



BATHURST
RESOURCES LIMITED

Half Yearly Update

February 2016

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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.

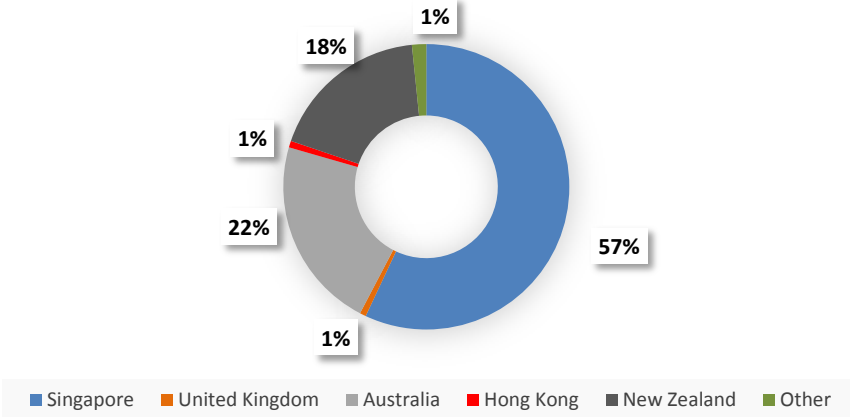
Capital Structure

As of 31 January 2015	
ASX Ticker	BRL
Shares on issue	964M
Options & performance rights on issue	9.5M
Market capitalisation	A\$12.5M
Bank debt	NZ\$2m
Cash + (restricted deposits)	NZ\$3.2m + (\$2.6m)
Shareholder composition	

Substantial shareholders

Rank	Group Name	%S/O	31-Dec-2015
1	Republic Investment Management Pte. Ltd	18.43%	176,956,325
2	Asian Dragon Acquisitions Ltd	6.57%	63,070,136

Geographic breakdown - Top 200 Holders



Maiden Half Year Profit

- ◆ *Net profit after tax for the 6 months ended 31 December 2015 of \$0.1m (-\$7.2m H1 FY15)*
- ◆ *Positive Operating Cashflow of \$3.2m (-\$2.2m H1 FY15)*
- ◆ *Adjusted EBIDTA for the 6 month period of \$7.2m (\$1.6m H1 FY15)*
- ◆ *Significant improvement in working capital since 30 June 2015*
- ◆ *Positive Net cash (after debt) position at 31 December 2015*
- ◆ *Transition from explorer to producer during the period*

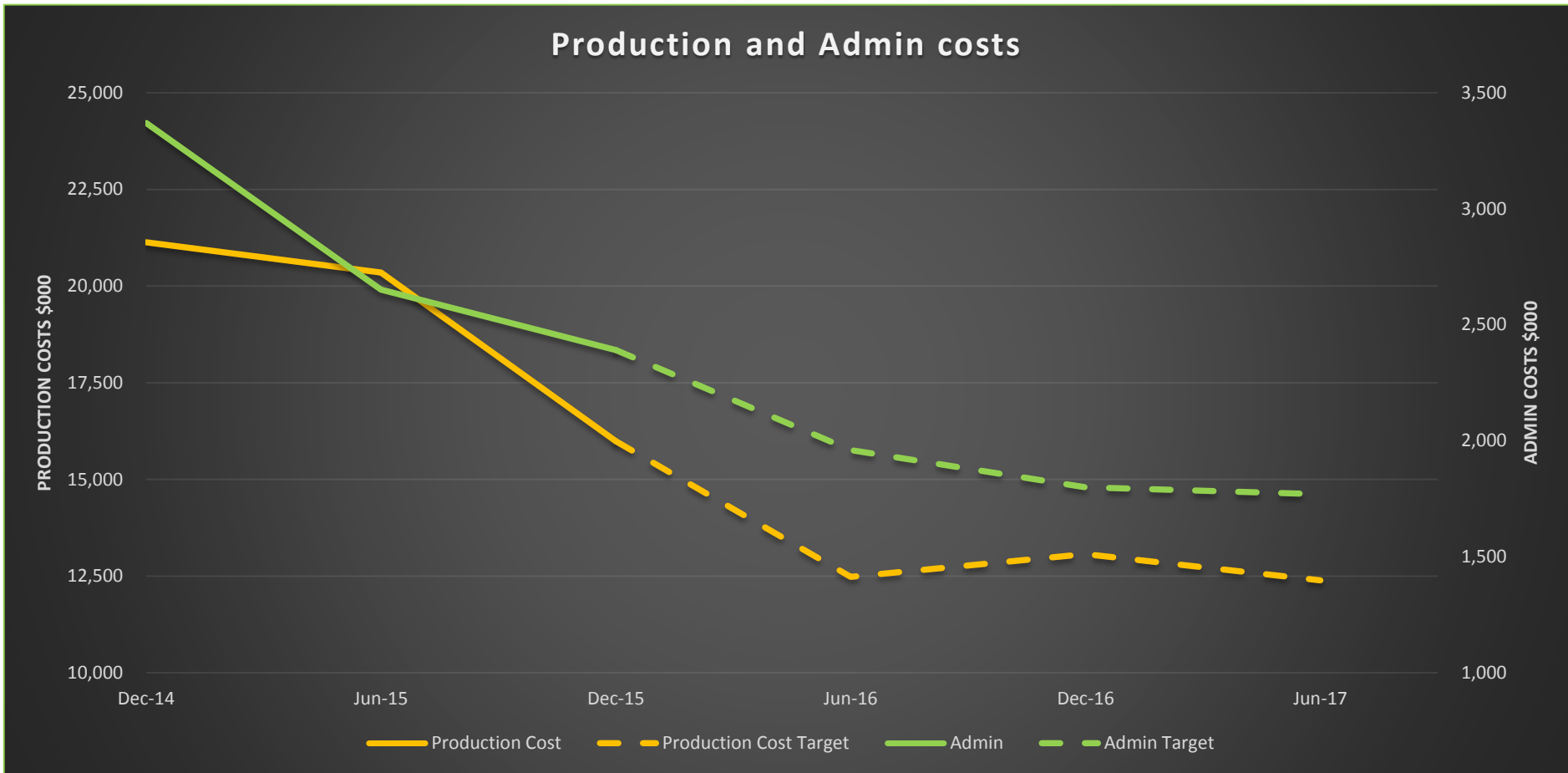
Health and Safety

- ◆ *Zero Lost Time Injuries over the last 2 years*
- ◆ *New H&S legislation – Apr 2016*
- ◆ *People development and training*
 - ◆ *Risk management*
 - ◆ *Incident investigation and reporting*
 - ◆ *Human factors*
 - ◆ *Emergency management*
- ◆ *Health and Safety system development*
 - ✓ *Policy review*
 - ✓ *Corporate standards locked in*
 - ✓ *Progressive rollout*

Bathurst snapshot

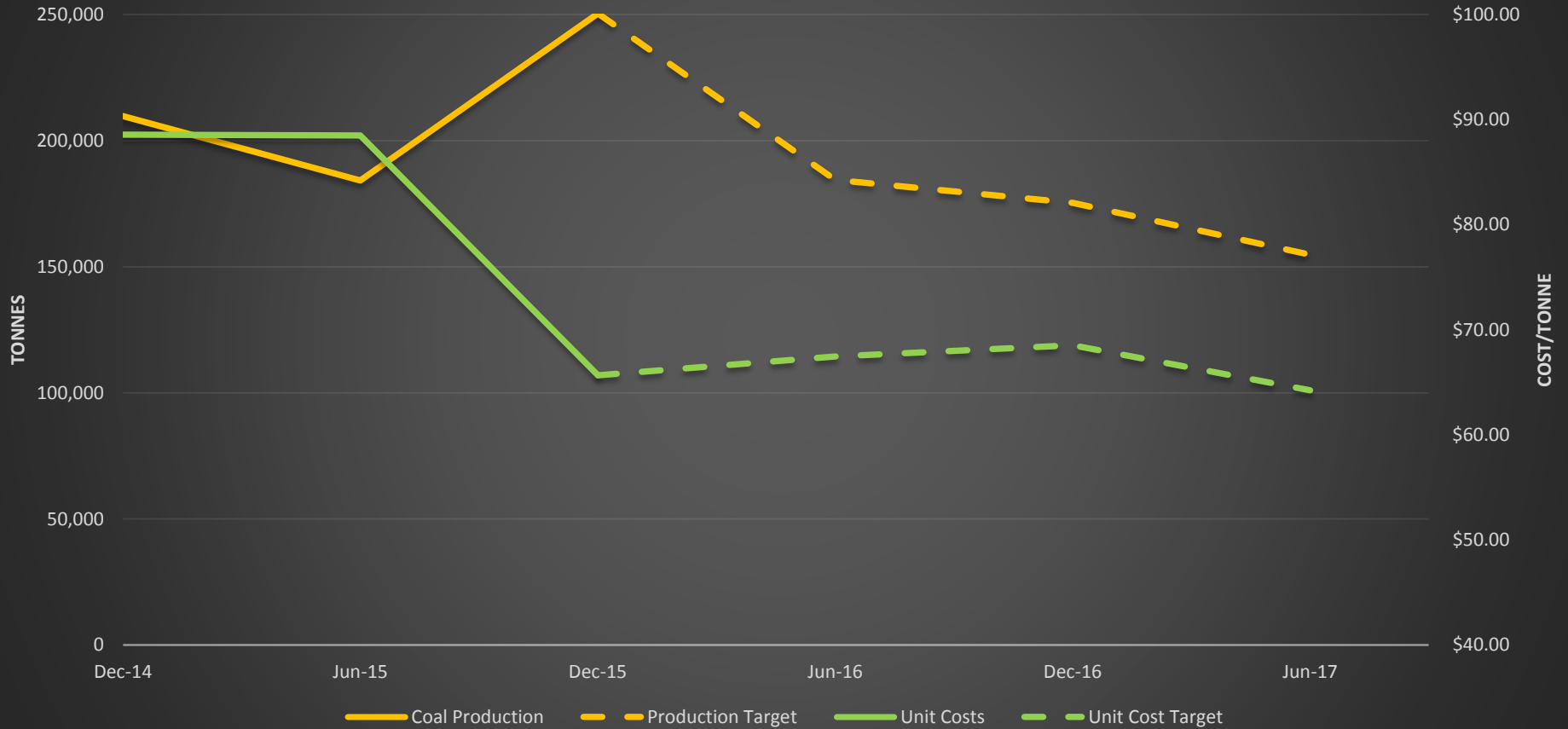
- ◆ ***Profitable NZ based coal producer***
 - ✓ ***46% South Island market share***
- ◆ ***Record production results in FY 15***
 - ✓ ***~400,000 tonnes***
- ◆ ***Increased operating margins***
 - ✓ ***Unit costs down 33% on Dec Q 2014***
- ◆ ***Operating cash positive***
- ◆ ***Low Bank debt***
- ◆ ***Low cost option on coking coal expansion***

Cost Reduction

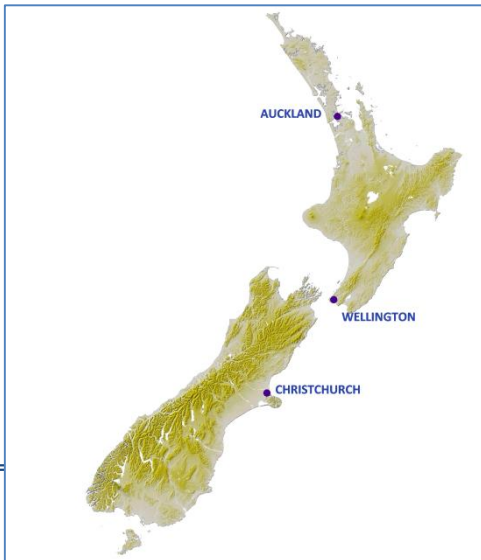
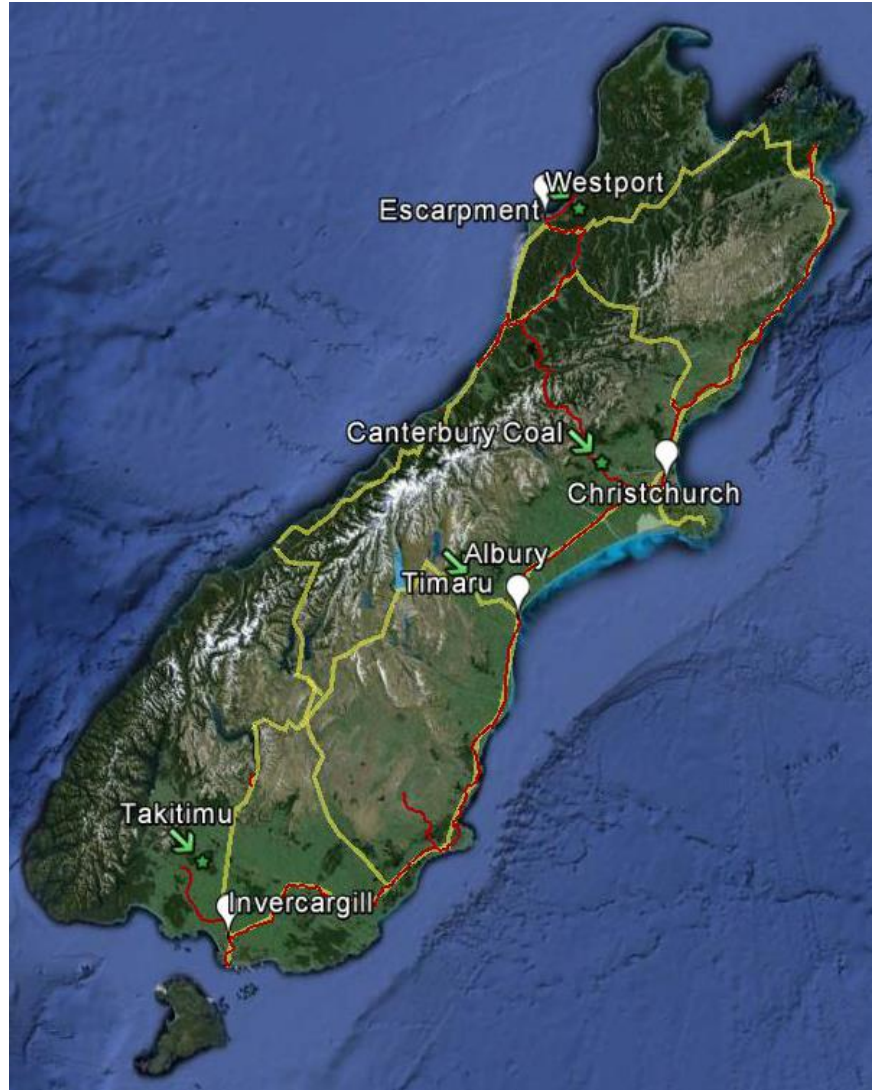


Unit Cost Reduction

Production and unit costs



South Island Locations



South Island Markets

- ◆ **Existing Domestic coal production provides positive cash flow**

- ◆ *Energy for South Island industry*
- ◆ *Contracted ~400k tonnes*
- ◆ *No exposure to international coal price volatility and FX risk*

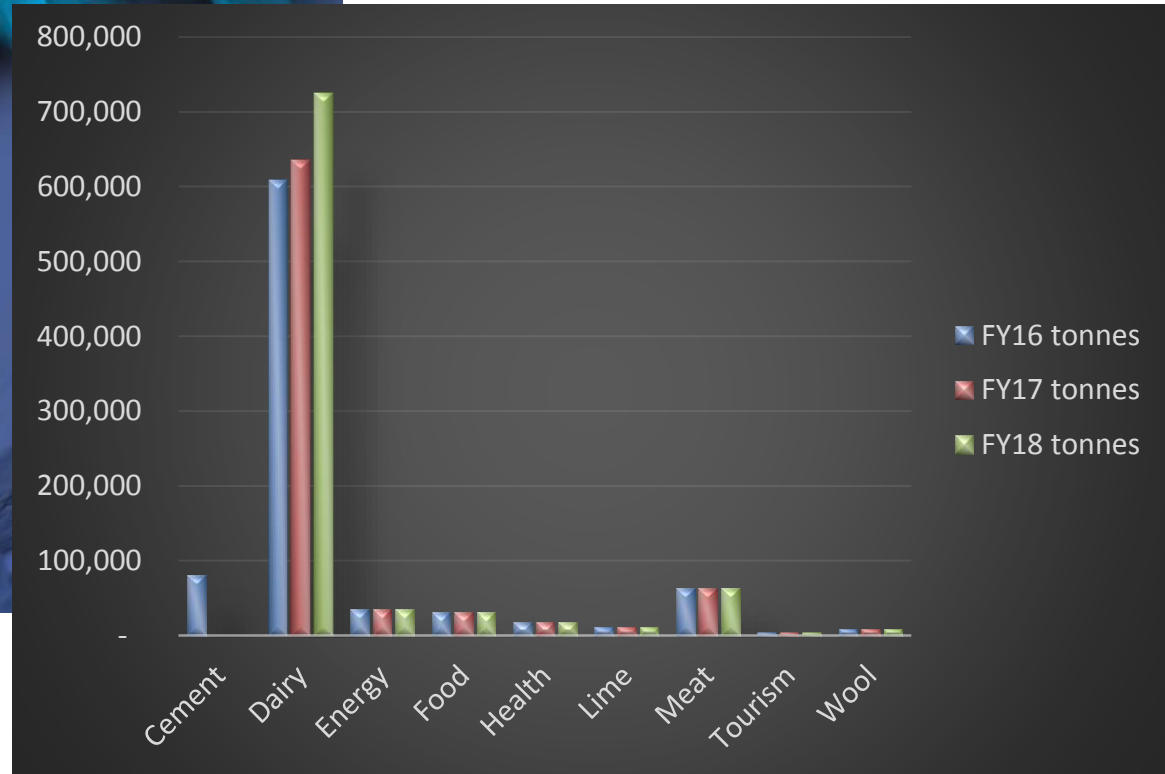
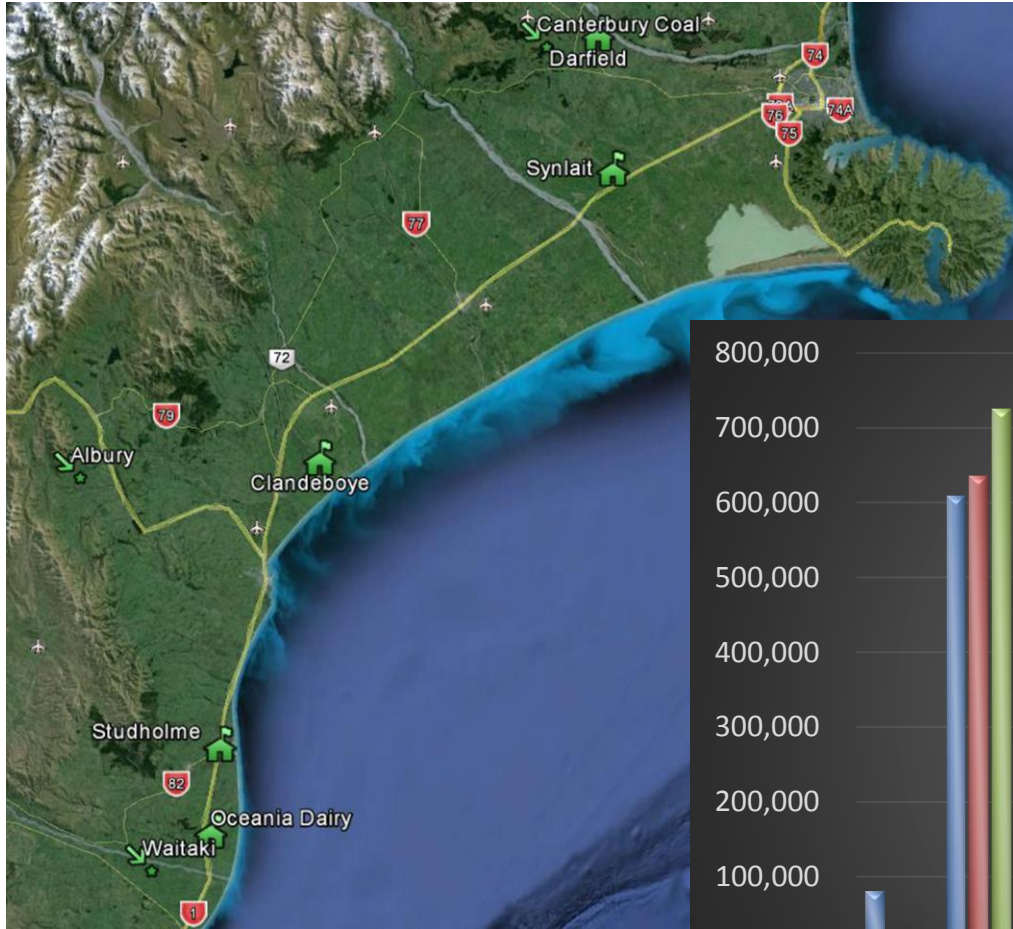
- ◆ **Limited alternatives to coal**

- ◆ *Coal \$5-7 Gj (delivered basis)*
- ◆ *Imported Gas ~ \$10-15 Gj (no infrastructure in the South Island)*
- ◆ *Renewables (wood-waste) ~ \$15 Gj*
- ◆ *Diesel ~ \$15-20 Gj plus*
- ◆ *Electricity ~\$20 Gj plus*

- ◆ **Market Analysis**

- ◆ *Total Coal sold in the SI market (855,950 t)*
- ◆ *Bathurst has 46% of the SI market (391,450 t)*
- ◆ *Dairy uses 71% of the coal sold in SI (608,500 t)*
- ◆ *Bathurst has 36% of the Dairy market (219,500t)*

Production in Close Proximity to Markets



Opportunities

- ◆ **Current targets – (60ktpa)**

- ◆ *Dairy*
- ◆ *Food processing*
- ◆ *Energy Centre*
- ◆ *Lime works*

- ◆ **Planned Growth – FY18+ - (100kt to 160ktpa)**

- ◆ *New Dairy supply*
- ◆ *Dairy expansion*

- ◆ **Value factors for Bathurst**

- ◆ *Good resource base*
- ◆ *Mines close to markets – reduced transport cost*
- ◆ *Reliable and adaptable supplier*
- ◆ *Cost competitive*

North Island Markets

- ◆ **Potential Markets**
 - ◆ *Replacement of Imports – (350ktpa)*
 - ◆ *Cement*
 - ◆ *Steel*
 - ◆ *Other industrial markets ~ 240ktpa*

- ◆ **Cost reductions at mine level have allowed Bathurst to be competitive against imported coal.**

Coastal Shipping

- ◆ **Two paths exist within our business to increase coal sales**
- ◆ **East coast shipping**
 - ◆ *Parcel together a route to market for coal from Takitimu*
 - ◆ *Serviced by foreign freighters, Bluff to east coast ports North and South Island*
- ◆ **West coast shipping**
 - ◆ *Shipping solution being actively investigated to meet the needs of North island customers and access Export shipping*
- ◆ **In aggregate, these tonnes present the establishment of a viable logistics path**

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 unit cost not coal price

Export Ramp Up

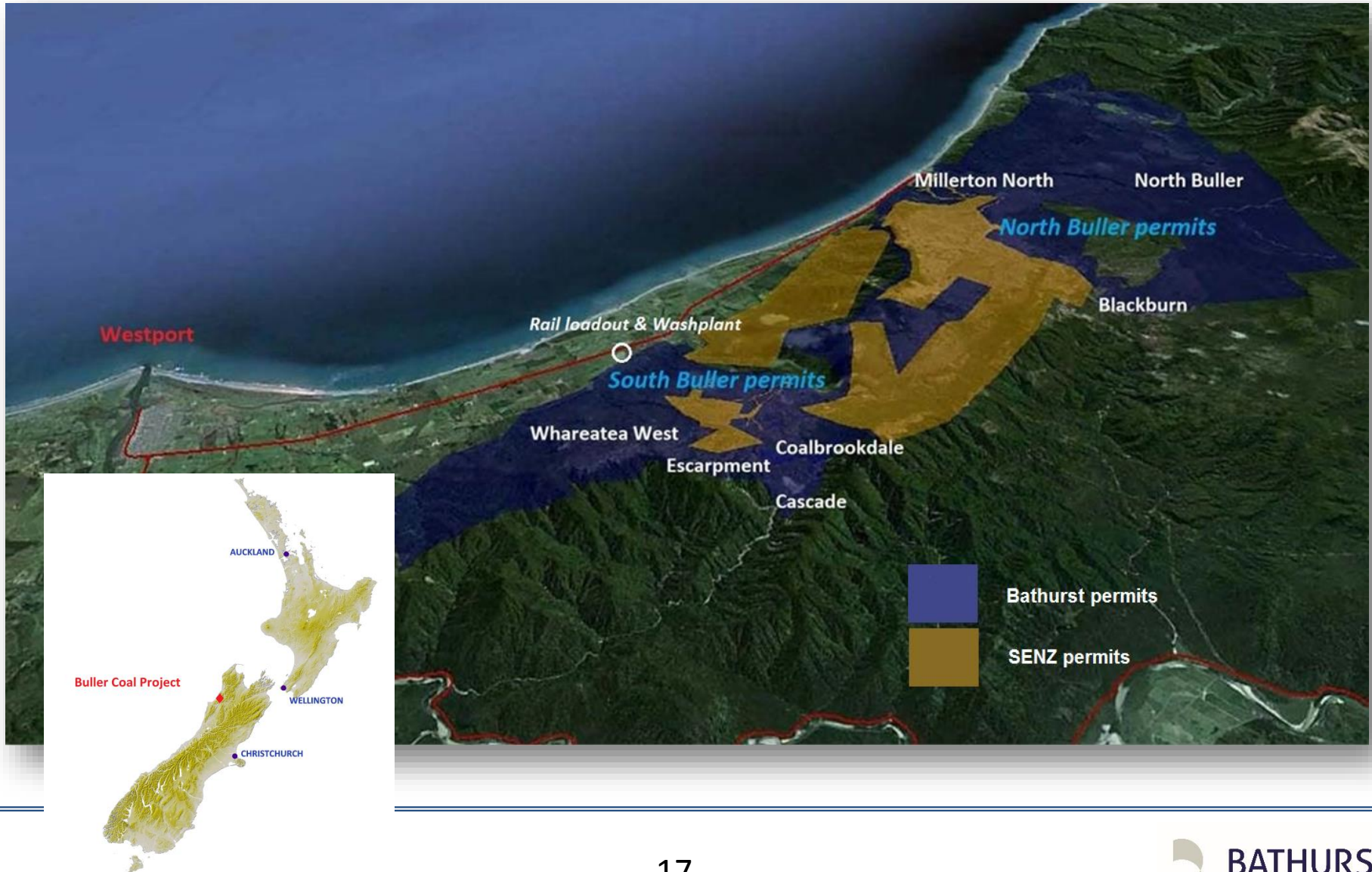
- ◆ **Commenced operations at Escarpment**
 - ◆ *All permits and approvals in place*
 - ◆ *Site works underway*
 - ◆ *'Construction' coal sold into domestic market*

- ◆ **Initial infrastructure in place**
 - ◆ *Trucking consents to 500ktpa – existing contractor in place*
 - ◆ *Storage shed and rail loading facility*
 - ◆ *Rail and port – in place but expensive*

- ◆ **Capital for first stage –250 to 500ktpa**
 - ◆ *Working capital ~\$15m to support ramp up to export*
 - ◆ *Water treatment plant ~\$5m*
 - ◆ *Site facilities ~\$1m*

- ◆ **Key actions prior to export shipping**
 - ◆ *cost target of - <NZ\$90/ product tonne FOB*

Broader Buller Coal Project



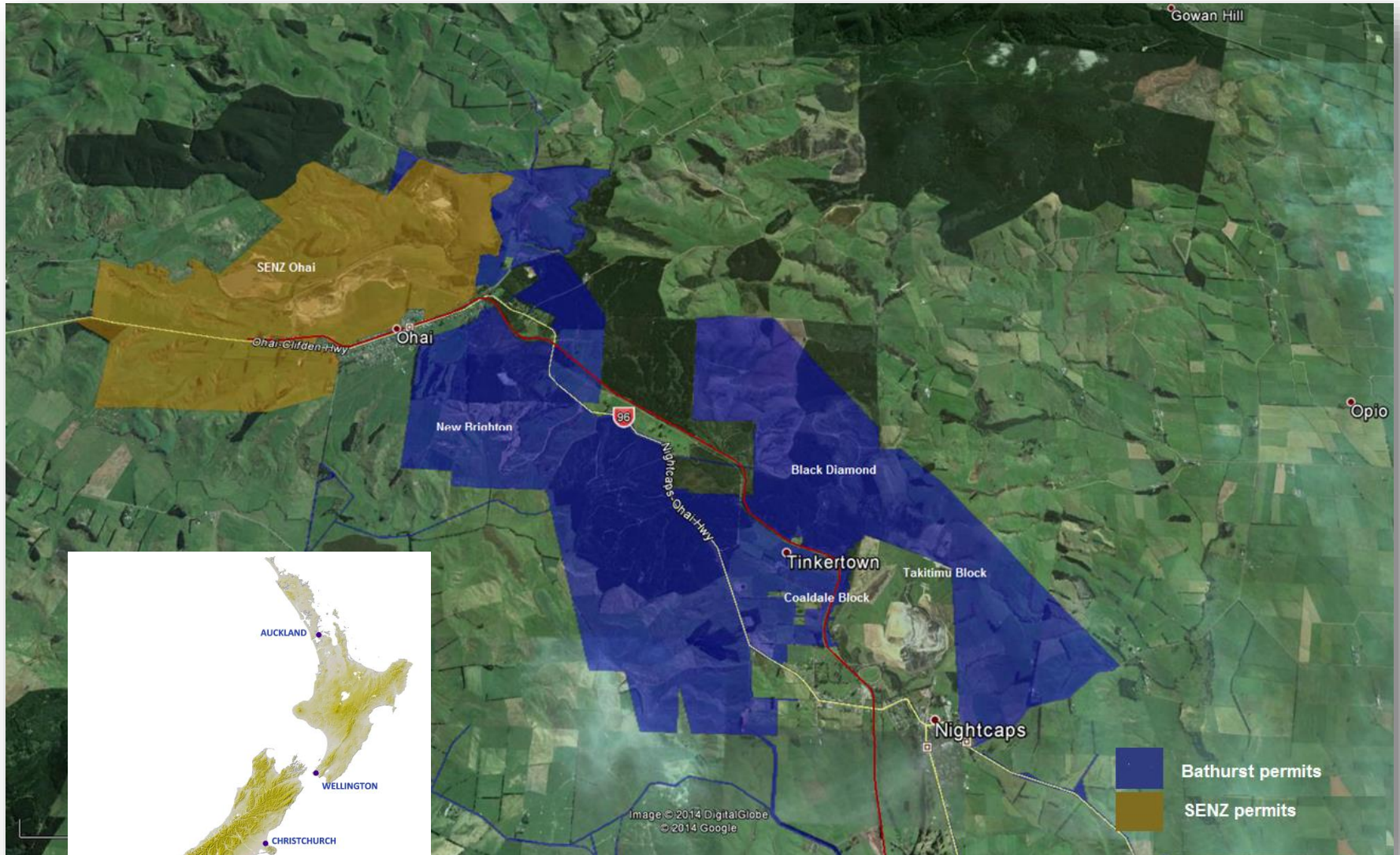
Solid Energy Opportunities

- ◆ *BRL is an established New Zealand coal producer*
- ◆ *Common interest areas to Solid Energy*
- ◆ *Existing relationships with certain key stakeholders*
- ◆ *Premium product blend*
- ◆ *Marketing opportunities*
- ◆ *Synergies with existing Solid assets*
 - ◆ *Blending, infrastructure and economies of scale*
- ◆ *Varied group of consultants available at present*
- ◆ *Joint venture opportunities available with other potential buyers*

Stockton Washery

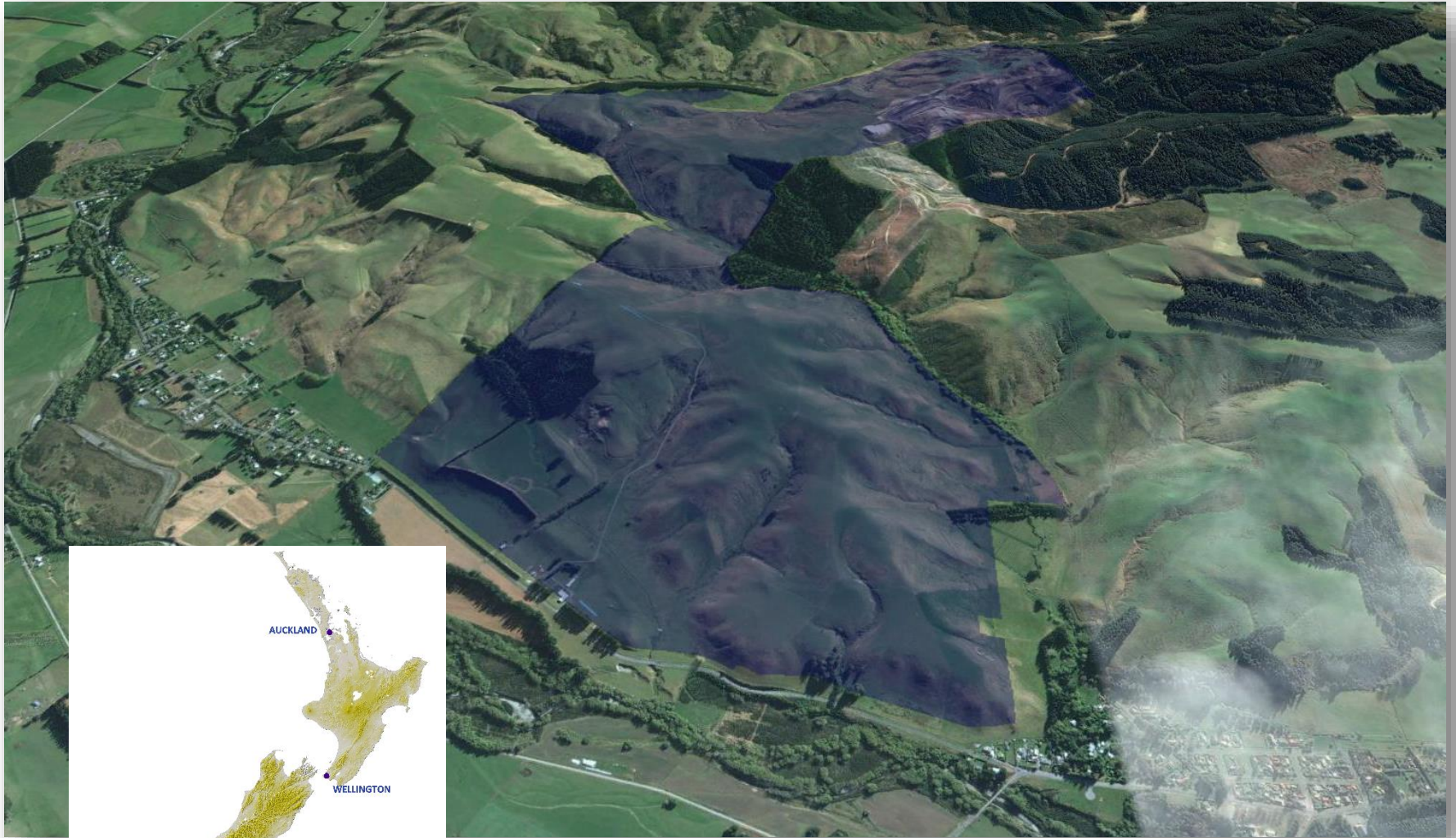


Southland Footprint



Southland permits

Canterbury Permit



APPENDICES

Appendix 1 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

Resources - Domestic

Area	Coal type	Measured Resource (Mt)	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Takitimu	Thermal	1.6	1.7	1.3	4.6
New Brighton	Thermal	0.0	0.7	3.5	4.2
Canterbury Coal	Thermal	0.3	0.5	1.3	2.1
Total		1.9	2.9	6.1	10.9

Refer 'Update on Resources and Reserves' released to the ASX on 30 October 2015 and Appendix 3 Competent Person Statement

Resources - Export

Area	Coal Type	Measured Resource (Mt)	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)
Escarpment	Metallurgical	3.1	2.2	1.0	6.3
Cascade	Metallurgical	0.6	0.6	0.3	1.5
Deep Creek	Metallurgical	6.2	3.1	1.6	10.9
Coalbrookdale	Metallurgical	0.0	3.8	5.4	9.2
Whareatea West	Metallurgical	7.6	10.8	4.9	23.3
South Buller Totals		17.6	20.5	13.2	51.3

Refer 'Update on Resources and Reserves' released to the ASX on 30 October 2015 and Appendix 3 Competent Person Statement

Appendix 2 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.

Appendix 3 Competent Person Statements

The information in this Investor Presentation that relates to Bathurst Resources Limited's Mineral Resources and Ore Reserves is based on information extracted from the company's announcement 'Update on Resources and Reserves' released to the ASX on 30 October 2015 which is available to view at www.bathurstresources.co.nz and on the Bathurst's company announcement platform at www.asx.com.au

The company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of the estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The estimates pertaining to Resources for Deep Creek and New Brighton were prepared under the 2004 edition Australasian Code for Reporting of Mineral Resources and Ore Reserves. As such, these statements are not reported in accordance with the current 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC code) and are considered to be historical estimates. A Competent Person has not done sufficient work to classify these historical estimates in accordance with the 2012 JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as Resources in accordance with the 2012 JORC Code.

The information on this report that relates to Mineral Resources for Deep Creek is based on information compiled by Sue Bonham-Carter who is a full time employee of Golder Associates (NZ) Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Sue Bonham-Carter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Sue Bonham-Carter consents to the inclusion in this report of the matters based on her information in the form and context in which it appears above.

The information in this report that relates to Mineral Resources for New Brighton is based on information compiled by Hamish McLauchlan as a Competent Person who is a full time employee of Bathurst Resources 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 the University of Canterbury, 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 '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.