

18 July 2024

Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

TAWHAI TUNNEL FAILURE

Bathurst Resources Limited (ASX:BRL) (**Bathurst**) announces as a matter of continuous disclosure a tunnel failure on the rail line between the BT Mining joint venture Stockton mine and Lyttleton Port. The infrastructure is owned by a third party and is external to the mine site.

Bathurst is updating the Stockton mine plan and is communicating with customers to align the requirement with short term production capacity.

Background

On 15 June 2024 while KiwiRail were undertaking track maintenance in Tunnel 1 (Tawhai Tunnel) on the Stillwater to Ngakawau rail line, debris was noticed on the tunnel floor and work was halted and the tunnel immediately evacuated.

Subsequent drone inspections of the tunnel revealed a partial roof collapse of the tunnel lining approximately two thirds of the way into the tunnel. The tunnel is 373m long and was constructed in the 1890's with brick lining.

Initial indications provided by KiwiRail were that the tunnel would be closed for 2 to 3 months but would be more accurately quantified once physical entry could be gained. This initial timeline did not impact our FY24 or FY25 shipping plans with a road freighting plan implemented to bypass the tunnel and enable us to fulfill planned key customer shipments during this time.

Following a further detailed inspection and the preparation of a re-entry plan endorsed by Worksafe, KiwiRail has advised Bathurst that the updated repair timeline will mean that the tunnel and rail line may not be available until December 2024.

The updated timeline is dependent on the assessment of the failed lining of the tunnel, the tunnel condition, remediation plan and WorkSafe endorsement to undertake the required repair works. The timeline will become clearer once the first phase of the re-entry plan is completed.

Looking forward

Our current shipping plan has incorporated road freight from our rail loadout infrastructure at Ngakawau to a rail loadout facility in Ikamatua.

Allowing for the revised repair timeline of the tunnel, our shipping plan for FY25 has been reviewed and the extended closure period will result in an expected reduction in export volumes of 250kt from the Stockton mine, that is, from a planned 1.2mt to 950kt.

Bathurst is currently working on updating the mine plan to reflect the updated freight capacity, shipping plan and sales mix. Communication with customers is ongoing to align requirements with short term production capacity. Following a full analysis of the impact on the first 6 months shipping schedule there will be an update in the form of the guidance for FY25. This will be reported in the June Quarterly Report at the end of July.

Further Information

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This release was authorised for issue by the Board.