

December 2018

Quarterly Report

Highlights

 **12% upgrade in FY EBITDAF to \$105m**

 **Extension of life of North Island domestic operations**

 **No lost time injuries**

 **Consolidated* cash balance \$30.6m**

Health, Safety, and Environment

- ⊕ Zero serious non-compliance events
- ⊕ HSEC system updates
 - Lead/lag indicators reviewed
 - Software utilisation assessed
 - Incident notification processes, and auditing methods updated
- ⊕ Strong focus on training
 - Training standard revised
 - Trainers/assessors numbers increased
 - New Starter training revised
 - Refresher training for existing operators will occur in Q3/Q4

Executive summary

Forecast full year consolidated EBITDAF guidance has again been upgraded this quarter, from \$92m to \$105m. Export coal prices continue to outperform original expectations. North Island domestic also saw an upgrade due to the inclusion of Waipuna West (further information below). South Island domestic continues to be profitable and meet operational targets.

The successful continuation of North Island operations at Rotowaro was secured in November. A new resource is being developed at Waipuna West which is within Rotowaro's current area of operations. This will extend the life of mine out for a further four years and sees the operations return to owner operator.

Significant CAPEX and other investments have occurred in the last quarter, notably:

- the purchase of the existing mining fleet at Waipuna West;
- further investments in Crown Mountain (Bathurst's Canadian JV venture with Jameson Resources);
- exploration activities in Bathurst's Buller project; and
- yellow goods replacements at Stockton to decrease associated operating costs.

* Consolidated in this document means 100% Bathurst and 65% equity share of BT Mining in NZD

Performance metrics

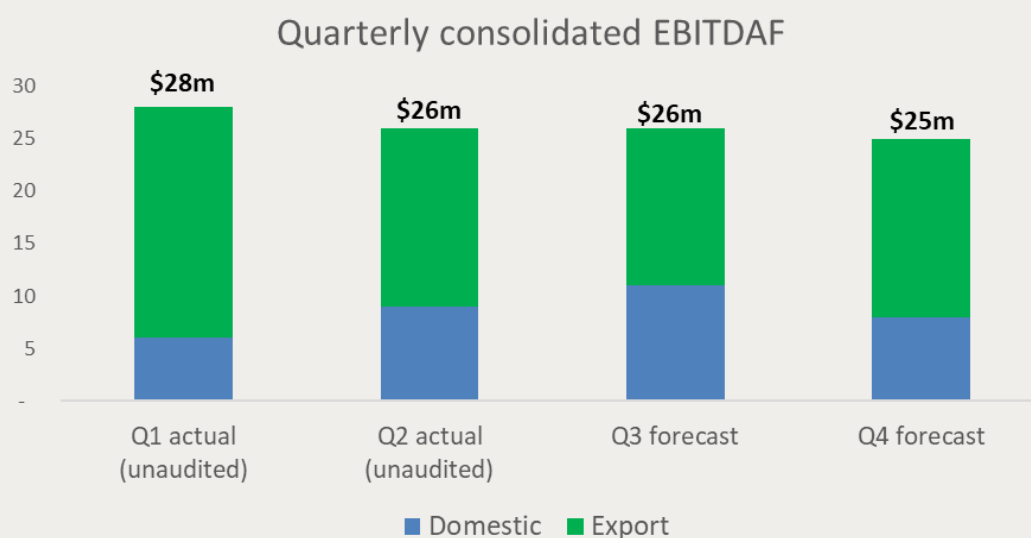
December Quarter	* Export 100% Basis	* North Island domestic ("NID") 100% Basis	South Island domestic ("SID") 100% Basis	BRL equity Share
Production (kt)	261	235	119	441
Sales (kt)	**316	222	132	482
Overburden (Bcm '000)	1,203	3,029	1,022	3,773
Sales Revenue (NZD '000)**	\$63,336	\$23,463	\$16,822	\$73,241

* Export and NID are held through BT Mining @ 65%

** Reporting of Export includes third party sales and reporting of South Island domestic includes freight revenue, which aligns with statutory reporting

December YTD				
Production (kt)	555	449	201	854
Sales (kt)	**621	449	214	910
Overburden (Bcm '000)	2,322	5,889	2,196	7,533
Sales Revenue (NZD '000)**	\$132,617	\$46,857	\$27,564	\$144,222

EBITDAF quarterly forecast



Domestic includes both Bathurst and BT Mining Corporate EBITDAF

Note: Q2 Export EBITDAF did not increase in line with the higher export coking coal price due to the mix of coal sold, with thermal coal sales replacing hard coking coal sales in the quarter.

Operations review

Export (Stockton) (65%)

Overburden movement was achieved for the quarter, with coal production down slightly as lower productivity pits were targeted. The Q2 shortfall is expected to be made up within FY19. Free on Board cost per tonne was above forecast due to the lower production output.

Sales volume exceeded budget though the six shipments within the quarter. Strong pricing continues.

To reduce the export sale price exposure, BT Mining had contracted forward sales at the end of the quarter of 198kt of hard coking coal, at an average price of NZD \$267 per tonne.

NID (65%)

Rotowaro

Production was 23kt ahead of budget due to increased sales. Overburden was down on budget for the quarter but this is not expected to impact future sales.

The mine was transitioned to an owner operator site during November and this change went smoothly and as planned.

Maramarua

Production was marginally ahead of budget for the quarter, with overburden 126kbcm behind due to weather and operator vacancies. Recruitment was progressed during December and the site is back to a full complement of operators.

SID (100%)

Takitimu

Production was ahead of budget due to increased sales. Waste movement for the quarter was focused on Coaldale East however was down on budget due to weather.

Canterbury

Overburden was ahead of budget by 36kbcm while production and sales were down slightly. The mine had sound cost performance with cash costs down 7% on budget for the quarter.

Exploration and Development (100%)

Buller Project

Exploration activities commenced in Whareatea West with PQ and large diameter drilling, and two holes were drilled within the Deep Creek mining permit. The drilling programme was put on hold at the end of December whilst new improved drilling hardware is sourced.

Domestic

Key focus for the quarter was the completion of planned drilling at the Takitimu mine in the Black Diamond and New Brighton permits. Mapping and initial trenching programme is planned for the Surveyors Gulley at Canterbury in Q3.

Crown Mountain (earn in up to 50%)

Fieldwork was successfully completed on the summer exploration programme. Laboratory analysis is now underway, as well as the update of the resource model. Additional coal exploration licenses have been granted with minor amendments.

For more detailed information refer to ASX announcements for Jameson Resources (ASX: JAL).

Corporate

Share buybacks

On-market share buybacks commenced in October 2018. At 31 December 2018, 11.6m shares had been bought back at an average price of AUD 12.3 cents per share.

Litigation

Bathurst (and Buller Coal Ltd) lodged an appeal to the Court of Appeal against the unfavourable judgment issued by the High Court in respect of the claim made against Bathurst (and Buller Coal Ltd) by L&M Coal Holdings Ltd. It is now expected that the appeal will be heard by the Court of Appeal in the June 2019 quarter.

FY19 guidance

	Metric	Export	NID	SID	BRL Equity Share
Production	kt	1,115	910	370	1,686
Margin	NZD \$/t	\$97*	\$42	\$27	
EBITDAF **	NZD \$m	\$108m	\$38m	\$10m	\$105m
Cash cost (av)	NZD \$/t at port	\$100			

* This is the average margin across all sales types including thermal coal sales. Coking coal price assumption for unexpired period is based on 80% of benchmark average of US\$182 coking coal price at \$0.68 NZ:USD.

** NID includes BT Mining's Corporate business unit, SID includes BRL's Corporate business unit.



Investor relations

email: investor.relations@bathurst.co.nz

Media relations

email: media.relations@bathurst.co.nz

Share price at 31 December 2018:

AUD 12.5 cents

Issued Capital at 31 December 2018:

1,584 million ordinary shares

Market capitalisation:

AUD \$198M

Bathurst Resources Limited

Level 12, 1 Willeston Street
Wellington 6011 New Zealand
Tel: +64 4 499 6830

Chief Executive Officer

Richard Tacon

Directors

Toko Kapea – Chairman
Richard Tacon – Executive Director
Peter Westerhuis – Non Executive Director
Russell Middleton – Executive Director

Substantial holders

Republic Investment Management Pte Ltd: 20.2%
Asian Dragon Acquisitions Ltd 8.7%
Chng Seng Chye: 6.7%

ASX Code: BRL

Website and email

www.bathurst.co.nz
email: wellington@bathurst.co.nz

Company Secretary

Bill Lyne
email: bill.lyne@bathurst.co.nz

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

BATHURST
RESOURCES LIMITED