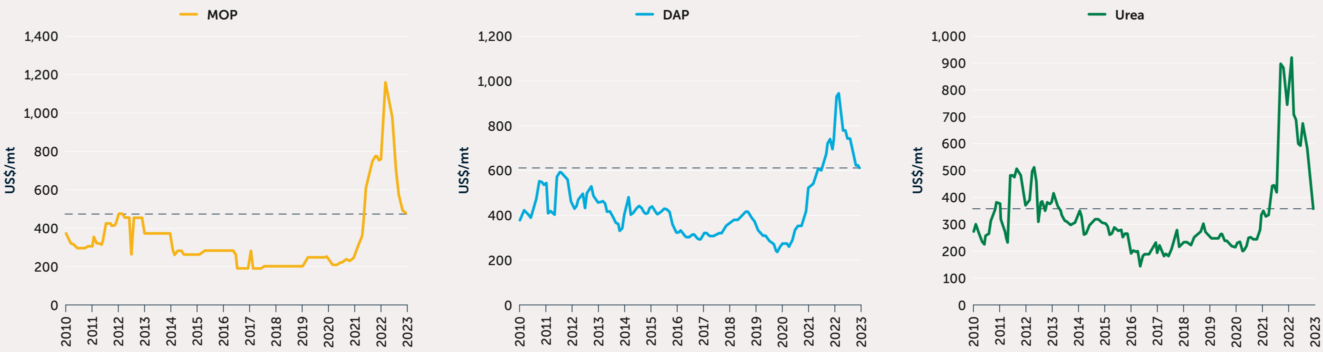
In FY2023, prices had drifted lower on the back of re-establishment of gas access for European fertiliser manufacturers. While lower prices increased fertiliser affordability, farmers decreased their application rates as a result of reduced demand in response to the higher prices in 2022 and trade restrictions imposed on major producers.

The ongoing war in Ukraine also lifted energy prices, increasing production costs for farmers and forcing them to reduce spending on fertilisers.

According to The World Bank, the outlook for the phosphate and the fertiliser market signals a further, less significant, reduction in prices as a result of the expected easing of supply disruptions in combination with lower energy prices[1].

Fertiliser Prices

Source: World Bank Commodity Markets Outlook: April 2023



[1] Refer to The World Bank Food Security Update May 4, 2023

Financial Performance and Production Overview

Despite the current cooling market environment, the consolidated result for CI Resources was a significant improvement on the previous twelve-month period with the Group recording a net profit after tax (NPAT) for FY2023 of $25.2 million, a significant 233% year-on-year increase on FY2022 NPAT of $7.6 million.

This significant result was primarily due to the successful implementation of the Group's diversification strategy, in particular the growth in the Group's Logistics segment.

In contrast, Phosphate Resources Ltd (PRL) – which carries out phosphate mining on Christmas Island – was subject to significant production challenges during the FY2023.

Group sales of Phosphate, including external trading, amounted to approximately 558,000 tonnes, which is slightly higher than the prior year's 523,000 tonnes.

This equated to revenue on phosphate sales for FY2023 of $125 million, a 45% increase on the previous corresponding period (FY2022: $86 million)

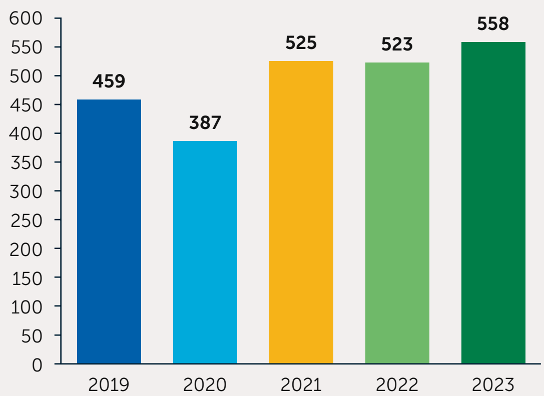
Despite these improved figures, group sales of our core Christmas Island Rock Phosphate (CIRP) product were severely impacted by yet another unseasonably long monsoon season which started as early as October 2022 and lasted well into 2023, impacting the Group's ability to both lift production given the high moisture content of the product as well as load ships given the resulting swell.

This was coupled with Government infrastructure related challenges which included failure of mooring systems both at our rock berth in Flying Fish Cove and also at the oil terminal at Smith Point. These delayed ships from accessing the port and therefore delayed shipments to customers at different points throughout the period.

While the fertiliser business underperformed in FY2023, a key focus of the Group in the coming years is to put in place a strategy to improve its contribution to group earnings going forward. This will be achieved via further investment in infrastructure on Christmas Island both from the Group and key stakeholders, along with associated input and support from government to help ensure the island has the core infrastructure to support this investment.

In FY2023, CI Resources continued to invest in our people and infrastructure on Christmas Island making further improvements to help overcome production challenges while striving to continually improve health and safety outcomes.

Phosphate Tonnes Sold ('000 MT)



Business Operations Update

Christmas Island Phosphate operations combined with Phosphate Resources Malaysia (PRM), forming the foundation of our Fertiliser Segment, delivered positive earnings of $9 million to the Group.

This performance was delivered in spite of weather and government-infrastructure related challenges impacting production offsetting strong customer demand.

A key focus was increasing warehouse capacity to increase flexibility for storing Christmas Island Rock Phosphate (CIRP) while building a complementary set of fertiliser products to meet customer demand and maximise CIRP sales. To that end we completed construction of a second 10,000sqm warehouse in Port Klang with plans for another warehouse in East Malaysia to complement those we already have in that region.

The new segment, Logistics, has played a large role strategically and in revenue and earnings this past year.

At the start of the financial year we completed the transaction to bring Liven Nutrients into the Group. During the period, Liven supplied a global customer base with over 900,000 tonnes of fertilisers.

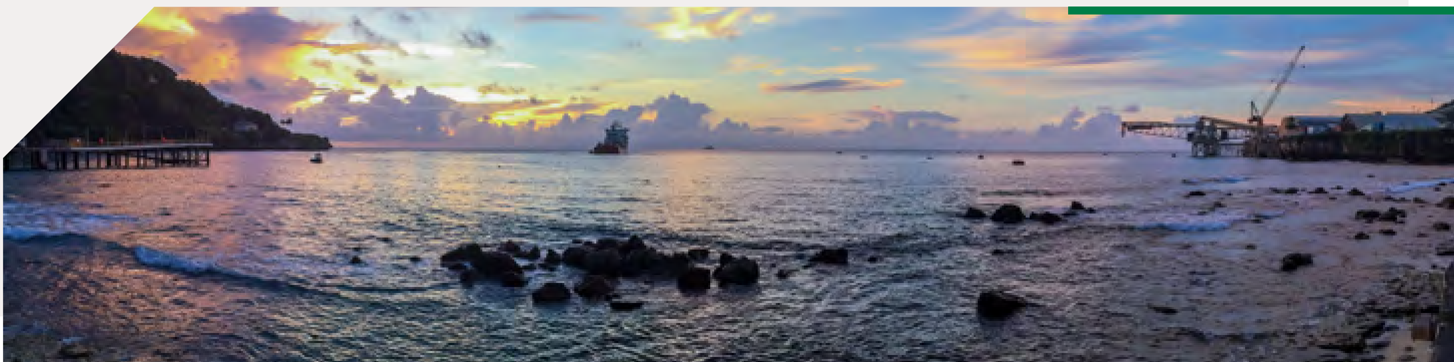
Liven as a global fertiliser trading business based in Singapore, offers the Group both diversified earnings from its logistics and trading activities and synergies with our Fertiliser segment though supply of complementary fertiliser products enabling growth opportunities for both segments.

The other key member of the Logistics segment Kemoil – a Swiss based refined oil logistics trading business and part of the Group since 2021 – delivered over 200,000 tonnes of refined oils to the West African market with opportunities in that growth market.

Collectively, Logistics delivered over $900 million in revenue and $14.3 million in earnings after tax to the Group. I would like to commend the management teams of both Liven and Kemoil on this wonderful result for shareholders.

Our other business segments also supported the Group with positive earnings contributions and strategic positioning for future growth both on Christmas Island and abroad.

More information about each segment is provided in the Business Segments section on page 16 of this report.



Island Development

On Christmas Island, the Group continued its legacy of committing significant resources to developing sustainable new industries providing benefits for the community, the environment as well as the economy.

This includes investing in long-term planning for future industries on the island, and the Indian Ocean Territories (IOT), across tourism, agribusiness renewables, property, training, research and development to unlock the region's potential and build a sustainable future for the community.

During the FY2023, the Group engaged with the Northern Australian Infrastructure Facility (NAIF), with the IOTs becoming eligible for NAIF funding (legislated In June 2023) after 3 years of advocacy by the company and the Commonwealth Government. NAIF offers prospective targeted financing for the Group to further invest in the region across a wide range of potential economic, social and environmental development initiatives including:

- Enhancing and decarbonising the Group's mining operations
- Increasing supply of quality housing
- Rolling out large-scale renewables projects
- Delivering significant tourism-development(s)

The company is working with NAIF and exploring options to support the sustainable development of the IOTs.

An exciting development during the 2023 financial year was the establishment of our Green Space Tech Urban Farm initiative. We established Green Space with the key objective to overcome a major challenge to Christmas Island's sustainability by improving and increasing the availability of fresh food. The Indian Ocean Territories rely almost entirely on fresh food being flown in from the Australian mainland. The produce is expensive and often of poor quality. The freight component also contributes to increased carbon emissions.

Green Space Tech has been established this year thanks to a $150,000 government grant and $0.5m investment from PRL Group in controlled-environment greenhouses and state-of-the-art hydroponic systems. The first stage has been commissioned and by the end of the financial year, was starting to produce fresh food for the Christmas Island community. We aim to optimise this in 2024 and aim to scale this in future years to increase the availability of fresh affordable food for the local community.

The year ahead will be focused on continuing to develop these initiatives, understanding they are typically long-term and island-building in nature, hence a pilot-test-refine model will be used to enhance the prospects of scalability and sustainability over the long term.

As previously advised, a key factor contributing both to our Group's appetite to invest and the resulting success of any of these significant island development initiatives will be policy alignment and support from the Federal Government.

Unlocking the potential of Christmas Island and the region can only be achieved in partnership on both policy and financial fronts, to help overcome the core issues of Christmas Island's remoteness and its deficit of core public infrastructure required to sustain significant new industries.

Further information relating to developments during the 12-month period is outlined in the 2023 Sustainability Report which is on page 19 of the 2023 Annual Report.

Photographer: Kirsty Faulkner

ABOVE Ken Hawkins and Rosalie Cooper, Green Tech Space.

ESG Committee

During the year we also established an ESG Committee, led by senior executives (Executive Director Adrian Gurgone, Chair and Chief Operations Officer Nicholas Gan, Vice Chair), with members coming from across the business, with the focus on strategically planning, targeting and allocating our ESG resources to have the greatest impact for our stakeholders.

The Committee established an ESG Purpose for the entire Group, being that **PRL Group exists to build a sustainable and prosperous future for our community, employees, shareholders and customers**, which is faithful to our core business strategy. We also developed our first ESG-specific budget with a significant $5m of investment commitment towards ESG initiatives for the 2024 financial year.

Our Place in the Christmas Island Community

Without the loyal people and community of Christmas Island, our business wouldn't have existed. In 1990, Phosphate Resources was formed out of the Christmas Island community joining together in a fight to sustain their very existence, and that of four generations of Christmas Islanders.

33 years later, the Group has remained a reliable employer and economic driver for Christmas Island. In the 2023 financial year we created 18 new jobs for new generations of workers on Christmas Island and across our other operations globally via our diversification strategy.

Through the 'Our Community, Our Future' program we continue to support the Island's community. Now with our Island Development strategy we are helping lead the way to a more sustainable and diversified economy and environment for the Christmas Island community.

It is important to note that for the Group, Christmas Island has and will continue to remain a key pillar of our Company now and into the future.

This is based on our capacity to sustain and grow earnings from our operations which, in turn, allows us to invest more heavily in supporting a thriving community and environment on Christmas Island for this and future generations.

In addition, I am proud to release CI Resources' fourth annual Sustainability Report, which continues as an integral part of our 2023 Annual Report. The report provides insights into some of the key contributions we have made from a sustainability perspective over the past financial year. The report continues to demonstrate our significant contribution to Christmas Island's community, culture, and environment. We trust you find the report of great interest and I look forward to continuing to work with our community to enable a sustainable Christmas Island into the future.

The Year Ahead

The robust operational and financial results we have reported for FY2023 highlight the success of the Group's diversification strategy into new businesses and industries.

Our goal now is to continue on this path of diversification while also developing a long-term investment and infrastructure plan in collaboration with the Federal Government and other key stakeholders, in our existing on-island and off-island businesses to ensure sustained earnings growth.

With this focus, FY2024 promises to be another year of significant opportunities for the Group.

In closing I would thank the Board members, executives, senior managers, shareholders, customers and all employees of our group for their continued efforts and support as we continued to build on our success.

Lai Ah Hong
Managing Director
18 September 2023

Business Segments

The Company's successful pursuit of its diversification strategy is evidenced by the business segment analysis below. While Christmas Island remains an important cornerstone for the company in terms of current earnings and future growth, this has been augmented by an increasingly global footprint thanks to PRM, Kemoil, and most recently Liven Nutrients. The following summarises our current performance by business segment.

Fertilisers

The Fertiliser business incorporates a value chain spanning the heart of the company – its phosphate operation on Christmas Island through to downstream value-added fertiliser warehousing, sales and manufacturing in Malaysia to customers throughout Asia Pacific.

The Fertiliser segment delivered positive earnings contributions to the Group of $9m, despite ongoing weather and government-infrastructure related challenges impacting production offsetting strong customer demand.

PRM are also investing in significantly increasing warehouse capacity to augment our markets for our core Christmas Island Rock Phosphate (CIRP) product while also offering ancillary customised fertiliser products tailored to customers in the region.

Logistics

Logistics is a new and critical growth segment for the Group, supporting the movement of products between suppliers and customers.

We welcomed Liven Nutrients into the Group and Logistics segment at the start of the period. Liven is a significant fertiliser trading business based in Singapore, trading globally in a large range of fertilisers. During the period, Liven delivered over 900,000 tonnes of fertilisers to its global customer base in a volatile market with growth potential.

Swiss based refined oil logistics trading business Kemoil has been part of the Group for the past 2 years. It sold in excess of 200,000 tonnes of refined oils to the West African market for the year and is positioned well for the future.

Collectively Liven and Kemoil delivered over $900m in revenue and $14.3m in earnings after tax, to the Group (for our 60% stake).

Agri-Business

Our Agri-business division incorporates farming and food production in Malaysia, and the newly established Green Space Tech business on Christmas Island.

During the period we established Green Space Tech – an exciting urban Farm initiative aimed at overcoming a major challenge to Christmas Island's sustainability – improving and increasing the availability of fresh food. A federal grant of $150,000 along with our own contribution of close to $0.5m supported the pilot stage establishment of controlled-environment greenhouses and state-of-the-art hydroponic systems. Production of fresh produce for the community has already commenced and we will be looking to scale over the next period.

Our Malaysian farming operations also contributed positively to earnings with $1.1m net profit after tax.

Photographer: Chris Bray

Energy

The Energy segment, underpinned by Indian Ocean Oil Company (IOOC), is the key provider of reliable and cost-effective energy to the Indian Ocean Territories for both government agencies, and private businesses.

Energy continued to perform, contributing to positive earnings despite ongoing issues with the government's mooring system for fuel shipments.

The segment also made progress in supporting the clean energy transition for Christmas Island. The Group's PRL Energy brand continued to develop plans around opportunities to decarbonise operations along with a prospective solar farm on remediated ex-mining lease land. This included a crown lease application for converting a large parcel of mine lease land to a circular economy site underpinned by renewables. This project intends to support the Island's transition to renewables towards the long-term goal of carbon neutrality.

Island Development

The Group's Island Development segment focuses on Christmas Island and the Indian Ocean Territories (IOT) across tourism, renewables, property, training, research and development to unlock the region's potential and build a sustainable future for the community.

During the year, the Company engaged with the Northern Australian Infrastructure Facility (NAIF), with the IOTs becoming eligible for NAIF funding (legislated In June 2023). NAIF offers prospective targeted financing for the Company to further invest in the region across a wide range of potential economic, social and environmental development initiatives described in the Managing Director's Report.

The company is working with NAIF and exploring options to support the sustainable development of the IOTs.

PURPOSE & VALUES

Our purpose is to build a sustainable future

Collaboration
Working together we always thrive

Integrity
Bravely operating with honesty and respect

Customer Excellence
Always over-delivering on expectations

Agility
Dynamic and resourceful at every step

Responsibility
Accountable, trusted and safety-orientated

Empowered Community
Committed to sustainable community outcomes

Photographer: Joeva Dachelet

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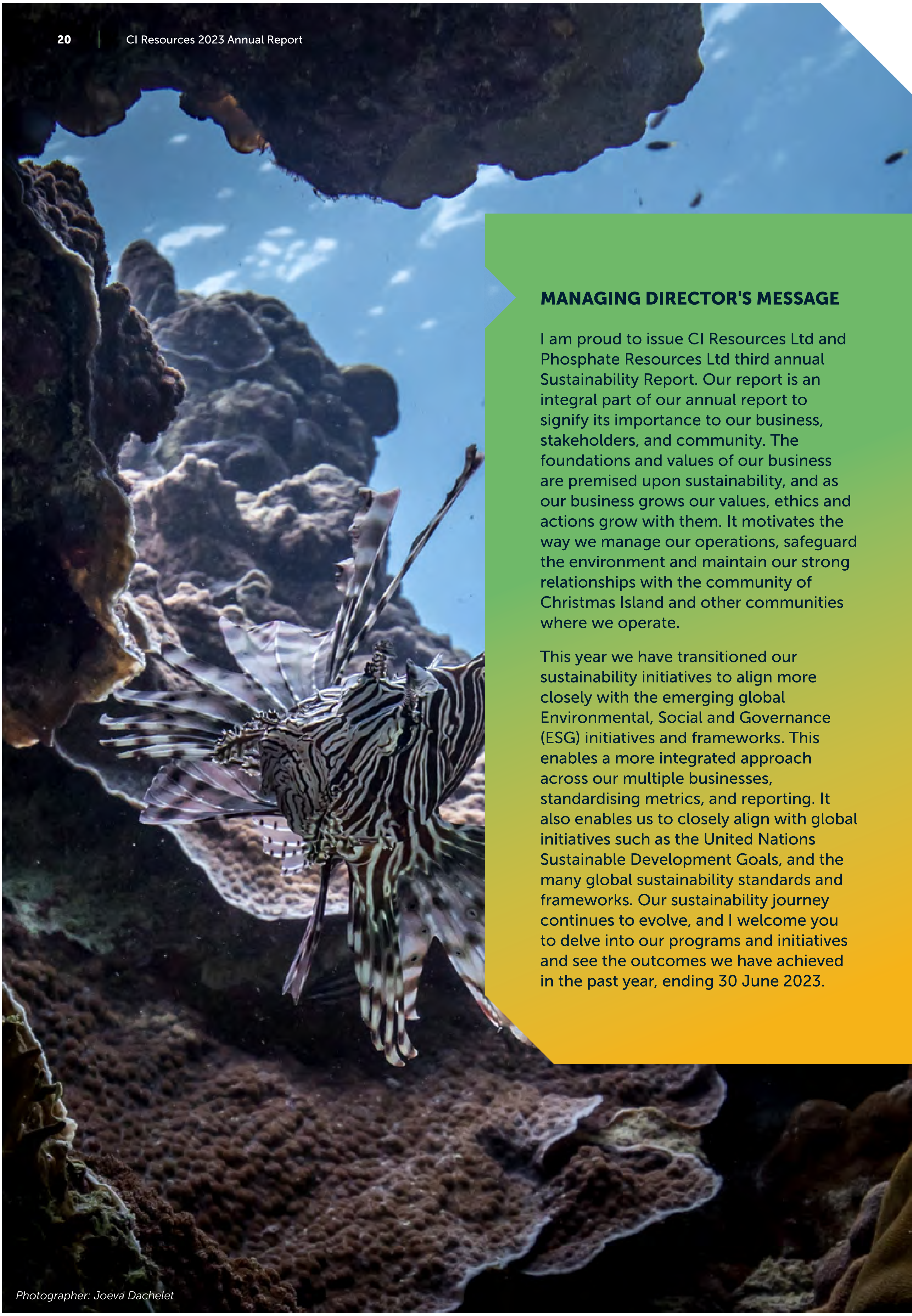
PRL GROUP

Sustainability Report 2023



MANAGING DIRECTOR'S MESSAGE

I am proud to issue CI Resources Ltd and Phosphate Resources Ltd third annual Sustainability Report. Our report is an integral part of our annual report to signify its importance to our business, stakeholders, and community. The foundations and values of our business are premised upon sustainability, and as our business grows our values, ethics and actions grow with them. It motivates the way we manage our operations, safeguard the environment and maintain our strong relationships with the community of Christmas Island and other communities where we operate.

This year we have transitioned our sustainability initiatives to align more closely with the emerging global Environmental, Social and Governance (ESG) initiatives and frameworks. This enables a more integrated approach across our multiple businesses, standardising metrics, and reporting. It also enables us to closely align with global initiatives such as the United Nations Sustainable Development Goals, and the many global sustainability standards and frameworks. Our sustainability journey continues to evolve, and I welcome you to delve into our programs and initiatives and see the outcomes we have achieved in the past year, ending 30 June 2023.

Photographer: Joeva Dachelet

Our Sustainability Journey

In the past PRL's business activities focused on the broader notion of sustainability, influenced by concepts such as Corporate Social Responsibility (CRG) and the Triple Bottom Line (people, profit, planet). While positive and important initiatives they sometimes fell short of making a lasting impact.

We discovered they are not always embedded into core business decision making, being less systematic, and integrated across the business value chain. The introduction of Environmental, Social, and Governance (ESG) to PRL is part of a move towards a more embedded, systematic, accountable, and sustainable business philosophy. It has been adopted by PRL group wide through the establishment of an Environmental, Social, and Governance (ESG Committee), reporting to the PRL Group Board of Directors

The concept of ESG was moulded in the 2000s however the principles behind were closely related to sustainable development. In 2004, the United Nations' report 'Who Cares Wins' coined the term ESG and brought it into the mainstream to encourage all business stakeholders to embrace ESG long term and integrate environmental, social and governance drivers into their business culture, including decision making, asset management, financial considerations, and reporting.

Then in 2015 the United Nations adopted the Sustainable Development Goals (SDGs) by a General Assembly resolution. The aim of the resolution is to achieve these 17 goals by 2030 with a view towards ending all forms of poverty, fighting inequalities, and tackling climate change while ensuring that no one is left behind.

There are a variety of global ESG frameworks and standards available to help guide companies on how to disclose their exposure to ESG related risks and report on performance. Each framework has its own disclosure requirements, recommendations, or metrics. Although these may overlap in some cases, the amount of varying information often creates difficulty for companies to understand which framework provides the best reporting guidance for their organisation and their industry. Australia has a disjointed assemblage of laws across federal and state jurisdictions relating to ESG topics, however, it does not, as yet, have an agreed 'ESG framework'.

To assist PRL on its ESG journey as we navigate the multiple ESG standards and global frameworks we have partnered in Australia with ReGen Strategic and in Malaysia with Global Tunikara. Initial activities of the ESG Committee have included undertaking a 'Scoping & Readiness' assessment and more recently the commencement of a 'Materiality Assessment'.

PRL Group ESG Committee

During the year the Board took the strategic decision to establish an Environmental Social and Governance Committee (ESG Committee), led by two senior executives – Executive Director Adrian Gurgone (Chair) and Chief Operations Officer Nicholas Gan (Vice Chair), with representative members selected from leaders across the business.

The Committee was established to further elevate ESG and sustainability issues at Board level, including strategic planning, targeting and allocating the Group's ESG resources to maximise impact for our stakeholders. The Committee established the following ESG Purpose for the Group, endorsed by the Board:

> **PRL Group exists to build a sustainable and prosperous future for our community, employees, shareholders and customers**

The purpose of ESG Committee is to support the PRL Group's ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, corporate governance, and in the broader sense sustainability as relevant to the business. The ESG Committee consists of a group of cross- functional executives with expertise in relevant and varied disciplines related to ESG and Corporate Governance.

The ESG Committee's objectives are to:

- Define ESG priorities, objectives, and strategy with the goal of further integrating sustainability into the Company's strategy and operations.
- Oversee and coordinate the implementation of the Company's ESG initiatives.
- Monitor, assess and communicate developments relating to and improving the Company's understanding of ESG matters.
- Assist the Audit and Risk Management Committee ("ARC") of the CI Resources Board of Directors in fulfilling oversight responsibilities with respect to the Company's ESG efforts

Since this committee was established in March 2023 it has been very active having already instigated a scoping assessment, established a group wide ESG Purpose, developed Sustainability Goals and commenced a materiality assessment.

Photographer: Chris Bray

It also developed the Group's inaugural ESG-specific budget with a significant $5m of investment commitment towards ESG initiatives for the 2024 financial year.

Scoping Assessment

The Independent Scoping Assessment was used to determine the PRL Group's ESG maturity and preparedness and identified our maturity level at 'starting out':

> *"The organisation has started to consider an approach to improving its ESG and sustainability performance and has established a vision and purpose, however, is not yet strategic in nature or advanced enough to realise the greater benefits of advanced ESG and sustainability performance and maturity.*
>
> *PRL returned the highest maturity score in the governance and oversight category, which is a critical one, considering it is where the purpose and vision is established, along with the overall commitment to improve performance. It was also evident that PRL had already made valuable contributions to the sustainable development of Christmas Island through its investment in environmental and community initiatives.*
>
> *It is evident that the group is well placed to improve its performance; the establishment of the sustainability committee by the Board and the associated future actions already demonstrate the intent required to move its maturity from starting out to developing in the short term. In doing this, they will have a robust foundation to emerge as a credible and leading ESG performer amongst its Australian and international peers."*
>
> – ReGen Strategic 2023

ESG Materiality Assessment

A materiality assessment is a methodical process in which a company identifies the environmental, social and governance and emerging issues that are considered most important given the operating context of a business. Material issues have significant implications for a company's risks and opportunities, making them critical elements for decision making and strategy setting.

PRL may have hundreds of potential environmental and social impacts that could affect the operations of their organisation. Understanding which issues are significant, or material, is crucial to the success of any strategy. Identified prioritised topics can be used to inform company strategy, targets, and reporting (as outlined in many sustainability reporting standards).

Materiality assessments present an opportunity to engage with our stakeholders and ensure the outcomes meet their needs and expectations. Materiality not only enhances credibility, but also engages employees, investors, and other stakeholders by involving them in decision making.

It is therefore of paramount importance that the materiality assessment is robust, follows a logical and methodical process which is clear to see and one which explains how stakeholder input has been used to define and prioritise material topics.

In developing a materiality assessment that comprehensively considers relevant sustainability topics with input from stakeholders, it is more likely to produce a robust sustainability strategy and transparent sustainability reports which can be benchmarked against.

PRL is undertaking a staged process to be completed by the end of 2023. The process involves the identification of potential topics and key stakeholders, the categorisation of topics, a detailed assessment and prioritisation of material topics and external validation by PRL's key stakeholders. The end result will be a materiality assessment that comprehensively considers relevant sustainability topics with the added input from key stakeholders, producing a robust sustainability strategy and transparent sustainability reports which can be benchmarked against. (ReGen Strategic)

ESG Roadmap

ESG Purpose

PRL Group exists to build a sustainable and prosperous future for our community, employees, shareholders and customers.

Road Map & Principles

- Focus on our strengths and the things that matter
- Engage, listen and collaborate with our key stakeholders
- Achieve meaningful, measurable, and impactful outcomes
- Be aware of and well positioned to respond to emerging issues
- 'We own it and show it' approach with disclosure & transparency

Scorecard

Build

Environment
Diverstity & Inclusion
Safety, Health & Wellbeing

Accelerate

Greeenhouse Emissions Reduction
Clean Energy
Economic Diversification

Maintain & Evolve

Community Development
Values and Culture

Sustainability

Initiatives & Plans

- Establishment of ESG Committee
- Climate Change & Emission Reductions
- Economic Diversification
- Stakeholder Engagement
- Environmental Programs
- Skill Development

Sustainable Economic Growth

PRL Group has a deep commitment to Christmas Island, starting with jobs. Since 1990, our residential-based workforce has propelled our business to become the largest private employer with diversified interests on the island. Moving forward we are seeking to ensure ongoing jobs and opportunities for the community and a thriving local economy into the future.

Our purpose is to:
Build a sustainable economic future for Christmas Island

The Company has since its inception been actively pursuing a diversification strategy both on Christmas Island and abroad, ultimately to benefit the company's employees and shareholders, the majority of which continue to have ties to Christmas Island.

Photographer: Chris Bray

To achieve sustainable economic growth, we have both on and off island investments which ultimately benefit the region through our financial capacity to continue to invest, employ and support:

Subsidiary	Diversification	How it Assists the Region
Christmas Island (and IOTs)		
Christmas Island Phosphates	Continues to be the largest employer while pursuing product development opportunities and new technologies to remain competitive in the market.	**Having a diversified group of thriving businesses provides jobs and opportunities for Christmas Islanders while investment in new industries provides a clear pathway for the economy to be more sustainable into the long term.**
Indian Ocean Oil Company	Delivers the island's energy needs for the community, government and for business to operate, while working on pathways to transition the island to renewables and net zero.	
CI Maintenance Services	A multi-disciplinary services business addressing the variety of needs of both government and business clients including facilities maintenance, asset management, cleaning and electrical contracting.	
PRL Shipping	With a large cargo ship dedicated to delivering Phosphate to the region and supplying Christmas Island, this has helped improve access to more affordable shipping for the community.	
Green Space Tech	Providing a clear pathway – for the first time in the island's history – for scalable locally produced fresh produce to be delivered to the community.	
Island Development	Investigating the optimal path to achieving economic sustainability for the island including tourism, education and training, agriculture and renewables, working with NAIF and other financiers.	
Abroad		
Phosphate Resources Malaysia	Building a network of warehouses to support Christmas Island Rock Phosphate, providing both secondary market opportunities and capacity to access stored product to deliver to customers during the challenging wet season on Christmas Island.	**These businesses are strategically complimentary to the Christmas Island subsidiaries while delivering strong returns allowing Christmas Island to benefit through reinvestment, employment and dividends to local shareholders.**
Logistics Businesses Liven Nutrients & Kemoil	Diversifying the business while offering complementary products (Liven providing complimentary fertilisers to CIRP and Kemoil delivering refined fuels as per IOOC).	
Cheekah-Kemayan Plantations	Sustainable production of palm oil with the highest international standards recognition and links directly to the fertiliser business.	

The diversification strategy described above demonstrates a strategic mix of investments both on Christmas Island and abroad, with the goal of building economic sustainability for the business and for the region. Central to this strategy is supporting the long-term success of Christmas Island Rock Phosphate through product and market diversification. Further the diversified businesses offer a non-correlated earnings profile to Group, allowing more balance and sustainability for the bottom line.

This strong diversified foundation positions the Group strongly to explore opportunities for the future economic sustainability of Christmas Island, well-beyond the extent of current activities.

ABOVE A-Frame.

TOP LEFT Spring Onions, Lettuce Kailaan and Choy San.
TOP RIGHT Automated Growing System.
BOTTOM Christmas Island Seniors with Green Space Fresh Food.

Green Space Tech

PRL initiated the 'Green Space Tech' project to address the need for fresh vegetables in the Christmas Island community. While some produce is grown on the island it's not enough for the community, so large quantities are flown in from Perth. This is undesirable for economic, environmental and freshness reasons so, with support from a grant from Commonwealth Government and significant funding from PRL, a major hydroponic trial is underway.

The Green Space team have gathered a variety of hydroponic growing systems that are being run side by side to evaluate which ones are best suited to Christmas Islands particular conditions. Equipment, but also different crops are under trial with varieties selected for tolerance to the hot and humid weather, and taste, and desirability to the community.

The 1000 square metre site selected for the trial has quite a history as 'the old wet bin' at Drumsite, surrounded by heavy concrete walls that once contained the Phosphate ore and still features several enormous concrete piers that held the train aloft for deliveries. A variety of state-of-the-art greenhouses and hydroponic technologies have been employed to maximise output of fresh produce.

The tropical climate encourages very fast growth rates with some varieties of salad and Asian greens ready for harvest in as little as 21 days and most others within 30 days.

ABOVE Aeroponic Tower.

TOP Rosalie Cooper, Nelson, Ken Hawkins and Peter Skinner.
LEFT Yellow Tomatoes. RIGHT Cucumbers

Harvesting has already commenced with 40% of the facility commissioned as at end of August 2023. Lettuces and Asian Greens are the priority produce. Herbs like Basil, Coriander and Mints are also being grown along with Spring Onions and Tomatoes, Capsicums, Cucumbers and Chillies. Space is tight so quantities will be small but much is being learnt about effective crop production.

The office also houses weather and greenhouse environmental monitoring equipment, display units including a five layer 'domestic' automated growing system, a small bench top system and a 'Pineapple' or 'Dalek' system (opinions vary on what it looks like) that is an Aeroponic tower that trickles water down over layers of plant roots that are growing under artificial lights.

Other initiatives include a 5KW Solar array to run the site during daylight, a Water Treatment plant to remove calcium and provide pure water for our crops and a garden bed with ground crops such as passionfruit and Lemongrass to utilise any of our left over nutrient solution and a Solar/Wind powered Security Light which is a seven metre high vertical axis wind turbine with Solar panel and battery storage.

Looking forward for Green Space Tech we are planning to develop a full-scale commercial facility, given the success of the trial and the communities appetite and support for locally produced fresh produce. There are also additional benefits related to employment, improved public health outcomes, a reduction in prices and in carbon emissions related to transportation.

The Green Space Tech development is part of PRL's vision to ensure the community has access to fresh affordable food and vegetables, improve food security and promote Christmas Island as an agritourism destination.

Christmas Island Hawk Owl – Nest Box Project

Found only on Christmas Island, the hawk owl is one of Australia's rarest raptors. It is listed as vulnerable and scientists believe there are only about 1200 birds left.

The first phase of Hawk Owl Nest Box Project was commenced in 2017 in partnership with the Christmas Island District High School, when 31 nest boxes were constructed and installed. The aim of this project was to establish if artificial nest boxes could be used to supplement natural nesting hollows on Christmas Island.

Specific areas were surveyed and then confirmed that hawk owls were found in the general vicinity of nest boxes sites. The boxes were in areas that had a degree of previous habitat disturbance, and a range of different tree species, heights, and aspects were chosen, two different designs (funnel/no funnel) were trialled. Monitoring of the boxes was undertaken in December 2019 and September 2020.

The key outcomes up to the last inspection:

- No use by hawk owls, which could have been influenced by location and shape of the box, or that there is simply enough habitat available for nesting.
- Golden Bosuns have used four of the boxes, three of which were in used in both 2019 and 2020 showing a strong affinity for using this design of nest box. One box was used by an Australian Kestrel
- The boxes have weathered well, with only one removed due to termite damage. This was a positive result in a tropical environment.
- Strong community support for the program.

With the first phase of the project completed, boxes which had deteriorated were replaced by a new more robust design and with modifications adopted from owl nest boxes on the mainland. 4 of these boxes have been installed and in the next couple of months cameras will be installed to we can monitor live activity from the boxes.

The new phase of the project will focus on a range of species, in addition to the hawk owl including the red-tailed tropic bird (silver bosun), golden bosun and others. A scientific report on the first phase of the project is being prepared which will be published later in the year.

IMAGES FROM TOP TO BOTTOM

Ornithologist Simon Cherriman installing a new nest box.

Golden Bosun Bird Exiting a Nest Box.

Bosun Bird Chick.

Bosun Bird Fledgling.

ABOVE Syifa Mohamed Kassim, Qaylah Ashari, Norjanani Jamil and Hannah Sambell.

Education and Training

PRL has been supporting the Christmas Island District High School for over ten years through annual bursary and achievement awards. The Bursaries provide financial support for scholarships for promising students. In 2022/23, for years 10 to 12, we provided an opportunity for students to apply for Bursary Awards. Over $15,000 is available to be shared amongst the successful candidates.

The students are required to submit an application in either a written, audio or video form explaining what they aspire to through education and how the award can assist them. During the 2022/23 Year 12 Graduation, the Bursary Awards were presented to the recipients for their outstanding submissions.

Below are some extracts from their successful submissions; PRL wishes them great success with their studies.

Norjanani Jamil

'I have contributed to many of CIDHS's school programs. These include ANZAC, Country Week and student council activities. Thanks to the three years of Speech and Debate training for Country Week, I can proudly say that I am a confident speaker. Putting myself out there and trying out for Speech and Debate really encouraged me to be more confident in speaking. With this in mind, I would like to pursue my future and career in the communication field. I am leaning especially towards primary education as I find myself very engaging towards children and I would like to help them love learning and schooling as much as I did. The bursary would aid me a lot for my future pathways and I am determined to use the most out of it.'

Qaylah Ashari

'Christmas Island has been my home for 17 years. There is nowhere else I imagine calling home but here. This paradise holds so many precious memories from growing up in Kampong and Silvercity, to hearing stories of my late family surviving the Japanese occupation. Being able to call this Island my home is something I will always be proud of. It's a place where I created bonds with my lifelong friends. It's where I get together and celebrate with my family. It's a place where I succeeded with my education from kindergarten to now graduating high school. To soon taking my education further and studying at Curtin University to hopefully becoming a successful Registered Nurse. Nursing has been my number one career option since I was a little girl as helping people has been something I am very passionate about. I like to be the reason for a difference in someone's life, I like to care for people during their tough times and it feels good to be able to make someone's life that much easier. Being a nurse allows me to have confidence to connect with people and give them aid when needed. Receiving this award can really help to benefit myself and my family to bringing my dream to life.'

Hannah Sambell

'Currently, like many other regional areas Christmas Island only has access to Allied Health Services on their infrequent trips to the island or over Zoom calls on our shaky internet. Over my 15 years growing up on CI, I have become very aware of the negative impacts this has had on those in the community especially those needing rehabilitation treatment or those with ongoing disabilities.

I have experienced this first-hand when my sister suffered a debilitating concussion in 2021, from which she is still experiencing extreme migraines and photophobia. This has led to her needing frequent trips to Perth to visit physiotherapists and other specialist care. The constant need to travel to the mainland has led to significant impacts on my family unit, due to time off work to support Sophie, financial costs of travelling and the physical toll of her disability. This impact would be greatly reduced if regional areas had equitable access to health care. My goal now is to study physiotherapy so that I can return to live in remote areas to continue to serve and invest in the health and wellbeing of those who choose to live in isolated communities.'

Syifa Mohamed Kassim

'I am a hardworking, dedicated and committed student who wishes to accomplish my long term-goals. I work hard in school as well as working as a cashier as a side job to support my own needs and not rely on my family. I am not able to make enough money to save for my future needs and studies but the CIP bursary award will mean a lot to me and it will be very helpful with my aspirations to study. I balance my school work and my job and am able to manage my time well and achieve great results in school and I will continue to do so in my future studies.

I want to study and explore life and take the knowledge that I gain to give back to the special community that I live on, Christmas Island.'

TOP Rosalie Cooper, Green Space Tech. LEFT Shuhadah Kamaruzaman, Nural Ain Kamaruzaman.

Christmas Island District High School (CIDHS) Alumni

PRL has been supporting CIDHS with its Alumni Association which brings together current students ex students and teachers. This year we again held the Alumni event at Optus Stadium. The event is held prior to the WA Country Event which attracts students from all over the State. This year the student teams had a huge success winning multiple events at Country week. Their performance is a credit to the commitment and hard work of the teachers and students.

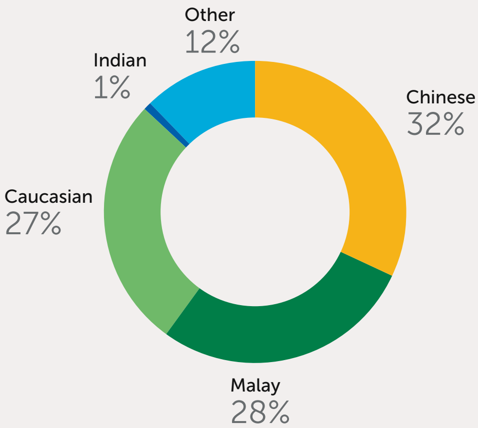
Presentations were provided by ex-students Shuhadah Kamaruzaman & Nural Ain Kamaruzaman, who provided advice on making the transition to further studies in Perth. Rosalie Cooper took us inside PRL's amazing Green Space Tech Project on Christmas Island and the significant progress the project has made over the past year.

Diversity at PRL

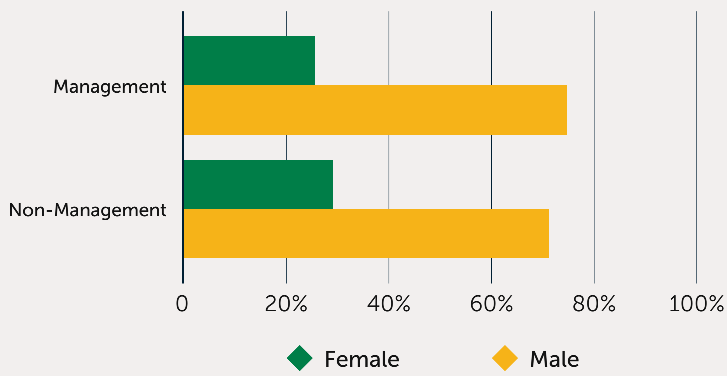
PRL continues to support women in non-traditional roles and have increased from 2 to 6 women in operational roles on the ground. Being an isolated community, we sent delegates from our Island operations to attend the AUSIMM International Women's Day event, and subsequently two of our female leaders to an all-female leadership retreat. We have actively sought to support the women in our workforce through training and development opportunities through projects internally and workshops on the mainland. Our performance continues to improve, and we are pleased to report the outcomes below for 2022/2023.

- We haven't added additional female trainees or apprentices as yet, however, our female OHS trainee graduated this year and is still employed with the Company as a graduate OHS Officer.
- From last year's stats we increased our overall female workforce by 4.47%
- Female management positions have increased 5%.
- We continue to hold true to preserving and supporting cultural diversity on the Island by celebrating the different religious rites and festivities. This fosters a high level of inclusion for both locals and newcomers who are able to participate and learn about the unique culture of Christmas Island.

Ethnic Diversity 2022-23



Gender Diversity 2022-23



Occupational Health & Safety

Work Health and Safety

Phosphate Resources Limited, continues to move forward with our rigorous and collaborative approach to safety.

Christmas Island Phosphates Critical Risk Program

We recognise that knowing which activities in our business have the greatest potential to harm our people, and ensuring that these risks are well controlled, is pivotal to creating a safe workplace. By proportionately focusing on these critical risks and controls, we can create a manageable program, keeping our people safe while also demonstrating to our team and stakeholders that we are aware of and are managing the big safety issues

- Approved standards
- Roll out program underway
- Tools provided to the team
- Critical Control Verifications

Legislation Compliance

New legislation compliance systems developed and approved:

- Mines Safety Management Plan
- Principle Mining Hazards Plan
- Statutory Supervisors
- Compliance improvements achieved against the new legislation in both practices and documentation

Pre-Start Information boards

Standardising the most important meeting of the day. This is where we focus and energise our people to meet the challenges of their working day safely.

- **Increase communication** with information flowing upwards and downwards
- **Discussions on safety** with the safety cross (the need to rate ourselves on the previous days performance) safety shares and focus on the critical risks for tasks of the day
- **Celebrating successes**

Employee engagement with Safety

A number of employee workshops have been held focusing on safety and safety initiatives teams have been formed

The 'state of the nations' talks given across the board have had a strong safety focus

Our safety plan focuses on coaching as part of the strategy to improve safety conversation across the business

- The "Dirt Coaching " program will be launched next month and a formal based mentoring program later in the year.

The number of elected Health and Safety Representative in the business have increased by 75%

- Two of our Health and Safety Representatives have been nominated for the 2023 Work Health and Safety Excellence Awards.

Safety Plans

In conjunction with the CIP Strategic Plan a new Safety plan has been developed and approved for 2023/2024 building on themes and strategies from last year's plan. Including commitment of a Capex budget for the next 5 years focusing on engineering out key risks

↓ **26%** TRIFR

↓ **4%** LTIFR

Visible leadership continues to be a corner stone in our plan, with active field time a central part of the senior management commitment to lead and to mentor others.

Christmas Island Maintenance Services

- Critical Risk Standards developed and approved
- CIMS Visible leaders – new program introduced and embedded
- Introduced Toolboxes and monthly safety meetings
- Major Safe Operating Procedures for critical risks identified and developed
- CIMS safety performance continues with no LTIs for over 18 months
- A safety plan against new legalisation compliance issues has been mapped and progressed.

Wellness for the PRL Group

A number of initiatives have been fostered from the team in conjunction with the People and Culture Department, including the development of a PRL Psychosocial Safety in Our Workplace Policy for the group and the soon to be launched WeCare programme.

WHS Team

The WHS team has continued through training and mentoring to increase value to the service provided to the group. Our WHS trainee recently finished their qualification and is now progressing a career in WHS within our organisation.


REMEMBER YOUR
CRITICAL
CONTROL
Electrical Safety
• I will ensure electrical equipment is safe to use
• I will ensure verification of zero energy
Tyre Safety
• I will never enter an exclusion zone where tyres are being worked on
Vehicles & Driving
• I will establish positive communications
• I will ensure pre-starts are completed
Isolations
• I will verify isolations and zero energy
Working at Heights
• I will protect myself from falls and prevent any dropped objects
Mobile Equipment
• I will only operate machinery with the correct authorisation, licencing and competency
• I will ensure pre-starts are completed
• I will establish positive communications
Confined Space
• I will follow all confined space protocols and have permission before entering
Cranes & Lifting
• I will not place myself under a suspended load
CHRISTMAS ISLAND PHOSPHATES


CRITICAL RISKS
WORK SAFETY
CIMS have established 5 safety standards for higher risk work activities which identify critical aspects of our field operations.
All personnel are to adhere to the safety foundations, and actively enforce them in all work settings.
They have been created for the protection of CIMS' most valuable asset, its people.
CIMS-STA-2201
HAND AND POWER TOOLS
CIMS-STA-2204
MOBILE EQUIPMENT INTERACTION
CIMS-STA-2203
ELECTRICITY
CIMS-STA-2205
WORK AT HEIGHTS
CIMS-STA-2206
HAZARDOUS SUBSTANCES
CI Maintenance Services
Safety is Everyone's Responsibility
PRL GROUP

Our Community **Our Future**

Sustaining Our Community

'Our Community, Our Future' is dedicated to a sustainable Christmas Island. Through our flag ship community development program, we continue our efforts to help maintain a strong and stable community into the future.

The program has four streams:

- Sponsorship and Donations; focussed on sporting clubs and events, history, art and culture.
- Community Programs; supporting seniors, education, youth and the environment.
- Community Care; arising from the COVID 19 pandemic we have developed a Community Care stream which provides support for seniors and vulnerable residents, small business and tourism.
- Community Futures; designed to support economic sustainability.

BELOW 2023 Seniors Visit to Green Space Tech.

BELOW Territory Week – Family Day.

ABOVE PRL 30th Anniversary – Chinese Drumming.

ABOVE Supporting the Island Community.

Sponsorships FY 2022/2023

Rock Riders
Christmas Lollie Run

CI Robbers Rugby League Club
NRL WA Harmony Cup 6

Chinese Literary Association
- Mid-Autumn Festival (Moon Cake Festival)
- Ghost Festival
- Ching Ming Festival
- Chinese New Year – Chap Goh Mei

CI Neighbourhood Centre
R U OK? Month

Christmas Island District High School
- Country Week
- Creative Edge Tour Perth
- Junior Rangers Program – Cocos Camp
- Terrific Tuesday
- 2023 Anzac Tour
- Country Week

CI Charity Ball Committee
Lighting Up CI

CI Badminton
'Be Active' Badminton Competition

Island Care Inc.
Shelving

Drumsite Tai Pak Kong Temple
Ghost Festival

South Point Soon Tian Kong Temple
Kang Tian Tai Di God's Birthday

Sheng Wong Temple
Ghost Festival

Settlement Tai Pak Kong Temple
Tai Pak Kong God's Birthday

Grants Well Guan Di Temple
Guan Di God's Birthday

Christmas Island Women's Association
Furnishing for Safe Space

Christmas Island Phosphates
- Annual Raft Regatta – Territory Week
- Annual CIDHS Academic Awards
- CIP Bursary Awards

Shire of Christmas Island
Cabra Roots Reggae Group – Territory Week

Christmas Island Catholic Church
Christmas Celebrations – Carols by Candlelight

Drumsite Old Dryers Tai Pak Kong Temple
God's Birthday

Emma Furtado
Crazy Crab Toddler Gym

The Goddess of Mercy Temple
Goddess' Birthday

Ma Chor Nui Nui Temple
God's Birthday

Poon Saan Club Inc.
2023 Club Programs

Sheng Wong Temple
God's Birthday

Suzane Chan Chinese Dance Group
Carnival Prizes and Dance Accessories

Union of Christmas Island Workers
Union Day Celebration

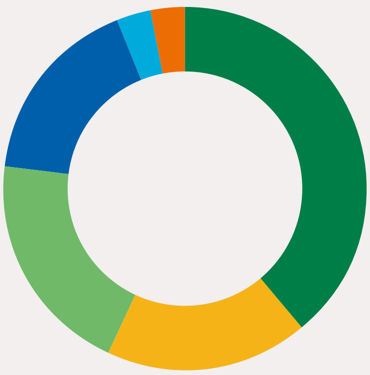
Christmas Island Malay Dance Group
Costumes and Accessories

Sarah Kentwell
Forever Four

Christmas Island Golf Club
- Ladies Golf
- CIP Club Championships
- CIMS Monthly Medal

Christmas Island Business Association
CIBA Website Development

Christmas Island Mountain Bike Association
Grant & Infrastructure Support



Funding Area Breakdown

Financial Year July 2022 – June 2023

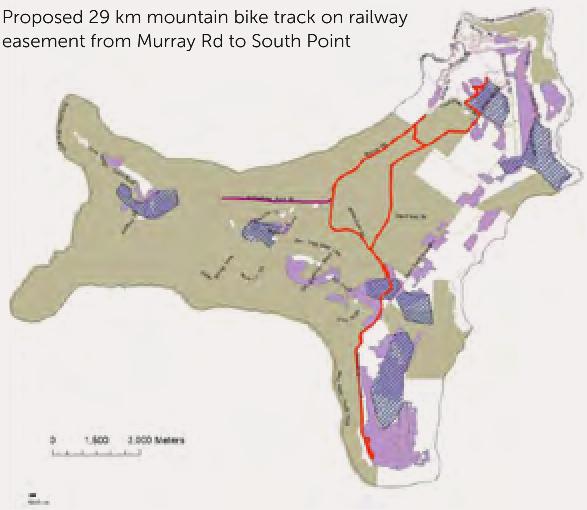
Community	39%	Education	17%
Culture	18%	Legacy/History	3%
Sports	20%	Religious	3%

Christmas Island Mountain Bike Association (CIMBA)

The PRL Group continues its support in developing a new adventure tourism product for Christmas Island. In partnership with CIMBA, Bike Kiosk and Adventure Freak we have recently applied for funding through the new Growing Regions Program to construct a 29 km long world class, eco-friendly mountain bike trail. The spectacular track, will meander through tropical rainforests, dramatic cliffs, diverse wildlife, and will be a tourist magnet for everyone, from international adventure tourists to local families.

If successful, the project will build on the exponential growth of mountain biking throughout the world. The project will also support the Christmas Island economy, employing locally during and after its completion, boost community recreation offerings and allow CIMBA to attract world class events and talent.

Over the past 18 months working in partnership with Bike Kiosk quality mountain bikes are now available for hire on the Island and tourists and locals can now book mountain bike tours.



Proposed 29 km mountain bike track on railway easement from Murray Rd to South Point

Malaysian Downstream Warehousing

Over recent years, the Group has pursued a clear strategy of building out its downstream fertiliser activities, with a significant goal in mind: **Strengthening and diversifying markets for Christmas Island Rock Phosphate.**

The Malaysian downstream warehousing strategy has involved building warehouses in strategic locations around Malaysia and providing capacity to store CIRP along with complementary fertiliser products.

This strategy has added to the economic sustainability of Christmas Island, by way of:

Supply Continuity	Providing Product to Customers even during Wet Season
New Markets	Opening secondary market for Second Tier Customer to purchase CIRP
Complementary Offerings	Offer complementary fertiliser products and manufacturing to enhance CIRP sales
Close to our Markets	Having a footprint and capacity to deliver close to where our customers are
Product Innovation	Exploring innovative new products and development for CIRP to build new markets
Quality Assurance	Improving our capacity to conduct R&D and test products, tailored to customer requirements

During the 2023 financial year, our Malaysian subsidiary Phosphate Resources Malaysia constructed a second state-of-the-art warehouse in Port Klang to enhance our ability to service our customers and store product – particularly Christmas Island Rock Phosphate.

The facility also provides us with opportunities to develop complementary and value added products to satisfy the markets demand for value added products such as controlled released fertiliser, mixtures and NPK's.

We are also ensuring we meet our commitments to ESG through provision of well-planned workspaces, installation of highly efficient dust extraction systems, installation of a large-scale rooftop solar PV system on our warehouses and implementation of a waste management and water harvesting system.

During 2024, we aim to build a warehouse in Bintulu, Malaysia to further support and reach our customers in that region.

ABOVE External Audits at Cheekah Kemayan Plantations S/B.

Cheekah Kemayan Plantations (CKP)

PRL subsidiary CKP has continued their progress with the development of sustainable palm oil, with Malaysian and international accreditation. This year they have additionally sought accreditation via International Sustainability & Carbon Certification (ISCC). ISCC is recognised by the European Commission as being compliant with the EU Renewable Energy Directive.

Certified Sustainable Palm Oil Products

CKP is committed to maintaining its Sustainability certifications, specifically under the standards namely RSPO, MSPO and ISCC. These Sustainability certifications, along with our 100% traceability to plantation (TTP), provides recognised credibility to our crude palm oil, palm kernel and byproducts to compete in the global marketplace and to showcase our high standards in sustainability.

The following are the certification systems we are currently holding and in force:

Roundtable for Sustainable Palm Oil (RSPO)

An international certification scheme that is well recognised in the palm oil industry with the objective to promote the growth and use of sustainable oil palm products through credible global standards and multi-stakeholder governance.

Malaysian Sustainable Palm Oil (MSPO)

A national compliance standard for all Malaysia-based palm oil operations including plantations, independent growers, smallholders, palm oil mills, refineries and dealers.

International Sustainability & Carbon Certification (ISCC)

A system that covers and certifies all types of biomass material including oil palm fresh fruit bunches (FFBs) and also various scopes in the palm oil industry. The audit area and focus consist of greenhouse gas (GHG) calculation and emissions, traceability, management system and mass balance. ISCC is recognised by the European Commission as being compliant with the EU Renewable Energy Directive.

The Sustainability Certifications referenced on page 37 have to go through a stringent certification process one-time every five (5) years and followed by four (4) annual surveillance conducted by external auditors. The adopted certification systems are also aligned with some of the prominent international commitments in the palm oil industry. A non-exhaustive list includes the NDPE Policy (No Deforestation, No New Planting on Peat, and No Exploitation), Ethical Recruitment Policy, International Labour Organisation (ILO) standards on Human Rights Due Diligence (HRDD).

Starting Year of Certifications

Certification Type	Starting Year
RPSO (Roundtable on Sustainable Palm Oil)	2021
MSPO (Malaysian Sustainable Palm Oil	2019
ISCC (International Sustainability and Carbon Certification)	2023

Biogas

CKP is working in partnership with local authorities to build sustainable green technology, reducing our impact on the environment and producing clean energy. The company is developing a biogas methane capture plant alongside its mill facilities for electricity generation.

POME is an organic wastewater byproduct result of oil milling activity. Due to its organic properties, POME has been proven to have huge electricity generation potential through a process of anaerobic digestion which produces methane gas. Methane gas in turn is captured and converted into renewable energy via a biogas engine, producing clean and green electricity.

CKP is well advanced in its project to deliver clean energy to its operations via its biogas methane capture plant which should be fully operational sometime during 2024.

ABOVE Layout of Methane gas treatment plant and biogas engine station with covered lagoon in background.

Sustainability Metrics

2023 Scorecard (how we performed in the FY23)

Sustainability Area	Sustainability Target	Target Timing	Status
Mine Site Remediation and Rehabilitation	PRL to work with the Commonwealth and the National Park in the establishment of an outcome focused and cost-effective program .	Commence Discussion: Jun 2023	**ON TRACK**
Environmental Management	Subject to review, full compliance with our Environmental Management Plan (EMP) over the next 4 years.	Jun 2026	**ON TRACK**
Hawk Owl Nest Box Project	Phase 1 close-out report prepared.	Phase 2 Planning: Jun 2023	**DELIVERED**
	Phase 2 (expanding the project to include other bird species and new nest box designed) Planning to take place in 2022-23 and Implementation 2023-24.	Phase 2 Delivery: Jun 2024	**ON TRACK**
Roundtable on Sustainable Palm Oil (RSPO)	Achieve RSPO Accreditation for our Malaysian plantation by December 2025 – Status – Completed ahead of Target – just underwent first audit.	To Complete Annual Audit	**DELIVERED**
Community Development	Review of 'Our Community, Our Future' Program and update our Economic Impact Assessment Report .	Jun 2023	**ON TRACK**
Diversity	1) Continue to roll out female diversity program 2) Increase the percentage of women employed to 30%. 3) Increase the percentage of women employed in Management team to 30%.	Dec 2025 Dec 2025 Dec 2025	**WORK TO DO**
Occupational Health & Safety	Targeting further reduction of both TRIFR and LTIFR by 10%.	Jun 2023	**ON TRACK**
Fresh Produce	Commence targeted pilot to deliver fresh produce.	Jun 2023	**DELIVERED**

Photographer: Chris Bray

2024 Targets (our plans for FY24)

Sustainability Area	Sustainability Target	Target Timing	UN Goal
Mine Site Remediation and Rehabilitation	Develop life of mine remediation program and work with National Parks to optimise rehabilitation outcomes for Christmas Island.	Jun 2027	15 Life on Land
Environmental Management	Subject to review, full compliance with our Environmental Management Plan (EMP) over the next 4 years.	Jun 2027	3 Good Health and Well-Being; 15 Life on Land
Community Engagement	Deliver Our Community, Our Future program to recognise and partner with the Christmas Island community through targeted financial support for social, sports, arts, historical, seniors, cultural, religious, heritage, and educational activities.	Jun 2024	3 Good Health and Well-Being; 4 Quality Education
Bird Habitat Creation (Nest Box Project)	Implementing Phase 2 (expanding the project to include other bird species and new nest box designed).	Phase 2 Delivery: Jun 2024	15 Life on Land
Dust Improvement	Deliver significant dust reduction and extraction programs both on Christmas Island and in Malaysia to minimise impact on staff and the community.	Jun 2024	8 Decent Work and Economic Growth; 15 Life on Land
Energy Improvement	Reduce energy usage by 10% with focus on major energy drawing processes. Complete energy audit on Christmas Island.	Jun 2024	7 Affordable and Clean Energy; 13 Climate Action; 15 Life on Land
Diversity	1) Continue to roll out female diversity program with focus on women in non-traditional roles.	Dec 2025	5 Gender Equality
	2) Increase the percentage of women employed by 30% by Dec 2025.	Dec 2025	
	3) Increase the percentage of women employed in Management team by 30% by Dec 2025.	Dec 2025	
	4) Increase female board representation by 30% by Dec 2025.	Dec 2025	
Occupational Health & Safety	Targeting further reduction of both TRIFR and LTIFR by 10%. Zero fatalities.	Jun 2024	3 Good Health and Well-Being
Fresh Produce	Bring phase one of Green Space Tech fully online to progressively increase the share of locally grown produce, reduce retail pricing and create a more sustainable island community.	Jun 2024	3 Good Health and Well-Being; 15 Life on Land
	Target 100kg per week of fresh produce by end of period.	Jun 2024	

www.prlgroup.com.au

Reports & Governance

Corporate Directory

Directors

- Mr. David Somerville – Chairman
- Mr. Lai Ah Hong
- Dato' Sri Tee Lip Sin
- Mr. Tee Lip Jen
- Mr. Adrian Gurgone
- Dato' Sri Kamaruddin bin Mohammed
  (Resigned 31 December 2022)
- Mr. Ong Keng Siew
  (Appointed 1 January 2023)
- Ms Tee Chain Yee
  (Alternate Director to Dato'Sri Tee Lip Sin; Appointed 28 August 2023)

Share Register

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

T +61 8 9323 2000
F +61 8 9323 2033

Auditor

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Stock Exchange Listings

CI Resources Limited shares are listed on the Australian Securities Exchange.

Ordinary fully paid shares (ASX code: CII)

Principal Registered Office in Australia

6 Thorogood Street
Burswood WA 6100

T +61 8 6250 4900
E info@ciresources.com.au

www.ciresources.com.au

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000

Solicitors

Steinepreis Paganin Lawyers
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Directors' Report

The Directors of CI Resources Limited (the Company) present their report together with the financial statements of the Group comprising of the Company and its subsidiaries (together referred to as the Group or CI Resources) for the financial year ended 30 June 2023 and the auditor's report thereon.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated. Where applicable, all directorships held in listed public companies over the last three years have been detailed below.

Names, qualification, experience and special responsibilities

David Somerville

Chairman – Non-Executive (Appointed 28 November 2008)

Experience & Expertise

Mr. Somerville holds a Bachelor of Business degree from Curtin University and a Master of Business Administration from Deakin University, he is a Fellow of the Australian Institute of Management.

Mr. Somerville has an accounting background having been a senior partner in a large Western Australian accounting practice, before establishing a financial services company which listed on the Australian Securities Exchange in 2007. He has over 32 years' experience in a corporate capacity across a number of companies and a number of industry sectors including financial, resources and property development.

Mr. Somerville is the Chairman of the Investment Committee, the Audit & Risk Management Committee and the Remuneration & Nomination Committee.

Other Directorships

Mr. Somerville is Executive Chairman of Questus Ltd, a public company since 22 October 2007.

Lai Ah Hong

Managing Director (Appointed 26 June 2007)

Experience & Expertise

Mr. Lai has been a driving force in the growth and success of Phosphate Resources Limited, from its humble beginnings 33 years ago. Mr. Lai came to Christmas Island from Malaysia in 1978, working in a range of roles at the British Phosphate Commission (BPC) and Phosphate Mining Christmas Island (PMCI), as well as successfully starting his own business in retail and trading.

He played a leading role when the Christmas Island community came together to form PRL, investing their hard-earned savings and reopening the mine in 1990. Mr. Lai was a founding director of the newly formed entity. He is a passionate advocate for the Christmas Island community and building a diverse and sustainable economy that can support future generations of Islanders.

Under his leadership the Company has been transformed into an integrated and diversified business with interests in mining, agribusiness, energy, asset management, maintenance, transport and logistics. Mr. Lai is by nature, an entrepreneur with a keen eye for unlocking business opportunities. He has extensive experience in the phosphate mining and fertiliser industries in Australia and South East Asia.

Mr. Lai is a member of the Investment Committee.

Other Directorships

Mr. Lai held no other directorships of ASX listed or other listed companies during the last three years.

Dato' Sri Tee Lip Sin

Director – Executive Director (Appointed 26 June 2007; Non-executive director from 1 July 2023)

Experience & Expertise

Dato' Sri Tee Lip Sin holds a Bachelor of Arts in Business Administration (Human Resources Management) from the University of Wales, an Associate Diploma in Commerce from Curtin University Australia and an Executive Diploma in Plantation Management from the University Malaya. In October 2022, he obtained Master of Business Administration from University of Sunderland.

Dato' Sri Tee Lip Sin has been involved in palm oil milling and management of palm oil plantations since 1995. Currently, he is the Group Managing Director for the group of companies under Prosper Capital Holdings Sdn Bhd which own, directly or indirectly, ten palm oil mills and about 70,000 acres of oil palm plantations in Malaysia ("Prosper Group") and Executive Director of United Malacca Berhad which own about 121,000 acres of oil palm plantations in Malaysia and Indonesia. He also has experience in operating 35,000 acres of plantation in Indonesia.

Dato' Sri Tee Lip Sin was appointed Executive Director of Phosphate Resources Limited, a wholly owned subsidiary of CI Resources Limited and Executive Director of Phosphate Resources (Malaysia) Sdn Bhd and Phosphate Resources (Singapore) Pte Ltd, both are wholly owned subsidiaries of Phosphate Resources Limited, effective from 1 July 2015

Dato' Sri Tee Lip Sin is a member of the Investment Committee.

Other Directorships

Dato' Sri Tee Lip Sin held no other directorships of ASX listed companies during the last three years. He is an Executive Director of United Malacca Berhad, a Malaysian Company that is listed on the Main Board of Bursa Malaysia Securities Berhad.

Tee Lip Jen

Director – Non-Executive (Appointed 18 March 2011; Executive Director from 1 July 2023)

Experience & Expertise

Mr. Tee Lip Jen holds a Bachelor of Mechanical Engineering from the Royal Melbourne Institute of Technology (RMIT). After graduation, Mr. Tee Lip Jen started his career as a Process Engineer in the manufacturing industry for 2 years before expanding his experience as a Project Engineer in a refinery plant specialising in producing downstream palm oil products. He is currently a Director of Future Prelude Sdn Bhd, an integrated oleochemical company specialising in the production of several oleochemical products and biodiesel using sustainable palm oil as feedstock.

In addition, Mr. Tee Lip Jen is an Engineering Director of Prosper Group and responsible for overseeing the engineering and production activities in ten palm oil mills with processing capacity ranging between 20mt to 70mt FFB/hour.

Mr. Tee Lip Jen is a member of the Audit & Risk Management Committee and Remuneration & Nomination Committee.

Other Directorships

Mr. Tee Lip Jen held no other directorships of listed companies during the last three years.

Adrian Gurgone

Director – Executive (Appointed 18 March 2011; Executive director from 1 July 2022)

Experience & Expertise

Mr. Adrian Gurgone is an experienced Chartered Accountant and MBA with significant executive, investment, board and business leadership experience. He held senior roles with Deloitte Consulting along with a UK top-tier consulting firm, prior to establishing and running a successful national management consultancy and investment firm in 2007 for over a decade, advising multinational and mid-cap organisations globally.

His experience encompasses executive leadership, finance, investment, strategy, ESG, risk management and corporate governance across a range of industries including mining, fertilisers, trading, energy and resources. Adrian has held several directorships on private sector and not for profit boards.

After several years on the Board as an Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee, Adrian has recently been appointed as an Executive Director leading the Company's diversification strategy, with the aim of delivering a sustainable and prosperous future for the Company's shareholders, employees and all other stakeholders.

Mr. Gurgone is a member of the Investment Committee and Chairman of the ESG Committee (established as a sub-Committee of the Audit and risk management Committee in March 2023).

Other Directorships

Mr. Gurgone held no other directorships of listed companies during the last three years.

Mr. Ong Keng Siew

Director – Non-Executive (Appointed 1 January 2023)

Experience & Expertise

Mr. Ong Keng Siew holds a Diploma in Commerce from Kolej Tunku Abdul Rahman Malaysia. He is a fellow member of the Association of Chartered Certified Accountants United Kingdom and a member of the Malaysian Institute of Accountants. He also attended Wharton University of Pennsylvania Advanced Management Program.

Mr. Ong had an impressive career spanning over 30 years at Paramount Corporation Berhad ('Paramount"). Paramount is listed on the Main Market of Bursa Securities and its principal activities are property development, property construction and education services. Mr. Ong joined Paramount as an Accountant in 1981, and he rose through the ranks of Finance and Administration Manager and General Manager. He was appointed to the Board of Paramount on 14 November 1994. He assumed the posts of Deputy Group Managing Director & Deputy Group CEO in 1997 and was appointed as the Managing Director & CEO of Paramount on 1 December 2008. He retired as the Managing Director & CEO of Paramount on 18 June 2012.

Mr. Ong is a member of the Audit & Risk Management Committee and the Remuneration and Nominations Committee.

Other Directorships

Mr. Ong held no other directorships of ASX listed companies during the last three years. He is a Senior Independent Non-executive Director of Paramount Corporation Berhad and Pekat Group Berhad, and a Independent Non-executive Director of United Malacca Berhad, all listed on the Main Market of Bursa Securities.

Dato' Sri Kamaruddin bin Mohammed

Director – Non-Executive (Appointed 17 January 2013; Resigned 31 December 2022)

Experience & Expertise

Dato' Sri Kamaruddin is a business and finance graduate and a Senior Fellow of Financial Services Institute of Australasia (SF FIN). He has had an extensive business career with Pelaburan Mara Berhad (formerly known as Amanah Saham Mara Berhad) retiring as Group Managing Director in 2008.

He has had considerable experience with the palm oil industry and is currently Group Executive Chairman of the Malaysian listed palm oil group, Far East Holdings Berhad. He is also the Chairman of Pascorp Paper Industries Berhad. He is a Director of Amanah Saham Pahang Berhad. Dato' Sri Kamaruddin was appointed Chairman of Cheekah-Kemayan Plantations Sdn Bhd effective from 1 July 2015.

Dato' Sri Kamaruddin was Chairman of the Remuneration & Nomination Committee and was a member of the Audit & Risk Management Committee until 31 December 2022.

Other Directorships

Dato' Sri Kamaruddin held no other directorships of ASX listed companies during the last three years. He is a Director of Far East Holdings Berhad, a Malaysian Company that is listed on the Main Board of Bursa Malaysia Securities Berhad.

Tee Chain Yee

Alternate Director to Dato' Sri Tee Lip Sin – Non-Executive Director (Appointed 30 August 2023)

Experience & Expertise

Ms. Tee Chain Yee holds a Bachelor of Marketing degree and a Master's degree in Accounting, both from Curtin University of Technology, Australia. She embarked on her journey with Prosper Group in 2005, starting as an Assistant General Manager. Over the years, she has risen to the position of Operations & Finance Director at Prosper Group. In this pivotal role, Ms. Tee oversees the development of both operational and financial strategies, ensuring their alignment with the overarching corporate objectives.

Furthermore, Ms. Tee also serves as a Director in several private limited companies, specializing in diverse sectors including oil palm plantations, palm oil mills, and housing development.

Other Directorships

Ms. Tee Chain Yee held no other directorships of listed companies during the last three years.

Directors' interests in shares and options

As at the date of this report the interests of the Directors in the shares and options of the Company were:

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr. David Somerville	-	-	-	-
Mr. Lai Ah Hong	-	4,235,442	-	-
Dato' Sri Tee Lip Sin	749,580	30,679,512	-	-
Mr. Tee Lip Jen	1,229,150	-	-	-
Mr. Adrian Gurgone	-	110,000	-	-
Dato' Sri Kamaruddin bin Mohammed	-	150,000	-	-

Retirement, election, and continuation in office of directors

In accordance with the Constitution, Mr. Adrian Joseph Anthony Gurgone and Dato' Sri Tee Lip Sin will retire, in rotation, as directors at the Annual General Meeting to be held in November 2023 and being eligible, will offer themselves for re-election.

Company Secretary

Elizabeth Lee

B Bus, FGIA, Grad. Dip. Corp. Gov.
ASX Listed Entities *Company Secretary*

Ms. Lee has over 20 years' experience in the areas of corporate governance and company secretarial functions. Prior to joining CI Resources Limited, Ms. Lee held company secretarial positions for Phosphate Resources Limited, Macmahon Holdings Limited, Corporate Compliance Partners and Lend Lease Primelife Limited. Ms. Lee also performed contract company secretarial roles with Macquarie Bank Limited and Austock Group Limited.

Ms. Lee holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University, a Graduate Diploma in Corporate Governance from the Governance Institute of Australia, a Graduate Diploma in Corporate Governance for ASX Listed Entities from Kaplan Financial Institute and is a Fellow member of the Governance Institute of Australia.

Principal Activities

The principal activities during the year of entities within the consolidated entity were:

- mining, processing and sale of phosphate rock, phosphate dust and chalk;
- providing earthmoving, fuel, pilotage, maintenance and stevedoring services to other Christmas Island organisations;
- operating a palm oil estate, processing and sale of palm oil products; and
- trading, importing and exporting of commodities.

Review and Results of Operations

A summary of consolidated revenues and results is set out below:

	Results 2023 ***$'000s***	**Results 2022** ***$'000s***
Revenue	1,151,132	538,687
Profit before income tax expense	45,615	10,581
Income tax expense	(10,773)	(2,078)
Net Profit after income tax expense	34,842	8,503
Net Profit from ordinary activities after tax attributable to members of CI Resources Limited	25,274	7,580

Earnings per share	**2023 Cents**	**2022 Cents**
Basic earnings per share	21.87	6.56

Dividends

Dividends totalling 3.5 cents per share have been paid during the year ended 30 June 2023. The Directors recommend that a final dividend of 5.0 cent per share be paid in respect of the year ended 30 June 2023.

Financial Results

The Company has yielded strong financial results for the year to 30 June 2023.

For FY2023, the Group delivered a 114% year-on-year increase in revenue from ordinary activities to A$1.15 billion (FY2022: $539 million). Net Profit attributable to members of the Company increased 233% to $25.2 million (FY2022: $7.6 million).

The strong financial performance reflected the growing and outperforming Logistics segment which, with the addition of the 60% stake in Liven Nutrients during the year, produced approximately $901 million revenue, or 78%, of total revenue for the 12-month period (FY2022: $374 million revenue or 69% of total revenue).

Meanwhile, the Group's Fertiliser segment experienced difficult production circumstances during the year. An unseasonably early and enduring wet season led to significant production challenges, negatively impacting phosphate and fertiliser sales volumes. For the FY2023, the Group's fertiliser business contributed approximately $124 million revenue, or 11%, of total revenue for FY2023 (FY2022: $86 million revenue or 16% of total revenue).

The Board does not expect this proportionate performance will be consistent moving forward and is cognisant that business and market cycles impact the various segments of the Group on an ongoing basis. The Board also believes its diversification strategy should ameliorate the impact of these cycles going forward.

Financial Position

At the end of the financial period the consolidated entity had net cash balances of $65.515 million (2022: $37.338 million) and total assets of $468.989 million (2022: $401.056 million).

Total liabilities amounted to $234.685 million (2022: $197.778 million), being trade and other creditors, provisions and borrowings.

The Group's net assets amounted to $234.304 million (2022: $203.278 million).

Significant Changes in the State of Affairs

On 4 July 2022, the Company acquired 3,000,000 ordinary shares in Liven Nutrients Pte Ltd ("Liven"), for US$3.0M (AU$4.4M) which represent a 60% interest in the newly incorporated entity. Liven was established as a non-listed company based in Singapore for the purposes of conducting fertiliser trading activities and growing the Group's capacity to supply fertiliser to customers in the Asia Pacific region.

Additional information can be found in Note 33 of the accompanying 30 June 2023 year end report.

Additional Appendix 4E disclosure requirements can be found in the appended 30 June 2023 financial statements and accompanying notes.

Significant Events After the Balance Date

There are no matters or circumstances that have arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results

Based upon our ongoing estimation and review of indicated and inferred resources available to the Company and with our best judgements on current commercial parameters it is reasonable to expect we can sustain viable mining operations on Christmas Island through to the end of our mining lease in 2034 and that the palm oil business will continue to provide reasonable returns for the foreseeable future.

The Company is well positioned to leverage on an improving fertiliser market, deliver savings from internal efficiencies, and further diversify earnings in the period ahead.

Environmental Regulation and Performance

The Consolidated Entity holds various licenses regulating its mining and exploration activities on Christmas Island and also holds environmental licenses from the operation of a palm oil mill issued by the Malaysian Government.

Licenses issued by the Commonwealth Government of Australia and Malaysian Government include general environmental conditions, air pollution control conditions and water control conditions. These conditions regulate the management of mining waste and restoration, dust, liquid chemical storage and water monitoring.

The Company established an ESG Committee during the year to support its commitment to environmental and social outcomes where it operates. Further information is also set out in the Sustainability Report section of this Annual Report.

There have been no significant known breaches of the Consolidated Entity's licenses.

Shares Options

There were no options over ordinary shares and no ordinary shares of CI Resources Limited issued during the period ended 30 June 2023 on the exercise of options.

Indemnification and Insurance of Directors and Officers

During or since the financial year, the Company has paid premiums in respect of a contract insuring the Directors of the Group, the Company Secretary and all Executive officers of the Group and of any related body corporate against a liability incurred as such to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors and Officers liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract. The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Group or of any related body corporate against a liability incurred by an officer.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2023 and the number of meetings attended by each Director were:

	Directors' Meeting		Audit & Risk Management Committee		Investment Committee		Remuneration & Nomination Committee	
	A	*B*	*A*	*B*	*A*	*B*	*A*	*B*
Mr. David Somerville	4	4	4	4	3	3	3	3
Mr. Lai Ah Hong	4	4	-	-	3	3	-	-
Dato' Sri Tee Lip Sin	4	4	-	-	3	3	-	-
Mr. Tee Lip Jen	4	4	4	4	1	1	4	4
Mr. Adrian Gurgone	4	4	1	1	-	-	1	1
Mr. Ong Keng Siew	2	2	1	1			2	2
Dato' Sri Kamaruddin	2	2	2	2	-	-	1	1

A – Number of meetings held during the time the Director held office during the year.
B – Number of meetings attended.

The CI Resources Board has established Audit & Risk Management, Remuneration & Nomination and Investment Committees.

Audit & Risk Management Committee

The role of the Audit & Risk Management Committee is to oversee the Group's financial reporting, setting the risk parameters of the Group and overseeing the Group's systems of internal control and its risk management framework.

The members of the Audit & Risk Management Committee are Mr. David Somerville (Chair), Mr Ong Keng Siew and Mr. Tee Lip Jen.

Investment Committee

The role of the Investment Committee is to assist the Board in fulfilling its responsibilities in evaluating investment opportunities. In fulfilling this purpose, the Committee will review the investment opportunities and make recommendations to the Board.

The members of the Investment Committee are Mr. David Somerville (Chair), Mr. Lai Ah Hong, Mr Adrian Gurgone, Dato' Sri Tee Lip Sin and Mr Nicholas Gan (Chief Operating Officer, ex-officio).

Remuneration & Nomination Committee

The Board of CI Resources Limited is responsible for ensuring that the remuneration arrangements for the Group are aligned with the overall business strategy and shareholders' interests.

The role of the Remuneration & Nomination Committee is to advise the Board on Directors' and Executives' remuneration. The Committee makes recommendations to the Board on Executive remuneration arrangements, including where appropriate, all awards under the Long Term Incentive (LTI) plan and approved the targets and level of the Short Term Incentive (STI) pool.

The members of the Remuneration & Nomination Committee are Mr. David Somerville (Chair), Mr. Ong Keng Siew and Mr. Tee Lip Jen.

A copy of the charters of the Audit & Risk Management, Remuneration & Nomination and Investment Committee are available on the corporate governance page on the Company's website – **www.ciresources.com.au**

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the instrument applies.

Non-Audit Services

No non-audit services were provided by the Auditors during the year ended 30 June 2023. When non-audit services are provided, the Board considers the Audit & Risk Management Committee's advice, that any non-audit services provided by the auditor is compatible with, and did not compromise, the general standard of auditor independence imposed by the *Corporations Act 2001* for the following reasons:

- any non-audit services provided do not involve reviewing or auditing the auditor's own work or acting in a management or decision-making capacity for the company; and
- any non-audit services are subject to the corporate governance procedures and policies adopted by the Company and have been reviewed by the Audit & Risk Management Committee to ensure they do not affect the integrity and objectivity of the auditor; and
- there is no reason to question the veracity of the auditor's independence declaration.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 54.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

Remuneration Report (Audited)

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

A	Principles used to determine the nature and amount of remuneration
B	Details of remuneration
C	Share-based compensation
D	Additional information

The information in this section has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

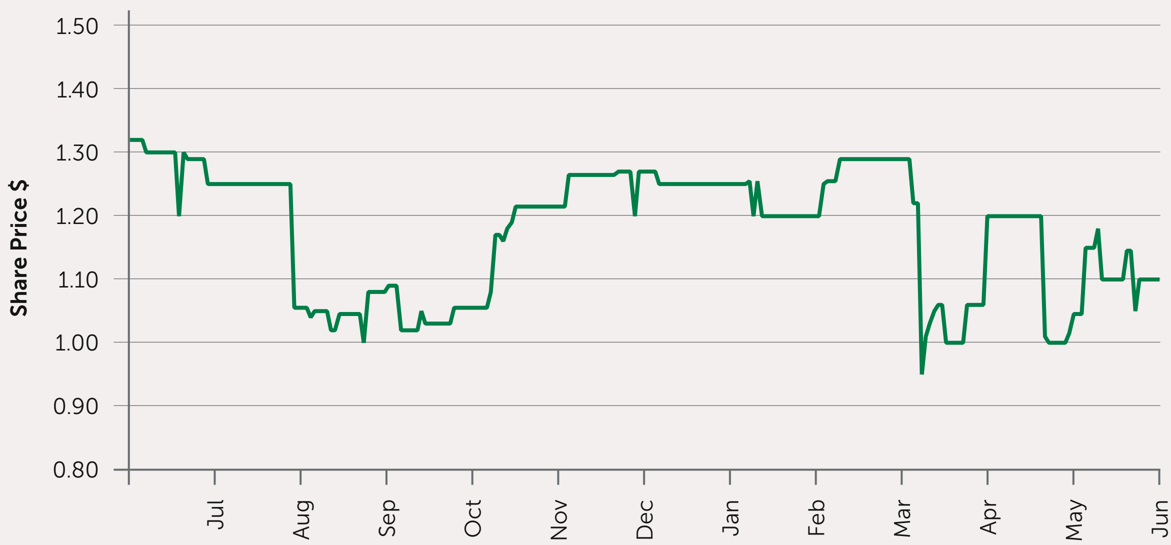
In order to maintain and attract directors to facilitate the efficient and effective management of the Consolidated Entity's operations, the Board established a Remuneration and Nomination Committee on 9 March 2015 which reviews the remuneration of directors on an annual basis and makes recommendations to the Board.

The bonus disclosed in the remuneration report is discretionary and takes into account the Company's financial performance and the creation of shareholders' value.

Below is information on the Consolidated Entity's performance for the previous four financial years and for the current year ended 30 June 2023, and the dividends declared in respect of each of these financial years.

	2019	2020	2021	2022	2023
Basic earnings per share (cents)	7.50	0.03	5.88	6.56	21.87
Dividends per share (cents)	3.0	0.0	3.0	3.0	7.5
Share price (cents)	144	95	120	132	110

The Company's share price performance shown in the below graph is a reflection of the Company's performance during the financial year ended 30 June 2023.



Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Non-executive directors' fees and payments are reviewed annually by the Remuneration & Nomination Committee and the Committee makes recommendations to the Board. The Board also ensures Non-executive directors' fees and payments are appropriate and in line with the market as determined by comparison with companies of a similar size. The Chairman's fees are determined independently to the fees of Non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' Fees

The current base remuneration was last reviewed on 22 June 2023. Directors' remuneration is inclusive of committee fees.

Non-Executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $880,000.

Remuneration packages may contain the following key elements:

- Director's fees
- Consultancy fees
- Post-employment benefits – superannuation
- Other non-cash benefits

The directors are also remunerated for any additional services they render to the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors with no interest in the engagement of such services.

Executive Remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

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

The Consolidated Entity has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on exploration success as the creation of shareholder value and returns
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The executive pay and reward framework has the following components:

- Fixed remuneration (base salary, superannuation & other non-monetary benefits)
- Variable remuneration (incentives through participation in bonus arrangements)

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

Fixed Remuneration

Base salary
Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market.

Non-monetary benefits
Executives may receive benefits including memberships, car allowances and reasonable entertainment.

Retirement benefits
Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contributions.

Retirement Allowances for Directors

There is no provision for retirement allowances for Non-executive directors.

Variable Remuneration

Executives are paid a discretionary bonus subsequent to the financial year end based on the profit of the Group for the previous year.

B Details of Remuneration

During the financial year to 30 June 2023, the directors and key management personnel of the Company were:

Directors of CI Resources Limited

- Mr. David Somerville – Non-executive Chairman
- Mr. Lai Ah Hong – Managing Director
- Dato' Sri Tee Lip Sin – Executive director (Non-executive director from 1 July 2023)
- Mr. Tee Lip Jen – Non-executive director (Executive director from 1 July 2023)
- Mr. Adrian Gurgone – Executive director
- Mr. Ong Keng Siew – Non-executive director (Appointed 1 January 2023)
- Ms Tee Chain Yee – Non-executive director (Alternate director to Dato'Sri Tee Lip Sin) (Appointed 28 August 2023)
- Dato' Sri Kamaruddin bin Mohammed – Non-executive director (Resigned 31 December 2022)

Other key management personnel of CI Resources Limited

- Mr. Darren Gold – Group Chief Financial Officer

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following tables.

2023	Short-term benefits				Long-term benefits	Post-employment benefits		
Name	Salaries and fees $	Bonus* $	Non-monetary benefits $	Annual leave $	Leave and other entitlements $	Superannuation $	Total $	Total Performance related
Directors of CI Resources Limited								
Mr. David Somerville	260,058	-	20,000	-	-	26,128	306,186	-
Dato' Sri Tee Lip Sin	242,734	-	-	-	-	-	242,734	-
Mr. Tee Lip Jen	133,800	-	-	-	-	-	133,800	-
Mr. Adrian Gurgone	383,501	60,000	13,764	33,120	28,529	51,003	569,917	10.5%
Dato' Sri Kamaruddin bin Mohammed	79,900	-	-	-	-	-	79,900	-
Lai Ah Hong	701,255	110,120	87,170	61,440	16,000	93,308	1,069,293	10.3%
Ong Keng Siew	66,900	-	-	-	-	-	66,900	-
Other key management personnel								
Mr. Darren Gold	359,200	60,000	27,068	31,200	26,875	48,208	552,551	10.9%
Total	**2,227,348**	**230,120**	**148,002**	**125,760**	**71,404**	**218,647**	**3,021,281**	**-**

2022	Short-term benefits				Long-term benefits	Post-employment benefits		
Name	Salaries and fees $	Bonus* $	Non-monetary benefits $	Annual leave $	Leave and other entitlements $	Superannuation $	Total $	Total Performance related
Directors of CI Resources Limited								
Mr. David Somerville	160,750	-	9,523	-	-	18,486	188,759	-
Dato' Sri Tee Lip Sin	169,445	-	-	-	-	-	169,445	-
Mr. Tee Lip Jen	111,500	-	-	-	-	-	111,500	-
Mr. Adrian Gurgone	110,750	-	-	-	-	12,736	123,486	-
Dato' Sri Kamaruddin bin Mohammed	135,473	-	-	-	-	-	135,473	-
Lai Ah Hong	647,329	66,837	74,881	60,011	15,628	82,129	946,815	7.1%
Other key management personnel								
Mr. Darren Gold	321,471	55,000	23,332	28,980	24,963	43,294	497,040	11.1%
Total	**1,656,718**	**121,837**	**107,736**	**88,991**	**40,591**	**156,645**	**2,172,518**	**-**

Options provided as remuneration and shares issued on exercise of such options

There were no options issued to key management personnel for the financial years ended 30 June 2023 and 30 June 2022.

Option Holdings

No key management personnel held options over ordinary shares in the Group during the current year ended 30 June 2023 (2022: Nil)

Shareholdings

The numbers of shares in the Company held during the financial year by each director and the key management personnel of the consolidated entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2022 Name	Balance at the start of the period	Changes during the period	Balance at the end of the period
Directors of CI Resources Limited			
Mr. David Somerville	-	-	-
Dato' Sri Tee Lip Sin	31,429,092	-	31,429,092
Mr. Tee Lip Jen	1,229,150	-	1,229,150
Mr. Adrian Gurgone	-	110,000	110,000
Mr Ong Keng Siew	-	-	-
Dato' Sri Kamaruddin bin Mohammed *	150,000	-	150,000
Mr. Lai Ah Hong	4,235,442	-	4,235,442
Other key management personnel			
Mr. Darren Gold	2,500	40,000	42,500

*Resigned 31 December 2022

Remuneration and other terms of employment for the non-executive directors are not formalised in service agreements.

Remuneration and other terms of employment for the Managing Director and Chief Financial Officer are formalised in employment contracts: The Company may terminate the executives' employment by paying 12 months salary plus accrued short term and long term benefits. Employment may be terminated immediately for serious misconduct. The executives may terminate their employment by giving 3 months' notice.

C Share-based Compensation

There were no share-based payments to directors or other key management personnel during this or the previous financial year.

D Additional Information

Loans to directors and executives

There are no loans to directors or executives.

Other transactions with key management personnel

i) Mr. Lai Ah Hong is the owner of property MQ 717 on Christmas Island leased to Phosphate Resources Ltd. Mr. Lai Ah Hong received a total rent of $28,600 during the year (2022: $27,300).

ii) Mr. Lai Ah Hong is the owner of property 86 Unit B, Block 790 Lam Lok Road, Drumsite, Christmas Island leased to CI Maintenance Services Pty Ltd until 31 December 2023, with one further term of one year. Mr. Lai Ah Hong received a total rent of $34,038 during the year (2022: $24,000).

iii) Mr. Lai Ah Hong is the owner of property 21 Jalan Ketam Merah, Drumsite, Christmas Island leased to CI Phosphates. Mr. Lai Ah Hong received a total rent of $24,440 during the year (2022: $22,880).

iv) Mr. Lai Ah Hong is the part owner (50%) of Unit 2, 4 Tong Chee Road on Christmas Island leased to CI Phosphates on a periodic lease. Mr. Lai Ah Hong received total rent of $5,200 during the year (2022: $0)

v) Mr. Adrian Gurgone is the director of Ethical Accounts. Ethical Accounts provided consultancy services for the Group totalling $Nil during the year (2022: $299,996).

All the above transactions were at arms-length and in the ordinary course of business.

Shares under option

There are no unissued ordinary shares of CI Resources Limited under option at the date of this report.

– End of Audited Remuneration Report –

Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

David Somerville
Chairman

Lai Ah Hong
Managing Director

Perth, Western Australia
18 September 2023

Photographer: Chris Bray

Auditors Independence Declaration

Building a better working world

Ernst & Young
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Auditor's independence declaration to the directors of CI Resources Limited

As lead auditor for the audit of the financial report of CI Resources Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CI Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Russell Curtin
Partner
18 September 2023

Corporate Governance Disclosures

The Board of CI Resources Limited ("CIR") ("the Company') and the entities it controls ("the Group") is responsible for the corporate governance of the Group. The Group is committed to protecting and enhancing shareholder value and adopting best practice governance policies and practices. This Corporate Governance Statement dated 30 June 2023 and approved by the board of directors of CIR ("the Board") on 18 September 2023, outlines the key principles and practices of the Group against the ASX Corporate Governance Principles and Recommendations 4th Edition ("the Recommendations"). CIR's Corporate Governance Statement can also be found in the Corporate Governance section of the Company Profile section on its website at **www.ciresources.com.au**

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Group's practices depart from the Recommendations.

Principle 1 – Lay Solid Foundations for Management and Oversight

	Recommendation	CI Resources Limited's Current Practice
1.1	A listed entity should have and disclose a board charter setting out: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	**Adopted.** The Board has adopted a Board Charter which outlines the role and responsibility of the Board and management and the matters reserved to the Board. The Board determines the strategic direction of the Company by regularly monitoring and evaluating the performance and status of each of the Company's projects and activities. The Board has delegated the day-to-day management of the Group and its business to the Managing Director. The Managing Director is supported in this function by Senior Executives with responsibilities as delegated by the Managing Director. A copy of the Board Charter can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
1.2	A listed entity should: a) undertake appropriate checks before appointing a director or senior executive or putting forward for election as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	**Adopted.** Material information in relation to a director up for election or re-election is provided in the Notice of Meeting for each AGM including background, other material directorships, term and the Board's consideration of their independence, and the Board statement as to whether it supports the election or re-election of the candidate. Thorough checks are made prior to appointing all senior executives.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	**Adopted.** All directors, including non-executive directors, and senior executives of the Company have a written agreement with the Company setting out the terms of their appointments.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the Chairman, on all matters to do with the proper functioning of the Board.	**Adopted.** The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Principle 1 – Lay Solid Foundations for Management and Oversight

	Recommendation	CI Resources Limited's Current Practice
1.5	A listed entity should: a) have and disclose a diversity policy; b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives, and workforce generally; and c) disclose in relation to each reporting period: i) the measurable objectives set for that period to achieve gender diversity; ii) the entity's progress towards achieving those objectives; and iii) either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or 2) if entity is a ''relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	**Adopted.** The Company recognises the value contributed to the Group by employing people with varying skills, cultural backgrounds, ethnicity and experience. The Group believes its diverse workforce is the key to its continued growth, improved productivity, and performance. We actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. 64% of the Group's employees are from Chinese and Malay descent. The Board is comprised of six males with a female company secretary. Five senior executives, who report directly to the Managing Director, are male and 23% of the Group's managers are female, compared to 21% in the prior year. We have added one female leader to our management team during the year and the Group has 29% female employees. The Board has set diversity objectives, which are detailed in its Sustainability Report which is available, together with the Diversity Policy, on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the Board, its committees, and individual directors; and b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.	**Adopted.** The Company has a performance evaluation policy which requires the Group to undertake annual performance review measures for the Board, its committees and individual directors. The most recent review was conducted in November 2022 in accordance with that policy. A copy of the Description of the performance evaluation process for the Board and directors can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
1.7	A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and b) disclose for each reporting period, whether a performance evaluation had been undertaken in accordance with that process during or in respect of that period.	**Not adopted.** Formal performance evaluation of senior executives is conducted annually, but the process has not been disclosed publicly.

Principle 2 – Structure the Board to be Effective and Add Value

	Recommendation	CI Resources Limited's Current Practice
2.1	The board of a listed entity should: a) have a nomination committee which: i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director; and disclose: iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence, and diversity to enable it to discharge its duties and responsibilities effectively.	**Adopted.** The Company has a Remuneration and Nomination Committee which reviews the board composition annually to ensure it continues to have the right balance of skills, experience, independence and knowledge to discharge its responsibilities. The Committee has three members with two members being independent directors. The Chair of the Committee is an independent director. The Board is satisfied that the current mix of independent and non-independent directors has the appropriate balance of skills, knowledge, experience, independence, and diversity to enable it to discharge its duties and responsibilities effectively. A copy of the Remuneration and Nomination Committee Charter can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au) Details of the members of the Committee, the frequency of the meetings and attendees of the meetings of the Committee are provided in the Annual Report.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	**Adopted.** A copy of the skills matrix can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, or relationship of the type as described in Box 2.3 of the Recommendations (Factors relevant to assessing independence) but the board is of the opinion that it does not compromise the independence of the director, nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	**Adopted.** a) Mr. Somerville and Mr Ong Keng Siew are considered by the Board to be independent directors. Mr. Somerville has been a director for more than 10 years, but the Board is of the opinion that he has maintained sufficient distance from management to be considered independent. b) Mr. Somerville – 15 years Dato' Sri Tee Lip Sin – 14 years Mr. Tee Lip Jen – 12 years Mr. Adrian Gurgone –12 years Mr. Lai Ah Hong – 10 years Mr Ong Keng Siew – 9 months Ms Tee Chain Yee – 1 month (alternate director)
2.4	A majority of the Board of a listed entity should be independent directors.	**Not adopted.** Two members of the six-member Board are considered by the Board to be independent. Given the significant change to the Company's operations over the last 12 months, the Board considers that the current level of non-independent executive directors is in the best interests of the Company and ensures that the Group has available the requisite levels of skill and experience for managing a diversified industrial company operating in a number of jurisdictions. The Company may seek to adjust this mix of independent versus non-independent directors over time.

Principle 2 – Structure the Board to be Effective and Add Value

	Recommendation	CI Resources Limited's Current Practice
2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	**Adopted.** Mr. Somerville is the Chairman of the Company and is considered by the Board to be independent. Mr. Lai is the Managing Director of the Company.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	**Adopted.** The induction of new directors is currently completed by the Company Secretary. All directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors. A copy of the procedure for the selection and appointment of new directors to the Board can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)

Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly

	Recommendation	CI Resources Limited's Current Practice
3.1	A listed entity should articulate and disclose its values.	**Adopted.** In the current reporting period, the Company has adopted the following statement of values: – Collaboration – We thrive by working together – Integrity – We are honest and respectful – Customer Excellence – Meeting and exceeding customer expectations – Agility – Dynamic and resourceful at every step – Responsibility – Accountable, trusted and safety-orientated – Empowered Community – Committed to sustainable community outcomes A copy of the values of the Company can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
3.2	A listed entity should: a) have and disclose a code of conduct for its directors, senior executives, and employees; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	**Adopted.** The Company has a Code of Conduct, which can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au) The Board is informed of any material breaches under the Code of Conduct.
3.3	A listed entity should: a) have and disclose a Whistleblower policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	**Adopted.** The Company has a Whistleblower Policy, which can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au) The Board is informed of any material incidents under the policy.
3.4	A listed entity should: a) have and disclose an anti-bribery and corruption policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	**Adopted.** The Company has an anti-bribery and corruption policy which can be found on the Corporate Governance page of the CI Resources website. (www.ciresources.com.au) The Board is informed by management of any material incidents.

Principle 4 – Safeguard Integrity of Corporate Reports

	Recommendation	CI Resources Limited's Current Practice
4.1	The board of a listed entity should: a) have an audit committee which: i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and ii) is chaired by an independent director, who is not the chair of the board; and disclose: iii) the charter of the committee iv) the relevant qualifications and experience of the members of the committee; and v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	**Not adopted.** The Board has established an Audit & Risk Management Committee (ARC). The ARC's primary function is to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, including the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The ARC is responsible for the appointment of the external auditors of the Company, and will from time to time review the scope, performance and fees of those external auditors. The Company has retained Ernst & Young as its auditors. The Ernst & Young partner managing the external audit will attend the 2023 AGM and be available to respond to shareholders' questions relating to external audit. The Committee has three members, with two members being independent directors. With the assumption by Mr Gurgone of an executive role within the Company, the Chair of the Board assumed the role of Chair of the Committee on 1 July 2022. The Company will continue to review this arrangement over time. The Board remains satisfied that the current mix of independent and non-independent directors has the appropriate balance of skills, knowledge, experience and independence to enable it to verify and safeguard the integrity of its corporate reporting. The relevant qualifications and experience of the Committee members, the number of times the Committee met in the reporting period and the individual attendances of the members are detailed in the Annual Report. A copy of the Audit & Risk Management Charter and Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners can be found on the CI Resources website. (www.ciresources.com.au)
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	**Adopted.**
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	**Adopted.** All periodic corporate reports the Company releases to the market are audited or reviewed by an external auditor.

Principle 5 – Make Timely and Balanced Disclosure

	Recommendation	CI Resources Limited's Current Practice
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rule 3.1.	**Adopted.** The Company has a Continuous Disclosure Policy which can be found on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
5.2	A listed entity should ensure that its board receives a copy of all material market announcements promptly after they have been made.	**Adopted.**
5.3	A listed entity that gives new substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	**Adopted.**

Principle 6 – Respect the Rights of Security Holders

	Recommendation	CI Resources Limited's Current Practice
6.1	A listed entity should provide information about itself and its governance to investors via its website.	**Adopted.** Refer to the Company's Corporate Governance page on its website. (www.ciresources.com.au)
6.2	A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	**Adopted.** The Group has a positive strategy to communicate with shareholders and actively promote shareholder involvement in the Company. The Group aims to continue to increase and improve the information available to shareholders on its website.
6.3	A listed entity should disclose that it facilitates and encourages participation at meetings of security holders.	**Adopted.** The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to ask at the meeting to the Board and to the Group's auditors.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.	**Adopted.**
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	**Adopted.** Regular notifications are issued to shareholders with options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry.

Principle 7 – Recognise and Manage Risk

	Recommendation	CI Resources Limited's Current Practice
7.1	The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director, and disclose: iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	**Adopted.** Please refer to details of the Audit & Risk Management Committee under Principle 4.
7.2	The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and b) disclose, in relation to each reporting period, whether such a review has taken place.	**Adopted.** The Audit & Risk Management Committee oversees the establishment, implementation and ongoing review of the Company's risk management and internal control system. The Group reviews annually its overall risk management framework and insurance program for all of its business and operational activities. A review has taken place in this reporting period.
7.3	A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	**Adopted.** The Audit & Risk Committee is responsible for engaging independent audit consultants to carry out an internal audit program across designated operational functions. Internal controls are reviewed on an annual basis. A copy of the Risk Management Policy is available on the Corporate Governance page on CI Resources website. (www.ciresources.com.au)
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	**Adopted.** Since 2020, the Group has been publishing an annual Sustainability Report setting out the sustainability performance of the group across environmental and social risks and an annual Modern Slavery Statement which also addresses social risks. The Annual Sustainability Report is now incorporated into the Company's Annual Report. The key material environmental and social risks, priorities and initiatives are outlined therein. Also, the Christmas Island operations are carried out in an environmentally sensitive area and accordingly operations are carefully monitored to ensure compliance with approved Environmental Management Plans developed in accordance with legislative requirements.

Principle 8 – Remunerate Fairly and Responsibly

	Recommendation	CI Resources Limited's Current Practice
8.1	The board of a listed entity should: a) have a remuneration committee which: i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director, and disclose: iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	**Adopted.** Please refer to details of the Remuneration & Nomination Committee (RNC) under Principle 2.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	**Adopted.** This information is contained within the Remuneration Report of the Annual Report. The Remuneration and Nomination Committee Charter provides the framework and responsibilities for the Committee.
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	**Not applicable.**

CI RESOURCES LIMITED

Financial Report

For the financial year ended 30 June 2023

CI Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

6 Thorogood Street
Burswood, Western Australia 6100

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the consolidated entity. All press releases, financial reports and other information are available on our website.

www.ciresources.com.au

For queries in relation to our reporting please contact us:

T +61 8 6250 4900
E info@ciresources.com.au

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2023

	Notes	2023 $'000s	2022 $'000s
Revenue	4(a)	1,151,132	538,687
Cost of sales	4(b)	(1,070,607)	(516,005)
Gross profit		**80,525**	**22,682**
Other income	4(c)	2,061	5,920
Other expenses	4(d)	(32,336)	(16,641)
Finance costs	4(e)	(4,420)	(1,036)
Change in fair value of biological assets	14(a)	(105)	3
Share of profit/(loss) in joint ventures	15	(110)	(347)
Profit before income tax		**45,615**	**10,581**
Income tax expense	5	(10,773)	(2,078)
Profit for the period after income tax		**34,842**	**8,503**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Net currency translation differences		(337)	1,586
Total other comprehensive income/(loss) that may be reclassified subsequently to profit or loss		(337)	1,586
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit plan obligation		(232)	910
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		(2,159)	1,805
Total other comprehensive income that cannot be reclassified subsequently to profit or loss		(2,391)	2,715
Total other comprehensive income		(2,728)	4,301
Total comprehensive income for the year		**32,114**	**12,804**
Profit is attributable to:			
Members of CI Resources Limited		25,274	7,580
Non-controlling interest		9,568	923
		34,842	**8,503**
Total comprehensive income for the year is attributable to:			
Members of CI Resources Limited		22,546	11,881
Non-controlling interest		9,568	923
		32,114	**12,804**
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share	6	21.87 cents	6.56 cents
Diluted earnings per share	6	21.87 cents	6.56 cents

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 *$'000s*	2022 *$'000s*
Current assets			
Cash and cash equivalents	7	65,515	37,338
Trade and other receivables	8	194,389	162,195
Inventories	9	42,857	52,066
Biological assets	14(a)	148	257
Other financial assets	10	6,282	5,692
Derivatives-forward exchange contracts	27	-	22
Prepayments		7,433	834
Income tax receivable		129	565
Total current assets		**316,753**	**258,969**
Non-current assets			
Other financial assets	10	28,113	30,411
Property, plant & equipment	11	106,441	92,720
Goodwill	12	4,057	4,057
Bearer plants	14(b)	2,185	3,061
Investment in joint ventures	15	223	788
Deferred tax assets	5	11,217	11,050
Total non-current assets		**152,236**	**142,087**
Total assets		**468,989**	**401,056**
Current liabilities			
Trade and other payables	17	83,185	106,394
Interest bearing loans and borrowings	18	95,043	43,158
Derivatives-forward exchange contracts	27	196	-
Income tax payable		5,658	160
Provisions	19	6,458	5,357
Total current liabilities		**190,540**	**155,069**
Non-current liabilities			
Interest bearing loans and borrowings	18	17,680	17,454
Deferred tax liabilities	5	8,702	7,684
Provisions	19	17,763	17,571
Total non-current liabilities		**44,145**	**42,709**
Total liabilities		**234,685**	**197,778**
Net assets		**234,304**	**203,278**
Equity			
Contributed equity	20	72,160	72,160
Reserves	21	4,884	7,672
Retained earnings	22	142,267	121,038
Equity attributable to equity holders of the parent		219,311	200,870
Non-controlling interest		14,993	2,408
Total equity		**234,304**	**203,278**

Consolidated Statements of Changes in Equity

For the financial year ended 30 June 2023

	Notes	Contributed Equity $'000s	Foreign Currency Translation Reserve $'000s	Fair Value Reserve $'000s	Discount on Acquisition of NCI $'000s	Retained Earnings $'000s	Total Attributable to Equity Holder of the Parent $'000s	Non-controlling Interest $'000s	Total $'000s
1 July 2022		**72,160**	**843**	**(1,670)**	**8,499**	**121,038**	**200,870**	**2,408**	**203,278**
Profit for the year		-	-	-	-	25,274	25,274	9,568	34,842
Other comprehensive income/(loss) for the year	21	-	(397)	(2,391)	-	-	(2,788)	-	(2,788)
Total comprehensive income/(loss) for the year		**-**	**(397)**	**(2,391)**	**-**	**25,274**	**22,486**	**9,568**	**32,054**
Non-controlling interest arising on business combination		-	-	-	-	-	-	3,017	3,017
Transactions with owners in their capacity as owners:									
Dividends paid	22	-	-	-	-	(4,045)	(4,045)	-	(4,045)
30 June 2023		**72,160**	**446**	**(4,061)**	**8,499**	**142,267**	**219,311**	**14,993**	**234,304**
1 July 2021		**72,160**	**(743)**	**(4,385)**	**8,499**	**116,925**	**192,456**	**-**	**192,456**
Profit for the year		-	-	-	-	7,580	7,580	923	8,503
Other comprehensive income/(loss) for the year	21	-	1,586	2,715	-	-	4,301	-	4,301
Total comprehensive income/(loss) for the year		**-**	**1,586**	**2,715**	**-**	**7,580**	**11,881**	**923**	**12,804**
Non-controlling interest arising on business combination		-	-	-	-	-	-	1,485	1,485
Transactions with owners in their capacity as owners:									
Dividends paid	22	-	-	-	-	(3,467)	(3,467)	-	(3,467)
30 June 2022		**72,160**	**843**	**(1,670)**	**8,499**	**121,038**	**200,870**	**2,408**	**203,278**

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

	Notes	2023 $'000s	2022 $'000s
Cash flows from operating activities			
Receipts from customers		1,118,549	472,594
Payments to suppliers and employees (inclusive of goods and services tax)		(1,101,098)	(529,972)
Interest received		389	238
Interest paid on lease liability		(16)	(24)
Borrowing costs		(4,674)	(1,102)
Income taxes paid		(2,194)	(2,505)
Net cash flows from/(used in) operating activities	26	**10,956**	**(60,771)**
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash		(4,389)	31,039
(Increase)/Decrease in term deposits		(1,345)	1,885
Decrease/(Increase) in financial assets		7	(329)
Proceeds from sale of property, plant and equipment		81	2,750
Purchase of property, plant and equipment		(24,745)	(16,601)
Net cash flows (used in)/from investing activities		**(30,391)**	**18,744**
Cash flows from financing activities			
Repayment of borrowings		(47,060)	(20,515)
Proceeds of borrowings		98,809	64,264
Payment of principal portion of lease liability		(788)	(606)
Dividends paid		(4,045)	(3,467)
Net cash flows from financing activities		**46,916**	**39,676**
Net increase/(decrease) in cash and cash equivalents held		**27,481**	**(2,351)**
Cash and cash equivalents at the beginning of the financial year		**37,338**	**33,804**
Impact of foreign exchange		696	5,885
Cash and cash equivalents at the end of the financial year	7	**65,515**	**37,338**

Notes to the Financial Statements

For the year ended 30 June 2023

1. Corporate Information

This financial report of CI Resources Limited ("Company") for the year ended 30 June 2023 comprises the Company and its subsidiaries ("Group"). The financial report of CI Resources Limited for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 15 September 2023.

CI Resources Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the financial year ended 30 June 2023, unless otherwise stated.

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). The financial report has been prepared on a historical cost basis except for biological assets and certain financial instruments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

The financial report covers the Consolidated Entity of CI Resources Limited and its controlled entities and has been prepared on an accruals basis.

a) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

b) New accounting standards and interpretations

i) Changes in accounting policy

The accounting policies adopted in the preparation of the year-end report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022.

Several new and amended Accounting Standards and interpretations apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group and hence have not been disclosed.

ii) New and amended Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2023 and are outlined below:

AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective for annual reporting periods beginning on or after 1 January 2025

The amendments to AASB 10 Consolidated Financial Statements and AASB 128 clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendment is not expected to have a material impact on the Group.

AASB 2022-5 Amendments to AASs – Lease Liability in a Sale and Leaseback

Effective for annual reporting periods beginning on or after 1 January 2024

In a sale and leaseback transaction recognised as a sale under AASB 15 Revenue from Contracts with Customers, AASB 16 requires the seller-lessee to measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The standard, however, does not specify how the liability arising in a sale and leaseback is measured. This impacts the measurement of the right-of-use asset and could result in recognition of a gain or loss on the right-of-use asset retained. Of particular concern is the impact of excluding from the lease liability, variable lease payments that do not depend on an index or rate.

The issue has been addressed in the amendment, which specifies that the seller-lessee measures the lease liability arising from the leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use asset retained.

The amendment does not prescribe specific measurement requirements for the lease liability arising from a leaseback. The seller-lessee will need to establish an accounting policy that results in information that is relevant and reliable in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment, however, includes examples illustrating the initial and subsequent measurement of the lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The amendment may represent a significant change in accounting policy for entities that enter into sale and leaseback transactions with such variable payments.

The amendment is not expected to have a material impact on the Group.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of CI Resources Limited ("company" or "parent entity") as at 30 June 2023 and the results of its subsidiaries for the financial year then ended.

CI Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity. Subsidiaries are all those entities over which CI Resources Limited has control.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
  - The contractual arrangement(s) with the other vote holders of the investee
  - Rights arising from other contractual arrangements
  - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Investments in subsidiaries held by CI Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

d) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax is recognised on the recognition of goodwill, except for transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of an ROU asset and a lease liability.

Deferred tax assets or liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the income statement except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs for mining inventory and on a First-In First-Out (FIFO) basis for fuel inventory.

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

f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property

Freehold land and buildings are measured at cost less accumulated depreciation on buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any impairment losses. Included under plant and equipment is fixed and mobile plant and equipment, machinery, vehicles, office equipment and furniture which are used in the business operations.

The cost of property, plant and equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Construction in progress is stated at cost, net of accumulated impairment losses, if any.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land are depreciated on a straight line or diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciation assets are:

Class of Property, Plant and Equipment	Depreciation Rate
Strata title properties	2%
Buildings	2.5–8%
Plant and equipment	5–40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

g) Mining tenements and exploration expenditure

Costs incurred during exploration and evaluation activities related to an area of interest are accumulated at cost.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest, or alternatively its sale, or where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to abandoned areas of interest are written off in full in the year in which the decision to abandon the area is made.

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.

h) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The nature of the Group's leasing activities includes leasehold land and buildings, rental properties, office premises and plant and equipment to support the operations of the Group.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Class	Depreciation Rate
Leasehold land and buildings	Shorter of the lease and 2%
Rental properties and office premises	Period of the lease
Plant and equipment under lease: – the shorter of the lease term and life span	20–30%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing loans and borrowings (Note 18).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. Trade receivables are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

The Group's financial assets at amortised cost includes trade receivables, term deposits and cash and cash equivalents.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes forward currency contracts and capital notes which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions
- Trade receivables

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers 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 before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The Group has no financial liabilities held for trading.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

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.

j) Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows based on management's forecasts are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For non-financial assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any such indications exist, the Group estimates the asset's or cash generating unit's ("CGU's") recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

k) Intangibles and goodwill

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to the identifiable net assets at the date of acquisition. The Group's goodwill, which is classified as technical goodwill, arose on 1 May 2011 on the acquisition of the 100% interest in Cheekah-Kemayan Plantations Sdn. Bhd. Technical goodwill describes a category of goodwill arising as an offsetting account to deferred tax recognised in business combinations.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group has applied the general guidelines for allocating goodwill for the purpose of impairment testing. When performing the annual impairment test for goodwill, the deferred tax liability which gave rise to the technical goodwill in a business combination reduces the net carrying value prior to the eventual impairment charges. This is done in order to avoid an immediate impairment of all technical goodwill. When deferred tax from the initial recognition decreases, more core goodwill is exposed for impairment.

Impairment losses recognised for goodwill are not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

l) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity in the Group is determined by reference to the currency of the primary economic environment in which that entity operates. During the year, the functional currency of one of the Group's entities was changed due to changes in the underlying transactions, events and conditions relevant to the entity. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet. The carrying values of term deposits represent the fair values.

n) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the executive management team. There is no aggregation of operating segments.

o) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

an asset or liability will be recognised in accordance with AASB 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Any goodwill arising from the business combination is accounted for under Intangibles and Goodwill accounting policy.

p) Revenue

Revenue from contract with customers

The Group is in the business of:

- Mining, processing and sale of phosphate rock, phosphate dust and chalk;
- Supply of fuel and oil products to other non-related Christmas Island entities;
- Providing maintenance, fuel pilotage and stevedoring services to other non-related Christmas Island entities;
- Operating a palm oil estate, processing and sale of palm oil products in Malaysia; and
- Operating a supply chain logistics business, enabling the efficient flow of refined oils products between major producers and large customers throughout West Africa.
- Operating a global supply chain logistics business, enabling the efficient flow of fertiliser products between major producers and large customers

Revenue from phosphate sales

Each phosphate shipment is governed by a sales contract with a customer, including spot sales and medium term supply agreements with the transaction price on a per tonne basis. Revenue from the sale of phosphate is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

For the Group's phosphate sales made on a Cost and Freight basis, the Group is responsible for providing freight/shipping services after the date the Group transfers control of the phosphate to its customer. This is considered as a separate performance obligation which is satisfied at a different point in time from the phosphate sales. The Group, therefore has a separate performance obligation for freight/shipping services which are provided solely to facilitate the sale of the phosphate it produces. Revenue for freight/shipping is recognised over the same time as the shipping occurs.

Revenue from fuel and oil products

Each fuel oil sale is governed by a sales contract with a customer, including long term supply arrangements and point of sale bowser sales. Revenue from the sale of fuel products is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

Revenue from service contracts

Revenue from services contracts is governed by a long term contract with a customer. These activities tend to be substantially the same with the same pattern of transfer to the customer. Where this is the case, which is the majority of the services contracts, these services are taken to be one performance obligation and the total transaction price is allocated to the performance obligation identified. Revenue for services performed is recognised at a point in time based on the invoiced value to the customer based on the entity's performance each month.

Revenue from sale of palm oil products

Each palm oil sale is governed by a sales contract with a customer. Revenue from the sale of palm oil products is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

Revenue from trading and logistics sales

Revenue from contracts with customers is derived principally from the sale of goods (commodities) in which the Group acts as a principal in the delivery of the commodity to end customers. Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Based on the terms of the contracts, in some circumstances the Group is responsible for providing services (shipping and insurance) to the customer.

Revenue from contracts with customers is measured based on consideration specified in the contract with the customer. For certain contracts, the price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 120 days after initial booking (provisionally priced sales). Revenue from contracts with customers on provisionally priced sales is recognised based on the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to other revenue. In all cases, fair value is estimated by reference to forward market prices.

Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale, or usage requirements falls within the exception from AASB 9, which is known as the 'normal purchase or sale exemption' or the 'own use' scope exception. For these contracts and the host part of the contracts containing embedded derivatives, they are accounted for as executory contracts. These contracts are not derivatives and are treated as executory contracts, which are recognised and measured at cost when the transactions occur. For committed sales contracts that are entered into for own-use, the

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

contracts are not recognised in the financial statements until physical delivery takes place, unless the Group elects to apply, at initial recognition, an irrevocable election to designate the contracts as a financial instrument measured at fair value through profit or loss under AASB 9 to significantly reduce a measurement or recognition inconsistency relating to an accounting mismatch that would otherwise arise in relation to the contracts.

Interest income

Revenue is recognised as the interest accrues using the effective interest rate method (which was the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset).

Dividends

Revenue is recognised when the right to receive a dividend has been established.

q) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

r) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees up until balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long term employee benefits have been measured using the projected unit credit method taking into account the relevant assumptions.

The defined benefit plan is covered by a fund from a separate legal entity for employees based in Geneva, Switzerland complying with the Swiss legal requirements in which the assets and liabilities are held in a separate insurance Group. The pension plans are funded by payments according to legal and contractual requirements.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

s) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs. The amortisation or 'unwinding' of the discount applied in establishing the net present value of provision is charged to the income statement in each accounting period and is disclosed as a financing costs.

Other changes in the measurement of an existing obligation that result from changes in the estimated timing or amount of future costs, or a change in the discount rate, are recognised as an adjustment to the related asset or if not related to a specific asset expensed.

t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed during the period in which they are incurred.

u) Bearer plants

Bearer plants are measured at cost, less any subsequent accumulated depreciation and impairment.

Prior to maturity, the costs of bearer plants include the cost of direct materials, direct labour and other costs directly attributable to the bearer plants reaching maturity. Post maturity, maintenance costs on bearer plants are expensed as incurred.

Depreciation

Mature bearer plants are subject to depreciation on a straight line basis over their estimated useful lives. The useful life of a bearer plant is estimated at 25 to 30 years.

The carrying amount of bearer plants is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets.

v) Biological assets

Biological assets consist of agricultural produce growing on bearer plants at reporting date.

Biological assets are measured at their fair value less estimated point of sale costs at the point of harvest. The movement in fair value less estimated point of sale costs of biological assets are included in the statement of comprehensive income in the year they arise.

w) Term deposit

Term deposits which have a maturity of less than twelve months are shown in current assets. Term deposits which are held to fund employee benefits stated and demolition costs are shown in non-current assets.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

x) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australia Taxation Office.

y) Provision for dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per corporate laws in Australia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

z) Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of comprehensive income.

aa) Contributed equity

Ordinary shares are classified as equity.

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

ab) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

ac) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

a) In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Assessment of mine life on Christmas Island

The financial statements have been prepared on the basis that the resource supports continued operations based on the current market parameters and expectations.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Determination of mine life

The Group's estimation of its mineral resources was prepared by or under the supervision of Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the "JORC code").

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates or production costs may change the economic status of resources and may, ultimately, result in the resources being restated. Such changes in resources could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning.

b) The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provision for expected credit losses of trade receivables

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience which are based on days past due, adjusted for forward-looking factors specific to the debtors and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. During the year, an impairment indicator was identified for the Fertiliser CGU (Net Asset Value in excess of market capitalisation). As a result an impairment test was performed. The recoverable amount was assessed by reference to a 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit).

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources;
- Future production levels;
- Future commodity prices and foreign exchange rates; and
- Future cash costs of production and capital expenditure.

The recoverable value was in excess of the carrying value and no impairment was recognised.

Impairment of Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Assumptions are made regarding post tax discount rates applied to cash flow projections. The cash flows are based on the financial budget approved by management for the upcoming year and assumptions are made regarding the inflation rates for the following 4 years and a terminal value.

Provisions for decommissioning costs

Decommissioning costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the appropriateness of the discount rate and the estimated future level of inflation. Refer to Note 19.

The ultimate cost of decommissioning is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new decommissioning techniques. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Deferred Tax Asset

The deferred tax asset will only be obtained if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
c) no changes in tax legislation adversely affect the consolidation entity in realising the benefit.

The deferred tax assets are considered to be probable of being fully recovered, as it is believed that the entity will have future taxable income to fully utilise the tax benefit. Refer Note 5.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

4. Revenue & Expenses

	2023 $'000s	2022 $'000s
a) Revenue		
Revenue from contracts with customer		
Phosphate sales	124,577	86,312
Palm oil sales	44,091	43,297
Fuel sales	24,574	13,022
Rendering of services	11,700	11,276
Trading and logistics sales	901,207	370,774
Other sales	43,948	9,274
Total revenue from contracts with customers	1,150,097	533,955
Other revenue		
Change in fair value of financial assets	-	3,985
Dividend income	646	509
Interest on cash and term deposits	389	238
Total other revenue	1,035	4,732
	1,151,132	**538,687**

Phosphate sales, palm oil sales, fuel, trading and logistics and other sales are recognised at the point in time when control of the goods is transferred to the customer. Revenue from rendering of services is recognised over time.

b) Cost of sales

	2023 $'000s	2022 $'000s
Production and purchase costs	993,314	471,551
Shipping costs	66,868	35,119
Depreciation	10,425	9,335
	1,070,607	**516,005**

Included in cost of sales is $979.062 million (2022: $461.631 million) relating to inventory recognised as an expense.

c) Other income

	2023 $'000s	2022 $'000s
Net foreign exchange gains	-	3,829
Net gain on disposal of assets	7	591
Insurance claims	1,491	1,500
Other	563	-
	2,061	**5,920**

d) Other expenses

	2023 $'000s	2022 $'000s
Administration	27,880	14,906
Impairment of non-current assets	455	598
Net foreign exchange loss	1,878	-
Depreciation[1]	890	637
Expected credit losses	596	166
R&D expense	150	-
Redundancy expense	487	308
Unrealised loss on capital notes	-	26
	32,336	**16,641**

[1]*Depreciation includes depreciation on right of use assets*

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

4. Revenue & Expenses (continued)

	2023 $'000s	2022 $'000s
e) Finance costs		
Accretion of provisions	(279)	(66)
Interest expense	4,699	1,102
	4,420	**1,036**
f) Employee benefits expense		
	40,111	**30,061**

Employee benefits expense comprises salaries and wages, superannuation, employee bonus and travel airfares together with accruals for employee entitlements such as annual leave, long service leave, redundancy and sick leave expensed during the year. Included in employee benefits expense is a superannuation expense of $2,573,000 (2022: $2,305,000).

5. Income Tax

	2023 $'000s	2022 $'000s
The major components of income tax are:		
Statement of Comprehensive Income		
Current income tax		
Current income tax charge	9,968	2,195
Adjustments in respect of current income tax of previous years	(46)	(158)
Deferred income tax		
Relating to origination and reversal of temporary differences	841	639
Adjustments in respect of deferred tax of previous years	10	(598)
Income tax expense reported in the Statement of Comprehensive Income	**10,773**	**2,078**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate Group's applicable income tax rate is as follows:

	2023 $'000s	2022 $'000s
Accounting profit before income tax	45,615	10,581
At the Group's statutory income tax rate of 30% (2022: 30%)	13,685	3,174
Income/expenditure not allowable for income tax purposes:		
Add:		
– Adjustments in respect of previous years	(37)	(756)
– Assessable income for income tax purposes	-	138
– Income not assessable for income tax purposes	(92)	-
– Expenditure not allowable for income tax purposes	1,082	274
– Deferred tax asset not brought to account	400	-
– Differences due to exchange rates applied to temporary differences and changes in tax rates	(41)	47
– Difference in global tax rates[1]	(4,224)	(799)
Aggregate income tax expense	**10,773**	**2,078**

1 – These mainly relates to Liven Nutrient Pte Ltd and Kemoil SA

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

5. Income Tax (continued)

	Statement of Financial Position		Statement of Comprehensive Income	
	2023 $'000s	**2022 $'000s**	**2023 $'000s**	**2022 $'000s**
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Inventories	(2,429)	(2,398)	(31)	(465)
Property, plant and equipment	(5,522)	(4,563)	(959)	(738)
Other financial assets	(251)	(722)	471	(722)
Receivables	(500)	(1)	(499)	(1)
Gross deferred income tax liabilities	**(8,702)**	**(7,684)**		
Deferred tax assets				
Other payables and provisions	9,196	9,218	(22)	41
Property, plant and equipment	692	404	288	(100)
Other financial assets	110	(2)	112	958
Inventories	18	151	(133)	394
Investments	423	430	(7)	424
Receivables	24	50	(26)	(318)
Lease liabilities	255	110	145	17
Tax losses	499	689	(190)	469
Gross deferred income tax assets	**11,217**	**11,050**		
Deferred tax income/(expense)			(851)	(41)

CI Resources Limited and its wholly owned Australian entities are not in a tax consolidation Group.

6. Earnings per Share

	2023 Cents	**2022 Cents**
Basic and diluted earnings per share	**21.87**	**6.56**

	2023 Number	**2022 Number**
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	115,581,107	115,581,107

	2023 $'000s	**2022 $'000s**
Profit used in calculating basic and diluted losses per share		
Net profit	25,274	7,580

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

7. Cash and Cash Equivalents

	2023 $'000s	2022 $'000s
Cash at bank and on hand	65,515	37,338
	65,515	**37,338**

8. Trade and Other Receivables

	2023 $'000s	2022 $'000s
Trade debtors	188,710	159,439
Allowance for expected credit losses	(596)	(166)
	188,114	159,273
Other receivables	6,275	2,922
	194,389	**162,195**

Trade debtors are non-interest bearing and are generally on 30-150 day terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. As at 30 June 2023, an ECL of $0.596 million was recognised (2022: $0.166 million). Subsequent to year end $41.781 million relating to past due but not impaired balances have been collected.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables disclosed in this note. Trade debtor have increased with the Liven acquisition. Demand and production variation recoverability continued to be in line with credit terms provided to major customers.

As at 30 June, the ageing analysis of trade receivables is, as follows:

	Total	Current	Days past due			
			< 30 days	30–60 days	61–90 days	> 91 days
	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s
2023	188,114	113,942	34,323	11,306	9,357	19,186
2022	159,273	117,868	28,659	10,431	2,017	298

9. Inventories

	2023 $'000s	2022 $'000s
Consumable materials and stores	10,729	8,658
Goods in transit	6,704	8,512
Finished goods	25,424	34,896
	42,857	**52,066**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

10. Other Financial Assets

	2023 $'000s	2022 $'000s
Current		
Capital notes measured at FVTPL	193	373
Financial assets measured at FVTPL	-	202
Term deposits	6,089	5,117
	6,282	**5,692**
Non-Current		
Trust fund term deposit-measured at amortised cost (i)	6,472	6,099
Prepayment of insurance	322	329
Capital notes measured at FVTPL	-	393
Listed shares measured at FVOCI	21,319	23,590
	28,113	**30,411**

i) Under the terms of the current Workplace Agreement between the Union of Christmas Island Workers and Phosphate Resources Limited a trust fund term deposit to meet employee entitlements is maintained. This trust fund may only be used to meet employee entitlements but may be drawn down as they arise. The trust fund term deposit currently stands at $4,133,000 (2022: $3,760,000). The interest earned on the term deposit of $129,370 (2022: $6,584) has been added to the term deposit. Refer to Note 27 for further details on financial instruments.

11. Property, Plant & Equipment

	2023 $'000s	2022 $'000s
Right of Use (ROU) Asset		
Leasehold Land		
At cost	39,670	36,336
Accumulated depreciation	(6,629)	(6,140)
	33,041	**30,196**
Leasehold buildings		
At cost	10,021	10,206
Accumulated depreciation	(2,539)	(2,238)
	7,482	**7,968**
Leased rental properties and office premises		
At cost	2,719	2,249
Accumulated depreciation	(1,161)	(1,026)
	1,558	**1,223**
Plant and equipment under lease		
At cost	646	496
Accumulated depreciation	(348)	(459)
	298	**37**
Total Right of Use Asset		
At cost	53,056	49,287
Accumulated depreciation	(10,677)	(9,863)
	42,379	**39,424**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

11. Property, Plant & Equipment (continued)

	2023 $'000s	2022 $'000s
Property, Plant & Equipment		
Land and buildings		
At cost	23,246	21,685
Accumulated depreciation	(8,168)	(7,017)
	15,078	**14,668**
Plant and equipment		
At cost	123,040	110,010
Accumulated depreciation and impairment	(87,224)	(80,315)
	35,816	**29,695**
Construction in progress	13,168	8,933
Total property, plant and equipment		
At cost	159,454	140,628
Accumulated depreciation and impairment	(95,392)	(87,332)
	64,062	**53,296**
Net carrying amount	**106,441**	**92,720**

Reconciliations

Reconciliations of the carrying amounts of the right of use assets, property, plant and equipment at the beginning and end of the current financial year.

	2023 $'000s	2022 $'000s
Right of use (ROU) Asset		
Leasehold land		
Carrying amount at beginning	30,196	29,955
Transfer from construction in progress	-	-
Additions	4,117	-
Depreciation expense	(621)	(606)
Foreign exchange difference	(651)	847
	33,041	**30,196**
Leasehold buildings		
Carrying amount at beginning	7,968	7,948
Transfer from construction in progress	-	-
Additions	34	140
Disposals	-	-
Depreciation expense	(349)	(342)
Foreign exchange difference	(171)	222
	7,482	**7,968**
Leased rental properties and office premises		
Carrying amount at the beginning	1,223	627
Additions	1,383	1,147
Depreciation expense	(1,073)	(559)
Impact of foreign exchange translation	25	8
	1,558	**1,223**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

11. Property, Plant & Equipment (continued)

	2023 $'000s	2022 $'000s
Plant and equipment under lease		
Carrying amount at beginning	37	44
Additions	318	24
Depreciation expense	(42)	(33)
Foreign exchange difference	(15)	2
	298	**37**

	2023 $'000s	2022 $'000s
Property, Plant and Equipment		
Land and buildings		
Carrying amount at beginning	14,668	10,802
Transfer from construction in progress	1,560	4,913
Disposals	-	-
Depreciation expense	(1,150)	(1,047)
	15,078	**14,668**
Strata title properties		
Carrying amount at beginning	-	1,136
Disposals	-	(1,236)
Depreciation expense	-	(9)
Foreign exchange difference	-	109
	-	**-**
Plant and equipment		
Carrying amount at beginning	29,695	31,984
Transfer from construction in progress	10,805	4,034
Additions	3,635	270
Disposals	(549)	(923)
Depreciation expense	(7,261)	(6,310)
Foreign exchange difference	(509)	640
	35,816	**29,695**
Construction in progress		
Carrying amount at beginning	8,933	2,847
Additions	16,640	15,036
Disposals	-	(16)
Transfers	(12,365)	(8,948)
Foreign exchange difference	(40)	14
	13,168	**8,933**

	2023 $'000s	2022 $'000s
In relation to the right-of-use assets and lease liabilities the following amounts were recognised in profit or loss:		
Depreciation expense of right of use asset	1,073	1,540
Interest expense on lease liabilities	12	24
Expense relating to short-term and low value leases (included in administrative expenses)	384	144
Total amount recognised in profit or loss	**1,469**	**1,708**

Impairment

There was no impairment expense recognised during the year. Refer to Note 3(b) for details of the impairment assessment.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

12. Goodwill

	2023 $'000s	2022 $'000s
Carrying amount at the beginning of the year	4,057	4,057
Impairment	-	-
	4,057	**4,057**

Goodwill acquired through business combination has been allocated to the Farming CGU, which is also a reporting and operating segment for impairment testing.

13. Impairment of Non-Financial Assets

The key assumptions used for assessing the recoverable amount of the Farming CGU are set out below. The recoverable value has been determined using the VIU methodology. There was no impairment recognised for the Farming CGU during the year. The post-tax discount rates incorporate a risk-adjustment relative to the risks associated with the net post-tax cash flows being achieved, while the growth rate is based on market estimates of the long-term average industry growth rate.

	2023	2022
Crude Palm Oil (RM/tonne)	3,200–4,000	3,000–5,313
Extraction rates	18.73%	18.78%
Discount rate (post-tax)	11.00%	10.00%
Inflation rate	2.8%	2.25–2.77%
Growth rate	2.8%	2.25–2.77%
Headroom as a percentage of the CGU's net carrying value	9%	6.3%

The recoverable amount of the Farming CGU has been determined using a value in use calculation using cash flow projections. The post-tax discount rates applied to cash flow projections is 11.00% (2022: 10.00%) and the cash flows are based on the financial budget approved by management for the upcoming year and for the following 4 years and a terminal value.

The calculation of value in use for the Farming CGU is most sensitive to the following assumptions:

- Crude Palm Oil ("CPO") short term and long term pricing forecasts
- Discount rate
- Extraction rate assumptions of CPO and Palm Kernel (PK)
- Growth rate estimates

CPO short term and long term pricing forecasts
Forecast pricing is based on published industry research.

Discount rate
Discount rates represent the current market assessment of the risks specific to the Farming CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

Extraction rate assumptions of CPO and PK
Extraction rates are based on average values achieved in the five years preceding the beginning of the budget period.

Growth rate estimates
Rates are based on published industry research.

The Group has assessed the recoverable amounts of the CGU using a VIU calculation. There are no reasonably possible changes in key assumptions for the Farming CGU impairment test which would result in an impairment in the current financial year.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

14. Biological Assets and Bearer Plants

The Group grows oil palm plants to produce palm oil. The plantation is located in Malaysia. The Group is exposed to risks in respect of agricultural activity. During the year a total of 22,598 metric tonnes (2022: 17,568 metric tonnes) of fruit was produced.

The primary risk associated with this activity occurs due to the length of time between expending cash on planting and trees reaching production so that cash can be received from the sale of palm oil to third parties. The Group's strategy to manage this risk is to stage the replanting (20-30 year replanting cycle) to reduce the effect on the cash flow.

a) Biological Assets

	2023 *$'000s*	2022 *$'000s*
Carrying amount at beginning of period	257	246
Production costs	2,532	1,968
Harvested during the period	(2,500)	(2,012)
Fair value adjustment	(105)	3
Effect of foreign exchange	(36)	52
Carrying amount at end of period	**148**	**257**

Biological assets consist of agricultural produce growing on bearer plants at reporting date. The fair value of biological assets, being the agricultural produce growing on bearer plants at reporting date are measured at their fair value less estimated point of sale costs at the point of harvest.

In determining the fair value at reporting date the following judgements were applied:

	2023	2022
FFB Price (RM[1] per tonne)	506	599
Extraction rate (CPO)	19.00%	19.00%
Extraction rate (PK)	6.00%	6.00%

1. Malaysian Ringgit

The estimated metric tonnes of fruit on trees at balance sheet date, being 1,772 tonnes (2022: 2,446 tonnes), and the oil content was based on actual harvests post reporting date.

With regard to the estimation of the fair value of the biological asset, it has been classified as a level 3 in the fair value hierarchy being based on certain inputs that are not based on observable data. Management believes that no reasonably possible change in any of the above key assumptions would cause a material change in the fair value of the biological assets at the balance sheet date.

b) Bearer Plants

	2023 *$'000s*	2022 *$'000s*
At cost	8,380	8,565
Accumulated depreciation	(6,195)	(5,504)
	2,185	**3,061**
Carrying amount at beginning of period	3,061	4,025
Depreciation	(819)	(1,066)
Effect of foreign exchange	(57)	102
Carrying amount at end of period	**2,185**	**3,061**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

15. Investments in Joint Ventures

The Group's interest in joint ventures are accounted for using the equity method in consolidated financial statements.

	2023 $'000s	2022 $'000s
Investments in joint ventures at cost	788	1,332
Addition/transfer during the year	-	351
Share of joint venture losses	(110)	(347)
Impairment of joint ventures	(455)	(548)
Carrying amount of investments in joint ventures	**223**	**788**

The Group had a 50% interest in Pacific Biofert Limited ("PBF"), a Biological Fertiliser company based in New Zealand. The Company was put into liquidation on 2 June 2023. The investment in PBF has been impaired to Nil.

The Group also has a 49% interest in Goshawk Services Pty Ltd (a company incorporated in Australia), a 40% interest in Island Fresh Pty Ltd (a company incorporated in Australia), a 50% interest in Christmas Island Development Australia Pty Ltd (a company incorporated in Australia) and a 30% interest in Phosphate Resources Marketing Sdn Bhd (a company incorporated in Malaysia) which are individually and in aggregate immaterial.

16. Investments in Controlled Entities

CI Resources Limited owns 100% of Phosphate Resources Limited which is incorporated in Australia.

a) Information relating to subsidiaries

Information relating to controlled entities is set out below:

Name	Principal Activities	Country of Incorporation	% Equity Interest 2023	% Equity Interest 2022
Phosphate Resources Ltd	Mining	Australia	100	100
PRL Global Pty Ltd	Investment	Australia	100	100
CI Maintenance Services Pty Ltd (i)	Maintenance Services	Australia	100	100
Phosphate Resources Properties Pty Ltd (i)	Properties	Australia	100	100
Indian Ocean Oil Company Pty Ltd (i)	Fuel Services	Australia	100	100
Indian Ocean Stevedores Pty Ltd (i)	Pilotage Services	Australia	100	100
Phosphate Resources (Singapore) Pte Ltd (i)	Shipping Services	Singapore	100	100
PRL Shipping Pte Ltd (i)	Dormant	Singapore	100	100
Phosphate Resources Laos Pty Ltd (i)	Dormant	Australia	100	100
Phosphate Resources Plantations Pty Ltd (i)	Dormant	Australia	100	100
Phosphate Resources (Malaysia) Sdn Bhd (i)	Marketing, Warehousing and Sales	Malaysia	100	100
Cheekah-Kemayan Plantation Sdn Bhd (i)	Palm Oil Estate, Milling and Sales	Malaysia	100	100
Indian Ocean Trade Services Pty Ltd (ii)	Maintenance Services	Australia	100	100
Kemoil SA	Trading and Logistics	Switzerland	60	50
Liven Nutrients Pte Ltd (iii)	Fertiliser Trading	Singapore	60	-

(i) These companies are wholly owned subsidiaries of Phosphate Resources Limited
(ii) This is a wholly owned subsidiary of CI Maintenance Services Pty Ltd
(iii) Refer Note 33 for details.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

17. Trade and Other Payables

	2023 $'000s	2022 $'000s
Trade payables	**83,185**	**106,394**

Trade creditors are non-interest bearing and are normally settled on 30-60 days terms. The carrying value of trade and other payables approximates the fair value thereof.

18. Interest Bearing Loans and Borrowings

	2023 $'000s	2022 $'000s
Current		
Lease liabilities	921	607
Bank borrowings	77,682	42,551
Other borrowings	16,440	-
	95,043	**43,158**
Non-current		
Lease liabilities	870	602
Bank borrowings	8,883	9,594
Other borrowings	7,927	7,258
	17,680	**17,454**
Movement of lease liabilities		
As at 1 July	1,209	653
Additions	1,291	1,128
Disposals	-	-
Accretion of interest	20	24
Payments	(788)	(606)
Impact of foreign exchange translation	59	10
As at 30 June	**1,791**	**1,209**
Movement of bank borrowings		
As at 1 July	52,145	14,680
Additions	60,926	57,582
Payments	(26,125)	(20,515)
Impact of foreign exchange translation	(381)	398
As at 30 June	**86,565**	**52,145**
Movement of other borrowings		
As at 1 July	7,258	-
Additions	37,883	6,682
Payments	(20,935)	-
Impact of foreign exchange translation	161	576
As at 30 June	**24,367**	**7,258**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

a) Fair value

The carrying amount of the borrowings approximates their fair value as the borrowings are at floating interest rates which move in accordance with market rates. Details regarding interest rate risk and liquidity risk are disclosed in Note 28.

b) Bank borrowings

One of the bank borrowings relates to a 5 year term loan which is secured by an all monies security held over properties in Cheekah Kemayan Plantations Sdn Bhd. Interest is payable at a rate of 1% per annum above the bank's cost of funds. As at 30 June 2023 $6.98 million remained outstanding (2022: $8.62 million) and repayable by February 2024. Refer to Note 28 for details on liquidity risk.

Other bank borrowings relate to the working capital facilities and term loans in Phosphate Resources Limited and Phosphate Resources (M) Sdn Bhd and foreign currency trade loans in Phosphate Resources (Malaysia) Sdn Bhd. The loans are secured by fixed and floating charge over the assets of the borrower and a corporate guarantee from the ultimate holding company. The working capital facilities, term loans and foreign currency trade loans interest is payable at a rate of 0.75%-1.80% per annum above the bank's cost of funds. All borrowings are subject to covenants that are customary for each of the facilities.

Kemoil bank borrowings are secured by the pledge of trade receivables with financial institutions. The interest rates bear market interest rate of 4% to 9% (2022 : 2.25% to 3.9%) per annum.

c) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	2023 *$'000s*	2022 *$'000s*
Total facilities	213,941	192,941
Facilities utilised at reporting date	86,565	52,145
Facilities unused at reporting date	**127,376**	**140,796**

d) Lease liabilities

The Group does not consider it is exposed to any future cash outflows that are not reflected in the measurement of the lease liabilities.

e) Other borrowings

Included in other borrowings is a loan amounting to $7.927m subordinated to the senior debts, defined as the debt towards the banks. However, and despite this subordination clause, the loan is partially or totally repayable provided that following reimbursement, the sum of the subordinated amount and equity is at least US$12 million. The other borrowings of $16.440m relates to short-term trading loan provided by related party to Liven Nutrients Pte Ltd repayable by 16 July 2023 bearing interest rate of one month LIBOR plus 0.5% per annum.

19. Provisions

		2023 *$'000s*	2022 *$'000s*
Current			
Employee entitlements		6,458	5,357
		6,458	**5,357**
Non-current			
Employee entitlements			
– Redundancy	(a)	5,472	5,272
– Long service leave		1,034	1,108
– Defined benefits plan	(b)	964	620
		7,470	7,000
Decommissioning	(c)	10,293	10,571
		17,763	**17,571**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

a) Provision for redundancy

The amounts employees are entitled to receive in accordance with their employment agreements are recognised and measured in accordance with the employee benefits accounting policy. The redundancy provision increased by a net amount of $200,000 during the year ended 30 June 2023 (2022: decrease $53,000).

	2023 $'000s	2022 $'000s
Movement of provision for redundancy		
Carrying amount at the beginning of the financial year	5,272	5,325
Increase/(Decrease) in provision	200	(53)
Carrying amount at the end of the financial year	**5,472**	**5,272**

b) Defined benefit plan

	30 June 2023 $'000s	30 June 2022 $'000s
Projected defined benefit obligations	4,458	4,099
Fair value of defined benefit plan assets	(3,494)	(3,479)
Liability recognised in the statement of financial position	964	620
Reconciliation of defined benefit plan		
Liability/(asset) at the beginning of the period	620	-
Acquired during the year	-	1,518
Company's service cost	224	322
Net interest	16	6
Employer contributions	(240)	(208)
Actuarial loss/(gain) due to experience adjustments	248	136
Loss/(gain) on return asset excluding discount rate	22	(86)
Loss/(gain) on assumption changes	-	(1,117)
Foreign exchange	74	49
Liability/(asset) at the end of the period	964	620
Reconciliation of the present value of the defined benefit obligation is as follows:		
Balance at the beginning of the period	4,099	-
Acquired during the year	-	4,578
Company's service cost	224	322
Net interest	101	17
Employee contribution	240	208
Benefit paid/(received)	(819)	(212)
Net insurance premium and expenses	(68)	(57)
Actuarial loss/(gain)	248	(981)
Exchange difference	433	224
Balance at the end of the period	4,458	4,099

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

	30 June 2023 $'000s	30 June 2022 $'000s
Reconciliation of the fair value of plan assets/(liabilities) is as follows:		
Balance at the beginning of the period	3,479	-
Acquired during the year	-	3,060
Employer contributions	86	208
Interest on assets	240	11
Employee contributions	240	208
Benefit paid/(received)	(819)	(212)
Net insurance premium and expenses	(68)	(57)
Actuarial gain/(loss)	(22)	86
Exchange difference	358	175
Balance at the end of the period	3,494	3,479
The amount recognised in the statement of comprehensive income is as follows:		
Actuarial loss (gain) due to experience adjustments	248	136
Loss/(gain) on return asset excluding discount rate	22	(86)
Loss/(gain) on assumption changes	-	(1,117)
Deferred tax	(38)	157
	232	(910)
The significant actuarial assumptions were as follows:		
Discount rate	1.85%	2.25%
Expected rate of salary increase	1.50%	1.00%
Expected rate of pension increase	0.00%	0.00%
Termination rate	LPP 2020	LPP 2020
Mortality and disability rate	LPP 2020	LPP 2020

c) Provision for decommissioning

Based on the Mining Lease Agreement between the Commonwealth Government and Phosphate Resources Limited a provision for decommissioning has been recognised for costs associated with:

- Demolition of all improvements specified for the removal of all debris resulting from demolition, removal of plant and equipment and leaving the mine sites in a safe, clean and tidy condition at the expiry of the lease.

The assumptions used to calculate this provide include:

i) Inflation rate – 3.0% (2022:3.0%)
ii) Discount rate – 4.03% (2022:3.66%)
iii) Term – End of lease

Estimates of the decommissioning obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the decommissioning provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to demolition of such mines in the future.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

d) Movement in provisions

	2023 $'000s	2022 $'000s
Provision for decommissioning:		
Carrying amount at the beginning of the financial year	10,571	13,205
Increase/(Decrease) in provision	43	43
Change in net present value of provision:		
– Credited)/Debited to profit or loss	(321)	(2,677)
Carrying amount at the end of the financial year	**10,293**	**10,571**

20. Contributed Equity

a) Share capital	Number of shares	$'000s
Ordinary shares – fully paid	**115,581,107**	**72,160**

Movements in ordinary share capital

Date	Details	Number of shares	$'000s
1 July 2022	Opening balance	115,581,107	72,160
	Movement	-	-
30 June 2022/1 July 2022	Closing balance/Opening balance	115,581,107	72,160
	Movement	-	-
30 June 2023	**Closing balance**	**115,581,107**	**72,160**

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 and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

21. Reserves

	2023 $'000s	2022 $'000s
Foreign exchange translation reserve	446	843
Fair value reserve	(4,061)	(1,670)
Acquisition reserve	8,499	8,499
	4,884	**7,672**

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

Other reserve

This relates to fair value differences arising from financial instruments classified as Fair Value through Other Comprehensive Income (FVOCI) under AASB 9 and the remeasurement of defined benefit plan obligations. Gains and losses are presented in OCI and there is no subsequent reclassification of fair value gains and losses to profit and loss on the derecognition.

Acquisition reserve

Any gain or loss arising on acquisition of non-controlling interest of subsidiaries is recognised in this reserve.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Movements in reserves

	2023 $'000s	2022 $'000s
Foreign exchange translation reserve		
Balance at the beginning of the year	843	(743)
Foreign exchange on translation of financial report	(397)	1,586
Balance at the end of the period	**446**	**843**
Fair value reserve		
Balance at the beginning of the year	(1,670)	(4,385)
Movement for the year	(2,391)	2,715
Balance at the end of the period	**(4,061)**	**(1,670)**
Non-controlling interest acquisition reserve		
Balance at the beginning of the year	8,499	8,499
Movement for the year	-	-
Balance at the end of the period	**8,499**	**8,499**

22. Retained Earnings

	2023 $'000s	2022 $'000s
Accumulated profit at the beginning of the year	121,038	116,925
Net profit attributable to members of CI Resources Limited	25,274	7,580
Dividends paid	(4,045)	(3,467)
Accumulated profit at the end of the financial year	**142,267**	**121,038**

Dividends

Dividends totalling 3.5 cents per share (2022: 3.0 cents per share) have been paid during the year.

23. Remuneration of Auditors

	2023 $'000s	2022 $'000s
Amounts received or due and receivable by EY (Australia) for:		
– audit of the financial report of the parent entity and the consolidated entity	295	276
– review of the half year financial report of the consolidated entity	60	83
	355	359
Amounts received or due and receivable by related practices of EY (Australia) for the audit of the financial statements	307	91
	307	91
Amounts received or due and receivable by auditors other than EY for:		
– an audit or review of the financial report of a controlled entity	45	94
	707	**544**

24. Contingent liabilities

There are no contingent liabilities as at the date of this report.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

25. Commitments for Expenditure

a) Short term lease contracts amounting to $15,797 (2022: $14,358) have not been recognised on balance sheet due to their short term nature.
b) The Company provides a guarantee and indemnity to the Commonwealth Government of Australia (Commonwealth) to ensure the performance of Indian Ocean Oil Company Pty Ltd's obligations under the terms of a 20 year fuel lease arrangement. The fair value associated with the guarantee and indemnity at 30 June 2023 is $nil (2022: $nil).
c) The Company has plans to undertake various environmental management targets and objectives as detailed in the Christmas Island Phosphates Environmental Management Plan. As at 30 June 2023 there are no present financial commitments (2022: Nil).
d) The Company has provided a bank guarantee of $2 million (2022: $2 million) to the Commonwealth Government under the terms of the Mining Lease Agreement.
e) The Company has capital commitments of $5.563 million (2022: $1.254 million) for items of plant on order but not yet delivered.

26. Reconciliation of profit after income tax to net cash flows from operating activities

	2023 *$'000s*	2022 *$'000s*
Operating profit after income tax	34,842	8,503
Adjustment for non-cash items		
Change in decommissioning provision	(278)	(2,634)
Net loss/(gain) on disposal of assets	465	(591)
Change in fair value of biological assets	105	(3)
Share of (profit)/loss from joint ventures	110	347
Expected credit loss	235	106
(Increase)/decrease in value of financial assets	3,053	(2,851)
Impairment of non-current assets	455	598
Depreciation and amortisation	11,315	9,972
Unrealised foreign exchange (gain)/loss	4,873	(2,094)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(31,976)	(61,119)
Movement in deferred tax balances	851	41
(Increase)/decrease in inventories	9,209	(24,216)
Increase/(decrease) in trade creditors and accruals	(23,209)	12,523
Increase/(decrease) in provisions	1,571	(130)
(Increase)/decrease in prepayments	(6,599)	(59)
(Increase)/decrease in tax receivable	5,934	836
Net cash inflow from operating activities	**10,956**	**(60,771)**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

27. Financial Instruments and Fair Values

a) Financial assets at fair value through profit or loss

Forward currency contracts

The Group has entered into forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

	Notional amounts – $AUD		Average exchange rate	
	30 June 2023 *$'000s*	30 June 2022 *$'000s*	30 June 2023	30 June 2022
Sell US$/buy Australian $				
Consolidated				
Sell US$ maturity 0 to 12 months	**42,654**	39,477	**0.6682**	0.6966
Sell US$ maturity 12 to 24 months	**11,232**	1,445	**0.6677**	0.6921
Sell EUR/buy US $				
Sell EUR maturity 0 to 12 months	**65,606**	23,766	**0.9144**	0.9395

These contracts are fair valued by comparing the contracted rate to the forward market rates for contracts with the same remaining term, discounted at a market interest rate. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value loss on foreign currency derivatives during the year was $1.229 million for the Group (2022: net gain of $2.323 million).

	Fair Value $ AUD	
	30 June 2023 *$'000s*	30 June 2022 *$'000s*
Forward currency contract	**-**	202
Capital notes	**193**	766

Forward commodity contracts
Forward commodity contracts are defined as contract to buy and sell commodities signed in current year and executed after year end.

Capital notes
During the period, the Group held capital notes with various institutions measured at fair value through profit or loss financial assets.

Initial measurement of these financial assets comprises fair value and subsequent measurement at fair value. The movement in fair value in each period is recognised in profit or loss. The net fair value loss on capital notes during the financial year were $130 (2022: loss of $26,000) for the Group.

b) Listed Shares – Fair value through Other Comprehensive Income

During the period, the Group had a total of 13,018,700 ordinary shares in United Malacca Bhd (2022: 13,018,700), a publicly listed company in Malaysia. United Malacca Bhd is a Malaysian based palm oil company involved in both the cultivation of oil palms and palm oil milling operations. The Group has elected to account for the instruments under the fair value through other comprehensive income method due to the Group's long term strategic plan.

	Fair Value $ AUD	
	30 June 2023 *$'000s*	30 June 2022 *$'000s*
Listed shares		
Malaysian listed shares	**21,319**	23,590

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

c) Fair value measurement and disclosure

The Directors have concluded that the fair value of financial assets and financial liabilities are not materially different to carrying values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Receivables/payables – Due to the short term nature of these financial rights and obligations, and/or market interest received/paid, their carrying values are estimated to represent their fair values.
- Derivatives – The fair values of forward currency contracts and forward commodity contracts are calculated by reference to current forward exchange rates and commodity prices for contracts with similar maturity profiles.
- Bank loan – All the bank loans of the Group are interest bearing with floating interest rates which move in accordance with the market interest rates. Therefore the fair value of the bank loans approximates their carrying value.
- Term deposits – The carrying values of term deposits represent the fair values.
- Capital notes – These investments are fair valued by reference to published bid prices.
- Listed shares – These investments are designated at fair value through OCI and fair valued by reference to the published bid prices.

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data

30 June 2023	Level 1 $'000s	Level 2 $'000s	Level 3 $'000s	Total $'000s
Forward currency contracts – classified as FVTPL	-	(196)	-	(196)
Capital notes – classified as FVTPL	193	-	-	193
Forward commodity contracts-classified as FVTPL	-	-	-	-
Listed shares – classified as FVOCI	21,319	-	-	21,319
Biological assets	-	-	148	148
	21,512	**(196)**	**148**	**21,464**

30 June 2022	Level 1 $'000s	Level 2 $'000s	Level 3 $'000s	Total $'000s
Forward currency contracts – classified as FVTPL	-	22	-	22
Capital notes – classified as FVTPL	766	-	-	766
Forward commodity contracts-classified as FVTPL	-	202	-	202
Listed shares – classified as FVOCI	23,590	-	-	23,590
Biological assets	-	-	257	257
	24,356	**224**	**257**	**24,837**

Transfer between categories:

There were no transfers between levels during the year.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

28. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, leases, cash and short-term deposits, long-term deposits, interest bearing loans and borrowings, foreign exchange derivatives, capital notes and listed equity investments.

Market (including foreign exchange, commodity price and interest rate risk), liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of the Group's business.

The Group manages its exposure to key financial risks, including interest rate, currency and commodity risk in accordance with the Group's risk management procedures. The overall objective of these procedures is to:

- Ensure that net cash flows are sufficient to meet all financial commitments as and when they fall due.
- Support the delivery of the Group's financial targets whilst protecting future financial security.
- Minimise the potential adverse effects resulting from volatility on financial markets.

The Group continually monitors its forecast financial position against these criteria.

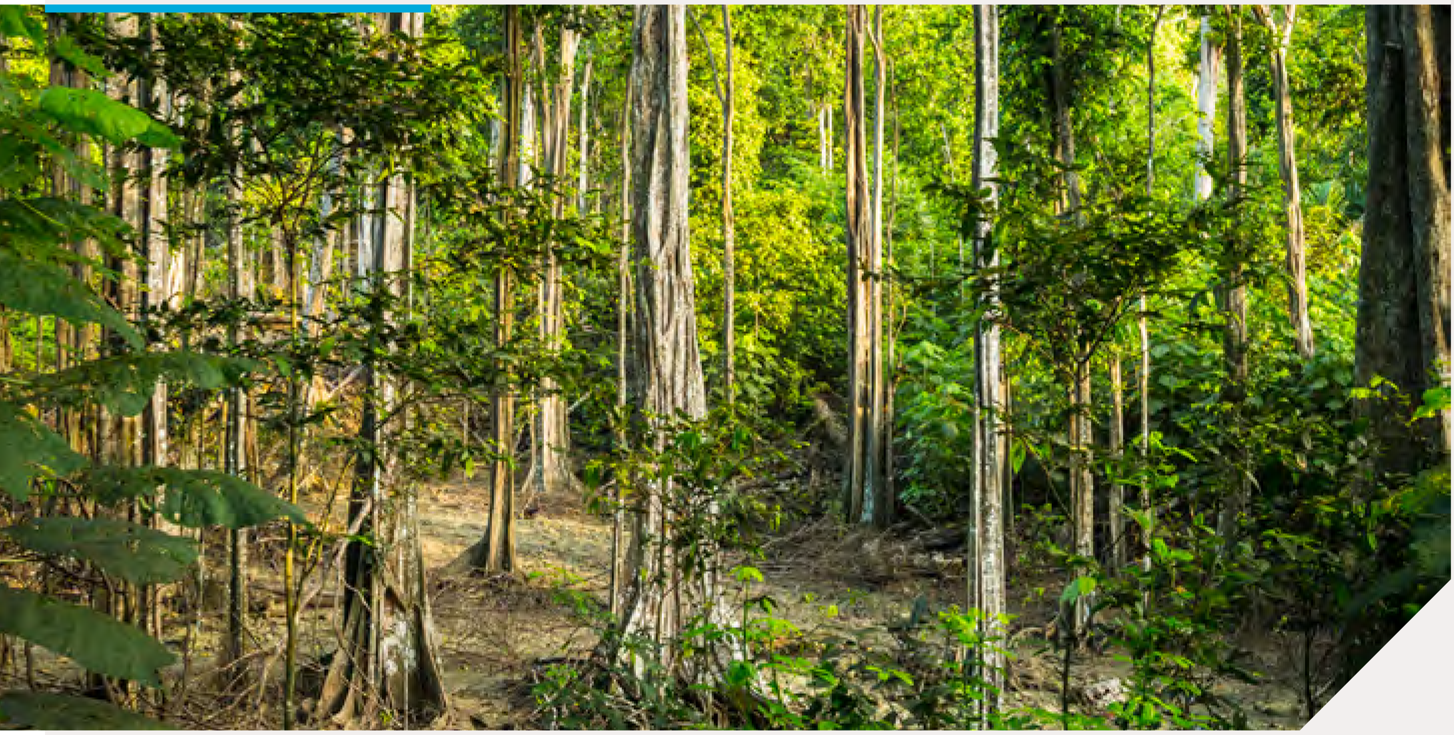
It is, and has been throughout the period under review, Group policy that no speculative trading in financial instruments be undertaken.

i) Interest rate risk

Interest rate risk on cash and term deposits is not considered to be a material risk due to the short term nature of these financial instruments. The interest rates for borrowings are variable.

At 30 June 2023, had the interest rate moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Post tax profit and equity Higher/(Lower)	
Judgments of reasonably possible movements:	30 June 2023 *$'000s*	30 June 2022 *$'000s*
Consolidated		
Interest rate + 10%	(178)	(31)
Interest rate – 10%	178	31



Photographer: Chris Bray

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

ii) Liquidity Risk

The Group's liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Management monitors the Group's liquidity reserve on the basis of expected cash flow. The table below reflects a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations. These assets are considered in the Group's overall liquidity risk.

Management continually reviews the Group liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

Maturity analysis of financial liabilities based on contractual maturity

Consolidated Year ended 30 June 2023	≤6 months $'000s	6-12 months $'000s	1-5 years $'000s	>5 years $'000s	Total $'000s
Inflow	88,628	19,632	11,232	-	119,492
(Outflow)	(88,951)	(19,503)	(11,234)	-	(119,688)
Net foreign exchange contracts	(323)	129	(2)	-	(196)
Financial liabilities					
Trade and other payables	83,185	-	-	-	83,185
Interest bearing loans and borrowings	87,775	6,347	6,730	10,080	110,932
Lease liabilities	458	463	870	-	1,791

Year ended 30 June 2022	≤6 months $'000s	6-12 months $'000s	1-5 years $'000s	>5 years $'000s	Total $'000s
Foreign exchange contract (gross settled)					
Inflow	49,032	14,211	1,445	-	64,688
(Outflow)	(48,716)	(14,498)	(1,452)	-	(64,666)
Net foreign exchange contracts	316	(287)	(7)	-	22
Financial liabilities					
Trade and other payables	106,394	-	-	-	106,394
Interest bearing loans and borrowings	41,643	908	9,594	-	52,145
Lease liabilities	304	303	602	-	1,209

iii) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure.

Financial instruments that potentially subject the consolidated entity to concentrations of credit risk consist principally of cash deposits, receivables and various other investments. The Group minimizes its exposure to credit risk by placing its cash deposits and derivatives with high credit-quality financial institutions where possible. Term deposits typically have an original maturity of three months or less and other bank deposits are on call. These financial assets are considered to have low credit risk. Receivables balances are monitored on an ongoing basis. At reporting date there were debtors amounting to $74.2 million (2022: $41.4 million) that were past due, but not considered impaired (Refer to Note 8). Based on the Group's assessment the exposure to future credit loss is not significant based on the ECL procedures performed by the Group.

The credit risk of the trading entities arises from the quality of the trading counterparties. The Company's credit management policy requires trades to be entered into with recognised and creditworthy third parties. It is the Company's credit risk management policy that all customers who wish to trade on credit terms are subjected to stringent credit verifications and reviews.

Kemoil concluded credit insurance contract for open terms sales, which cover a number of customers for specific amounts by customer granted by the insurance underwriter.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

iv) Derivative instruments and foreign currency risk

The Group's future revenues are exposed to movements in foreign exchange rates, particularly the US dollar/Australian dollar rate. The Group may from time to time enter into foreign exchange derivative instruments to manage this exposure.

The Group has, as outlined in Note 27, forward currency contracts designated as held for trading that are subject to fair value movements through profit or loss as foreign exchange rates move.

At 30 June 2023, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Post tax profit and equity Higher/(Lower)	
Judgments of reasonably possible movements	**2023 *$'000s***	**2022 *$'000s***
Consolidated		
AUD/USD + 10%	(4,899)	(3,720)
AUD/USD – 10%	5,987	4,547

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years historical movements.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide shareholders and stakeholders in the future and to maintain an optimal capital structure to reduce the cost of capital.

Management are constantly adjusting the capital structure as suitable. As the market is constantly changing, management may change the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Management have no current plans to issue further shares on the market.

Security price risk

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. At 30 June 2023, had the security price moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

	Equity Higher/(Lower)	
Judgments of reasonably possible movements	**2023 *$'000s***	**2022 *$'000s***
Consolidated		
Security price + 10%	2,132	2,359
Security price – 10%	(2,132)	(2,359)

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

29. Parent Entity Information

	2023 $'000s	2022 $'000s
Current assets	20,032	19,496
Total assets	87,526	87,135
Current liabilities	676	79
Total liabilities	676	79
Issued capital	72,160	72,160
Retained earnings	14,690	14,896
Total shareholders' equity	86,850	87,056
Profit of the parent entity	3,839	4,042
Total comprehensive income	3,839	4,042

The parent entity has provided guarantees in relation to the debts of certain of its subsidiaries.

The parent entity has no contingent liabilities as at date of this report.

The parent entity has no contractual commitments for the acquisition of property, plant or equipment.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

30. Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has identified its operating segments to be Fertiliser, Farming and Logistics based on the different operating businesses within the Group. Discrete financial information about each of these operating segments is reported to the chief operating decision makers on a monthly basis.

The Fertiliser operating segment primarily involves mining, processing and sale of phosphate rock, phosphate dust and chalk.

The Farming operating segment primarily involves oil palm cultivation and palm oil processing.

The Logistics operating segment primarily involves trading, importing and exporting of commodities.

The accounting policy used by the Group in reporting segments internally is the same as those contained in Note 2 to the accounts.

Year ended 30 June 2023	Fertiliser *$'000s*	Farming *$'000s*	Logistics *$'000s*	Unalloc./ Elimination *$'000s*	Total *$'000s*
Revenue					
Phosphate sales	124,577	-	-	-	124,577
Palm oil sales	-	44,091	-	-	44,091
Trading and logistics sales	-	-	901,207	-	901,207
Other sales	43,948	-	-	-	43,948
Interest income	194	138	-	57	389
Dividend income	-	646	-	-	646
Rendering of services	461	-	-	11,239[1]	11,700
Fuel sales	-	-	-	24,574[2]	24,574
Total segment revenue	169,180	44,875	901,207	35,870	1,151,132
Result					
Segment net operating profit/(loss) after tax (attributable to parent)	8,976	1,408	14,352	538	25,274
Depreciation and amortisation	7,235	2,270	204	1,606	11,315
Finance cost	985	417	2,918	100	4,420
Income tax expense	4,760	775	4,952	286	10,773
Assets and Liabilities					
Segment assets	207,412	56,727	165,150	39,700	468,989
Segment liabilities	88,026	11,433	131,960	3,266	234,685
Other disclosure					
Capital expenditure	19,563	870	38	4,274	24,745

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Year ended 30 June 2022	Fertiliser $'000s	Farming $'000s	Logistics $'000s	Unalloc./ Elimination $'000s	Total $'000s
Revenue					
Phosphate sales	86,312	-	-	-	86,312
Palm oil sales	-	43,297	-	-	43,297
Trading and logistics sales	-	-	374,759	-	374,759
Other sales	9,274	-	-	-	9,274
Interest income	64	123	-	51	238
Dividend income	-	509	-	-	509
Rendering of services	666	-	-	10,610[1]	11,276
Fuel sales	-	-	-	13,022[2]	13,022
Total segment revenue	96,316	43,929	374,759	23,683	538,687
Result					
Segment net operating profit/(loss) after tax (attributable to parent)	4,374	1,112	924	1,170	7,580
Depreciation and amortisation	5,982	2,654	-	1,336	9,972
Finance cost	216	388	477	(45)	1,036
Income tax expense	864	511	182	521	2,078
Assets and Liabilities					
Segment assets	163,755	61,875	133,112	42,314	401,056
Segment liabilities	47,605	15,167	127,373	7,633	197,778
Other disclosure					
Capital expenditure	8,815	1,013	13	6,760	16,601

[1] Relates to the services income derived by a wholly-owned subsidiary CI Maintenance Services Pty Ltd.

[2] Relates to fuel and oil sales derived by a wholly-owned subsidiary Indian Ocean Oil Company Pty Ltd.

Revenue from external customers by geographical locations is detailed below:

	2023 $'000s	2022 $'000s
Africa	317,417	374,759
Asia	699,269	96,251
Europe	71,971	-
North America	35,153	-
Oceania	27,322	67,677
	1,151,132	**538,687**

Major customers

The Group has a number of customers to which it sells. No customers had sales exceeding 10% of revenue.

	2023 $'000s	2022 $'000s
Non-Current Assets by geographical regions		
Australia	61,259	60,928
Malaysia	79,087	71,398
Singapore	11,051	8,910
Switzerland	839	851
	152,236	**142,087**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

31. Key management personnel disclosures

a) Key management personnel compensation

	2023 *$'000s*	2022 *$'000s*
Short term employee benefits	2,731	1,975
Long term benefits security price + 10%	71	41
Post-employment benefits	219	157
	3,021	**2,173**

b) Loans to key management personnel

There are no loans made to directors or other key management personnel of CI Resources Limited.

c) Other transactions with key management personnel

i) Mr. Lai Ah Hong is the owner of property MQ 717 on Christmas Island leased to Phosphate Resources Ltd. Mr. Lai Ah Hong received a total rent of $28,600 during the year (2022: $27,300).

ii) Mr. Lai Ah Hong is the owner of property 86 Unit B, Block 790 Lam Lok Road, Drumsite, Christmas Island leased to CI Maintenance Services Pty Ltd until 31 December 2023, with one further term of one year. Mr. Lai Ah Hong received a total rent of $34,038 during the year (2022: $24,000).

iii) Mr. Lai Ah Hong is the owner of property 21 Jalan Ketam Merah, Drumsite, Christmas Island leased to CI Phosphates. Mr. Lai Ah Hong received a total rent of $24,440 during the year (2022: $22,880).

iv) Mr. Lai Ah Hong is the part owner (50%) of Unit 2, 4 Tong Chee Road on Christmas Island leased to CI Phosphates on a periodic lease. Mr. Lai Ah Hong received total rent of $5,200 during the year (2022: $0)

v) Mr. Adrian Gurgone is the director of Ethical Accounts. Ethical Accounts provided consultancy services for the Group totalling $Nil during the year (2022: $299,996).

All the above transactions were at arms-length and in the ordinary course of business.

32. Changes in composition of the entity

There has been a material change in the composition and nature of the Group during the year with the acquisition of a newly incorporated entity based in Singapore as disclosed in Note 33.

33. Acquisition of newly incorporated entity

On 4 July 2022, the Company acquired 3,000,000 ordinary shares in Liven Nutrients Pte Ltd ("Liven"), for US$3.0M (AU$4.4M) which represent a 60% interest in the newly incorporated entity. Liven was established as a non-listed company based in Singapore for the purposes of conducting fertiliser trading activities and growing the Group's capacity to supply fertiliser to customers in the Asia Pacific region.

Assets acquired and liabilities assumed

Other than the original US$100 of equity in the entity, there were no other identifiable assets or liabilities of Liven as at the date of acquisition.

Financial performance since acquisition date

Since acquisition on 4 July 2022, Liven has contributed revenue totalling $628.646 million and profit after tax of $17.5 million to the Group. As at 30 June 2023, the consolidated entity's revenue and net profit after tax amounted to $1,151 million and $25.2 million respectively.

34. Subsequent Events

The Directors declared a final dividend of 5.0 cent be paid in respect of the year ended 30 June 2023 on 28 August 2023.Other than this, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of the consolidated entity and its controlled entities, the results of those operations or the state of affairs of the consolidated entity and its controlled entities in subsequent years that is not otherwise disclosed in this report or the consolidated financial statements.

Directors' Declaration

For the year ended 30 June 2023

In accordance with a resolution of the Directors of CI Resources Limited, I state that:

1. In the opinion of the directors:
   a) The financial statements and notes of CI Resources Limited for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
      i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance, for the year ended on that date; and
      ii) complying with Accounting Standards and *Corporations Regulations 2001*;
   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
2. This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and the Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the board

David Somerville
Chairman

Lai Ah Hong
Managing Director

Perth, Western Australia
18 September 2023

Independent Audit Report to the Members

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Independent auditor's report to the members of CI Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of CI Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Revenue recognition in relation to the trading and logistics business

Why significant	How our audit addressed the key audit matter
As outlined in note 4 of the financial statements, the group has recognised revenue totalling $901.207 million for the year ended 30 June 2023. This revenue has been recognised in accordance with the accounting policies described in Note 2(p) of the financial report. Judgement is involved in relation to the recognition of this revenue, , in particular whether contracts entered into fall within the "own-use" exception within AASB 9, and whether the entity is acting as a principal or agent. Due to the quantum of revenue relating to the trading and logistics business relative to total revenue for the year ended 30 June 2023 and the judgments described above, we considered revenue recognition in relation to the trading and logistics business to be a key audit matter.	The audit procedures we performed included the following: ▸ assessed management's application of the own-use exception within AASB 9 ▸ assessed the appropriateness of management's revenue recognition accounting under AASB 15 Revenue from Contracts with Customers including reviewing the contractual terms of a number of contracts ▸ selected a sample of revenue contracts, including a sample of contracts at or near period end and assessed whether the revenue recognition was appropriate, ▸ assessed the adequacy of the disclosures included in the financial statements within note 2(p) and Note 4.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

3

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 49 to 52 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of CI Resources Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

5

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Responsibilities

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

Ernst & Young

Russell Curtin
Partner
Perth
18 September 2023

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders

The following substantial shareholders have lodged notices with the Company as at 28 August 2023:

Holder	Ordinary shares
Keen Strategy Sdn Bhd	12,600,000
Prosper Trading Sdn Bhd	11,616,000
Destinasi Emas Sdn Bhd	7,437,410

Class of shares and voting rights

At 28 August 2023 there were 438 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares are:

- On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid is of the total amounts paid and payable, excluding amounts credited, provided that the amounts paid in advance of a call are ignored when calculating a true portion.

Distribution of share holders

Category	Ordinary shares
1 - 1,000	104
1,001 - 5,000	62
5,001 - 10,000	88
10,001 - 100,000	73
100,001 – and over	111
	438

There were 84 holders of less than a marketable parcel of ordinary shares.

On-market buy back

There is no current on-market buy back.

Restricted securities

The Company does not have any restricted securities.

Unquoted securities

The Company does not have any unquoted securities

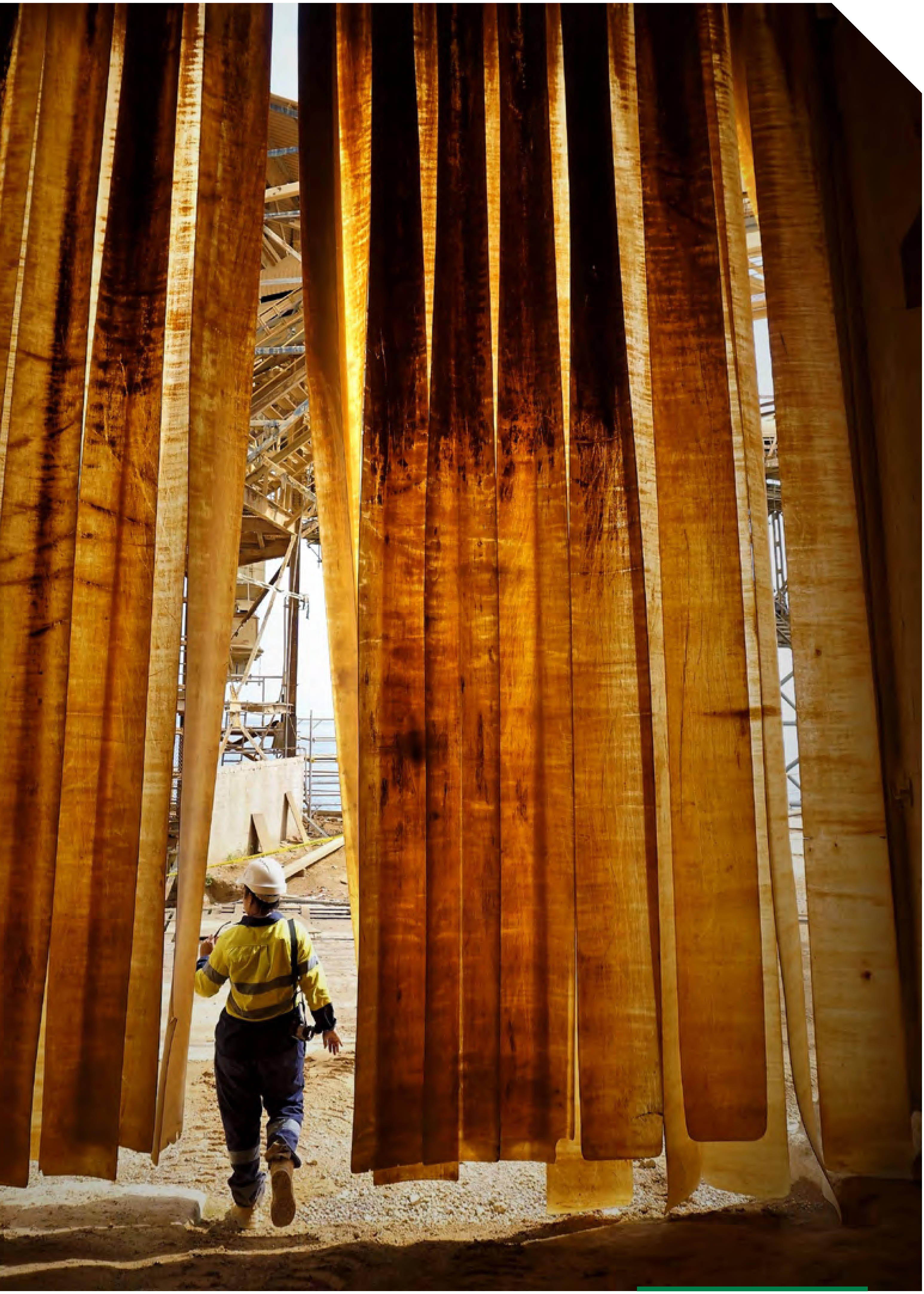
Twenty largest holders of ordinary shares (as at 28 August 2023)

	Ordinary Shares	
Holder name	Number	%
Citicorp Nominees Pty Ltd	35,431,097	30.65
Keen Strategy Sdn Bhd	12,600,000	10.90
Prosper Trading Sdn Bhd	11,616,000	10.05
Mr Teo See Khiang Willy	3,565,681	3.09
Kim Tee Tee	3,163,550	2.74
Mr Thebban Ramanathan	2,520,933	2.18
Hafiz Masli	2,015,000	1.74
Kluang Pty Ltd	1,683,988	1.46
Ms Mee Yuen Yong	1,641,572	1.42
Lip Hian Tee	1,410,500	1.22
Hendry Lee	1,350,050	1.17
Mr Ramanathan E S Krishnan	1,306,877	1.13
Chee Eng Lim	1,249,300	1.08
Yan Pey Tan	1,249,300	1.08
Lip Jen Tee	1,229,150	1.06
Mr Ah Hong Lai + Ms Wai Ching Lee <The Lai Super Fund A/C>	1,013,989	0.88
BNP Paribas Noms Pty Ltd <Drp>	972,956	0.84
Ms Wai Fun Lee	943,054	0.82
C & H Lai Super Pty Ltd <Lai Superannuation Fund A/C>	870,875	0.75
Chain Yee Tee	826,150	0.71
	86,660,022	**74.97**

Other Information

CI Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company's shares are quoted on the Australian Securities Exchange.



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