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BATHURST RESOURCES LIMITED

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14 September 2021

Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY
NSW 2000

GUIDANCE INCREASED TO $95 MILLION AND COMPANY UPDATE

The Board of Bathurst Resources Limited (ASX:BRL) today advises that as a result of the recent significant uplift in hard coking coal prices, EBITDA guidance has increased from $65 million to $95 million. This is supported by the release of an updated investor presentation post the recent release of FY21 year end results.

The Board also advises that the date of the arbitration hearing regarding the second performance payment claim by L&M Coal Holdings Ltd[1] has been rescheduled from November 2021 to between April 2022 to July 2022.

Authorised for release by Richard Tacon, CEO.

[1] Refer to note 23 in the 30 June 2021 financial statements released on 27 August 2021, or the ASX release dated 4 May 2021 for further information on the claim.

BATHURST RESOURCES LIMITED



Shareholder update
ASX: BRL

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DISCLOSURE

General information

This document is authorised for release by the board of directors of Bathurst Resources Limited ("Bathurst") on the 14 September 2021. Bathurst's address is Level 12, 1 Willeston Street, Wellington 6011, New Zealand.

General disclaimer

This presentation contains forward-looking statements. Forward-looking statements often include words such as "anticipate", "expect", "intend", "plan", "believe", "guidance" or similar words in connection with discussions of future operating or financial performance, they also include all figures noted as FY22/FY22E which are forecasted financial year June 2022 results. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Bathurst's businesses and performance, the economy and other future conditions, circumstances and results.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Bathurst's actual results may vary materially from those expressed or implied in its forward-looking statements. Bathurst, its directors, employees and/or shareholders shall have no liability whatsoever to any person for any loss arising from this presentation or any information supplied in connection with it. Bathurst is under no obligation to update this presentation or the information contained in it after it has been released. Nothing in this presentation constitutes financial, legal, tax or other advice.

Resources and reserves

All references to reserve and resource estimates should be read in conjunction with Bathurst's ASX announcement – "2020 Update on Resources and Reserves" reported on the 30 October 2020, and all disclosures made in this document with reference to resources and reserves are quoted as per this announcement. Resources and marketable coal reserve tables have been included as appendices to this document.

Bathurst confirms that it is not aware of any new information or data that may materially effect the information included in this market announcement. In the case of estimates of coal resources or reserves for material mining projects, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since the 30 October 2020 announcement, noting that production activity for operating mining projects has occurred between the date of the initial report and this presentation.

Consolidated financial presentation

Consolidated in this document where used refers to consolidated 100 percent Bathurst and 65 percent equity share of BT Mining Limited. Financial figures noted in this document are consolidated unless otherwise noted.

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OUR BOARD MEMBERS

Peter Westerhuis



Non-executive Chairman

- Six years with Bathurst, Chairman since July 2021.
- Professional engineer with post-graduate business qualifications.
- Over 30 years of experience in the iron ore, gold and coal industries, the last 12 years at CEO and MD level.

Richard Tacon



CEO and Executive Director

- Nine years with Bathurst.
- Over 40 years in almost every role in the coal mining sector, senior leadership roles held in for the past decade.
- Qualifications include first, second and third class coal mining qualifications.

Francois Tumahai



Non-executive Director

- Joined Bathurst this year.
- Over 20 years' governance experience in the private and not-for-profit sectors.
- CEO of a pounamu mining company. Hands on experience with heavy machinery operation, leading to a strong base in health and safety compliance.

Russell Middleton



CFO and Executive Director

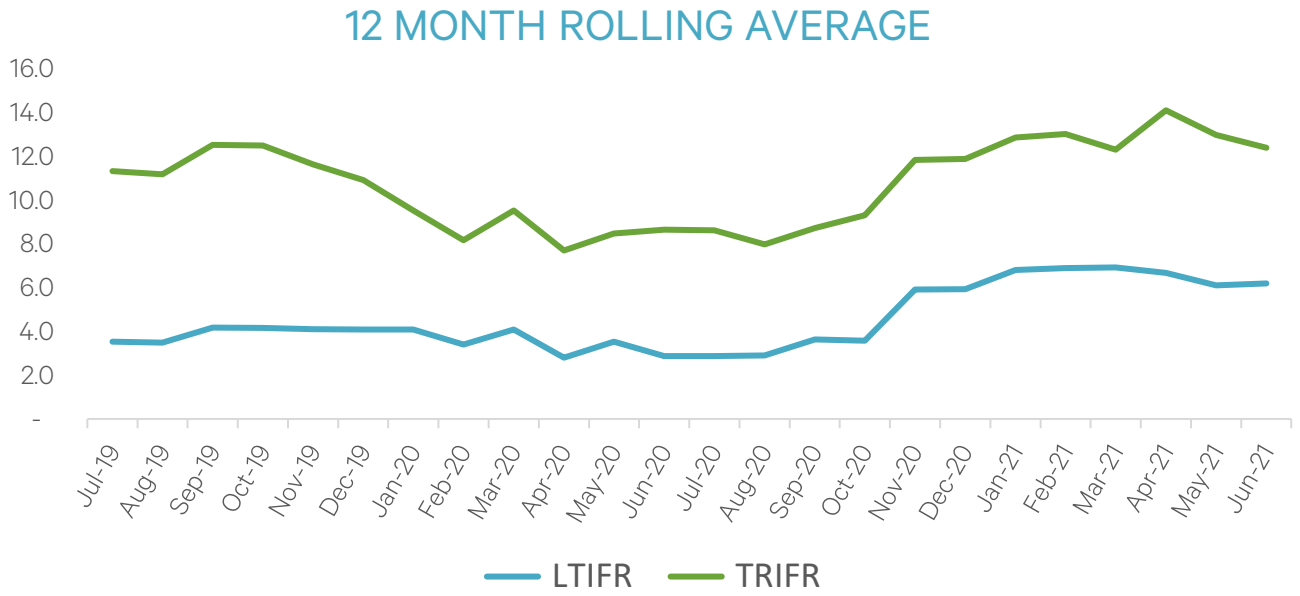
- Six years with Bathurst.
- More than 30 years in the mining and construction sectors.
- Numerous executive and board positions held for ASX listed resource companies.

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BATHURST RESOURCES LIMITED

SAFETY IS IMPORTANT TO US

Our key safety stats have been on an upwards trend. We are actively identifying the cause and taking steps to reduce reportable incidents.



DRIVERS OF UPWARDS TREND

- Range of injuries are varied and minor in nature.
- Restricted access to immediate medical care, restriction of interactions of senior staff and site personnel, and tight operating protocols due to COVID related restrictions are key drivers of the upward trend.
- Effects have been minor injuries reaching an elevated status, and stretched site based personnel.

FINDINGS & RESPONSE

- Assessment of underlying systems has shown good compliance to material risk controls.
- Key response has been the introduction of a Field Leadership programme. This has substantially increased the number of health and safety observations, and more importantly conversations on health and safety by a wider range of personnel.
- We have seen good results over the last two months.

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ESG HIGHLIGHTS



CORPORATE VALUES

Values set by directors during the year:

- Be real.
- Be safe.
- Be accountable.
- Be a team.



REDUCING EMISSIONS

- After successful trials, a new fuel will be used across all BT Mining sites leading to approximately **600,000 litres less** per year of diesel use.
- CO_2e **emissions will reduce by 1,600 tonnes** per year.



SUSTAINABLE OPERATING

- **Focus on coking coal** as there is currently no viable alternative to coal in steelmaking.
- Management investments in line with customer needs.



REDUCING WASTE

- We saved **26,000 cubic metres** of landfill space in FY21.
- **Biosolids** improve soil to help with revegetation.
- **Mussell shells** treat acid mine drainage.
- **Coal ash** is blended with backfill dirt to improve water quality.



GENDER DIVERSITY

- **15%** female across the total workforce – we are aiming for 25%.
- **33%** female at SLT level which is our target.
- Aiming for 20% female at board level (currently nil).



GREEN ALTERNATIVES

- A concept study of electric vehicles was undertaken at Stockton during the year.
- If approved this will see three diesel trucks replaced with **two electric trucks**.

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FY21 HIGHLIGHTS

Equity restored

0.68

debt to equity ratio

▼ -81%

Share consolidation

171m shares

▼ -90%

Major litigation win on LMCH claim

Energy used

0.43

Gigajoules per tonne extracted coal

▼ -12%

Net profit

$66.7m

▲ +241%

Capital investment

$28.7m

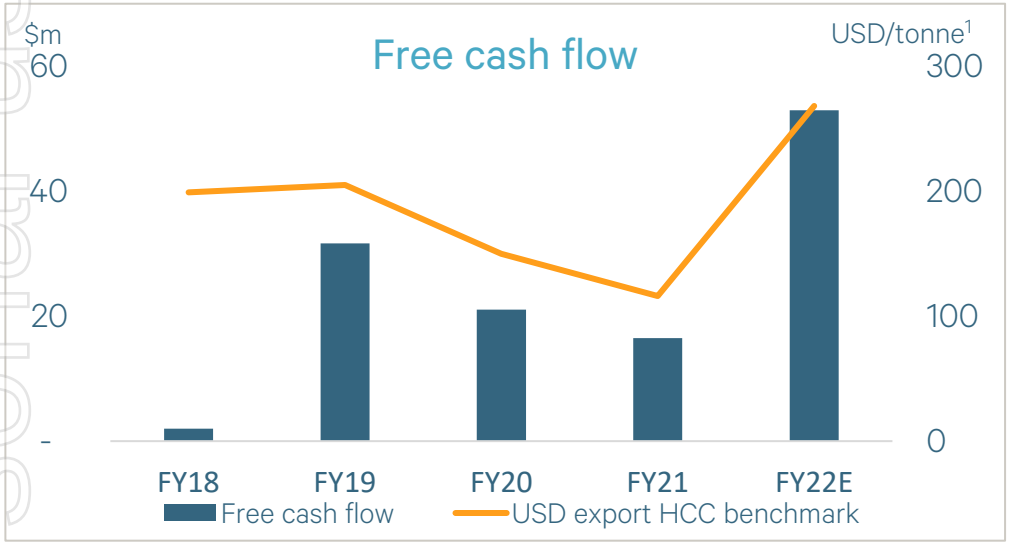
▼ -35%

Financial numbers noted are consolidated.

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CONSISTENT POSITIVE CASH FLOWS

NZ $m	FY18	FY19	FY20	FY21	FY22E
EBITDA	93.7	106.6	76.8	59.5	95.3
Tax	(11.6)	(16.6)	(9.3)	(18.2)	(10.7)
Fixed assets CAPEX (net of disposals)	(30.6)	(29.9)	(14.4)	(6.2)	(9.6)
Movement in working capital	(27.6)	0.5	(0.7)	1.9	(5.7)
Free cash flow	**23.9**	**60.7**	**52.4**	**37.0**	**69.4**
Mining development, stripping, exploration & rehabilitation	(22.0)	(29.2)	(31.3)	(20.5)	(19.9)
Adjusted free cash flow	**1.9**	**31.4**	**21.1**	**16.5**	**49.5**



- Cash flows in FY18 were impacted by intensive cash out flows relating to the acquisition of the BT Mining assets, including paydown of initial debt of NZ $30m.
- Since then cash flows have been positive, even during the low part of the export pricing cycle.

Financial numbers noted are consolidated.

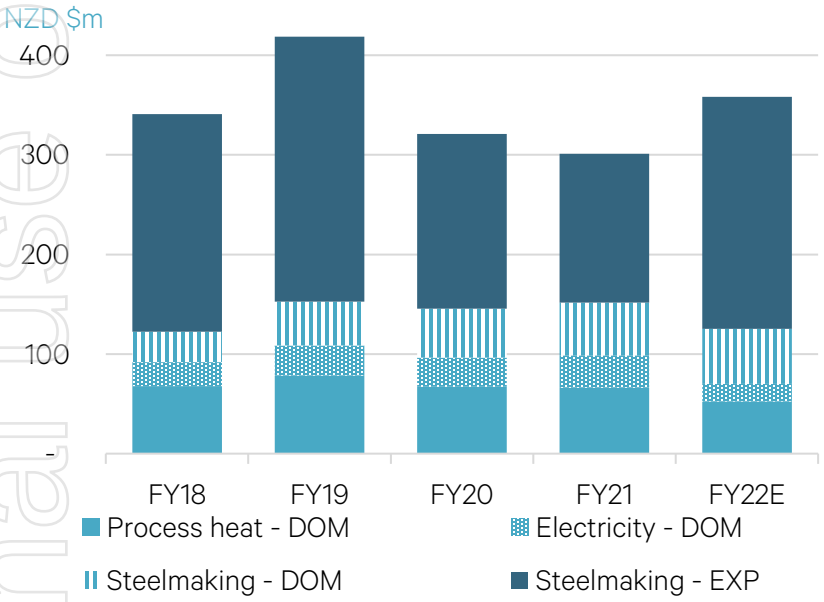
[1] FY22E USD export HCC benchmark is the average of Bathurst's estimated quarterly pricing based on general market consensus.

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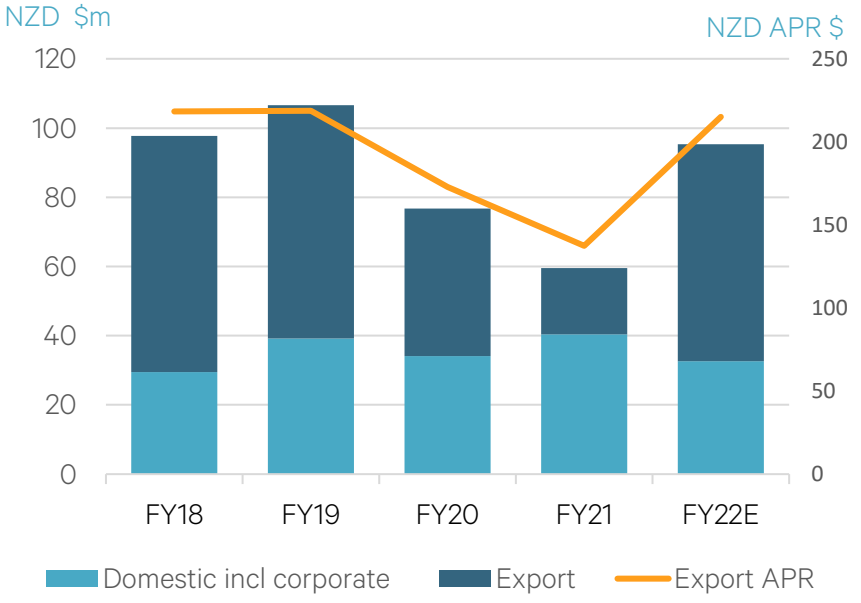
PROFIT ACHIEVED EVEN DURING LOW EXPORT PRICING

The export pricing benchmark hit its lowest point in five years in FY21, but our domestic business continues to provide stable cash flows.

Revenue[1] by product use ($m)



Consolidated EBITDA



A low cost base means margin is still made in the export segment even when pricing reduces.

[1]On a 100 percent basis (not consolidated).

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RECORD NET PROFIT & BALANCE SHEET RECOVERY

Item (NZ $m except for share data)	FY21	FY20
Revenue	212.6	232.7
EBITDA	59.5	76.8
EBITDA margin	28%	33%
Net profit/(loss)	66.7	(47.4)
Earnings per share (cents)	39.0	(27.8)
Debt[1]	13.5	20.3
Gearing %	10%	30%
Equity	128.8	66.9
Debt to equity ratio	0.68	3.62

EARNINGS

- Revenue and EBITDA both decreased from a retraction in our export segment, driven by lower export pricing.
- The COVID-19 pandemic as well as China's import ban on Australian coal both drove the export benchmark price down to its lowest point in five years.

SIGNIFICANT ITEMS

- Significant items included in net profit are a $73.2m gain to the income statement, from the reversal of a performance payment and interest which was recognised in FY20, as a result of a major litigation win[2].
- There was also $22.2m of impairment expense. A portion of this related to a write-off of Canterbury mine assets which ceased operating in June. The remainder a write-off of a historical acquisition value for a permit adjacent to the remaining South Island domestic mine.

DEBT

- Debt consists of a $10m AUD convertible bond, and funds received in advance from customers to finance overburden stripping in new mine areas.

[1]Excludes finance leases of $25m ($30m FY20) which include leases bought onto the balance sheet under accounting standard IFRS 16.

[2]Refer slide 28

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OPERATIONS' FINANCIALS

EXPORT (STOCKTON)

Metric (100% basis)		FY19	FY20	FY21	FY22E
Sales	kt	1,178	1,077	1,042	1,083
HCC benchmark price	USD/t	205	151	116	268
Benchmark realisation[2]	%	75%	72%	78%	75%
NZD:USD FX rate		0.67	0.64	0.70	0.73
EBITDA[1]	$m	104	66	29	96
EBITDA margin	$/t	88.0	60.9	27.0	89.1

NORTH ISLAND DOMESTIC

Metric (100% basis)		FY19	FY20	FY21	FY22E
Sales	kt	905	792	717	678
EBITDA[1]	$m	51	49	54	48
EBITDA margin	$/t	56.8	62.1	70.4	70.1

SOUTH ISLAND DOMESTIC

Metric (100% basis)		FY19	FY20	FY21	FY22E
Sales (kt)	kt	396	345	343	261
EBITDA[1]	$m	19	15	17	14
EBITDA margin	$/t	47.5	44.5	53.1	52.6

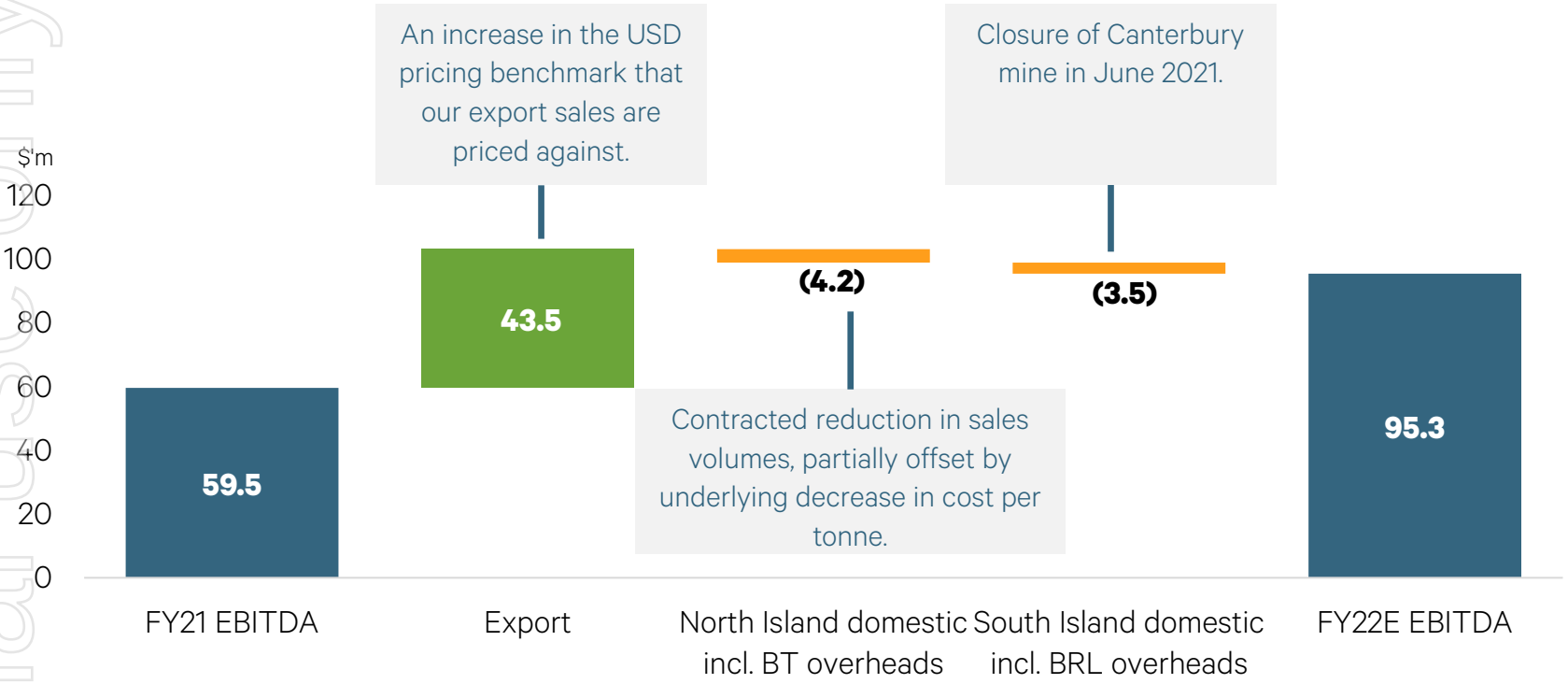
- Key impacts on export earnings are the USD Hard Coking Coal premium low vol benchmark which our export pricing is set against, as well as movements in NZD:USD foreign exchange rates.
- South Island domestic sales decrease in FY22 due to the closure of the Canterbury mine in June 2021.
- North Island domestic sales decrease in FY22 due to planned changes in volumes as per customer contracts. EBITDA margin increases in FY22E compared to FY21 when the difference in freight revenue is excluded, reflecting an underlying decrease in operating cost per tonne.

[1] EBITDA represents net profit/(loss) before tax, net finance costs, tax, depreciation, amortization, impairment, fair value movements on derivatives and deferred consideration, and movements in rehab provisioning.
[2] Coking coal sales only – excludes any thermal vessels.

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EBITDA GUIDANCE FY22 $95.3M

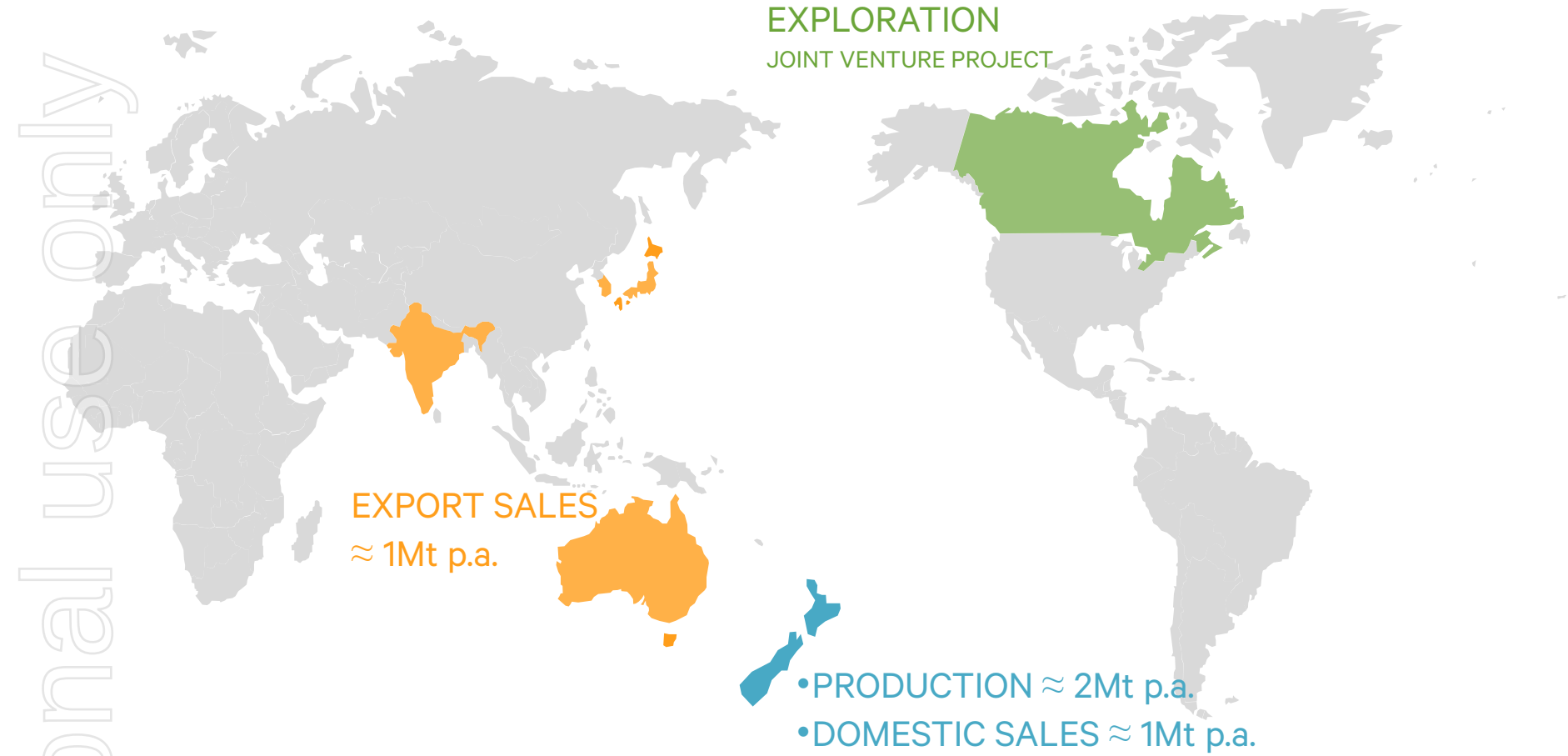
An increase of $35.8m (60%) from FY21.



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BATHURST RESOURCES LIMITED

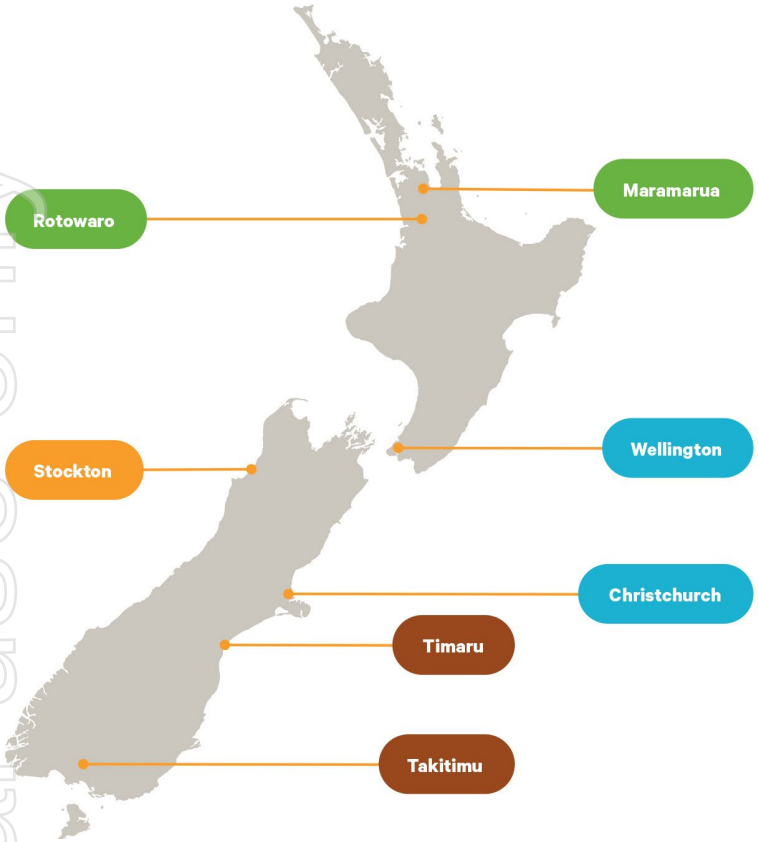
BUSINESS SNAPSHOT



Production and sales tonnes under management

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NZ BUSINESS SNAPSHOT



Key

- Export mine (joint venture)
- Domestic mines (joint venture)
- Domestic mine and distribution facility (fully owned)
- Corporate offices

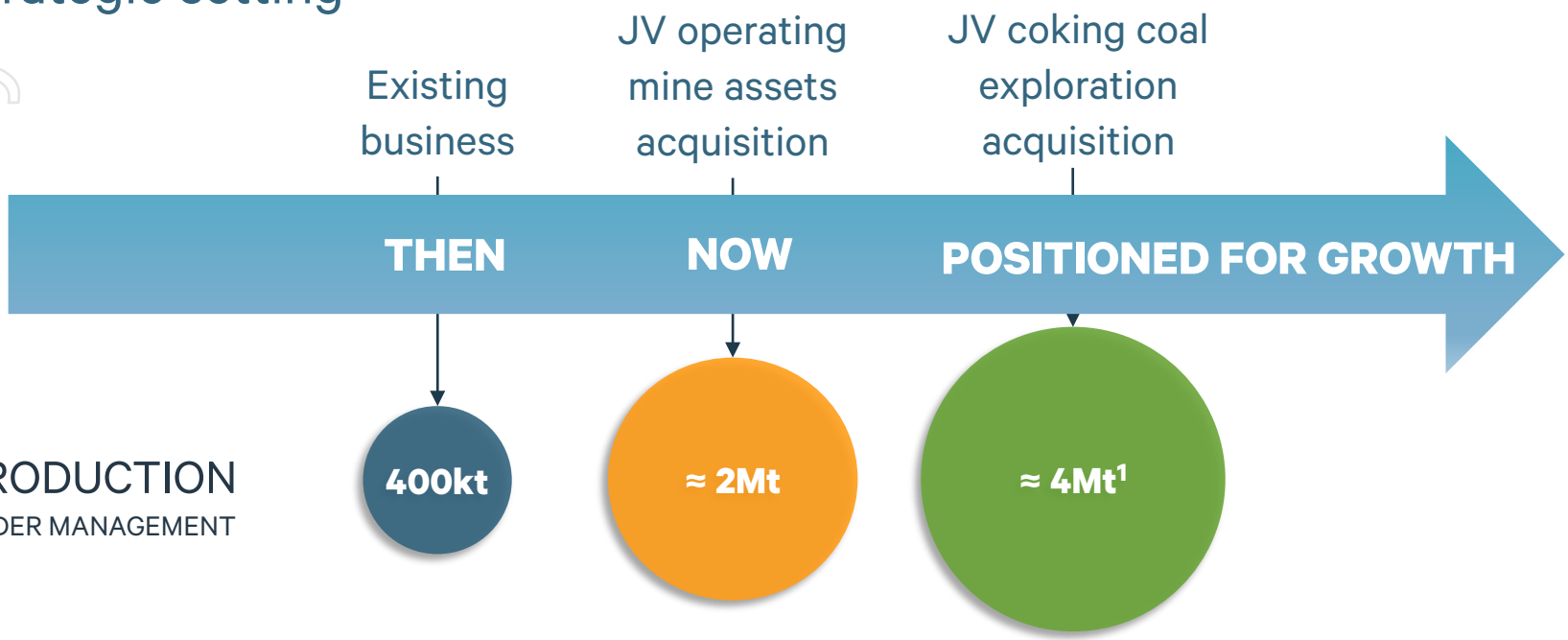
	Export (Stockton)	North Island domestic	South Island domestic
Type	Open cut	Open cut	Open cut
Market	Steelmaking	Processing heat and steelmaking	Processing heat
Infrastructure	1.8Mtpa CHPP, 2.5km aerial ropeway, 2.2Mtpa rail loadout facility.	1.0Mtpa CHPP, and rail loadout facilities.	Close to customers or rail loadout facilities.

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BATHURST RESOURCES LIMITED

PROVEN RECORD

Over time, we have built a world class portfolio of assets against our strategic setting



	THEN	NOW	POSITIONED FOR GROWTH
PRODUCTION UNDER MANAGEMENT	400kt	≈ 2Mt	≈ 4Mt[1]
PRODUCT USES	100% thermal energy	30% thermal energy & 70% steelmaking	15% thermal energy & 85% steelmaking
LOCATION	New Zealand	New Zealand	New Zealand & Canada
MARKETS	New Zealand	New Zealand & Asia	New Zealand & Asia

[1]Forecast production based on current operations at existing levels, plus production from the Canadian exploration project. This project is still in the exploration phase and production assumed is as per the Yield Optimisation Study results announcement by JV partner Jameson Resources HERE

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CANADIAN COKING COAL PROJECT

Crown Mountain – a premium low volatile hard coking coal exploration project, due to enter production late 2025, and produce 2Mt per year.

Located in British Columbia in a mature mining region, close to well established transport infrastructure. Further investment is at Bathurst's sole discretion.



ECONOMICS

- Pre-tax NPV10 USD $469m.
- FOB Vancouver USD 89.41/t.

RESOURCE

- 1.96Mtpa.
- Mine life 15 years.
- 66.5Mt reserve, 90.2Mt resource.

STATUS

- Submission for environmental application expected by end of 2021.

INVESTMENT

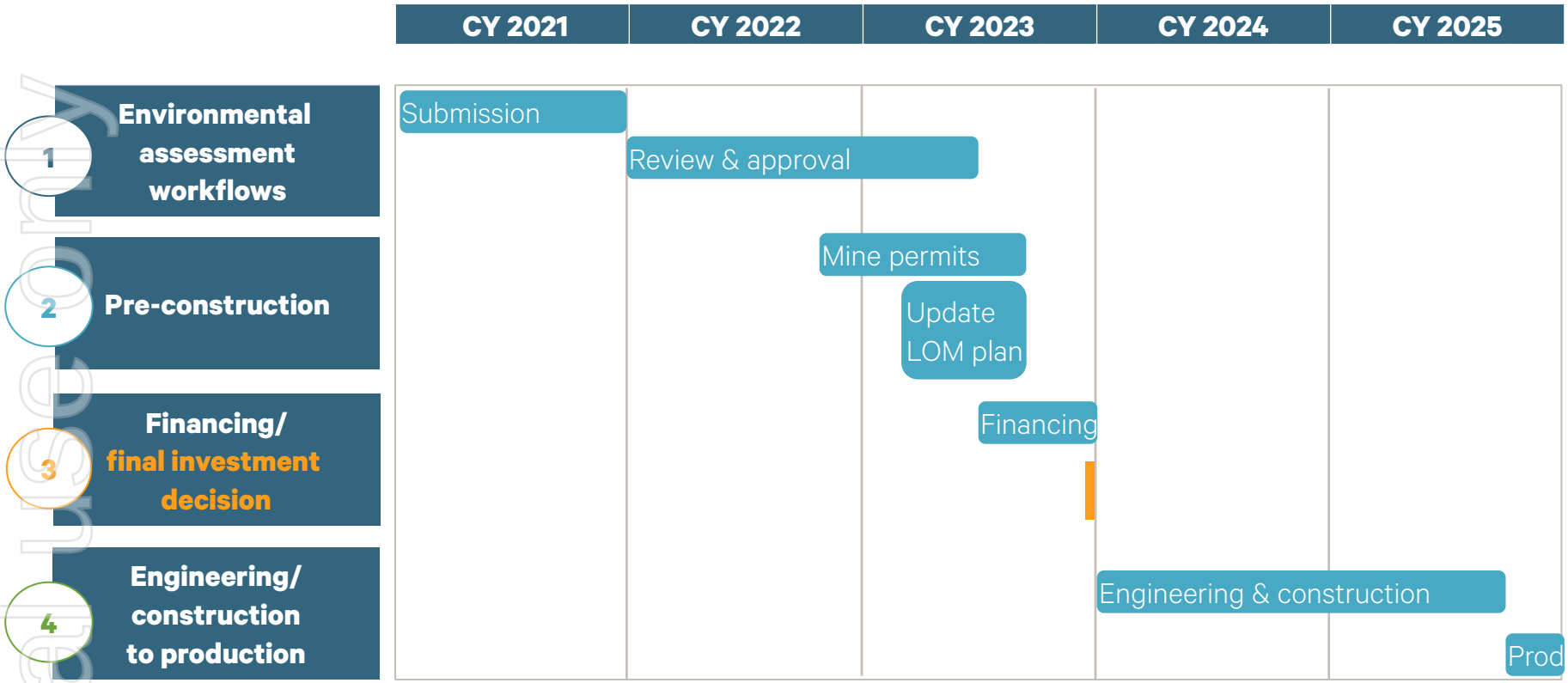
- CAD $14.8m to date.
- 22.2% equity share.
- Option to buy-in to 50% for CAD $107m.

Refer to the announcement by joint venture partner Jameson Resources to support the above project metrics HERE

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CROWN MOUNTAIN TIMELINE



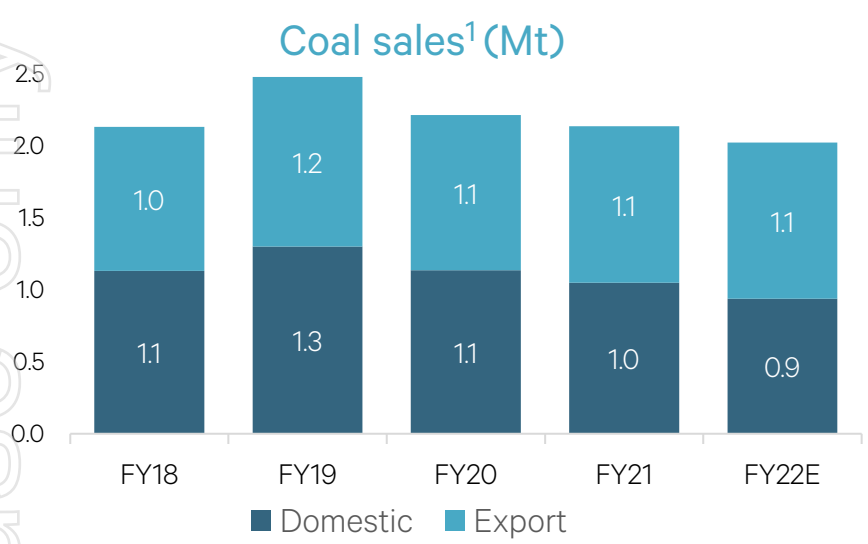
The above timing assumes all critical path items (including regulatory approvals) are executed on schedule, and funding is available as required. Based on recent project update from Jameson Resources Limited.

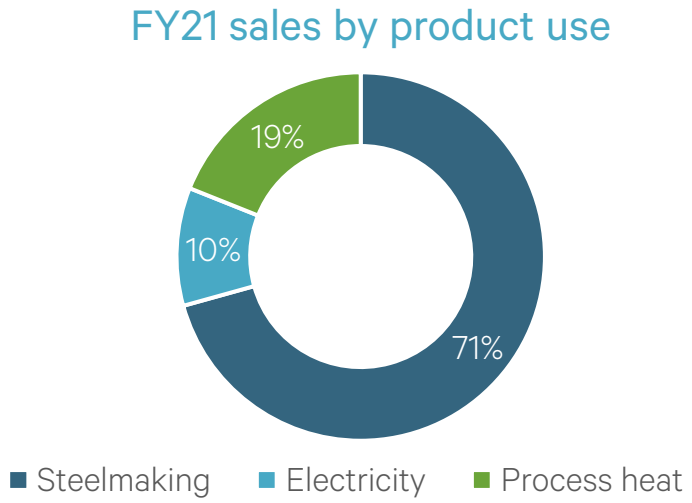
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BATHURST RESOURCES LIMITED

DEMAND HAS REMAINED STRONG

Sales are consistent and primarily coal used for steelmaking





- ✓ Our business from a demand perspective has been relatively unaffected by the disruptions of the COVID-19 pandemic.
- ✓ All of our operations are deemed key utilities so they can continue to operate during any lockdowns within New Zealand.
- ✓ Demand for coal for steelmaking continues and our thermal product is sold domestically to customers who are also key utilities.

[1] On a 100 percent basis (not consolidated).

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EXPORT STRATEGY & MARKETS

Value in use focus

- Coal marketed on a value in use basis.
- Our customers design their coke blends around our product.

Long-standing relationships

- Our value in use focus means we have long-standing relationships with our customers.
- These range from the newest at three years to the oldest at 47 years.

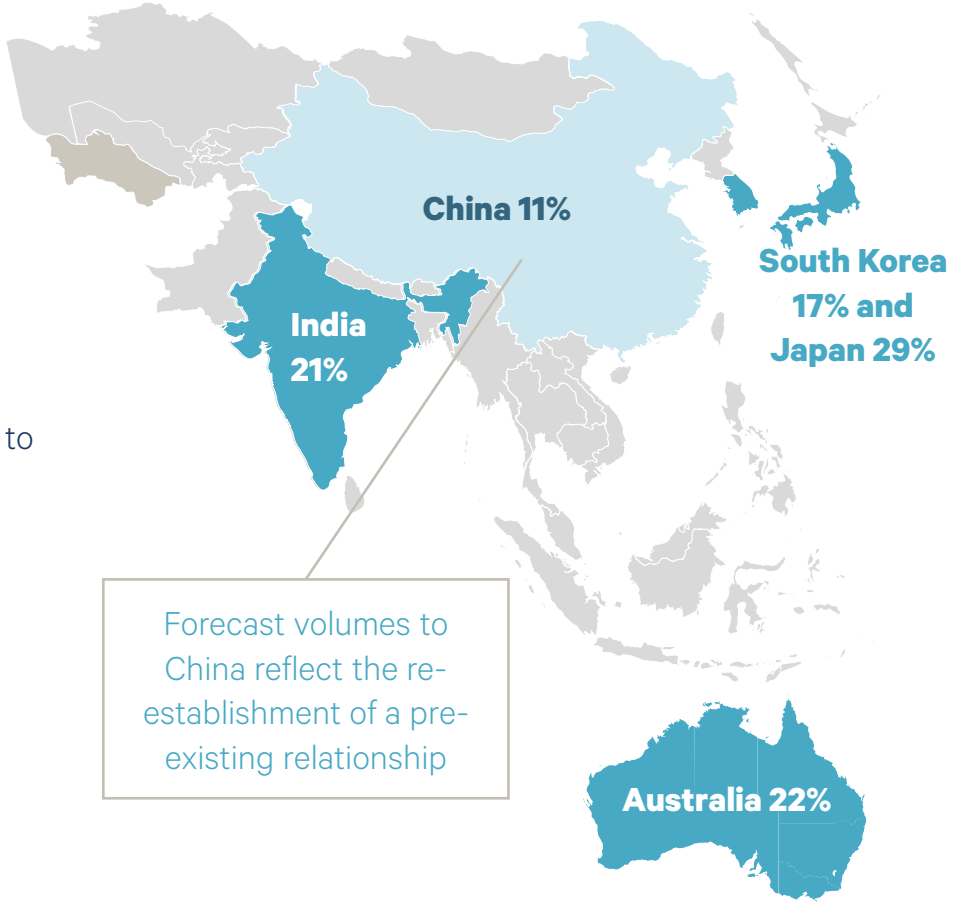
Align resource with customers

Product / specification realignment to match export resource and maximise sales volume.

Quality

- Very low ash content.
- Almost all vitrinite.
- Blend improver.
- Our product helps our customers meet their emissions targets due to the unique qualities of our coal.

EXPORT SALES BY COUNTRY % FY22E

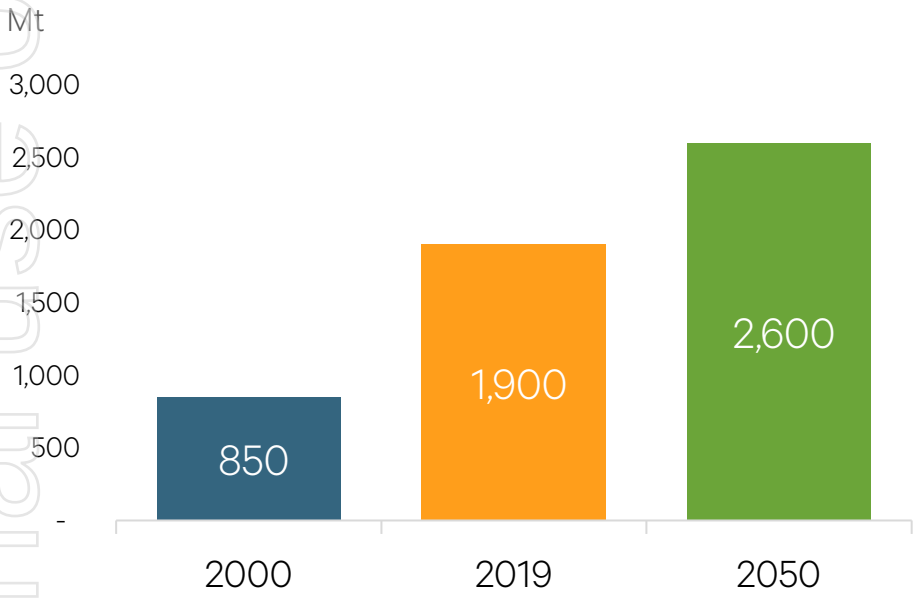


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THE FUNDAMENTAL DEMAND FOR STEEL

Demand for steel has nearly doubled over the last 21 years. It is projected to increase by a third by 2050.

GLOBAL STEEL PRODUCTION[1]



WHY HAS DEMAND FOR STEEL INCREASED?

- Steel is integral to modern economies.
- It is the world's second largest commodity value chain and is essential in engineering, construction, manufacturing and technology.

WHY IS THE OUTLOOK FOR STEEL SO ROBUST?

- Not only will it continue to be used in current industries, it will also play a vital role in the transition to green alternatives.
- Solar panels, wind turbines, dams for hydro generation and electric vehicles to name a few depend on steel to varying levels.

HOW DOES THE ABOVE TIE INTO OUR STRATEGY?

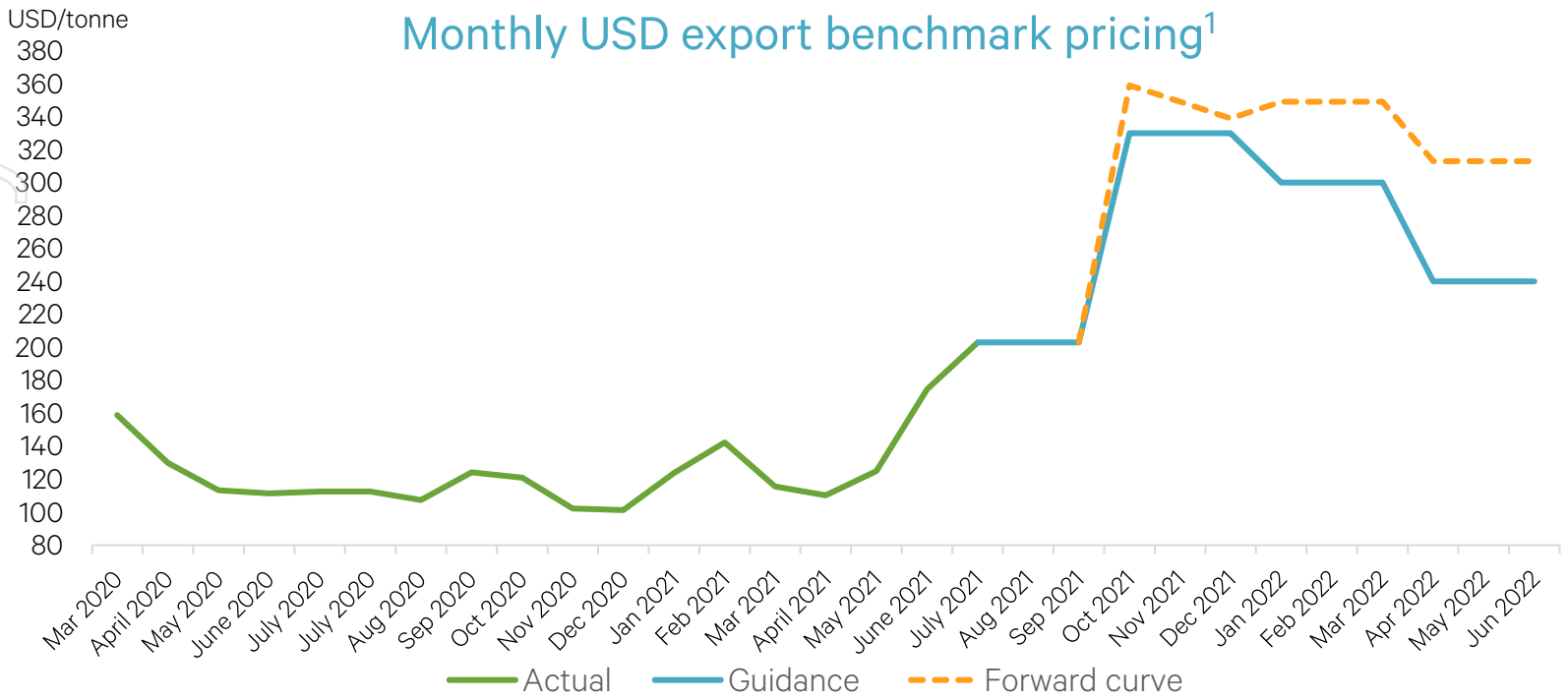
- In the long term, we expect more than 90 percent of our coal production to be coking coal for steelmaking.
- Our Canadian exploration project ties into this strategy as does organic growth opportunities for our current export operations.

[1] Based on IEA (2020), Iron and Steel Technology roadmap HERE

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BATHURST RESOURCES LIMITED

EXPORT PRICING BENCHMARK RECOVERS



- The USD hard coking coal ("HCC") premium low vol benchmark which our export pricing is set against started to show signs of recovery in June 2021.
- We saw this as a long awaited market correction. Despite the disruptions from the Chinese import ban on Australian coal, and the COVID-19 pandemic, fundamental market supply had remained steady, and demand for coal for steelmaking had increased.
- We are now seeing a sharp rise in the benchmark. We attribute this to a decreasing iron ore price and reduced coal stockpile levels, which are increasing demand and ability to pay higher coal prices, whilst supply has remained stable.

- [1]Actual USD monthly export benchmark pricing based on S&P Global Platts Premium Low Vol benchmark daily spot pricing.
- Guidance is the pricing assumed in export's EBITDA guidance
- Forward curve is based on the 10 September 2021 S&P Global Platts Premium Hard Coking Coal Australia FOB derivative assessment

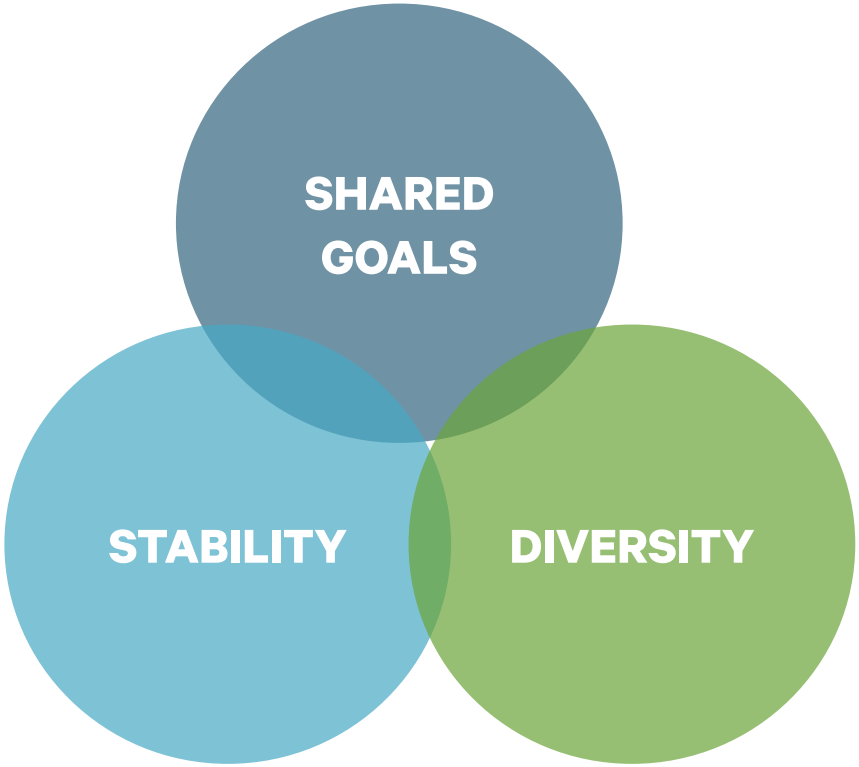
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DOMESTIC STRATEGY & MARKETS

Life of mine plans are matched against committed sales volumes; new areas are only explored when there is a strategic partnership in place.

Our domestic coal sales are used for both steel making and processing heat.

Our sales are underpinned by long term, fixed price contracts. Our major domestic customers are large institutional New Zealand companies in essential goods supply.



"Coal remains an essential part of New Zealand's energy mix."

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A SUSTAINABLE FOCUS



A global spotlight on climate change is bringing increased focus on mineral extraction activities such as mining coal.

This is part of a wider focus on corporations being held accountable for not only their financial results, but how they manage the environmental, social and governance aspects of their business.

These raise a specific set of risks that we need to manage and be proactive about.

THE NEW ZEALAND ENVIRONMENT:

- Zero carbon bill legislated in 2019; net zero carbon economy by 2050.
- Emissions Trading Scheme which is the market mechanism for offsetting Co2 emissions.

OUR POSITION

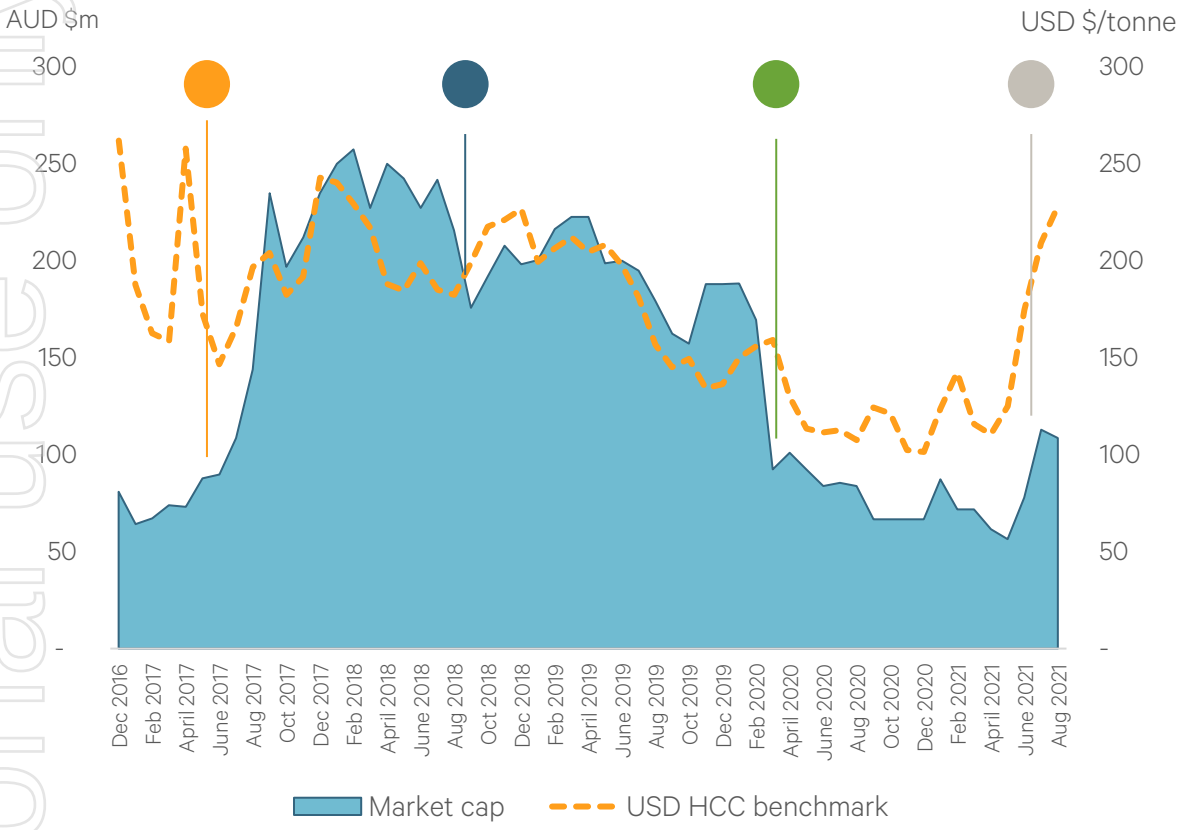
- Acknowledge the transition to a net zero carbon economy whilst supporting New Zealand's prosperity.
- Aim to become a low-emissions company; we measure and report on our emissions annually.
- Ensure our strategy mitigates risks as much as possible.

We help users of our product lower their own environmental impact due to our low ash content which means less waste by-product, and improved efficiencies which means less coal is needed.

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SHARE PRICE IS RECOVERING

MARKET CAP[1] & EXPORT BENCHMARK[2]



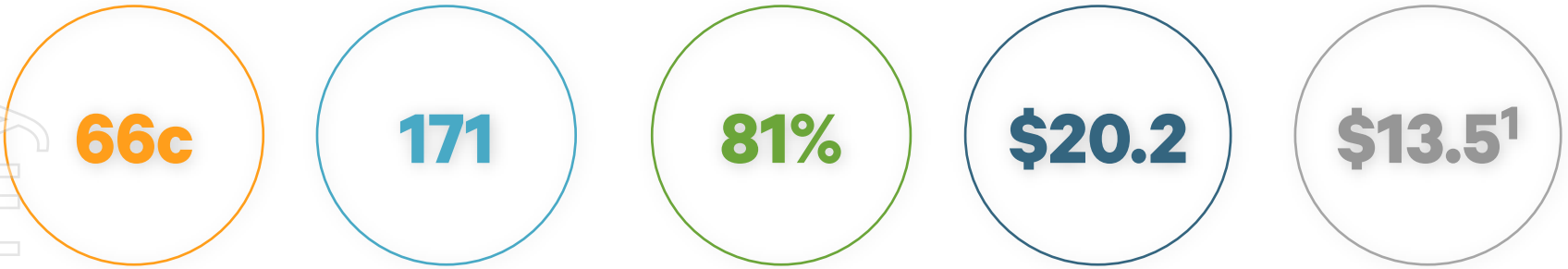
- Acquisition of joint venture BT Mining which got Bathurst into the coking coal market.
- High court announces judgment against Bathurst on LMCH claim.
- COVID-19 pandemic and Court of Appeal judgment against Bathurst on LMCH claim.
- Supreme Court rules in favour of Bathurst on LMCH claim. Export coal price starts to recover.

[1] Historical average monthly closing share price per the ASX * number of shares on issue.

[2] Calculated monthly average of daily USD export benchmark spot pricing per S&P Global Platts Premium Low Vol benchmark.

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CAPITAL OVERVIEW CONT'D



SHARE PRICE	MILLION SHARES	TOP 20 HOLDINGS	MILLION CASH	MILLION DEBT
AU at 13 September 2021.	Shares on issue 171m. These exclude a possible 20m shares if the convertible bonds convert (strike price 49 cents) and unvested performance rights 1m.	Top 20 shareholders hold 81% of equity on issue. Four substantial shareholders (>5%) hold 49%.	Consolidated BT Mining and Bathurst, including restricted term deposits at 30 June.	$10m AUD convertible bond, and funds received in advance from customers to finance overburden stripping in new mine areas. .

[1] Excludes finance leases of $25m which under accounting standard IFRS 16 brings leased assets previously off-balance sheet on to the balance sheet.

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GROWTH PROJECTS OVERVIEW

We have a robust pipeline to extend our current operations.

	Growth projects	Production start date[1]	Status
SOUTH ISLAND DOMESTIC	New Brighton	FY23	
NORTH ISLAND DOMESTIC	Waipuna West extension	FY23	
	Maramarua M1 pit	FY23	
	Rotowaro North	FY27	
EXPORT (NZ)	Stockton organic projects[2]	FY22: HL FY23: A18 FY27: UW	HL & A18 UW
	Buller coal	FY26	
EXPORT (CANADA)[3]	Crown Mountain	FY26	

Conceptual
Prefeasibility
Feasibility
Final engineering and design

- [1]The production start date assumes achieving key project milestones and consenting and permitting approvals and cannot be guaranteed.
- [2] These consist of Hope Lyons development ("HL"), A18 fines project ("A18"), and Upper Waimangaroa projects ("UW").

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FUTURE INVESTMENTS

We fundamentally view ourselves as a coal mining company, and we envisage that coking coal for steelmaking will continue to underpin our business for the foreseeable future.

Noting the increasing global appetite for other minerals, we will also consider leveraging the strong coal mining core of our business and our sector expertise as producers to contemplate and potentially take advantage of other resource opportunities.

The following are the key criteria against which any potential future investments are measured against:



Stable jurisdiction



At or close to production



$50-$100m annual EBITDA

ersonal use only

ersonal use only

APPENDICES

APPENDIX A: LMCH LITIGATION UPDATE

Following the success in resolving the first claim in our favour, we believe we will have similar success in defending the second claim.

First performance payment claim	**RESOLVED** • Ruled in favour of Bathurst	• In December 2016 LMCH initiated litigation for payment of the first USD $40m performance payment ("PP") in a 2010 Agreement for Sale and Purchase ("ASP"). • In July 2021 the Supreme Court ruled in favour of Bathurst, noting that whilst the performance payment had been triggered, payment could be suspended.
Second performance payment claim - change in control allegation	**ONGOING** • In arbitration	• In May 2020 LMCH issued a notice of proceedings for arbitration alleging that there has been a change in control triggering the second PP and issuance of shares in Bathurst under the ASP. • We see this claim as vexatious and designed to hold the company at bay whilst the first PP claim went through the courts. • We continue to believe we have a strong likelihood of successfully defending this claim.

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