



BATHURST RESOURCES LIMITED

2022 AGM PRESENTATION
ASX: BRL

DISCLOSURE

General information

This document is authorised for release by the board of directors of Bathurst Resources Limited (“Bathurst”) on the 29 November 2022. Bathurst’s address is Level 12, 1 Willeston Street, Wellington 6011, New Zealand.

General disclaimer

This presentation contains forward-looking statements. Forward-looking statements often include words such as “anticipate”, “expect”, “intend”, “plan”, “believe”, “guidance” or similar words in connection with discussions of future operating or financial performance, they also include all figures noted as FY23/FY23E which are forecasted financial year June 2023 results. The forward-looking statements are based on management's and directors’ current expectations and assumptions regarding Bathurst’s businesses and performance, the economy and other future conditions, circumstances and results.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Bathurst’s actual results may vary materially from those expressed or implied in its forward-looking statements. Bathurst, its directors, employees and/or shareholders shall have no liability whatsoever to any person for any loss arising from this presentation or any information supplied in connection with it. Bathurst is under no obligation to update this presentation or the information contained in it after it has been released. Nothing in this presentation constitutes financial, legal, tax or other advice.

Resources and reserves

All references to reserve and resource estimates should be read in conjunction with Bathurst’s ASX announcement – 2022 “Resources and Reserves Compilation” reported on the 28 October 2022, and all disclosures made in this document with reference to resources and reserves are quoted as per this announcement. A marketable coal reserve table has been included as an appendix to this document.

Bathurst confirms that it is not aware of any new information or data that may materially effect the information included in this market announcement. In the case of estimates of coal resources or reserves for material mining projects, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since the 28 October 2022 announcement, noting that production activity for operating mining projects has occurred between the date of the initial report and this presentation.

Consolidated financial presentation

Consolidated in this document where used refers to consolidated 100 percent Bathurst and 65 percent equity share of BT Mining Limited. Financial figures noted in this document are consolidated unless otherwise noted.

OUR BOARD MEMBERS



1.



2.

Board members

1. Peter Westerhuis
Non-executive Chairman

2. Richard Tacon
Executive Director & Chief Executive Officer

3. Russell Middleton
Executive Director & Chief Financial Officer

4. Francois Tumahai
Non-executive Director



3.



4.

OUR LEADERSHIP TEAM



Senior leadership

5. Fiona Bartier

General Manager, Health, Safety, Environment and Community

6. Carmen Dunick

Group Manager, People and Culture



7. Ian Harvey

General Manager, Export Operations

8. Sam Johnstone

General Manager, Marketing and Logistics



9. Craig Pilcher

General Manager, Domestic Operations

10. Damian Spring

General Manager, Resource Development

SAFETY JOURNEY

Key strategies have stabilised our performance and facilitate our Safety journey

Key Actions



- The New Zealand Government changed a number of COVID public health settings such as the removal of face masks, however, the requirement of seven days isolation remains in place. Cases are ongoing but with less impact.



- Occupational hygiene monitoring data review has been completed. The output of the review assists us to validate our identification of occupational hazards.
- A training system audit was completed during quarter at all sites. Each site has developed an action plan to focus on improvements.
- The continued roll out of the Field Leadership program extended to Critical Control Verifications.

OUR CONTRIBUTION

>550

Employees

\$67m

paid to
employees

315kt

CO₂ emissions
avoided when
using our
export coal ¹

\$34m

taxes,
royalties and
govt fees

\$209m

paid to New
Zealand
suppliers

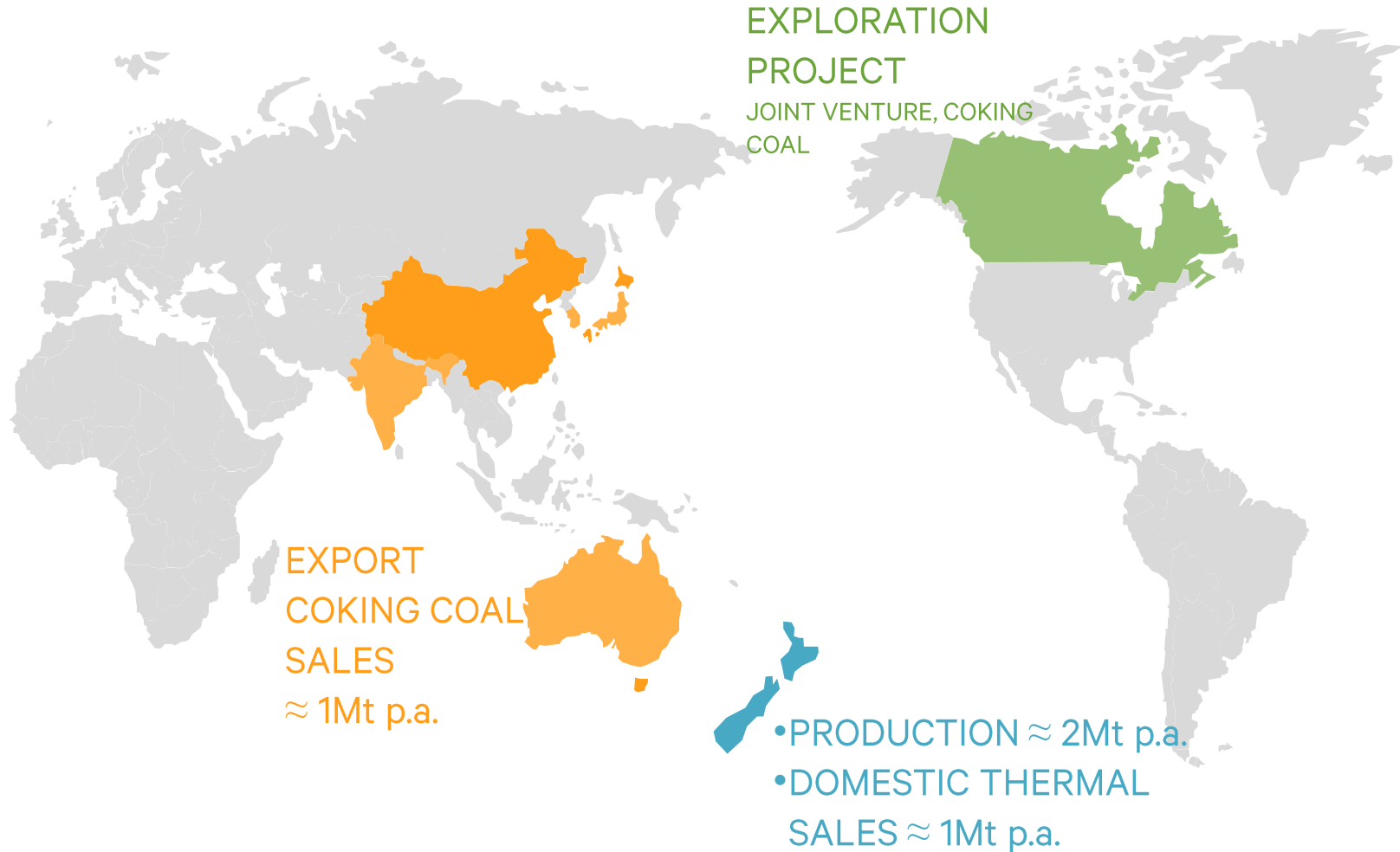
3

finalists in the
Minerals Sector
Awards

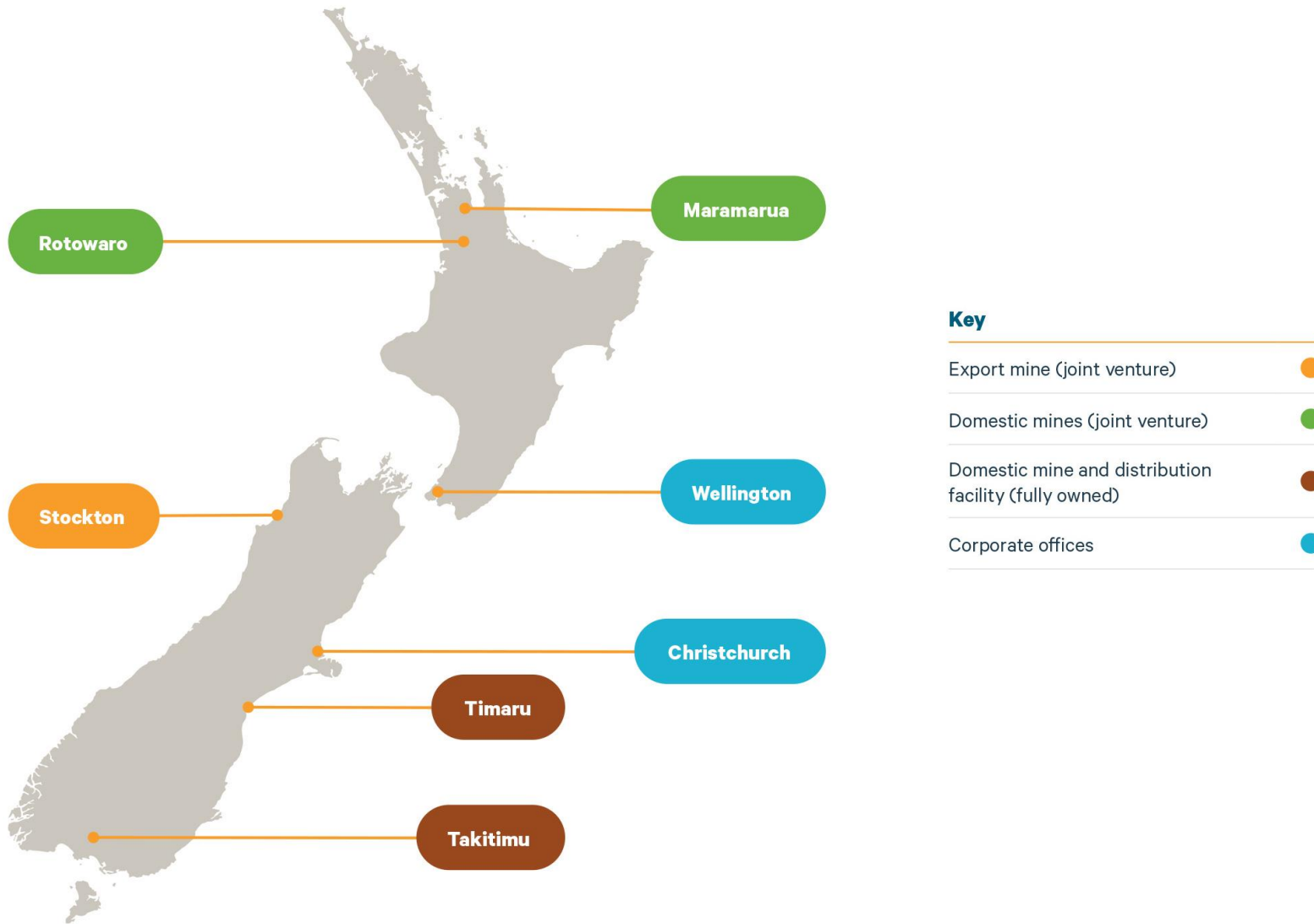
Financial figures noted are 100 percent Bathurst and BT Mining for FY22

¹Independent verification by SGS Laboratories Limited confirmed our analysis based on 1Mt of sales a year. Emissions savings due to high vitrinite and low ash properties of our export Stockton coal.

DOMESTIC UTILITY, GLOBAL UPSIDE



AN ESSENTIAL ENERGY SUPPLIER IN NZ



Joint venture assets in BT Mining are 65% equity owned by Bathurst.

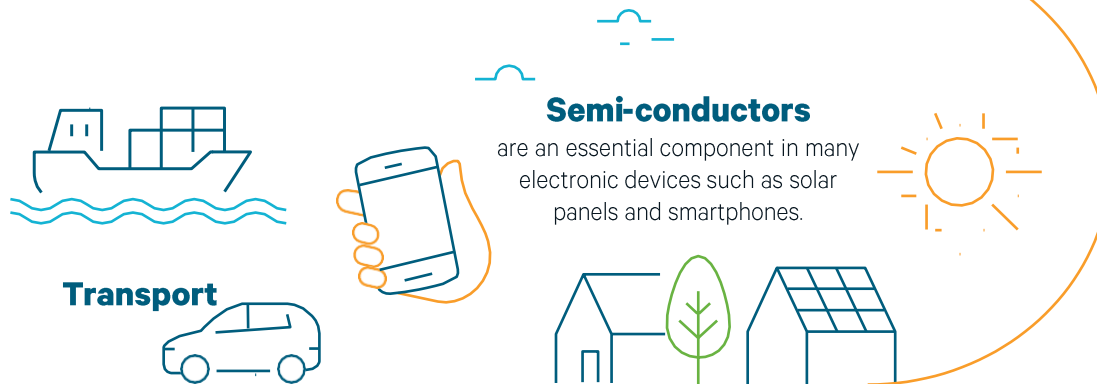
HOW OUR PRODUCT IS USED



Construction
in which most buildings or structures are made from steel.

Electricity generation
when there isn't enough green energy supply to meet demand.

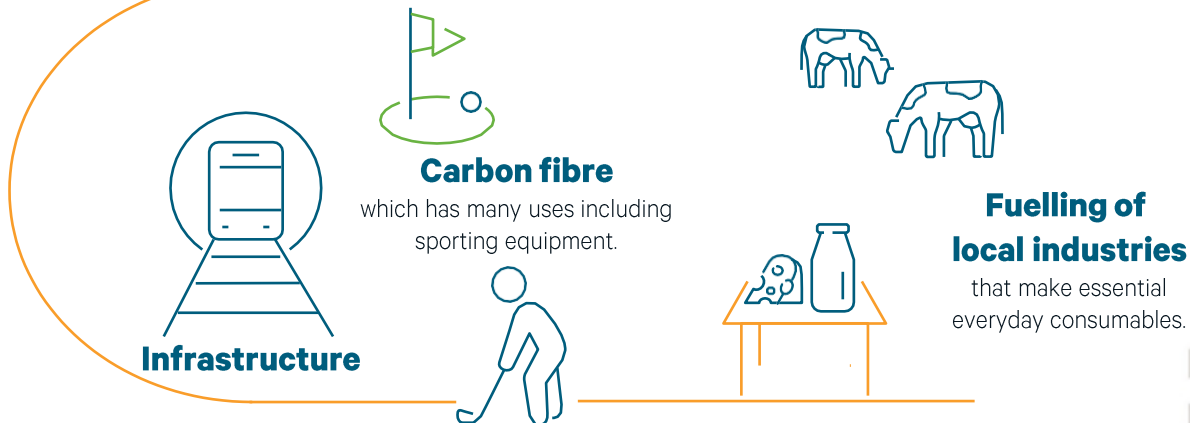
The top section features two main categories. On the left, 'Construction' is illustrated with a crane, a tree, and several buildings. On the right, 'Electricity generation' is shown with a power line tower. The background includes stylized clouds.



Transport

Semi-conductors
are an essential component in many electronic devices such as solar panels and smartphones.

The middle section is enclosed in a large orange oval. It features 'Transport' with a ship and a car, and 'Semi-conductors' with a smartphone, a house with solar panels, and a sun. The background includes stylized clouds.



Infrastructure

Carbon fibre
which has many uses including sporting equipment.

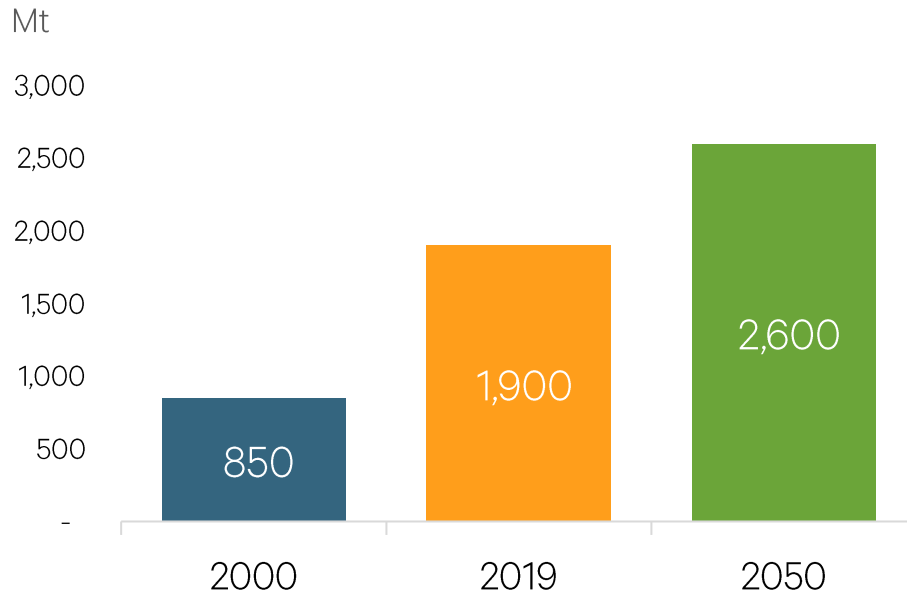
Fuelling of local industries
that make essential everyday consumables.

The bottom section is also enclosed in a large orange oval. It features 'Infrastructure' with a train, 'Carbon fibre' with a golf ball and club, and 'Fuelling of local industries' with cows and a table with food. The background includes stylized clouds.

THE ONGOING DEMAND FOR STEEL

Demand for steel is projected to increase by a third by 2050.

GLOBAL STEEL PRODUCTION¹



Why has demand for steel increased?

- Steel is integral to modern economies.
- It is the world's second largest commodity value chain and is essential in engineering, construction, manufacturing and technology.

Why is the outlook for steel so robust?

- It will continue to be used in current industries and play a vital role in the transition to green alternatives.

How does the above tie into our strategy?

- We expect more than 90 percent of our coal production to be coking coal for steelmaking in the long term.

¹ Based on IEA (2020), Iron and Steel Technology roadmap [HERE](#)

WE SELL INTO TWO MARKETS THAT HAVE THEIR OWN RISKS AND OPPORTUNITIES

Export: coal for steelmaking

Risks, opportunities & market dynamics

- Exposed to market price fluctuations.
- Opportunity to significantly increase profit when pricing is high, but flipside is exposure to lower pricing when markets slump.
- Demand profile for this coal is considered to be longer term due to the nature of the demand for steel.

Strategy

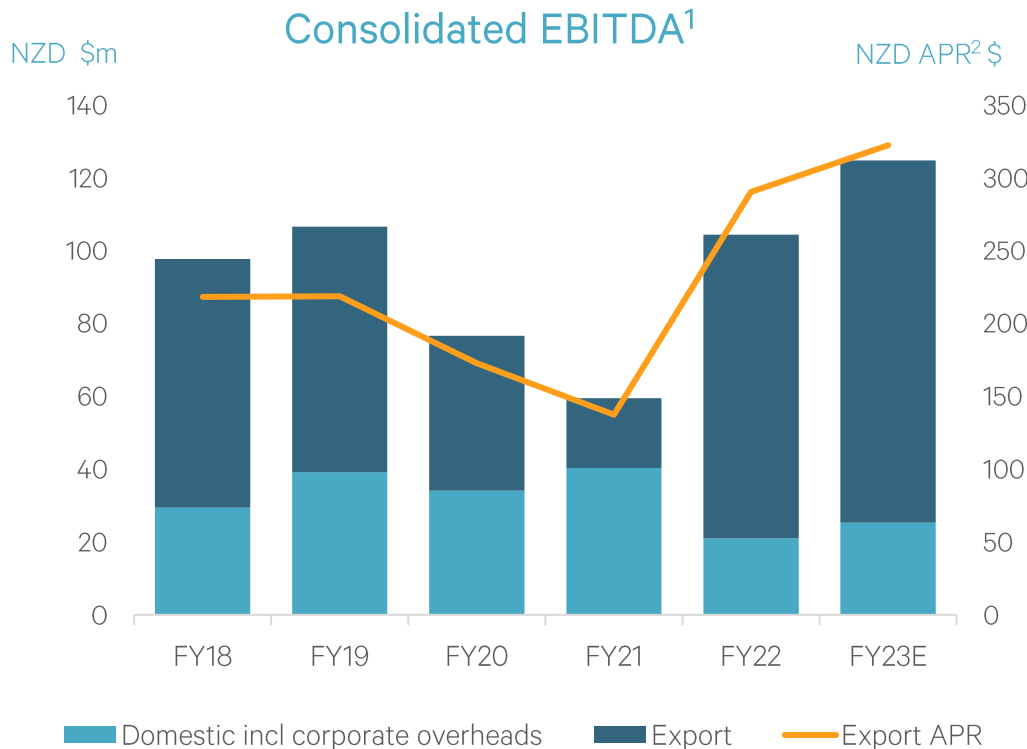
- Sell to blue chip customers a product with unique properties that forms an essential part of our customer's bespoke coke blend.
- Our value in use focus means we have long standing relationships with our customers – up to 47 years.
- Utilise hedging to help smooth revenue, focus on cost control.

Domestic: coal for processing heat & steelmaking

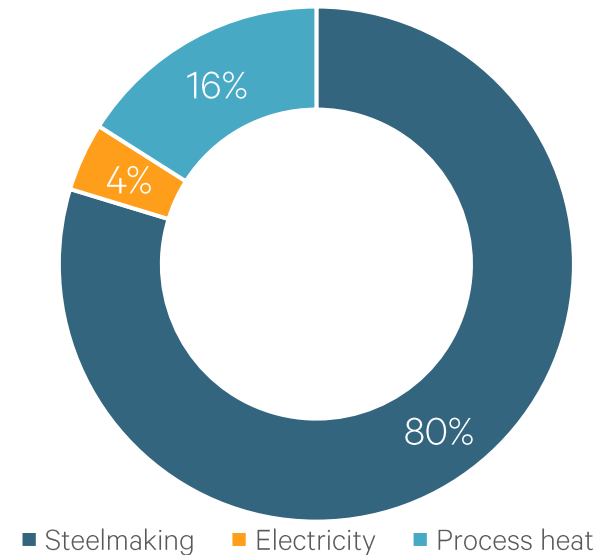
- New Zealand is moving towards a net zero carbon economy, with increasing pressure on fossil fuels coming from legislators and the general public. The NZ government has confirmed a phase out of existing coal boilers by 2037.
- Pricing and demand in the near term is stable.
- Sell under long-term, fixed priced contracts.
- Life of mine plans are matched against committed sales; new areas are only explored if there are strategic partnerships in place.

SUSTAINABLE EARNINGS PROFILE

We benefit in times of high export pricing, and generate positive cash flows during lower export pricing due to stable earnings from our domestic segment.



FY23E sales tonnes by product use



¹ EBITDA represents net profit/(loss) before tax, net finance costs, tax, depreciation, amortization, impairment, fair value movements on derivatives and deferred consideration, and movements in rehab provisioning.

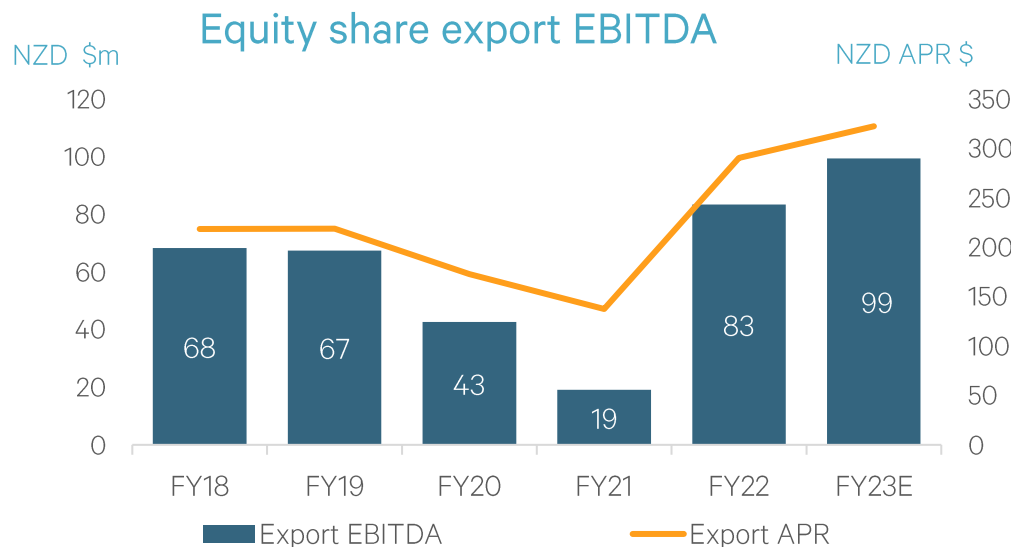
² Average price received

EXPORT (STOCKTON MINE)

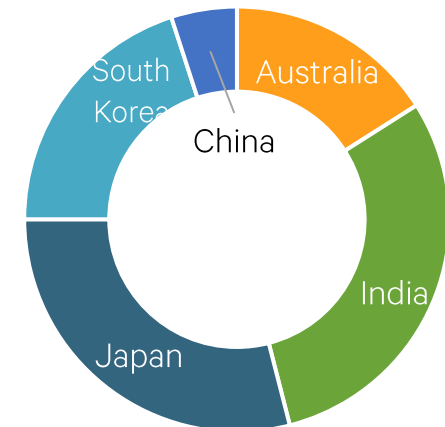
Coking coal sales for the steelmaking export market.



“ Earnings fluctuate in line with changes in the USD Hard Coking Coal premium low vol benchmark which our export pricing is set against, as well as movements in NZD:USD foreign exchange rate. Our average benchmark realisation is 75 percent.



Export sales by country FY23E



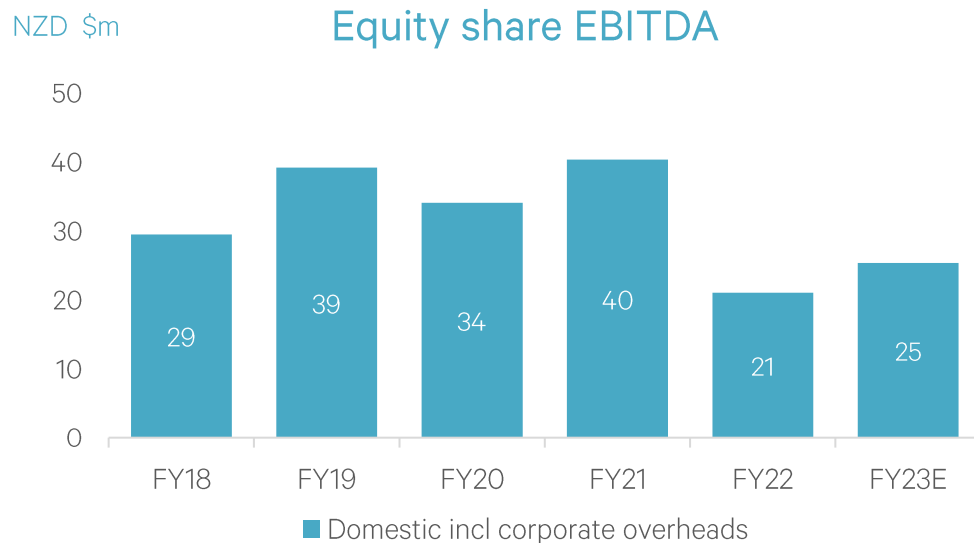
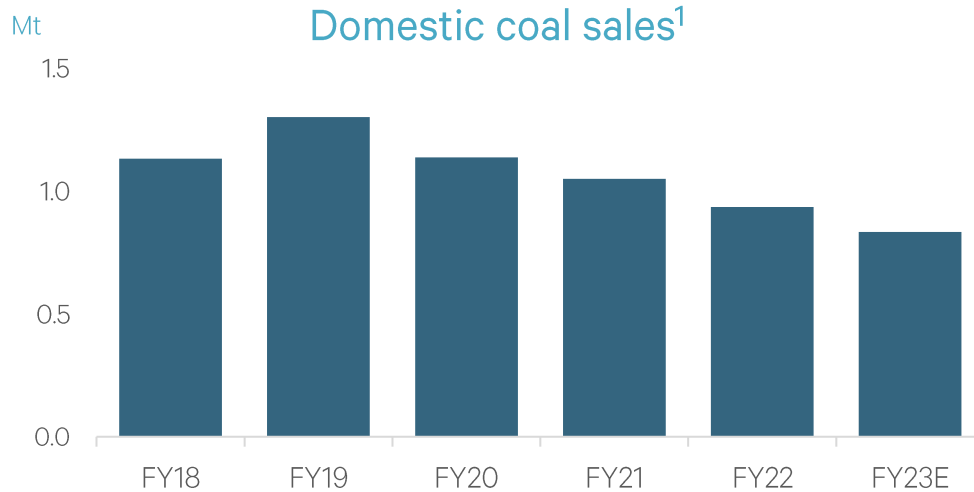
¹On a 100 percent basis (not consolidated).



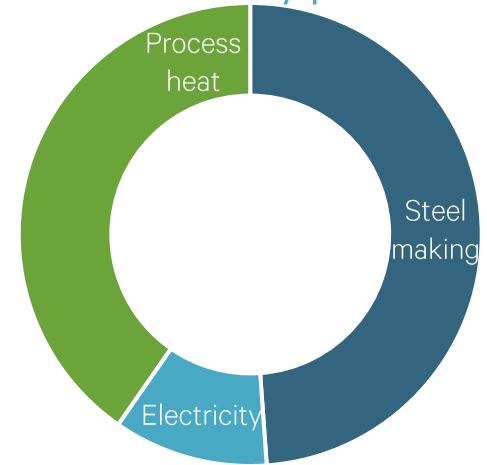
STOCKTON

DOMESTIC MINES (North & South Island)

Consistent EBITDA based on predictable revenue, unit costs, and overburden removal.



FY23E sales by product use



¹On a 100 percent basis (not consolidated).



ROTOWARO



MARAMARUA



TAKITIMU

BATHURST
RESOURCES LIMITED

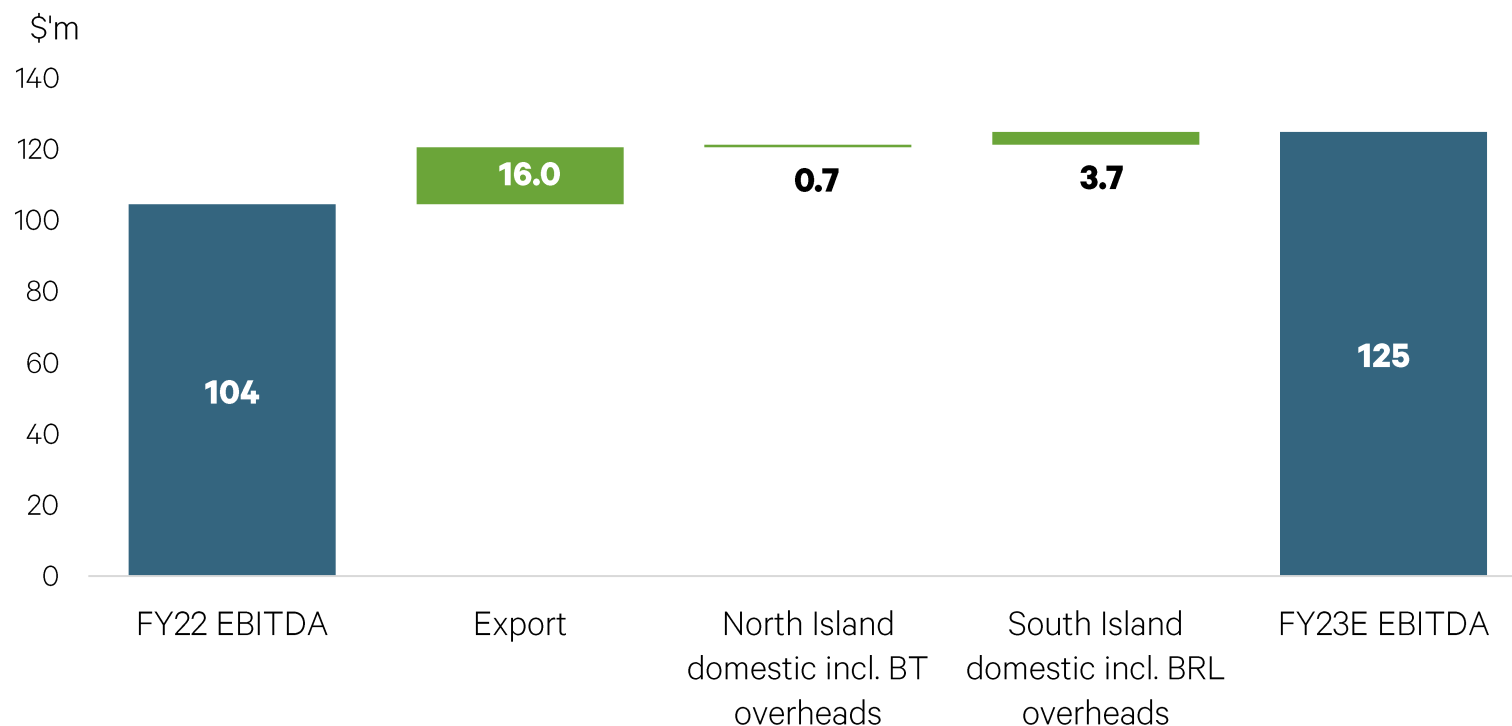
CANTERBURY – 12 months ago



CANTERBURY - Now



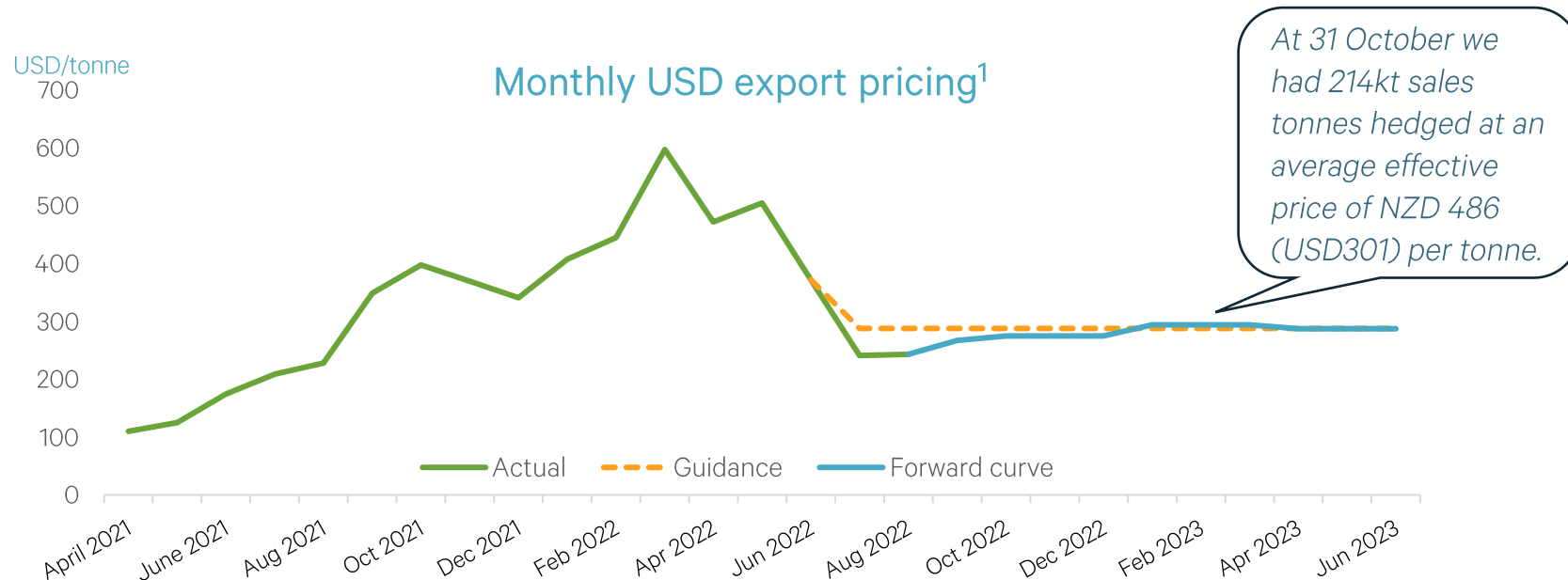
EBITDA GUIDANCE FY23 \$120M - \$130M



- Guidance range reflects potential volatility in export pricing; assumed annual average benchmark of USD 288 per tonne.
- Export uplift expected from increased sales tonnes + a full year at higher pricing levels.
- Improved results for SID including BRL overheads as legal costs expected to decrease¹.

¹ Refer slide 19 for details of legal claims that drove legal fees in FY22.

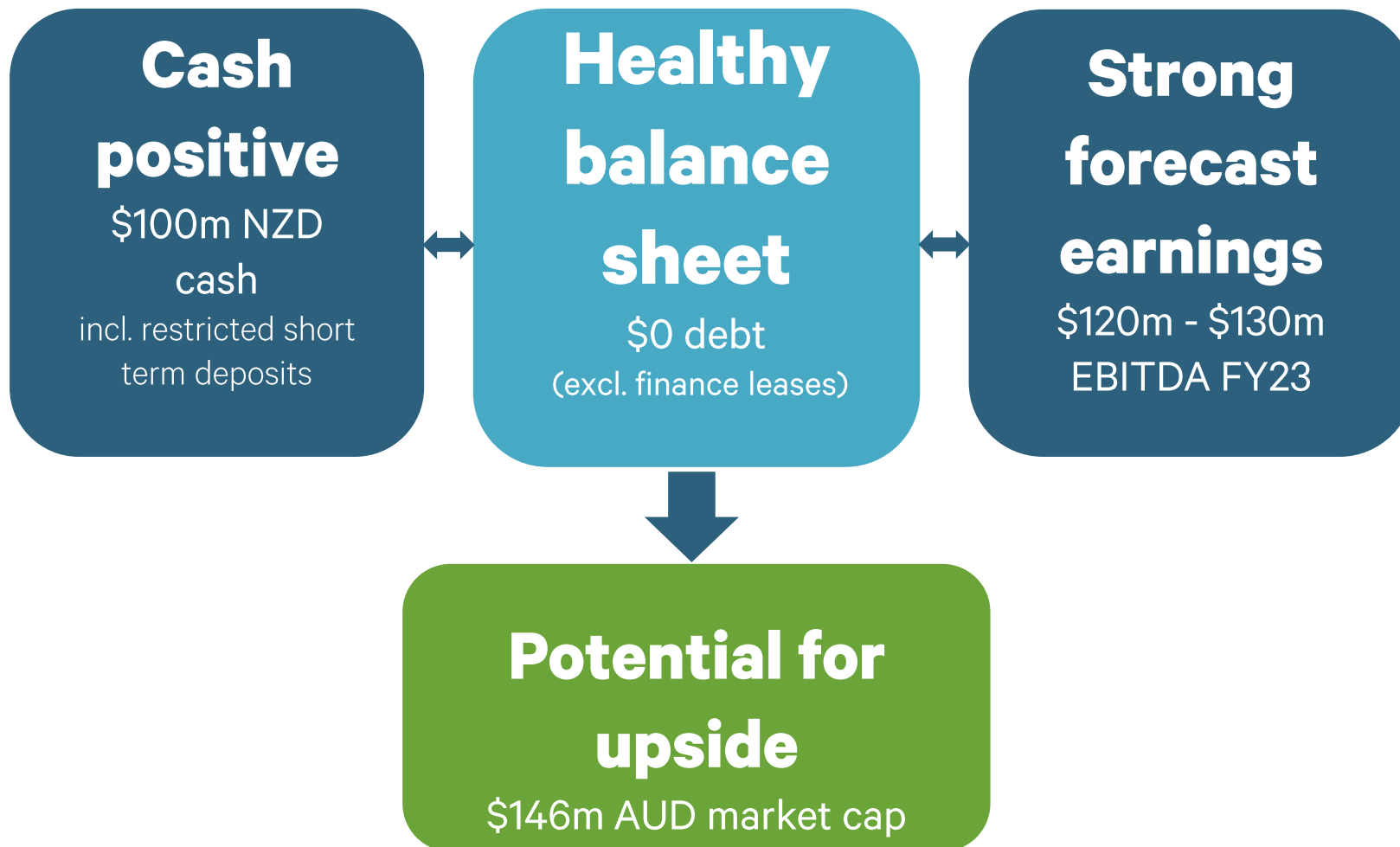
EXPORT OUTLOOK REMAINS POSITIVE



- The Hard Coking Coal price rallied through October and reached a high of US\$320/t in early November as Australian coal production continues to be impacted by the ongoing wet weather.
- The wet season is expected to continue out to the end of March which will help support prices partially in the very near term. However demand remains poor and the recent high prices have only been a result of restricted supply and once supply improves we would expect prices to fall further.
- The global economy continues to show signs of weakness as individual economies attempt to tame inflation through restrictive monetary policies. This will likely lead to reduced demand and may lead to a recession further impacting spending and hence lowering coal and steel prices into 2023.
- The Chinese economy remains weak currently as ongoing Covid restrictions limit demand and hampers their supply chain. However if China starts to relax their Covid policy we may see demand pick up for both steel and coking coal especially if the Government introduces further stimulus packages.
- Into the medium and long term, the lack of recent investment in new coking coal assets and ongoing requirement for coking coal by steel mills, the pricing of coking coal is expected to remain well supported.

¹USD monthly actual export pricing based on a monthly average of the S&P Global Platts Premium Low Vol daily spot pricing. Guidance is the export benchmark pricing assumed in the export segment's EBITDA guidance. Forward curve based on 7 September 2022 S&P Global Platts derivatives assessments.

FINANCIAL HEALTH SNAPSHOT¹



¹ Consolidated 100% Bathurst and 65% BT Mining, as at 28 November 2022

GROWTH PROJECTS OVERVIEW

We have a robust pipeline to extend our current operations.

	Growth projects	Production start date ¹	Expected Life of Mine ⁴	Status
SOUTH ISLAND DOMESTIC	New Brighton	FY24	7 years	Prefeasibility
NORTH ISLAND DOMESTIC	Waipuna West extension	FY23	4 years	Development
	Maramarua M1	FY23	7 years	Execution
	Rotowaro North	FY27	10 years	Conceptual
EXPORT (NZ)	Stockton organic projects ²	FY22: HL	5 years	Development
		FY23: CS	5 years	FED ³
FY24: RN		6 years	Feasibility	
FY27: UW		5 years	Conceptual	
	Buller Coal	FY26	10 years	Feasibility
EXPORT (CANADA)	Crown Mountain	FY27	15 years	Feasibility

¹The production start date assumes achieving key project milestones and consenting and permitting approvals and cannot be guaranteed.

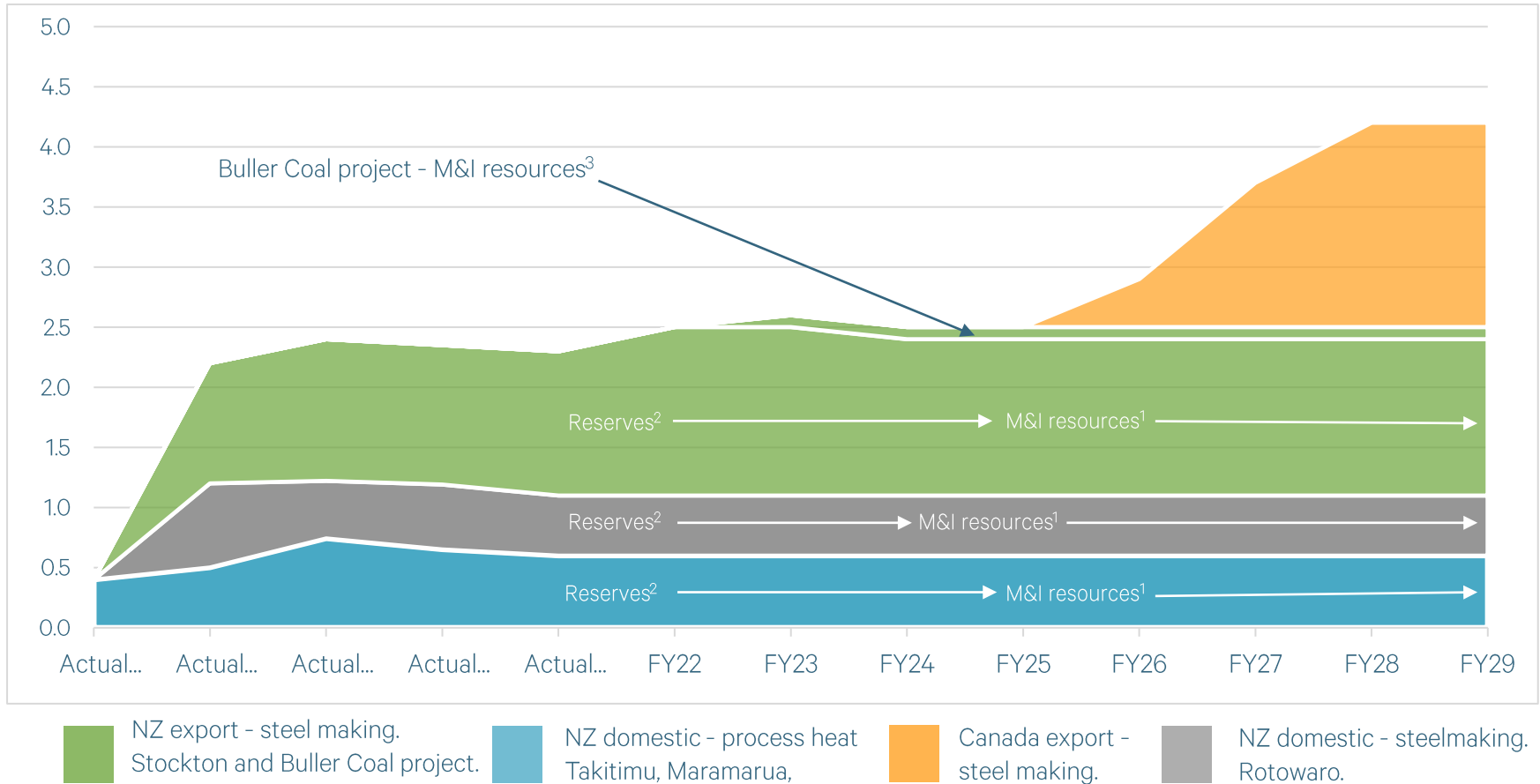
²These consist of Hope Lyons development (“HL”), Cypress South (“CS”), Rockies North (“RN”), and Upper Waimangaroa projects (“UW”).

³Final engineering and design

⁴Subject to ongoing evaluation and completion of the consenting pathways

POSITIONED FOR GROWTH

Forecast production tonnes (Mt) (100% basis)



¹ Measured & Indicated = based on measured and indicated resources as per 2022 "Resources and Reserves Compilation"

² Based on reserves as per appendix.

CANADIAN COKING COAL JV PROJECT

Crown Mountain – a premium low volatile hard coking coal exploration project, due to enter production late 2026, and produce 2Mt per year.

ECONOMICS

- Pre-tax NPV10 USD \$469m¹.
- FOB Vancouver USD 89.41/t.

RESOURCE

- 1.96Mtpa.
- Mine life 15 years.
- 57.5Mt reserve, 90.2Mt resource.

STATUS

- Environmental application submitted May 2022.

INVESTMENT

- CAD \$15.5m to date.
- 22.1% equity share.
- Buy-in to 50% for CAD \$106m (\$121.5m total).
- Further investment at Bathurst's sole discretion.



Refer to the announcement by joint venture partner Jameson Resources to support the above project metrics [HERE](#)

¹Based on USD \$155 HCC price per tonne.

FUTURE INVESTMENTS

Noting the increasing global appetite for other minerals, we are considering leveraging the strong coal mining core of our business and our sector expertise as producers to contemplate and potentially take advantage of other resource opportunities.

The following are the key criteria against which any potential future investments are measured against:



**Stable
jurisdiction**



**At or close to
production**



**\$50-\$100m
annual
EBITDA**

QUESTIONS?

Thank you for attending the AGM.

APPENDICES

L&M LITIGATION

Two litigation claims brought by L&M Coal Holdings Ltd remain current against Bathurst. These arising out of the 2010 purchase of shares in Buller Coal Ltd (the owner of two exploration permits and a mining permit application at that time).

The first alleges that Bathurst has breached a change in control clause in the sale and purchase agreement. This claim is being arbitrated. The arbitration hearings were completed in early November 2022.

A second proceeding was brought against Buller Coal Ltd (as guarantor of Bathurst's obligations under the sale and purchase agreement) alleging that Buller Coal as guarantor can claim for the first performance payment. This is inconsistent with the decision of the Supreme Court ruling in 2021 where the first performance payment under the sale and purchase agreement was determined to be not presently due and payable by Bathurst, and able to be deferred provided royalties due under the Royalty Deed continue to be paid when due (even if the sum is zero as a result of zero coal sales). This claim was heard in the High Court in July 2022.

Decisions on both claims are expected either late this year or first quarter 2023 and based on legal advice we remain confident in a successful outcome and believe the claims to be vexatious.

MARKETABLE COAL RESERVES

Product coal area	Bathurst ownership	Proven (Mt)	Probable (Mt)	Total (Mt)
		2022	2022	2022
Whareatea West ^(A, E & I)	100%	0.0	3.0	3.0
Stockton ^(B, D, J & L)	65%	0.2	4.3	4.5
Upper Waimangaroa (Met) ^(B, D & K)	65%	0.5	1.4	1.9
Whareatea West ^(A, E & I)	100%	0.0	3.0	3.0
Takitimu ^(C, E & F)	100%	0.0	0.9	0.9
Canterbury Coal ^(C, E & G)	100%	0.0	0.0	0.0
Rotowaro ^(D & F)	65%	0.5	1.2	1.7
Maramarua ^(D & K)	65%	1.2	0.2	1.4
Total		2.4^A	11.0^A	13.4^A

For footnote references and competent person statements, refer to the full resources and reserves release, reported as of 28 October 2022 on the ASX under ASX code BRL – “2022 Resources and Reserves”.