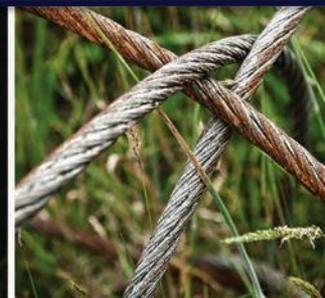




BATHURST RESOURCES BUSINESS UPDATE

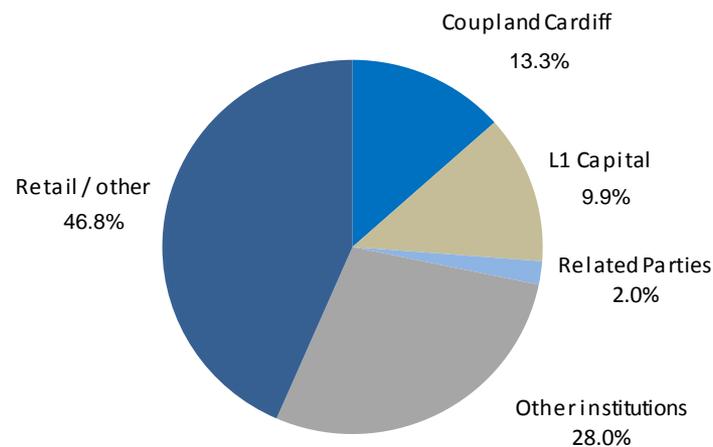
April 2014



CAPITAL STRUCTURE OVERVIEW

Ticker (ASX / NZX)	BRL
Shares on issue	821.5M
Options & performance rights on issue	12.5m
Market capitalisation ⁽¹⁾	NZ\$65.7M

Shareholder Composition – Pre Placement



(1) Based on the NZX price as at 9 April 2014
Source: IRESS
\$ are NZD unless otherwise stated

1. Domestic Operations

- ◆ *Demand driven by growth in South Island dairy production and other industrial users*
- ◆ *No exposure to international coal price volatility and FX risk*
- ◆ *Forecast to generate cash flow to cover Escarpment fixed costs in FY15*

2. Export Operations - Escarpment

- ◆ *Flagship asset, over 6.3 Mt* of resources of high quality metallurgical coking coal*
- ◆ *Final Environment Court consent granted*
- ◆ *Competitive operating costs*
 - *Start up at US\$120 reducing to <US\$80 at full production*

3. Export Operations – West Coast

- ◆ *Low marginal cost of development utilising Escarpment infrastructure*
- ◆ *Resources of 96.4* Mt*
- ◆ *Multiple growth opportunities South Buller, North Buller and Greymouth*

BROADER BULLER COAL PROJECT



BATHURST TARGETED PRODUCTION



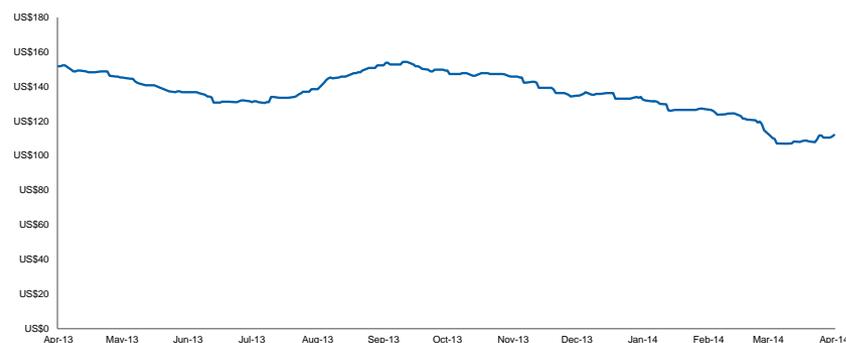
Note : Export production targets dependent on coking coal price recovery

- **Escarpment project remains the key focus**
 - ◆ *Operating plans approved by councils*
 - ◆ *Authority to Enter & Operation nearing sign off by DoC*
 - ◆ *Export off-take qualification in progress*
 - ◆ *Project strategically positioned to enter the export market subject to price*
 - ◆ *Coal price environment challenging and undermining economics of the project at current levels*
 - ◆ *Cost saving initiatives, including pay cuts and staff redundancies*
 - ◆ *Domestic projects provide positive cash-flow*
 - ◆ *Positive cash-flow to support wider company expenditure*
 - ◆ *Domestic market provides steady platform* as export market recovers*
- * Independent of FX and Export pricing

GLOBAL COAL PRICE ENVIRONMENT

- ◆ *Export market remains over-supplied*
- ◆ *Supply & demand correction required*
- ◆ *Pricing continues to fall*
- ◆ *Spot price at US\$112 (11 April 2014)*
- ◆ *NZD remains at historical highs*
- ◆ *Indicative costs of production during ramp-up and early development at upper end of US\$80 - \$120 range*
- ◆ *Buller coal expected to be priced at Premium Hard Coking prices (Peak Downs) with initial 5-10% discount during qualifying period (6-12 months)*

Premium Hard Coking Coal



- **Current situation**
 - ◆ *Current coal price indicates that Escarpment export production is marginal in the current coal price environment*
 - ◆ *Export production from Escarpment under the current coal price environment would deplete a valuable resource for little or no margin and erode shareholder value*
- **Defer full scale development until:**
 - ◆ *Costs can be optimised (including initiatives already implemented to reduce administrative costs – salary and staff reductions)*
 - ◆ *Coal price improves to support export production*
 - ◆ *Lower cost shipping via Westport becomes viable in the near term and inland transportation and logistics costs can be materially improved*

KEY OPERATING FOCUS

- ◆ *Focus on domestic market cash generation*
- ◆ *Establish Escarpment in preparation to enter export markets when markets recover*
- ◆ *Obtain bulk samples to complete market qualification of Escarpment product*
- ◆ *Demonstrate route to market*
- ◆ *Management cost control across the business*

CAPITAL REQUIREMENTS

◆ Capital for initial start up at Escarpment

- ◆ *Bonding (~NZ\$2.7)*

May be bank financed

- ◆ *Compensation payment (~NZ\$1.7m)*

◆ Capital over next 12 – 18 months

- ◆ *Working Capital (~NZ\$2.0m)*

- ◆ *To complete land settlements for key infrastructure at Escarpment (~NZ\$1.0m)*

- ◆ *To purchase new dry washing / separator technology for Escarpment (~NZ\$0.5m)*

- ◆ *To complete acquisition of West Coast coking coal permits (~NZ\$2.7m)*

- ◆ *Further compensation payments (~NZ\$1.7)*

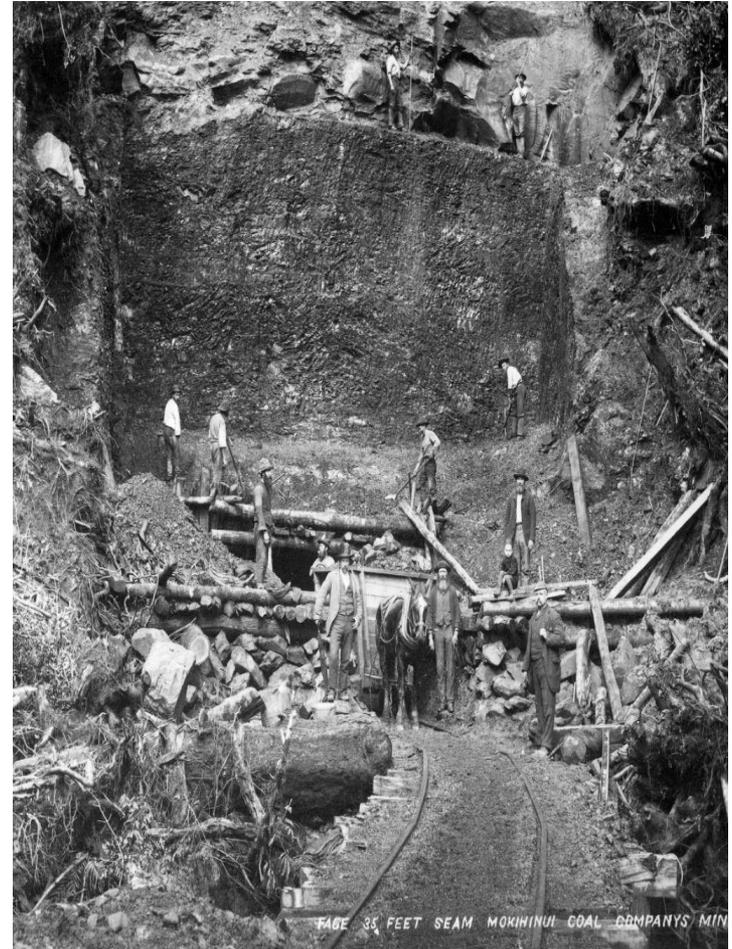
OPERATING COST UPDATE

Indicative Operating Costs	Units	Indicative Costs	Target Costs	Comments
Overburden/Winning	NZD \$	51	51	Average strip ratio of 9:1 of \$5 bcm, per rates being achieved at Cascade
Services & Overhead	NZD \$	14	14	Civils, environmental, site overheads
Washing and screening	NZD \$	3	1	Move to FGX Technology
Yield (recovery factor)	NZD \$	16	12	Move to FGX Technology
Free on rail	NZD \$	84	78	
Other Costs	NZD \$	64	52	Estimated handling, rail, port, royalties etc.
FOB NZD Cost	NZD \$	148	131	
FX at 0.86 (1)	USD \$	127	112	(1) HSBC 90 day forward rate as at 11/4/2014
FX at 0.81 (2)	USD \$	120	106	(2) Sensitivity analysis

- *Initial start-up costs reduce in near term with new processing & transport cost efficiencies*
- *Further economies of scale at full production to achieve lower end of targeted cash production costs of US\$80 to \$120 range*

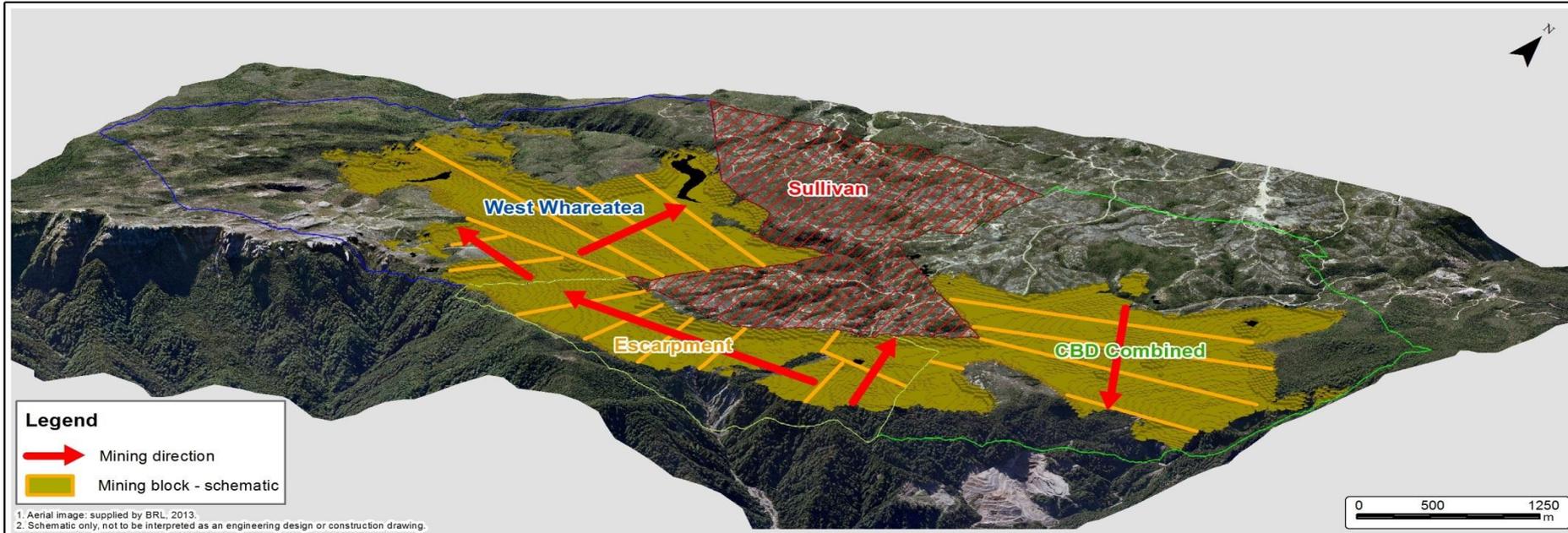
COAL QUALITY – ESCARPMENT COALS

PROPERTY	
Total Moisture (ar)	8 - 10%
Inherent Moisture (adb)	1.0 - 1.5%
Ash (adb)	6 - 7%
Total Sulphur (adb)	0.6 – 0.7%
Free Swelling Index	8 - 9
Romax	0.9 - 1.0
Volatile Matter (adb)	33 – 35%
Maximum fluidity (ddpm)	10,000 to 50,000
Phosphorus	0.009% to 0.01%
Vitrinite	90 – 95%



Escarpment Hard Coking Coal

PIT DESIGN – MINING PROGRESS SCHEMATIC FUTURE EXPANSION



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Saleable Coal (kt)	180	540	540	1,580	2,070	2,000	2,000	2,030	2,000	2,000
RoMax (%)	0.9 – 1.05	0.95 – 1.1	1.0 – 1.1	1.05 - 1.20	1.05 - 1.20	1.05 - 1.20	1.05 - 1.20	1.05 - 1.20	1.05 - 1.20	1.05 - 1.20
Vitrinite (%)	90	90	90	90	90	90	90	90	90	90
FSI (#)	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9	7 - 9
Sulphur (% adb)	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95	0.7-0.95
Ash (% adb)	5.0 - 7.0	5.0 - 7.0	5.0 - 7.0	6.0 - 9.0	6.0 - 9.0	6.0 - 9.0	6.0 - 9.0	6.5 - 9.5	6.5 - 9.5	6.5 - 9.5
Fluidity (ddpm)	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000	10-30,000

MULTIPLE ROUTES TO MARKET

Westport/Taranaki

Westport

- **Operating river port, exclusivity secured for coal wharf**
- **Export route already established;**
- **NZ\$5M coal shed completed**
 - *Current capacity to export up to 1Mtpa in place*
- **Tranship required to Taranaki**
 - *Swire's Shipping*
 - *Design is complete*

Taranaki

- **Deep water port at New Plymouth on North Island**
- **Panamax capability**
- **Storage facilities established in 2012**

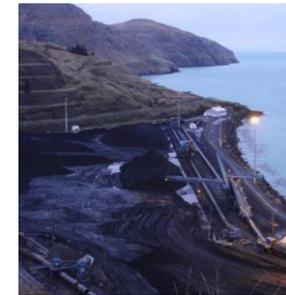
Rail to Lyttelton

Rail link

- **Stockpile → Westport → Lyttelton**
- **5Mtpa total capacity**
- **Agreement with SENZ to ship at least 500ktpa through Lyttelton – Years 1 & 2**
- **Flexibility to select from Westport or Lyttelton for tonnages above 500ktpa**

Lyttelton

- **Deep water port near Christchurch**
- **Existing high capacity facility, \$nil capital costs**

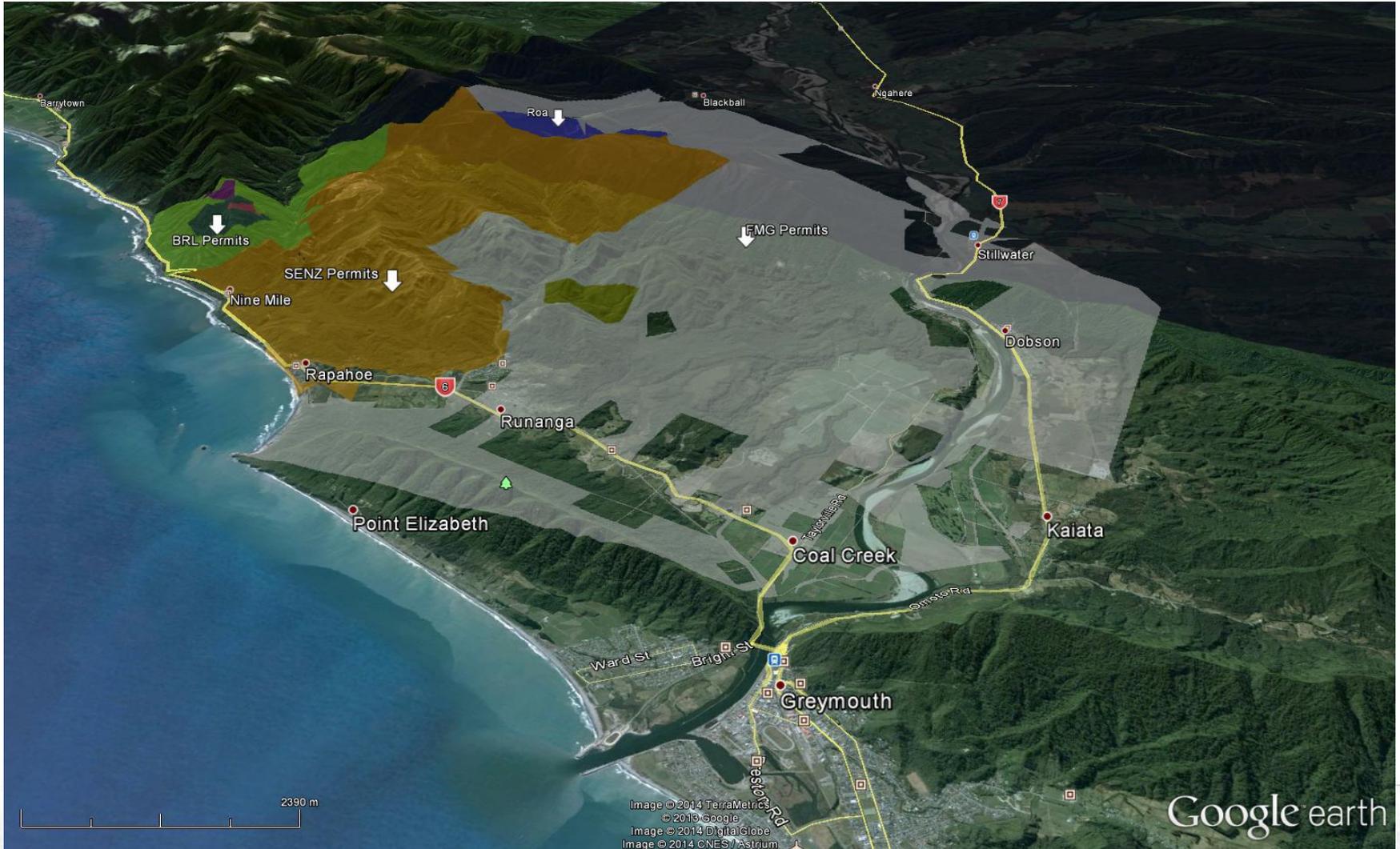


Coal stockpiles at the Port of Lyttelton

BULLER PROJECT LOGISTICS - Year 3+



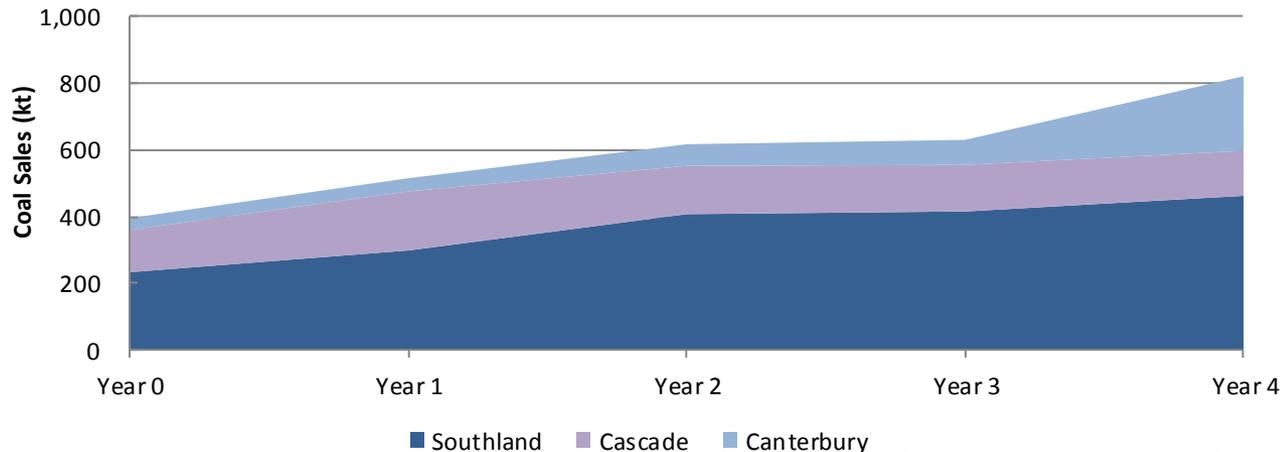
GREYMOUTH PROSPECTS



DOMESTIC OPERATIONS

- ◆ **Domestic Operations: provide solid earnings platform**
 - ◆ *Domestic Operations comprise coal mines in Southland, Buller and Canterbury*
 - ◆ *Domestic Operations all have new large contracts long term contracts to underwrite the operation*
 - ◆ *Southland – New Seven Year contract with dairy processor*
 - ◆ *Cascade – New Three Year contract with cement plant*
 - ◆ *Canterbury – New Three Year contract with dairy plant*

Domestic Operations targeted saleable production profile



DOMESTIC OPERATIONS

- **Domestic Annual Production**
 - *Currently 400,000 tonnes*
 - *Three operating mines*
 - *Cascade, Canterbury, and Takitimu*
 - *Major over-burden removal now completed at all mines*
 - *Dairy and food processing and cement production*
- **2014 Customer Contract prices**
 - *Average range NZ\$105-115/t ex-mine*
- **2014 Mine Production cash costs**
 - *Average range NZ\$75-85/t ex mine*
- **Domestic business can operate at a cash positive basis under existing contracts to 2016-17**
- **Total Resources 12.3 million tonnes***

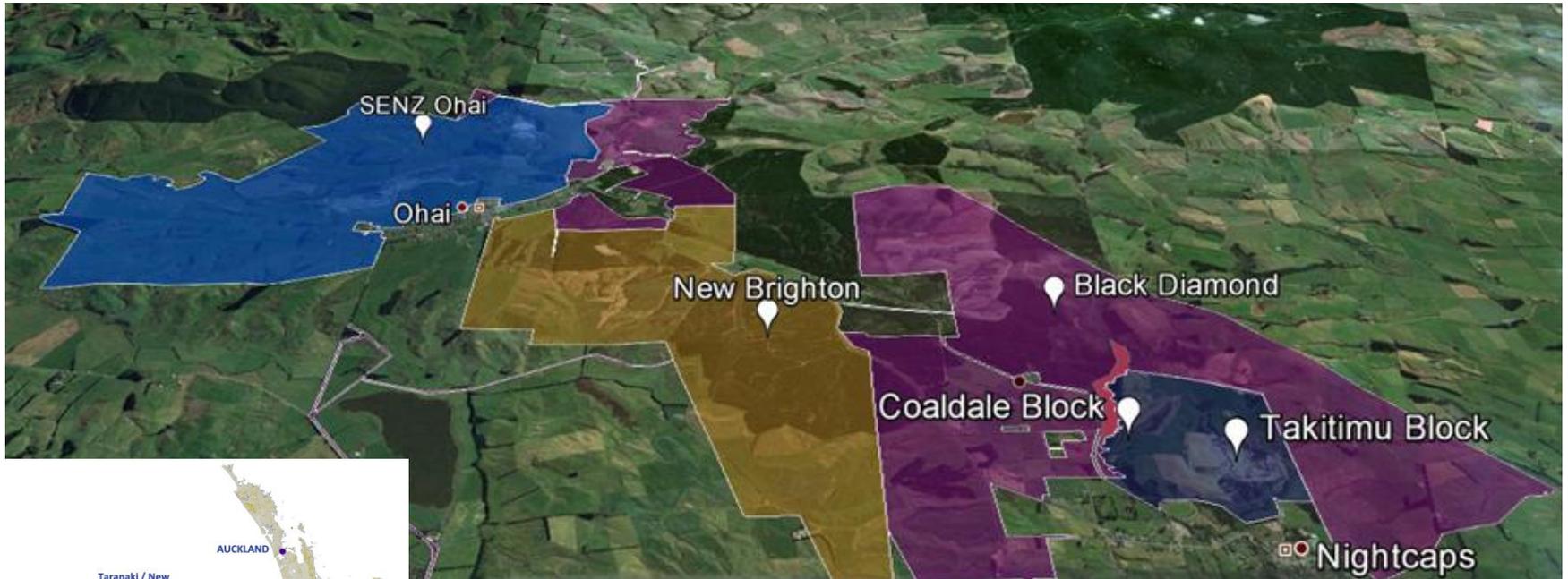


**Refer Appendix 1, Resource Estimates*

CASCADE MINE – CURRENT OPERATIONS



SOUTHLAND ASSETS



BOARD OF DIRECTORS



Dave Frow, Non-Executive Chairman

Experienced energy sector CEO and company director

Hamish Bohannan, Managing Director and CEO

Mining Engineer with 35+ years experience in resources industry



Toko Kapea, Non-Executive Director

Lawyer specialising in iwi and Maori development matters

Malcolm Macpherson, Non-Executive Director

Geologist with 35+ years experience in resources industry



Rob Lord, Non-Executive Director

Over 20 years of senior management and marketing experience

Appendix 1 RESOURCE ESTIMATES



Area	Measured Resource (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
Escarpment	3.1	2.2	1.0	6.3
Cascade	0.7	0.6	0.3	1.6
Deep Creek	6.2	3.1	1.6	10.9
Coalbrookdale	-	3.4	5.1	8.5
Whareatea West	7.7	10.7	4.7	23.1
South Buller Totals	17.7	20.0	12.7	50.4
Millerton North	-	1.9	3.6	5.5
North Buller	2.4	7.3	10.9	20.6
Blackburn	-	5.8	14.1	19.9
North Buller Totals	2.4	15.0	28.6	46.0
Buller Coal Project Totals	20.1	35.0	41.3	96.4
Coaldale	0.9	1.2	0.7	2.8
Ohai	0.3	0.5	1.2	2.0
New Brighton*	-	0.7	3.5	4.2
Canterbury Coal*	-	0.9	2.4	3.3
Southland / Canterbury Totals	1.2	3.3	7.8	12.3
Total	21.3	38.3	49.1	108.7

Resources are inclusive of reserves.

All resources quoted are reported as 30 October 2013 <http://www.bathurstresources.co.nz/wp-content/uploads/20131030-Increased-Resources-for-Buller-Coal-Project.pdf> This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

A.2 AVERAGE COAL QUALITY MEASURED

Area	Measured resource (Mt)	Ash% (ad)	Sulphur % (ad)	Calorific Value (ad)	CSN	Fixed Carbon % (ad)	Volatile Matter % (ad)	Inherent Moisture	IN SITU Moisture
Escarpment	3.1	18.4	0.6	28.9	7.2	49.1	33.0	0.8	5.8
Cascade	0.7	15.1	1.6	31.9	4.6	52.7	39.4	2.6	8.0
Deep Creek	6.2	11.0	2.5	29.7		52.8	32.9	2.2	5.2
Coalbrookdale	-								
Whareatea West	7.7	21.5	0.8	26.8	7.2	51.0	24.3	0.6	5.8
Millerton North									
North Buller	2.4	8.6	4.7	29.7	4.6	47.5	43.1	2.9	11.4
Blackburn	-								
Coaldale	0.9	10.4	0.9	21.3	N/A	36.0	36.6	15.0	18.1
Ohai	0.3	8.3	0.4	22.3	N/A	42.8	34.7	14.3	16.8
New Brighton	-								
Canterbury	-								

* MC = metallurgical coal and TC = thermal coal

A.3 AVERAGE COAL QUALITY - INDICATED

Area	Indicated resource (Mt)	Ash% (ad)	Sulphur % (ad)	Calorific Value (ad)	CSN	Fixed Carbon % (ad)	Volatile Matter % (ad)	Inherent Moisture	IN SITU Moisture
Escarpment	2.2	14.0	0.8	29.7	7	50.6	34.4	1.1	5.3
Cascade	0.6	15.3	1.8	30.6	4	49.6	38.5	2.4	8.1
Deep Creek	3.1	9.7	2.7	30.3		52.9	34.7	2.0	4.8
Coalbrookdale	3.4	18.4	1.7	30.0	5	50.2	35.8	1.7	5.4
Whareatea West	10.7	21.8	1.1	25.7	7	49.9	22.3	0.6	6.7
Millerton North	1.9	9.7	4.9	31.1	10	52.5	36.9	1.0	6.1
North Buller	7.3	8.8	5.1	30.0	5	47.6	42.6	2.3	9.4
Blackburn	5.8	3.9	4.3	30.4	6	51.8	42.1	2.2	10.1
Coaldale	1.2	9.8	0.7	22.2	N/A	37.3	36.4	16.5	18.2
Ohai	0.5	8.9	0.4	22.4	N/A	42.4	34.8	13.9	17.2
New Brighton	0.7	10.1	0.5	23.0	N/A	33.5	39.5	16.8	17.9
Canterbury	0.9	7.3	0.7	24.1	N/A	39.2	35.9	18.0	23.1

A.4 AVERAGE COAL QUALITY - INFERRED

Area	Inferred resource (Mt)	Ash% (ad)	Sulphur % (ad)	Calorific Value (ad)	CSN	Fixed Carbon % (ad)	Volatile Matter % (ad)	Inherent Moisture	IN SITU Moisture
Escarpment	1.0	13.1	1.0	29.8	7	50.7	35.0	1.2	5.8
Cascade	0.3	18.7	2.1	25.6	3	42.5	34.2	1.8	5.7
Deep Creek	1.6	10.1	2.4	29.7		52.5	29.7	2.4	7.1
Coalbrookdale	5.1	16.4	1.7	29.3	5	49.6	35.2	1.7	5.6
Whareatea West	4.7	21.6	0.9	24.9	6	48.3	21.3	0.6	6.8
Millerton North	3.6	12.0	5.5	30.2	9	51.6	35.3	1.1	7.2
North Buller	10.9	9.9	5.1	29.5	5	46.7	45.6	2.2	9.6
Blackburn	14.1	6.4	4.8	30.1	6	49.4	41.8	2.3	11.2
Coaldale	0.7	11.7	0.4	21.8	N/A	34.1	36.2	18.0	18.3
Ohai	1.2	9.1	0.5	22.3	N/A	46.5	31.8	12.7	17.2
New Brighton	3.5	8.9	0.4	23.2	N/A	34.9	40.0	16.2	17.8
Canterbury	2.4	8.9	0.7	23.4	N/A	38.7	35.6	19.2	22.8

A.5 RESERVES

ROM COAL

Area	Proved reserves (Mt)	Probable reserves (Mt)	Total reserves (Mt)
Escarpment	3.0	1.9	4.9
Cascade	0.2	0.2	0.4
Deep Creek	5.8	2.7	8.5
Coalbrookdale	-	2.2	2.2
Whareatea West	7.9	10.5	18.4
Total	16.9	17.5	34.4

PRODUCT COAL

Area	Proved reserves (Mt)	Probable reserves (Mt)	Total reserves (Mt)
Escarpment	2.4	1.5	3.9
Cascade	0.2	0.2	0.4
Deep Creek	5.1	2.4	7.5
Coalbrookdale	0.0	1.7	1.7
Whareatea West	5.4	6.2	11.6
Total	13.1	12.0	25.1

All reserves quoted are reported as 27 November 2013 <http://www.bathurstresources.co.nz/wp-content/uploads/20131127-Increase-in-Reserves-for-Buller-Coal-Project.pdf>. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Reserves tonnes for product coal are reported using a 12% in situ moisture for Escarpment, Cascade, Coalbrookdale and Whareatea West and 15% in situ moisture for Deep Creek.

A.6 RESERVES COAL QUALITY

ROM COAL

Area	Total (Mt)	Total moisture	Ash (% arb)	Sulphur (% arb)	VM (% arb)	CSN
Escarpment	4.9	5.4	21.4	0.7	34.0	6.5
Cascade	0.4	8.0	9.9	1.4	31.4	3.5
Deep Creek	8.5	5.8	11.7	2.6	-	-
Coalbrookdale	2.2	4.9	21.8	1.3	32.6	4.0
Whareatea West	18.4	6.0	31.1	0.9	25.5	6.0

PRODUCT COAL

Area	Total (Mt)	Ash (% arb)	Sulphur (% arb)	VM (% arb)	CSN
Escarpment	3.9	7.5	0.6	31.9	8.5
Cascade	0.4	9.1	1.3	34.6	4.0
Deep Creek (Coking)	5.7	5.0	2.5	-	-
Deep Creek (Thermal)	1.8	11.8	1.7	-	
Coalbrookdale	1.7	6.7	1.3	33.2	7.0
Whareatea West	11.6	10.5	0.8	23.1	9.5

All reserves quoted are reported as 27 November 2013 <http://www.bathurstresources.co.nz/wp-content/uploads/20131127-Increase-in-Reserves-for-Buller-Coal-Project.pdf>. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Reserves tonnes for product coal are reported using a 12% in situ moisture for Escarpment, Cascade, Coalbrookdale and Whareatea West and 15% in situ moisture for Deep Creek.

COMPETENT PERSON STATEMENTS

- The information in this presentation that relates to mineral resources and reserves for Deep Creek is based on information compiled by Adam Bonham-Carter a Competent Person who is a full time employee of Golder Associates (NZ) Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr Bonham-Carter graduated with B.Sc and M.Sc degrees in Mining Engineering from Queen's University, Canada, and is a member of the Association of Professional Engineers and Geoscientists of British Columbia. He 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 of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bonham-Carter consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears. This presentation accurately reflects the information compiled by the Competent Person.
- The information in this presentation that relates to exploration results and mineral resources for Escarpment, Cascade, Coalbrookdale, Whareatea West, Millerton North, North Buller, Blackburn, Coaldale, Canterbury Coal, New Brighton and Ohai and mineral reserves for Escarpment, Cascade, Coalbrookdale and Whareatea West, is based on information compiled by Hamish McLauchlan a Competent Person who is a full time employee of Buller Coal 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 Canterbury University, and has had 19 years of experience in the mineral resource industry in New Zealand and offshore. He 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 of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLauchlan consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears above. This presentation accurately reflects the information compiled by the Competent Person.