

T +64 4 499 6830
F +64 4 974 5218
E wellington@bathurstresources.co.nz

Level 12, 1 Willeston Street
Wellington 6011, New Zealand
PO Box 5963 Lambton Quay
Wellington 6145, New Zealand



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

Bathurst Resources Limited (ASX:BRL) – LMCH Claim

Bathurst Resources Limited (BRL) advises a claim has been received from L&M Coal Holdings Limited (LMCH), in which LMCH indicates that it will file legal proceedings against BRL in relation to the payment described below to LMCH. BRL completely denies that it is in default under the relevant agreements as is asserted by LMCH and this position is supported by the legal advice it has received.

The dispute has arisen out of an agreement for the sale and purchase (SPA) (and subsequent amendments) entered into between BR Coal Pty Limited (whose rights and obligations under the agreement have been assumed by BRL) and LMCH in 2010 and a related royalty deed (Deed) (and subsequent amendments) entered into between what is now Buller Coal Ltd and LMCH in 2010.

LMCH asserts that BRL is now required to make a US\$40 million performance payment under the SPA. The SPA provides that “a failure by the Purchaser (*BRL*) to make, when and as due, a Performance Payment is not an actionable breach of or default under this Agreement (*SPA*) for so long as the relevant royalty payments continue to be made under the Royalty Deed”. BRL’s view, supported by BRL’s legal advisers, is that BRL has continued to make the relevant royalty payments under the Deed, that there has been no breach of the Deed and therefore there is no actionable breach or default of the SPA.

Information on the performance payments under the SPA has been, and will continue to be, publicly available in the notes to BRL’s financial statements.

BRL is committed to defending any legal action which may be brought by LMCH in relation to this matter.

On behalf of Bathurst Resources Limited.

A handwritten signature in blue ink, appearing to read 'JH', with a stylized flourish at the end.

Jason Hungerford
Company Secretary
Bathurst Resources Limited