

Quarterly Report

March 2019

Highlights

- Consolidated* FY EBITDA guidance maintained at \$105m.
- Off-market minimum holding share buyback facility announced.
- Q3 FY19 sales revenue 7% higher than Q3 PY, primarily driven by increased volumes in the export segment.
- Key investor meetings in Asia Pacific including Euroz conference held during the quarter, with Director representation at PDAC in Canada.
- Consolidated cash at 15 April \$37.7m.
- Crown Mountain (Canadian joint venture project) bankable feasibility study commenced.

Executive summary

With domestic operations performing as expected, and continued strong export pricing, consolidated EBITDA guidance has been maintained at \$105m for FY19.

Cash was \$37.7m in mid-April after the receipt of March coal shipments. Cash outlays of note on a 100% basis in the quarter were:

- Final payment for the existing mining fleet at Waipuna West (Rotowaro mine) \$10.0m (BT Mining).
- \$8.0m provisional tax (BT Mining).
- \$7.1m deferred consideration to Solid Energy (BT Mining).
- \$1.6m of on-market share buybacks (Bathurst).
- Further investments in Crown Mountain of \$1.3m (Bathurst).

No significant CAPEX investments are expected for Q4 outside of capitalised stripping in advance.

Health, safety and environment

One lost time injury (14 days lost)

- A rehabilitation contractor struck their hand whilst planting seedlings, resulting in a fractured wrist bone.

Review of mechanical maintenance practices

- Maintenance productivity audits.
- Machine safety reviews.
- Aim to provide standardisation in maintenance across all sites.

Regulatory updates

- AS/NZS 4760 detection and quantification of drugs in oral fluid issued by Standards New Zealand.
- Work is underway to add oral fluid testing to complement existing fitness for work drug and alcohol testing.

* Consolidated in this document means 100% Bathurst and 65% equity share of BT Mining

Performance metrics

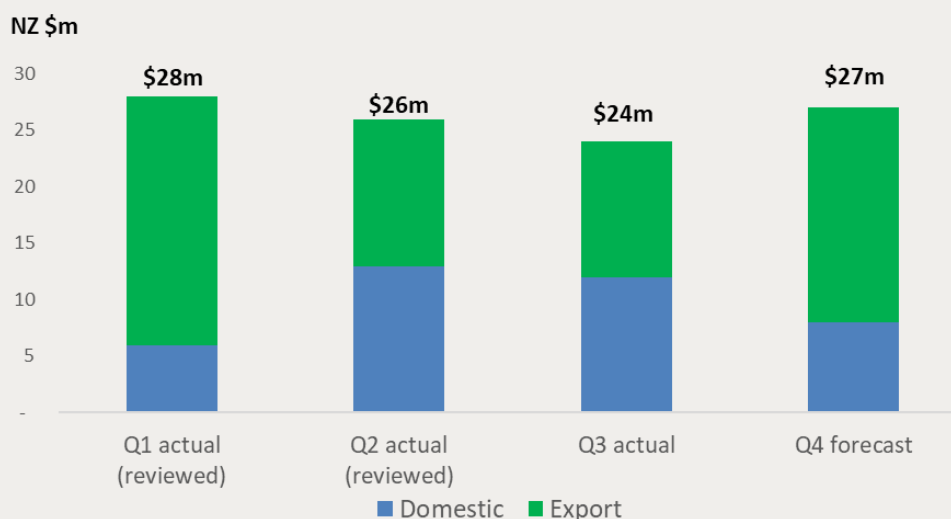
	Export 100%	NID* 100%	SID* 100%	BRL equity share	BRL equity share Prior period
March Quarter					
Production (kt)	255	251	96	425	433
Sales (kt)	248	249	106	428	409
Overburden (Bcm '000)	1,198	3,387	1,182	4,162	3,675
Sales Revenue (NZD '000)**	\$62,033	\$26,869	\$14,154	\$71,940	\$67,482
March YTD					
Production (kt)	810	700	297	1,279	1,057
Sales (kt)	869	698	320	1,338	1,066
Overburden (Bcm '000)	3,520	9,276	3,378	11,695	8,329
Sales Revenue (NZD '000)**	\$195,123	\$72,982	\$42,431	\$216,700	\$170,234

* North Island domestic and South Island domestic

** Reporting of Export includes third party sales and reporting of SID includes freight revenue, which aligns with statutory reporting

Export and NID are held through BT Mining @ 65%

EBITDA quarterly outlook



Domestic includes both Bathurst and BT Mining Corporate EBITDA

Note: Q3 Export EBITDA was lower than previously forecast as a shipment has slipped into Q4; this is reflected in the uplift in forecast Q4 EBITDA.

Operations review

Export (Stockton) (65%)

Overburden moved was consistent with plan for the quarter. Coal production was down 25kt as the lower productivity pits continue to be targeted, however this is not expected to impact Q4. Free on Board cost per tonne were again above forecast due to the lower production output.

Sales volumes were lower than forecast as one shipment slipped from Q3 into Q4. Strong pricing continues.

To reduce the export sale price exposure, BT Mining had contracted forward sales out to December 2019 of 193kt of hard coking coal, at an average price of NZD \$271 per tonne.

NID (65%)

Rotowaro

Operations are proceeding as planned post the mine transitioning to owner operator, with production, overburden and cost performance all in line with the business case for the Waipuna West extension.

Maramarua

Production was marginally ahead of forecast for the quarter, with overburden 121kbcm behind due to machine availability. Cash costs have been well managed, down 10% for the quarter.

SID (100%)

Takitimu

Production was in line with forecast, with waste movement lower than planned due to low truck and operator availability; this was remedied via employment of new staff and improved roster patterns. Cash operating costs are in line with forecast YTD.

Canterbury

The focus was on overburden during the quarter to gain access to additional sources of coal. Cash costs continue to be favourable, 5% lower than forecast YTD.

Exploration and development

Buller Project

The drilling programme for the Buller project is still on hold whilst new improved drilling hardware is sourced. New exploration permits were submitted for Denniston, Millerton-Fly creek and Blackburn.

Domestic

Drilling continued in the New Brighton permit (Takitimu) to update the model around the Mossbank area that was identified in 2017 as optimisation work. Four additional holes were drilled at Black Diamond to support the modified mine plan. An initial mapping programme at Rotowaro was completed, with three holes drilled for permit compliance.

Crown Mountain (earn in up to 50%)

The geologic model has been updated off the back of the 2018 summer exploration programme, and now forms the basis for the bankable feasibility study which commenced in March. A project manager was appointed in April to ensure the successful progression of the feasibility and permitting processes.

Cores recovered during the 2018 drilling programme have confirmed the findings in the 2013-2014 pre-feasibility study that coal in the North pit is near benchmark premium hard coking coal. South pit samples continue to be tested.

For more detailed information refer to ASX announcements for Jameson Resources (ASX: JAL).

Corporate

On-market share buybacks

A further 11.9m shares were bought back during the quarter, bringing the total bought back to 23.5m shares at an average price of AUD 0.127 per share.

Litigation

Bathurst (and Buller Coal Ltd) lodged an appeal to the Court of Appeal against the unfavourable judgment issued by the High Court in respect of the claim made against Bathurst (and Buller Coal Ltd) by L&M Coal Holdings Ltd. The hearing in the Court of Appeal is scheduled for the 20 – 22 August 2019.

FY19 guidance – EBITDA maintained at \$105m

	Metric	Export	NID	SID	BRL Equity Share
Production	kt	1,090	907	366	1,665
Margin	NZD \$/t	\$99*	\$42	\$27	
EBITDA **	NZD \$m	\$108m	\$38m	\$10m	\$105m
Cash cost (av)	NZD \$/t at port	\$100			

* This is the average margin across all sales types including thermal coal sales. Coking coal price assumption for unexpired period is based on 80% of benchmark average of US\$182 coking coal price at \$0.68 NZ:USD.

** NID includes BT Mining's Corporate business unit, SID includes BRL's Corporate business unit.



Investor relations

email: investor.relations@bathurst.co.nz

Media relations

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Share price at 31 March 2019:
AUD 14.0 cents
Issued Capital at 31 March 2019:
1,589 million ordinary shares
Market capitalisation:
AUD \$222M

Bathurst Resources Limited

Level 12, 1 Willeston Street
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Chief Executive Officer

Richard Tacon

Directors

Toko Kapea – Chairman
Richard Tacon – Executive Director
Peter Westerhuis – Non Executive Director
Russell Middleton – Executive Director

Substantial holders

Republic Investment Management Pte Ltd: 20.0%
Talley's Group Limited 11.1%
Chng Seng Chye: 6.7%

ASX Code: BRL

Website and email

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Company Secretary

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Unless otherwise noted, all dollar amounts referred to in this report are in New Zealand dollars

BATHURST
RESOURCES LIMITED