



BATHURST
RESOURCES LIMITED

Company Update

August 2015

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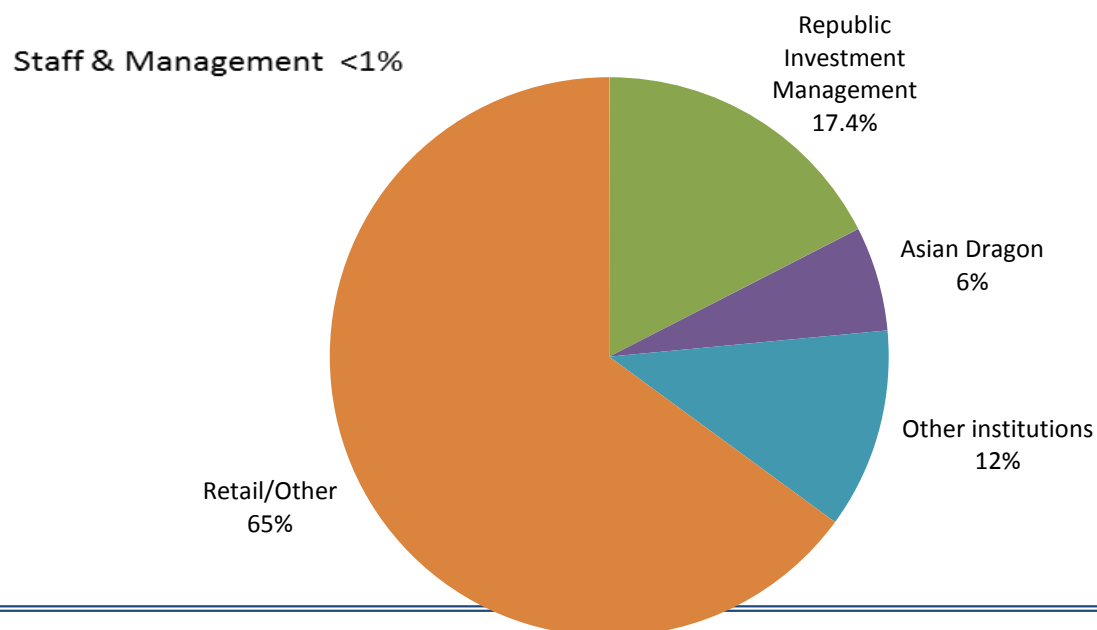
Reports and announcements can be accessed via the Bathurst Resources website – www.bathurstresources.co.nz

Forward-Looking Statements:

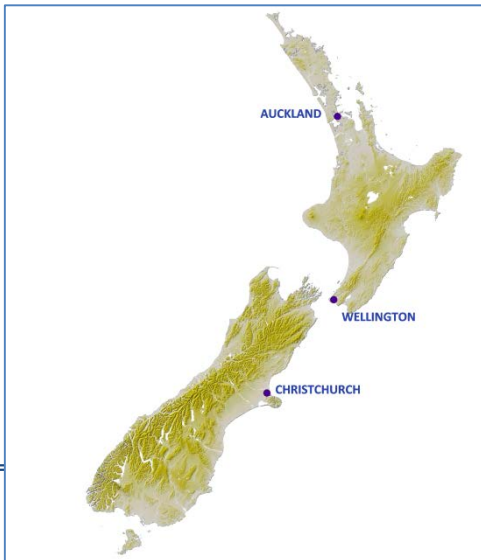
This presentation includes certain “Forward-Looking Statements”. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results, future expansion plans and development objectives of Bathurst Resources Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Capital Structure

As of 30 JUNE 2015	
Ticker (ASX / NZX)	BRL
Shares on issue	947.8M
Options & performance rights on issue	0.15M
Market capitalisation	NZ\$12.3M
Bank debt	NZ\$3.1
Cash & short term deposits	NZ\$5.2m
Shareholder composition (as of 4 August 2015)	



South Island Locations



Stay in Business Strategy

- ♦ **New board – new direction**
- ♦ **Strategic review process initiated**
- ♦ **Focus on domestic market cash generation**
- ♦ **Management of costs across the business**
- ♦ **Develop Escarpment in preparation to enter export markets**
- ♦ **Transition from explorer to producer on the ASX**

Domestic Overview

- ◆ Zero LTI previous two financial years – Target 0 FY16
- ◆ Domestic coal production provides positive cash flow
 - ◆ *Energy for South Island industry*
 - ◆ *Production target 450,000 tonnes for FY16*
 - ◆ *No exposure to international coal price volatility and FX risk*
 - ◆ *Initial Escarpment 'construction coal' sold into domestic markets*
- ◆ Business efficiency review
 - ◆ *Reduction of mining costs from FY14 of 40%*
 - *Target FY16 – NZ\$73/tonne, average cash cost of mining*
 - ◆ *Reduction of administration overheads from FY14 of 17%*
 - ◆ *Productivity improvement to increase margins*
- ◆ Capital requirements for domestic production
 - ◆ *Bonding and infrastructure in place for all operating mines*
 - ◆ *Positive cashflow to fund all capex*

Domestic Operations

Domestic operations: provide solid earnings platform

◆ **Operating mines in Southland, Buller and Canterbury**

- ◆ *Takitimu mine*
- ◆ *Cascade/Escarpment mines*
- ◆ *Canterbury mine*

◆ **Exploration permits in Canterbury and Southland**

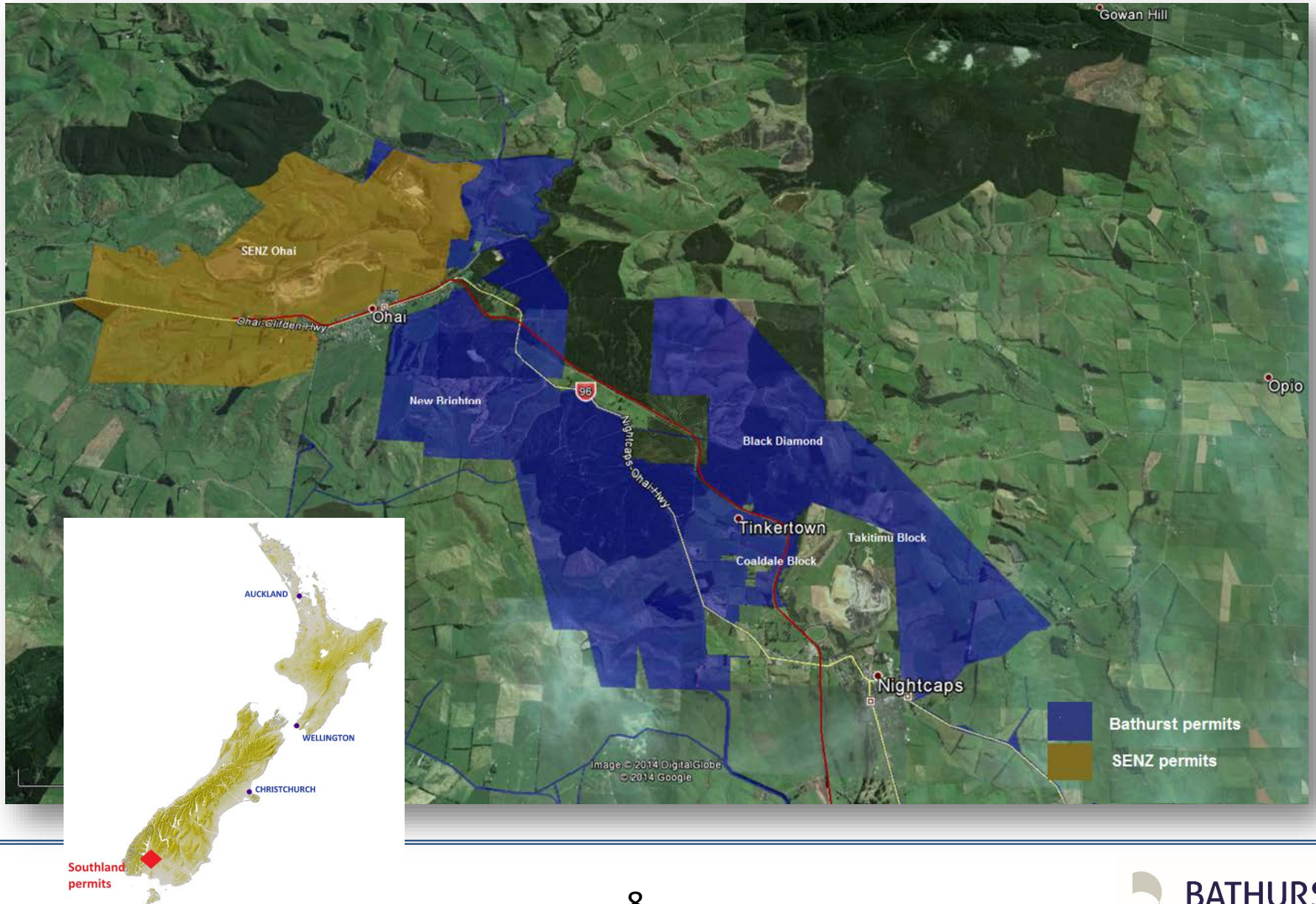
- ◆ *Albury*
- ◆ *Ohai*
- ◆ *New Brighton*

◆ **Development Potential***

- ◆ *Coaldale – 2.8 million tonnes*
- ◆ *New Brighton – 4.2 million tonnes*
- ◆ *Black Diamond – 2.0 million tonnes*
- ◆ *Canterbury Mine – 3.3 million tonnes*

* Refer Appendices for detail on Resources & Reserves & Competent Person's Statements

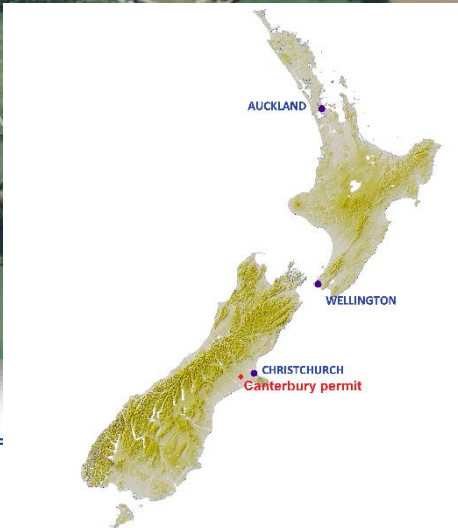
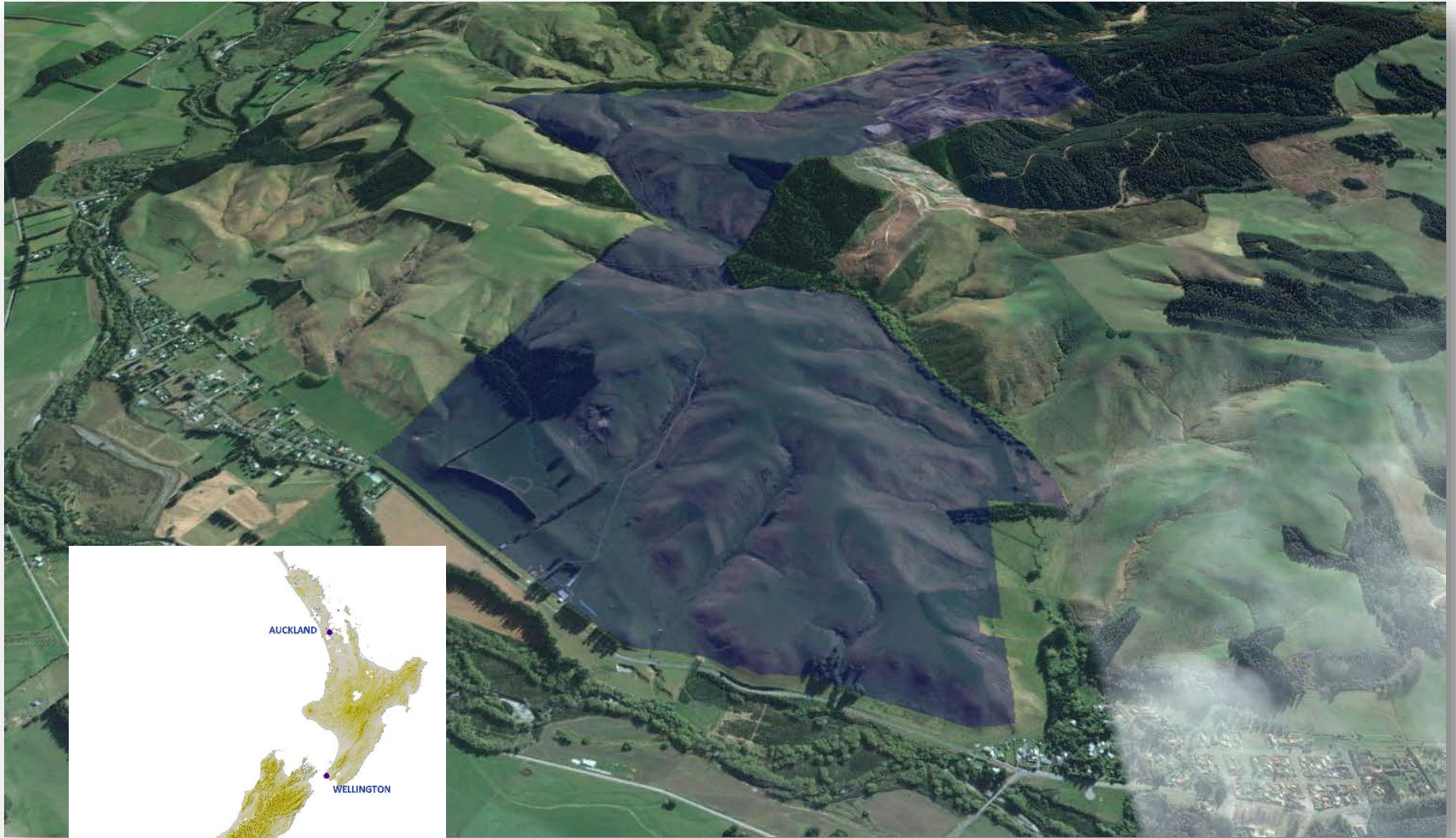
Southland Footprint



Takitimu Mine



Canterbury Permit



Canterbury Mine



Export Overview

- ◆ **Commenced operations at Escarpment**
 - ◆ *All permits and approvals in place*
 - ◆ *Site works underway*
 - ◆ *'Construction' coal sold into domestic market*
 - ◆ *Initial infrastructure in place*

- ◆ **Capital for first stage – trucking 500k tonne**
 - ◆ *Working capital ~\$15m to support ramp up to export*
 - ◆ *Initial infrastructure capex ~\$6m*

- ◆ **Stage 1 development potential***
 - ◆ *Escarpment – 5.3 million tonnes*
 - ◆ *Coalbrookdale – 3.4 million tonnes*
 - ◆ *Whareatea West – 18.4 million tonnes*
 - ◆ *Coal Creek and North Buller – 11.6 million tonnes*

* Refer Appendices for detail on Resources & Reserves & Competent Person's Statements

Export Development Strategy

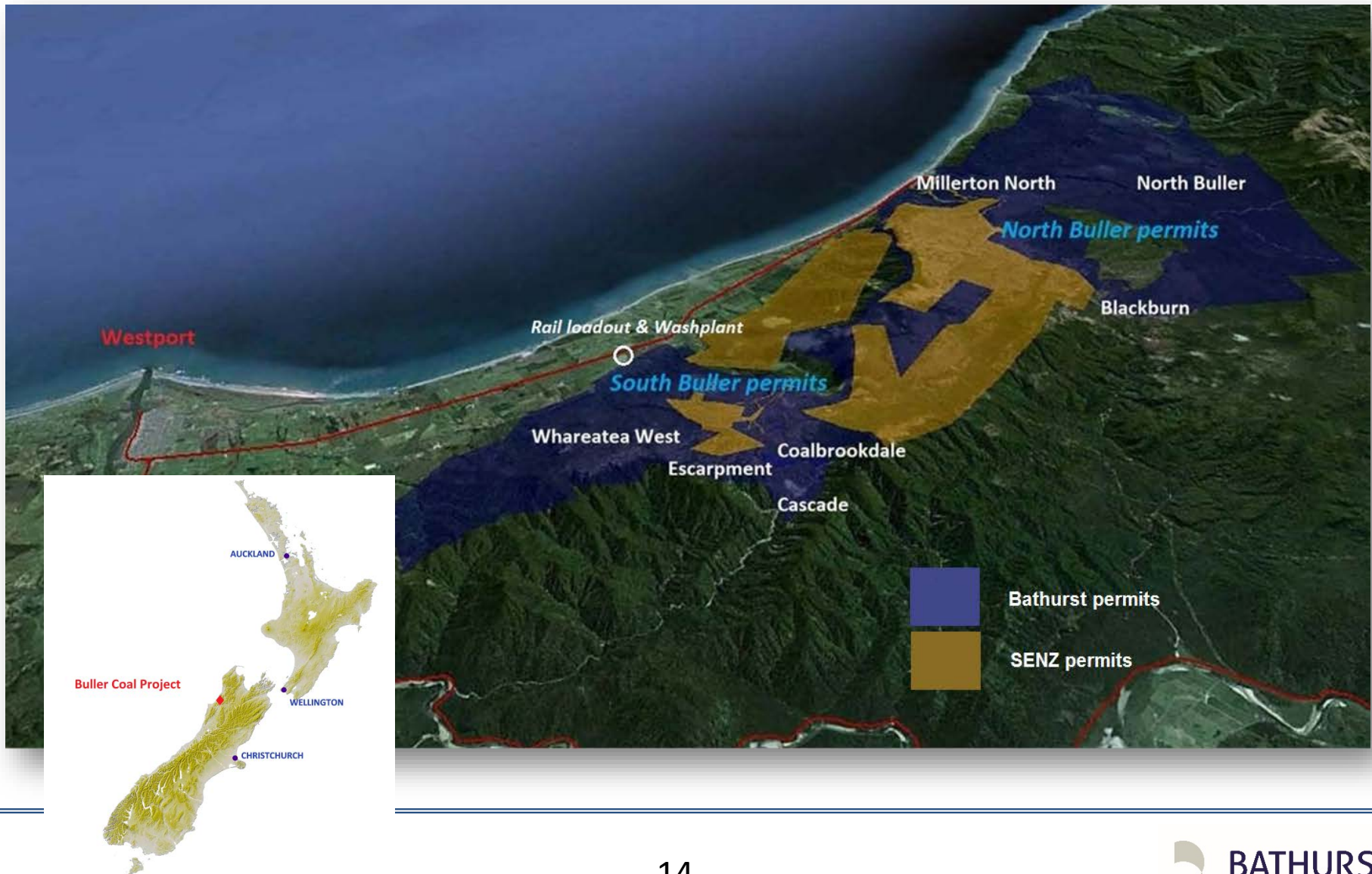
Objective - sustainable margins at current coal pricing

Key strategies -

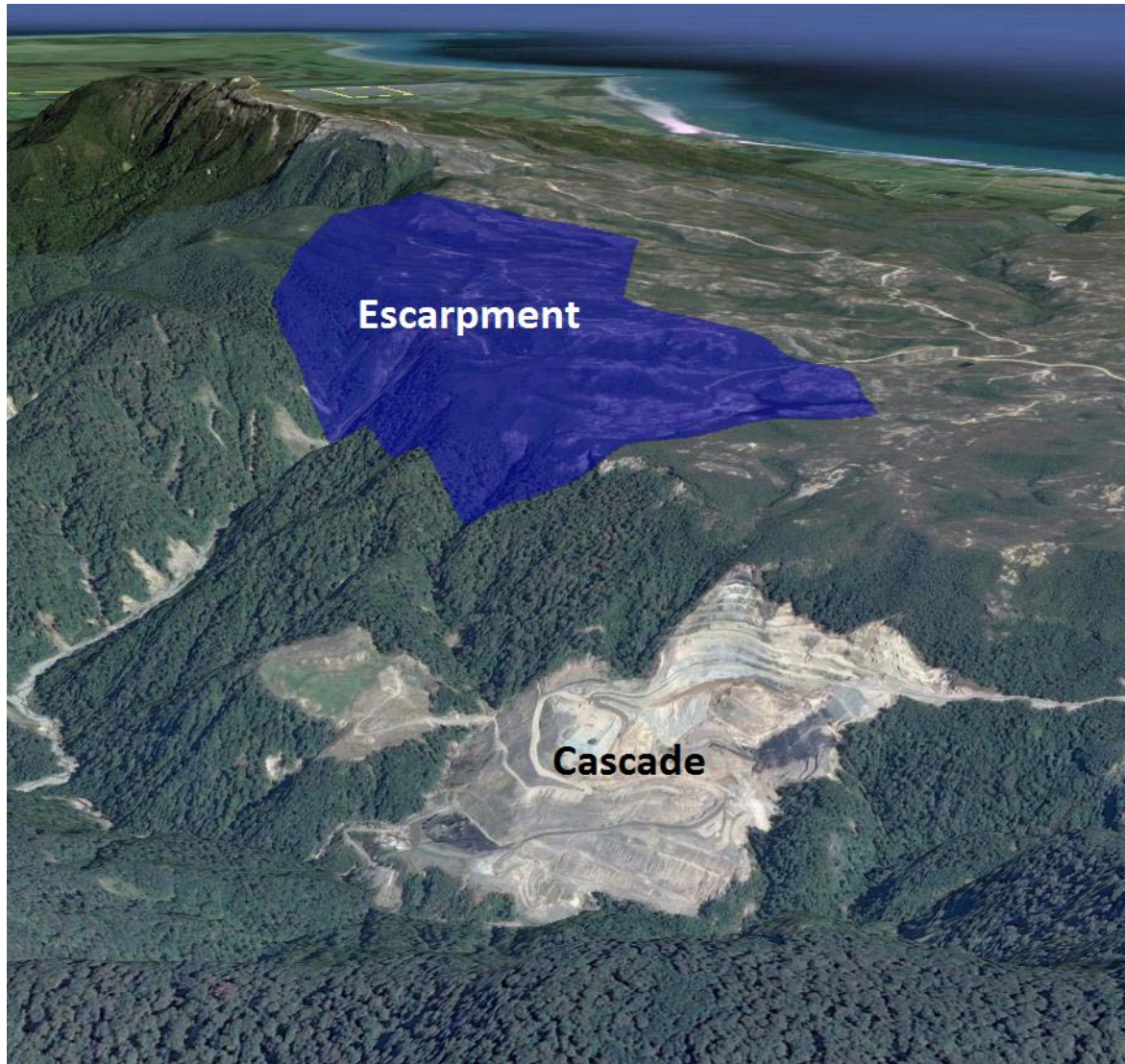
- ◆ ***Mining cost reduction***
 - *targeting low strip areas of high quality coal*
 - *Increased productivity*
 - *revised mining plan*
- ◆ ***Reduce logistics path costs***
 - *rail costs*
 - *shipping options*
- ◆ ***Overhead cost reduction***
- ◆ ***Start up capital rationalisation***
 - *review options for mining infrastructure & working capital*
- ◆ ***Simplify consenting and access arrangement processes***

Focus on margins not coal price

Broader Buller Coal Project



Cascade and Escarpment



Escarpment Mine



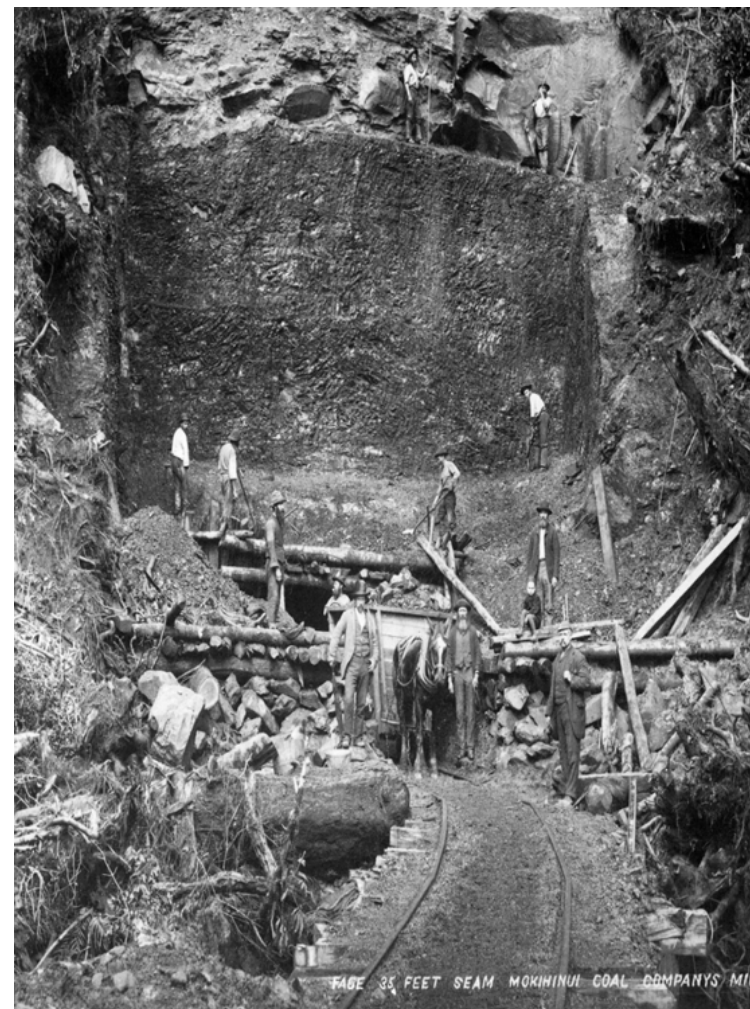
Cascade Mine



APPENDICES

Coal Quality - Escarpment

PROPERTY	INITIAL COAL SPECS
Total Moisture (ar)	8 - 10%
Inherent Moisture (adb)	0.6 - 1.3%
Ash (adb)	6 - 7%
Total Sulphur (adb)	0.6 – 1.1%
Free Swelling Index	8 - 9
Romax	0.9 - 1.0
Volatile Matter (adb)	34-38%
Maximum fluidity (ddpm)	10,000 to 50,000
Phosphorus	0.009% to 0.01%
Vitrinite	90 – 95%



Board of Directors



Toko Kapea

Non-Executive Chairman

Commercial lawyer and company director



Richard Tacon

Executive Director & CEO

Over 32 years coal mining operations experience



Russell Middleton

Non-Executive Director

Strong financial background in mining and construction



Peter Westerhuis

Non-Executive Director

Engineer with 30 years experience in iron ore, gold and coal

Director Profiles

Toko Kapea – Non-executive Chairman

Toko is a Wellington based commercial lawyer, consultant and director. He is a director of Tuia Group Limited and a partner in Tuia Legal. Toko has worked at Chapman Tripp and in legal roles in-house at Meridian Energy, Bank of New Zealand, St. George Bank NZ and ANS. He also sits on the board of Ngāti Apa Development Limited (Whanghanui-Rangitikei region). Ngāti Apa has investments in commercial property, forestry land and farms. Toko is also an independent committee member of the Banjima Direct Benefits Trust in Perth, Western Australia. The role involves developing funding and distribution policies for royalty payments from mining companies for the Banjima people in the Pilbara region.

Richard Tacon – Executive Director

Richard studied at the Otago School of Mines in New Zealand. His first job in the industry was at Greymouth's Liverpool State Mine. He moved to Australia to further his mining career and went on to hold several management roles in coal mines around the country, working his way from undermanager to General Manager. Richard has held senior leadership roles in the coal sector for the past decade. After living and working in Australia for 32 years, Richard returned to New Zealand to take up the position of Chief Operating Officer in 2012. He was appointed to the role of Chief Executive Officer in March 2015. Richard holds first, second and third class coal mining qualifications. He has also spent 15 years on a rescue crew, making him familiar with the principles and practice of mine safety. Richard is an ex secretary for the Australian Mine Managers Association and sits on the board of the New Zealand Mines Rescue Trust.

Peter Westerhuis – Non-executive Director

Peter is a professional engineer with post-graduate business qualifications and more than 30 years of Australian and international resources experience in the iron ore, gold and coal industries; the last 7 years at CEO and MD level. He has successfully developed and managed large mining and processing operations including overseeing the transition from explorer to producer. Peter has undertaken many complex commercial negotiations for joint ventures, capital funding, contracts, litigation, product marketing and off-take agreements. Peter is currently consulting to resources companies in Africa and South America. More recently he was the Group Managing Director of Guildford Coal, developer of a coking coal business in Mongolia, and the CEO of the Ensham Joint Venture developing and operating large open cut and underground coal reserves in Queensland. Peter has been a director of the Queensland Resources Council and a director of the Australian Coal Association.

Russell Middleton – Non-executive Director

Russell has over 25 years in the mining and construction sector with significant experience in mine project evaluations and the construction of new mines. Based in Sydney, Russell was most recently Chief Financial Officer with Hillgrove Resources Limited, an ASX listed resources company focused on developing base and precious metals projects. Starting his career as a public accountant, Russell has held senior management positions in accounting, commercial and planning roles. He undertook various roles with BHP before joining Shell where he was Commercial Manager for the construction, development and production of a major underground mine.

Executive Management Team



Craig Pilcher
GM Domestic Operations



Fiona Bartier
GM HSEC



Jason Hungerford
Financial Controller



Sam Aarons
GM Corporate Relations



Alison Brown
General Counsel



Bill Lyne
Company Secretary

Competent person statement

Resources are inclusive of reserves. All resources quoted are reported as 30 October 2013 “Increased Resources for Buller Coal Project”. This information was prepared and first disclosed in terms as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” as published by the Joint Ore reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (“JORC”). 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.”

The information in this presentation that relates to exploration results and mineral resources for Escarpment, Cascade, Coalbrookdale, Whareatea West, Millerton North, North Buller, Coaldale, Canterbury Coal, New Brighton and Ohai 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.