BATHURST RESOURCES LIMITED

Quarterly Report

June 2024 quarter

Key highlights

- Consolidated full year EBITDA[1] (unaudited) result of $91m.
- Consolidated cash including restricted short-term deposits $141m at 30 June.
- Agreement executed with First Nations for Tenas Project in British Columbia.
- FY25 guidance announced at $55m to $65m.

CEO'S COMMENTS

Despite being on track to meet guidance up until the end of Q3, major operational delays in Q3 and Q4 directly impacted Bathurst's overall financial performance for the full year. This especially impacted our export segment and resulted in Bathurst missing the FY24 lower-range guidance by some 4%, delivering an unaudited consolidated EBITDA of $91m (FY24 guidance of $95m-$105m). The performance allowed Bathurst to maintain a strong consolidated cash position which, including restricted short-term deposits, totalled $141m at 30 June.

Achieving this outcome, during what ended up being a particularly challenging year in which we encountered significant operational obstacles and delays across our mine sites, reflects a solid operational performance across Bathurst's teams of our North and South Island operations.

And while FY24 has been challenging, the demands in our domestic business did not prevent us from advancing major initiatives overseas as we look to secure long term growth for Bathurst shareholders and diversify future revenue streams with the acquisition of the Tenas project in British Columbia, Canada.

In New Zealand, as we reported during the quarter, our export segment encountered 3 separate events impacting operations. Each of these meant that the rail route from the Stockton mine to the Lyttleton port was unavailable. There were two slips which closed a tunnel in the Buller Gorge for a total of seven weeks and in June there was a collapse in the Tawhai tunnel, with the latest closure currently forecast to remain out until December 2024.

The KiwiRail closures meant that the shipping and mining plans at Stockton were amended, resulting in a 95kt reduction of steelmaking export coal being sold than initially planned. The HCC price was also lower than forecast in the final quarter which impacted our revenue on the export sales.

We are currently working closely with KiwiRail on a re-entry plan to repair the Tawhai tunnel as well as working with customers to ensure as little disruption as possible. As a work around, we will continue to utilise a road a freighting plan to maximise the amount of coal we can get to port in the meantime. Once repairs are completed, we will maximise our logistical capabilities to catch up on any shipments which may have been deferred.

Mitigating the adverse impact on our export business, our domestic mines had a strong finish to the year and surpassed their respective guidance amounts. This partially offset the reduction in the export segment.

[1] EBITDA is a non-GAAP reporting measure and reflects earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.
Consolidated references throughout this report represent 100 percent of Bathurst operations, and 65 percent of BT Mining operations. 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.

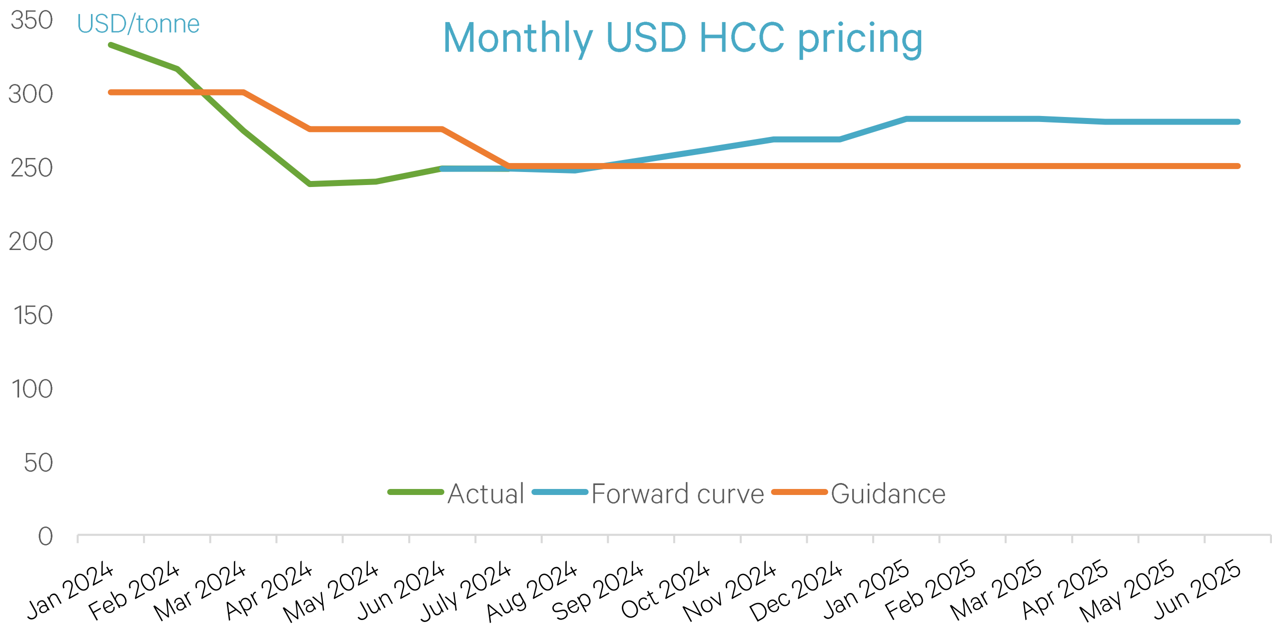
EXPORT MARKET UPDATE

Macro influences on FY25 EBITDA - Current Market

Over the past three months, the HCC price has remained within a reasonably narrow range, trading around US$225/t - $255/t, even though the steel market remains weak. Higher costs in the last three to four years has created a new floor price, with China also having a domestic driven FOB floor of ~US$230/t.

The current price is trading at the higher end of the range due to supply concerns around the fire at Anglo American's underground Grosvenor mine which is currently ongoing. Anglo American has called Force Majeure on Q4 cargos but noted Q3 cargos will not be impacted which has eased some immediate buyer concerns.

Overall, supply is solid with plenty of availability in the short term as demand remains weak, especially out of China where their steel market remains depressed as they enter the offseason for construction activity.



Macro influences on FY25 EBITDA - Market Outlook

The September quarter is usually when several Australian miners plan their annual maintenance which will tighten supply. Supply failures also continue to impact the availability of coal. However, given demand is expected to remain weak for the next few months, it is unlikely there will be any significant upside pricing until India returns to the spot market after the monsoon season, maybe from August / September.

HCC prices are expected to decline through Q3 as a result, however late Q4 2024 or Q1 2025 may see a lift in pricing where the La Nina weather system is expected to bring higher rainfall which may impact Queensland supply combined with Anglo American's Force Majeure and increased Indian demand.

The Indian market will continue to be the bright spot for coal producers into the medium and long term where Indian coal requirements will continue to grow as new steel plants come online over the coming years.

Prices for lower grade coking coals will likely remain at current levels as low priced Russian and Indonesian producers continue to keep the Asian market well supplied.

Actual USD monthly export benchmark pricing based on S&P Global Platts Premium Low Vol benchmark daily spot pricing. Forward curve is based on the 10 July 2024 S&P Global Platts Premium Hard Coking Coal Australia FOB derivative assessment.

HEALTH, SAFETY AND ENVIRONMENT

There were four lost time injuries at the Rotowaro mine for the quarter.

As part of a periodic review of our contractor management standard, we completed an engagement survey with 112 internal stakeholders across the company to determine their knowledge and usability of the system. Due to the insightful responses from our team, we have identified opportunities for improvement to assist us to further embed the standard such as improving legal knowledge and enhanced training by role.

Environment team representatives have worked together over the past six months to review the existing company templates to be used when developing new site environment management plans. The review was to ensure that we are maintaining effective strategies and site processes to manage potential environmental risks. Rolling updates of existing plans are now underway to align with the additional good practices identified.

PERFORMANCE METRICS

June quarter	Export 100%	NID[2] 100%	SID[2] 100%	FY24 BRL equity share	FY23 BRL equity share
Production (kt)	249	155	51	**314**	**358**
Sales (kt)	317	165	43	**356**	**372**
Overburden (Bcm '000)	1,586	2,167	155	**2,595**	**1,616**
Coal sales revenue ($'000)	84,362	27,268	7,646	**80,205**	**100,041**

June YTD					
Production (kt)	963	509	235	**1,192**	**1,271**
Sales (kt)	1,106	548	235	**1,309**	**1,437**
Overburden (Bcm '000)	5,418	8,689	789	**9,958**	**7,611**
Coal sales revenue ($'000)	328,021	89,184	43,390	**314,574**	**388,145**

COMMUNITY

In May, it was the pleasure of the Bathurst staff and directors to receive a mission from the First Nations in British Columbia, who were welcomed to New Zealand and shown first hand our operations and rehabilitation efforts across our mine sites, as well as witnessing our close ties to the local iwi communities of our operations.

This represents a major part of the company's overall program for Canada since the acquisition of the Tenas Coking Coal Project in December last year, and augurs well for the projects ahead in FY25.

[2] North Island domestic and South Island domestic.
[3] Includes realised FX and coal price hedging loss $12.5m.

CONSOLIDATED CASH MOVEMENTS

		FY24	FY23
	Opening cash	**163.1m**	**76.0m**
Operating	EBITDA	90.8	166.3
	Working capital	(10.2)	(17.0)
	Canterbury rehabilitation	(0.5)	(1.6)
	Corporation tax paid	(51.5)	(26.3)
Investing	Deferred consideration	(1.3)	(1.2)
	Crown Mountain Project	(0.9)	(0.7)
	Property, plant and equipment net of disposals	(16.9)	(16.0)
	Mine assets including capitalised stripping	(34.1)	(15.1)
Financing	Finance lease repayments	(4.8)	(4.1)
	Financing income / (costs)	7.0	2.7
	Closing cash	**140.7m**	**163.1m**

Consolidated EBITDA
EBITDA decreased from FY23, driven by a lower average export coal price on export sales and reduced sales volumes due to the multiple rail outages from the Stockton mine to Lyttleton port. Refer to the following page for commentary against guidance for the year.

Working capital
The timing of sales, and in particular the number of export shipments in June 2023 compared to this year has resulted in a decrease in trade debtors.

Corporation tax paid
Increase in corporation tax paid which reflects the timing of tax obligations on increased taxable operating profits from FY23 as well as FY24 income tax obligations.

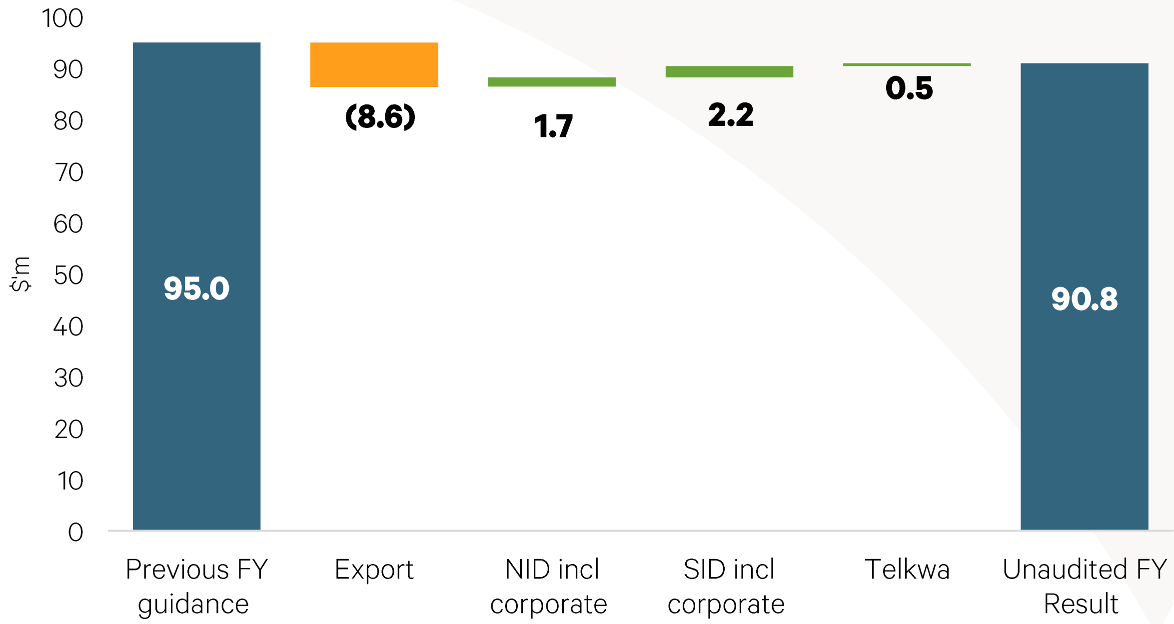
Deferred consideration
Payments for the year consisted of royalties on Takitimu mine sales.

Crown Mountain Project
Funds paid were on a proportional project equity ownership basis and were used to progress the environmental application.

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 purchase of the Tenas project assets in British Columbia.

Financing income/(costs)
Increased interest received on cash balances and deposits held.

UNAUDITED FY24 CONSOLIDATED EBITDA $91M V GUIDANCE $95M - $105M



EXPORT equity share (65%) $80.1m Previous Guidance $88.7m

The influencing factor to the unfavourable result versus guidance was reduced pricing in the final quarter of the year.

Revenue

- Sales volumes were in line with forecast for the year following earlier changes to the shipping plan, however the product mix varied to what was forecast.
- Revenue in the last quarter was impacted following a reduction in the quarterly average benchmark price to USD $251 against a forecast of USD $275 per tonne.

Expenses

- Due to rail unavilability following slips in the Buller Gorge and a tunnel failure in June, the use of port stockpiles and third party coal purchases were required to fulfill shipments. These costs were not forecast.
- Additional road freight costs were required to get coal to port to complete June shipments, which was partially offset by lower rail freight costs.
- Fuel costs have decreased throughout the second half of the year as fuel prices have reduced, which was partially offset by increased fuel volumes due to higher machine hours.
- Increased contractor costs due to increased hours to meet production as well as longer haul distances.
- While we have experienced general price escalations across the business due to continued inflationary pressure, we also saw the price of some machinery parts and explosives reduce through the year.

NID including BT corporate overheads equity share (65%) $5.0m Previous Guidance $3.3m

The key driver of the favourable NID result versus guidance were reduced cash costs at both the Rotowaro and Maramarua mines linked to lower overburden removal than planned.

- Contracted sales volumes improved throughout the year and were slightly ahead of forecast.
- Achieving the forecast sales required an increased use of coal stockpiles than forecast.
- Fuel costs were lower than forecast at both sites. This was driven by both reduced volumes, due to lower machine hours, and price, which has continued to reduce during the second half of the year.
- Contractor costs, particularly related to drilling and blasting were lower than forecast at the Rotowaro mine due to lower stripping volumes.
- Labour costs were lower than forecast while we continue to recruit for additional operators at both mine sites.
- Lower production throughout the year as reduced the ability to capitalise stripping costs in the new pits during the high overburden removal periods.

SID including BRL corporate overheads (100%) $6.2m Previous Guidance $4.0m

The key driver of the favourable SID result versus guidance were increased sales revenue as well as reduced mining costs.

- Sales volumes was ahead of forecast, which lead to increased revenue. Production was also ahead of forecast, which resulted in increased coal stockpiles than forecast.
- Repairs and maintenance were lower than forecast as items of machinery remain in good working condition, meaning some spend has been able to be deferred.

Telkwa – Tenas Project (100%) -$0.5m Previous Guidance -$1.0m

- Operating costs incurred as the mine progresses with the required permit applications.

BRITISH COLUMBIA PROJECTS

Tenas Coking Coal Project

Since acquiring the assets of the Tenas Coking Coal Project in December 2023, the project has been advancing as planned and we are pleased to announce that we executed a Project Assessment Agreement (PAA) with First Nations during Q4. This is a significant milestone and will help us advance our Environmental Application and move a step closer to receiving the required permits and our anticipated production in FY26.

More information regarding the Tenas project can be found in our ASX releases of 5 September and 22 December 2023.

Crown Mountain Project

A consent agreement was executed with key indigenous nations in early 2023.

In January 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.

Bathurst's equity share remains at 22.1 percent of the project.

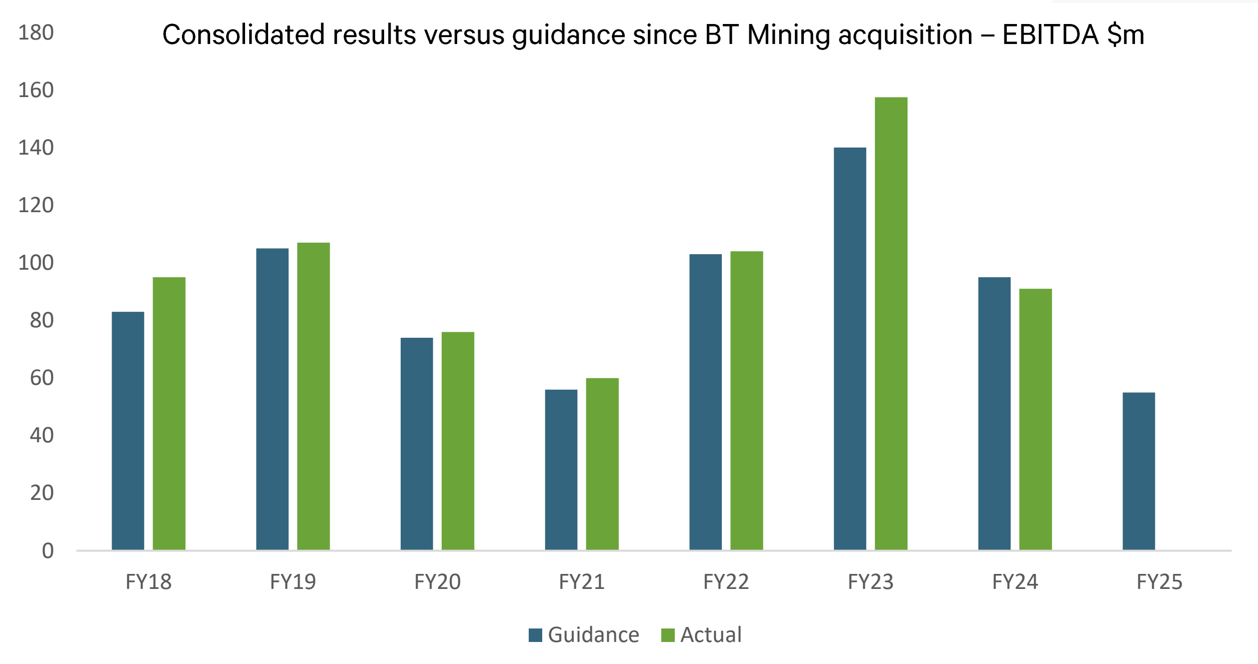
CONSOLIDATED FY25 GUIDANCE $55M - $65M

	Metric	Export 100%	NID[4] 100%	SID[4] 100%	Telkwa 100%	BRL equity share
Sales	kt	1,081	592	220	-	1,307
EBITDA	NZD	$75.2m to $90.5m	$5.6m	$3.3m	-$0.8m	$55m to $65m

EXPORT (65% EQUITY SHARE) $48.9m ($80.1m FY24)

Earnings are forecast to decrease, key movements being:

- Freight restrictions following the closure of the Tawhai tunnel on the rail route from the Stockton mine to Lyttleton has meant a reduction in sales of 1,081kt versus the 1,200kt planned.
- The price path assumption is an annual average benchmark of USD $250/t. This forecast benchmark price is lower than the FY24 average of USD $286/t.
- An assumed NZD/USD foreign exchange rate of 0.62 throughout FY25.
- Increase in fuel and oil costs, as well as repairs and maintenance costs, linked to increased machine hours to achieve higher overburden removal volumes.
- Increases in contractor costs required to achieve higher overburden removal targets and complete civil projects.
- Commissions on the sale of coal reduce as these are aligned to the lower sales volumes and price.
- Salary and wage costs increase in line with contracted agreements, as well as increased headcount. The increases are partially offset by a reduction in the profit share associated with the coal sale price.



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[4] EBITDA includes corporate overheads for BT Mining in NID, Bathurst in SID.

NID INCLUDING BT CORPORATE OVERHEADS (65% EQUITY SHARE) $3.7m ($5.1m FY24)

Earnings are forecast to decrease, key movements being:

- An increase in sales revenue driven by an increase in sales volumes, which is partially offset by a contracted reduction in the average price received per tonne.
- Increases in direct costs of mining, particularly, repairs and maintenance, contractors and consultants, fuel and oil, and labour costs. Labour and fuel costs are increasing in line with the significant increases in overburden removal associated with the stripping in the Waipuna West extension at the Rotowaro mine and the M1 pit at the Maramarua mine.
- The planned increase of waste stripping at Rotowaro and Maramarua will enable a portion of these costs to be capitalised in line with the life of mine.
- Corporate costs remain consistent with inflationary uplifts as well as some increases in specialised consultant costs, which are partially offset by targeted cost savings.

SID INCLUDING BRL CORPORATE OVERHEADS (100%) $3.3m ($6.1m FY24)

Earnings are forecast to decrease, key movements being:

- Sales volumes are forecast to decrease as customers continue to transition to biomass fuel, the reduction in volume is offset by annual contracted price adjustments.
- A reduction in corporate overhead costs. Legal fees regarding claims brought against BRL by L&M are forecast to decrease.
- A slight reduction in production costs mainly in fuel and the hire of equipment, these are partially offset by increased repairs and maintenance costs deferred from FY24 as equipment has remained in good operating order. Labour costs are increasing due to contracted increases and additional headcount dedicated to rehabilitation works.

TELKWA – TENAS PROJECT (100%) $-0.8m (-$0.5m FY24)

- Continued operating costs incurred as the mine progresses with the required permit applications and moves towards entering production.

QUARTERLY OPERATIONS REVIEW

Export (Stockton) (65%)

There were six shipments in the quarter, with sales of 317kt which was in line with forecast and the updated shipping plans.

Average price per tonne ("/t") excluding hedging was NZD $260/t, NZD $123/t lower than Q3 and NZD $26 lower than forecast. The average benchmark price has dropped, moving from USD $325/t in Q3 to USD $251/t in Q4.

Overburden removal was ahead of plan in Q4 due increased contractor efficiencies in the Millerton & Hope Lyons pits.

Production in the quarter was behind forecast as the tunnel outage had an impact on production capability, and the amount of coal moved down to the rail loadout facility reduced to align with the trucking capacity in June.

Coal availability in the pits has also been behind plan in Q4.

NID (65%)

Rotowaro

Production levels were higher than forecast for the quarter with an increased effort to recoup shortfalls due to operational delays experienced in previous quarters.

Although, overburden continued to be below forecast due to operator vacancies and a focus on coal production to meet contracted sales volumes. Overburden is expected to increase going forward as the stripping in the Waipuna West extension advances.

Favourable coal winning compared to rates modelled means that additional coal has been mined despite overall reduced overburden volumes over the full year.

Maramarua

Production was slightly higher than forecast to cover increased sales volumes during the quarter.

Overburden volumes were impacted by workforce vacancies, particularly excavator and truck operators, excavator productivity and poor weather, and were behind forecast.

Which meant that overburden catch ups from previous periods, although planned, were not able to be achieved.

SID (100%)

Takitimu

Overburden removal was impacted by poor weather during the quarter, particularly during May which had increased levels of rainfall. Production however was ahead of forecast to cover sales volumes which were higher than forecast.

Exploration

Consolidated spend across projects for Q4. Key work consisted of:

- Deep Creek exploration commencement and analysis.
- Mine planning costs for the Buller extension project.
- Rehabilitation studies at the Stockton mine.
- AMD and water management studies at the Stockton mine.

Development

$6.8m consolidated spend across projects for Q4, with key spend on:

- $5.8m on capitalised stripping from operating mine pits. Particularly at the Stockton mine and in the Waipuna West Extension bit at Rotowaro.
- Drilling and geotechnical work in the Cypress pit at the Stockton mine.
- Continued work on the sump in the Hope Lyons pit at the Stockton mine.

Fast Track Approvals Bill

In March, the National-ACT-NZ First coalition government introduced the Fast-track Approvals Bill (Bill) to the house.

The Bill formed part of the Government's first 100-Day Plan and proposes to establish a permanent fast track approvals regime for a range of projects, including energy and mining projects.

The NZ Resources Minister has also announced changes to coal mine consenting which are intended to reduce barriers to coal extraction and bring coal mining into line with other types of mining in New Zealand.

The government's first Resource Management Amendment Bill, is expected to be passed before the end of the year and will make changes to the Resource Management Act, freshwater environmental standards, and the National Policy Statements for Freshwater Management and Biodiversity.

The bill will remove additional controls for coal mining that were previously set to end the consenting pathway for existing thermal coal mines from 31 December 2030.

Bathurst sees these latest government initiatives as highly supportive of the New Zealand mining sector, including coal.

CORPORATE

FY24 results presentation

Following the release of the FY24 results announcement, Richard Tacon (Bathurst Resources CEO) will be presenting the FY24 results and business update online. The presentation will be held on the 2nd of August via a Zoom Investor Call scheduled to start at 1:00pm NZT / 11:00am AEST.

A link to the presentation is available here:

https://us02web.zoom.us/webinar/register/WN_5e_lVPOeSxiJ5BJAfeH0Sw

This document was authorised for release by the Board of Directors on 31 July 2024.

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At 22 July 2024:

Share price: AU $0.80
Issued Capital: 191m ordinary shares
Market capitalisation: AUD $153.1m.

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

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Company Secretary
Larissa Brown

Shareholdings

Substantial holder/geographical location	Shareholding %
Republic Investment Management (Singapore)	20.8%
Talley's Group Limited (NZ)	10.8%
Crocodile Capital (Europe)	9.1%
Chng Seng Chye (Singapore)	6.0%
Asia	24.4%
Europe	9.8%
New Zealand	5.8%
Management	2.1%
AU Institutional	1.5%
Other	9.7%
Total	100%

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