

ASX & NZX Release – 29 April 2015

BATHURST RESOURCES LIMITED

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RICHARD TACON

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GRAHAM ANDERSON

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DIRECTORS

Malcolm Macpherson – *Non Exec Chairman*
Richard Tacon – *Executive Director*
Toko Kapea – *Non Exec Director*

ISSUED CAPITAL

(at 31 March 2015):

947,828,434 Ordinary Shares
518,076 Unlisted Options &
Performance Rights
NZX & ASX Code: BRL

SUBSTANTIAL SHAREHOLDERS

(at 31 March 2015):

L1 (9.67%)
Republic Investment Management
(7.97%)
Asian Dragon Acquisitions (6.05%)

All dollar amounts referred to in this report are in New Zealand dollars

QUARTERLY ACTIVITIES REPORT

For three months ended 31 March 2015

1. Highlights

- **New CEO appointed**
- **Operations cash positive**
- **New Brighton acquisition settled**
- **Mining operations resumed at Canterbury**

2. Operating Summary

Bathurst's operations recorded another quarter without a lost time injury or a reportable environmental incident.

Richard Tacon has been appointed CEO following the resignation of Hamish Bohannan. He will lead a scaled down team focused on production efficiencies and cash generation from the company's domestic operations whilst adding value to the export assets.

Easing drought conditions in the south island saw coal sales increasing and a positive result in terms of operating cash flow.

The New Brighton permit acquisition was finalised on a deferred consideration basis, which will further preserve the company's cash balance.

Canterbury Coal resumed mining operations after a review of the coal processing systems.



3. Operations Report

3.1 Health, Safety and Environment

Bathurst's operating mines, project works and exploration activities have been without a lost time injury or a reportable environmental incident for the quarter.

A number of Bathurst employees successfully completed a course in risk management specifically designed for the extractive industry. This is now a requirement for industry personnel in safety critical roles under the new 2013 mining regulations. 29 staff were in attendance including site senior executives, A and B grade open cast managers and technical staff.

3.2 Production

Production was down on the previous quarter while coal winning was scaled back in light of the reduced demand from food and dairy processing industries caused by local drought conditions. Recent rain has seen the conditions improving and sales returning to near forecast levels.

	Production (Raw coal tonnes)	Overburden (bcm's)
Cascade	22,059	105,538
Escarpment	1,936	
Takitimu	73,272	515,484
Canterbury Coal	1,080	36,956
Total	98,347	657,978

3.3 Buller Operations

Coal winning and overburden removal at Cascade was on target for the month and work progressed on the realignment of the access road. Work continued at Escarpment establishing site facilities with some coal recovered in the process. This has been blended with product from Cascade for sales into the local market.

Further samples were taken from Escarpment during the quarter for testing by a potential end user, although there are still no plans for the immediate ramp up of the operation while export coal prices remain depressed.

3.4 Takitimu

Mining continued to plan in the Coaldale block while rehabilitation of the Takitimu South Pit is progressing well. Overburden from Coaldale is being used as backfill for this operation.

Dust suppression systems have been installed by the ROM pad, processing and loadout areas.

In April, Todd Barclay, member for Clutha Southland, undertook a site visit of the Takitimu operations.



MP Todd Barclay and Takitimu Operations Manager, Paul Feaver

3.5 Canterbury Mine

Work has resumed at Canterbury following an upgrade to the coal processing systems. Some coal is still being supplied to local customers from the Takitimu mine until steady state mining resumes. Site upgrades are also being undertaken in preparation for the resumption of full mining activities.

4. New Brighton acquisition completed

In March, the company completed the acquisition of the shares in New Brighton Collieries Limited, holder of the New Brighton coal exploration permit.

The acquisition was finalised under amended terms which saw an ongoing deferred consideration replacing the final payment of NZ\$13.25 million and preserving the company's cash reserves.

The acquisition will provide Bathurst with expansion opportunities to support ongoing supply to the south island dairy processing industry.

5. Exploration

Drilling and exploration during the quarter was limited to that required to meet permit obligations. Work is ongoing on bringing reserve and resource reporting in line with the new 2012 JORC guidelines.

6. Corporate

In March, Managing Director and Chief Executive Officer, Hamish Bohannon, resigned. Hamish joined Bathurst in 2008 and more recently oversaw the consenting process for the Escarpment project. The board would like to thank Hamish for leading the company through to its current stage of development.

Richard Tacon was appointed as Chief Executive Officer in March and joined the board as executive director in April. A New Zealander by birth, Richard returned to Wellington to take up the role of Chief Operating Officer for Bathurst in 2012 after over 30 years of working in the mining industry in Australia. He has held senior leadership roles in the coal sector for the past decade. Richard holds first, second and third class coal mining qualifications and sits on the board of the Mines Rescue Trust.

7. Cashflow and outlook

The operations were marginally cash positive for the quarter.

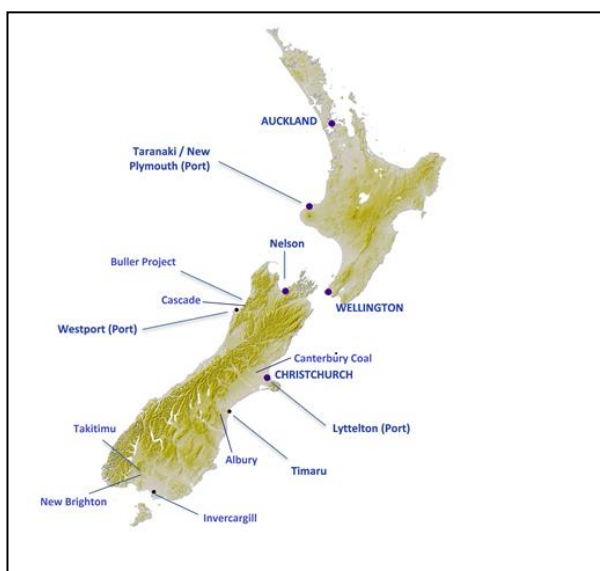
As the impact of the recent efficiency reviews take effect it is expected that the company will continue to improve on this position.

8. About Bathurst Resources Limited

Bathurst is an NZX and ASX listed resources company. Its operations are in the South Island of New Zealand where it aims to be a leading coal producer, delivering high quality coking coal into export markets, providing coal for local cement manufacture and providing energy for the domestic food and dairy processing industries.

In June 2013 the company completed its redomicile from Australia to become a wholly New Zealand company. Bathurst now employs over 100 staff in New Zealand and has its head office in Wellington.

The flagship for the company is the Buller Coal Project near Westport, currently producing semi soft coking coal for local cement production but ultimately targeting high quality export coking coal for the steel mills of Japan, India and Asia.



Bathurst has a growing domestic business supplying energy to major South Island industrial users. Bathurst currently has three operating mines – Cascade/Escarpment at Buller, Takitimu at Nightcaps in Southland and Canterbury, west of Christchurch. Cascade and Escarpment primarily provide coal as feedstock for the local cement industry. Whilst Cascade and Escarpment are on the same seam, the coal improves from semi-soft at Cascade to a premium blend coking coal on the plateau. Takitimu and Canterbury supply cost effective energy to the South Island agri-sector, mainly the food and dairy industries. The domestic sales provide a sound revenue stream to support the development of the export business.

The company also operates coal handling and distribution centres in Timaru and Rolleston.

The Buller Coalfield is situated on the west coast of the South Island of New Zealand. It is regarded as one of the country's most significant fields and is particularly well known for its production of high quality, low ash and high fluidity coking coals which are highly sought after by international steelmakers.

The Southland and Canterbury coal fields comprise sub-bituminous coals which are used as an energy source for local industry in the South Island, where other options for power and energy infrastructure are either not available or not commercially viable.

The Buller Project will comprise mining operations north and south of the Solid Energy Stockton mine, blending coal from the various coal blocks to create a high grade west coast export product.

The first production block at Buller is Cascade in the southern area, adjacent to the Escarpment and Coalbrookdale blocks. Cascade has historically produced around 45,000 tonnes per annum of high value low contaminant coal for the local industrial market. A large cut back to expose new coal areas completed last year, supporting capacity to produce over 100,000 tonnes per annum. Increased production will allow the coal from Cascade to be blended into the high quality export product with a proportion continuing to supply the cement manufacturing industry, once the export market recovers.

The key first stage for the export of coal from the project is the establishment of the Escarpment block which is targeting an initial output of 500,000 tonnes per annum of coal for international steel markets once global coal prices recover. Site works have commenced and the coming months will see the mine developed to a stage where it can quickly move into steady state production to meet export demand when prices improve. Over the life of the block, total production is expected to increase to around one million tonnes per annum.

The next blocks to be developed at Buller as production from Escarpment extends outward are Coalbrookdale and Whareatea West. Coalbrookdale is fully consented for underground mining however Bathurst intends to apply for opencast consents for parts of the deposit which can be developed as an extension of Escarpment.

Whareatea West, which adjoins the Escarpment permit's western boundary, is an Exploration Permit. The company is currently gathering data in preparation for the consenting of this area of operation.

Bathurst has further coal blocks north of the Stockton Plateau. These blocks are contained within two separate Exploration Permits; Buller and Coal Creek. Preliminary analysis indicates that the very low ash, higher sulphur coal from this area can be blended with coal from the southern blocks to produce a single West Coast premium product. Coal from both the northern and southern blocks will be trucked to the same stockpile and washplant site established on the coastal plain, negating the need to duplicate infrastructure.

APPENDIX 11

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

Bathurst Resources Limited
(Name of Mining Issuer)

For Quarter ended March 2015.....
(referred to in this Quarter as the "Current Quarter")

Quarterly Report of Consolidated Cash Flows in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are **unaudited**. If these figures are based on audited accounts, a statement is required of any material qualification made by the auditor. The Mining Issuer has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1. CASH FLOWS RELATING TO OPERATING ACTIVITIES

- (a) Receipts from product sales and related debtors
- (b) Payments for exploration and evaluation
 - for development
 - for production
 - for administration
- (c) Dividends received
- (d) Interest and other items of a similar nature received
- (e) Interest and other costs of finance paid
- (f) Income taxes paid
- (g) Other

(h) NET OPERATING CASH FLOWS

2. CASH FLOWS RELATED TO INVESTING ACTIVITIES

- (a) Cash paid for purchases of
 - prospects
 - equity investments
 - other fixed assets
- (b) Cash proceeds from sale of
 - prospects
 - equity investments
 - other fixed assets
- (c) Loans to other entities
- (d) Loans repaid by other entities
- (e) Other

(f) NET INVESTING CASH FLOWS

3. CASH FLOWS RELATED TO FINANCING ACTIVITIES

- (a) Cash proceeds from issues of shares, options, etc
- (b) Proceeds from sale of forfeited shares
- (c) Borrowings
- (d) Repayments of borrowings
- (e) Dividends paid
- (f) Other

(g) NET FINANCING CASH FLOWS

4. (a) *NET INCREASE (DECREASE) IN CASH HELD

- (b) Cash at beginning of quarter / year to date
- (c) Exchange rate adjustments to Item 4(a) above

(d) CASH AT END OF QUARTER

Current Quarter \$NZ 000	Year to Date (9 Months) \$NZ 000
13,210	37,223
(24)	(305)
(897)	(2,729)
(10,725)	(31,883)
(1,370)	(4,739)
-	-
26	77
(217)	(729)
254	245
10	22
267	(2,818)
(494)	(938)
-	-
(195)	(1,154)
-	-
-	-
-	3,075
-	-
-	-
-	-
(689)	983
-	47
-	-
-	-
(623)	(2,141)
-	-
-	(35)
(623)	(2,129)
(1,045)	(3,964)
5,936	8,855
-	-
4,891	4,891

5. NON-CASH FINANCING AND INVESTING ACTIVITIES

(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

(b) Provide details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.

N/A

6. FINANCING FACILITIES AVAILABLE

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

Loan facilities

Credit standby arrangements

Total

Amount Available \$NZ 000	Amount Used \$NZ 000
3,597	3,597
505	-
4,102	3,597

7. ESTIMATED OUTLAYS FOR SPECIFIED QUARTERS

(a) Exploration and evaluation

(b) Development

(c) Production

(d) Administration

TOTAL

Current Quarter# \$NZ 000	Following Quarter \$NZ 000
122	48
598	657
11,136	9,061
1,602	1,659
13,458	11,425

8. RECONCILIATION OF CASH

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Cash at the end of the quarter as shown in the statement of cash flows is reconciled to the related items in the amounts as follows:

Cash on hand and at bank

Deposits at call

TOTAL

Current Quarter \$NZ	Previous Quarter \$NZ
2,127	2,937
2,764	2,999
4,891	5,936

9. CHANGES IN INTERESTS IN MINING TENEMENTS

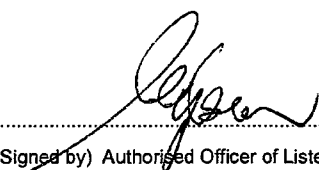
	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(a) Interests in mining tenements relinquished, reduced and/or lapsed	51212	Exploration permit (reduced area)	100%	100%
(b) Interests in mining tenements acquired and/or increased				

(c) Where changes are reported in (a) and/or (b), an amended list of interests in mining tenements is to be attached to this statement.

10. ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Category of Securities	Number Issued	Number Quoted	Paid-Up Value Cents	
PREFERENCE SHARES:				
Issued during current quarter:				
ORDINARY SHARES:	947,828,434	947,828,434		
Issued during current quarter:	nil	nil		
Conversion of performance rights:	nil	nil		
OPTIONS:			Exercise Price* AUD	Expiry Date
Issued during current quarter:	nil		-	-
PERFORMANCE RIGHTS:			Exercise Price	
Issued under the company's long term incentive plan:	518,076	518,076	n/a	
Issued during current quarter:			n/a	
DEBENTURES – totals only:	\$	\$		
UNSECURED NOTES – totals only:	\$	\$		

Description includes rate of interest and any redemption or conversion rights together with prices and dates thereof.


 (Signed by) Authorised Officer of Listed Issuer

29/4/2015
 (Date)

Bathurst Resources Limited

Addendum

ASX Listing Rule 5.3.3

➤ *The mining tenements held at the end of each quarter and their location*

<i>Reference</i>	<i>Location</i>	<i>Interest</i>
51-078	EP Coal Creek	100%
51-212	EP Moody Creek	100%
51-258	EP Greymouth	100%
51-260	EP Ohau Southland	100%
51-279	MP Escarpment	100%
52-147	EP Greymouth	100%
52-484	PP Canterbury Albury	100%
52-713	EP West Coast	100%
53-614	MP Coaldale	100%
53-756	EP Mokihinui	100%
54-031	EP West Coast	100%
54-389	EP Waikato	100%
54-505	EP West Coast	100%
54-512	EP Flat Creek Tasman	100%
54-590	EP Inangahua	100%
54-658	EP North Reefton	100%
54-846	EP Albury	100%
54-896	PP Buller	100%
54-933	EP Home Hills Otago	100%
54-935	PP Waitaki Otago	100%
55-199	EP Waikato	100%
40-591	EP West Coast	100%
40-625	EP Southland	100%
40-628	EP West Coast	100%
41-274	MP Cascade Creek	100%
41-332	MP Cascade Creek	100%
41-372	MP Canterbury	100%
41-455	MP Cascade Creek	100%
41-456	MP Cascade Creek	100%