

H1 FY25 RESULTS ANNOUNCEMENT

25 February 2025: Bathurst Resources Limited 31 December 2024 half year result

HIGHLIGHTS

- **Consolidated operating surplus of \$8.3m despite operational challenges faced during the Tawhai Tunnel closure.**
- **Consolidated H1 EBITDA of \$27.5m**
- **Consolidated cash balance of \$140.7m**

Financial measures (NZD)	H1 FY25 \$m	H1 FY24 \$m
Revenue ¹	118.9	135.0
EBITDA ²	27.5	28.2
Profit after tax	8.3	9.1
Cash	140.7	131.8

CEO'S COMMENTS

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

¹Includes realised FX and coal pricing hedges on export sales. Unrealised movements in coal pricing and FX hedging goes through other comprehensive income.

²EBITDA is a non-GAAP measure and reflects earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash movements on deferred consideration and rehabilitation provisions.

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 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.

OPERATIONS

Bathurst Resources is New Zealand's leading coal producer, and a major contributor to the country's overall energy supply, engaging in the development and production of coking and sub-bituminous coal in New Zealand. Bathurst also has an interest in two Canadian high quality coking coal exploration projects.

Export operations		Export	Export
Measure		H1 FY25	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 basis)	\$'000	66,344	94,540
Average price received per tonne (100% basis)	\$/t	325	273
EBITDA (equity share basis)	\$'000	25,033	30,584

Commentary:

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.

Domestic operations

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 basis)	\$'000	51,198	47,352
EBITDA (equity share basis)	\$'000	13,999	7,894

Commentary:

Sales	<p>North Island domestic (“NID”) increased by 55kt, driven by increased coal from the Waipuna West pit at the Rotowaro mine.</p> <p>South Island domestic (“SID”) sales volumes declined by a planned 15kt.</p>
Overburden	<p>Waste moved in advance has increased at the Rotowaro and Maramarua mines as both mines continue progress in stripping of the new pits.</p>
Revenue	<p>NID sales experienced an increased average price per tonne due to adjustment clauses in sales contracts that allow for changes to the producer price index, fuel, and labour.</p> <p>SID saw an increase in sales revenue due to increased price escalation which helped to offset the reduced sales volumes.</p>
EBITDA	<p>NID & SID consolidated EBITDA increased \$6.1m due to increased sales revenue, which was partially offset by increased costs:</p> <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. <p>Repairs and maintenance costs have increased due to the increased machine hours required to achieve increased stripping in the new pits.</p>

Corporate

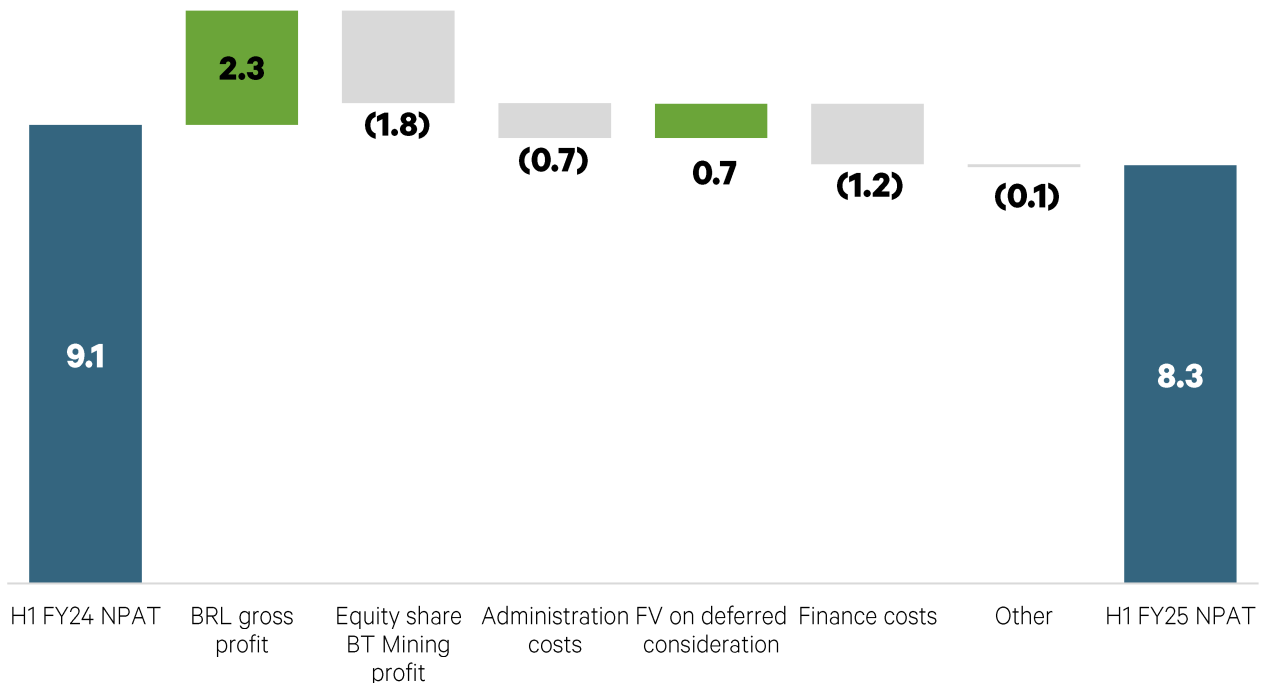
Corporate overhead costs included in the total group consolidated EBITDA increased compared to the prior period, \$10.8m H1 FY25 versus \$10.3m in H1 FY24.

Tenas Project

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

FINANCIAL RESULTS

Net profit after tax (\$m)



Key movements in net profit after tax:

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.
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.
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.

Financial figures in this release are 100% Bathurst and 65% BT Mining and in NZD unless otherwise disclosed. 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

KEY GROWTH PROJECTS

Project location	Project type	Market	Project description
British Columbia, Canada	Exploration project in new mining area	Coking coal for steelmaking for the export market	High quality coking coal joint venture at Crown Mountain. See below for further detail.
British Columbia, Canada	Exploration project in new mining area	Coking coal for steelmaking for the export market	High quality Tenas coking coal project. See below for further detail.
South Island, New Zealand	Extension to existing operations	Coking coal for steelmaking for the export market	Prefeasibility works continue at the Denniston plateau and Stockton Mine (West Coast of the South Island) projects to assess converting resources to reserves and completing prefeasibility studies, applying for resource consents and mining approvals through the Fast Track Approvals process.
North Island, New Zealand	Extension to existing operations	Sub-bituminous coal and coal for steelmaking for NZ steel production and to support domestic energy supply during transition to low carbon economy.	Rotowaro Extension North of which the drilling, consenting and economic feasibility is being assessed.

Crown Mountain exploration project, Canada

Bathurst's equity share is 22.1 percent including preference shares, with the option to buy-in to 50 percent of the project at Bathurst's sole discretion. During the first half of the year, a further \$0.8m was invested 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 ordinary equity and were used to further 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 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.

Tenas coking coal project, Canada

On 22 December 2023, Bathurst completed the purchase of the Tenas coking coal project in British Columbia, Canada. The Definitive Study Results (DFS) for the project were published in March 2019 and reinforce the potential of the Telkwa metallurgical coal complex. One of the attractive features of the project is the low strip ratio of 3.6:1 BCM/t, which enables the project to be one of the lowest cost producing metallurgical coal mines on the seaborne market. The mine is expected to enter production in FY27.

The Tenas Project is in the pre-application phase of permitting. In 2022, the Application for an Environmental Assessment Certificate in relation to the Tenas Project was filed with the Environmental Assessment Office of British Columbia. The Tenas project is currently in the completion review process with the BC-EAO. While the 2002 Act was amended by the BC Environmental Assessment Act 2018 (2018 Act), which amongst other things introduced a new process for the review of such applications, the transitional provisions of the 2018 Act allowed the Tenas Project to be reviewed under the 2002 Act.

CASH FLOWS

		H1 2025	H1 2024
Opening cash 30 June		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 income/(costs)	3.3	3.2
Closing cash 31 December		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.

CORPORATE

Dividends

No dividends were paid or declared during the period.

Half year results presentation

Following the release of the half year results announcement, Richard Tacon (Bathurst Resources CEO) will be presenting the half year results and business update online. The presentation will be held on Thursday the 27th of February via a Zoom Investor Call scheduled to start at 1:00pm NZT / 11:00am EADT.

A link to the presentation is available here:

https://us02web.zoom.us/webinar/register/WN_ikNdKp3BQpinjXmuqr-bJg

This release was authorised for issue by the board of directors on 25 February 2025.

Bathurst Resources Limited

Level 12, 1 Willeston Street
Wellington 6011 New Zealand
Tel: +64 4 499 6830

Chief Executive Officer

Richard Tacon

Directors

Peter Westerhuis – Non-executive chairman
Richard Tacon – Executive director
Francois Tumahai – Non-executive director
Russell Middleton – Executive director

Substantial holders at 31 December 2024:

Republic Investment Management Pte Ltd
Talley's Group Ltd
Crocodile Capital
Chng Seng Chye

ASX Code: BRL

Website and email

www.bathurst.co.nz
E: wellington@bathurst.co.nz

Company Secretary

Larissa Brown

Investor relations

E: investor.relations@bathurst.co.nz

Media relations

E: media.relations@bathurst.co.nz

