

ASX & NZX Release
30 June 2013

BATHURST RESOURCES GROUP

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Directors:

Craig Munro – Non Executive Chairman
Hamish Bohannan – Managing Director
Rob Lord – Non Executive
Malcolm Macpherson – Non Executive
Toko Kapea – Non Executive
Dave Frow – Non Executive

Issued Capital

(at 30 June 2013):
699,247,997 Ordinary Shares
61,152,573 Unlisted Options &
Performance Rights
NZX & ASX Code: BRL

Substantial Shareholders

(at 30 June 2013):
L1 Capital (14.22%)
Coupland Cardiff (9.65%)

1. Highlights

- ❖ Total coal sales of 59,039 tonnes from Cascade and Takitimu
- ❖ Redomicile completed to New Zealand from Australia
- ❖ Major step forward in Escarpment development
 - Access Arrangement granted for Escarpment
 - Environment Court hearing concludes
 - Leave declined to appeal High Court decision
- ❖ Two New Zealand directors appointed to the Board
- ❖ New General Manager for Buller Operations

2. Operating Summary

Production from Cascade was limited during the quarter with the completion of a scheduled cut back for the next mining block. Production from Takitimu reflects the usual seasonal reduction in demand by the dairy industry during the winter months. Both operations performed without any significant safety or environmental incidents.

Tonnes Mined		
	Total Q4	Total YTD
Cascade	6,006	58,832
Takitimu	34,304	184,589
Tonnes mined	40,310	243,421
Total tonnes sold	59,039	264,715

Cashflows from mining operations* NZD		
	Total Q4	Total YTD
Operating Expenses	(8,507)	(42,476)
Operating Revenue	7,198	38,203
Operating Cashflow	(1,309)	(4,273)

*Includes only mining costs of production. Net operating cash flows as defined in Appendix 11 (attached) total (\$7,682k) for the quarter and (\$37,590k) for the year.

3. Bathurst Resources (NZ) Limited

Bathurst is an NZX and ASX listed resources company. Its operations are in the South Island of New Zealand where it aims to be a leading coal producer, delivering high quality coking coal into export markets and producing energy for the domestic industrial markets.

In June 2013 the company completed its redomicile from Australia to become a New Zealand company. On July 1, 2013, Bathurst Resources (New Zealand) Limited commenced trading shares under the code BRL on both the New Zealand and Australian stock exchanges. The company now employs over 100 staff and contractors in New Zealand and has its head office in Wellington.

The key focus for the company is the development of the Buller Coal Project near Westport which is targeting the production of up to 4 million tonnes a year of high quality export coking coal for the steel mills of India and Asia.

Bathurst also has a growing domestic business supplying energy to major South Island industrial users from two operating mines - Cascade near Westport and Takitimu at Nightcaps in Southland.

The company also has a coal handling and distribution centre, Eastern Coal Supplies, in Timaru.



The Buller Coalfield is situated on the west coast of the South Island of New Zealand. It is regarded as one of the country's most significant fields and is particularly well known for its production of high quality, low ash and high fluidity coking coals for use in steel mills in India, China and Japan.

The Buller Project will comprise two mining operations, North and South Buller. Overall the project is targeting production of 4 million tonnes per annum of export coking coal by 2018.

4. Buller Project

The Cascade open cut mine is the first production block in the South Buller operation and sits adjacent to the Escarpment and Coalbrookdale blocks. Cascade has historically produced approximately 45,000 tonnes per annum of high value low contaminant coal for the local industrial market however production is now targeted at 150,000 tonnes per annum.

The key first stage of the export coal project at South Buller is Escarpment which is targeting an initial output of 500,000 tonnes per annum of coal for off shore markets. This will increase to around 1 million tonnes per annum over a 6 year mine life.

As Bathurst moves closer to final approvals for Escarpment discussions have continued with customers and off-take partners with a focus on end users in the key markets of India, Japan and China. It is expected some changes with existing off-take partners will be required in response to the current market conditions and the desire to contract directly with end users, being the leading steel companies in Asia.

The next blocks in South Buller for development are Coalbrookdale and Whareatea West.

Coalbrookdale is fully consented for underground mining however no immediate development is planned until market conditions improve. Bathurst will apply for opencast consents for parts of the deposit which can then be developed as an extension of Escarpment. Work is underway in preparation for this.

Whareatea West, which adjoins the Escarpment permit's western boundary, is an Exploration Permit. The company is currently gathering data in preparation for the consenting of this area of operation.

North Buller

Bathurst has drilled a total of 97 holes at North Buller and is now assessing data to determine the next stages of exploration. An initial geologic resource model is being prepared for the Ngai Tahu areas of North Buller and the company is also waiting for an Access Arrangement to be granted for the exploration it intends to undertake on the permits that fall under the Department of Conservation.

4.1 Project Approvals - Escarpment

During the quarter the company made noticeable progress towards gaining full consents for the Escarpment project.

A significant step was the granting of the Access Arrangement by the Minister of Conservation, Hon Dr Nick Smith. The Access Arrangement gives Bathurst permission for open cast coal mining at Escarpment which is on ground held by the Department of Conservation as stewardship land.

In June the Minister of Conservation also announced his intention to grant a Concession for the haul road for Escarpment. This has been publicly notified with the final date for submissions in the early part of August.

In terms of the consenting processes:

- on 22 March 2013, the Environment Court issued a decision on a preliminary legal challenge holding that the Sullivan permit adjoining the Escarpment project is not a part of the 'existing environment' and thus avoiding the need for an assessment of cumulative effects;
- in April 2013, this decision was appealed to the High Court on two points of law by the Royal Forest and Bird Protection Society of New Zealand Incorporated (Forest and Bird);
- on 28 March the Environment Court issued a positive interim decision on the Escarpment Project. The Court said that consents were likely to be granted subject to the clarification of certain conditions;

4. Buller Project continued ...

- Forest and Bird lodged further appeals to the High Court on other issues (twelve points of law were raised) arising out of the Environment Court interim decision relating primarily to issues around environmental compensation and offsets;

The High Court heard the Forest and Bird appeals during the last week in May:

- prior to the hearings, Forest and Bird withdrew four of the alleged twelve errors in law in relation to the interim decision and during the course of the hearings a further three points of law were withdrawn;
- the appeals on Sullivan were dismissed, as were three of the remaining five points of law in relation to the interim decision. The remaining two points of law were referred back to the Environment Court for consideration prior to the issue of its final decision

The Environment Court reconvened on 12 June to:

- consider the points of law referred back to it by the High Court. On the basis that these points have now been adequately dealt with by the Court there is no further avenue of appeal on these issues;
- hear further submissions on the conditions of the Resource Consents;
- request further information to be provided to the Court following the hearing (which has now been provided).

The final decision of the Environment Court on the granting of the consents is now awaited.

To complete matters it is noted that in late June, Forest and Bird made an application to the High Court to seek leave to appeal the decision on Sullivan to the Court of Appeal. Bathurst opposed the application. At a hearing on 12 July, 2013, the High Court declined the application for leave to appeal.

The separate legal process around whether or not climate change issues should be considered as part of a resource consenting process was progressed through to a Supreme Court (the highest court in New Zealand) hearing in Wellington on March 12 and 13, 2013. A decision is yet to be received. (The Environment Court and the High Court have previously found in Bathurst's favour on this issue.)

4.2 Exploration

During the quarter exploration was scaled back; 8 holes were drilled at North Buller and 12 at Whareatea West before all drill rigs were demobilised. Drilling will be suspended over the winter months while data is analysed and further exploration programmes developed.

4.3 Community

In June a series of information sessions were held at Waimangaroa Village to update the local community on the Escarpment project and trucking plans. Over 40 people attended the sessions which were conducted on a one on one basis with Buller coal management on hand to answer questions.

5. Bathurst Domestic

Bathurst operates two mines in the South Island supplying energy needs to large dairy and food processing industries in Southland, Otago and South Canterbury and for cement manufacture on the West Coast.

The Takitimu mine, at Nightcaps, north of Invercargill, produces around 200,000 tonnes of sub-bituminous coal per annum and Cascade, on the edge of the Denniston Plateau near Westport, is targeting an annualized production of 150,000 tonnes.

Bathurst also operates Eastern Coal Supplies, a coal handling and distribution centre in Timaru and holds the Ohai Exploration Permit, surrounding the Takitimu mine, the nearby New Brighton Exploration Permit, and the Albury Exploration Permit, near Timaru.

5.1 Production & Sales

During the quarter a key highlight was the completion of a number of new contracts which will underpin a growing domestic business. A new seven year contract has been signed with Takitimu's major customer to supply up to 150,000 tonnes of coal. At Cascade a new three year contract has been agreed with the local cement producer.

Buller

No significant Safety or Environmental incidences occurred during the June quarter.

During the quarter Bathurst achieved total coal sales of 28,199 tonnes from Cascade operations. Coal winning was scaled back while operations focussed on overburden removal to expose the next block of coal in the Gravel Pit area. The cut back was completed in the quarter.

Since the end of the quarter, work has commenced on upgrading the haul road for Escarpment under the Concession Agreement in anticipation of receiving the Resource Consents in the near future.

Production and sales for Cascade for the quarter ended 30 June 2013

Production (Raw coal tn)	Overburden (bcm's)	Coal Sales (t) *
6,006	592,579	28,199

* Coal sales include the sale of third party coal

Takitimu

No significant Safety or Environmental incidences occurred during the June quarter.

Bathurst achieved total coal sales of 30,840 tonnes from the Takitimu operations.

Coal winning continued in the main Takitimu pit throughout the quarter to recover the remaining coal reserves while the main operations are focussed on the Coaldale block, to the north. Rehabilitation of the southern section of the original Takitimu pit has now commenced and the area is being returned to normal pasture land.

5. Bathurst Domestic continued

Production and sales for Takitimu for the quarter ended 30 June 2013:

Production (Raw coal tn)	Overburden (bcm's)	Coal Sales (t) *
34,304	404,382	30,840

*Includes small quantities of purchased coal

5.2 Exploration

Exploration at Bathurst's Southland permits wound down during the quarter. Further drilling programmes are now being developed and drilling is expected to recommence in the next quarter.

6. Corporate

6.1 Redomicile

In early April Bathurst announced its intention to redomicile to New Zealand from Australia under a Scheme of Arrangement ("Scheme"). An Extraordinary General Meeting of shareholders on 12 June 2013 approved the Scheme which was implemented on 28 June. Shareholders were issued shares on a one for one basis in a New Zealand incorporated company, Bathurst Resources (New Zealand) Limited. The new entity is listed on both the NZX and the ASX and commenced trading on 1 July 2013 under the code BRL.

6.2 Board Appointments

On June 10 Bathurst announced its intention to appoint Wellington lawyer, Toko Kapea, to the Board of Bathurst Resources (New Zealand) Limited as non-executive director once the company completed its redomicile to New Zealand.

Toko is a Wellington based commercial lawyer, consultant and director, specialising in iwi and Māori development matters. He is a director of Tuia Group Limited and a partner in Tuia Legal.

Toko is a director of Parininihi ki Waitotara Incorporation (in Taranaki), Port Nicholson Fisheries Limited, and Board Chair for Ngāti Apa Developments Limited (Rangitikei). He is on the Government Review Panel relating to the Te Ture Whenua Māori Act 1993 (Māori Land Act) and was also the lead negotiator for Ngāti Apa ki Rangitikei (North Island) for its direct negotiation Treaty of Waitangi claims with the Crown.

Subsequent to period end, on 12 July 2013, Bathurst appointed another New Zealand director, Dave Frow. Dave is a widely experienced company director, CEO and engineer who has played an extensive and highly successful role in a number of industries with particular expertise in the energy sector.

Dave is currently a director of Aurora Energy Ltd, Delta Utility Services Ltd, Holmes Fire LP, ETEL Ltd, ETEL Transformers Pty Ltd (Australia) and Advisory Board Chairman for Petroleum Solutions Ltd.

Dave has a Mechanical Engineering Degree and is a graduate of the Harvard Business School Advanced Management Programme. He was honoured as a Fellow of the Institute of Professional Engineers of New Zealand and is a member of the Institute of Directors. He is based in Martinborough.

6. Corporate ... continued

6.3 Management Appointments

Bathurst has appointed Mike Cameron to the role of General Manager for Buller Operations, based in Westport.

Mike has almost 20 years of international mining industry experience across a number of commodities, mining methods, and operating environments. He has been involved with the development of mining projects in Australia, Bulgaria, and South Africa, and most recently worked as a Project Manager for Solid Energy, based in Nelson.

He holds an MSc in Engineering Geology from the University of Auckland, supplemented by further post-graduate study at the Western Australian School of Mines.

Alison Brown has also been appointed as General Counsel for Bathurst.

Alison has over 30 years legal experience in private law practices and as in-house counsel for commercial enterprises. She has specialised in mining, environmental and climate change law after a solid grounding in commercial law.

She has worked variously for Simpson Grierson, Minter Ellison, the Minister of Foreign Affairs and Trade, taught Law Professionals, as well as being General Counsel for Solid Energy New Zealand Ltd from 2000-2011.

APPENDIX 11

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

Bathurst Resources (New Zealand) Limited
(Name of Mining Issuer)

For Quarter ended June 2013
(referred to in this Quarter as the "Current Quarter")

Quarterly Report of Consolidated Cash Flows in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are **unaudited**. If these figures are based on audited accounts, a statement is required of any material qualification made by the auditor. The Mining Issuer has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1. CASH FLOWS RELATING TO OPERATING ACTIVITIES

- (a) Receipts from product sales and related debtors
- (b) Payments for exploration and evaluation
 - for development
 - for production
 - for administration
- (c) Dividends received
- (d) Interest and other items of a similar nature received
- (e) Interest and other costs of finance paid
- (f) Income taxes paid
- (g) Other (provide details if material)

(h) NET OPERATING CASH FLOWS

2. CASH FLOWS RELATED TO INVESTING ACTIVITIES

- (a) Cash paid for purchases of
 - prospects
 - equity investments
 - other fixed assets
- (b) Cash proceeds from sale of
 - prospects
 - equity investments
 - other fixed assets
- (c) Loans to other entities
- (d) Loans repaid by other entities
- (e) Other (provide details if material)

(f) NET INVESTING CASH FLOWS

3. CASH FLOWS RELATED TO FINANCING ACTIVITIES

- (a) Cash proceeds from issues of shares, options, etc
- (b) Proceeds from sale of forfeited shares
- (c) Borrowings
- (d) Repayments of borrowings
- (e) Dividends paid
- (f) Other (provide details if material)

(g) NET FINANCING CASH FLOWS

4. (a) *NET INCREASE (DECREASE) IN CASH HELD

- (b) Cash at beginning of quarter / year to date
- (c) Exchange rate adjustments to Item 4(a) above

(d) CASH AT END OF QUARTER

Current Quarter \$NZ 000	Year to Date (12 Months) \$NZ 000
7,198	38,203
(1,152)	(9,660)
(913)	(6,398)
(8,507)	(42,476)
(4,509)	(17,495)
-	-
264	1,860
(58)	(432)
-	(144)
(5)	(1,048)
(7,682)	(37,590)
-	-
-	-
(474)	(18,404)
-	-
-	-
118	165
-	-
11	11
-	(2,124)
(345)	(20,352)
395	634
-	-
394	5,229
(767)	(2,050)
-	-
(5)	(13)
17	3,800
(8,010)	(54,142)
21,991	68,738
(227)	(842)
13,754	13,754

*Delete as Required

5. NON-CASH FINANCING AND INVESTING ACTIVITIES

- (a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
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- (b) Provide details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.
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-

6. FINANCING FACILITIES AVAILABLE

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

Loan facilities

Credit standby arrangements

Total

Amount Available \$NZ 000	Amount Used \$NZ 000
5,751	5,751
835	45
6,586	5,796

7. ESTIMATED OUTLAYS FOR SPECIFIED QUARTERS

- (a) Exploration and evaluation

- (b) Development

TOTAL

Current Quarter# \$NZ 000	Following Quarter \$NZ 000
1,009	1,546
805	807
1,814	2,352

- # The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. Where these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

8. RECONCILIATION OF CASH

For the purposes of this statement of cash flows, cash includes

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Cash at the end of the quarter as shown in the statement of cash flows is reconciled to the related items in the amounts as follows:

Cash on hand and at bank

Deposits at call

Bank overdraft

Other (provide details)

Current Quarter \$NZ	Previous Quarter \$NZ
12,451	8,232
1,303	13,759
-	
-	
13,754	21,991

TOTAL = CASH AT END OF QUARTER [Items 4(d)/4(b)]

9. CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(a) Interests in mining tenements relinquished, reduced and/or lapsed				
(b) Interests in mining tenements acquired and/or increased	54512 54933	All interests held through 100% owned subsidiary	0% 0%	100% 100%

(c) Where changes are reported in (a) and/or (b), an amended list of interests in mining tenements is to be attached to this statement.

10. ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Category of Securities	Number Issued	Number Quoted	Paid-Up Value Cents	
PREFERENCE SHARES				
#(DESCRIPTION)				
Issued during current Quarter:				
ORDINARY SHARES				
	699,247,997	699,247,997		
Issued during current quarter: (conversion of unlisted options)	2,000,000	2,000,000	10.8	
CONVERTIBLE NOTES:				
#(DESCRIPTION)				
Issued during current quarter				
OPTIONS:			Exercise Price* AUD	Expiry Date
	500,000		37.8 cents	31 Oct 2013
	13,000,000		10.8 cents	30 Sep 2013
	1,000,000		21 cents	30 Sep 2013
	1,000,000		16.8 cents	30 Sep 2013
	14,344,109		36 cents	15 Nov 2013
	22,200,000		40 cents	31 Dec 2013
	2,000,000		85 cents	31 Dec 2013
	2,000,000		38 cents	29 Aug 2014
	2,000,000		38 cents	19 Dec 2014
Issued during current quarter				

Performance Rights:

Exercise
Price

Issued under the company's long term
incentive plan 3,108,464-----

n/a

Issued during current quarter 3,108,464-----

n/a

DEBENTURES – totals only: \$ ----- \$ -----

UNSECURED NOTES – totals only: \$ ----- \$ -----

Description includes rate of interest and any redemption or conversion rights together with prices and dates thereof.

.....
(Signed by) Authorised Officer of Listed Issuer

.....
(Date)