

March 2018

Quarterly Report

Highlights

- » BT Mining partially repaid shareholder loans during the quarter
- » Reduced JV debt by \$15 million
- » Overall performance in line with guidance
- » Zero lost time injuries
- » Project planning advanced

Executive Summary

The third quarter of FY18 has seen Bathurst complete the transition of the acquired assets and embed the drive for efficiencies in each business unit. Safety performance across all assets has been pleasing and considerable work continues on training and integration of risk management in all parts of the business. Production and sales are as forecast, with continual focus on cost management.

Health Safety and Environment

Bathurst's operating mines, project works and exploration activities recorded zero lost time injuries for the quarter.

Health and Safety Management Systems development has continued in the third quarter, with a risk-based priority plan in place for review of over 2,000 documents identified from the new Bathurst Group assets (Stockton, Maramarua and Rotowaro).

As previously disclosed, we continue to implement the considerable water quality management measures at the Canterbury mine. The site is seeing the positive environmental management effects of its efforts with a major percentage of the control works being completed.

As part of improving of our management information and decision-making tools, a project has commenced seeking greater integration of site mine closure strategies with optimal life of mine planning. The project's focus is to incorporate mine closure risks and opportunities through the life of mine planning cycle, creating greater company value and strategic organisational readiness through cost effective and judicious closure mechanisms. All operating sites have held mine closure integration workshops with their site management teams, and site closure risk and opportunity assessments are being completed.

March 2018 Performance Metrics

March Quarter	* Export 100% Basis	* North Island Domestic ("NID") 100% Basis	South Island Domestic ("SID") 100% Basis	BRL Equity Share
Physicals				
Production (kt)	254	279	87	433
Sales (kt)	196	237	107	388
Overburden (Bcm '000)	987	2,851	1,180	3,675
Financials				
Sales Revenue (NZD '000)	**\$48,098	\$24,929	\$13,544	\$61,012
March YTD				
Physicals				
Production (kt)	621	577	278	1,057
Sales (kt)	589	525	295	1,019
Overburden (Bcm '000)	1,792	6,111	3,192	8,329
Financials				
Sales Revenue (NZD '000)	**\$128,603	\$53,533	***\$38,271	\$156,659

* Export and NID are held through BT Mining @ 65% from 1 September.

** Excludes third party sales

*** SID sales revenue YTD has been adjusted to reflect gross freight revenue, which aligns with statutory reporting

Operations Review

Export/ Stockton

Sales volume for the March quarter achieved budget with four shipments made.

Production exceeded budget, notwithstanding the occurrence of two high risk weather events.

The mine plan was reworked to maintain steady waste stripping levels of 1.1 Mtpa for the next 4 years, achieved through the onboarding of a 4th overburden crew and optimized waste disposal locations to reduce haul distances.

NID

Rotowaro

Production exceeded budget for the March quarter, partly driven by additional sales.

Overburden was down against both budget and forecast, being negatively impacted by low manning levels and mechanical breakdowns. Focus for the next quarter is to recover YTD deficits via improved mine planning and implementation of waste stripping within the east extension, and establishment of full waste stripping capacity at Awaroa West via subcontractor.

Maramarua

Production and supply resumed in February, with coal exposure achieved and schedule maintained in spite of wetter weather than is usual.

Overburden removal was ahead of budget and forecast for the quarter and almost caught up to YTD budget targets. This was achieved through the addition of the third mining crew in January. The site is now well placed to continue to meet on-going supply demands.

Focus for the site continues to be on productivity improvements.

SID

Takitimu

Production did not quite hit forecast for the quarter, with some issues with higher than expected contamination and coal loss. These issues have started to reduce as the focus shifts from Coaldale East to Black Diamond.

Overburden is ahead both from a quarterly and YTD perspective, with relatively favourable weather and a focus on uncovering better quality coal.

Canterbury

Production was again impacted by weather during the quarter, which caused excessive delays compared to both budget and forecast. With progress made on the expansion phase, sales that had been diverted to Takitimu returned to Canterbury towards the end of the quarter.

Overburden removal was similarly affected by bad weather and mechanical breakdowns, however March saw gains made which brought the quarterly figures up to budget, benefiting from the continuation of a night shift to help reduce the YTD deficit.

Exploration and Development

Buller Project

Bathurst has continued to evaluate the Denniston assets. An updated exploration plan along with a budget schedule was completed during the quarter, with access arrangements and resource consents lodged for the intended drilling programmes.

Exploration and Permits

Exploration during the quarter was limited to that required to meet operational planning and permit requirements.

Key focuses were on completing a preliminary geological model for Albury (Canterbury), coal quality management at Takitimu and Canterbury, and a pre-feasibility study at New Brighton (Takitimu).

An updated reserve and resource model was also completed for Takitimu.

Corporate

Capital

Consolidated cash balance attributable to BRL at 31 March 2018 (including restricted short term deposits) was \$22.5m. The only outstanding external debt relates to the USD Bonds and Convertible Notes issued to fund BRL's acquisition in BT Mining.

Litigation

Evidence was presented to the court in February 2018 regarding L&M Coal Holdings Limited's claim against Bathurst, with closing arguments provided late March 2018. Judgement on the case is expected to take up to 6 months.

Bathurst will continue to vigorously defend this claim.

FY18 Guidance validated against third quarter performance

	Export	NID	SID	BRL Equity Share
Production (kt)	900	850	400	1,538
Margin (NZ\$/tonne)	\$105	\$29	\$30	
EBITDA (NZ\$m)	\$89m-95m	\$20m-27m*	\$12m*	\$83m-\$91m \$90m (av.)
Cash cost (av) (NZ\$/tonne at port)	\$95			

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



Share price at 31 March 2018:
AUD 15.0 cents
Issued Capital at 31 March 2018:
1,513,164,577 Ordinary Shares
Market capitalisation:
AUD \$227M

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: 19.0%
Asian Dragon Acquisitions Ltd 10.0%

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 and quoted at 31 March 2018.*

BATHURST
RESOURCES LIMITED