



# Bathurst Resources Half Yearly Results Presentation

February 2018

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## *Forward-Looking Statements:*

*This presentation includes certain “Forward-Looking Statements”. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results, future expansion plans and development objectives of Bathurst Resources Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.*

# Overview of Bathurst Resources

**Bathurst Resources is a leading New Zealand coal producer with domestic, export coking and opportunities to expand export production.**

## Capital Structure

Share Price (23 Feb 2018)	\$0.16
Shares Outstanding (Bn)	1.513
<b>Market Cap (A\$m)</b>	<b>242.1</b>
Bank Debt (NZ\$m)	Nil
USD Bonds (US\$m)	7.9
JV Debt (NZ\$m) (BRL share – 65%)	9.3
Cash (NZ\$m) (BRL)	3.3
Cash (NZ\$m) (BRL Restricted)	4.0
JV Cash (NZ\$m) (BRL share – 65%)	19.0

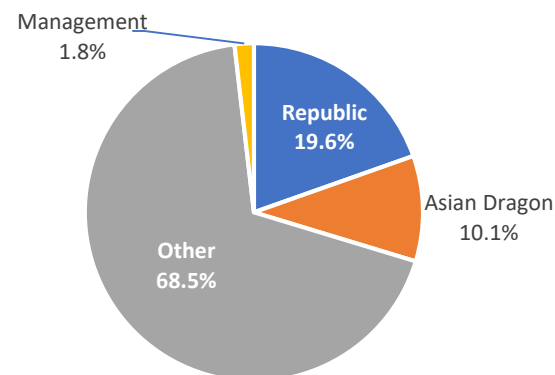
## Financial Performance

- ✓ Significant positive cash generation with consolidated\* EBITDA of \$40.4 million
- ✓ Reduced JV debt by \$15 million with remaining JV debt fully repaid since calendar year end
- ✓ Net cash positive position at half year on a consolidated basis
- ✓ Full review of extension projects for all New Zealand tenements
- ✓ Developing expenditure forecasts for initiating project exploration and evaluations

## Share Price Performance



## Substantial Shareholders



\* Consolidated in this document refers to 100% of BRL plus BRL's 65% share of joint venture BT Mining Limited ("BT Mining" or "JV")

# Highlights

**Bathurst has delivered on its strategy across operations, safety performance and financial outcomes as well as expansion via acquisition at a low point in the cycle**

Zero Lost Time  
Injuries Recorded

Consolidated  
Revenue exceeds  
\$100m

Consolidated  
EBITDA exceeds  
\$40m

Operating Profit of  
\$25m

Integration of Rotowaro, Maramarua, and  
Stockton coal mines is proceeding to plan

# Bathurst Financial Results

Results in line with guidance released and reflects a strong business

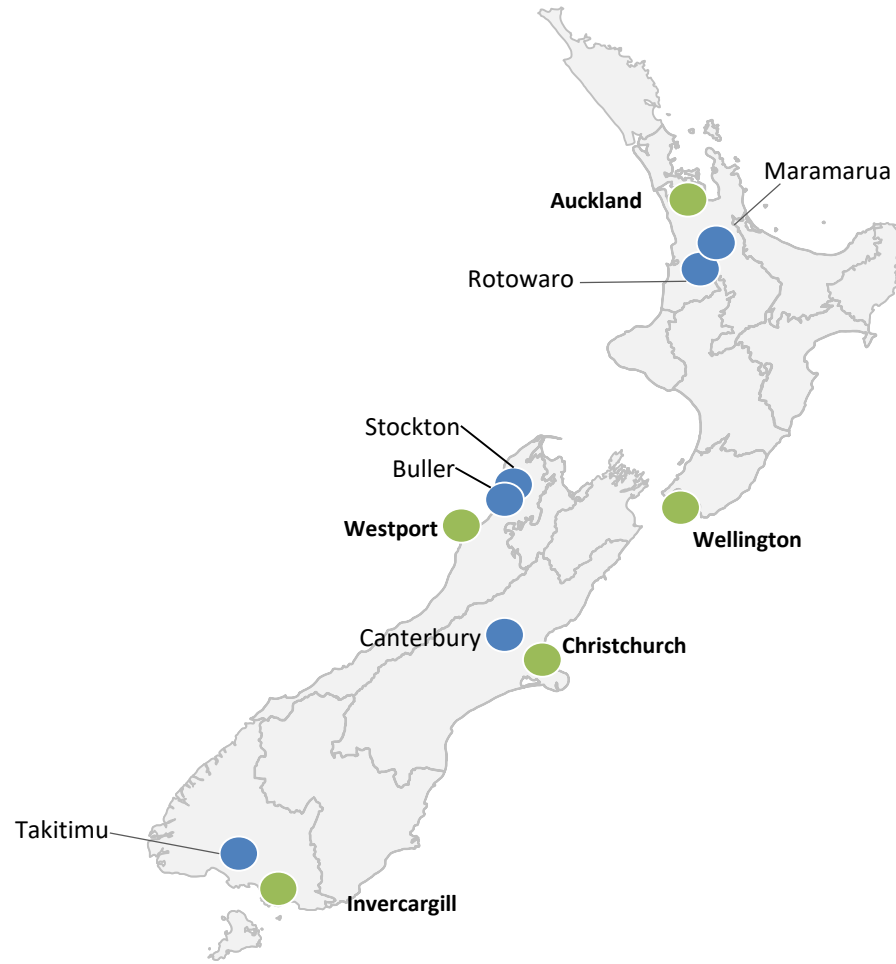
Financial Metrics	31 Dec 17 \$m	31 Dec 16 \$m	Change \$m
Consolidated Revenue attributable to BRL	100.6	21.5	79.1
Consolidated EBITDA attributable to BRL	40.4	5.2	35.2
Operating Profit/(Loss) after tax	24.7	(0.1)	24.8
Statutory Loss after tax	(12.4)	(11.1)	(1.3)

The most significant impact on statutory loss is the non-cash impact of fair value movements on Bathurst's convertible instruments.

# Operations

# Leading Presence in New Zealand

Bathurst has established itself as the pre-eminent coal producer in New Zealand



<sup>1</sup> 65% BRL ownership of the Rotowaro, Maramarua, and Stockton mines are via the BT Mining Joint Venture

<sup>2</sup> Margin for existing Bathurst operations represents an average across all operations.

# Stockton (65% BRL<sup>1</sup>)

Stockton is an open cut mine located on the West Coast of New Zealand producing a low-ash metallurgical coal for export

## Customer Base

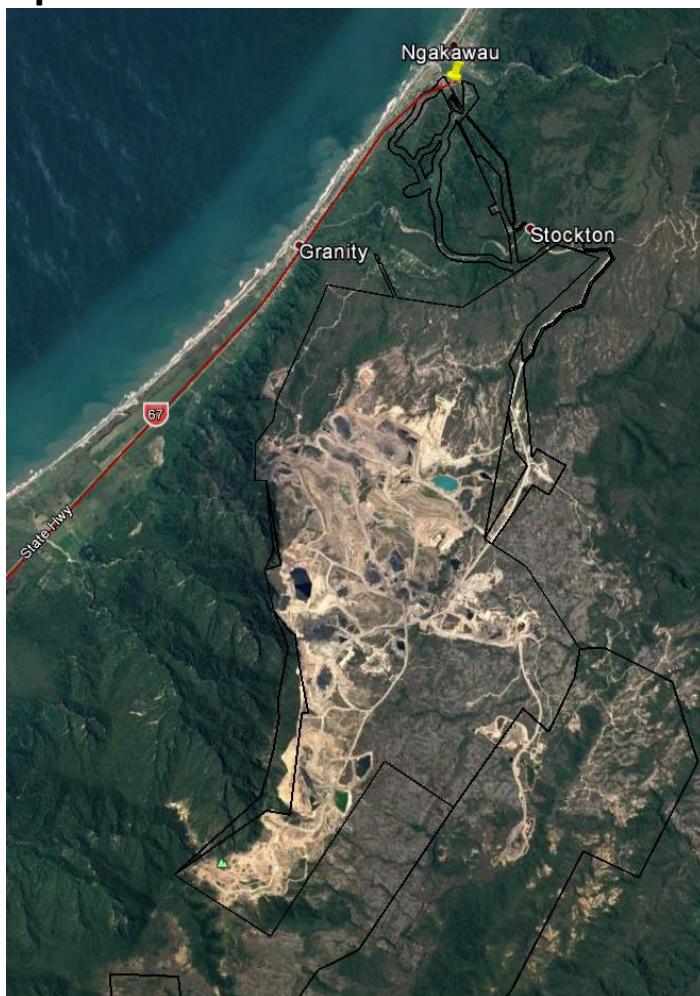
MITSUBISHI CHEMICAL

NIPPON COKE & ENGINEERING

TATA STEEL



中国五矿集团公司  
CHINA MINMETALS CORPORATION



Stockton	
Production (FY18)	1.0 mt
Unit Cost (FOB)	NZ\$95/t
FTE	209
Crown Rehab. Indemnity	NZ\$44.5m
Resource	69.2 mt
Reserve	12.4 mt

- Infrastructure:
  - 1.8mtpa CHPP
  - 2.5km aerial ropeway,
  - 2.2mtpa rail loadout facility linked to the Port of Lyttelton
  - 2.0+mtpa Rail and Port contracts
- AMD: Historic liability 100% indemnified

Product	Volume (% of Total Sales)	Pricing (% of PLV <sup>5</sup> benchmark)
HCC <sup>2</sup>	33%	100%
SHCC <sup>3</sup>	34%	85%
HACC <sup>4</sup>	33%	60%
Combined	100%	80%



<sup>1</sup> 65% ownership of the Stockton mine is via the BT Mining Joint Venture    <sup>5</sup> PLV is Premium Low Volatile

<sup>2</sup> HCC is Hard Coking Coal

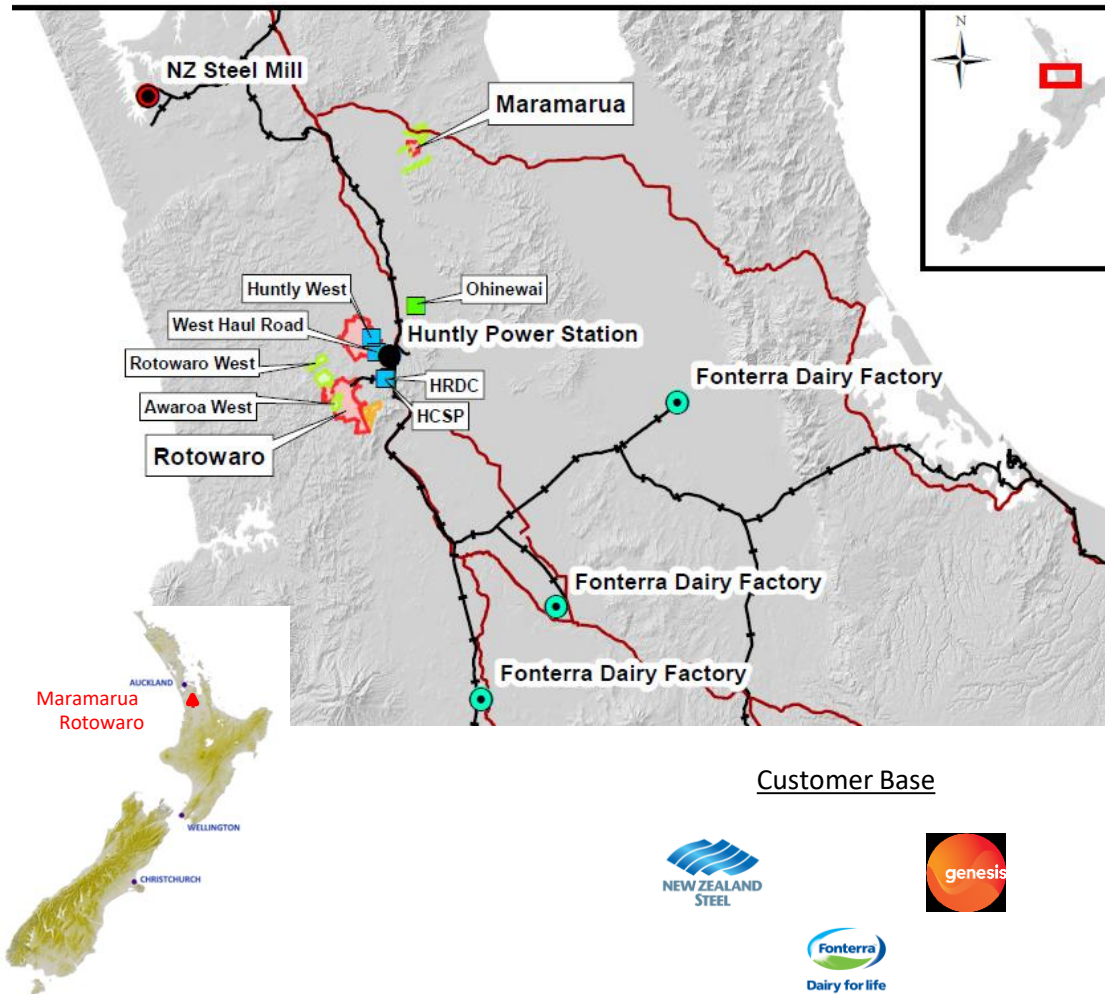
<sup>3</sup> SHCC is Semi Hard Coking Coal

<sup>4</sup> HACC is High Ash Coking Coal



# North Island Domestic (65% BRL<sup>1</sup>)

Open cut mines located in the Waikato region of New Zealand producing a high-quality, low-ash coal for the local steel market



Rotowaro	
Production (FY18)	700 kt
Margin	NZ\$30/t
FTE	123
Crown Indemnity	NZ\$15.3m
Resource	9.7 Mt
Reserve	2.0 Mt

Maramarua	
Production (FY18)	150 kt
Margin	NZ\$25/t
FTE	30
Crown Indemnity	NZ\$3.3m
Resource	5.5 Mt
Reserve	3.2 Mt

- Long term contracts
- Infrastructure:
  - 1.0mtpa rail loadout facility linked to New Zealand Steel's Glenbrook mill

<sup>1</sup> Note that the 65% ownership of the Rotowaro and Maramarua mines are via the BT Mining Joint Venture

# South Island Domestic (100% BRL)

Open cut mines located in the Canterbury and Southland regions of New Zealand producing a high-quality, low-ash coal for the domestic market



Takitimu	
Production (FY18)	225 kt
Margin	NZ\$30/t <sup>1</sup>
FTE	45
Resource	5.3 Mt
Reserve	1.8 Mt

Canterbury	
Production (FY18)	175 kt
Margin	NZ\$30/t <sup>1</sup>
FTE	41
Resource	7.1Mt
Reserve	1.6 Mt

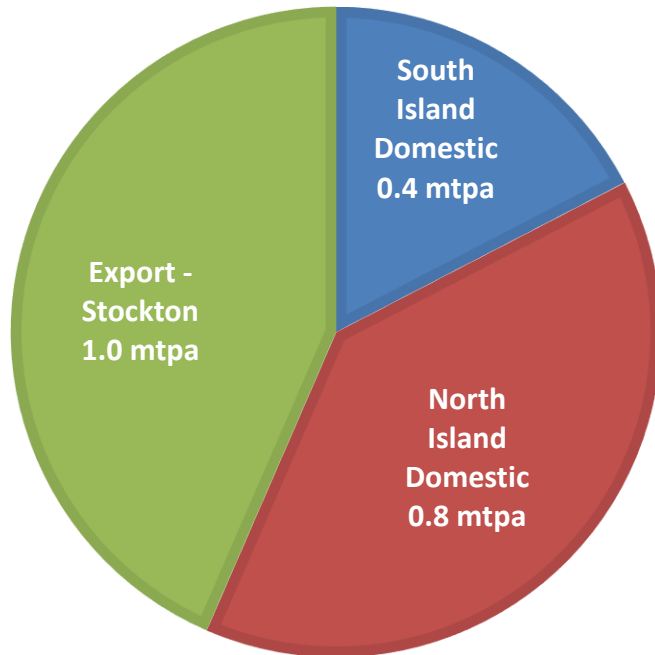
- Long term contracts to a customer base adding value to primary production

<sup>1</sup> Margin for existing Bathurst operations represents an average across all operations.

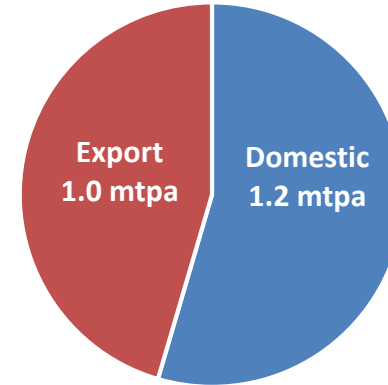
# Sales Profile

Significant footprint in New Zealand Coal

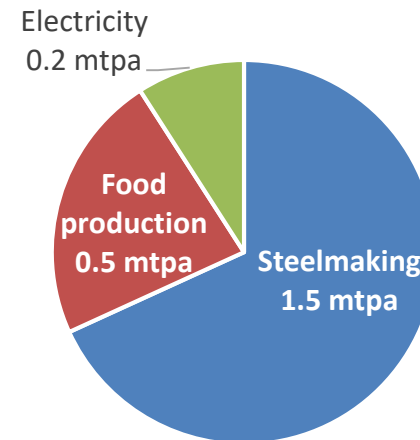
SALES PROFILE BY REGION<sup>1</sup>



SALES PROFILE BY MARKET



SALES PROFILE BY PRODUCT USE



<sup>1</sup> Assumes first year of full production including the BT Mining assets

# FY18 Bathurst Updated Metrics

The following are the forecast metrics for the Bathurst assets based on the FY18 operating plans

	Stockton	North Island Domestic	South Island Domestic	BRL Equity
Production	0.9mt Product <sup>2</sup>	850kt Product	400kt Product	1.6mt Product
Cash cost (av)	\$NZ95/tonne at port			
Margin	NZ\$105/tonne <sup>1</sup>	NZ\$29/tonne	NZ\$30/tonne	
EBITDA	NZ\$89m-95m	NZ\$20m-27m	NZ\$12m	
BRL share of EBITDA	NZ\$57m-62m	NZ\$13m-18m	NZ\$12m	NZ\$82m-NZ\$92m NZ\$90m(av.)

YTD performance exceeding Guidance with Hard Coking Price consistently over US\$200 per tonne during the last quarter

North Island and South Island Domestic are on target

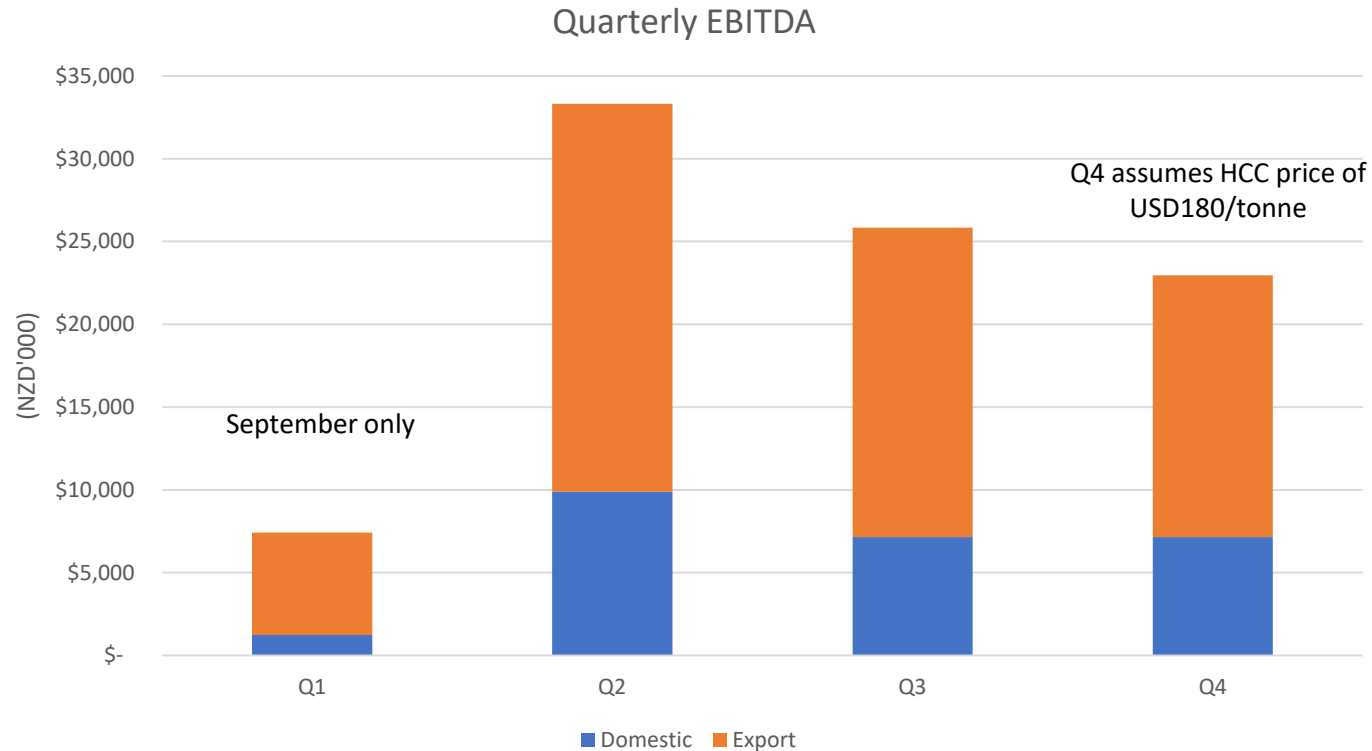
<sup>1</sup> Based on average of US\$175 coking coal price and \$0.70 NZ:USD

<sup>2</sup> 10 months sales from Stockton ie 1 Sept to 30 June 18

# Consolidated EBITDA Guidance Update

The graph depicts the forecast EBITDA for Bathurst by quarter.

FY18 EBITDA forecast has been upgraded to NZ\$90m.



The exchange rate is fixed at \$0.70 for this forecast.

# Future Growth Areas

# Buller Project

The combination of the BT Mining assets with Bathurst's existing Buller Plateau assets will unlock material synergies for the Company

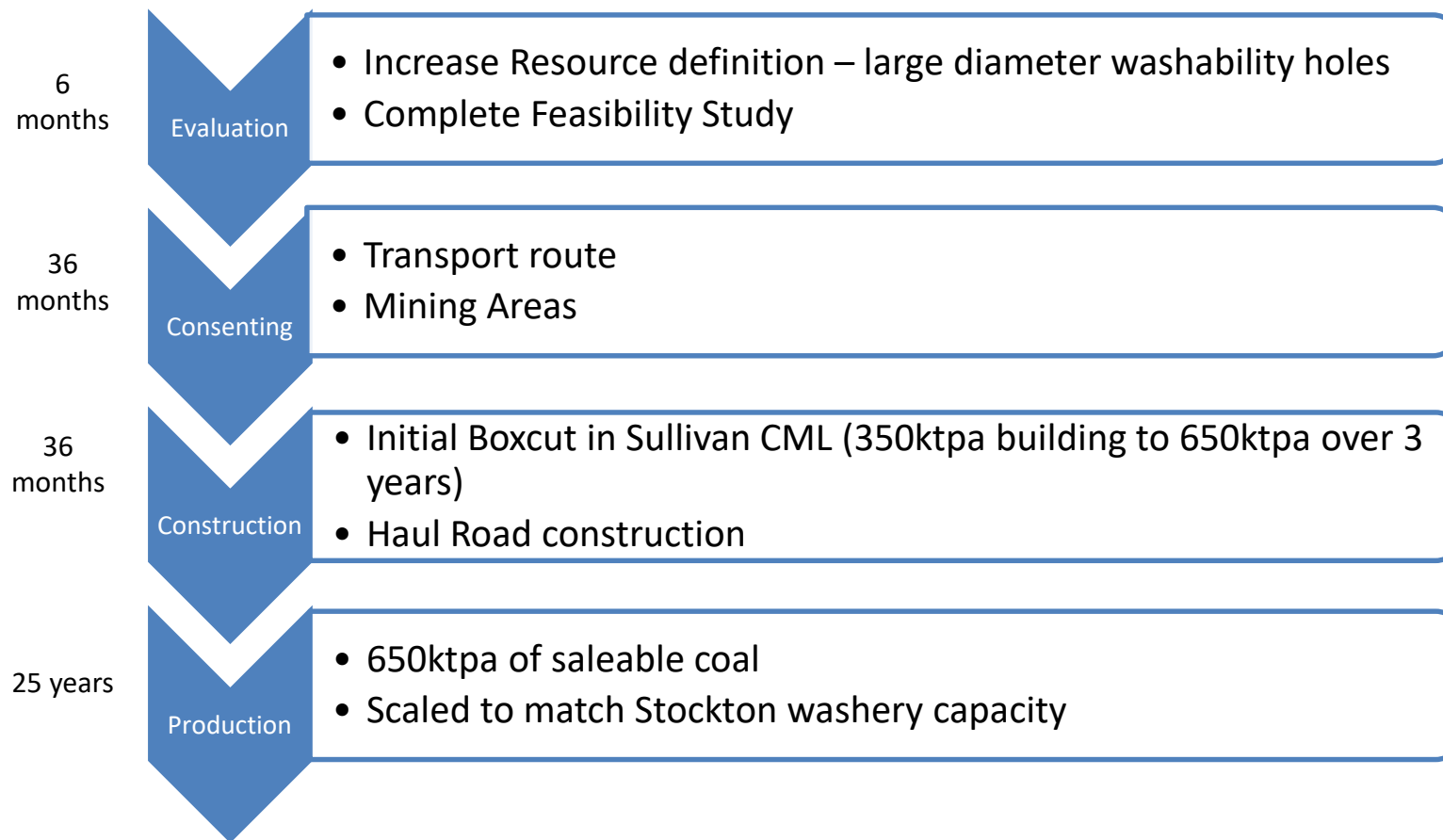


Item	With Synergies	Without Synergies
CHPP	nil	\$100m
Access to Rail	\$6m	\$50m
Rail loadout	nil	\$25m
Water treatment	\$3m	\$3m
Workshops etc	\$1m	\$10m
Working Capital (1 <sup>st</sup> Coal)	\$15m	\$15m
<b>Total</b>	<b>\$25m</b>	<b>\$203m</b>

Buller Coking Coal Assets	
Resource	40.2 Mt
Reserve	18.9 Mt

# Buller Project timetable

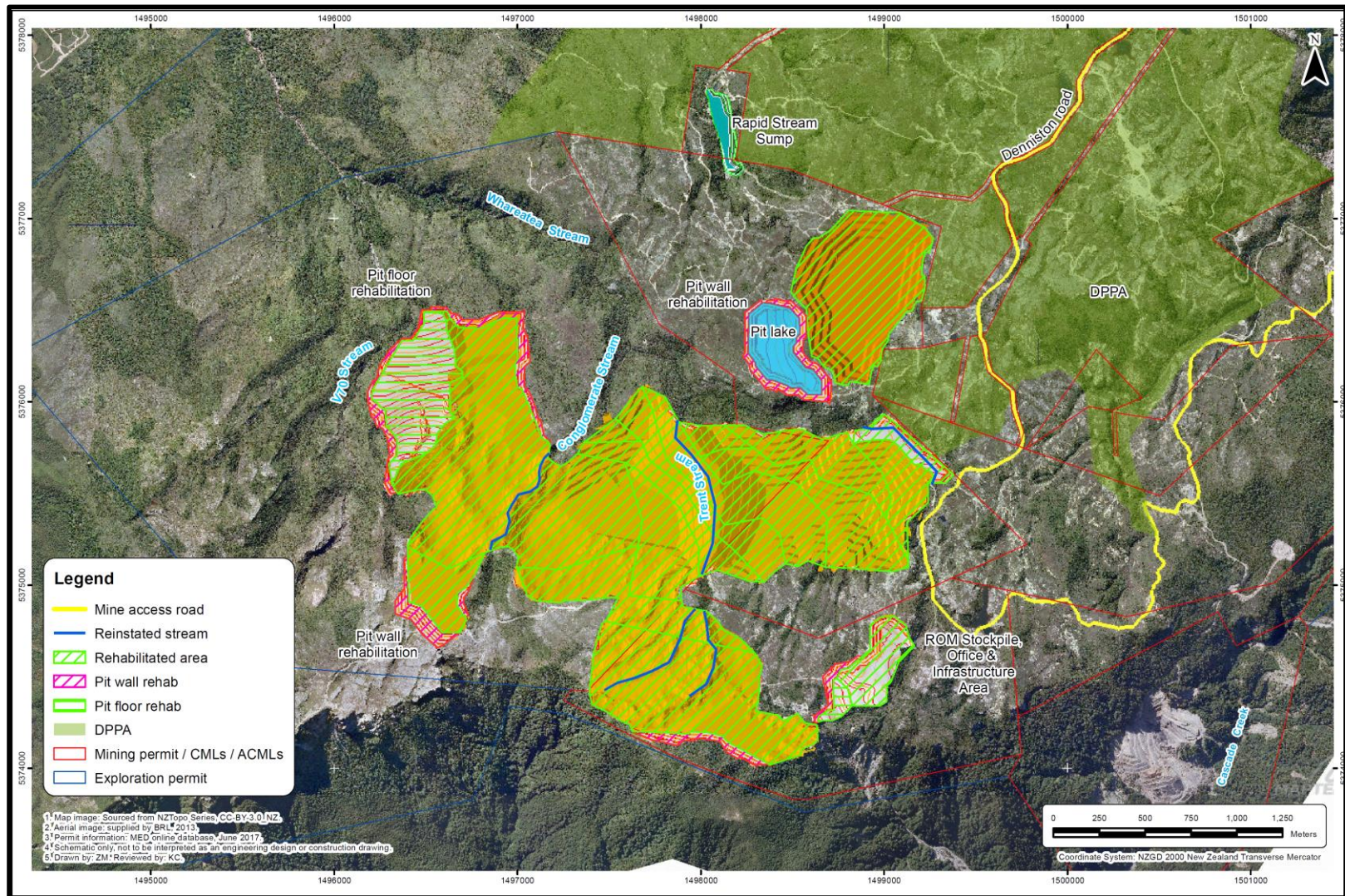
A short development cycle<sup>1</sup> at low capital cost to bring on stream



<sup>1</sup> Saleable production figures and timeframe based on Bathurst's mine and production plan and are subject to all necessary resource consents being granted when anticipated by the plan.



# Conceptual Development Plan - Denniston



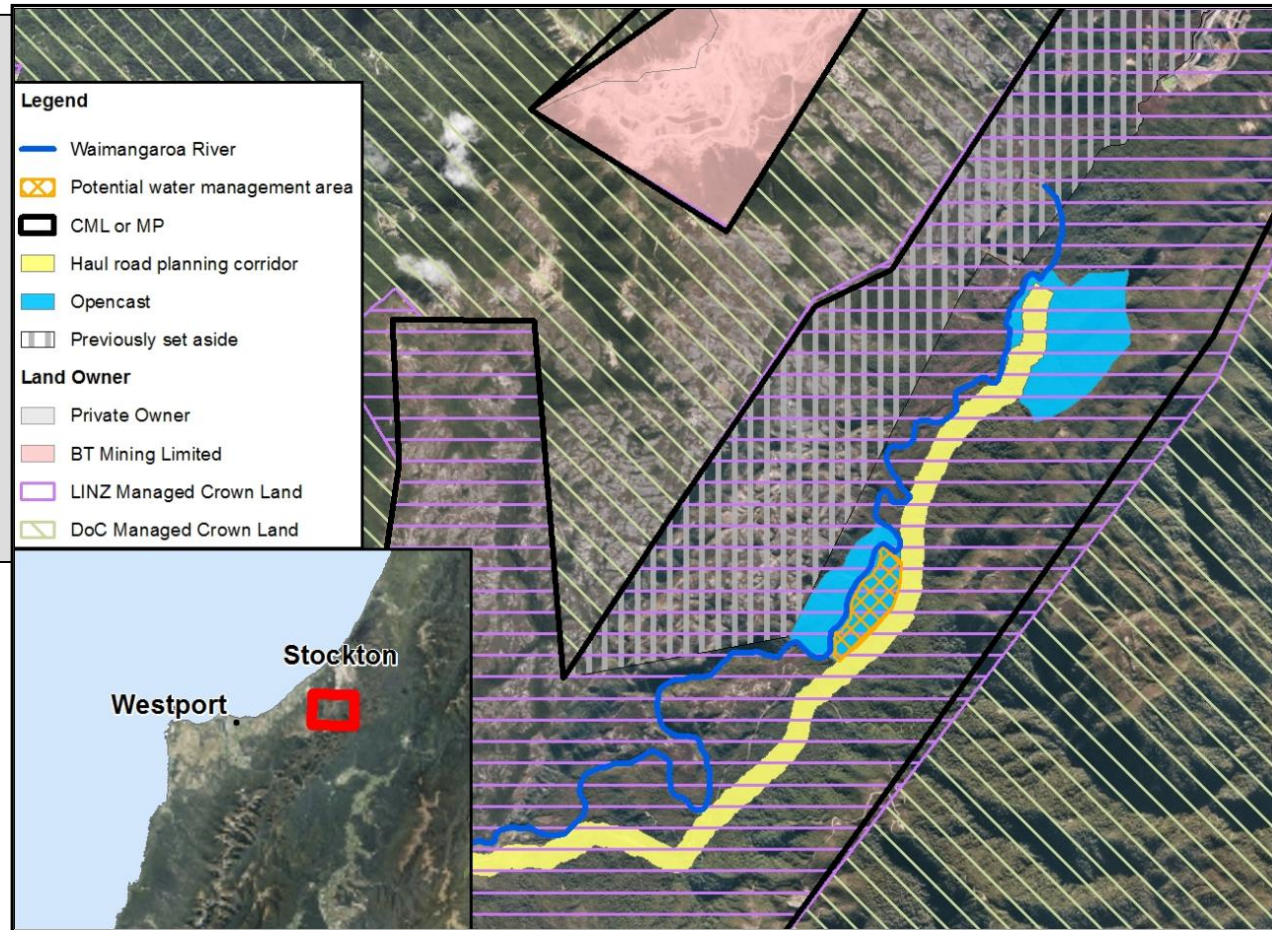
# Conceptual Development Plan - Marshalls

## A natural southern extension of the Cypress area of Stockton

Development of an open cut pit within the Upper Waimangaroa Permit.

Resource can be integrated into the current Stockton market plan. Key component for a Deep Creek blend and should be developed concurrently with this resource. Has the potential to extend Stockton operations beyond FY28.

Resource:	<b>7.4 Mt</b>
Expected Mineable Tonnes <sup>1</sup> :	<b>6.4 Mt</b>
Stripping Ratio:	<b>6.5</b>
Mining Rate:	<b>0.40 Mtpa</b>



<sup>1</sup> Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

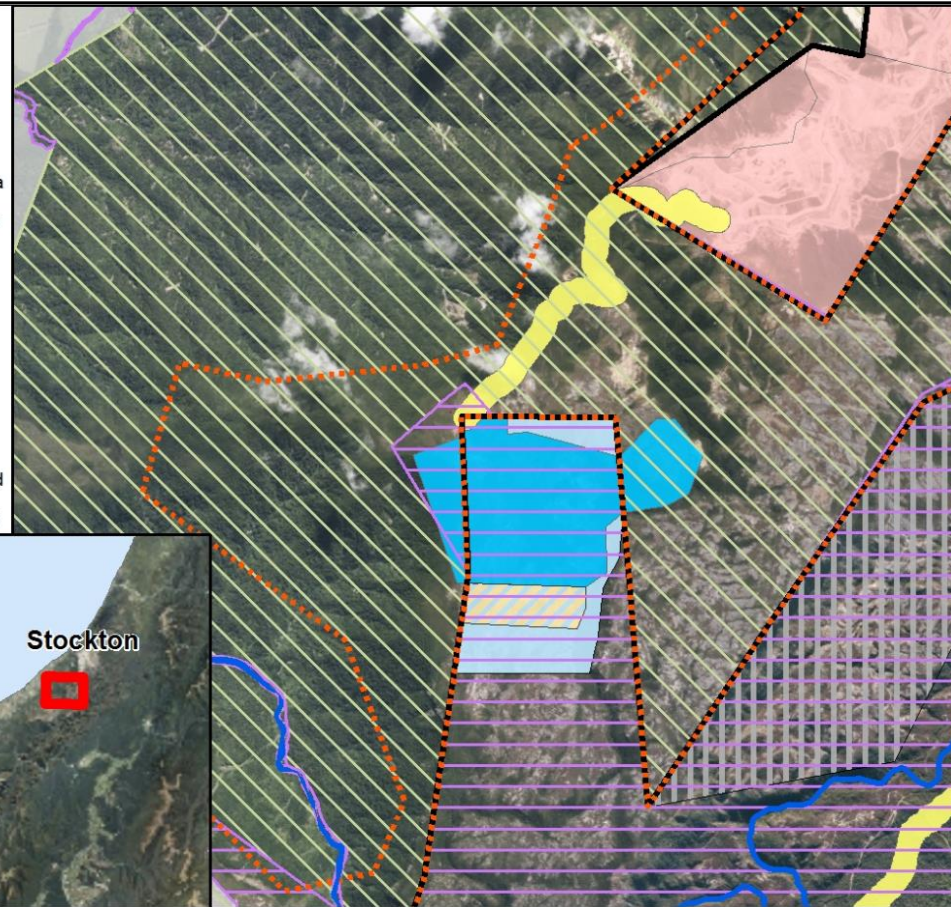
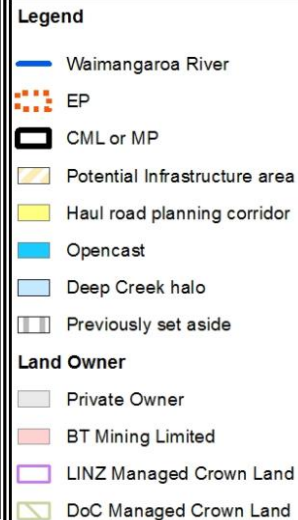
# Conceptual Development Plan – Deep Creek

This area is a blend of BT Mining and Bathurst held resources with access back to Stockton infrastructure

Development of an open cut pit within the Upper Waimangaroa Permit and incorporating comparable coal within the BRL Buller exploration permit

High value resource which enables blending to maintain coking coal export markets from Stockton. Because of the **rank**, Ro(Max), it is the key enabler of future development in the Upper Wai permit.

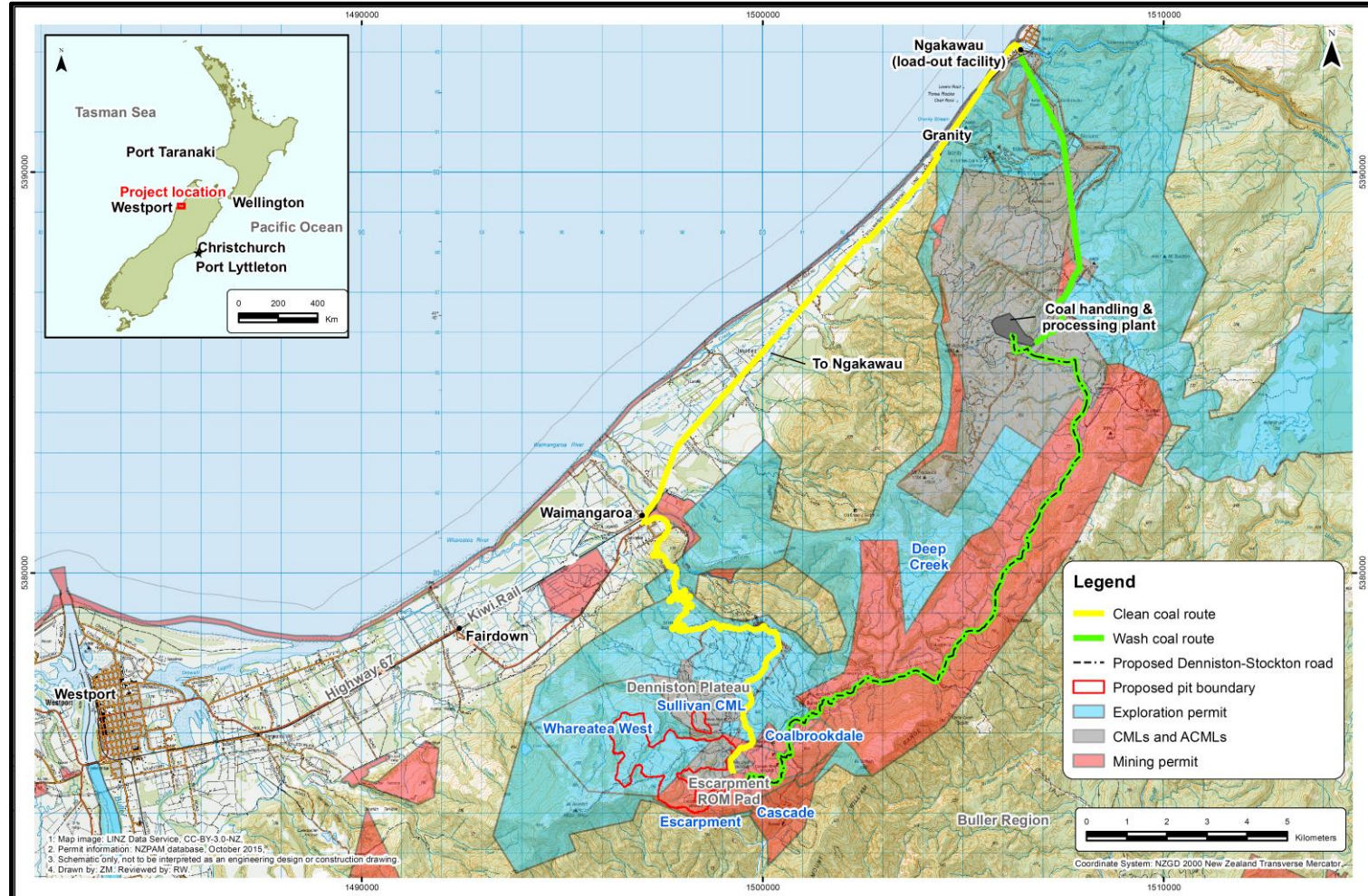
Resource:	<b>16 Mt</b>
Expected Mineable Tonnes <sup>1</sup> :	<b>3.0 Mt</b>
Stripping Ratio:	<b>3.3</b>
Mining rate:	<b>0.50 Mtpa</b>



<sup>1</sup> Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

# Route to Market

Ties all the assets together to establish a long term project pipeline



# Bathurst Resources Capital Structure

<b>Issued Ordinary Shares</b>	<b>1,513,164,577</b>
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Potential Ordinary Shares	Face Value	# of notes	Maturity/ vesting date	Coupon	Per note conversion # shares	# potential ordinary shares
Convertible Notes	\$4.0m NZD	3,483	22 July 2019	8%	45,455	158,318,182
Convertible Notes	\$8.6m NZD	7,500	1 Feb 2021	8%	26,667	200,000,000
Transaction Performance Rights	n/a	n/a	31 Dec 2018	n/a	n/a	11,500,000
Completion Performance Rights	n/a	n/a	31 Dec 2018	n/a	n/a	1,980,559

<b>Total Issued and Potential Ordinary Shares</b>	<b>1,884,963,318</b>
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USD Subordinated Bonds	\$7.9m USD	7,900	1 Feb 2020	10%
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# Competent Person Statements

## Bathurst Resources Competent Person Statement

- The information on this report that relates to mineral resources for Deep Creek and the mineral reserves for Escarpment Export, Stockton and Whareatea West is based on information compiled by Sue Bonham-Carter who is a full time employee of Golder Associates (NZ) Ltd and is a Chartered Professional and member of the Australasian Institute of Mining and Metallurgy and member of Professional Engineers and Geoscientists of British Columbia, Canada. Ms. Bonham-Carter has a B.Sc. Engineering (Mining) (Hons) from the Queens University, Canada. Ms. Bonham-Carter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms. Bonham-Carter consents to the inclusion in this report of the matters based on her information in the form and context in which it appears above.*
- The information in this report that relates to exploration results and mineral resources for Escarpment Domestic, Escarpment Export, Cascade, Coalbrookdale, Whareatea West, Millerton North, North Buller, Blackburn, Takitimu, Canterbury Coal, New Brighton, Rotowaro and Maramarua is based on information compiled by Hamish McLauchlan as a Competent Person who is a full time employee of Bathurst Resources Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. McLauchlan has a B.Sc and M.Sc (Hons) majoring in geology from the University of Canterbury. Mr. McLauchlan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. McLauchlan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information in this report that relates to exploration results and mineral resources for Stockton and Upper Waimangaroa is based on information compiled by Mark Lionnet as a Competent Person who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Lionnet has a B.Sc (Hons) majoring in geology from the University of Witwatersrand. Mr. Lionnet has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lionnet consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information on this report that relates to mineral reserves for Escarpment Domestic, Takitimu, Canterbury and Maramarua is based on information compiled by Terry Moynihan who is a full time employee of Bathurst Resources Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Moynihan has a Bachelor of Technology (Mining) from the Otago School of Mines. Mr. Moynihan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Moynihan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information on this report that relates to mineral reserves Rotowaro is based on information compiled by Martin Bourke who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Bourke has a Bachelor of Engineering (Mining) from University of Auckland (NZ) and B.Sc (Chemistry) from Massey University (NZ). Mr. Bourke has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bourke consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*