

# **BATHURST RESOURCES LIMITED**

**NZCN 4382538**

## **Notice of Annual General Meeting Explanatory Statement and Proxy Form**

**Date of Meeting**

Wednesday 29 November 2017

**Time of Meeting**

9:00 a.m. (NZDT)

**Place of Meeting**

Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.*

*If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.*

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF BATHURST RESOURCES LIMITED CN 4382538 ("Bathurst"/ "Company") WILL BE HELD AT MINTER ELLISON RUDD WATTS, LEVEL 18, 125 THE TERRACE, WELLINGTON, NEW ZEALAND ON WEDNESDAY 29 NOVEMBER 2017, AT 9:00 A.M. (NZDT).

### AGENDA

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

#### ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the Directors and the Auditors for the financial year ended 30 June 2017.

Note: A copy of the Company's 2017 Annual Report is available at [www.bathurst.co.nz](http://www.bathurst.co.nz)

#### RESOLUTIONS

**1 Resolution 1 – Re-election of Mr Peter Westerhuis as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*That Mr Peter Westerhuis, who retires by rotation in accordance with Listing Rule 14.4, and being eligible offers himself for re-election, be re-elected as a Director.*

**Voting Exclusion Statement:** none required.

**2 Resolution 2 - Approval for Issue of Performance Rights to Mr Richard Tacon**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to the Executive Director of the Company, Mr Richard Tacon (or his nominee), of up to 1,215,067 Completion Performance Rights on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Completion Performance Rights.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 2 by Mr Richard Tacon and any person associated with him. However, the Company will not disregard any votes cast on Resolution 2 if it is cast by:

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**3 Resolution 3 – Approval for Issue of Performance Rights to Mr Russell Middleton**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to the Executive Director of the Company, Mr Russell Middleton (or his nominee), of up to 765,492 Completion Performance Rights on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Completion Performance Rights.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 3 by Mr Russell Middleton and any person associated with him. However, the Company will not disregard any votes cast on Resolution 3 if it is cast by:

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



Bill Lyne  
Company Secretary  
Dated: 10 November 2017

## **ENTITLEMENT TO ATTEND AND VOTE**

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 5:00 p.m. (NZDT) on 27 November 2017. This is because the Board has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **HOW TO VOTE**

### ***Voting in person***

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

### ***Corporate Representatives***

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting. Any Letter of Corporate Representation must be provided to the Company's share registry no later than 48 hours prior to the date and time for the convening of the Meeting.

### ***Voting by proxy***

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative to exercise its powers as proxy at the Meeting (see above).

In order to appoint a proxy, a Shareholder will need to complete and return the Proxy Voting Form attached to this Notice of Meeting.

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed Proxy Voting Form or obtain a form from the Company's share registry.

To be effective for the Meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at the address or fax number below no later than 9.00 a.m. (NZDT) 27 November 2017, being not later than 48 hours before the time of the Meeting. Any proxy appointment received after that time will not be valid for the Meeting.

The Chairman of the meeting or any other Director who is appointed as proxy intends to vote discretionary proxies in favour of the relevant resolution.

### ***Share Registry***

On-line [www.investorvote.co.nz](http://www.investorvote.co.nz)

By mail Computershare Investor Services Limited

Private Bag 92119

Auckland 1142 New Zealand

By fax +64 9 488 8787

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed Proxy Voting Form.

***Voting by attorney***

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at the address listed above for the receipt of proxy appointments no later than 9.00 a.m. (NZDT) 27 November 2017.

## Explanatory Statement

This Explanatory Statement is for the information of Shareholders of Bathurst Resources Limited (the 'Company') in connection with Resolutions to be considered at the Annual General Meeting of the Company to be held on Wednesday 29 November 2017 at 9:00 a.m. (NZDT). If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

### Ordinary Business

#### Annual Financial Report

The Annual Report 2017 (including the financial statement, Directors' report and Auditor's report for the financial year ended 30 June 2017) is available for review by Shareholders at [www.bathurst.co.nz](http://www.bathurst.co.nz) and will be tabled at the Meeting.

Whilst there is no requirement for Shareholders to approve the Annual Report, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

#### 1 Resolution 1 – Re-election of Mr Peter Westerhuis as a Director

Listing Rule 14.4 requires that any person who is appointed as a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Mr Peter Westerhuis therefore retires at the forthcoming Annual General Meeting in accordance with Listing Rule 14.4 and being eligible, has offered himself for election at the meeting.

Mr Westerhuis was appointed to the Board on 29 April 2015 as an Independent Director. He is Chairman of the Health, Safety, Environment & Community Committee and a member of the Remuneration & Nomination Committee of the Board.

Mr Westerhuis is a professional engineer with post-graduate business qualifications and more than 30 years of Australian and international resources experience in the iron ore, gold and coal industries; the last ten years at CEO and MD level. He has successfully developed and managed large mining and processing operations including overseeing the transition from explorer to producer.

Mr Westerhuis has undertaken many complex commercial negotiations for joint ventures, capital funding, contracts, litigation, product marketing and off-take agreements. He is particularly passionate about health and safety, teamwork, operational effectiveness, business improvement and project delivery. He is currently the CEO of Batchfire Resources Pty Ltd, owner of the Callide Mine in Central Queensland. Previously he worked for 11 years at the Ensham Joint Venture, including four years as CEO, developing and operating large open cut and underground coal reserves in Queensland.

The Board, with Mr Westerhuis abstaining, recommend that Shareholders vote in favour of Resolution 1.

## **2 Background to Resolutions 2 & 3: Issue of Performance Rights**

### **2.1 Background**

Shareholders are being asked to approve each of Resolutions 2 and 3 to allow performance rights (and Shares that may be issued upon the vesting and exercise of those performance rights) to be issued to:

- the Company's Executive Director/CEO, Mr Richard Tacon, 1,215,067; and
- the Company's Executive Director/CFO, Mr Russell Middleton, 765,492

all as set out below (**Completion Performance Rights**), in recognition of them being instrumental in the successful settlement, completion and transition of certain assets from Solid Energy New Zealand Limited (subject to Deed of Company arrangement) to the Company (**Completion**) pursuant to a sale agreement (**Sale Agreement**) and for each of them agreeing to remain in the employment of the Company up until at least 31 December 2018 to assist in the satisfactory integration of the acquired operations.

The Board considers each of Mr Tacon and Mr Middleton were instrumental in relation to the Completion. The assets acquired by the Sale Agreement will complete two key components of the Company's strategy, being:

- entry into the export market in an efficient and scalable manner; and
- exposure to the North Island thermal coal market.

The Sale Agreement accelerates the Company's entry into the export market and provides the Company with an established platform of deep customer relationships, infrastructure and resources. The Sale Agreement also has direct benefits for the Company's existing Buller Plateau assets, which can potentially benefit from the acquired infrastructure.

The Board therefore considers that each of Mr Tacon and Mr Middleton is a critical contributor to the ongoing performance of the Company, given their proven track records with the Company and the substantial knowledge, skills, time and effort they have applied to source, investigate and deliver this transformative transaction for the Company. The proposed issue of Completion Performance Rights detailed in each of Resolutions 2 & 3 is therefore part of the Company's overall retention strategy.

Accordingly, the Board has determined that the proposed grant of Completion Performance Rights as stated in each of Resolutions 2 & 3 is, in its opinion, appropriate.

### **2.2 Terms of the Completion Performance Rights**

In recognition of the contingent nature of the benefits to the Company that will be derived as a consequence of the Sale Agreement and Completion, the Board has determined that the Completion Performance Rights will be granted on the following terms:

- the Completion Performance Rights will vest on 31 December 2018.

- the Completion Performance Rights will lapse if the holder of those Completion Performance Rights does not remain employed by the Company until 31 December 2018 (subject to 2.3 below); and
- each vested Completion Performance Right, when exercised, entitles the participant to acquire one Share;
- the issue price in respect of each Completion Performance Right is nil;
- the exercise price in respect of each Completion Performance Right is nil; and
- the Completion Performance Rights must be exercised within 90 days upon vesting.

### **2.3 Vesting of the Completion Performance Rights**

In addition to the circumstances described at 2.2 above, a Completion Performance Right that has not lapsed will also vest if:

- the person who holds the Completion Performance Right dies;
- a change of control event occurs in relation to the Company; or
- the Board determines that a Completion Performance Right becomes a vested Completion Performance Right, and the Board gives the person who holds that Completion Performance Right written notice that the Completion Performance Right has vested and that it may be exercised on and from the date the person receives such notice.

## **3 Resolution 2 – Approval for Issue of Performance Rights to Mr Richard Tacon**

### **3.1 Background**

The Board has resolved to issue to Mr Richard Tacon, subject to obtaining prior shareholder approval for the purposes of Listing Rule 10.11, 1,215,067 Completion Performance Rights in recognition of the successful Completion as set out above.

Assuming Resolution 2 is approved of by Shareholders at the Meeting, all Completion Performance Rights will, when vested, entitle the holder to convert their Completion Performance Rights into fully paid ordinary shares in the Company that rank equally with all other Shares then on issue. However, no such Shareholder approval of this proposed issue of the Completion Performance Rights has been obtained prior to the Meeting.

Listing Rule 10.11 requires Shareholder approval to be obtained (subject to certain exceptions) where an entity issues, or agrees to issue, equity securities (which includes convertible securities) to a related party, or a person whose relationship with the entity or related party is, in ASX's opinion, such that approval should be obtained.

Mr Tacon is a related party of the Company as he is a Director of the Company.

After Shareholder approval is obtained, any shares issued upon exercise of a Completion Performance Right will fall under Exception 7 in Listing Rule 10.12.

### **3.2 Terms of the Completion Performance Rights**

The terms of the Completion Performance Rights are set out at 2 above.

### **3.3 Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that the following information be provided to Shareholders when seeking an approval for the purposes of Listing Rule 10.11:

- (a) The Completion Performance Rights are to be issued to Richard Tacon (or his nominee);
- (b) Maximum Number of the Completion Performance Rights to be issued – 1,215,067;
- (c) All Completion Performance Rights will be issued and allotted to Richard Tacon (or his nominee) within 1 month after the date of the Meeting;
- (d) Issue price for the Completion Performance Rights - nil cash consideration;
- (e) A voting exclusion statement is included in the Notice of General Meeting preceding this Explanatory Statement.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (Listing Rule 7.2, Exception 14).

The Board, with Mr Richard Tacon abstaining, recommends that Shareholders vote in favour of Resolution 2.

## **4 Resolution 3 – Approval to Issue Performance Rights to Mr Russell Middleton**

### **4.1 Background**

The Board has resolved to issue to Mr Russell Middleton, subject to obtaining prior shareholder approval for the purposes of Listing Rule 10.11, 765,492 Completion Performance Rights in recognition of the successful Completion as set out above.

Assuming Resolution 2 is approved of by Shareholders at the Meeting, all Completion Performance Rights will, when vested, entitle the holder to convert their Completion Performance Rights into fully paid ordinary shares in the Company that rank equally with all other Shares then on issue. However, no such Shareholder approval of this proposed issue of the Completion Performance Rights has been obtained prior to the Meeting.

Listing Rule 10.11 requires Shareholder approval to be obtained (subject to certain exceptions) where an entity issues, or agrees to issue, equity securities (which includes convertible securities) to a related party, or a person whose relationship with the entity or related party is, in ASX's opinion, such that approval should be obtained.

Mr Middleton is a related party of the Company as he is a Director of the Company.

After Shareholder approval is obtained, any shares issued upon exercise of a Completion Performance Right will fall under Exception 7 in Listing Rule 10.12.

### **4.2 Terms of the Completion Performance Rights**

The terms of the Completion Performance Rights are set out at 2 above.

### **4.3 Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that the following information be provided to Shareholders when seeking an approval for the purposes of Listing Rule 10.11:

- (a) The Completion Performance Rights are to be issued to Russell Middleton (or his nominee);
- (b) Maximum Number of the Completion Performance Rights to be issued – 765,492;
- (c) All Completion Performance Rights will be issued and allotted to Russell Middleton (or his nominee) within 1 month after the date of the Meeting;
- (d) Issue price for the Completion Performance Rights - nil cash consideration;
- (e) A voting exclusion statement is included in the Notice of General Meeting preceding this Explanatory Statement.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (Listing Rule 7.2, Exception 14).

The Board, with Mr Russell Middleton abstaining, recommends that Shareholders vote in favour of Resolution 3.

## Appendix 1 – Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

<b>ASX</b>	ASX Limited
<b>Board</b>	board of Directors
<b>Chairman</b>	chairman of the Board of Directors
<b>Company or Bathurst</b>	Bathurst Resources Limited NZCN 4382538
<b>Director</b>	director of the Company
<b>Equity Securities</b>	has the meaning given to that term in the Listing Rules
<b>Explanatory Statement</b>	the explanatory statement that accompanies this Notice of General Meeting
<b>Listing Rules</b>	listing rules of the ASX
<b>Meeting or General Meeting</b>	the General Meeting convened by this Notice of General Meeting
<b>Notice of General Meeting or Notice of Meeting</b>	this notice of Annual General Meeting
<b>NZDT</b>	New Zealand daylight saving time
<b>Proxy Form</b>	the proxy form enclosed with this Notice of General Meeting
<b>Resolution</b>	any of the resolutions that are the subject of the Notice of Meeting
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	holder of a Share in the Company



## Lodge your proxy



**Online**  
[www.investorvote.co.nz](http://www.investorvote.co.nz)



**By Mail**  
Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand



**By Fax**  
+64 9 488 8787

## For all enquiries contact



+64 9 488 8777



[corporateactions@computershare.co.nz](mailto:corporateactions@computershare.co.nz)

## Proxy/Voting Form



**[www.investorvote.co.nz](http://www.investorvote.co.nz)**

Lodge your proxy online, 24 hours a day, 7 days a week:

**Smartphone?**

Scan the QR code to vote now.

### Your secure access information

**Control Number:**

**CSN/Securityholder Number:**

**PLEASE NOTE:** You will need your CSN/Securityholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote and then follow the prompts to appoint your proxy and exercise your vote online.



**For your proxy to be effective it must be received by 9.00am (NZDT) Monday, 27 November 2017**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative to exercise its powers as proxy at the Meeting.

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's share registry. The Chairman of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him or her for that purpose. The Chairman of the meeting or any other director appointed as proxy intends to vote discretionary proxies in favour of the relevant resolution. To do this, enter 'the Chairman' or the name of your proxy in the space allocated in 'Step 1' of this form. Alternatively you can appoint a proxy online at [www.investorvote.co.nz](http://www.investorvote.co.nz). The Chairman will vote all undirected proxies in favour of the resolutions.

### Voting of your Holding

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

### Attending the Meeting

Shareholders who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded. Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

## Signing Instructions for Postal Forms

### Individual

Where the holding is in one name, the securityholder must sign.

### Joint Holding

Where the holding is in more than one name, all of the securityholders should sign.

### Power of Attorney

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

### Companies

This form must be signed by a Director jointly with either another Director or a Company Secretary, or a Sole Director can also sign alone. Please sign in the appropriate place and indicate the office held.

### Corporate Representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting. Any Letter of Corporate Representation must be provided to the Company's share registry no later than 48 hours prior to the date and time for the convening of the Meeting.

### Comments & Questions

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Go online to lodge your proxy, or turn over to complete the form**

# Proxy/Corporate Representative Form

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a shareholder/s of Bathurst Resources Limited hereby appoint

the Chairman of the Meeting **OR**

 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions at the **Annual General Meeting of Bathurst Resources Limited to be held at the offices of Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand on Wednesday 29 November 2017 at 9.00am (NZDT)** and at any adjournment of that meeting.

## STEP 2 Items of Business - Voting Instructions/Ballot Paper (if a Poll is called)

**Please note:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business	For	Against	Proxy Discretion	Abstain
<b>Resolution 1</b> Re-election of Mr Peter Westerhuis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Approval for Issue of Performance Rights to Mr Richard Tacon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Approval for Issue of Performance Rights to Mr Russell Middleton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SIGN Signature of Securityholder(s) This section must be completed.

<p>Securityholder 1</p> <input style="width: 270px; height: 25px;" type="text"/> <p>or Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <input style="width: 270px; height: 25px;" type="text"/> <p>or Director</p>	<p>Securityholder 3</p> <input style="width: 270px; height: 25px;" type="text"/> <p>or Director/Company Secretary</p>
---	---	---

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_\_

### ATTENDANCE SLIP



Annual General Meeting of Bathurst Resources Limited to be held at the offices of Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand on Wednesday 29 November 2017 at 9.00am (NZDT)