

1 March 2022

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

MARKET UPDATE ON OPERATIONS AND EXPORT MARKET

The directors of Bathurst Resources Limited ("Bathurst", ASX:BRL) wish to provide an update to the market regarding factors that may impact the planned operating schedule over the coming months, as well as an update on the export market which is continuing to experience record high prices.

Flood event on South Island, West Coast

The West Coast of the South Island where the Stockton mine is located recently experienced a severe weather event similar to that which occurred in July last year. The mine itself avoided any significant damage, and our people are safe. However, the flooding has affected the timing of planned shipments due to temporary outage of the rail network that is used to transport our coal from mine to port.

We have been working closely with our customers to reschedule shipments, and at this stage we expect there to be no change to the annual export sales volumes. Trains are resuming full capacity today, with additional capacity scheduled in future weeks to meet the export sale programme.

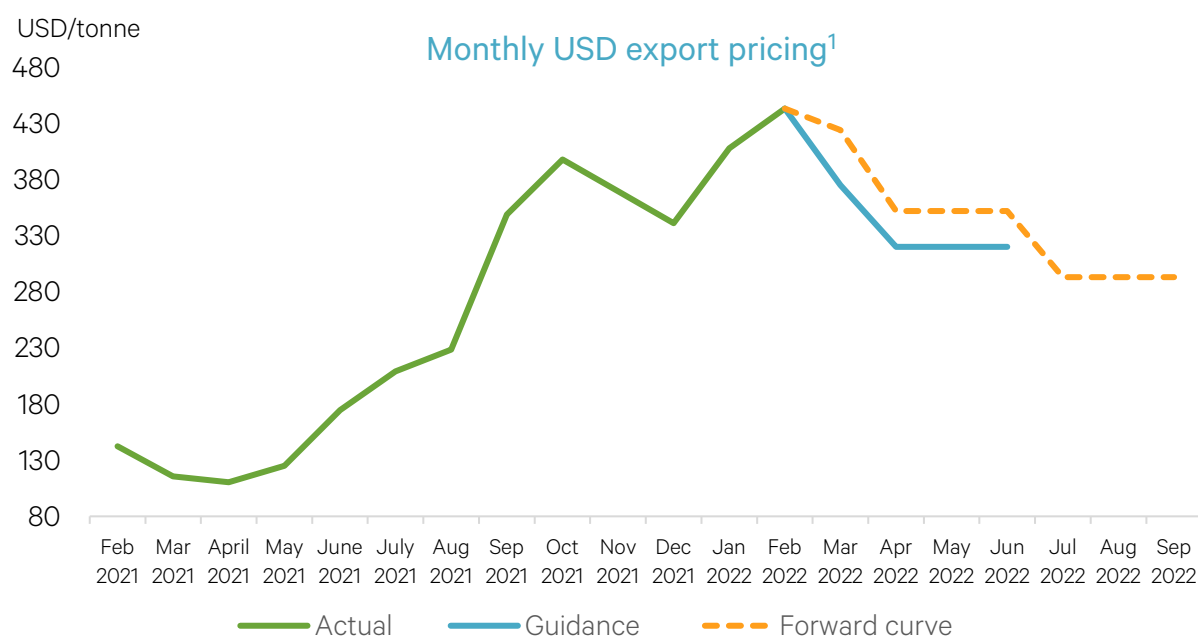
COVID related impacts

At the time of release of the December quarterly report, we were at the beginning of what now appears to be New Zealand's first experience of significant widespread transmission of COVID. Since then, we have been working to implement the appropriate frameworks that will allow us to continue to operate in accordance with the isolation and testing requirements mandated by the New Zealand Government.

These have continued to evolve over the last few weeks as the transmission speeds up, and we move between different phases of the government's response. What impact the situation will have on the health and availability of our workforce over the coming months is difficult to predict.

Refer overleaf for an export market update

Export market



The spot price closed last week at USD \$457 per tonne, with strong demand and tight supply continuing to underpin the record high pricing levels. Demand has remained strong due to major global infrastructure projects alongside key market recoveries, notably in the growing market of India. Supply has more recently been negatively impacted in Australia due to COVID and weather impacts which has also contributed to the rise in pricing.

The evolving situation between Ukraine and Russia has led to bans of Russian coal exports which further tightens an already tight supply chain. Whether this excess supply will be picked up elsewhere and what impact this may have on pricing levels remains to be seen. Given recent merger and acquisition activity in the Indian steel mills, and the likelihood of China loosening constraints post the winter Olympics, market fundamentals appear to indicate a strong next pricing quarter.

Earnings guidance

Noting the complexity of issues noted above, at this stage we continue to maintain our full year earnings guidance.

Authorised for release by the board of directors.

¹ Actual USD monthly export pricing based on a monthly average of the S&P Global Platts Premium Low Vol benchmark daily spot pricing. Forward curve is based on the 24 February 2022 S&P Global Platts Premium Hard Coking Coal Australia FOB derivative assessment