

Bathurst Resources Limited

Interim financial report for the six months ended 31 December 2024

Incorporating the requirements of Appendix 4E.

This financial report announcement incorporates the final report given to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.

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Results for announcement to the market

For the six months ended 31 December 2024

Financial measures	H1 FY25 \$000	H1 FY24 \$000	% change
Sales revenue and other income	22,848	23,021	(1%)
Profit from ordinary activities after tax	8,272	9,069	(9%)
Profit after tax	8,272	9,069	(9%)

Per share measures	H1 FY25 Amount per share (cents)	H1 FY24 Amount per share (cents)	% change
Basic earnings per share	4.28	4.74	(10%)
Diluted earnings per share	4.24	4.67	(9%)
Net tangible assets per share	168.96	148.17	14%

There were no interim dividends paid or declared in respect of the six-month period ended 31 December 2024.

Included in profit after tax is \$10.4m profit after tax relating to Bathurst's 65 percent equity share of profit in joint venture BT Mining Limited (31 December 2023: \$12.2m).

Financial and operating overview

For the six months ended 31 December 2024

Letter from the Chief Executive Officer

I am pleased to advise that Bathurst was able to report a first half consolidated EBITDA of \$27.5m, which was ahead of forecast. Delivered in a challenging period for our operations, this result represents a significant achievement by management and staff on behalf of shareholders. As a result, Bathurst has been able to maintain a strong consolidated cash position which, including restricted short-term deposits, totalled \$141m as at 31 December.

The first half of FY25 was particularly challenging for our export segment which was faced with the extended closure of the Tawhai Tunnel between Stockton and the port at Lyttleton. The subsequent rail outage adversely impacted export shipments for six months, during which time we had to implement a more expensive and less productive road freighting strategy to meet a revised sales plan.

While H1 FY25 consolidated EBITDA was ahead of forecast, the result was a reduction of \$0.7m when compared to H1 FY24. The decrease is primarily a result of the reduced earnings from our export segment. Despite maximising our road freight plan while the Tawhai Tunnel was being repaired, unfortunately the reduced export sales volumes coupled with a weakened HCC benchmark price, impacted our overall performance.

In good news for our export segment, shortly after the close of the H1 reporting period during January, KiwiRail, as the infrastructure owner, finalised the repairs and reopened the Tawhai Tunnel on the rail line from the Stockton mine to Lyttleton port. The tunnel has been closed since June following failures in the tunnel lining. While the road freight plan has enabled operations to continue at the Stockton mine and meant the retention of all workers at the mine, it resulted in reduced freight capacity and increased freight costs per tonne. Rail services were reimplemented on 13 January and the Stockton mine will increase to a 7 day a week rail schedule until the end of June 2025 to fulfil export customer shipments.

During a period when our export segment faced both operational and market challenges, I am pleased to report that our North Island and South Island domestic segments were able to deliver positive results, financially and operationally. The financial performance of the domestic segment has improved significantly from H1 FY24 and these improved results have partially offset the reduction in earnings from the export segment.

At Rotowaro, substantial progress was made, and the mine is advancing forward in the stripping phase of the Waipuna West Extension pit. This has seen significant increases in overburden removal and 4.1 million bcm has been moved in the first half of the year, which has been achieved while also doubling coal production when compared to the corresponding period in FY24.

Pleasingly, Takitimu has also outperformed the forecast for overburden removal, coal production and sales, and the achievement at both mines again reflects a very strong performance by the management and the teams involved.

The average HCC benchmark price for H1 FY25 was USD \$214/t and remained relatively stable during the second quarter, averaging USD \$198/t, following earlier declines during the first quarter. The NZD:USD exchange rate also dropped during H1, which has partially offset the reduction in the HCC benchmark pricing.

The decrease in the HCC benchmark price in H1 FY25 is expected to have a negative impact on our full year export earnings. As a result, the board and executive management decided to downgrade our full year consolidated EBITDA guidance to \$45m-\$55m, a reduction of \$10m.

Looking forward, in the near term it is unlikely there will be any significant upside in the HCC benchmark pricing with most buyers currently well stocked ahead of the Lunar New Year holidays and taking a wait and see approach given the uncertain market, and low steel demand fundamentals. Any further reductions in the HCC benchmark will be partially offset by forward coal sales hedging; at the end of December, we had 125kt hedged at an average of NZD \$388/t. However, into the medium to long term, demand for coking coal is still expected to increase as more steel and coke plants come online over the next 5 – 10 years, especially in India who continue to aim for significant steel growth targets.

Finally, I am pleased to report that during December 2024 the Fast Track Approvals Bill had passed its third reading and was enacted in Parliament.

As we announced previously, this is great news, not only Bathurst, but also for numerous industries planning projects and developments in New Zealand. Both the Buller Plateaux Continuation Project (Export) and the Rotowaro Continuation Project (North Island Domestic) were previously accepted as projects of regional or national benefit and listed on Schedule 2 of the Fast Track Approvals Bill.

The purpose and expectation of the new legislation is that listed projects will be processed in a shorter statutory timeframe, and I look forward to updating shareholders on how this progresses during the year.

Financial and operating overview

For the six months ended 31 December 2024

Financial overview

Note that figures in this section are 100 percent Bathurst and 65 percent BT Mining.¹

Financial measures	H1 FY25 \$m	H1 FY24 \$m
Revenue ²	118.9	135.0
EBITDA ³	27.5	28.2
Net profit after tax	8.3	9.1
Cash	140.7	131.8

The financial results for the first six months of FY25 reflect reduced earnings from the export segment which was partially offset by increased earnings in the domestic segment.

Key movements in net profit after tax are:

Equity share of joint venture BT Mining profit	-\$1.8m	Decrease in export segment earnings, driven reduced sales volumes due to the closure of the Tawhai tunnel. The HCC benchmark price has also reduced when compared to FY24. Increased earnings from the North Island domestic segment partially offset the reduction in the export segment. Refer to export and domestic operations overview for further information.
BRL gross operating profit	+\$2.3m	Reduction in the direct costs of mining at the Takitimu mine driven by a reduction in fuel pricing as well as favourable mining conditions linked to the life of mine.
Finance costs	-\$1.2m	Costs associated with the revaluation and unwinding of discount of the USD deferred consideration related to the purchase of the Tenas project in British Columbia.
Fair value movement on deferred consideration	+\$0.7m	Fair value revaluation of the USD deferred consideration related to the purchase of the Tenas project in British Columbia.

1 The financial overview represents 100 percent of Bathurst operations, and 65 percent of BT Mining operations. This presentation does not reflect reporting under NZ GAAP or NZ IFRS, but is intended to show a combined operating view of the two businesses for information purposes only.

2 Coal sales revenue to customers, including realised FX and coal pricing hedges. Unrealised movements in coal pricing and FX hedging go through other comprehensive income.

3 Earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

Financial and operating overview

For the six months ended 31 December 2024

Operations overview

Export

Measure			Export H1 FY25	Export H1 FY24
Production (100% basis)	kt		395	448
Sales (100% basis)	kt		314	494
Overburden (100% basis)	Bcm 000		2,773	2,494
Revenue incl. realised hedging (equity share)	\$'000		66,344	94,540
Average price received per tonne (100% basis)	\$/t		325	273
EBITDA (equity share)			25,033	30,584

Production and sales	Reduction in production and sales due to the Tawhai tunnel closure.
Revenue	<ul style="list-style-type: none"> Decreased average price received per tonne excluding hedging \$274 H1FY25 vs \$294 H1FY24. Increased average price received per tonne including hedging. \$325 H1FY25 vs \$273 H1FY24. The average benchmark price was USD \$214/tonne H1FY25 versus USD \$284/tonne H1FY24. Export sales are a mix of being priced against the spot price or a prior 3-month average (t minus 1).
Earnings	<p>Underlying cost decreases have partially offset the reduction in revenue:</p> <ul style="list-style-type: none"> Fuel costs have decreased, both from a price and volume perspective. Profit share for employees has reduced, which is pegged to a reduction in sales revenue. Increase in freight costs related to the road freight plan required while the Tawhai tunnel was being repaired. Contractor costs have increased related to increased overburden removal as well as additional civil and project work undertaken.

Financial and operating overview

For the six months ended 31 December 2024

Operations overview continued

Domestic

Measure		Domestic H1 FY25	Domestic H1 FY24
Production (100% basis)	kt	403	322
Sales (100% basis)	kt	390	357
Overburden (100% basis)	Bcm 000	5,839	4,118
Revenue (equity share)	\$'000	51,198	47,352
EBITDA (equity share)	\$'000	13,999	7,894

Sales	North Island domestic ("NID") increased by 55kt, driven by increased coal from the Waipuna West pit at the Rotowaro mine. South Island domestic ("SID") sales volumes declined by a planned 15kt.
Overburden	Waste moved in advance has increased at the Rotowaro and Maramarua mines as both mines continue progress in stripping of the new pits.
Revenue	NID sales experienced an increased average price per tonne due to adjustment clauses in sales contracts that allow for changes to producer price index, fuel, and labour. SID saw an increase in sales revenue due to increased price escalation which helped to offset the reduced sales volumes.
Earnings	NID & SID consolidated EBITDA increased \$6.1m due to increased sales revenue, which was partially offset by increased costs: <ul style="list-style-type: none"> Fuel costs have increased due to increased volumes required for the increased stripping at both North Island mines, which has partially been offset by a reduction in price per litre. Labour costs have increased in line with contractual CPI adjustments, coupled with increased FTE at Rotowaro and Maramarua to facilitate increased stripping in the new pits while also enabling production. Repairs and maintenance costs have increased due to the increased machine hours required to achieve increased stripping in the new pits.

Corporate

Corporate overhead costs included in the total group consolidated EBITDA increased compared to the prior period, \$10.8m H1 FY25 versus \$10.3m in H1 FY24.

Tenas project

Operational costs included in the total group consolidated EBITDA were \$0.7m.

Overseas joint venture – Crown Mountain project

A further \$0.8m was invested in the six months to 31 December 2024 in the Crown Mountain project, a coking coal exploration project in Canada with joint venture partner Jameson Resources Limited. The funds were invested on a proportional equity basis as a non-callable loan and are being used to further the progression of the environmental assessment application.

Key findings of the bankable feasibility study on the project released in July 2020 reaffirmed the project as a high-quality coking coal opportunity with a competitive operating and capital cost structure, with access to existing common user rail and port infrastructure. Results of a yield optimisation study released in August 2021 has confirmed the potential for increased production and considerably improved economic outcomes of the project by increasing product ash levels which enables increased processing yield.

In early 2024 the project's Environmental Impact Statement (EIS) and Environmental Assessment Application (EA) passed the Impact Assessment Agency of Canada's conformity review process. This allows the project to proceed to the next regulatory phase, which is the EIS review phase. This means that the project is the most advanced steelmaking development coal project in Canada.

Bathurst's equity share is 22.1 percent with the option to buy-in to 50 percent of the project.

Financial and operating overview

For the six months ended 31 December 2024

Cash

		H1 2025	H1 2024
Opening cash 30 June (Bathurst and 65 percent BT Mining)		140.7m	163.1m
Operating	EBITDA	27.5	28.2
	Working capital	9.4	5.9
	Canterbury rehabilitation	(0.3)	(0.1)
	Corporation tax paid	(4.0)	(42.5)
Investing	Deferred consideration	(0.5)	(0.5)
	Crown Mountain (environmental assessment application)	(0.8)	(0.5)
	PPE net of disposals	(4.4)	(10.1)
	Mining assets including capitalised stripping	(27.0)	(12.7)
Financing	Finance leases	(3.2)	(2.2)
	Financing (costs)/income	3.3	3.2
Closing cash 31 December (Bathurst and 65 percent BT Mining)		140.7m	131.8m

Working capital

The timing of sales, and in particular export shipments has resulted in an increase in coal stockpiles when compared to H1 FY24.

Corporation tax paid

Decrease in corporation tax paid which reflects the timing of tax obligations on increased taxable operating profits and income tax obligations from FY24.

Crown Mountain

Funds paid were on a proportional project equity ownership basis and were used to progress the environmental application.

Property, plant and equipment net of disposals

Decrease in spend compared to the comparative period, the prior period included the acquisition of the Tenas project assets.

Mining development including capitalised stripping

Spend has increased from the prior year comparative period due to the increased mine development costs and capitalised stripping in the Waipuna West extension at the Rotowaro mine as well as the continued development of the Tenas project assets in British Columbia.

Financing

Interest received for cash on hand during.

Authorised for and on behalf of the Board of Directors:



Peter Westerhuis
Chairman

24 February 2025



Russell Middleton
Executive Director

24 February 2025

Income statement

For the six months ended 31 December 2024

	Notes	Dec 2024 \$'000	Dec 2023 \$'000
Revenue from contracts with customers		22,553	22,934
Cost of sales		(18,969)	(21,608)
Gross profit		3,584	1,326
Equity accounted profit	5	10,388	12,181
Other income		83	76
Depreciation		(925)	(763)
Administrative and other expenses		(4,532)	(3,847)
Fair value movement on deferred consideration	6 (a)	791	118
Gain/(Loss) on disposal of property, plant and equipment		192	294
Operating profit/(loss) before tax		9,581	9,385
Finance cost	3	(1,521)	(327)
Finance income	3	212	11
Profit before tax		8,272	9,069
Tax		-	-
Profit after tax		8,272	9,069
Earnings per share:		Cents	Cents
Basic profit per share		4.28	4.74
Diluted profit per share		4.24	4.67

Statement of comprehensive income

For the six months ended 31 December 2024

	Note	Dec 2024 \$'000	Dec 2023 \$'000
Profit after tax		8,272	9,069
Other comprehensive (loss)/income that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		341	(1,281)
Share of BT Mining hedging	5 (a)	(1,305)	(6,539)
Comprehensive income		7,308	1,248

Statement of financial position

As at 31 December 2024

	Notes	Dec 2024 \$'000	Jun 2024 \$'000
Cash and cash equivalents		2,513	7,777
Restricted short-term deposits		4,575	4,576
Trade and other receivables		8,535	2,819
Inventories		1,772	1,612
New Zealand emission units		460	1,008
Crown indemnity		53	53
Total current assets		17,908	17,845
Property, plant and equipment		11,258	12,963
Mining assets	4	27,454	25,256
Interest in joint ventures	5	297,353	287,625
Crown indemnity		625	651
Other financial assets		234	230
Total non-current assets		336,924	326,725
TOTAL ASSETS		354,832	344,570
Trade and other payables		8,017	4,825
Borrowings	6 (b)	798	785
Deferred consideration	6 (a)	869	1,004
Rehabilitation provisions		1,250	1,360
Total current liabilities		10,934	7,974
Borrowings	6 (b)	744	1,139
Deferred consideration	6 (a)	11,033	10,613
Rehabilitation provisions		5,758	6,165
Total non-current liabilities		17,535	17,917
TOTAL LIABILITIES		28,469	25,891
NET ASSETS		326,363	318,679
Contributed equity		318,415	316,970
Reserves		(31,843)	(29,810)
Retained earnings		39,791	31,519
EQUITY		326,363	318,679

For and on behalf of the Board of Directors:



Peter Westerhuis
Chairman
24 February 2025



Russell Middleton
Executive Director
24 February 2025

Statement of changes in equity

For the six months ended 31 December 2024

	Contributed equity	Share- based payments	Foreign exchange/ cash flow hedging	Retained earnings	Reorganisation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 July 2023	316,970	798	3,980	(7,028)	(32,760)	281,960
Comprehensive income	-	-	(2,556)	38,547	-	35,991
Share-based payments	-	728	-	-	-	728
30 June 2024	316,970	1,526	1,424	31,519	(32,760)	318,679
Comprehensive income	-	-	(964)	8,272	-	7,308
Conversion of performance rights	1,445	(1,445)	-	-	-	-
Share-based payments	-	376	-	-	-	376
31 Dec 2024	318,415	457	460	39,791	(32,760)	326,363

Statement of cash flows

For the six months ended 31 December 2024

Notes	Dec 2024 \$'000	Dec 2023 \$'000
Cash flows from operating activities		
Receipts from customers	17,908	17,314
Payments to suppliers and employees	(17,514)	(15,802)
Net cash inflow from operating activities	394	1,512
Cash flows from investing activities		
Exploration and consenting expenditure	(1,358)	(486)
Mining assets (including capitalised waste moved in advance)	(2,643)	(5,252)
Property, plant and equipment	77	(3,114)
Deferred consideration	(458)	(425)
Investment in NWP Coal Canada Limited	(820)	(472)
Other	26	88
Net cash outflow from investing activities	(5,176)	(9,661)
Cash flows from financing activities		
Interest received	10	10
Interest on finance leases and other finance costs paid	(74)	(36)
Movement of finance leases	(382)	256
Finance costs	(48)	(46)
Net cash inflow from financing activities	(494)	184
Net increase /(decrease) in cash	(5,276)	(7,965)
Cash and cash equivalents at the beginning of the year	2,513	12,812
Restricted short-term deposits at the beginning of the year	4,575	4,384
Total cash at the end of the year	7,088	9,231

Notes to the financial statements

For the six months ended 31 December 2024

1. About our financial statements

General information

Bathurst Resources Limited (“BRL”) is a company incorporated in New Zealand, registered under the Companies Act 1993 and listed on the Australian Securities Exchange (“ASX”). These interim financial statements have been prepared in accordance with the ASX listing rules.

The interim financial statements presented as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”).

The Group is principally engaged in the exploration, development and production of coal.

Basis of preparation

These interim financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (“GAAP”), accounting standards NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended 30 June 2024.

These financial statements are prepared on the going concern basis, and are presented in New Zealand dollars, which is the Company’s functional and presentation currency. References in these financial statements to ‘\$’ and ‘NZ\$’ are to New Zealand dollars.

All financial information has been rounded to the nearest thousand unless otherwise stated. Comparative information has been changed to match current mapping of costs where applicable.

Measurement basis

These financial statements have been prepared on a going concern basis under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value through profit or loss.

Standards and interpretations adopted during the period

The financial information presented for the six months ended 31 December 2024 has been prepared using accounting policies consistent with those applied in the 30 June 2024 financial statements.

Notes to the financial statements

For the six months ended 31 December 2024

2. Segment information

The operating segments reported on are:

- Export – 100 percent of BT Mining's export mine (Stockton).
- Domestic – BRL's eastern South Island domestic operations and 100 percent of the BT Mining North Island domestic mines.
- Corporate – BRL corporate overheads, Buller Coal Project and Tenas Project, and 100 percent of BT Mining corporate overheads.

A reconciliation to profit after tax per BRL's income statement is provided via the elimination of BT Mining column. Total assets and total liabilities are reported on a group basis, as with tax expense.

	Export	Domestic	Corporate	Total	Eliminate BT Mining	Total BRL
Six months ended 31 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	86,051	66,622	-	152,673	(130,120)	22,553
Operating profit/(loss) before tax	26,286	797	(8,898)	18,185	(19,035)	'9,581
Net finance costs	(742)	(132)	2,789	1,915	(3,224)	(1,309)
Income tax expense	-	-	(6,212)	(6,212)	6,212	-
FX and coal price hedging through OCI	-	-	(1,667)	(1,667)	703	(964)
Comprehensive income/(loss) after tax	25,544	655	(13,988)	12,221	(15,344)	'7,308
Depreciation & amortisation	(12,226)	(9,741)	(3,166)	(25,133)	22,074	(3,059)
EBITDA ⁵	38,512	17,595	(13,685)	42,422	(40,759)	1,663

	Export	Domestic	Corporate	Total	Eliminate BT Mining	Total BRL
Six months ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	145,446	60,500	-	205,946	(183,012)	22,934
Operating (loss)/profit before tax	37,502	(6,041)	(11,094)	20,367	(23,201)	'9,385
Net finance income/(costs)	(806)	(102)	2,883	1,975	(2,291)	(316)
Income tax expense	-	-	(6,693)	(6,693)	6,693	-
FX and coal price hedging through OCI	-	-	(11,342)	(11,342)	3,521	(7,821)
Comprehensive income after tax	36,696	(6,143)	(26,246)	4,307	(15,278)	'1,248
Depreciation & amortisation	(10,515)	(9,321)	(1,866)	(21,702)	19,141	(2,561)
EBITDA ⁵	47,039	9,639	(13,404)	43,274	(43,311)	(37)

⁴ Total BRL operating profit and comprehensive income does not equal the sum of Total minus elimination of BT Mining, as BRL's equity share of BT Mining's profit which was \$10.4m for the six months to 31 December 2024 (2023: \$11.2m) is added back; BRL's equity share of BT Mining's fair value expense on hedging instruments through other comprehensive loss of \$1.8m (2023: \$9.1m) is also added back to comprehensive expense.

⁵ Earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, fair value movement on deferred consideration and rehabilitation provisions.

Notes to the financial statements

For the six months ended 31 December 2024

3. Net finance costs

	Notes	Dec 2024 \$'000	Dec 2023 \$'000
Interest income		212	10
Unrealised foreign exchange gain		-	1
Total finance income		212	11
Interest expense on finance leases		(70)	(37)
Realised foreign exchange loss		(41)	(32)
Unrealised foreign exchange loss		(611)	-
Rehabilitation provisions unwinding of discount		(147)	(107)
Deferred consideration unwinding of discount	6 (a)	(643)	(145)
Banking and facility fees		(9)	(6)
Total finance costs		(1,521)	(327)
Total net finance (expense)/income		(1,309)	(316)

4. Mining assets

	Dec 2024 \$'000	Jun 2024 \$'000
Exploration and evaluation assets		
Opening balance	-	3,304
Expenditure capitalised - Takitimu	1,358	1,620
Impairment of mining assets - Takitimu	-	(4,924)
Total exploration and evaluation assets	1,358	-
Mining licences/permits, property and other assets		
Opening balance	25,256	9,157
Expenditure capitalised - Takitimu	-	2,169
Costs - Tenas Coal project	2,974	18,612
Amortisation - Takitimu	(2,134)	(3,602)
Waste moved in advance capitalised - Takitimu	-	51
Impairment of mining assets - Takitimu	-	(1,131)
Total mining licences/permits and property assets	26,096	25,256
Total mining assets	27,454	25,256

Tenas Coal project

The Company completed the acquisition of the Tenas Coal project on 22 December 2023. Included in the mining assets are the purchase of the projects coal mining licenses and the costs incurred related to the mining permits.

Notes to the financial statements

For the six months ended 31 December 2024

5. Interest in joint ventures

	Dec 2024 \$'000	Jun 2024 \$'000
Interest in BT Mining Limited ("BT Mining")	278,080	268,953
Interest in NWP Coal Canada Limited ("NWP")	19,273	18,672
Total interest in joint ventures	297,353	287,625

(a) BT Mining

(a) Balances held in BT Mining

Equity investment	16,250	16,250
Share of retained earnings net of dividends received	261,830	252,703
Total interest in BT Mining	278,080	268,954
Opening balance	268,953	234,196
Receipt of dividend	-	(6,500)
Share of BT Mining profit	10,431	4,286
Share of BT Mining FX hedging through OCI	(1,304)	(1,029)
Closing balance	278,080	268,953

BRL holds a 65 percent shareholding in BT Mining which owns the mining permits and licences as well as the mining assets at the Stockton mine (Buller Plateau in the South Island), and the Rotowaro and Maramarua mines located in the North Island.

BRL considers BT Mining to be a joint venture. This is because unanimous approval is required on activities that significantly affect BT Mining's operations. As such the investment in BT Mining is accounted for using the equity method.

BT Mining's statement of financial position is shown in note 5 (a), and a summarised income statement for BT Mining is shown in note 2 in the eliminate BT Mining column, of which Bathurst's interest is 65 percent.

For an unaudited proportionate consolidation presentation of BRL and BT Mining, refer to the additional information section of these financial statements, after the notes to the financial statements.

There were no indicators of impairment of the investment in BT Mining.

Notes to the financial statements

For the six months ended 31 December 2024

5. Interest in joint ventures continued

(a) BT Mining continued

BT Mining balance sheet - unaudited	Dec 2024 \$'000	Jun 2024 \$'000
Cash	166,187	169,733
Restricted short-term deposits	39,296	28,000
Trade and other receivables	29,542	70,132
Crown indemnity	5,813	6,645
Inventories	81,851	46,770
New Zealand emission units	2,348	417
Income tax	-	2,334
Derivative assets	2,468	5,257
Current assets	327,505	329,288
Property, plant and equipment	89,735	94,557
Mining assets	104,491	79,500
Crown indemnity	46,403	49,110
Other financial assets	93	90
Deferred tax asset	10,694	9,913
Non-current assets	251,416	233,170
TOTAL ASSETS	578,921	562,458
Trade and other payables	39,709	37,942
Income tax	879	-
Finance leases	7,402	7,591
Provisions	7,165	8,588
Current liabilities	55,155	54,121
Finance leases	4,647	8,302
Provisions	91,304	86,260
Non-current liabilities	95,951	94,562
TOTAL LIABILITIES	151,106	148,683
NET ASSETS	427,815	413,775
Share capital	25,000	25,000
Reserves (FX and coal price hedging)	1,556	3,564
Retained earnings net of dividends paid	401,259	385,211
EQUITY	427,815	413,775

Notes to the financial statements

For the six months ended 31 December 2024

5. Interest in joint ventures continued

(b) NWP

	Dec 2024 \$'000	Jun 2024 \$'000
Balances held in NWP		
Opening balance	18,672	19,426
FX movements through reserves	644	(647)
Equitable share of loss	(43)	(107)
Total interest in NWP	19,273	18,672

The investment in NWP is via a wholly owned subsidiary of BRL set up for this purpose (Bathurst Resources (NWP) Limited) which is incorporated in Canada and has a functional currency of CAD.

NWP's key asset is the Crown Mountain coking coal project ("Crown Mountain"). The Crown Mountain project consists of coal tenure licences located in the Elk Valley coal field in south eastern British Columbia, Canada.

The joint venture agreement structures BRL's investment in NWP into three parts, an initial investment and two tranches. The initial investment and first tranche which represent a total investment of CAD \$11.5m in exchange for a 20 percent equity stake in NWP are complete. A further CAD \$2.6m has also been advanced as part of the second tranche in exchange for preference shares in NWP and CAD \$1.4m issued in exchange for ordinary shares. Payment of the balance of tranche two is not expected in the next twelve months.

Should BRL decide to exercise the final tranche option (which is at Bathurst's sole discretion), further investment required will equal CAD \$110.0m minus funds invested in the preference shares. The preference shares will automatically convert upon FID to give BRL a 50 percent equity holding in the project.

The preference shares have the same rights as ordinary shares and are issued at the same value as the ordinary shares, with the sole difference that they have a liquidity preference ranking above ordinary shares. Because the preference shares are in substance the same as ordinary shares, giving BRL access to the returns associated with the joint venture, these have been accounted for in the same way as the ordinary shares.

BRL considers NWP to be a joint venture with Jameson. This is because unanimous approval is required on activities that significantly affect NWP's operations. As such the investment in NWP is accounted for using the equity method.

	Dec 2024 \$'000	Jun 2024 \$'000
NWP financials of which Bathurst holds 22.1 percent - unaudited		
Cash	10	334
Other current assets	201	111
Exploration and evaluation assets	52,214	47,313
Other non-current assets	1,353	1,347
TOTAL ASSETS	53,778	49,105
Current liabilities	514	638
Non-current financial liabilities	1,331	1,250
TOTAL LIABILITIES	1,845	1,888
NET ASSETS	51,933	47,217

Notes to the financial statements

For the six months ended 31 December 2024

6. Financial liabilities

	Dec 2024 \$'000	Jun 2024 \$'000
(a) Deferred consideration		
Current		
Acquisition of subsidiary	869	1,004
Non-current		
Acquisition of subsidiary	302	691
Acquisition of asset	10,730	9,922
Total deferred consideration	11,902	11,617
<i>Movement</i>		
Opening balance	11,617	3,206
Unwinding of discount	643	289
Acquisition of Tenas project	-	9,922
Fair value adjustment - New Brighton Collieries	(146)	(2,179)
Fair value adjustment – Tenas project	(645)	-
Consideration paid during the period net of movement in accruals	433	379
Closing balance	11,902	11,617

New Brighton Collieries Limited

The Company completed the acquisition of New Brighton Collieries Limited on 10 March 2015. The balance due on settlement is to be satisfied by an ongoing royalty based on mine gate sales revenue from the Takitimu mine. The fair value of the future royalty payments is estimated using a discount rate based upon the Group's WACC, projected production profile, and forecast domestic coal prices. These are based on the Group's forecasts which are approved by the Board of Directors.

Buller Coal project

Bathurst acquired Buller Coal Limited (formerly L&M Coal Limited) ("Buller Coal") from L&M Coal Holdings Limited ("L&M") in November 2010. The agreement for sale and purchase ("ASP"), which primarily concerned the purchase of the Escarpment mine through the acquisition of Buller Coal, contained an element of deferred consideration. The deferred consideration comprised royalties on coal sold, two contingent "performance payments" of USD \$40m each, and the contingent issue of performance shares. The first performance payment is prima facie payable upon 25,000 tonnes of coal being shipped from the Buller Coal project area, and the second payable upon 1 million tonnes of coal being shipped from the Buller Coal project area or where a change in control of Bathurst is deemed to have occurred both payments are triggered.

Bathurst has the option to defer cash payment of the performance payments and elect to submit a higher royalty on coal sold from the respective permit areas until such time the performance payments are made. The option to pay a higher royalty rate has been assumed in the valuation and recognition of deferred consideration.

Bathurst has and will continue to remit royalty payments to L&M on all Escarpment coal sold as required by the Royalty Deed and this includes ongoing sales from stockpiles. Further information is included in note 7.

Notes to the financial statements

For the six months ended 31 December 2024

6. Financial liabilities continued

Tenas Coal project

The Company completed the acquisition of Tenas project on 22 December 2023 via a new subsidiary, Telkwa Mining Limited, which is incorporated in Canada. The Tenas Project is located in the Bulkley Nechako region, 7 km southwest of Telkwa, British Columbia, Canada. The acquisition included the purchase of coal mining licenses, freehold coal rights, land and some existing plant and equipment.

The project is currently undergoing the Environmental Assessment process and is expected to enter production in FY27

The remaining balance due following the settlement is USD \$4.0m upon receiving all final permits to develop, construct and operate the Tenas project mine and USD \$3.0m on the first anniversary or receiving all final permits.

	Dec 2024 \$'000	Jun 2024 \$'000
(b) Borrowings		
Current		
Lease liabilities	798	785
Total current borrowings	798	785
Non-current		
Lease liabilities	744	1,139
Total non-current borrowings	744	1,139
Total borrowings	1,542	1,924

7. Contingent liabilities

Performance Payment Claims by LMCHB Limited

On 23 December 2016 Bathurst announced that L&M Coal Holdings Limited, now called LMCHB Limited, ("L&M") had filed legal proceedings in the High Court of New Zealand in relation to an alleged breach of the contractual obligation to pay the first USD \$40m Performance Payment. While the High Court made a declaration that this payment was "due and payable", which was affirmed by the Court of Appeal, in July 2021 the Supreme Court allowed Bathurst and Buller Coal's appeal and set aside the High Court and Court of Appeal judgments.

The Supreme Court held that, under the terms of the Agreement for Sale and Purchase of Shares (SPA), while the performance payment had been triggered Bathurst can defer payment of that sum (relying on the modifying effect of clause 3.10 of the SPA) and there is no breach of or default under the SPA, for so long as the relevant royalty payments under the associated Deed of Royalty continue to be paid even if that royalty sum is zero.

On 22 September 2021 L&M served Bathurst and its subsidiary Buller Coal, with further proceedings. Despite the Supreme Court decision, L&M's new action sought declarations from the High Court that it was entitled to enforce a guarantee given by Buller Coal under a Deed of Guarantee and Security for payment of the first performance payment as Guaranteed Money under that deed. A High Court hearing was held in June 2022. The judgment was released on 28 March 2023 dismissing the claim, holding that as the first performance payment is not currently due and payable by Bathurst under the terms of the SPA then the payment is not Guaranteed Money for the purpose of the guarantee. The High Court also held that L&M should have brought this claim as part of the first proceedings and that raising it in a subsequent proceeding was an abuse of process.

In April 2023, L&M lodged a notice of appeal against the High Court's judgment. The appeal was heard in May 2024 and judgment was delivered in December 2024. After considering and following the earlier Supreme Court judgment, the Court of Appeal held that, provided Bathurst complies with the terms of cl 3.10 of the SPA, L&M cannot enforce the Guarantee against Buller Coal on the grounds that the first Performance Payment has not been made. L&M's appeal was dismissed with costs awarded against it.

Notes to the financial statements

For the six months ended 31 December 2024

7. Contingent liabilities continued

Separately, on 18 February 2023, Bathurst successfully defended a claim by L&M in an arbitration proceeding that a change of control had occurred and that the second performance payment of USD \$40 million and performance shares (being 5% of Bathurst's post issue share capital) due under the SPA plus interests and costs, were payable. While the arbitrator declared that a change in control had occurred under the terms of the SPA, he dismissed the claim on the basis that, as interpreted by the Supreme Court, clause 3.10 of the SPA provides a defence to the claim. Neither party has appealed against this award.

Claims by Talley's Group Limited

On 18 December 2024 Bathurst received a statement of claim from Talley's Group Limited, (a BRL shareholder) (TGL), that set out the basis of TGL claims against Bathurst, its directors and further party. The claim seeks unspecified alleged damages and is purported to have been brought under the Companies Act 1993 (New Zealand) and the Financial Markets Act 2013 (New Zealand). Also received at the same time was a separate application by TGL, for leave to bring derivative proceedings in the name of and on behalf of Bathurst.

In response, on 3 February 2025, Bathurst and all its directors filed a statement of defence and counterclaim in complete response to the allegations made by TGL. The counterclaims brought by Bathurst are against Mr Andrew Talijancich (aka Andrew Talley), TGL and Talley's Energy Limited.

In addition to the statement of defence and counterclaim, Bathurst filed an interlocutory application on notice for an order striking out the proceedings by TGL as an abuse of process, and other orders (including in the alternative to strike out). A further interlocutory application by Bathurst for an order consolidating proceedings has since been granted, bringing the two proceedings filed by TGL into one proceeding.

8. Related party transactions

The Group's related parties include directors, the senior leadership team, and joint ventures BT Mining and NWP. Material transactions with the Group's joint ventures are disclosed in note 5.

For the six months to 31 December 2024, non-executive directors' fees were \$147k (2023: \$146k); and short-term benefits in the form of salary and bonuses, as well as share based payments to the senior leadership team (including executive directors) were \$1.8m (2023: \$2.0m).

Salaries for employees who work across both BRL and BT Mining are recharged between the two companies so that staff costs are recorded appropriately. For the six months to 31 December 2024 \$1.0m of salaries were recharged from BRL to BT Mining (2023: \$1.5m) and \$0.3m recharged from BT Mining to BRL (2023: \$0.4m).

Coal sales are made to BRL's BT Mining joint venture partner Talley's Energy Limited and/or associated companies of Talley's Energy Limited on an arm's length basis and normal commercial terms. Total sales for the six months ended 31 December 2024 were \$1.8m (2023: \$2.3m).

9. Events after the reporting period

Other than as disclosed there are no other material events that occurred subsequent to reporting date, that require recognition of, or additional disclosure in these financial statements.

Additional information

For the six months ended 31 December 2024

Unaudited proportionate consolidation of Bathurst and BT Mining operations

The following income statement, balance sheet and cash flow represent 100 percent of Bathurst operations, and 65 percent of BT Mining operations. This presentation does not reflect reporting under NZ GAAP or NZ IFRS, but is intended to show a combined operating view of the two businesses for information purposes only.

Consolidated income statement

	Dec 2024 \$'000	Dec 2023 \$'000
Revenue from contracts with customers	107,132	141,892
Realised FX and coal price hedging	10,410	(6,941)
Less: cost of sales	(85,710)	(102,920)
Gross profit	31,832	32,031
Other income	1,398	159
Equity share of NWP loss	(43)	(38)
Depreciation	(8,553)	(7,324)
Administrative and other expenses	(14,117)	(13,002)
Fair value on deferred consideration	791	118
Gain on disposal of property, plant and equipment	215	302
Impairment losses	-	-
Operating profit before tax	11,523	12,246
Finance cost	(2,332)	(1,179)
Finance income	3,119	2,352
Profit before income tax	12,310	13,419
Income tax expense	(4,038)	(4,350)
Profit after tax	8,272	9,069

Additional information

For the six months ended 31 December 2024

Consolidated balance sheet

	Dec 2024 \$'000	June 2024 \$'000
Cash and cash equivalents	110,535	118,103
Restricted short-term deposits	30,117	22,776
Trade and other receivables	27,739	48,403
Crown indemnity	3,831	4,372
Inventories	54,975	32,013
New Zealand emission units	1,968	1,279
Derivative assets	1,604	3,417
Income tax	-	1,517
Total current assets	230,787	231,880
Property, plant and equipment	69,586	74,425
Mining assets	95,373	76,931
Crown indemnity	30,787	32,573
Investment in joint venture	19,273	18,672
Deferred tax asset	6,951	6,443
Other financial assets	294	289
Total non-current assets	222,264	209,333
TOTAL ASSETS	453,051	441,213
Trade and other payables	33,828	29,487
Tax payable	571	-
Finance leases	5,609	5,719
Deferred consideration	869	1,004
Provisions	5,907	6,942
Total current liabilities	46,784	43,152
Finance leases	3,765	6,535
Deferred consideration	11,033	10,613
Provisions	65,106	62,234
Total non-current liabilities	79,904	79,382
TOTAL LIABILITIES	126,688	122,534
NET ASSETS	326,363	318,679
Contributed equity	318,415	316,970
Reserves	(31,843)	(29,810)
Retained earnings net of dividends	39,791	31,519
EQUITY	326,363	318,679

Additional information

For the six months ended 31 December 2024

Consolidated cash flow

	Dec 2024 \$'000	Dec 2023 \$'000
Cash flows from operating activities		
Receipts from customers	139,542	140,142
Payments to suppliers and employees	(103,236)	(104,398)
Taxes paid	(4,016)	(42,497)
Net inflow/(outflow) from operating activities	32,290	(6,753)
Cash flows from investing activities		
Exploration and evaluation expenditure	(3,186)	(1,403)
Mining assets (including capitalised waste moved in advance)	(23,780)	(13,277)
Property, plant and equipment purchases net of disposals	(4,394)	(10,057)
Payment of deferred consideration	(484)	(452)
Investment in NWP	(820)	(472)
Other	25	87
Net outflow from investing activities	(32,639)	(25,574)
Cash flows from financing activities		
Repayment of finance leases	(2,881)	(1,731)
Interest received	3,553	3,390
Interest paid on finance leases	(337)	(430)
Finance facility fees	(224)	(214)
Net inflow/(outflow) from financing activities	111	1,015
Net increase/(decrease) in cash and cash equivalents	(238)	(31,312)
Opening cash and cash equivalents including restricted short-term deposits	140,890	163,130
Closing cash and cash equivalents	140,652	131,818



Independent Auditor's Review Report

To the shareholders of Bathurst Resources Limited (**Group**)

Report on the consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements on pages 9 to 21 do not:

- present fairly, in all material respects, the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the six month period then ended and comply with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board.

We have completed a review of the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including material accounting policy information.

Basis for conclusion

We conducted our review of the financial statements in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (**NZ SRE 2410 (Revised)**). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the consolidated financial statements* section of our report.

We are independent of Bathurst Resources Limited in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Use of this Independent Auditor's Review Report

This report is made solely to the shareholders. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Auditor's Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders for our review work, this report, or any of the conclusions we have formed.



Responsibilities of directors for the consolidated financial statements

The directors on behalf of the Group are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS; and
- implementing necessary internal control to enable the preparation of consolidated financial statements that is fairly presented and free from material misstatement, whether due to fraud or error.
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IFRS.

A review of the consolidated financial statements prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the financial statements.

For and on behalf of:

A handwritten signature of the KPMG firm, written in blue ink.

KPMG

Christchurch

24 February 2025