

22 December 2023

Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

BATHURST COMPLETES THE PURCHASE OF THE TENAS PROJECT IN BRITISH COLUMBIA

Bathurst Resources Limited (ASX:BRL) (**Bathurst**) is pleased to announce it has completed the purchase of the Tenas Coking Coal Project assets (**Tenas Project**) from Telkwa Coal Limited, a subsidiary of Allegiance Coal Limited (in liquidation) (controllers appointed).

The key attractions of the project

- Low mining strip ratio;
- Long life project;
- Conventional open-cut mining methods with standard coal processing;
- Tier 1 Mining jurisdiction;
- Access to water, power, workforce and services;
- Unique close access to existing rail and port infrastructure;
- Significant port capacity available and
- Alignment to existing long-term 'direct customer relationships'.

The strategic investment

The purchase of the Tenas project is consistent with Bathurst's strategy of increasing exposure to steelmaking coal, while also increasing Bathurst's footprint in a Tier 1 mining jurisdiction.

The purchase means Bathurst now holds an interest in two long life Canadian steelmaking coal projects with the ability to produce metallurgical in excess of 15 years and will enable an expected total production of 3.8 million tonnes of metallurgical coal across the New Zealand and Canadian assets.

Key transaction details

Assets

The assets purchased by Bathurst include the coal licences and property interests, permits, and licences, vehicles, certain contracts, records and intellectual property associated with the Tenas Project. Bathurst Telkwa will take on the Vendor's obligations associated with these assets. Cash, accounts receivable, and certain contracts and insurance policies are excluded from the purchase and will remain with the Vendor.

The assets are sold free of all encumbrances other than limited permitted encumbrances which will remain (such as security to Carbon Development Corporation (**CDC**) for its royalty payments).

Initial Payments

- Upfront payment of USD \$2.33 million has been made upon closing.
- Payment of USD \$1.0 million payable 45 days after closing.

Deferred Consideration

- Payment of USD \$4.0 million upon receiving all final permits (including all operational and environmental permits) to develop, construct and operate the Tenas Project mine.
- Payment of USD \$3.0 million on the first anniversary of receiving all final permits.

Royalty

- A capped royalty of up to USD \$3 million payable at the rate of USD \$2 per tonne in respect of coal sales from the Tenas Project, where the sales price (excluding taxes) is above USD \$200 per tonne (FOB) from the Tenas Project, over the first three years after the commencement of commercial production. A separate Royalty Agreement will be entered into.

Further information

For further information please see our ASX announcement "**Acquisition of Tenas Project**" on 5 September 2023.