

BATHURST RESOURCES LIMITED



MARCH 2022 EAST COAST MINING FORUM
ASX: BRL

DISCLOSURE

General information

This document is authorised for release by the board of directors of Bathurst Resources Limited (“Bathurst”) on the 30 March 2022. Bathurst’s address is Level 12, 1 Willeston Street, Wellington 6011, New Zealand.

General disclaimer

This presentation contains forward-looking statements. Forward-looking statements often include words such as “anticipate”, “expect”, “intend”, “plan”, “believe”, “guidance” or similar words in connection with discussions of future operating or financial performance, they also include all figures noted as FY22/FY22E which are forecasted financial year June 2022 results. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Bathurst's businesses and performance, the economy and other future conditions, circumstances and results.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Bathurst's actual results may vary materially from those expressed or implied in its forward-looking statements. Bathurst, its directors, employees and/or shareholders shall have no liability whatsoever to any person for any loss arising from this presentation or any information supplied in connection with it. Bathurst is under no obligation to update this presentation or the information contained in it after it has been released. Nothing in this presentation constitutes financial, legal, tax or other advice.

Resources and reserves

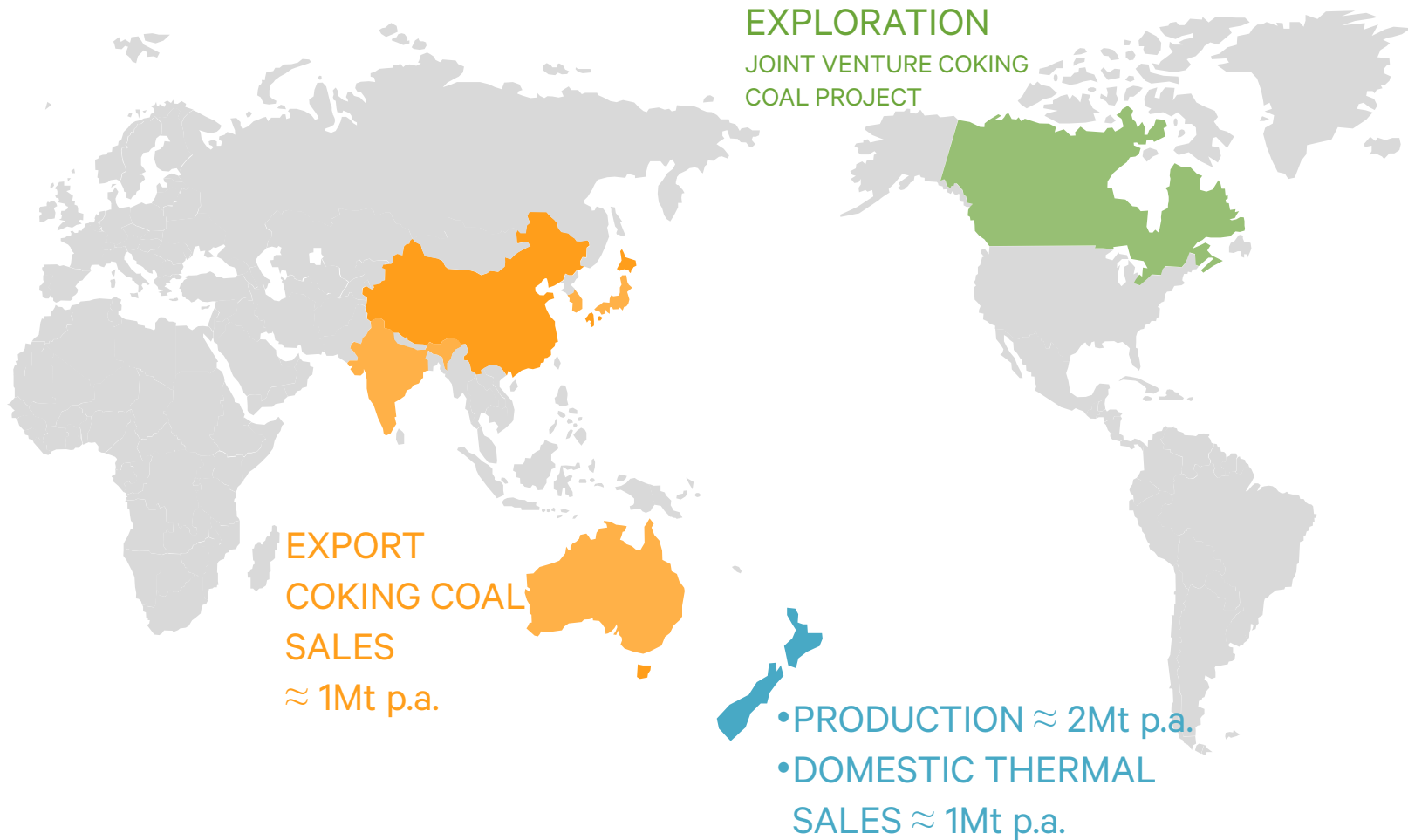
All references to reserve and resource estimates should be read in conjunction with Bathurst's ASX announcement – “2021 Resources and Reserves” reported on the 29 October 2021, and all disclosures made in this document with reference to resources and reserves are quoted as per this announcement. A marketable coal reserve table has been included as an appendix to this document.

Bathurst confirms that it is not aware of any new information or data that may materially effect the information included in this market announcement. In the case of estimates of coal resources or reserves for material mining projects, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since the 29 October 2021 announcement, noting that production activity for operating mining projects has occurred between the date of the initial report and this presentation.

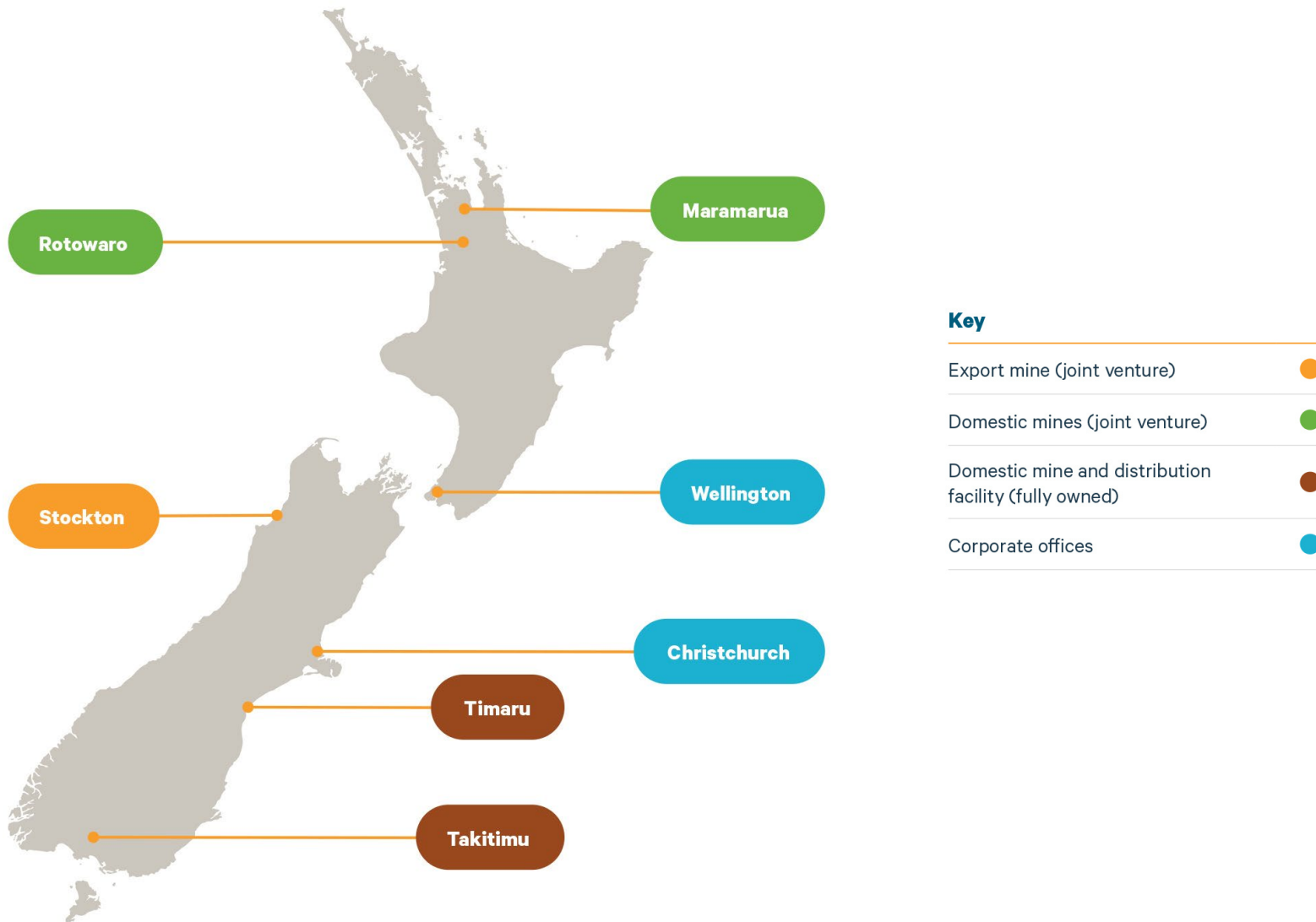
Consolidated financial presentation

Consolidated in this document where used refers to consolidated 100 percent Bathurst and 65 percent equity share of BT Mining Limited. Financial figures noted in this document are consolidated unless otherwise noted.

DOMESTIC UTILITY, GLOBAL UPSIDE



AN ESSENTIAL ENERGY SUPPLIER IN NZ



Joint venture assets in BT Mining are 65% equity owned by Bathurst.

WHAT MAKES US UNIQUE?

We sell into two distinctly different markets that have their own risks, opportunities, and market dynamics

Export: coal for steel making

Risks, opportunities & market dynamics

- Exposed to market price fluctuations.
- Opportunity to significantly increase profit when pricing is high, but flipside is exposure to lower pricing when markets slump.
- Demand profile for this coal is considered to be longer term due to the nature of the demand for steel.

Strategy

- Sell to blue chip customers a product with unique properties that forms an essential part of our customer's bespoke coke blend.
- Our value in use focus means we have long standing relationships with our customers – up to 47 years.
- Utilise hedging to help smooth revenue, focus on cost control.

Domestic: coal for processing heat & steel making

Risks, opportunities and market dynamics

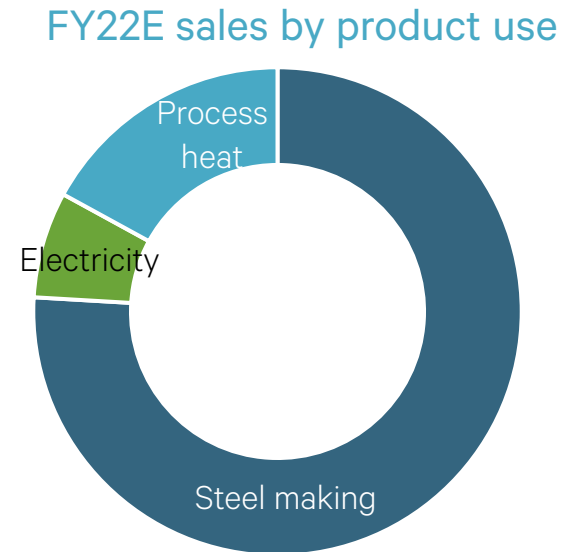
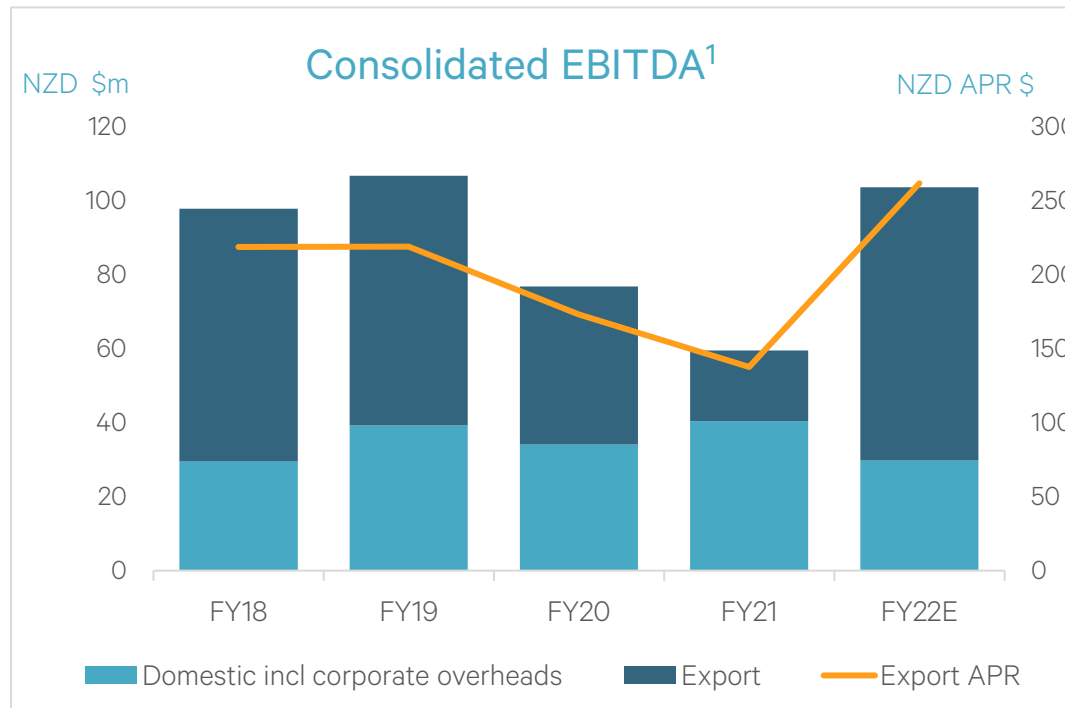
- New Zealand is moving towards a net zero carbon economy, with increasing pressure on fossil fuels coming from legislators and the general public. This means demand in the longer term is unlikely.
- Pricing and demand in the near term is stable.

Strategy

- Sell under long-term, fixed priced contracts.
- Life of mine plans are matched against committed sales; new areas are only explored if there are strategic partnerships in place.

ROBUST EARNINGS PROFILE

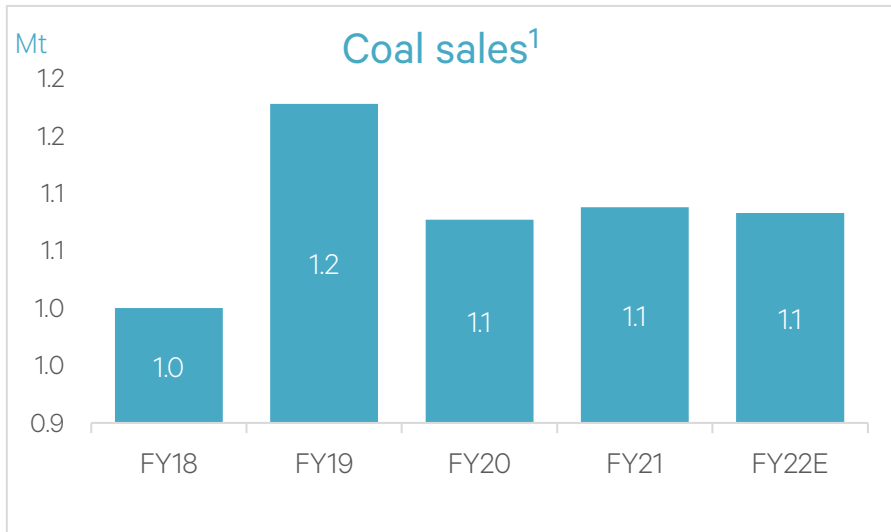
The export pricing benchmark hit its lowest point in five years in FY21, but our domestic business continued to provide stable earnings.



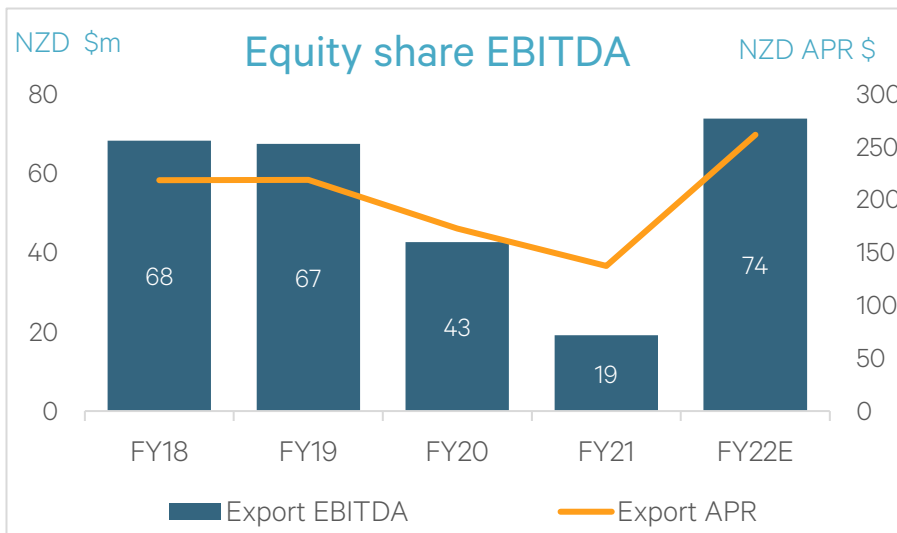
¹ EBITDA represents net profit/(loss) before tax, net finance costs, tax, depreciation, amortization, impairment, fair value movements on derivatives and deferred consideration, and movements in rehab provisioning.

EXPORT (STOCKTON MINE)

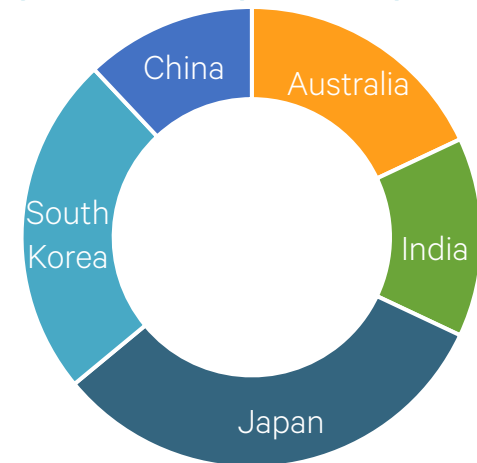
Coking coal sales for the steel making export market.



“Earnings fluctuate in line with changes in the USD Hard Coking Coal premium low vol benchmark which our export pricing is set against, as well as movements in NZD:USD foreign exchange rate.”



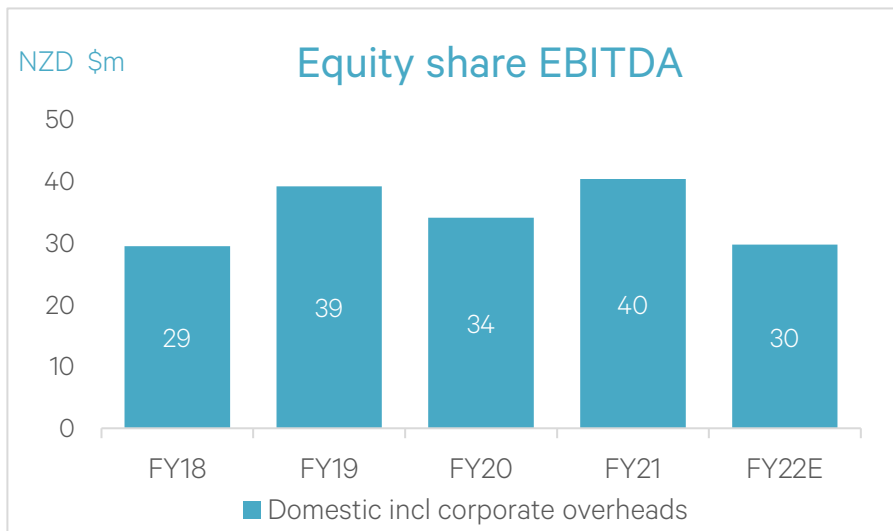
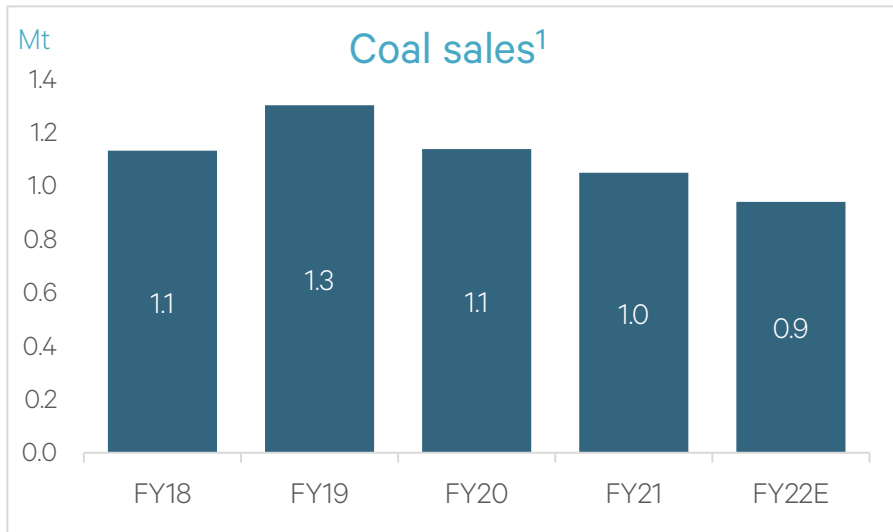
Export sales by country FY22E



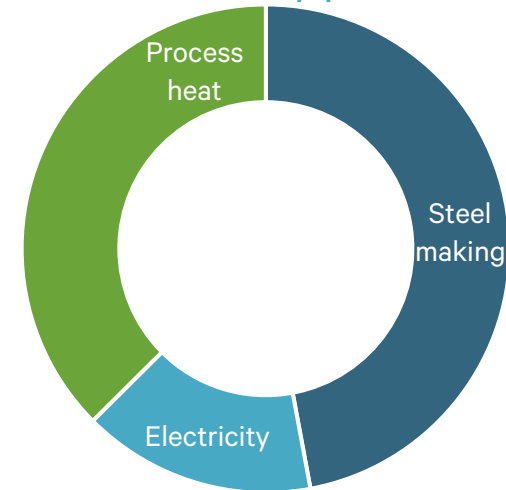
¹On a 100 percent basis (not consolidated).

DOMESTIC MINES (North & South Island)

Coal sales for the steel making domestic market, and processing heat domestic market.



FY22E sales by product use



¹On a 100 percent basis (not consolidated).

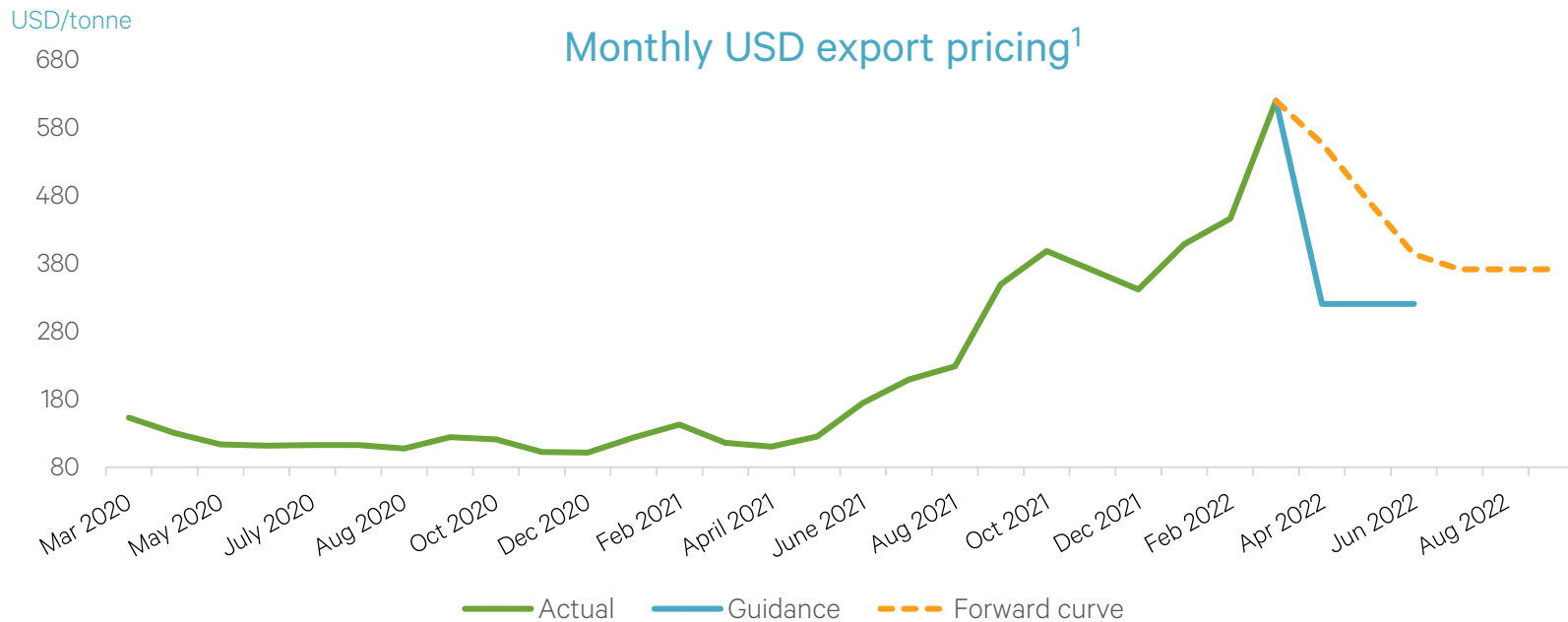
EBITDA GUIDANCE FY22 NZD \$103.5M - \$110.1M

- Current market cap circa AUD \$180m.
- A strong outlook and upgraded guidance underpinned by a strong recovery in our export segment pricing, as shown by our half year results.

Financial measures (NZD \$m)	H1 FY22	H1 FY21
Revenue	124.6	97.8
EBITDA	34.7	26.8
Profit after tax	4.6	3.7
Cash	41.8	21.7

- ✓ 27 percent increase in revenue
- ✓ 29 percent increase in EBITDA earnings
- ✓ Profit after tax impacted by non-cash fair value movement on derivatives.

RECOVERY IN EXPORT PRICING



“

Key macro market factors at play have driven the increase in the pricing that we receive on our export sales. These include ongoing tight supply particularly of premium hard coking coal from major producers, limited spot cargo availability, an increase in steel demand from economic stimulus packages, and more recently the Russian invasion of Ukraine which has led to increased speculation in commodity markets overall.

- ¹USD monthly export pricing based on a monthly average of the S&P Global Platts Premium Low Vol daily spot pricing.
- Guidance is the export benchmark pricing assumed in the export segment's EBITDA guidance. Forward curve based on 22 March S&P Global Platts derivatives assessments.

GROWTH PROJECTS OVERVIEW

We have a robust pipeline to extend our current operations.

	Market	Growth projects	Production start date ¹	Status
SOUTH ISLAND DOMESTIC	Process heat domestic	New Brighton	FY23	
NORTH ISLAND DOMESTIC	Process heat domestic, steel making domestic, electricity domestic	Waipuna West extension	FY23	
		Maramarua M1 pit	FY23	
		Rotowaro North	FY27	
EXPORT (NZ)	Steel making export	Stockton organic projects ²	FY22: HL FY23: A18 FY27: UW	HL & A18 UW
		Buller coal	FY26	
EXPORT (CANADA)	Steel making export	Crown Mountain	FY26	

- Conceptual
- Prefeasibility
- Feasibility
- Final engineering and design

¹The production start date assumes achieving key project milestones and consenting and permitting approvals and cannot be guaranteed.

² These consist of Hope Lyons development (“HL”), A18 fines project (“A18”), and Upper Waimangaroa projects (“UW”).

CANADIAN COKING COAL JV PROJECT

Crown Mountain – a premium low volatile hard coking coal exploration project, due to enter production late 2025, and produce 2Mt per year.

Located in British Columbia in a mature mining region, close to well established transport infrastructure. Further investment is at Bathurst's sole discretion.



ECONOMICS

- Pre-tax NPV10 USD \$469m.
- FOB Vancouver USD 89.41/t.

RESOURCE

- 1.96Mtpa.
- Mine life 15 years.
- 57.5Mt reserve, 90.2Mt resource.

STATUS

- Preparing for submission of environmental application.

INVESTMENT

- CAD \$15.2m, incl \$1.1m as a non-callable loan.
- 22.2% equity share.
- Buy-in to 50% for CAD \$107.4m (\$121.5m total).

A SUSTAINABLE FOCUS



A global spotlight on climate change is bringing increased focus on mineral extraction activities such as mining coal.

This is part of a wider focus on corporations being held accountable for not only their financial results, but how they manage the environmental, social and governance aspects of their business.

These raise a specific set of risks that we need to manage and be proactive about.

THE NEW ZEALAND ENVIRONMENT:

- Zero carbon bill legislated in 2019; net zero carbon economy by 2050.
- Emissions Trading Scheme which is the market mechanism for offsetting Co2 emissions.

OUR POSITION

- Acknowledge the transition to a net zero carbon economy whilst supporting New Zealand's prosperity.
- Aim to become a low-emissions company; we measure and report on our emissions annually.
- Ensure our strategy mitigates risks as much as possible.

We help users of our product lower their own environmental impact due to our low ash content which means less waste by-product, and improved efficiencies which means less coal is needed.

FUTURE INVESTMENTS

Noting the increasing global appetite for other minerals, we are considering leveraging the strong coal mining core of our business and our sector expertise as producers to contemplate and potentially take advantage of other resource opportunities.

The following are the key criteria against which any potential future investments are measured against:



**Stable
jurisdiction**



**At or close to
production**



**\$50-\$100m
annual
EBITDA**

QUESTIONS?

APPENDICES

OUR BOARD MEMBERS



Peter Westerhuis, non-executive chairman



CEO and executive director



Francois Tumahai, non-executive director

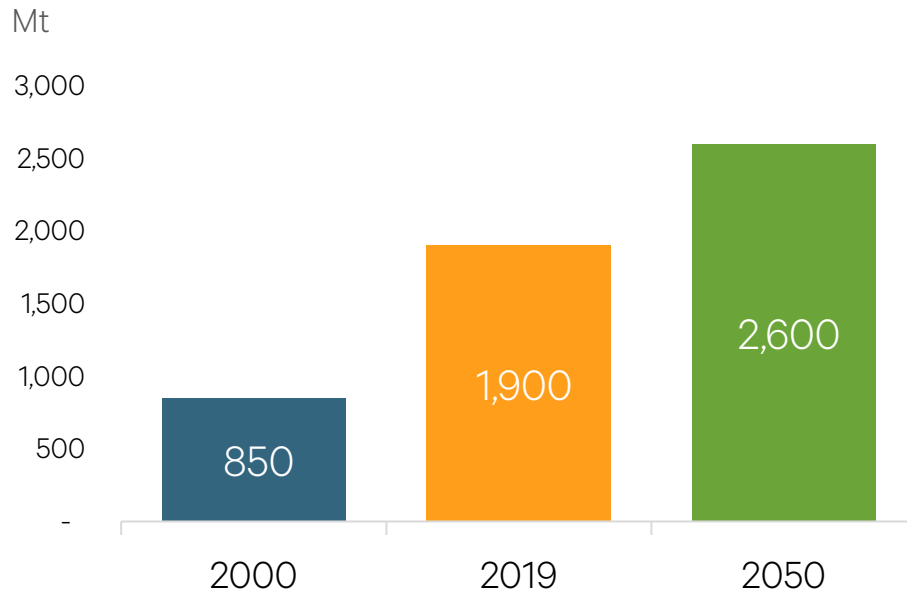


Russell Middleton, CFO and executive director

THE ONGOING DEMAND FOR STEEL

Demand for steel has nearly doubled over the last 21 years. It is projected to increase by a third by 2050.

GLOBAL STEEL PRODUCTION¹



Why has demand for steel increased?

- Steel is integral to modern economies.
- It is the world's second largest commodity value chain and is essential in engineering, construction, manufacturing and technology.

Why is the outlook for steel so robust?

- It will continue to be used in current industries and play a vital role in the transition to green alternatives.

How does the above tie into our strategy?

- We expect more than 90 percent of our coal production to be coking coal for steelmaking in the long term.

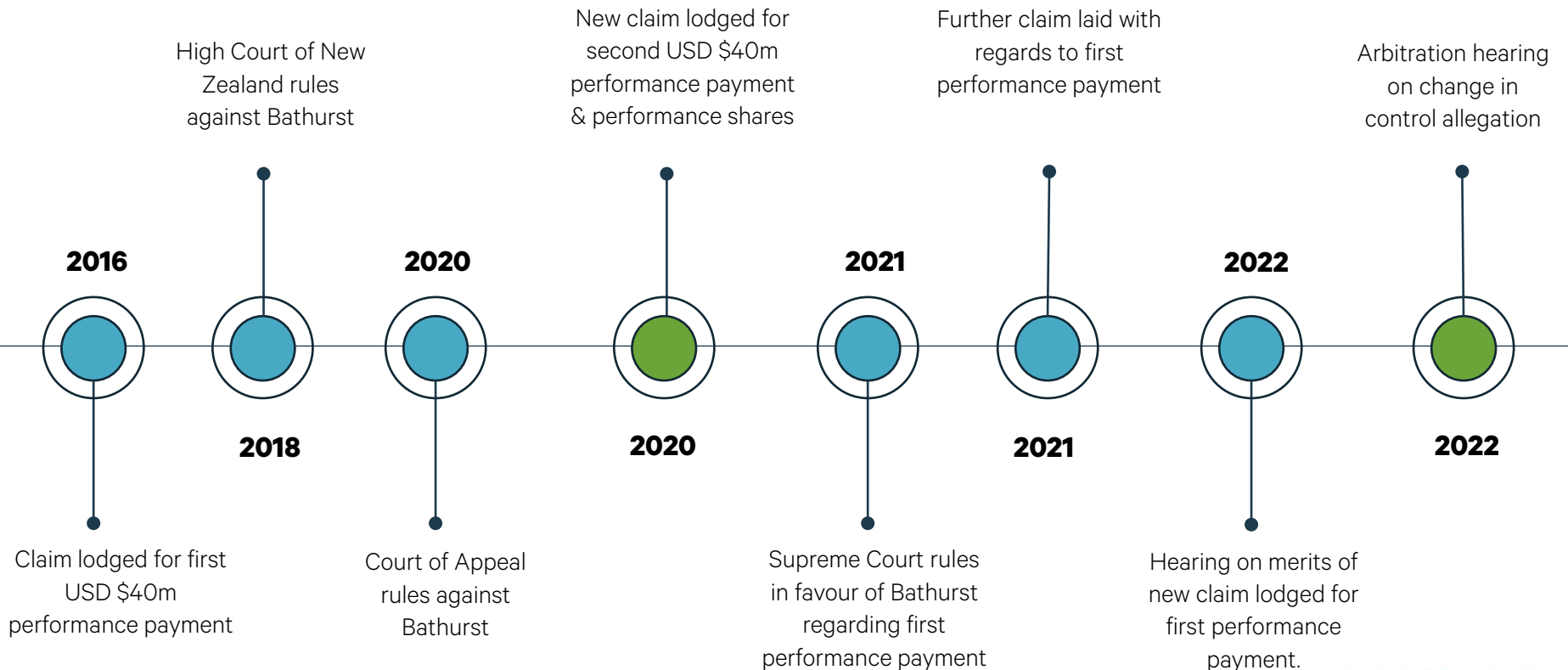
¹ Based on IEA (2020), Iron and Steel Technology roadmap [HERE](#)

L&M LITIGATION

Two key litigation claims have been brought against Bathurst by L&M, whom Bathurst purchased an export coking coal mining permit from in 2010.

One claim was ruled by the Supreme Court of New Zealand in Bathurst's favour, which has positive implications for the second which is going through an arbitration process. Subsequent to the favourable ruling, L&M lodged a new argument to challenge the Supreme Court's ruling.

We expect all matters to be resolved in 2022 and based on legal advice remain confident in the outcome.



ESG HIGHLIGHTS



CORPORATE VALUES

- Be real.
- Be safe.
- Be accountable.
- Be a team.



REDUCING EMISSIONS

- After successful trials, a new fuel will be used across all BT Mining sites leading to approximately 600,000 litres less per year of diesel use.
- CO₂e emissions will reduce by 1,600 tonnes per year.



SUSTAINABLE OPERATING

- Focus on coking coal as there is currently no viable alternative to coal in steelmaking.
- Management investments in line with customer needs.



REDUCING WASTE

- We saved 26,000 cubic metres of landfill space in FY21.
- Biosolids improve soil to help with revegetation.
- Mussell shells treat acid mine drainage.
- Coal ash is blended with backfill dirt to improve water quality.



GENDER DIVERSITY

- 15% female across the total workforce – we are aiming for 25%.
- 33% female at SLT level which is our target.
- Aiming for 20% female at board level (currently nil).



SAFETY

- Safety is important to us, we monitor and report on TRIFR and LTIFR on a monthly basis to the board.
- LTIFR was 4.2 and TRIFR 7.6 at the end of February.