



BATHURST RESOURCES

December quarter update

January 2019

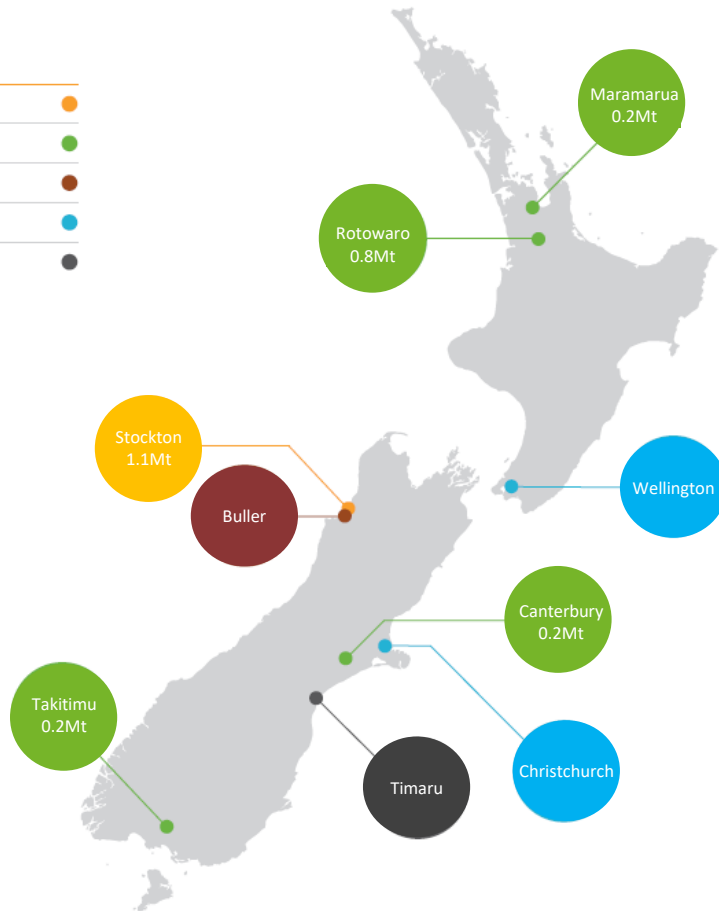
NEW ZEALAND'S LARGEST COAL PRODUCER

We are now the leading presence in coal production in New Zealand, with forecasted coal production of 2.4Mt in FY19 under our management, in both export and domestic markets.

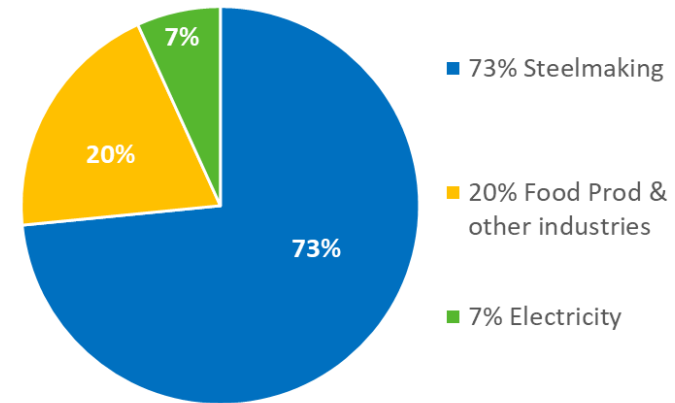
Bathurst at a glance

Key

Export	●
Domestic	●
Care + maintenance	●
Office	●
Distribution facility	●



Sales by product use (% of revenue \$)



Sales by region (Mtpa)

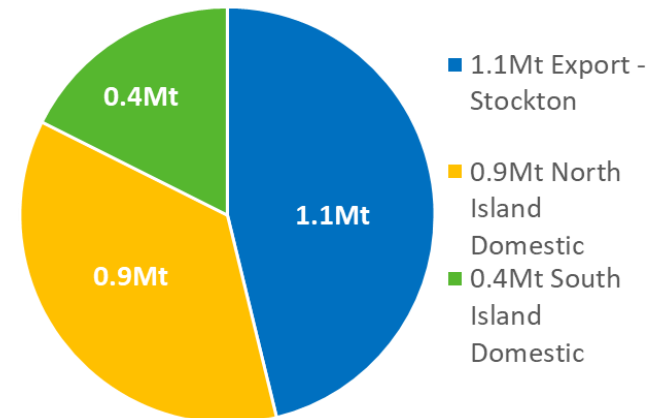


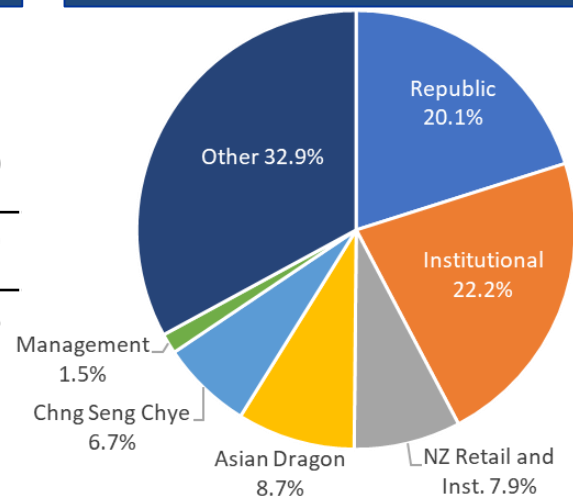
Chart figures are Bathurst and BT Mining at 100%

CAPITAL OVERVIEW

Capital structure

Share price (31 Dec 18)	\$0.125
Market cap (A\$m)	198.0
Debt: USD Bonds (US\$m)	7.9
Cash (NZ\$m)	30.6

Substantial shareholders



Institutional by geographic locations

Singapore	7.3%
Australia	6.6%
North America	3.3%
Hong Kong	2.9%
Europe	2.1%

Issued ordinary shares

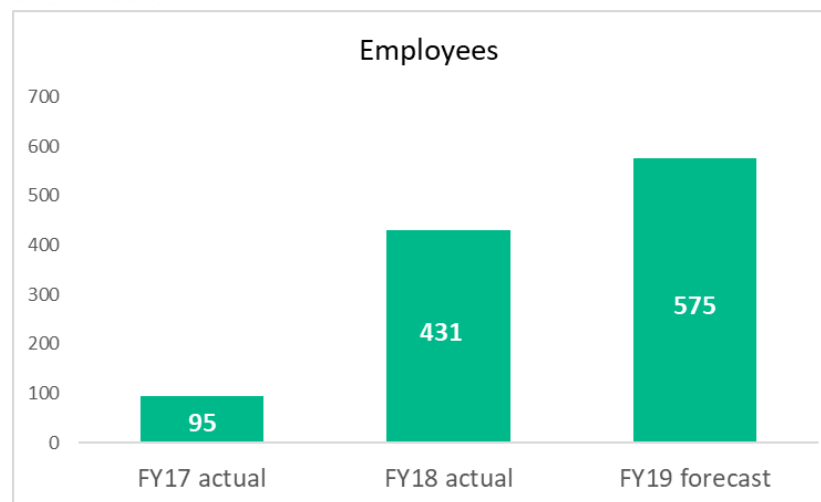
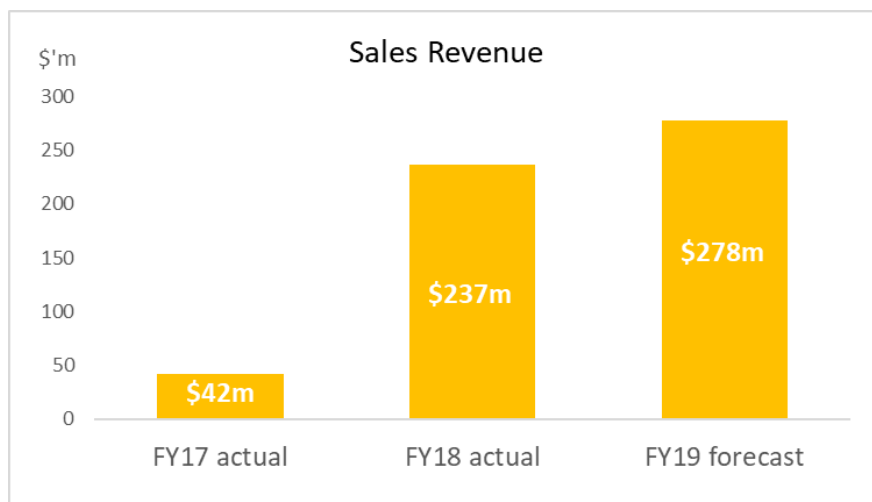
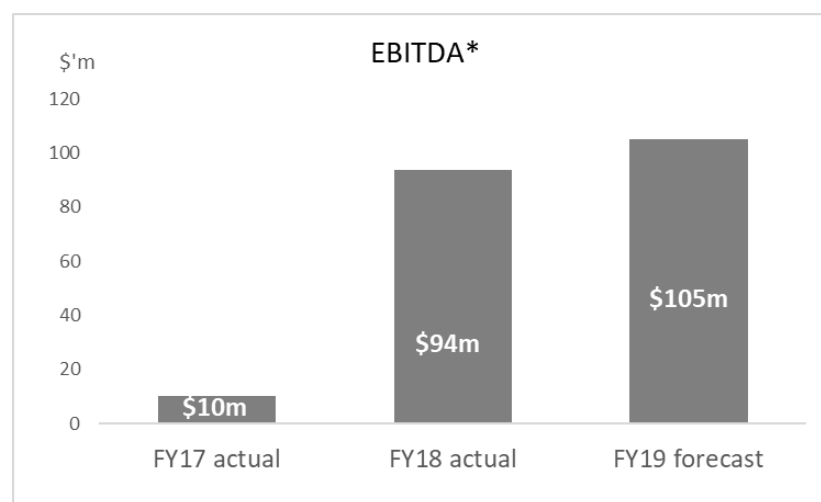
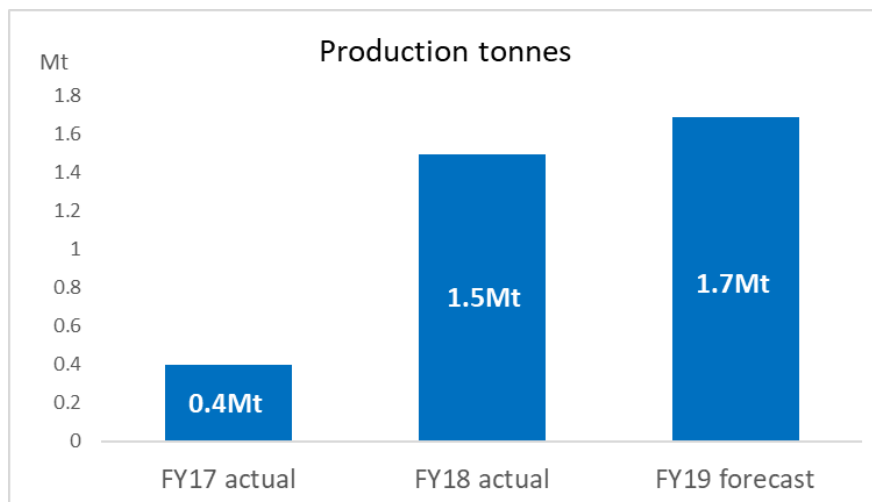
1,584,381,696

Potential ordinary shares	Face value	# of notes	Maturity/ vesting date	Coupon	Per note # shares	# potential ordinary shares
Convertible notes	\$2.9m NZD	2,483	22 July 2019	8%	45,455	112,864,765
Convertible notes	\$7.0m NZD	6,100	1 Feb 2021	8%	26,667	162,668,700
Five performance rights issues	n/a	n/a	31 Dec 2018 – 31 Jan 2022	n/a	n/a	23,276,468

Total issued and potential fully diluted ordinary shares

1,883,191,629

HOW OUR BUSINESS HAS CHANGED



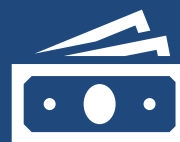
- Financial figures noted above are consolidated Bathurst and 65% BT Mining. Employees are total employees under management.
- *EBITDA is calculated as earnings before interest, tax, depreciation, amortisation, financing costs, and fair value (non-cash) movements on deferred consideration and rehab provisioning.

FY19 YTD PROGRESS UPDATE

FY19 has so far met or exceeded key operational and financial targets



No lost time injuries



\$54.1 million unaudited
EBITDA



Upgrade in FY EBITDA to
\$105.0 million



Export sales of 621kt at
an APR of NZD\$214/t



Consolidated cash balance
\$30.6 million



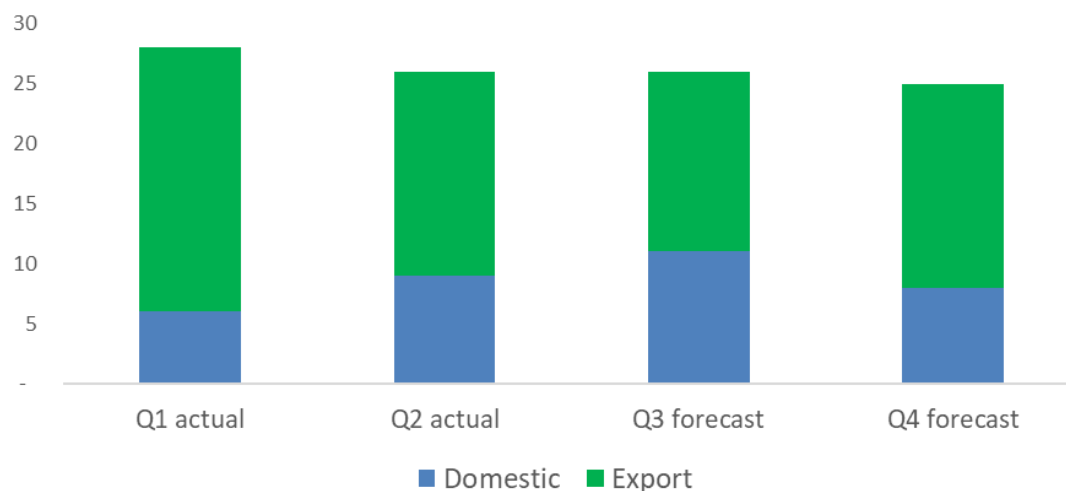
Domestic operations
exceeding budget

FY19 FORECAST METRICS

Forecast FY EBITDA guidance was increased to \$105m from \$75m after a strong H1.

Measure	Export (Stockton)	North Island Domestic	South Island Domestic	BRL Equity share
Production	1.1Mt	900kt	400kt	1.7Mt
Cash cost²	\$100			
Margin/t	\$97 ¹	\$42	\$27	
EBITDA	\$108m	\$38m	\$10m	\$105m (mid-point)

Quarterly consolidated EBITDA



Domestic includes both Bathurst and BT Mining Corporate EBITDA

Note: Q2 Export EBITDA did not increase in line with the higher export coking coal price due to the mix of coal sold, with thermal coal sales replacing hard coking coal sales in Q2.

¹ This is the average margin across all sales types including thermal coal sales. Coking coal price assumption based on 80% of benchmark average of US\$182 coking coal price at \$0.68 NZ:USD.

² Average per tonne at port

FY19 CAPITAL ALLOCATION

Initiative	Strategic action	Current activity	Financial impact
Current operations	Generate strong EBITDA	Operational excellence	\$55m YTD Guidance of \$105m FY19
	Cost reduction investments	Targeted fleet replacement	\$5.1m YTD
	Sustaining capital	Extend life of current fleet	\$4.5m YTD
	Advancing stripping	Reduce operations to below LOM average	\$13.5m YTD
	Extend current operations	Waipuna West project	\$6.7m YTD for 4 year life extension to Rotowaro
	Exploration drilling	Permitting and drilling of Buller project and domestic operations	\$1.1m YTD
Capital management	Debt Reduction	Low debt at US \$7.9m	Repay in February 2020
	Share buyback	Active	\$1.4m YTD
	Dividends	Currently on hold	Review again after FY19 full year result
Growth	Acquisition opportunities	Alignment with capabilities	Specific criteria established
	Diversity of supply	Crown Mountain – Canadian JV with Jameson Resources	\$7.8m YTD

LMCH¹ CASE UPDATE

On 20 August 2018 the High Court found in favour of LMCH regarding a disputed USD \$40m performance payment under the Buller project Sale and Purchase Agreement (SPA) of 2010.

An update on the case:

- We have lodged an appeal to the Court of Appeal against the finding on a number of grounds and will need to be successful in only one of these to reverse the judgment.
- The timing of the Appeal is expected to be in the June 2019 quarter.
- We have full confidence in our legal team (a major law firm and a leading QC). Their advice is that we have a strong case.
- We have deferred a maiden dividend at this time as a contingency only.

¹ L and M Coal Holdings

EXPORT - STOCKTON (65% BRL¹)

Stockton is an open cut mine located on the West Coast of New Zealand producing a low-ash metallurgical coal for export



Stockton	
Production (FY19)	1.1Mt
Unit Cost (FOB) (FY19)	NZ\$100/t
FTE (incl. contractors)	278
Crown Rehab. Indemnity (FY19)	NZ\$41.5m
Resource	68.2Mt ⁶
Reserve	9.3Mt ⁶

- Infrastructure capacity:
 - 1.8mtpa CHPP
 - 2.5km aerial ropeway
 - 2.2mtpa rail loadout facility
 - 2.0+mtpa Rail and Port capacity
- AMD: Historic liability 100% indemnified

Product	Volume (% of Total Sales)	Pricing (% of PLV ⁵ benchmark)
HCC ²	15%	100%
SHCC ³	65%	80%
HACC ⁴	20%	64%
Combined	100%	80%

¹ 65% ownership of the Stockton mine is via the BT Mining Joint Venture

² HCC is Hard Coking Coal

³ SHCC is Semi Hard Coking Coal

⁴ HACC is High Ash Coking Coal

⁵ PLV is Premium Low Volatile

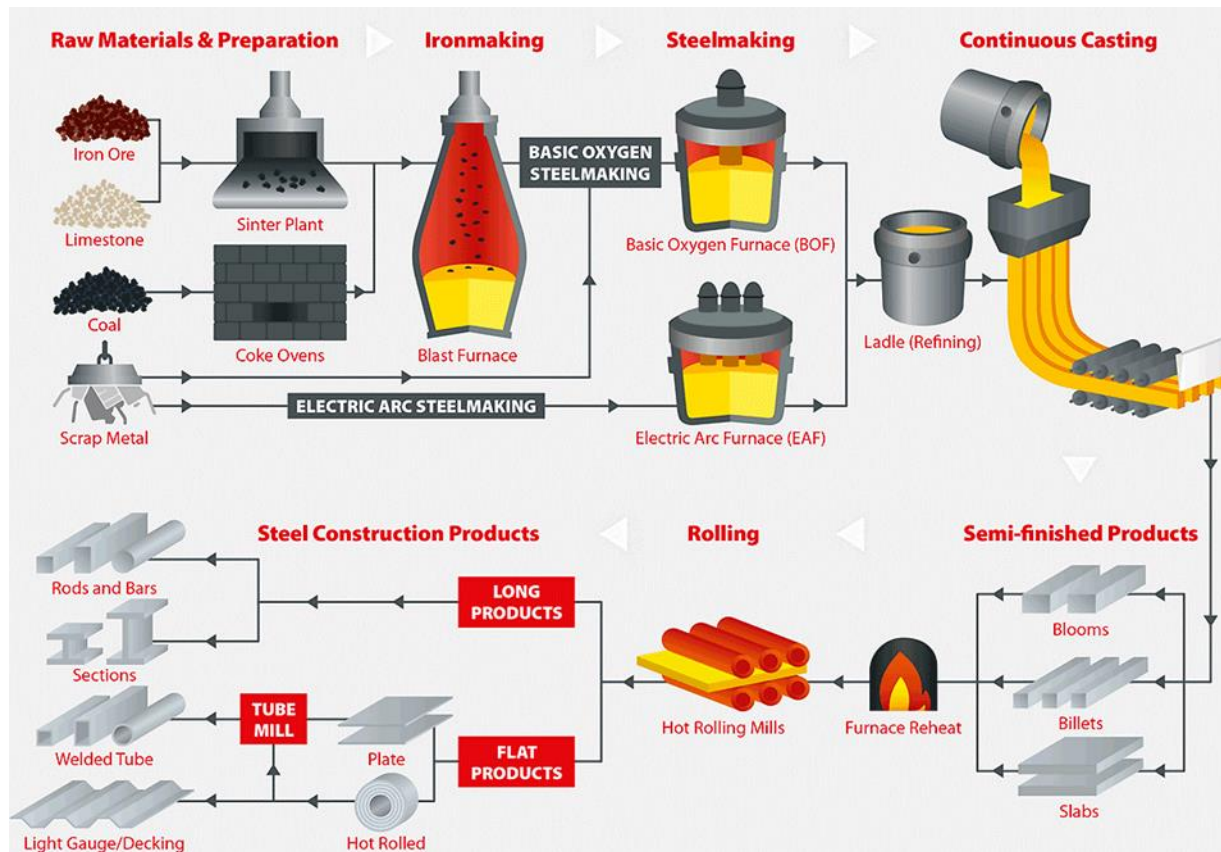
⁶ All Resources and Reserves quoted are reported as of 31 October 2018 ASX announcement, Bathurst Resources Limited - Update on Resources and Reserves.

EXPORT MARKET – COKING COAL AND IRON

Iron making requires:

480 – 600kg coke (0.68 – 0.86 tonne coking coal)/tonne of hot metal

Approximately 1.5 tonne 62% Fe Iron ore/tonne of hot metal



EXPORT MARKET – GLOBAL COKING COAL MARKET

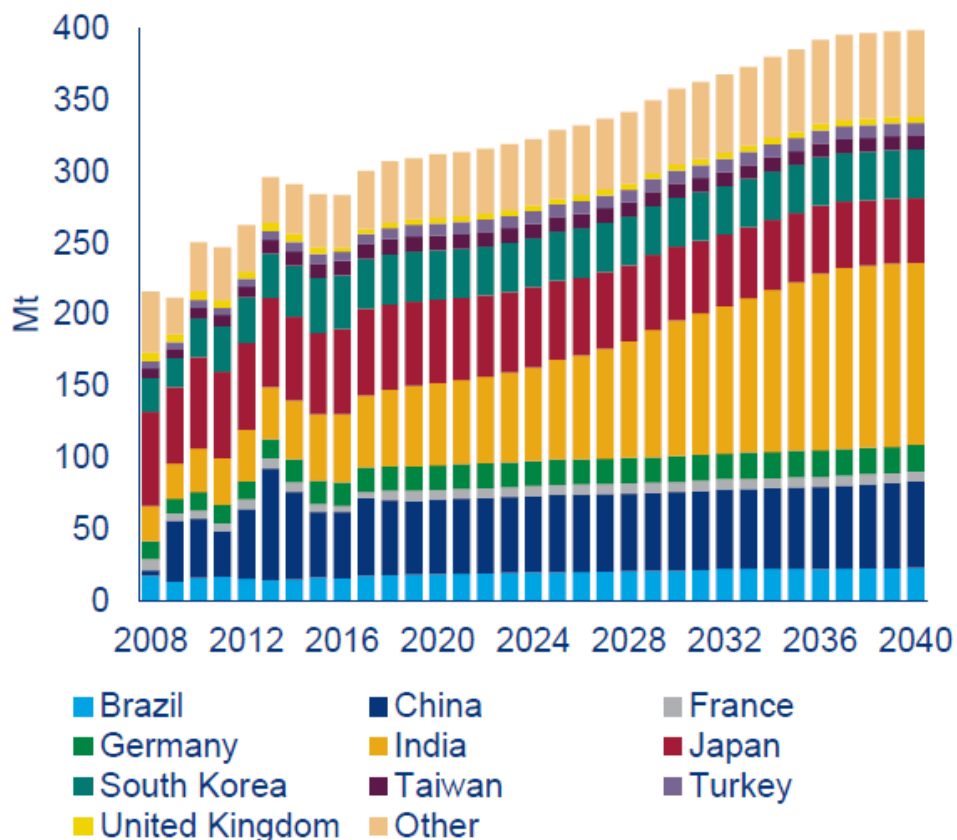
Production

- Total coking coal production ~1.1Bt/annum.
- China 53% of total output.
- Seaborne trade ~300Mt/annum; Australia accounting for 185Mt/annum.

Outlook

- Global coking coal imports continue growth to 2040.
- Steady growth since 2000 mainly from China.
- Japan, Europe, US stable or slight decline.
- India and SE Asia the key growth regions.

Global metallurgical coal imports (Mt)



Source: Wood Mackenzie Coal Market Service

EXPORT MARKET – MARKET SUMMARY

Current market

- Chinese buyers returned to the seaborne market as a number of import restrictions eased in the new year.
- Ongoing safety concerns at Chinese coal mines will limit domestic production.

Outlook

- India's steel production continues to grow.
- Trade tensions between the US and China will continue to create global uncertainties and a potential global market slowdown.
- The uncertainties of the global market causing strong supply out of the key export countries. With Chinese production restrictions in place price is likely to remain just shy of \$200 FOB.

Hard Coking Coal Spot Price and Benchmark

Coking Coal
(\$US/tonne FOB)

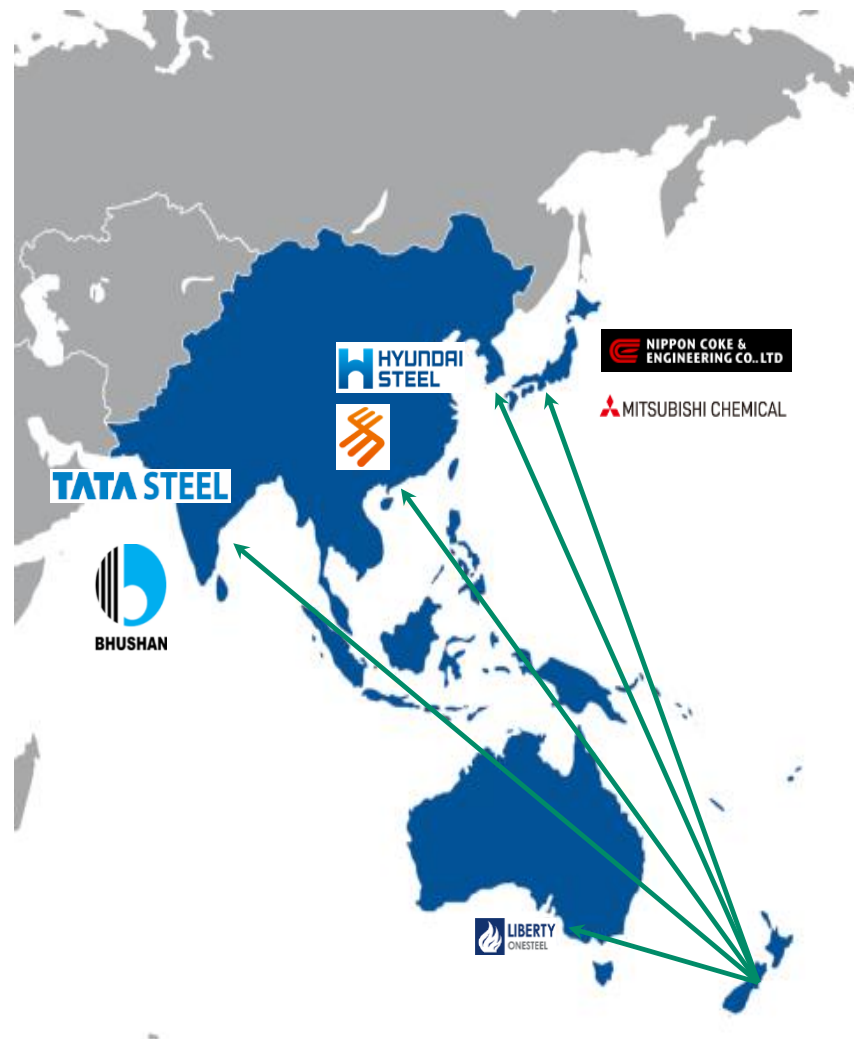
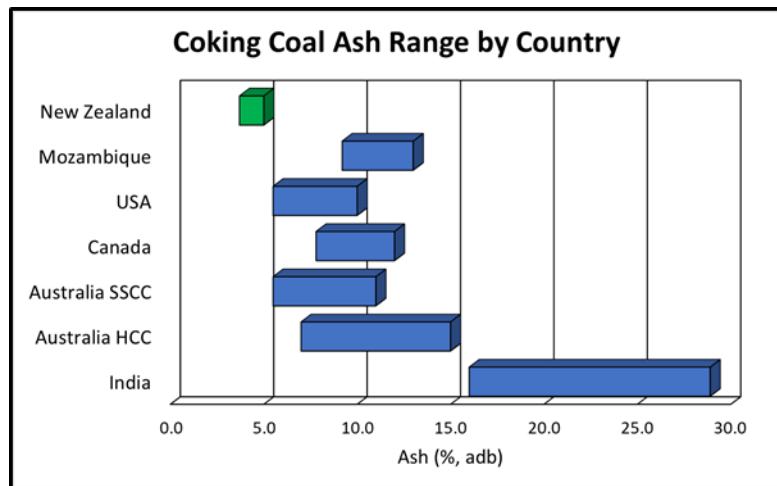


Change in pricing metrics

- The Japanese benchmark pricing evolved over 10 years towards short term / index pricing.
 - Annual negotiations / benchmark pricing moved to quarterly pricing in April 2010.
 - Slowly a daily index pricing mechanism linked to the Platts, TSI HC, Argus Indices was introduced and formally implemented April 2017, driven by BHP.

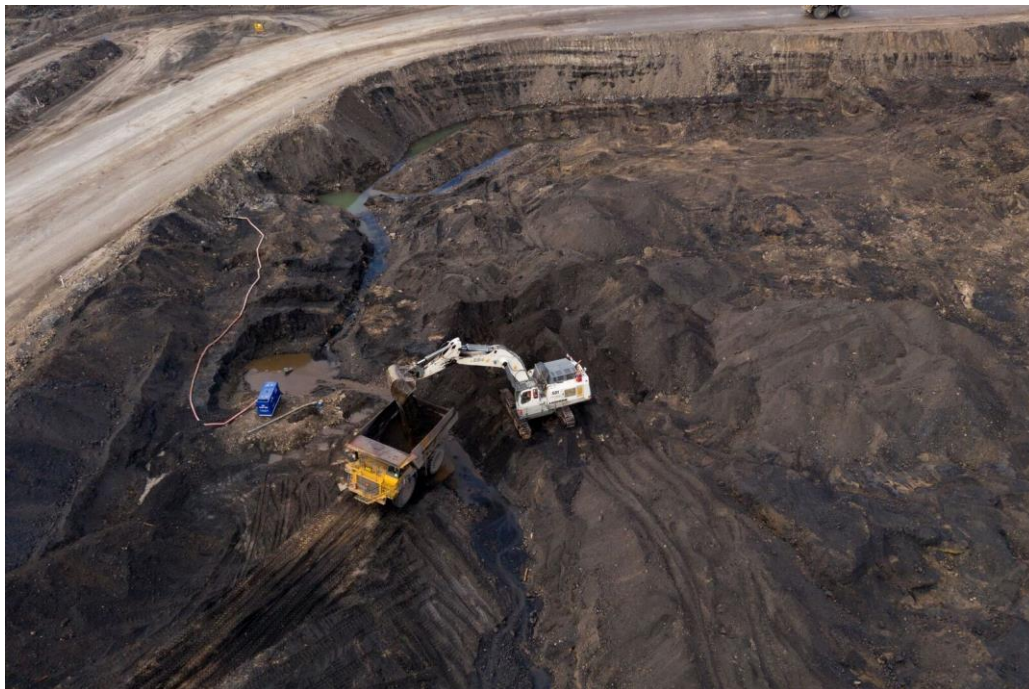
OUR EXPORT COAL

- Our coal is characterised by:
 - Very low ash content
 - Very low phosphorus
 - Almost all vitrinite
 - Blend improver
- Coal is marketed on a 'Value In Use' basis to maximise value to customers and sales price.
- Diversified geographic markets, end products, pricing structures and logistic routes a focus to reduce business risk.



NORTH ISLAND DOMESTIC (65% BRL¹)

Open cut mines located in the Waikato region of New Zealand producing a high-quality, low-ash coal for the local steel market



- ✓ Infrastructure capacity:
 - 1.0Mtpa rail loadout facility linked to New Zealand Steel's Glenbrook mill
- ✓ Long term contracts
- ✓ Waipuna West which is an extension of the Rotowaro mine was confirmed in November 2018. This extends the life of operations for a further four years and brings the mine back to owner/operator.

Rotowaro	
Production (FY19)	690kt
EBITDA margin (FY19)	NZ\$42/t ²
FTE	128
Crown Indemnity (FY19)	NZ\$16.0m
Resource	8.9Mt ³
Reserve	2.3Mt ³
Maramarua	
Production (FY19)	220kt
EBITDA margin (FY19)	NZ\$42/t ²
FTE	50
Crown Indemnity (FY19)	NZ\$3.3m
Resource	3.2Mt ³
Reserve	2.8Mt ³

Customer Base



¹ Note that the 65% ownership of the Rotowaro and Maramarua mines are via the BT Mining Joint Venture

² Margin includes BT Mining Corporate

³ All Resources and Reserves quoted are reported as of 31 October 2018 ASX announcement, Bathurst Resources Limited - Update on Resources and Reserves.

SOUTH ISLAND DOMESTIC (100% BRL)

Open cut mines located in the Canterbury and Southland regions of New Zealand producing a high-quality, low-ash coal for the domestic market



Takitimu	
Production (FY19)	240kt
EBITDA margin (FY19)	NZ\$27/t ¹
FTE	46
Resource	4.6Mt ²
Reserve	1.3Mt ²

Canterbury	
Production (FY19)	130kt
EBITDA margin (FY19)	NZ\$27/t ¹
FTE	44
Resource	7.1Mt ²
Reserve	1.3Mt ²

- ✓ Long term contracts with customer base adding value to primary production

¹ Margin for Bathurst operations represents an average across all operations including Corporate

² All Resources and Reserves quoted are reported as of 31 October 2018 ASX announcement, Bathurst Resources Limited - Update on Resources and Reserves.

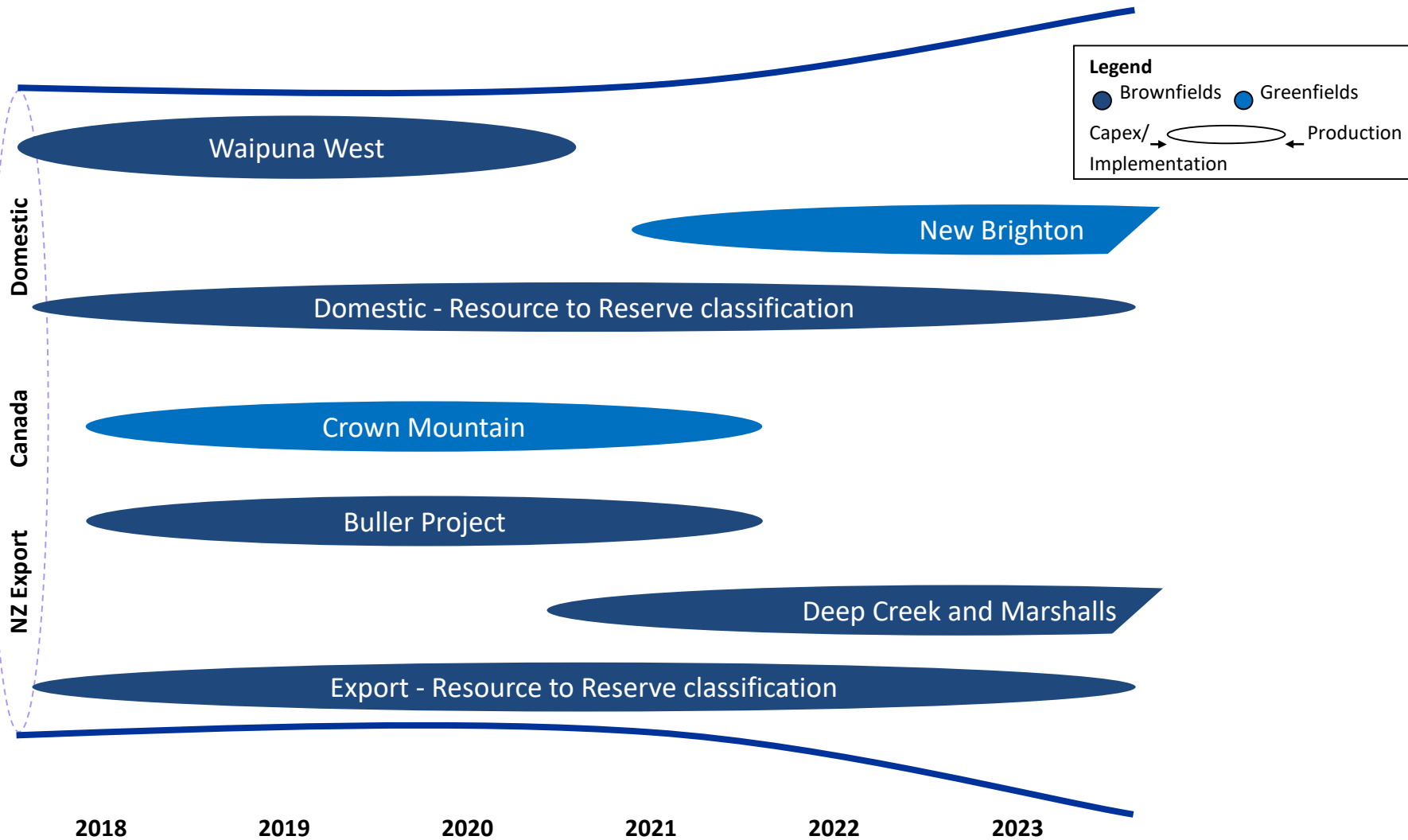
DOMESTIC MARKET



Domestic operations enable us to have stable pricing, regular cashflow and long-term contracts:

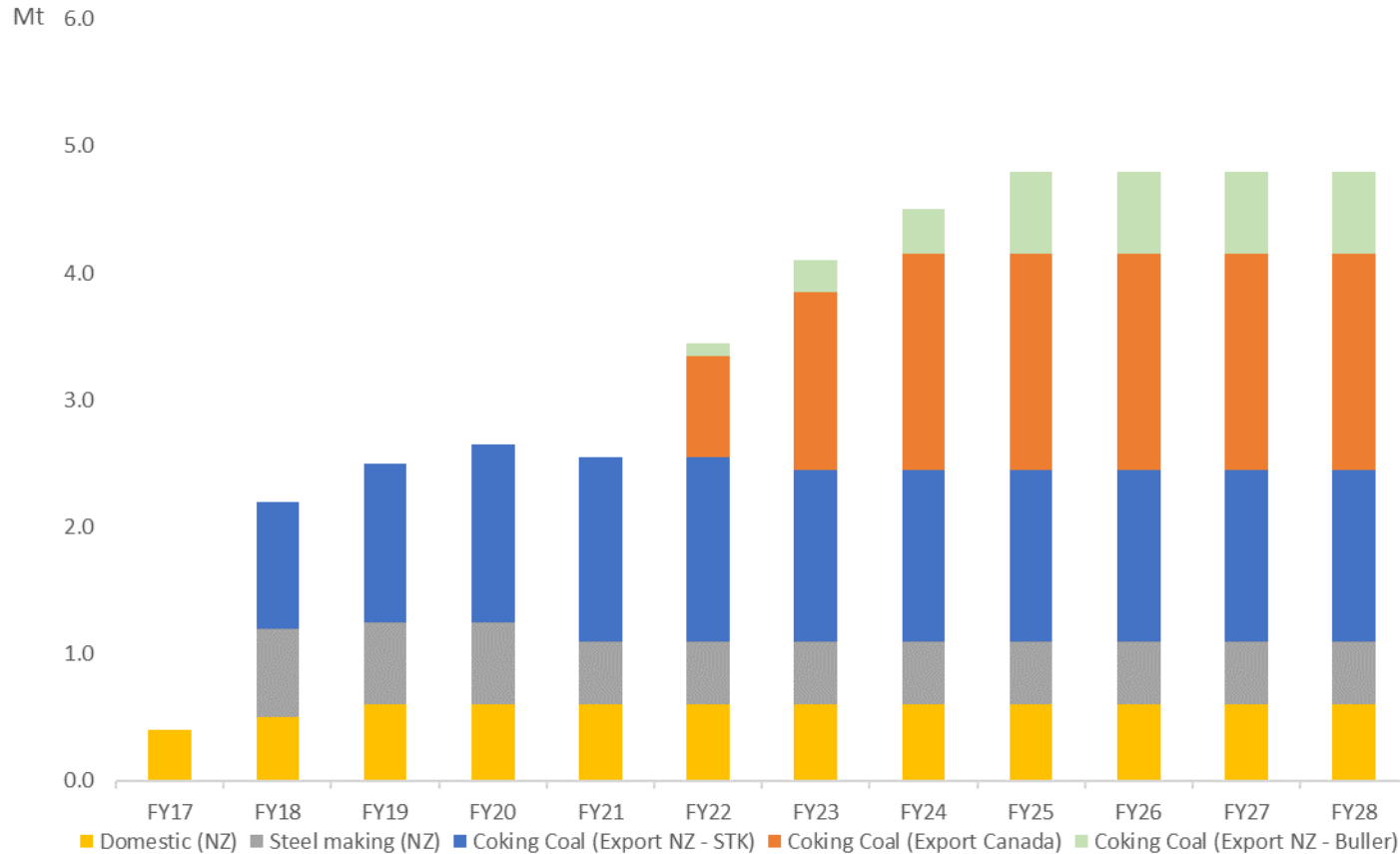
- North Island
 - New production has commenced at Waipuna West with stripping initiated.
 - Fixed pricing through two major diversified customers.
 - Long term contracts.
 - Enables expansion into future resources.
- South Island
 - Long term fixed priced contracts.
 - Variety of dairy and industrial uses.
 - Coal as an energy source captive in the South Island.

FORWARD LOOKING APPROACH



LONG TERM COMPANY GROWTH

BRL production tonnes (100% basis) by market



BULLER PROJECT (100% BRL)

The combination of the BT Mining assets with Bathurst's existing Buller Plateau assets will unlock material synergies for the Company

Item	With Synergies	Without Synergies
CHPP	nil	\$100m
Access to Rail	\$6m	\$50m
Rail loadout	nil	\$25m
Water treatment	\$3m	\$3m
Workshops etc	\$1m	\$10m
Working Capital (1 st Coal)	\$15m	\$15m
Total	\$25m	\$203m

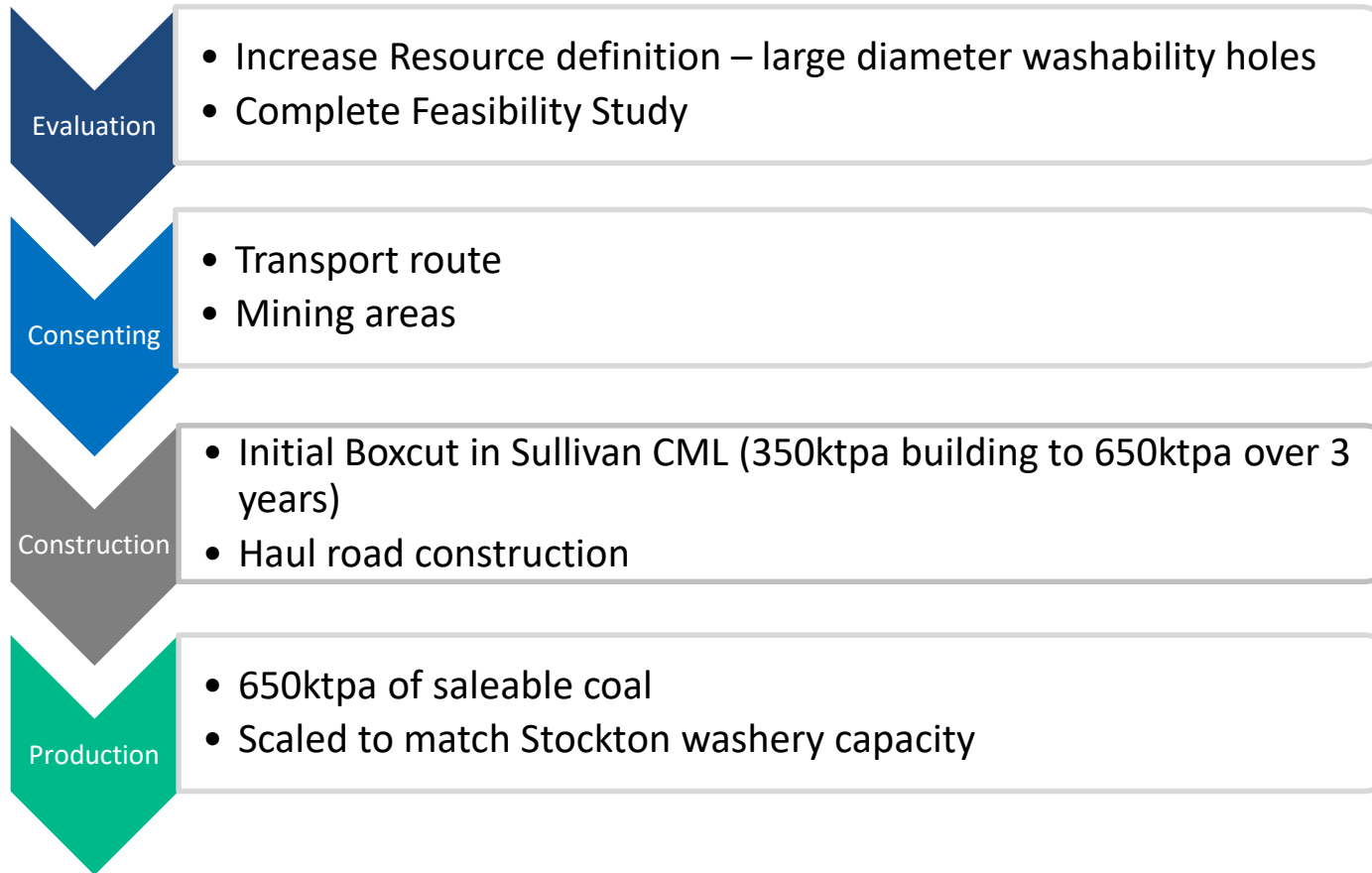


¹ All Resources and Reserves quoted are reported as of 31 October 2018 ASX announcement, Bathurst Resources Limited - Update on Resources and Reserves.

² Requires washing to produce a marketable product

BULLER PROJECT TIMETABLE

A short development cycle at low capital cost¹ to bring on stream



¹ Saleable production figures and timeframe based on Bathurst's mine and production plan and are subject to all necessary resource consents being granted when anticipated by the plan.

STOCKTON ORGANIC GROWTH (65% BRL¹)

A natural southern extension of Stockton

- Development of open cut pits within the Upper Waimangaroa permit, incorporating comparable coal within the BRL Buller exploration permit.
- High value resource which enables blending to maintain coking coal export markets from Stockton. The rank (Ro Max) is the key enabler of future development in the Upper Waimangaroa permit.
- Potential to extend Stockton operations beyond FY28.

Resource³: **18.0Mt**
Expected Mineable Tonnes² : **9.4Mt**
Mining Rate: **0.90Mtpa**



¹ 65% ownership is via the BT Mining Joint Venture

² Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

³ Updated to reflect revised project targets

RUAWARO DEVELOPMENT PLAN (65% BRL¹)

Ruawaro is an extension project for the Rotowaro mine

- Development of an open cut within the Ruawaro permit 40698 adjacent to current Rotowaro operations.
- Utilise existing infrastructure to access the established customer base.
- Exploration has continued over the last 12 months.
- Project is at prefeasibility with signoff planned for Q4 FY19.



Ruawaro Schedule	FY19		FY20				FY21				FY22				FY23			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project Studies																		
PFS	█																	
FS			█															
Land AA	█																	
Mineral AA	█																	
Resource Consents			█															
Project Development																		
Site Infrastructure											█							
Prestrip											█							
Project Construction																		
Ruawaro Bulk Stripping															█			
Ruawaro Coal															█			
Roto Operations																		
WW Bulk Stripping	█		█				█				█							
WW Minor Stripping	█		█				█				█							
WW & Roto Coal	█		█				█				█							

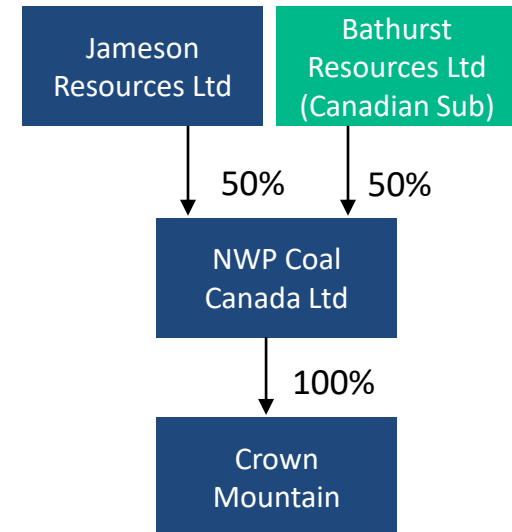
¹ 65% ownership is via the BT Mining Joint Venture.

CROWN MOUNTAIN (BRL buy-in to 50%)

Crown Mountain is a Canadian joint venture in which Bathurst can buy-in over three stages to achieve 50:50 ownership: total potential investment CAD \$121.5m

- The project is located in a mature mining region in British Columbia with well established transport infrastructure.
- Product estimated to be 84% hard coking coal, with a high relative CSR and low volatile content. An April 2017 PFS Update shows robust economics with low OPEX and CAPEX. FOB cash cost is US\$75/t.
- IRR estimated at 40% pre-tax; NPV₁₀ US \$440 million pre-tax. Coal sales prices assumed are significantly lower than current market.
- Bathurst's initial payment of CAD \$4m was completed in July 2018; the second tranche is in progress.
- Funds invested to date have funded the summer exploration programme. Activities over the winter months will entail laboratory analysis and updated resource modelling, working toward completion of BFS in second half 2019.

JV structure assuming all investment stages reached



COMPETENT PERSONS STATEMENT

Bathurst Resources Competent Person Statement

The information on this report that relates to mineral resources for Deep Creek and the mineral reserves for Escarpment Export, Stockton and Whareatea West is based on information compiled by Sue Bonham-Carter who is a full time employee of Golder Associates (NZ) Ltd and is a Chartered Professional and member of the Australasian Institute of Mining and Metallurgy and member of Professional Engineers and Geoscientists of British Columbia, Canada. Ms Bonham-Carter has a BSc Engineering (Mining) (Hons) from the Queen's University, Canada. Ms Bonham-Carter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Bonham-Carter consents to the inclusion in this report of the matters based on her information in the form and context in which it appears above.

The information in this report that relates to exploration results and mineral resources for Escarpment Domestic, Escarpment Export, Cascade, Albury, Coalbrookdale, Whareatea West, Millerton North, North Buller, Blackburn, Takitimu, Canterbury Coal, New Brighton, Rotowaro, Sullivan and Maramarua is based on information compiled by Hamish McLauchlan as a Competent Person who is a full time employee of Bathurst Resources Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr McLauchlan has a BSc and MSc (Hons) majoring in geology from the University of Canterbury. Mr McLauchlan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLauchlan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.

The information in this report that relates to exploration results and mineral resources for Stockton and Upper Waimangaroa is based on information compiled by Mark Lionnet as a Competent Person who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr Lionnet has a BSc (Hons) majoring in geology from the University of Witwatersrand. Mr Lionnet has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lionnet consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.

The information in this report that relates to mineral reserves for Escarpment Domestic, Takitimu, Canterbury and Maramarua is based on information compiled by Terry Moynihan who is a full time employee of Bathurst Resources Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr Moynihan has a Bachelor of Technology (Mining) from the Otago School of Mines. Mr Moynihan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moynihan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.

The information on this report that relates to mineral reserves Rotowaro is based on information compiled by Martin Bourke who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr Bourke has a Bachelor of Engineering (Mining) and BSc (Chemistry) from University of Auckland. Mr Bourke has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bourke consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.