



# Bathurst Resources Macquarie Mining Forum – Investor Update

June 2018

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## *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.*

# Overview of Bathurst Resources

**Bathurst Resources is a leading New Zealand coal producer with domestic, export coking and opportunities to expand export production.**

## Capital Structure

Share Price (26 June 2018)	\$0.14
Shares Outstanding (Bn)	1.513
<b>Market Cap (A\$m)</b>	<b>211.8</b>
Bank Debt (NZ\$m)	Nil
USD Bonds (US\$m)	7.9
JV Debt (NZ\$m) (BRL share – 65%)	Nil
Cash (NZ\$m) (BRL)	19.2
Cash (NZ\$m) (BRL Restricted)	4.0
JV Cash (NZ\$m) (BRL share – 65%)	7.7

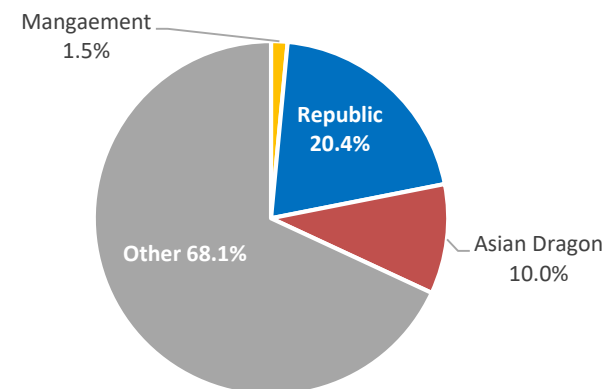
## Financial Performance

- ✓ Reduced JV debt by \$30 million in 10 months of ownership
- ✓ Full review of extension projects for all New Zealand tenements
- ✓ Developing expenditure forecasts for initiating project exploration and evaluations

## Share Price Performance



## Substantial Shareholders



\* Consolidated in this document refers to 100% of BRL plus BRL's 65% share of joint venture BT Mining Limited ("BT Mining" or "JV")

# Highlights against FY18 Guidance<sup>1</sup>

**Bathurst has delivered on its strategy across operations, safety performance and financial outcomes as well as expansion via acquisition at a low point in the cycle**

✓ Consolidated EBITDA:	> \$92.0 million
✓ Domestic tonnes <sup>2</sup> :	1.3mT
✓ Export tonnes <sup>2</sup> :	1.1mT
✓ Safety LTIFR:	1.4
✓ Consolidated cash at 30 June 2018:	\$26.9 million

<sup>1</sup> Estimated results based on May 18 YTD actuals plus June forecast (unaudited)

<sup>2</sup> Tonnes are BRL and BT at 100%

# Export Markets

# Export Marketing – Metallurgical Coal

- **Market Relatively Stable**
  - Suppliers / Coke Producers / Steel Manufacturers are all able to sustain the current pricing levels
  - Uncertainty exists in some quarters – namely the Chinese markets
  - Key markets of Japan and India continue to consistently perform with demand increasing
- **Diversification A Key Focus For Mills**
  - Mills are becoming increasingly aware of the volume reliance on a small number of suppliers and logistic chain
  - Diversification to spread raw material risk
  - Bathurst well positioned outside the cyclone belt with a reputation of consistent / reliable production and logistics
- **Value For High Quality Unique Coal**
  - Coke and Steel manufacturers are increasingly more technical to maximise product value and decrease costs
  - Low Ash (3.7 %) - as a blend partner to reduce costs
  - Low Phosphorus (0.008%) – Reduces embrittlement in hardened steels
  - High Vitrinite (90 % +) – Excellent binder of Australian and Indian coals

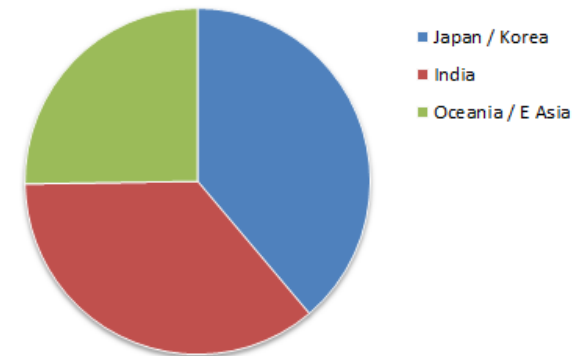


# Export Marketing – Customers

- **Long term contracted customer base**
  - Up to 43 years into Japan
  - Up to 25 years into India
- **All customer contracts transferred with assets**
- **Seamless supply and contract performance post Bathurst ownership**
- **CEO recent visit to long term customer base**
  - Strengthen relationship through the executive level
  - Understand the customers core business in more detail
- **Business Development successfully continues to diversify within the focus geographic regions**
  - Japan / Korea
  - India
  - Oceania



**Bathurst's Diversified Export Markets By Volume**

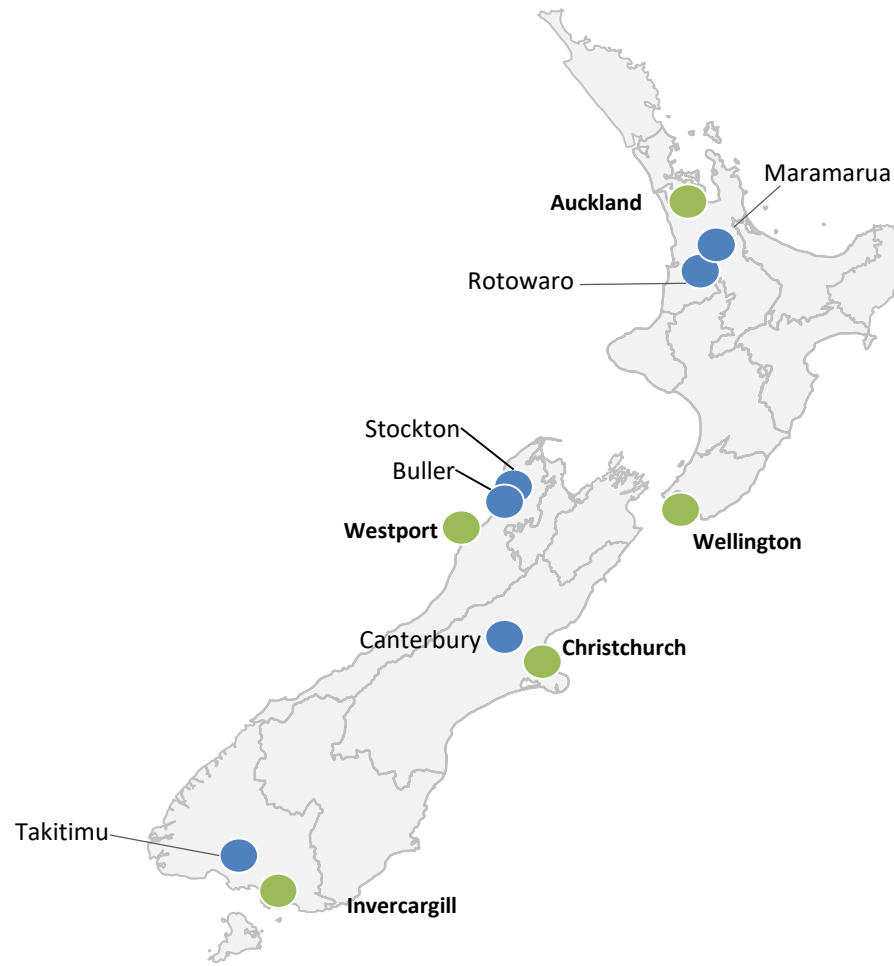


# Operations



# Leading Presence in New Zealand

Bathurst has established itself as the pre-eminent coal producer in New Zealand



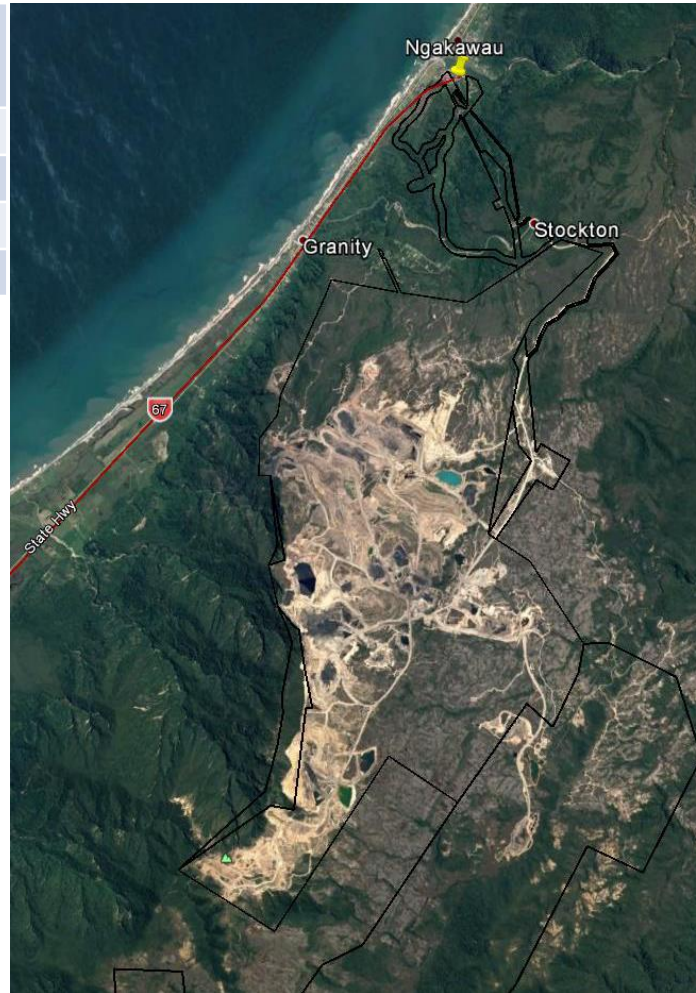
<sup>1</sup> 65% BRL ownership of the Rotowaro, Maramarua, and Stockton mines are via the BT Mining Joint Venture

<sup>2</sup> Margin for existing Bathurst operations represents an average across all operations.

# Stockton (65% BRL<sup>1</sup>)

Stockton is an open cut mine located on the West Coast of New Zealand producing a low-ash metallurgical coal for export

Product	Volume (% of Total Sales)	Pricing (% of PLV <sup>5</sup> benchmark)
HCC <sup>2</sup>	15%	100%
SHCC <sup>3</sup>	65%	80%
HACC <sup>4</sup>	20%	64%
Combined	100%	80%



Stockton	
Production (FY19)	1.1 mt
Unit Cost (FOB)	NZ\$102/t
FTE	230
Crown Rehab. Indemnity	NZ\$44.5m
Resource	69.2 Mt <sup>6</sup>
Reserve	12.4 Mt <sup>6</sup>

- Infrastructure capacity:
  - 1.8mtpa CHPP
  - 2.5km aerial ropeway,
  - 2.2mtpa rail loadout facility linked to the Port of Lyttleton
  - 2.0+mtpa Rail and Port contracts
- AMD: Historic liability 100% indemnified

<sup>1</sup> 65% ownership of the Stockton mine is via the BT Mining Joint Venture

<sup>2</sup> HCC is Hard Coking Coal

<sup>3</sup> SHCC is Semi Hard Coking Coal

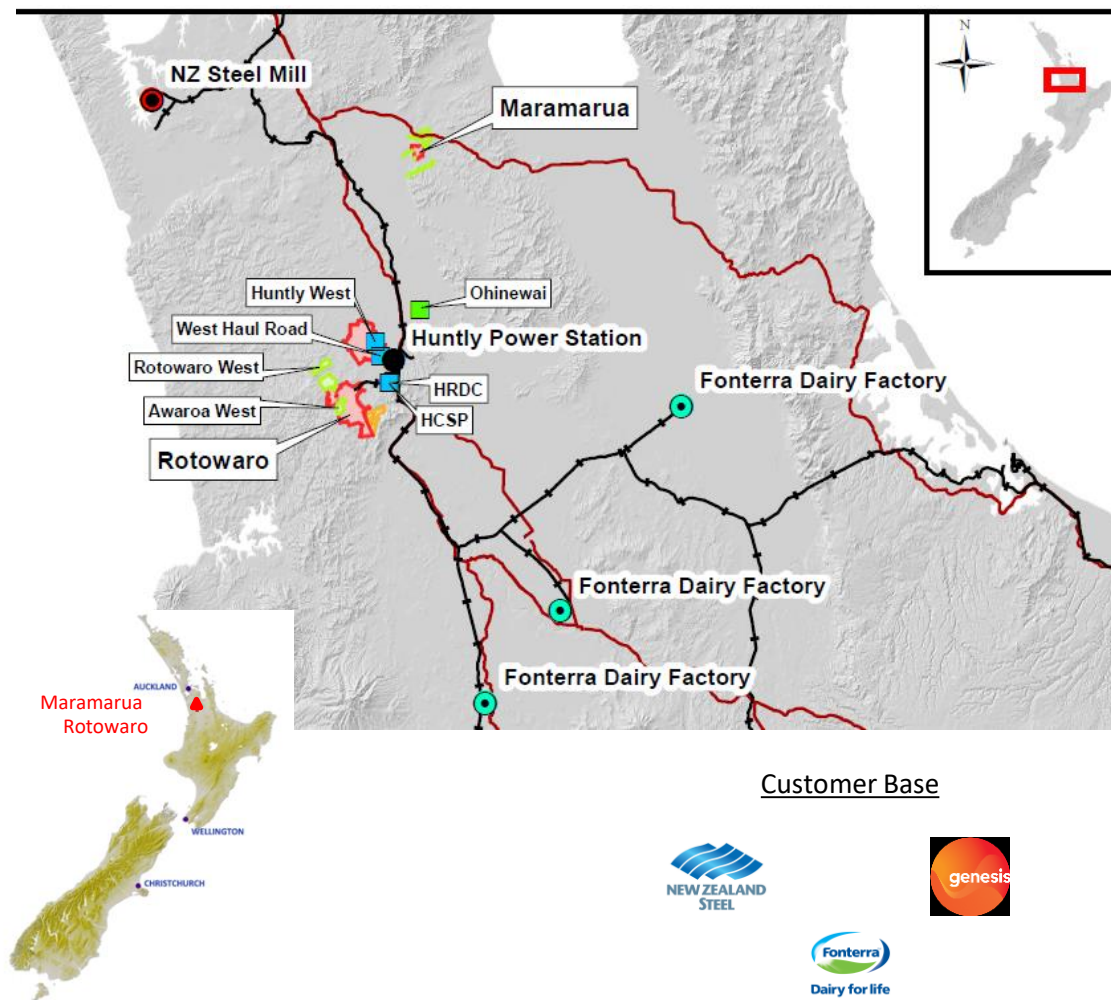
<sup>4</sup> HACC is High Ash Coking Coal

<sup>5</sup> PLV is Premium Low Volatile

<sup>6</sup> All Resources and Reserves quoted are reported as of 1 September 2017.

# North Island Domestic (65% BRL<sup>1</sup>)

Open cut mines located in the Waikato region of New Zealand producing a high-quality, low-ash coal for the local steel market



Customer Base



Rotowaro	
Production (FY19)	588 kt
EBITDA margin	NZ\$40/t <sup>2</sup>
FTE	123
Crown Indemnity	NZ\$15.3m
Resource	9.7 Mt <sup>3</sup>
Reserve	2.0 Mt <sup>3</sup>

Maramarua	
Production (FY19)	187 kt
EBITDA margin	NZ\$40/t <sup>2</sup>
FTE	48
Crown Indemnity	NZ\$3.3m
Resource	5.5 Mt <sup>3</sup>
Reserve	3.2 Mt <sup>3</sup>

- Long term contracts
- Infrastructure:
  - 1.0mtpa rail loadout facility linked to New Zealand Steel's Glenbrook mill

<sup>1</sup> Note that the 65% ownership of the Rotowaro and Maramarua mines are via the BT Mining Joint Venture

<sup>2</sup> Margin includes BT Corporate

<sup>3</sup> All Resources and Reserves quoted are reported as of 1 September 2017.

# South Island Domestic (100% BRL)

Open cut mines located in the Canterbury and Southland regions of New Zealand producing a high-quality, low-ash coal for the domestic market



Takitimu	
Production (FY19)	251 kt
EBITDA margin	NZ\$25/t <sup>1</sup>
FTE	46
Resource	5.3 Mt <sup>2</sup>
Reserve	1.8 Mt <sup>2</sup>

Canterbury	
Production (FY19)	142 kt
EBITDA margin	NZ\$25/t <sup>1</sup>
FTE	44
Resource	7.1 Mt <sup>2</sup>
Reserve	1.6 Mt <sup>2</sup>

- Long term contracts to a customer base adding value to primary production

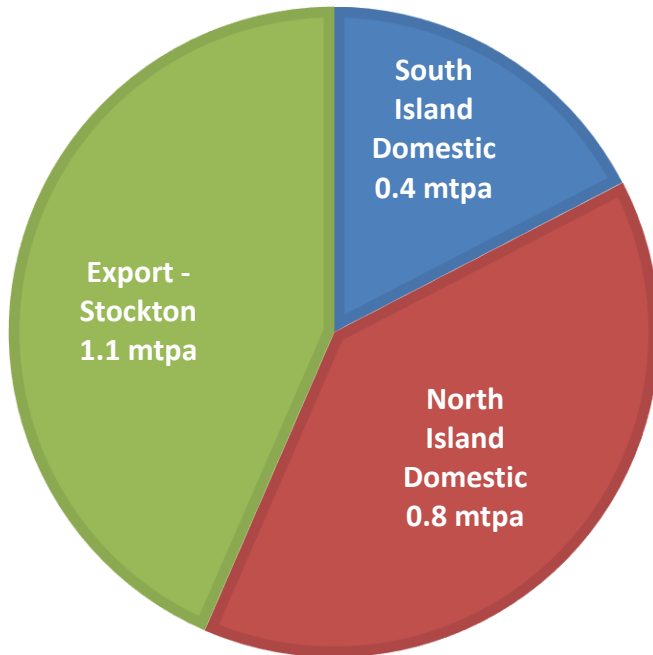
<sup>1</sup> Margin for existing Bathurst operations represents an average across all operations including Corporate

<sup>2</sup> All Resources and Reserves quoted are reported as of 1 September 2017.

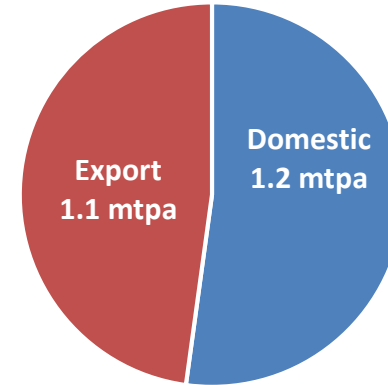
# Sales Profile

Significant footprint in New Zealand Coal

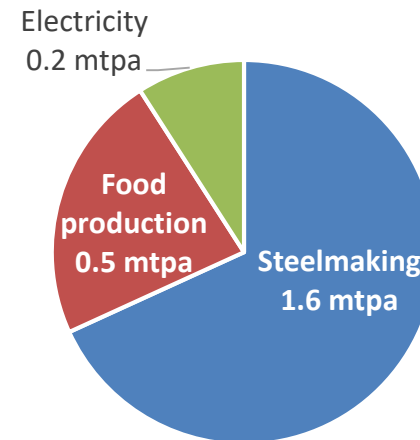
SALES PROFILE BY REGION<sup>1</sup>



SALES PROFILE BY MARKET



SALES PROFILE BY PRODUCT USE



<sup>1</sup> Assumes first year of full production including the BT Mining assets

# FY19 Bathurst Forecast Metrics

The following are the forecast metrics for the Bathurst assets based on the FY19 operating plans

	Stockton	North Island Domestic	South Island Domestic	BRL Equity Share
Production	1.1mt Product	800kt Product	400kt Product	1.6mt Product
Cash cost (av)	\$NZ102/tonne at port			
Margin	NZ\$62/tonne <sup>1</sup>	NZ\$40/tonne	NZ\$25/tonne	
EBITDA	NZ\$62m-73m	NZ\$32m	NZ\$10m	
BRL share of EBITDA	NZ\$41m-47m	NZ\$21m	NZ\$10m	NZ\$72m-NZ\$78m NZ\$75m(av.)

<sup>1</sup> This is the average margin across all sales types including thermal coal sales. Coking coal price assumption based on 76% of benchmark average of US\$165 coking coal price at \$0.71 NZ:USD.

# Project Pipeline

Staged approach to value growth

# Buller Project (100% BRL)

The combination of the BT Mining assets with Bathurst's existing Buller Plateau assets will unlock material synergies for the Company



Item	With Synergies	Without Synergies
CHPP	nil	\$100m
Access to Rail	\$6m	\$50m
Rail loadout	nil	\$25m
Water treatment	\$3m	\$3m
Workshops etc	\$1m	\$10m
Working Capital (1 <sup>st</sup> Coal)	\$15m	\$15m
<b>Total</b>	<b>\$25m</b>	<b>\$203m</b>

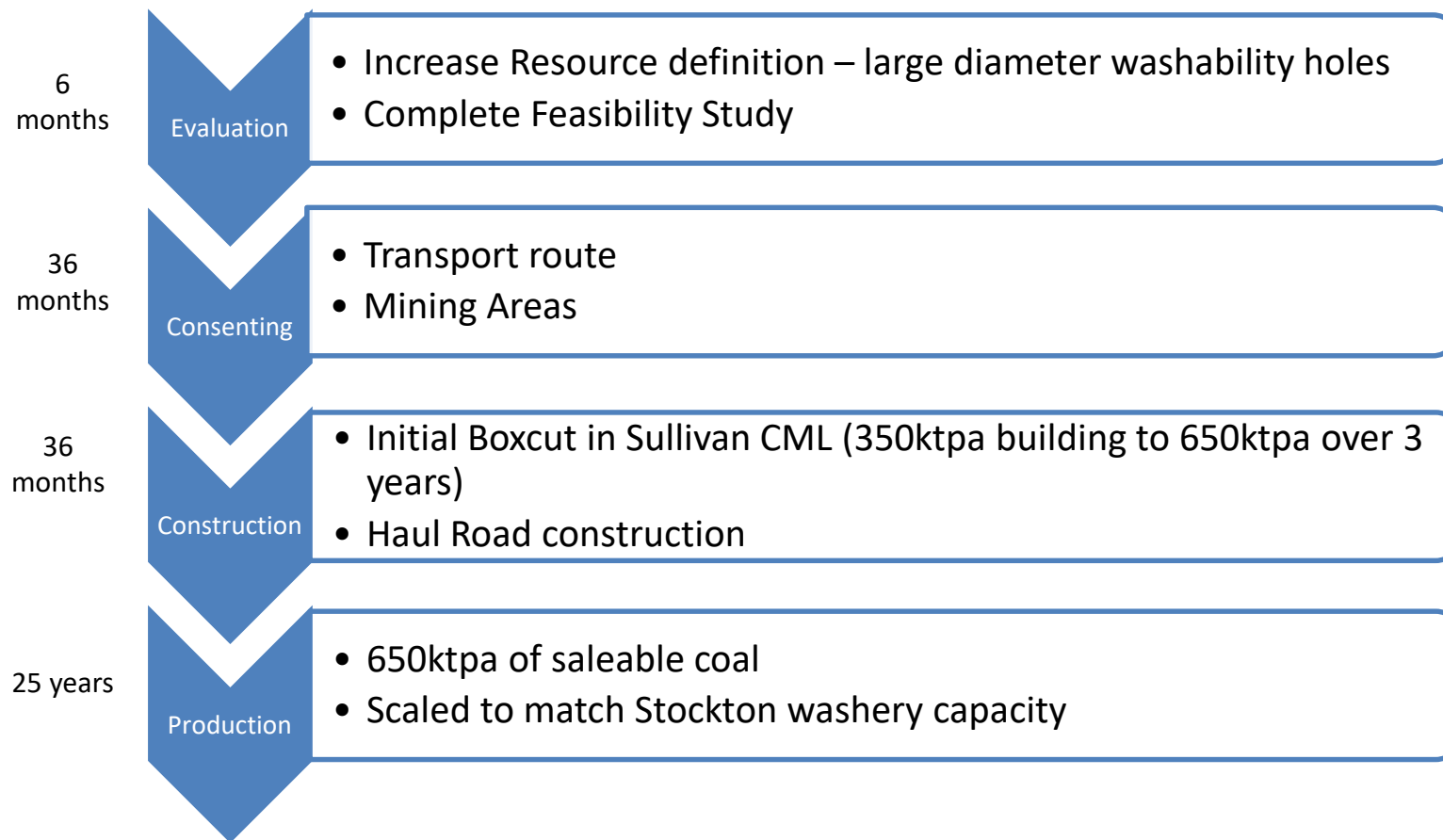
Bathurst Denniston Coking Coal Assets <sup>1</sup>	
Resource	40.2 Mt
Reserve	18.9 Mt

<sup>1</sup> All Resources and Reserves quoted are reported as of 1 September 2017



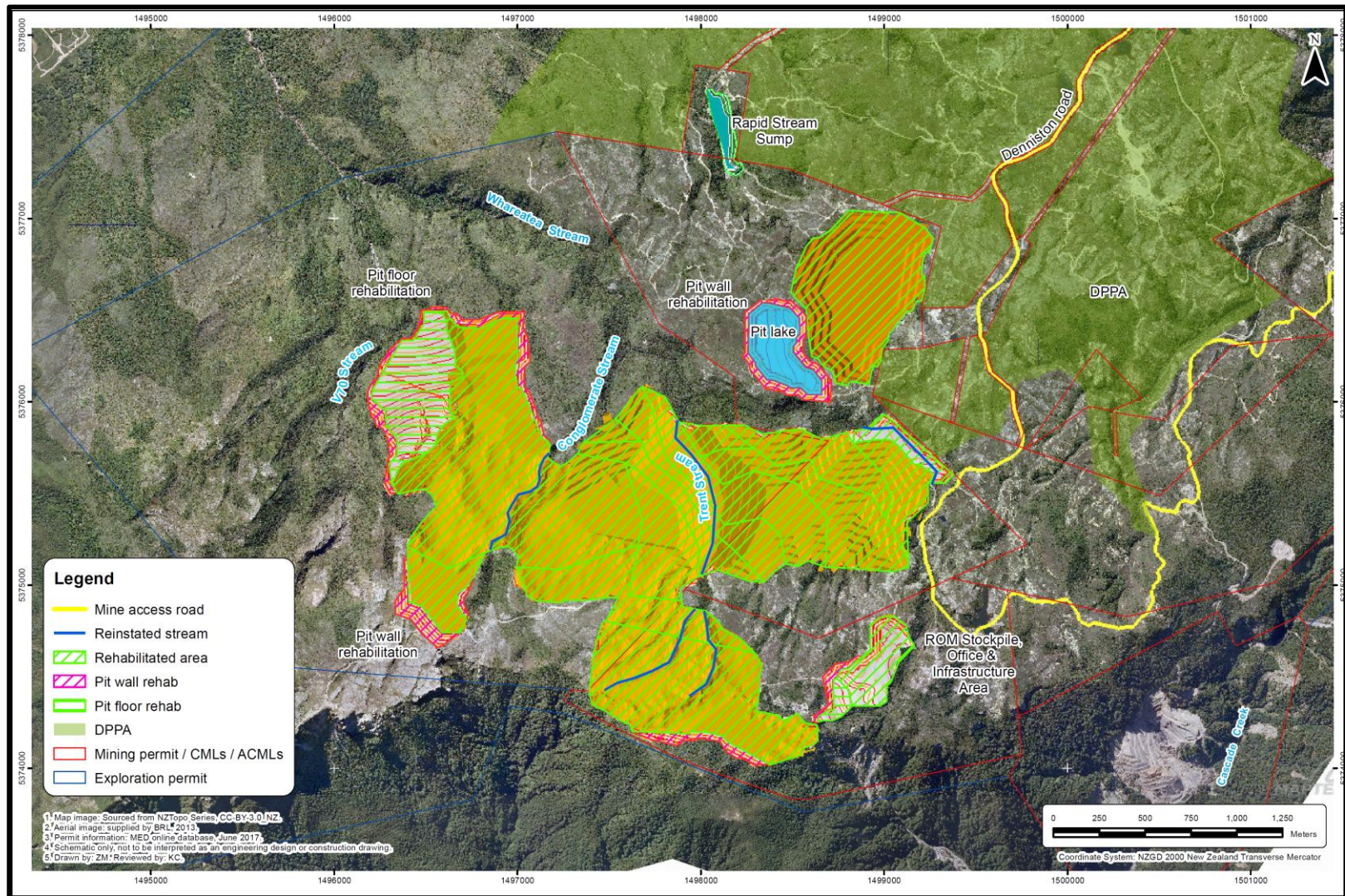
# Buller Project timetable

A short development cycle<sup>1</sup> at low capital cost to bring on stream



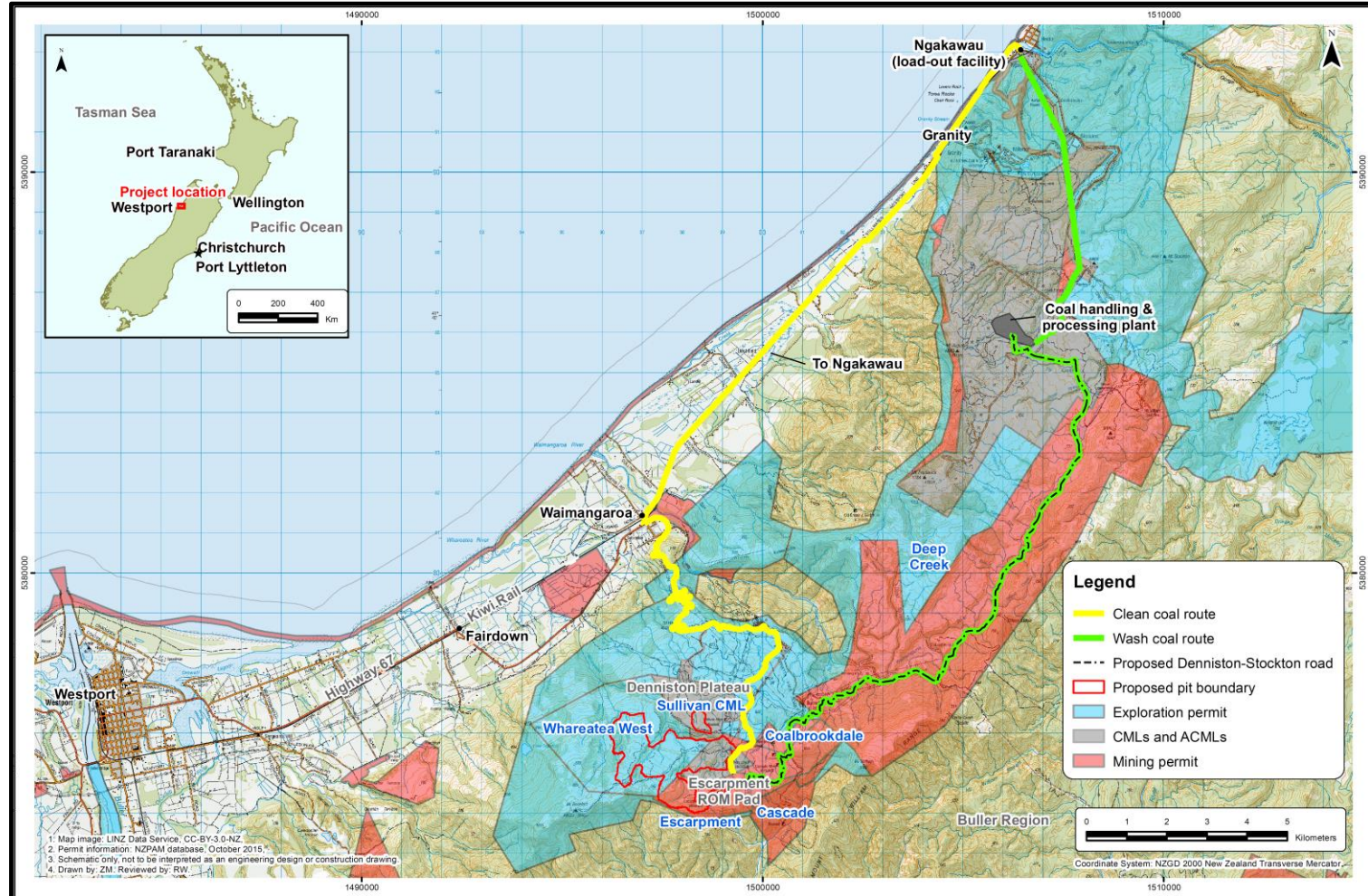
<sup>1</sup> Saleable production figures and timeframe based on Bathurst's mine and production plan and are subject to all necessary resource consents being granted when anticipated by the plan.

# Conceptual Development Plan - Denniston



# Buller Plateau - Route to Market

Ties all the assets together to establish a long term project pipeline



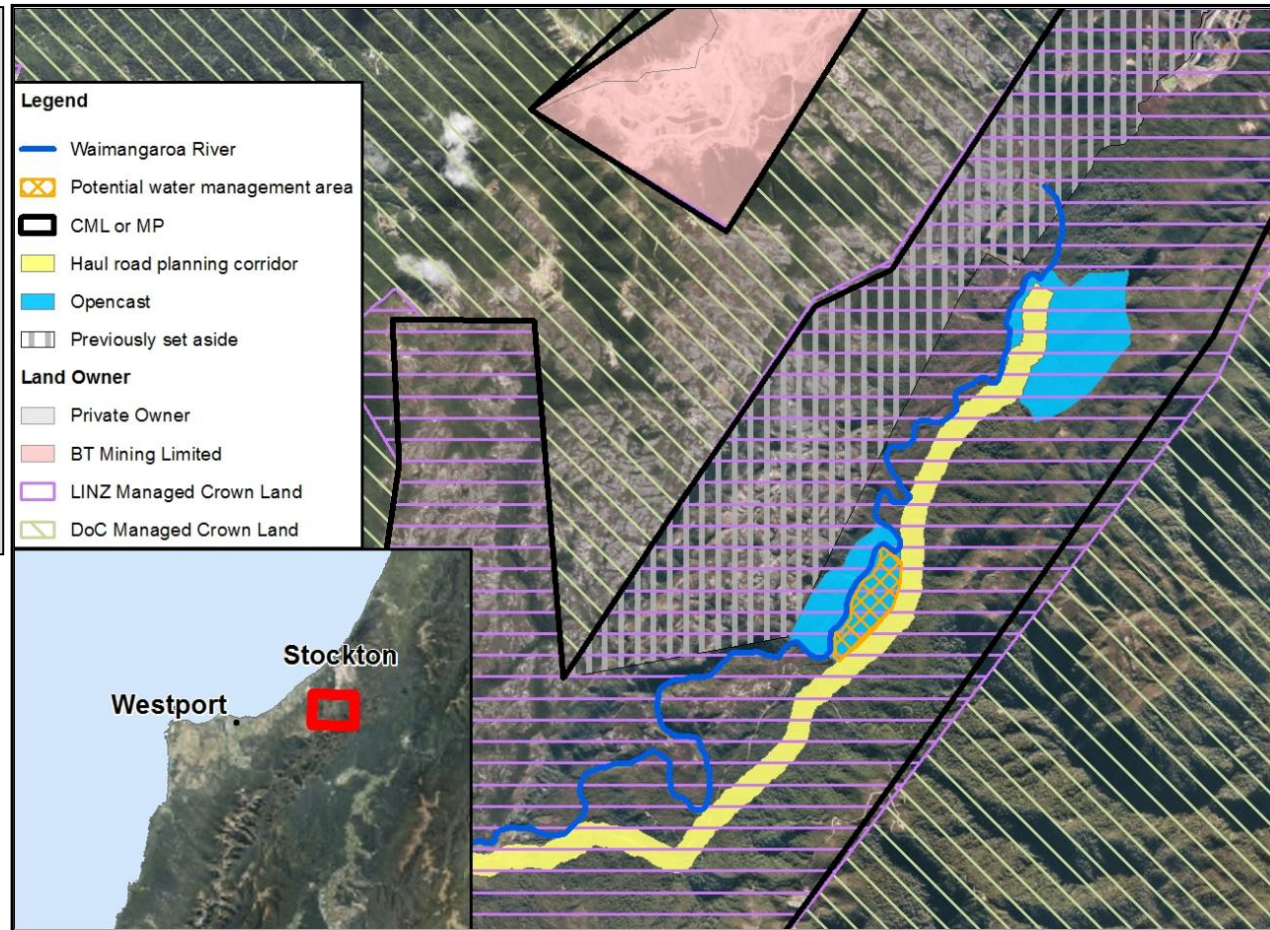
# Conceptual Development Plan – Marshalls (65% BRL)

## A natural southern extension of the Cypress area of Stockton

Development of an open cut pit within the Upper Waimangaroa Permit.

Resource can be integrated into the current Stockton market plan. Key component for a Deep Creek blend and should be developed concurrently with this resource. Has the potential to extend Stockton operations beyond FY28.

Resource:	<b>7.4 Mt</b>
Expected Mineable Tonnes <sup>1</sup> :	<b>6.4 Mt</b>
Stripping Ratio:	<b>6.5</b>
Mining Rate:	<b>0.40 Mtpa</b>



<sup>1</sup> Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

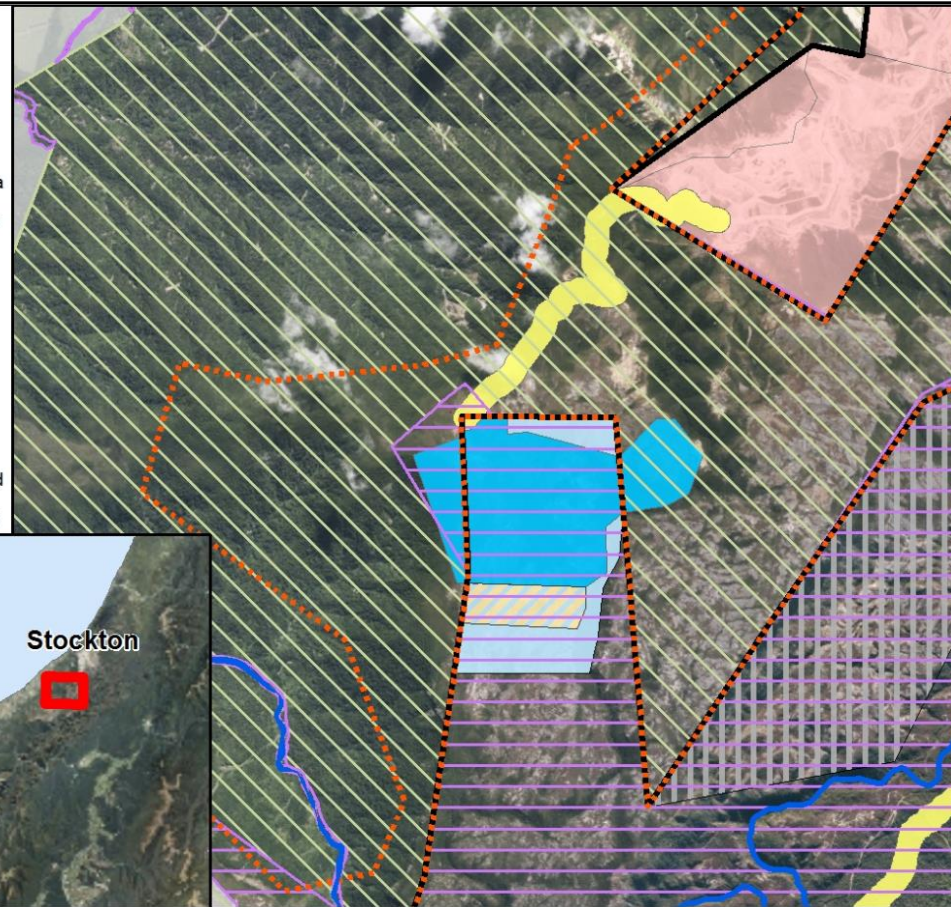
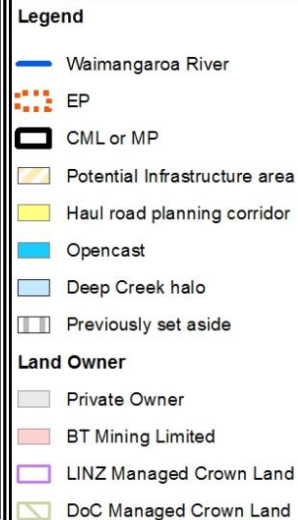
# Conceptual Development Plan – Deep Creek (BRL/BT)

This area is a blend of BT Mining and Bathurst held resources with access back to Stockton infrastructure

Development of an open cut pit within the Upper Waimangaroa Permit and incorporating comparable coal within the BRL Buller exploration permit

High value resource which enables blending to maintain coking coal export markets from Stockton. Because of the **rank**, Ro(Max), it is the key enabler of future development in the Upper Wai permit.

Resource:	<b>16 Mt</b>
Expected Mineable Tonnes <sup>1</sup> :	<b>3.0 Mt</b>
Stripping Ratio:	<b>3.3</b>
Mining rate:	<b>0.50 Mtpa</b>



<sup>1</sup> Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

# Waipuna West – Rotowaro extension project (BRL 65%)

## Bathurst extends the life of the Rotowaro complex

Waipuna West is an extension project for the Rotowaro mine.

Bathurst is evaluating options but looking to be Owner Operator utilising the existing heavy fleet.

### Project Metrics:

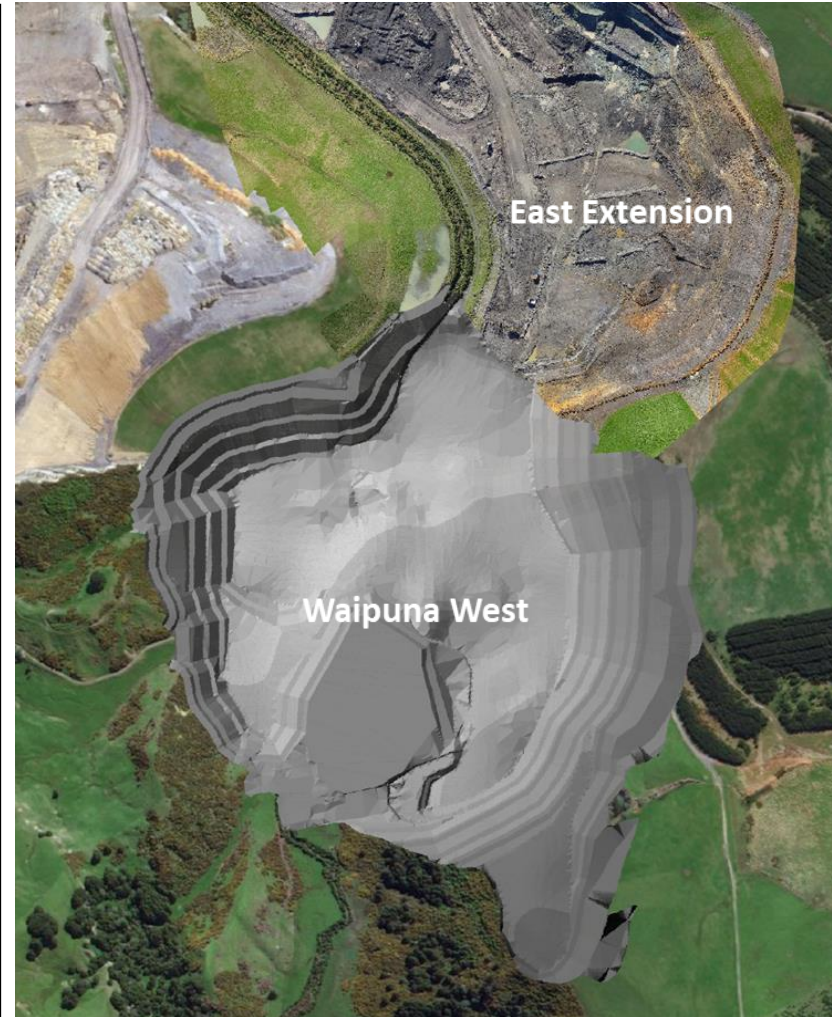
Expected Mineable Tonnes: <sup>1</sup>	1.6 Mt
Mining rate:	0.4 Mtpa
Cash Margin:	NZ\$30/t

### Major Customers:



### Project Execution:

- Signed option to purchase heavy fleet – completed
- Finalise and agree term sheet for option to purchase remaining fleet - June
- Present paper to Board for full project approval – July
- Develop project implementation plan – July
- Engage suitably experienced PM to manage transition to owner/operator – July
- Commence ground preparation – Aug
- Commence bulk stripping - Oct



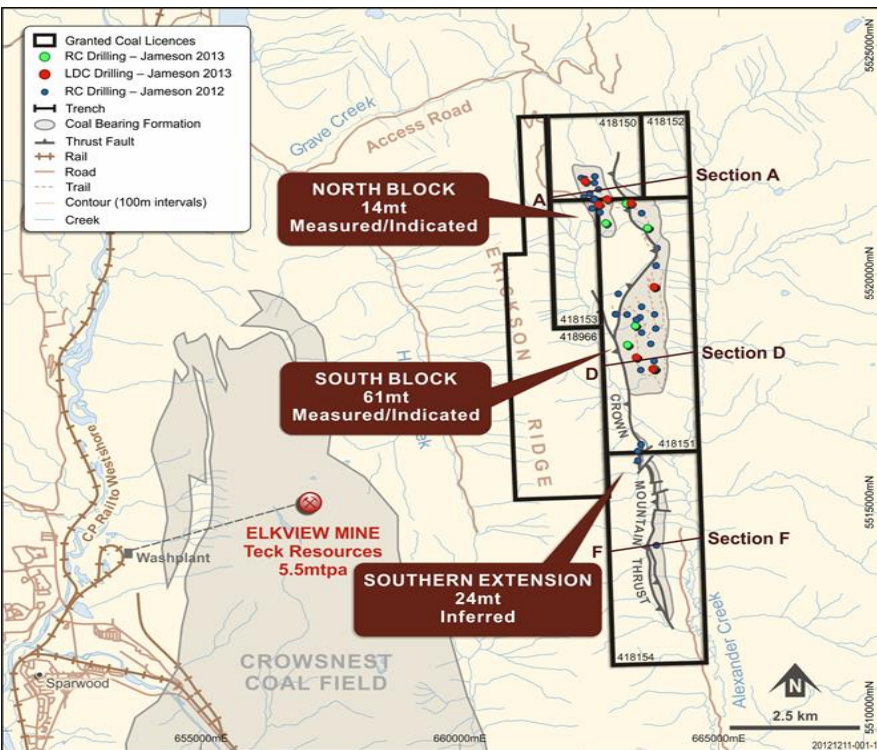
<sup>1</sup> Expected Mineable Tonnes do not meet the requirement to be classified as ore reserves as defined by the 2012 JORC Code

# Crown Mountain (BRL earn-in to 50%)

## Project moving toward Bankable Feasibility Study and Permitting

Comprehensive due diligence has been undertaken by Bathurst Resources. An in-depth understanding of the status of the project has been achieved that includes the next steps required to take the project to a bankable feasibility study and permitting.

Bathurst Resources Limited have finalised an initial project investment of CAD 4.0 million. Funds will support technical and management work streams moving towards a bankable feasibility study and permitting.



### Summer drilling exploration plan

Stage gate	Key actions required to reach next stage gate	Target date	Status
1: Acquire partial ownership of project	Finalise project investment and execute documentation	28 Jun 18	✓
2: Summer Exploration Programme	Finalise Notice of Work Application	April 18	✓
	Finalise Exploration budgets and project plan	June 18	✓
3: Confirm market specifications	<ul style="list-style-type: none"> <li>Complete ground water wells in watershed and spoil areas</li> <li>Complete geotechnical drill holes for the purposes of pit design / HW stability /spoil area and infrastructure design</li> <li>Complete geochemical and soil sampling program</li> <li>Complete geological infill drilling - structural and coal quality</li> </ul>	Oct 18	In Progress
	<ul style="list-style-type: none"> <li>Confirm &amp; amplify exceptional initial CSR numbers</li> <li>Undertake drum index assessment</li> <li>Confirm caking properties &amp; amplify data for the Chinese market</li> <li>Initial coal trace element concentration assessment</li> </ul>	Dec 18	Start once initial cores are processed
4: Resource and mining model update	<ul style="list-style-type: none"> <li>Update resource model to reflect local geological and coal quality variations</li> <li>Update mining model and mining studies</li> </ul>	Jan 19	
5: Environment Assessment and development of proof of concept trials	<ul style="list-style-type: none"> <li>Complete environmental baseline study</li> <li>Finalise Selenium Management Plan</li> <li>Complete and submit Environmental Assessment application</li> </ul>	Dec 18	
		Apr 19	
6: Review Ownership status	Consider uplift investment only on the basis of successfully refining the project and providing solutions for the key risk areas	Jun 19	

To note: the resource estimations noted above were prepared in accordance with provisions of NI 43-101 and presented in accordance with the JORC Code (2012 Edition), Clause 26. For the corresponding Competent Person sign-off, refer to the 'Crown Mountain prefeasibility Study Update' released on the 26<sup>th</sup> April 2017 on the ASX by Jameson Resources Limited (ASX Code: JAL).

# Crown Mountain key metrics

The pre-feasibility study was updated in April 2017 and demonstrates robust economics, forming the backdrop for Bathurst's due diligence assessment of the Crown Mountain project.

- FOB cash cost of US\$75/t life-of-mine (US\$66/t first four years).
- Hard Coking Coal (HCC) comprises 84% of total clean coal production (balance is PCI).
- Clean coal sales average 1.7 million tpa over 16 year mine life.
- After-tax Payback Period of 2.3 years.
- IRR is 40% pre-tax (31% after tax).
- NPV10 US\$440 million pre-tax (US\$267 million after tax).
- Start-up capital US\$281 million (pre-contingency).
- Life of mine clean coal strip ratio of 9.8:1 BCM:t (7.5:1 BCM:t in first four years) supports low cost open pit production.
- Coal sales prices assumed are significantly lower than current market.



# Bathurst Resources Capital Structure

<b>Issued Ordinary Shares</b>	<b>1,513,164,577</b>
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Potential Ordinary Shares	Face Value	# of notes	Maturity/ vesting date	Coupon	Per note conversion # shares	# potential ordinary shares
Convertible Notes	\$4.0m NZD	3,483	22 July 2019	8%	45,455	158,318,182
Convertible Notes	\$8.6m NZD	7,500	1 Feb 2021	8%	26,667	200,000,000
Transaction Performance Rights	n/a	n/a	31 Dec 2018	n/a	n/a	11,500,000
Retention Performance Rights	n/a	n/a	31 Dec 2018	n/a	n/a	2,650,000
Completion Performance Rights	n/a	n/a	31 Dec 2018	n/a	n/a	1,980,559

<b>Total Issued and Potential Ordinary Shares</b>	<b>1,887,613,318</b>
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USD Subordinated Bonds	\$7.9m USD	7,900	1 Feb 2020	10%
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# Competent Person Statements

## Bathurst Resources Competent Person Statement

- The information on this report that relates to mineral resources for Deep Creek and the mineral reserves for Escarpment Export, Stockton and Whareatea West is based on information compiled by Sue Bonham-Carter who is a full time employee of Golder Associates (NZ) Ltd and is a Chartered Professional and member of the Australasian Institute of Mining and Metallurgy and member of Professional Engineers and Geoscientists of British Columbia, Canada. Ms. Bonham-Carter has a B.Sc. Engineering (Mining) (Hons) from the Queens University, Canada. Ms. 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 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms. 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 exploration results and mineral resources for Escarpment Domestic, Escarpment Export, Cascade, Coalbrookdale, Whareatea West, Millerton North, North Buller, Blackburn, Takitimu, Canterbury Coal, New Brighton, Rotowaro and Maramarua 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. Mr. McLauchlan 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 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. McLauchlan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information in this report that relates to exploration results and mineral resources for Stockton and Upper Waimangaroa is based on information compiled by Mark Lionnet as a Competent Person who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Lionnet has a B.Sc (Hons) majoring in geology from the University of Witwatersrand. Mr. Lionnet 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lionnet consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information on this report that relates to mineral reserves for Escarpment Domestic, Takitimu, Canterbury and Maramarua is based on information compiled by Terry Moynihan who is a full time employee of Bathurst Resources Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Moynihan has a Bachelor of Technology (Mining) from the Otago School of Mines. Mr. Moynihan 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Moynihan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*
- The information on this report that relates to mineral reserves Rotowaro is based on information compiled by Martin Bourke who is a full time employee of BT Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Bourke has a Bachelor of Engineering (Mining) from University of Auckland (NZ) and B.Sc (Chemistry) from Massey University (NZ). Mr. Bourke 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bourke consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*