

# BATHURST RESOURCES LIMITED



**INVESTOR PRESENTATIONS**

**SEPTEMBER 2023**

**ASX: BRL**



# DISCLOSURE

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## General information

This document is authorised for release by the board of directors of Bathurst Resources Limited (“Bathurst”) on the 6 September 2023. 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 FY24/FY24E which are forecasted financial year June 2024 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

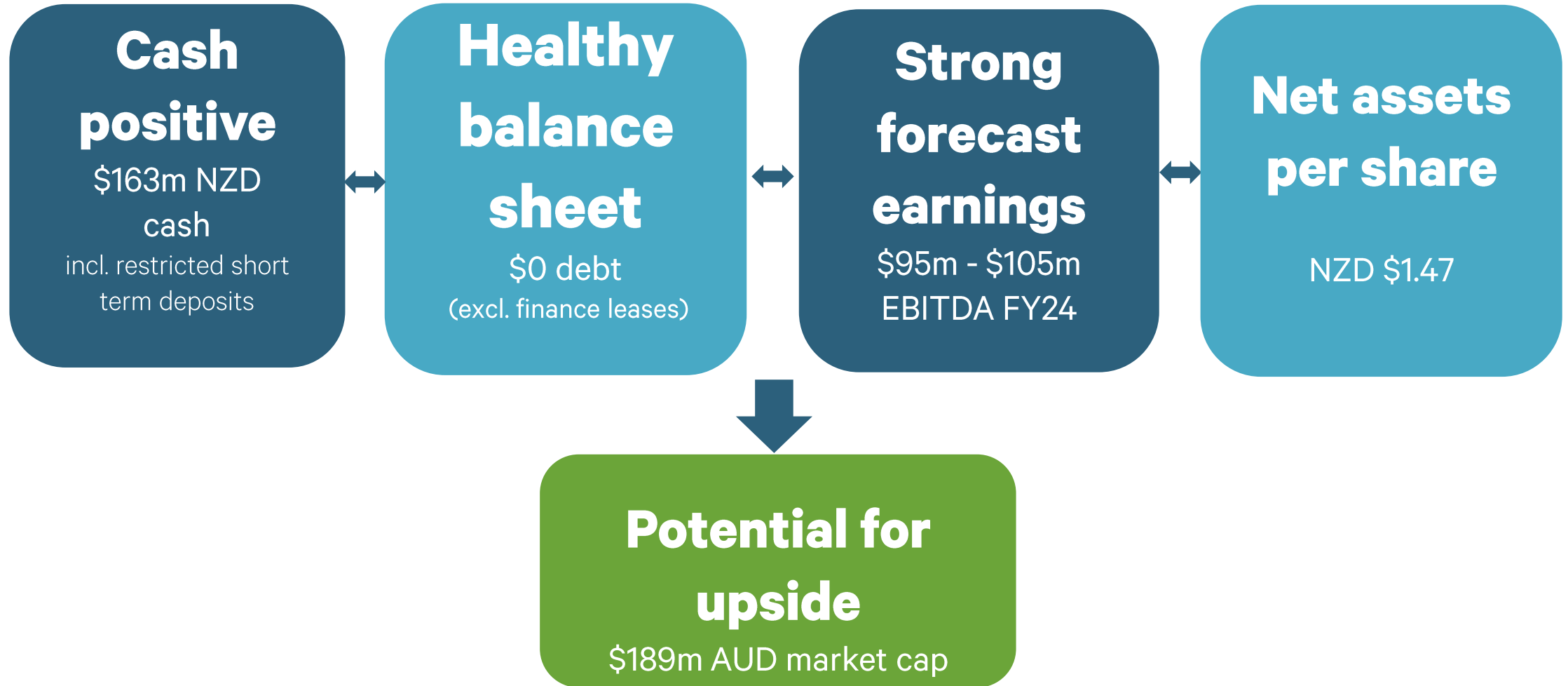
All references to reserve and resource estimates should be read in conjunction with Bathurst’s ASX announcement – “2022 Resources and Reserves” reported on the 28 October 2022, and all disclosures made in this document with reference to resources and reserves are quoted as per this announcement. A marketable 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 28 October 2022 announcement, noting that production activity for operating mining projects has occurred between the date of the initial report and this presentation.

## Consolidated financial presentation

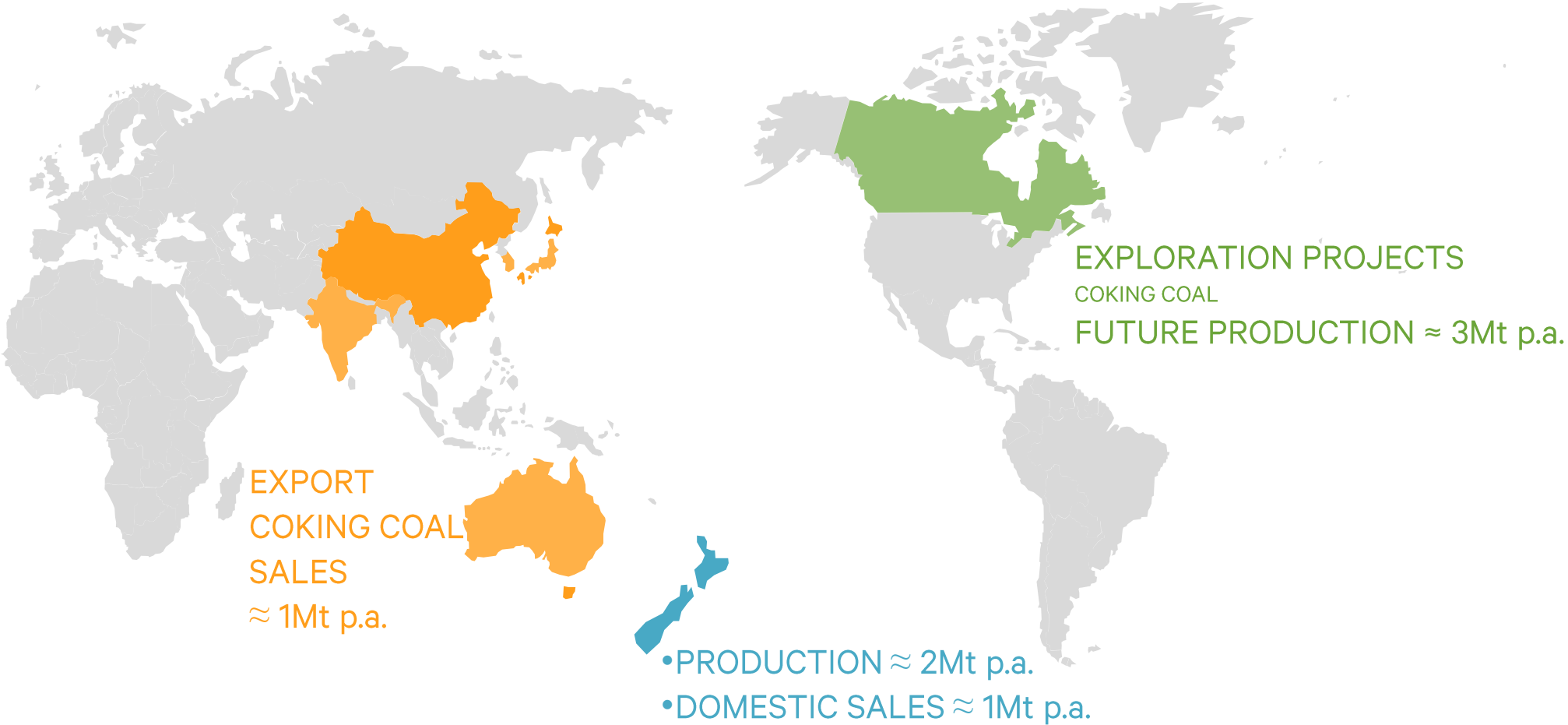
Consolidated in this document where used refers to consolidated 100 percent Bathurst and 65 percent equity share of BT Mining Limited. Financial figures noted in this document are consolidated unless otherwise noted.

# FINANCIAL HEALTH SNAPSHOT<sup>1</sup>



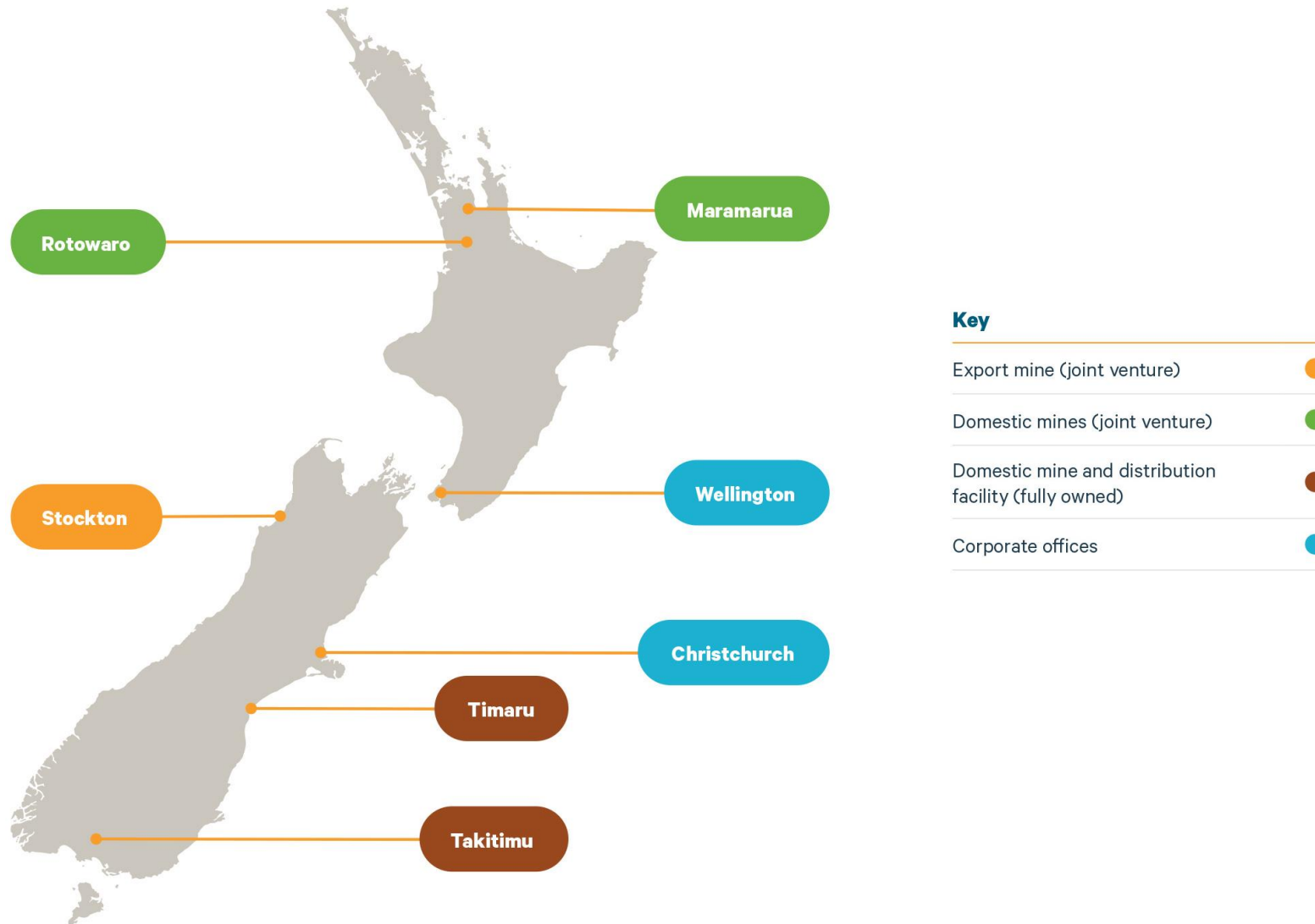
<sup>1</sup> Consolidated 100% Bathurst and 65% BT Mining, as at 30 June 2023

# DOMESTIC UTILITY, GLOBAL UPSIDE



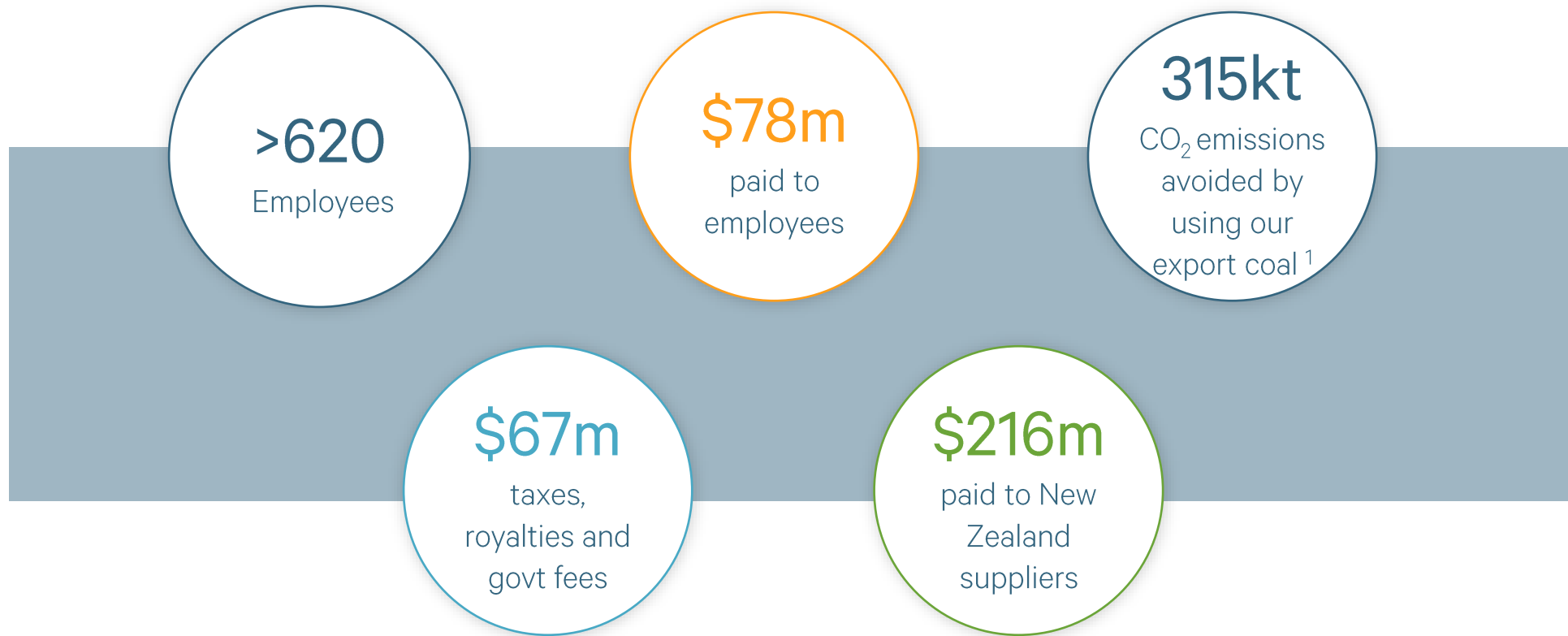
Approximate production and sales tonnes under management

# AN ESSENTIAL ENERGY SUPPLIER IN NZ



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

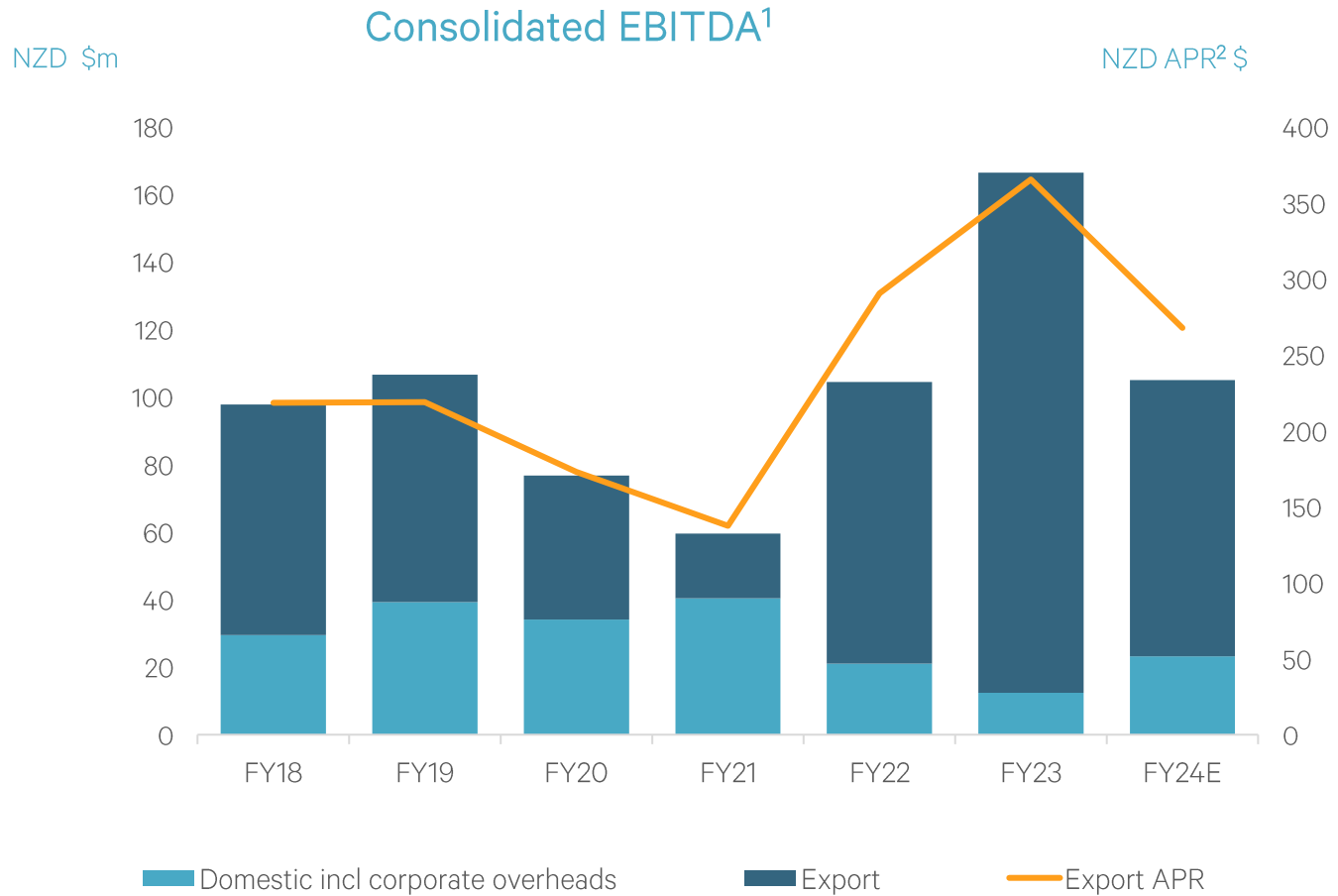
# OUR CONTRIBUTION TO NZ



Financial figures noted are 100 percent Bathurst and BT Mining for 12 months ended 30 June 2023

<sup>1</sup> Independent verification by SGS Laboratories Limited confirmed our analysis based on 1Mt of sales a year. Emissions savings due to high vitrinite and low ash properties of our export Stockton coal.

# SUSTAINABLE EARNINGS PROFILE



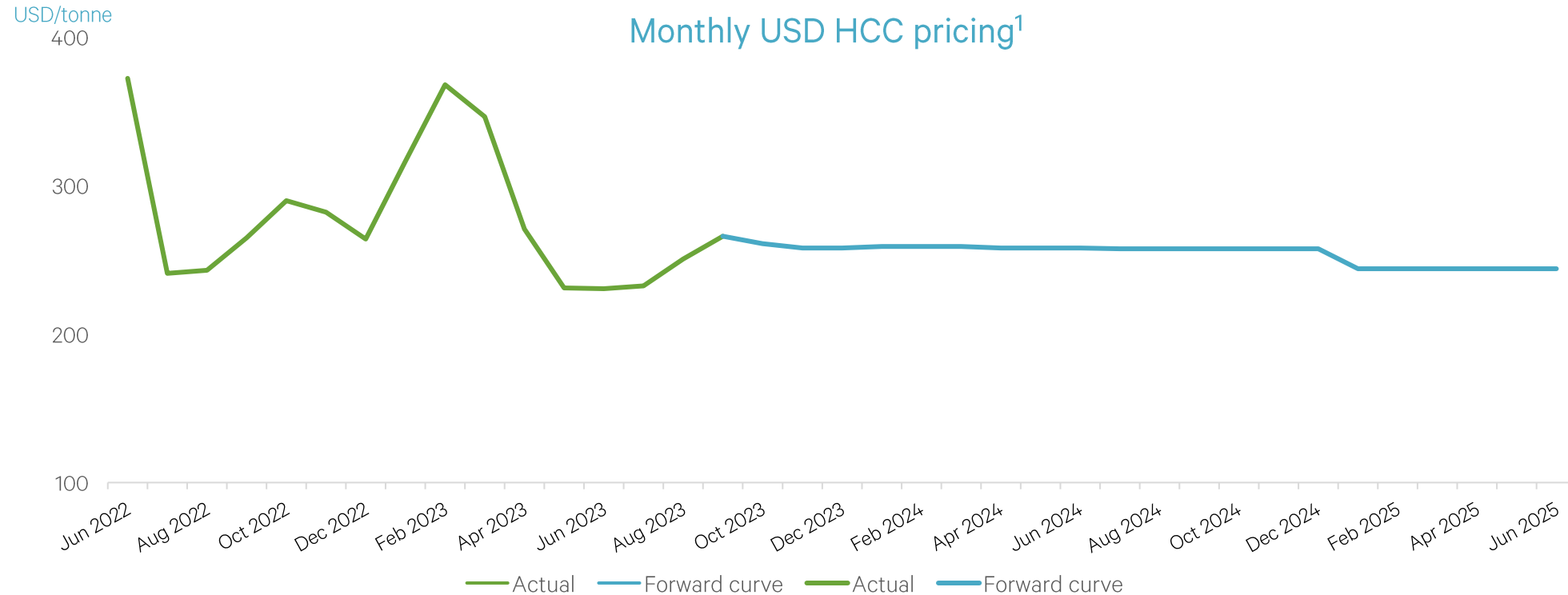
Record EBITDA achieved in FY23 driven by high HCC benchmark pricing levels

Strong export segment supported by domestic segment

<sup>1</sup> 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.

<sup>2</sup> Average price received

# STABLE HCC PRICING OUTLOOK

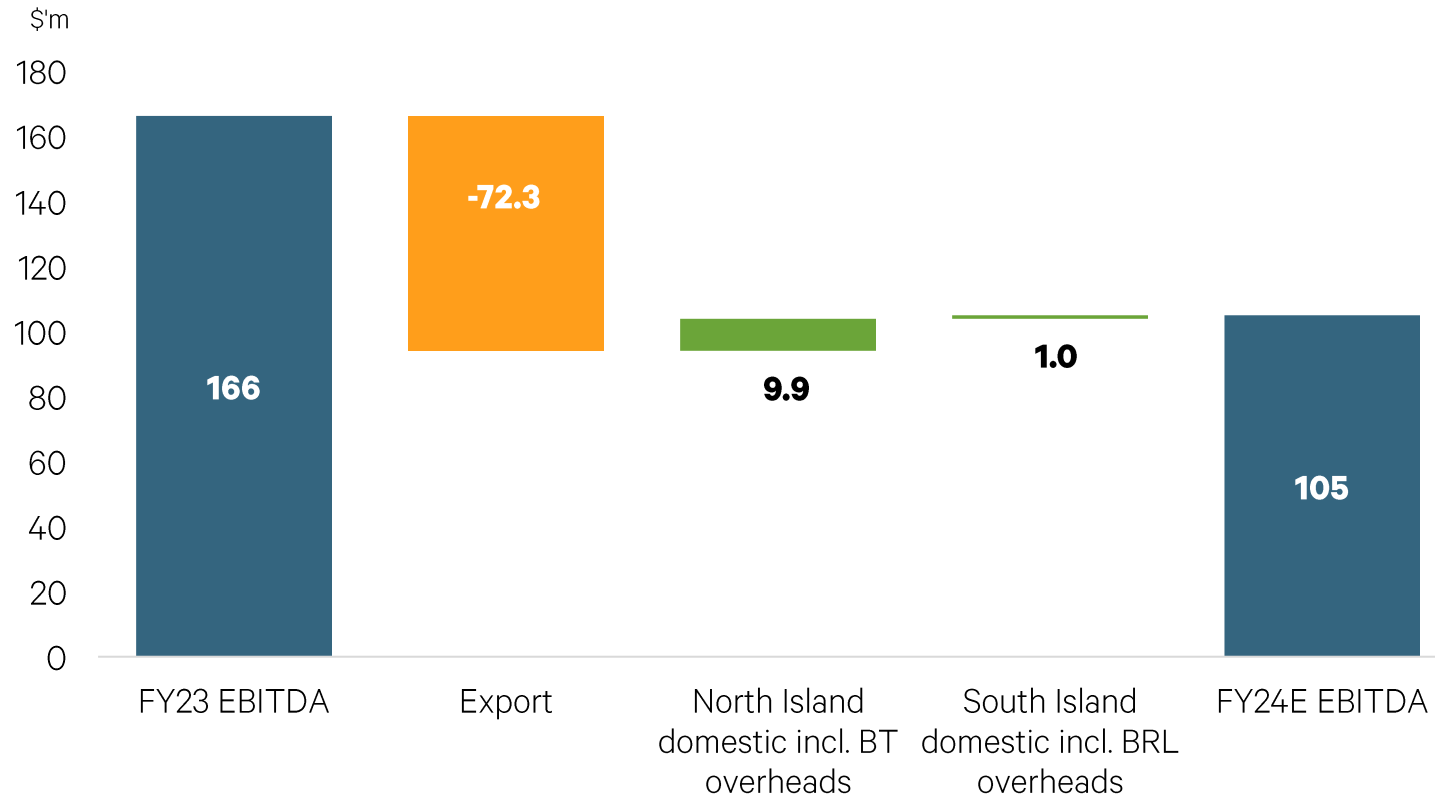


- HCC benchmark pricing forward curve remains stable out to 2025, with reduced volatility from prices experienced in 2022.
- Small increases can be expected as global economies recover.
- Increasing demand for coking coal in growing countries such as India and across South-East Asia.

<sup>1</sup> USD monthly actual export pricing based on monthly average of the S&P Global Platts Premium Low Vol daily spot pricing. Forward curve based on S&P Global Platts derivatives assessment – 30 August 2023.



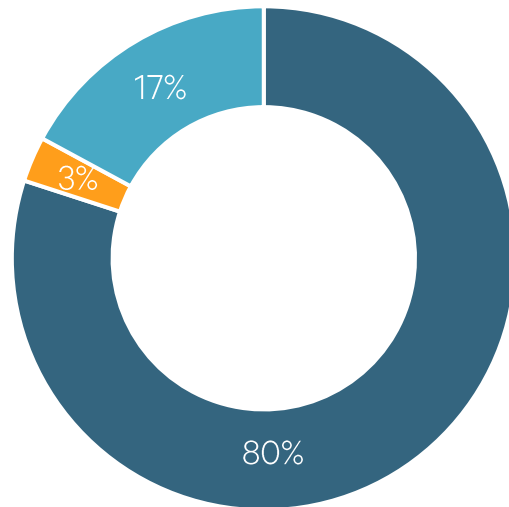
# EBITDA GUIDANCE FY24 \$95M - \$105M



- Guidance range reflects reduction in export pricing from record levels in 2022; assumed annual average benchmark of USD 238 per tonne. Down from an average of USD 291 per tonne in FY23.
- Improved results for NID & SID including overheads with production in new mining pits increasing.

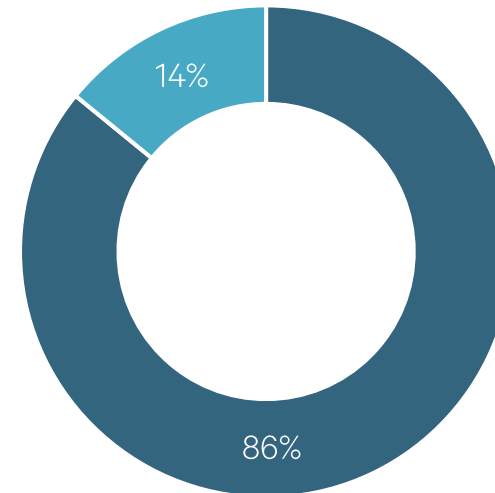
# FOCUSED ON STEELMAKING

FY23 sales by product use



■ Steelmaking ■ Electricity ■ Process heat

FY24E sales by product use

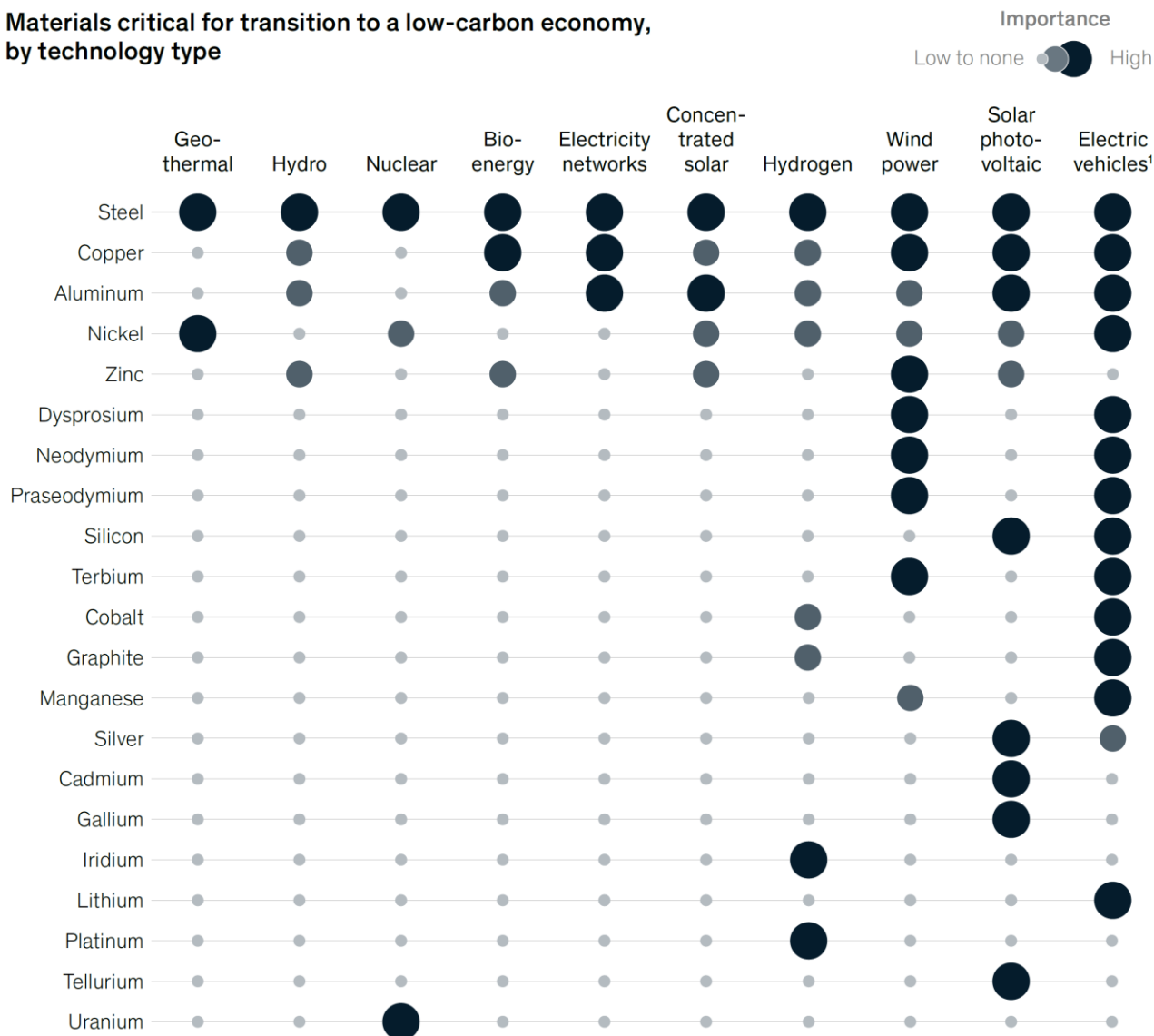


■ Steelmaking ■ Process heat

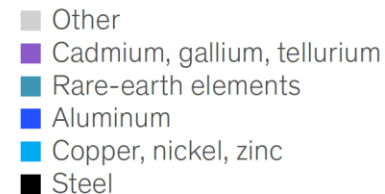
<sup>1</sup>On a 100 percent basis (not consolidated).

# CRITICAL MATERIALS FOR TRANSITION<sup>1</sup>

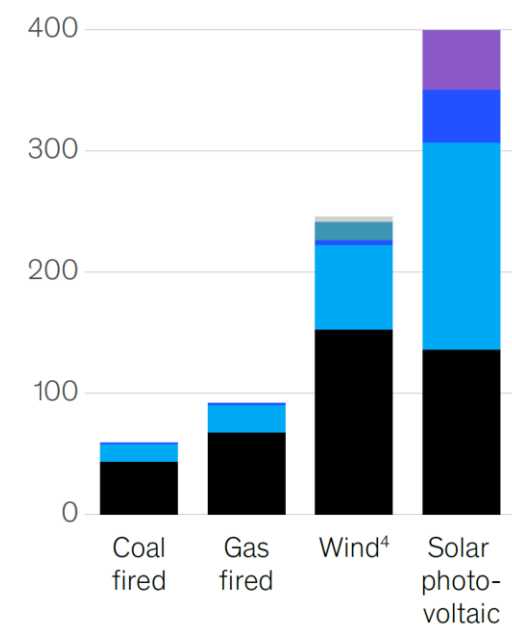
Materials critical for transition to a low-carbon economy, by technology type



## Power generation



Material intensity, tons of CuEq<sup>1</sup> per terawatt-hour<sup>2</sup>



Coal still supplies just over a third of global electricity generation.

While coal is being gradually replaced for electricity generation, it will continue to play a crucial role in iron and steel production.

<sup>1</sup> <https://www.mckinsey.com/industries/metals-and-mining/our-insights/the-raw-materials-challenge-how-the-metals-and-mining-sector-will-be-at-the-core-of-enabling-the-energy-transition>

# THE ONGOING DEMAND FOR STEEL<sup>1</sup>



**STEEL FACTS**

Steel Production - Route 1:  
**Blast furnace or integrated route**

To produce 1,000 kg of crude steel, the main inputs are roughly:

- 1,370 kg of iron ore,
- 780 kg of coal,
- 270 kg of limestone, and
- 125 kg of steel scrap.

worldsteel.org



**STEEL FACTS**

Global crude steel production has increased from 189 Mt in 1950 to 1,885 Mt in 2022 and production has doubled since 2000.

1950	2000	2022
189 Mt	850 Mt	1,885 Mt

worldsteel.org



**STEEL FACTS**

2,280 Mt By **2050**

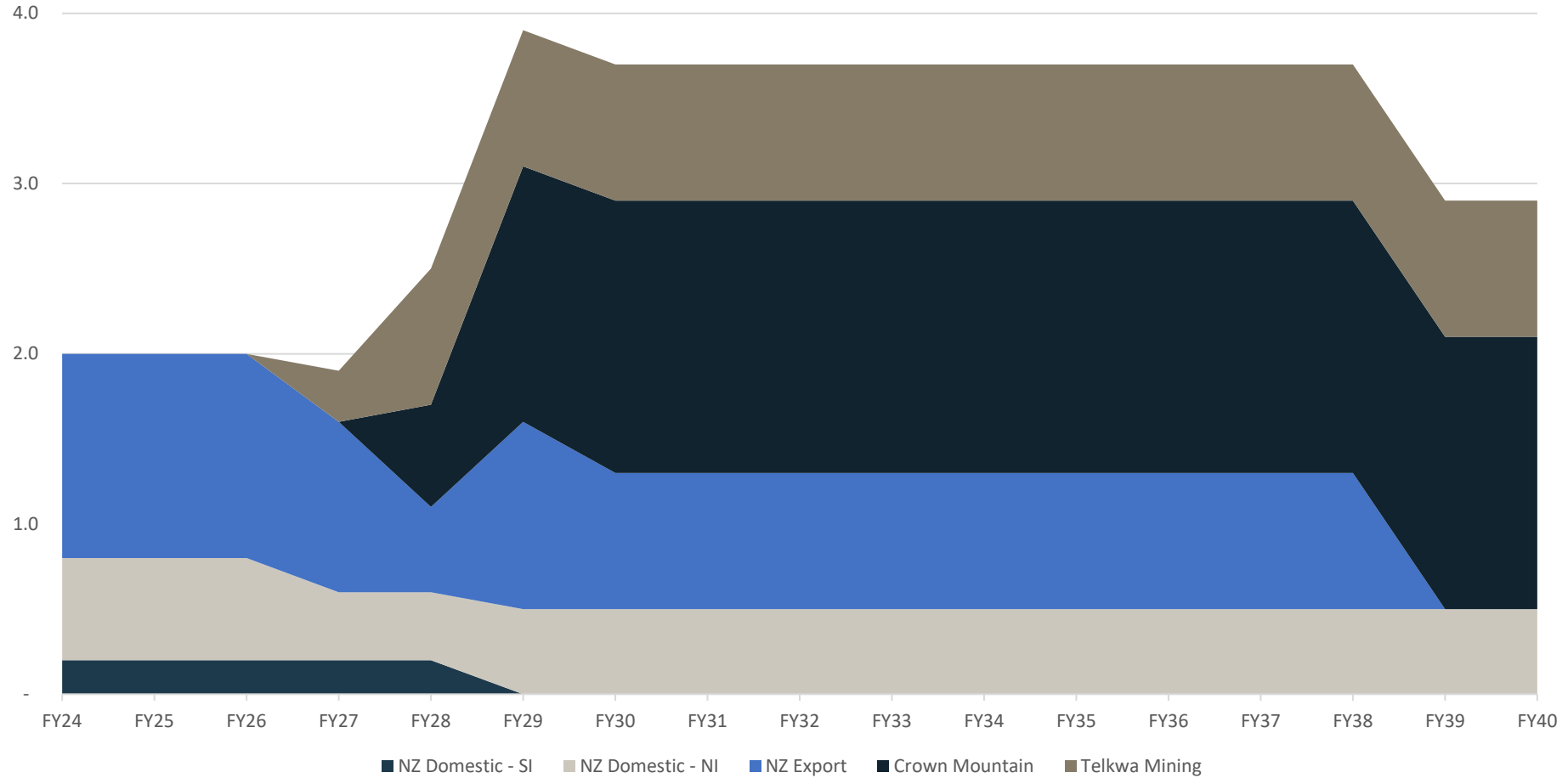
steel use is projected to increase by around 20% compared to present levels in order to meet the needs of our growing population.

worldsteel.org

<sup>1</sup> <https://worldsteel.org/about-steel/steel-facts/>

# RESOURCE TO RESERVE CONVERSION

Indicative Production Tonnes (Mt) (100% basis)



# NORTH ISLAND EXPANSION AREAS

## ROTOWARO EXTENSION

Potential for the Roto North pit extension to supply NZS for at least a further 12 years production rate @ 400 ktpa

Status:

- Exploration Programme - Drilling underway in LINZ area
- Initial baseline studies initiated - wetlands, water monitoring instrumentation
- Land Access and Mining Permit application submitted and negotiations progressing well

## MARAMARUA EXTENSION

Future coal supply NZ Steel (blend with Roto), extension of M1 pit FY26+

Status -

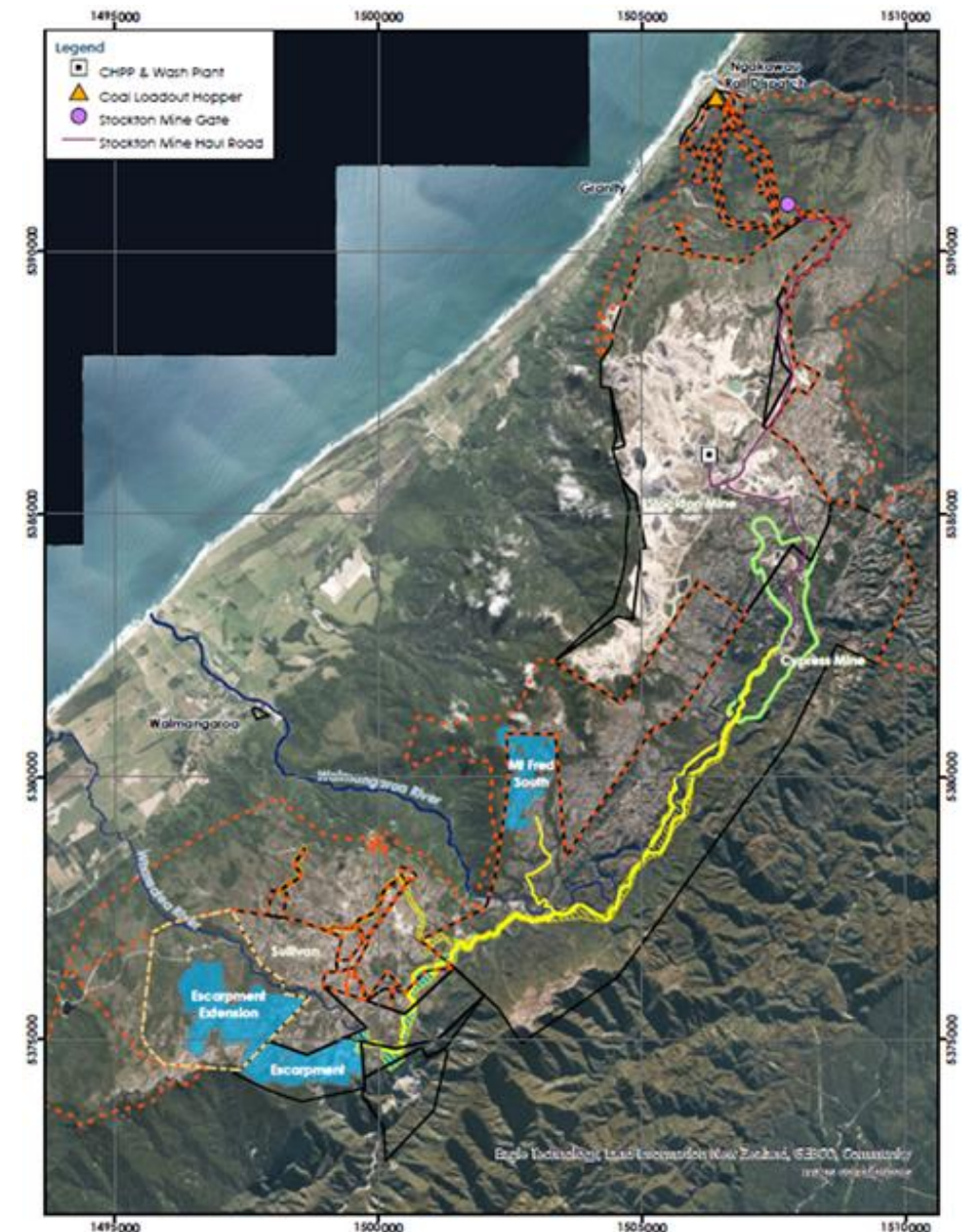
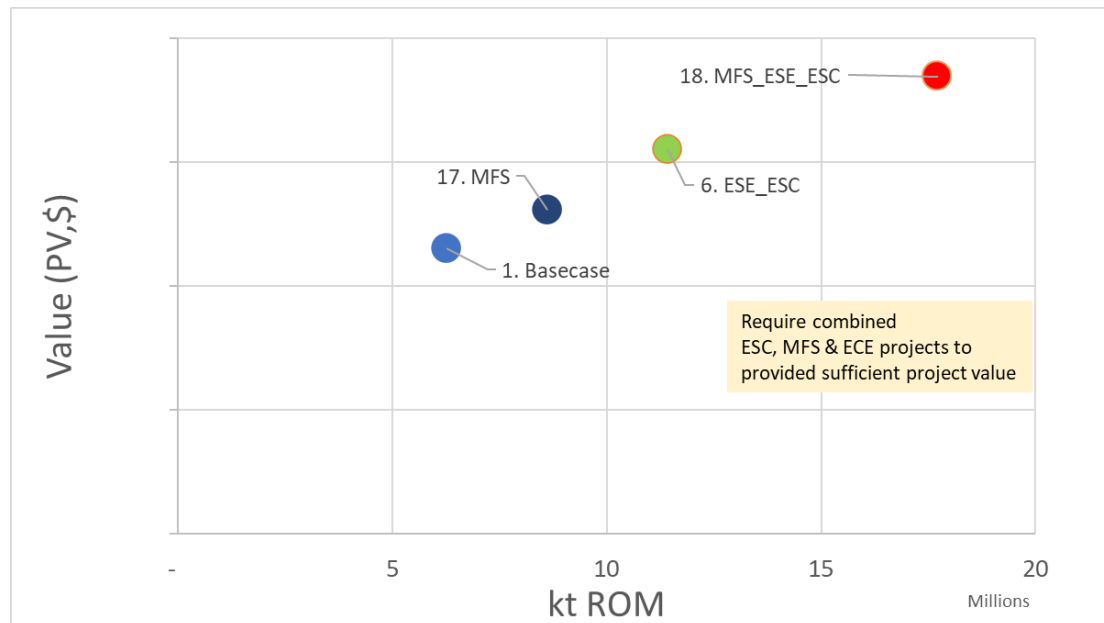
- Review and update 2021 assessments (e.g., noise, water, air, ecology, landscape etc) from M1 as required.
- Submit revised AEE for M2 - May 24

# EXPORT EXTENSION

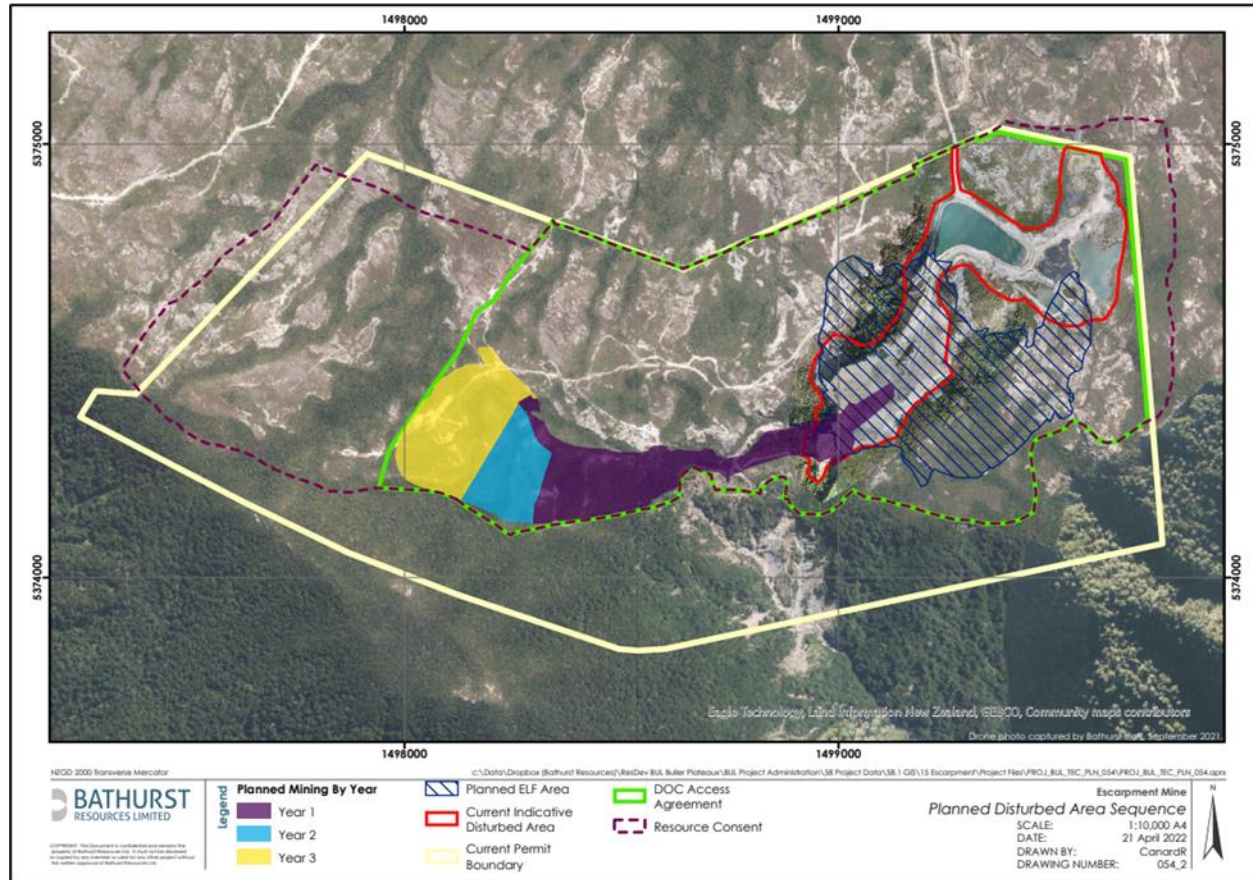
Blending assessments have identified the following key resources to extend Stockton Export coal operations:

- Escarpment (as a strategic consented resource)
- Mt. Fredrick South
- Escarpment Extension

These will be mined in conjunction with the existing reserves with Stockton and utilise existing infrastructure



# ESCARPMENT MINE



## Overall objective:

- Renew existing consents & assess potential to improve economics by widening available area
- Permitted, consented and access agreement in place
- Escarpment blended with Stockton HCC

Tranche	Key Decision Project Hold Points
ESC_1	Mine Plan; Concession Whareatea Road; AEE application - FY24-FY25
ESC_2	AA Variation Planning, Application & Hearing Costs FY25
ESC_3	AEE and Consents Hearing Process FY26



# ESCARPMENT EXTENSION

Description		Map
<p>Development of an open cut pit on the Denniston Plateau as an extension to Escarpment Mine</p> <p>Key Bathurst HCC resource largely un-mined</p> <p>Resource: <b>16.7 Mt</b></p> <p>Coal Quality: <b>Ash – 10%</b>  <b>Su – 0.6%</b>  <b>CSN – 9</b>  <b>RoMax – 1.14</b></p> <p>Expected Reserve: <b>4.1Mt</b></p> <p>Stripping Ratio: <b>12.0 (Waste/Prod t)</b></p> <p>Mining rate: <b>0.30-0.65 Mtpa</b></p>		<p><b>Legend</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px dashed white; margin-right: 5px;"></span> Permit Application</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 2px solid yellow; margin-right: 5px;"></span> Permit Boundary</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightgrey; margin-right: 5px;"></span> Pit Designs</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 2px solid orange; margin-right: 5px;"></span> ELF Designs</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 2px solid orange; margin-right: 5px;"></span> Existing Mine Access Road</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 2px solid yellow; margin-right: 5px;"></span> Escarpment to Cypress Access Road</li> <li><span style="display: inline-block; width: 15px; height: 15px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px); margin-right: 5px;"></span> Historic Working</li> <li><span style="display: inline-block; width: 15px; height: 15px; border-bottom: 2px solid cyan; margin-right: 5px;"></span> Stream/River</li> </ul>
Tranche		
Key Decision Project Hold Points		
ESE_1	Resource Model; Baseline Studies FY24-FY25	
ESE_2	Mine Engineering & Plan Approval FY25	
ESE_3	FS Report FY26	
ESE_4	AEE FY26-FY27	
ESE_5	Submit Consents Application FY27	
ESE_6	Env.Court Hearing & Appeals	

# MT FREDRICK SOUTH EXTENSION

Description		Map
<p>Development of an open cut pit within the BT Mining Upper Waimangaroa Mining Permit.</p> <p>Blending partner in combination with Escarpment to maintain coking coal export markets from Stockton. Because of the <b>rank</b>, Ro(Max), it is the key enabler of future development. Low stripping ratio – resilience to coal price volatility</p> <p>Resource: <b>10.4 Mt</b> (unpublished)</p> <p>Coal Quality: <b>Ash: 4.0%</b> <b>RoMax: 1.01</b></p> <p>Expected Reserve: <b>4.4Mt / 3.5Mt Marketable (MP) LINZ area</b></p> <p>Stripping Ratio: <b>3:1 (Waste/Prod_t)</b></p> <p>Mining rate: <b>0.20 - 0.50 Mtpa</b></p>		
Tranche	Key Decision Project Hold Points	
MFS_1	Resource Drill & Model; Baseline Studies in FY24	
MFS_2	Mine Plan & FS Report	
MFS_3	AEE	
MFS_4	Submit Consents Application	
MFS_5	Env.Court Hearing & Appeals	

# CANADA STRATEGY

An interest in two exciting Canadian steelmaking coal projects in British Columbia, representing an opportunity to accelerate Bathurst's growth strategy:

- Acquisition of the Tenas Coking Coal Project, comprising the Telkwa Metallurgical Coal Complex.
- Investment in the Crown Mountain Hard Coking Coal Project in the Elk Valley, a premium low volatile hard coking coal exploration project, due to enter production 2026, and produce 2Mt per year.

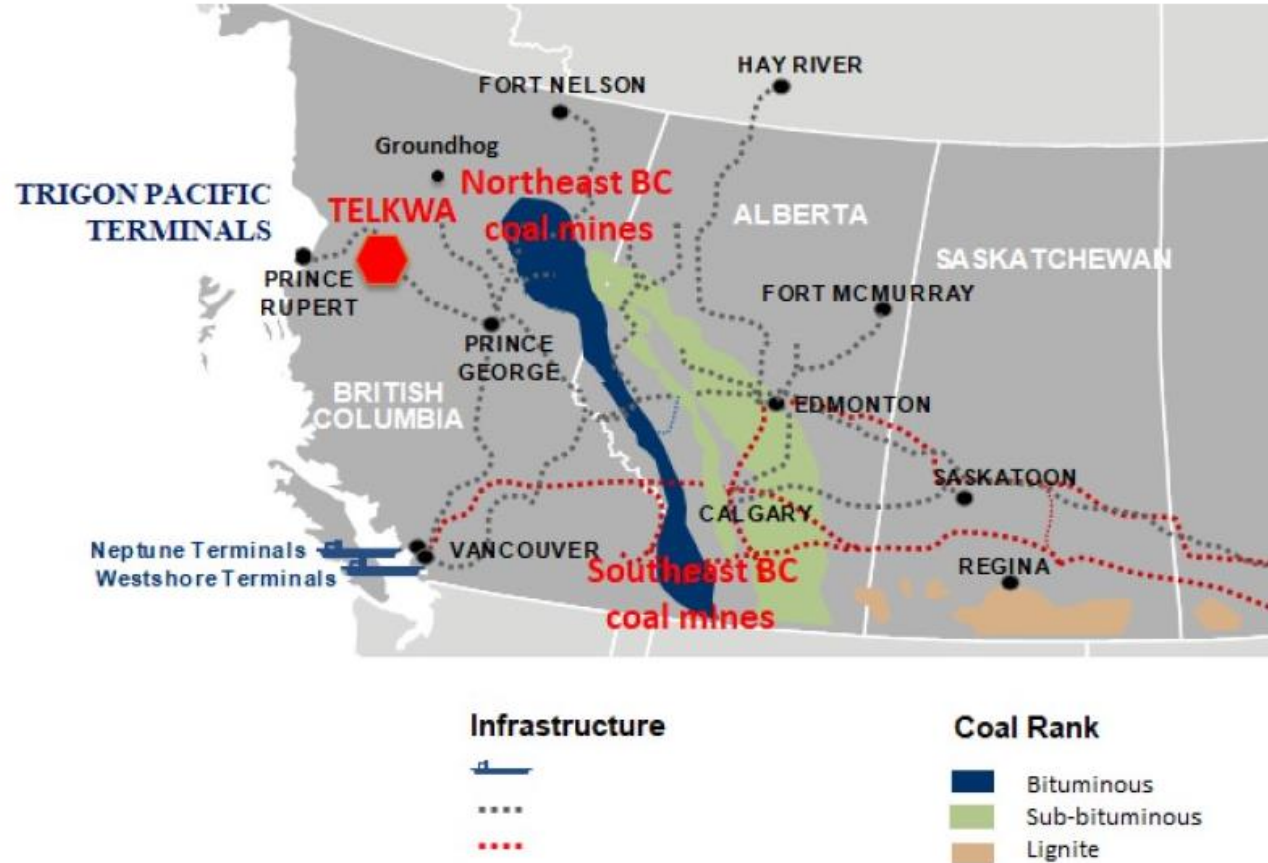
## Tenas Acquisition Strategy

- Consistent with Bathurst's strategy of increasing exposure to steelmaking coal.
- Increases Bathurst's footprint in a Tier 1 mining jurisdiction.
- Long life asset with an ability to produce metallurgical coal in excess of 15 years.

## Asset Strategy

- Enables Bathurst to hold an interest in two exciting Canadian steelmaking coal projects in addition to its operations in New Zealand.
- Attractive acquisition value with an implied EV/Resource of USD0.10/t and EV/Reserve of USD0.80/t (assumes full consideration is paid).
- Achieves metallurgical operations with a total production potential of 3.8 million tonnes per annum (3.4 million equity tonnes) across the New Zealand and Canadian assets.

# TENAS PROJECT LOCATION



## Exceptional Project Location

### Simple access to rail

- The Project sits adjacent to CN Rail's main line to Prince Rupert

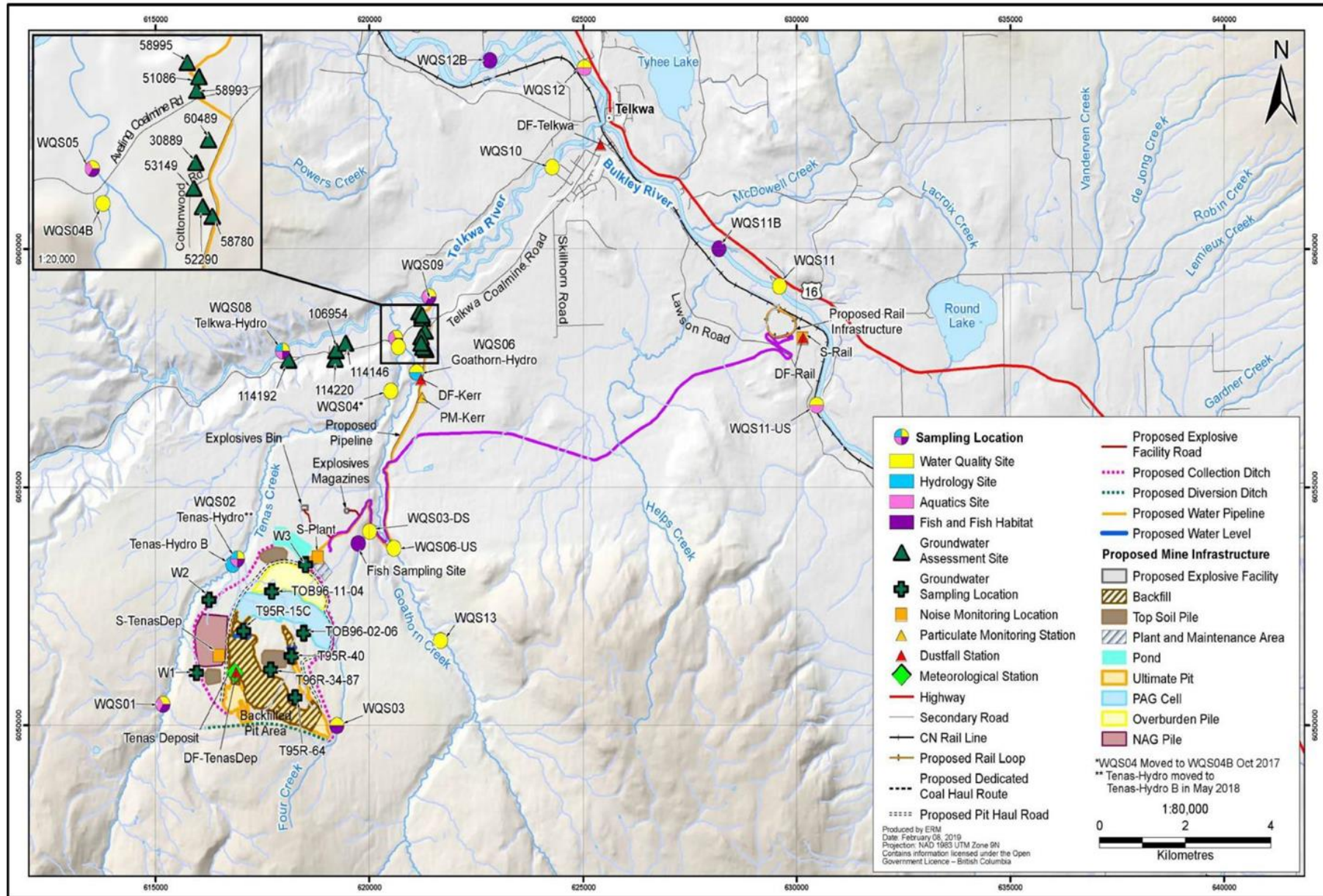
### Short rail haul to port

- The rail haul from the Project rail loadout to Trigon Pacific Terminals is 375km along a flat track with little or no grade

### Uncongested port

- Trigon Pacific has significant spare capacity to increase throughput volume as the project develops

# PROJECT LAYOUT



# PROJECT METRICS<sup>1</sup>

Table One: Resources	Measured Mt	Indicated Mt	Inferred Mt	Total Mt
Tenas deposit	58.8	-	-	58.8
Goathorn deposit	59.5	9.2	0.2	68.9
Telkwa North deposit	15.7	3.7	1.0	20.4
<b>Total</b>	<b>134.0</b>	<b>12.9</b>	<b>1.2</b>	<b>148.1</b>

Table Three: Tenas Resources	Measured Mt	Indicated Mt	Inferred Mt	Total Mt (adb)
C seam	4.5	1.4	-	5.9
1 lower seam	8.1	2.7	-	10.9
1 upper seam	4.5	1.6	-	6.2
1 seam	9.9	3.5	-	13.5
<b>Total</b>	<b>27.1</b>	<b>9.4</b>	<b>-</b>	<b>36.5</b>

Table Four: Tenas Reserves	ROM Coal Mt	Saleable Coal Mt
Tenas Proven	17.1	12.9
Tenas Probable	4.9	3.7
<b>Total</b>	<b>22.0</b>	<b>16.5</b>

<sup>1</sup> For further details on the basis of these Resources and Reserves see Allegiance Coal March 2019 DFS Update

# DFS RESULTS<sup>1</sup>

The DFS accounts for just 15% of the entire coal resource of the Telkwa metallurgical coal complex, with highlights including:

- 750,000 tonnes per annum of saleable coal.
- 22 year mine life extracting just 15% of the entire Telkwa coal resource.
- 3.6:1 BCM/ROMt strip ratio.
- 75% average yield for all metallurgical saleable coal.
- US\$49.7 per tonne average all-in FOB cash cost (ex-port) before interest and tax.
- US\$54.3M start-up capital expenditure.
- A\$407.3M NPV8% pre-tax.

Bathurst has commenced a revision to the DFS now that ownership has passed. A preliminary review of the DFS clearly indicates inflationary impacts on All in Cash Cost and Startup Capital but this is also offset by significant changes in the long-term pricing assumptions.

<sup>1</sup> For further details on the basis of these DFS Results see Allegiance Coal March 2019 DFS Update

# TRANSACTION TERMS

Bathurst, through its new subsidiary Bathurst Resources (Telkwa) Ltd (**Bathurst (Telkwa)**), has entered into an asset purchase agreement to acquire the assets of the Tenas Project (**Agreement**). The vendor is Telkwa Coal Limited (**Vendor**).

## Consideration

The consideration payable by Bathurst Telkwa to the Vendor under the Agreement is:

### *Initial Payments*

- Upfront payment of USD \$2.33 million at closing.
- Payment of USD \$1.0 million in 45 days after closing.

### *Deferred Consideration*

- Payment of USD \$4.0 million upon receiving all final permits (including all operational and environmental permits) to develop, construct and operate the Tenas Project mine.
- Payment of USD \$3.0 million on the first anniversary of receiving all final permits.

### *Royalty*

- A capped royalty of up to USD \$3 million payable at the rate of USD \$2 per tonne in respect of coal sales from the Tenas Project, where the sales price (excluding taxes) is above USD \$200 per tonne (FOB) from the Tenas Project, over the first three years after the commencement of commercial production.



# ENVIRONMENTAL ASSESSMENT PROGRESS

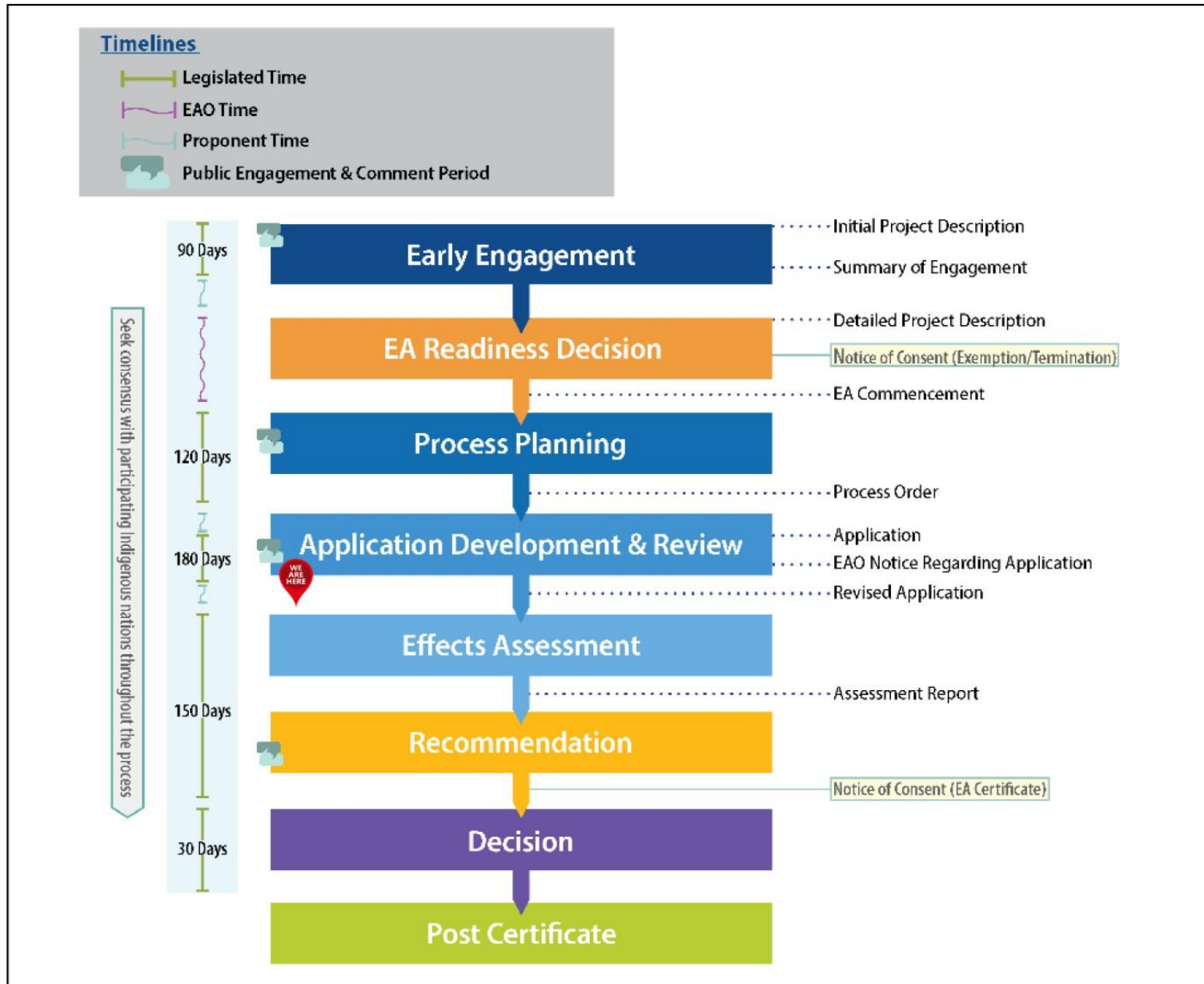


Figure 1 - Overview of the 2018 EA Process

- Tenas Project is currently in the completion review process with the **BC-EAO**.
- The next step is the Effects Assessment leading to a recommendation

# CROWN MOUNTAIN PROJECT

Crown Mountain – a premium low volatile hard coking coal exploration project, due to enter production 2026, and produce 2Mt per year.

## ECONOMICS

- Pre-tax NPV10 USD \$469m<sup>1</sup>.
- FOB Vancouver USD 89.41/t.

## RESOURCE

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

## STATUS

- Environmental application executed January 2023.

## INVESTMENT

- CAD \$15.5m to date.
- 22.1% equity share.
- Buy-in to 50% for CAD \$106m (\$121.5m total).
- Further investment at Bathurst's sole discretion.



Refer to the announcement by joint venture partner Jameson Resources to support the above project metrics [HERE](#)

<sup>1</sup>Based on USD \$155 HCC price per tonne.

# QUESTIONS?