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Market Announcements  
Australian Securities Exchange  
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NSW 2000

### **CHAIRMAN'S ADDRESS - 2021 ANNUAL GENERAL MEETING**

On behalf of the Board of Bathurst Resources Limited (ASX: BRL) attached is the Chairman's address to be given at the 2021 Annual General Meeting being held at 2:00pm (NZDT) on Wednesday 1 December 2021.

Authorised for release by Melanie Hart, Company Secretary

## CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING 1 DECEMBER 2021

BATHURST RESOURCES LIMITED

Earlier this year we farewelled Chairman Toko Kapea. He was eight years on the board and worked passionately to grow Bathurst from its small beginnings to the diversified, global outlook company that it is today. He also worked tirelessly to help defend Bathurst against the litigation onslaughts we all fought for many years. On top of all that he was also a good bloke. We thank Toko for his commitment to Bathurst and wish him well in his new ventures.

We also welcomed Francois Tumahai as independent director. He is particularly passionate about the West Coast, having lived there for many years. He is heavily involved in many aspects of its commerce and governance, with a strong emphasis on conservation and alignment with the goals of the local iwi. We are very fortunate to have Francois join us.

After five years defending the LMCH performance payment litigation through the courts, the New Zealand Supreme Court's judgment bought this long-standing dispute to an end, ruling in Bathurst's favor. The significance of this cannot be overstated. The matter has hung like a cloud over our company since 2016, dampening our share price, inhibiting our ability to raise capital for new projects and drawing a lot of executive and board attention. Since the judgment we have seen a modest recovery in our share price. Our balance sheet has also substantially strengthened with the reversal of the payment provision. We are now also able to focus more of our time on more constructive strategic endeavors, securing long-term growth for our investors.

Sadly, LMCH are attempting a second bite at the cherry with their vexatious change of control allegation. The Bathurst board is committed to defend, without delay, all of our interests against this fanciful and desperate attempt by LMCH to lever money out of our business without doing any real and constructive work.

One year ago the benchmark index coal price reached its lowest point in five years. Many factors, like Covid, the Chinese embargo of Australian coal and government interventions influence price movements. But fundamentally it is determined by supply and demand dynamics and the price rebounded to historic highs before retreating moderately. We expect pricing to normalise at the analyst consensus level in the longer term. I have been in this industry a long time and have seen these big variations numerous times. We must always remember we have near negligible influence on the price. But we can influence costs and to be sustainable long term we must maintain good cost discipline.

The political discourse on climate change is accelerating, and coal is an obvious part of this discussion. Our industry is demand driven – all coal we mine has a buyer before it leaves the ground. We produce two types of coal, used for two very different purposes. 70 percent is coking coal for steelmaking, mostly exported. The balance is thermal coal all sold domestically and used for producing energy. Our

NZ customer's demand for energy coal will remain until there is a viable and sufficient alternative energy source and they choose to make the switch away from coal. We acknowledge New Zealand's transition to a net zero carbon economy and we will continue to support our customers as they adjust.

The International Energy Agency predicts that demand for steel will continue to grow, increasing by 30% to 2050. With no technical alternative to coking coals in clear sight the carbon conscious steel producers will continue to demand high quality coking coal. Bathurst will continue to contribute to this need.

We see ourselves as a coal mining company and expect that long-term coal will continue to underpin our business, with a progressive shift to primarily producing coking coal.

Noting the increasing global appetite for other minerals, we will examine leveraging our strong development and mining expertise to potentially take advantage of other opportunities.

The path ahead is looking better than it has for a long time. With the recovery in export coal prices, and the resolution of the Supreme Court ruling, we are well placed to start exploring new opportunities. The domestic business continues to be reliable & profitable. Our people have remained safe, with no serious incidents reported.

The board's priorities for next year will include defending the company against LMCH's vexatious litigation, strengthening our risk management frameworks, maintaining a long-term strategy that responds to the changing business environment and continuing to improve our ESG proposition.

Last, I would like to thank my fellow directors, senior management and the entire workforce for their significant efforts – and on behalf of the board, I thank our joint venture partners and you, our many shareholders, for your ongoing support. You have stuck by us as we have weathered the uncertainty and challenges of the last few years. Your support has been enormous and important.