

June 2017 – Full Year Results

- **EBITDA of \$11.1m**
- **Revenue of \$42.2m**
- **Asset acquisition to build growth**

The Board of Bathurst Resources (ASX:BRL) is pleased to announce its results for the year ended 30 June 2017.

Financial results

The environment in which we operate remains challenging. Bathurst has consolidated its domestic business after changes to the market mix. **Bathurst has delivered on its promises** through a sustainable and reliable domestic business. With the loss of the west coast cement market in late FY16, revenue was considerably reduced in FY17. This was offset by cost reduction across operations.

An Underlying profit after tax of \$1.3m was recorded for the domestic business, equating to a statutory loss of \$1.9m once finance costs on debt instruments and transaction costs relating to Bathurst's JV acquisition in BT Mining Limited were included.

An EBITDA of \$11.1m and **Cash flow from operations of \$8.9m** reflects a continued focus on cost control given the spend required on the acquisition.

Bathurst continues to drive its stated strategy and expects to **deliver positive returns in 2018**.

	FY 2017	FY 2016
	000's	000's
Underlying Profit	1,264	1,031
<i>Add back</i>		
Finance Costs on Debt Instruments	1,858	
Transaction costs on BT acquisition	1,304	
Statutory (loss)/profit after tax	(1,898)	1,031
<i>Add back</i>		
Depreciation and amortisation	10,632	11,220
Net finance costs	2,416	1,250
EBITDA	11,150	13,501

Considerable effort and expense went into evaluation, due diligence and completion of the asset acquisition from Solid Energy. This led to the addition of Stockton, Rotowaro and Maramarua mines to the Bathurst suite of operations. Bathurst has entered into a joint venture with Talley Group to form BT Mining to purchase the chosen assets. Bathurst holding 65% with Talley holding the remainder. The transaction closed on 31 August 2017.

The acquired assets will add 1.8mt of production capacity under BRL management.

A difference in opinion between Management and Bathurst's auditors (PwC) on how to value the conversion feature implicit in the Convertible Notes and Redeemable Convertible Preference Shares issued during the year has led to PwC issuing a qualified audit report. Further information on this is noted in the Financial Statements (both the audit report, and Note 1 D (ii)) as well as a separate ASX announcement release on this matter.

Health and Safety

Bathurst's focus is **zero harm** and this ensures the responsibility for care and consideration of all employees is at the forefront of all decision making. The ultimate goal is to ensure every employee and contractor goes home healthy and safe at the end of each day.

The Board notes that Bathurst's operating mines, project works and exploration activities recorded one lost time injury in FY 2017.

The Company has completed enterprise and site specific risk assessment workshops, as well as compliance audits and technical reviews, with the key focus over FY 2018 to embed integrated health and safety systems across current sites as well as the new sites that will come under the BRL umbrella as part of the acquisition.

Operations

The Group produced 330kt in FY 2017. Production was down on FY16 due to suspension of Cascade and Escarpment in response to the loss of the west coast cement market in April 2016.

The remaining domestic operations have been scaled to meet the contracted market and costs reduced to maintain positive cashflow.

Production capacity increased 66% for Canterbury Coal in line with forecast, with significant planned increase in scale planned for FY 2018 underpinned by the successful tender of a 65kT contract.

The Takitimu mine saw its first coal from the newly acquired Black Diamond block extracted in July 2017. Coal will continue to be mined from the Northern East of the Coaldale block which has performed better than modelled.

The **Board wishes to thank all stakeholders for their continued support** over the past year and looks forward to shared opportunity in FY 2018.



Toko Kapea
Chairman

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CHIEF EXECUTIVE OFFICER

Richard Tacon

DIRECTORS

Toko Kapea – Chairman
Richard Tacon – Executive Director
Peter Westerhuis – Non Executive Director
Russell Middleton – Executive Director

COMPANY SECRETARY

Bill Lyne
blyne@bathurstresources.co.nz

ISSUED CAPITAL

986,028,209 Ordinary Shares

Unless otherwise noted, all dollar amounts referred to in this report are in New Zealand dollars