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BATHURST
RESOURCES LIMITED

25 September 2015

Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney
NSW 2000

Annual Financial Statements

The Board of Bathurst Resources Limited (ASX: BRL "Bathurst") is pleased to present its Annual Financial Statements for the year ended 30 June 2015.

Bathurst has recorded a net loss for the period of $16.4 million after tax compared with a net loss after tax of $189.9 million for the same period last year.

The group produced a positive operating cash flow of $1.0 million for the year ended 30 June 2015 compared to an operating cash outflow of $16.7 million for the same period last year. This represents a significant turn-around in Bathurst's operational performance and creates a solid platform to deliver on the group's operational efficiency targets in the coming year.

Chairman, Toko Kapea, said "We are pleased to end the year with such a good result in a period which has seen a strong downturn in the commodities sector. Our strategy to concentrate on our domestic business coupled with our continued focus on cost efficiencies has placed us in a strong financial position as we work towards the development of our export project".

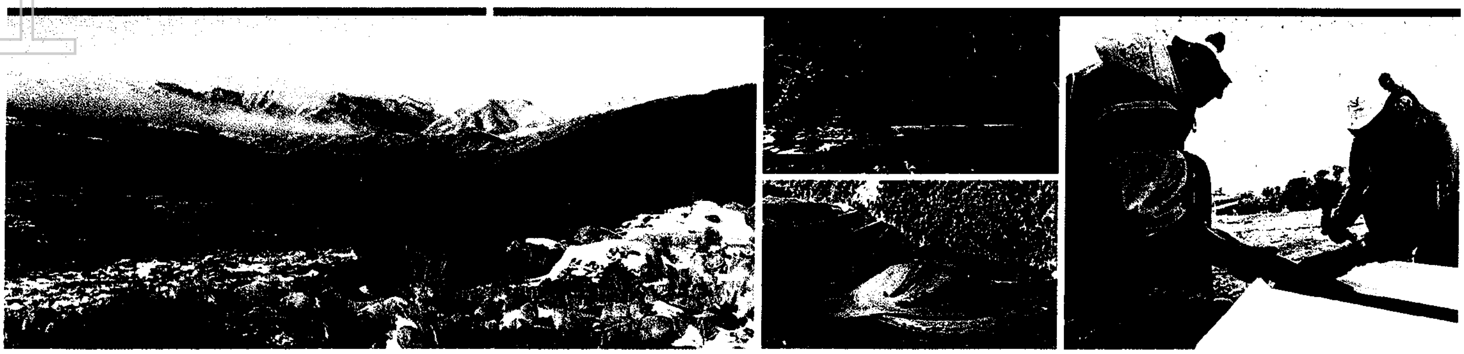
Yours sincerely
Bathurst Resources Limited

Toko Kapea
Chairman

BATHURST
RESOURCES LIMITED

BATHURST RESOURCES LIMITED

Financial statements for the year ended 30 June 2015



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The directors of Bathurst Resources Limited authorised these financial statements for issue on behalf of the Board

Toko Kapea
Chairman, 25 September 201

Russell Middleton
Director, 25 September 2015

	Notes	Group 2015 $'000	Group 2014 $'000
Revenue	4	51,289	55,525
Less: cost of sales	5	(43,908)	(56,795)
Gross profit/(loss)		**7,381**	**(1,270)**
Other Income	4	244	172
Depreciation	15	(7,543)	(2,546)
Administrative and other expenses	6	(12,318)	(11,103)
Fair value (loss)/gain on deferred consideration	21	(615)	169,396
Loss on disposal of fixed assets		(1,160)	(10)
Impairment losses	10	(1,171)	(449,984)
Share of joint venture profit/(loss)		36	(254)
Finance (cost)/income - net	8	(1,260)	11,365
Loss before income tax		**(16,406)**	**(284,234)**
Income tax benefit	9	-	95,331
Loss		**(16,406)**	**(188,903)**

Earnings per share for profit attributable to the ordinary equity holders of the company:

		Cents	Cents
Basic earnings per share	25	(1.73)	(23.07)
Diluted earnings per share	25	(1.73)	(23.07)

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The above income statement should be read in conjunction with the accompanying notes.

		Group	
		2015	**2014**
	Notes	**$'000**	**$'000**
Loss		(16,406)	(188,903)
Other comprehensive expense, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation		58	(198)
Total comprehensive loss for the year, net of tax		**(16,348)**	**(189,101)**
Total comprehensive loss attributable to the Owners of Bathurst Resources Limited		(16,348)	(189,101)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	Group 2015 $'000	Group 2014 $'000
ASSETS			
Current assets			
Cash and short term deposits	11	5,235	8,855
Trade and other receivables	12	4,114	4,343
Inventories	13	1,279	1,283
Income tax receivable		-	97
Other financial assets	14	20	132
Total current assets		**10,648**	**14,710**
Non-current assets			
Property, plant and equipment	15	17,152	23,386
Mining licences, properties, exploration and evaluation assets	16	22,498	16,166
Other financial assets	14	147	7,562
Total non-current assets		**39,797**	**47,114**
Total assets		**50,445**	**61,824**
LIABILITIES			
Current liabilities			
Trade and other payables	19	5,572	7,964
Borrowings	20	8,549	7,340
Deferred consideration	21	1,730	917
Provisions	22	627	259
Total current liabilities		**16,478**	**16,480**
Non-current liabilities			
Trade and other payables	19	430	-
Borrowings	20	461	6,241
Deferred consideration	21	10,883	1,974
Provisions	22	3,274	2,870
Total non-current liabilities		**15,048**	**11,085**
Total liabilities		**31,526**	**27,565**
Net assets		**18,919**	**34,259**
EQUITY			
Contributed equity	23	247,378	247,338
Reserves	24	(30,872)	(31,725)
Accumulated losses		(197,587)	(181,354)
Total equity		**18,919**	**34,259**

The above balance sheet should be read in conjunction with the accompanying notes.

The directors of Bathurst Resources Limited authorised these financial statements for issue on behalf of the Board.

Toko Kapea
Chairman
25 September 2015

Russell Middleton
Director
25 September 2015

Group	Notes	Contributed equity $'000	Share based payment reserve $'000	Foreign exchange translation reserve $'000	Retained earnings $'000	Re-organisation reserve $'000	Total equity $'000
Balance at 1 July 2013		**219,623**	**13,942**	-	**(301)**	**(32,760)**	**200,504**
Total comprehensive income		-	-	(198)	(188,903)	-	**(189,101)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	23	23,327	-	-	-	-	**23,327**
Share based payments expense		-	881	-	-	-	**881**
Gain from reversal of share based payments expense		-	(3,672)	-	-	-	**(3,672)**
Transfer of share based payments reserve with exercise of options		2,068	(2,068)	-	-	-	-
Exercise of options		2,320	-	-	-	-	**2,320**
Lapsing of options		-	(7,850)	-	7,850	-	-
		27,715	**(12,709)**	-	**7,850**	-	**22,856**
Balance at 30 June 2014		**247,338**	**1,233**	**(198)**	**(181,354)**	**(32,760)**	**34,259**
Balance at 1 July 2014		**247,338**	**1,233**	**(198)**	**(181,354)**	**(32,760)**	**34,259**
Total comprehensive income		-	-	58	(16,406)	-	**(16,348)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	23	40	-	-	-	-	**40**
Share based payments expense		-	968	-	-	-	**968**
Conversion of performance rights		-	(173)	-	173	-	-
		40	**795**	-	**173**	-	**1,008**
Balance at 30 June 2015		**247,378**	**2,028**	**(140)**	**(197,587)**	**(32,760)**	**18,919**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Group 2015 $'000	Group 2014 $'000
Cash flows from operating activities			
Receipts from customers		50,284	52,565
Payments to suppliers and employees		(48,721)	(68,927)
Interest received		161	479
Interest and other finance costs paid		(748)	(834)
Net cash inflow/(outflow) from operating activities	27	976	(16,717)
Cash flows from investing activities			
Payments for exploration & consenting expenditure		(344)	(4,966)
Payments for mining assets (including elevated stripping)		(3,366)	(3,052)
Payments for property, plant and equipment		(1,135)	(4,014)
Proceeds from disposal of property, plant and equipment		3,361	-
Deposits received from/(paid to) financial institutions		520	(2,062)
Net cash (outflow) from investing activities		(964)	(14,094)
Cash flows from financing activities			
Proceeds from the issue of shares		140	28,505
Repayment of borrowings		(3,139)	(1,244)
Payments for share issue costs		(99)	(3,527)
Net cash (outflow)/inflow from financing activities		(3,098)	23,734
Net decrease in cash and cash equivalents		(3,086)	(7,077)
Cash and cash equivalents at the beginning of the year		5,565	12,526
Effects of exchange rate changes on cash and cash equivalents		(14)	116
Cash and cash equivalents at the end of the year	11	2,465	5,565

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1. Summary of significant accounting policies

A. General information

Bathurst Resources Limited ("Company" or "Parent") is a company domiciled in New Zealand, registered under the Companies Act 1993 and is listed on the Australian Securities Exchange ("ASX"). Bathurst Resources Limited is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013. These financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and ASX listing rules.

In accordance with the Financial Markets Conduct Act 2013 because group financial statements are prepared and presented for Bathurst Resources Limited and its subsidiaries, separate financial statements for Bathurst Resources Limited are no longer required to be presented.

These financial statements have been approved for issue by the Board of Directors on 25 September 2015.

The financial statements presented herewith as at and for the year ended 30 June 2015 comprise the Company, its subsidiaries and jointly controlled entities (together referred to as the "Group").

The Group is principally engaged in the exploration, development and production of coal.

B. Basis of preparation

Statement of compliance

These financial statements of the group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The group is a for-profit entity for the purposes of complying with NZGAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

These financial statements are presented in New Zealand dollars, which is the Company's functional and presentation currency. References in these financial statements to '$' and 'NZ$' are to New Zealand dollars.

All financial information has been rounded to the nearest thousand unless otherwise stated.

C. Measurement basis

These financial statements have been prepared under the historical cost convention, except certain financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.

D. Use of estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment

The future recoverability of the assets recorded by the Group is dependent upon a number of factors, including whether the Group decides to exploit its mine property itself or, if not, whether it successfully recovers the related asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes, and changes to commodity prices and foreign exchange rates.

(ii) Valuation of deferred consideration

In valuing the deferred consideration payable under business acquisitions management uses estimates and assumptions. This includes future coal prices, discount rates, coal production, and the timing of payments. The amounts of deferred consideration are reviewed at each balance date and updated based on best available estimates and assumptions at that time.

The carrying amount of deferred consideration is set out in note 21.

(iii) Reserves & Resources

Reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves of December 2004 (the JORC code). There are numerous uncertainties inherent in estimating reserves and assumptions that are valid at the time of estimation but that may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(iv) Provision for rehabilitation

In calculating the estimated future costs of rehabilitating and restoring areas disturbed in the mining process certain estimates and assumptions have been made. (Refer to Note 1(p)). The amount the Group is expected to incur to settle these future obligations includes estimates in relation to the appropriate discount rate to apply to the cash flow profile, expected mine life, application of the relevant requirements for rehabilitation, and the future expected costs of rehabilitation.

Changes in the estimates and assumptions used could have a material impact on the carrying value of the rehabilitation provision and related asset. The provision is reviewed at each reporting date and updated based on the best available estimates and assumptions at that time.

The carrying amount of the rehabilitation provision is set out in Note 22.

(v) Waste in advance

Waste moved in advance is calculated with reference to the stripping ratio (waste moved over coal extracted) of the area of interest and the excess of this ratio over the estimated stripping ratio for the area of interest expected to incur over its life. Management estimates this life of mine ratio based on geological and survey models as well as reserve information for the areas of interest.

The carrying amount of the waste moved in advance is set out in Note 16.

(vi) Taxation

The Group's accounting policy for taxation requires management judgement in relation to the application of income tax legislation. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognises liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether taxation will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax position in the period in which the assessment is made.

Certain deferred tax assets for deductible temporary differences and carried forward taxation losses have not been recognised. In not recognising these deferred tax assets assumptions have been made regarding the Group's ability to generate future taxable profits. Utilisation of the tax losses also depends on the ability of the tax entities to satisfy certain tests at the time the losses are recouped. There is an inherent uncertainty in applying these judgements and a possibility that changes in legislation will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

E. Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Contingent consideration (deferred consideration) to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a financial asset or financial liability is recognised in accordance with NZ IAS 39 in profit or loss as "fair value (loss)/gain on deferred consideration".

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Joint arrangements

The group applies NZ IFRS 11 to all joint arrangements. Under NZ IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Bathurst Resources Limited has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture), the group does not recognise further losses, except to the extent that the group has an obligation or has made payments on behalf of the investee.

F. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in New Zealand dollars, which is Bathurst Resources Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at monthly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

G. Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised when there is an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and when title has passed.

(ii) Freight income

Revenue from freight services is recognised in the accounting period in which the services are provided. Revenue is not recognised until the service has been completed.

(iii) Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

H. Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

I. Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

J. Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the income statement, transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group become party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or are cancelled.

Financial assets carried at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Management determines the classification of its investments at initial recognition.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

Deferred Consideration

The fair value of deferred consideration payments is determined at acquisition date. Subsequent changes to the fair value of the deferred consideration are recognised through the income statement. The portion of the fair value adjustment due to the time value of money (unwinding of discount) is recognised as a finance cost. For further information on deferred consideration refer to note 21.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Derivative financial instruments

From time to time the Group may use derivative financial instruments to hedge its exposure to commodity risks and foreign exchange risks arising from operational and financing activities. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

K. Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment of Financial assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Impairment of exploration and evaluation assets
Exploration and evaluation assets are tested for impairment when either the period of the exploration right has expired or will expire in the near future, substantive expenditure on further exploration for and evaluation in the specific area is neither budgeted or planned, exploration for and evaluation in the specific area have not led to the discovery of commercially viable quantities and the Group has decided to discontinue such activities in the area or there is sufficient data to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Goodwill and intangible assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets
Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

L. Property, plant and equipment
All property, plant and equipment are measured at cost less depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the expenditure will flow to the Group. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each item of plant, property and equipment. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for significant items of property, plant and equipment are as follows:

– Buildings	25 years
– Mine infrastructure	3 – 8 years
– Plant & machinery	2 – 25 years
– Plant & machinery leased	Units of use
– Furniture, fittings and equipment	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(k)).

Any gain or loss on disposals of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit or loss.

M. Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is capitalised to the extent that the expenditure is expected to be recovered through the successful development and exploitation of the area of interest, or the exploration and evaluation activities in the area of interest have not yet reached a point where such an assessment can be made. All other exploration and evaluation expenditure is expensed as incurred.

Capitalised costs are accumulated in respect of each identifiable area of interest. Costs are only carried forward to the extent that tenure is current and they are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and operations in relation to the area are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

N. Mining and development properties

Mining and development properties include the cost of acquiring and developing mining properties, licenses, mineral rights and exploration, evaluation and development expenditure carried forward relating to areas where production has commenced.

These assets are amortised using the unit of production basis over the proven and probable reserves. Amortisation starts from the date when commercial production commences.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably.

O. Waste in advance

Waste removed in advance costs incurred in the development of a mine are capitalised as parts of the costs of constructing the mine and subsequently amortised over life of the relevant area of interest or life of mine if appropriate (herein referred to as "life of mine").

Waste removal normally continues through the life of the mine. The company defers waste removal costs incurred during the production stage of its operations and discloses it within the cost of constructing the mine.

The amount of waste removal costs deferred is based on the ratio obtained by dividing the volume of waste removed by the tonnage of coal mined. Waste removal costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of mine ratio. Costs above the life of ore component strip ratio are deferred to waste removed in advance. The stripping activity asset is amortised on a units of production basis. The life of mine ratio is based on proven and probable reserves of the operation.

Waste moved in advance costs form part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Changes to the life of mine stripping ratio are accounted for prospectively.

P. Provisions

Provision for rehabilitation

Provisions are made for site rehabilitation costs relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. The provision is based on management's best estimate of future costs of rehabilitation. When the provision is recognised, the corresponding rehabilitation costs are recognised as part of mining property and development assets. At each reporting date, the rehabilitation liability is re-measured in line with changes in the timing or amount of the costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset.

If the change in the liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying value is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write down recognised in the income statement in the period in which it occurs.

The net present value of the provision is calculated using an appropriate discount rate, the unwinding of the discount applied in calculating the net present value of the provision is charged to the income statement in each reporting period and is classified as a finance cost.

Q. Share-based payments

Share-based compensation benefits are provided to employees via the Bathurst Resources Limited Long Term Incentive Plan and Employee Share Option Plan.

The fair value of performance rights and options granted under the Bathurst Resources Limited Long Term Incentive Plan and Employee Share Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

R. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, those under which a significant portion of the risks and rewards of ownership are transferred to the company, are capitalised at the lease's inception at the fair value of the leased property, or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.
Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

S. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

T. Contributed equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

U. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

V. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

W. New accounting standards and interpretations not yet effective

Certain new standards, amendments and interpretations to existing standards have been issued that are not yet mandatory for accounting periods beginning on or after 1 July 2014. The company has not early adopted:

(i) NZ IFRS 9, *Financial Instruments, revised NZ IFRS 9 (2014): Financial Instruments and revised NZ IFRS 9 (2013): Financial Instruments.*
Effective for periods beginning on or after 1 January 2018. The standard adds requirements related to the classification, measurement and derecognition of financial assets and liabilities.

(ii) NZ IFRS 15, Revenue from contracts with customers
Effective for periods beginning on or after 1 January 2017. The standard introduces principles for reporting cohesive and useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The Group has not analysed the new standards, amendments or interpretations but does not expect there to be a significant impact on its consolidated financial statements.

X. Standards and Interpretations adopted during the year

The financial information presented for the year ended 30 June 2015 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2014 financial statements contained within the Annual Report of Bathurst Resources Limited except for the adoption of NZ IFRIC 21 'Levies' which confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. The adoption of IFRIC 21 did not have a material impact on the Group.

2. Going concern

In the current financial year the Group has produced a loss of $16.4 million however it achieved a net cash inflow from operating activities of $1 million. The Directors have continued to adopt the going concern assumption in the preparation of the financial statements. This is based on the existing cash on hand, funding facilities available and budgeted trading activity for the 2016 financial year.

The budget for the 2016 financial year is based on a number of key assumptions as follows;

- sales into the domestic market only;
- assumes no improvement in the global export coal price;
- no significant operations at the Escarpment mine until such time as the export margin achieved makes the project economically viable;
- current working capital facilities remain available (but undrawn) under normal commercial arrangements;
- all contracted obligations are adhered to;
- overheads and administration costs are incurred in line with budget;
- all existing lines of financing remain.

The budget does not incorporate a range of austerity measures that could be implemented to reduce the cash spend if necessary. This includes further reduction in head office staffing, complete halt to exploration activity and a deferral of future consenting costs.

The Directors have considered potential uncertainties and risk mitigations in respect of the 2016 budget and these are summarised below;

- geo-technical issues at one of the mining operations - mitigated through continued geo- technical reviews and best practice mine planning; further mitigation achieved by operating the Escarpment mine simultaneously with the Cascade mine.
- sales into the domestic market are less than budget – this is mitigated by including only contracted customers with no modelled growth assumption.
- events outside management's control, such as the associated cost of Health and Safety regulations - allowance has been provided for in the 2016 budget with significant work already underway.

The Directors believe that based on the information available at the date of these financial statements, including the above assumptions and risks, there is a reasonable basis for continuing to adopt the going concern assumption. However, should specific assumptions not be realised there may be a material uncertainty relating to Group's ability to continue as a going concern. In this event the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

It should be noted that a major commercial domestic sales contract expires in 2016. The company has advanced its planning for when this contract expires.

3. Segment information

Management has determined operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board reviews the business from both a mine and geographic perspective and has identified two reportable segments. The Buller Coal segment relates to the mining, development and ultimate exploitation of permits under the Buller Coal management team in the Buller region of New Zealand. The Eastern Coal segment refers to the Takitimu mine and Timaru coal handling and distribution centre under the Eastern management team. The financial performance of these segments is monitored and operated separately from each other.

All other operations of the Group are classified within "Corporate" section of the segment note which encompasses the administration and treasury management of the Group. Assets and Liabilities have been presented net of intercompany balances.

During the period, the company undertook a rationalisation of the corporate structure and a number of group entities were amalgamated into a single legal entity to achieve operational efficiencies. Whilst this has not impacted the determination of operating segments within the business, there has been a change in the nature of information provided to the chief operating decision makers.

Revenue is no longer presented on a segmented basis, instead it is presented as a sales function across the Group. Total revenue for the year ended 30 June 2015 totalled $51.3m (2014: $55.5m).

Total assets and total liabilities are reported on a group basis and are not provided internally on a segmented basis. Total assets and liabilities as at 30 June 2015 total $50.4m (30 June 2014: $61.8m) and $31.5m (30 June 2014: $27.6m) respectively.

Two Bathurst customers met the reporting threshold of 10 percent of Bathurst's operating revenue in the year to 30 June 2015.

Segment information provided to the Board
The segment information provided to the Board for the reportable segments is as follows:

	Buller Coal	Eastern Coal	Corporate	Total
Group – 30 June 2015	**$'000**	**$'000**	**$'000**	**$'000**
Loss before tax	**(2,327)**	**(3,625)**	**(10,454)**	**(16,406)**
Loss before tax includes:				
Impairment losses	(1,246)	218	(143)	(1,171)
Depreciation and amortisation	(3,059)	(11,528)	(81)	(14,668)

	Buller Coal	Eastern Coal	Corporate	Total
Group – 30 June 2014	**$'000**	**$'000**	**$'000**	**$'000**
Sales revenue	22,649	35,491	-	58,140
Interest revenue	437	(74)	127	490
Other income	(25)	197	-	172
Total segment revenue	**23,061**	**35,614**	**127**	**58,802**
Inter segment revenue	(2,615)	-	-	-
Revenue from external customers	**20,446**	**35,614**	**127**	**56,187**
Total revenue per the income statement				**56,187**
Loss before tax	**(276,994)**	**(6,197)**	**(1,043)**	**(284,234)**
Loss before tax includes:				
Impairment losses	(449,984)	-	-	(449,984)
Depreciation and amortisation	(6,983)	(6,963)	(67)	(14,013)
Total segment assets as at 30 June 2014	**18,828**	**36,194**	**6,802**	**61,824**
Total segment liabilities as at 30 June 2014	**15,059**	**9,115**	**3,390**	**27,565**

4. Revenue

	Group	
	2015	**2014**
	$'000	**$'000**
Coal sales	36,652	42,191
Freight	14,637	13,334
Sales Revenue	**51,289**	**55,525**
Other income	244	172
Total Revenue	**51,533**	**55,697**

5. Cost of sales

	Group	
	2015	**2014**
	$'000	**$'000**
Raw materials, mining costs, and consumables used	15,635	28,259
Freight costs	13,047	11,230
Mine labour costs	7,842	5,044
Amortisation expenses	7,125	11,466
Changes in inventories of finished goods and work in progress	259	796
Total cost of sales	**43,908**	**56,795**

6. Other expenses

Classification of other expenses by nature:

	Group	
	2015	**2014**
	$'000	**$'000**
Audit fees	172	334
Director fees	254	501
Legal fees	483	128
Consultants	1,128	1,477
Employee benefit expense	5,440	6,693
Rent	439	389
Business development costs	59	137
Share based payments expense	968	881
Gain from reversal of share based payments expense	-	(3,672)
Other	3,375	4,235
Total other expenses	**12,318**	**11,103**

7. Remuneration of auditors

During the period, the following fees were paid or payable for services provided by the auditor of the parent entity:

	Group	
	2015	2014
	$'000	$'000
Audit and review of financial statements	170	334
Tax and compliance services by auditors	2	147
Total remuneration for auditors	**172**	**481**

8. Finance (costs)/income

		Group	
		2015	2014
	Notes	$'000	$'000
Interest income		196	490
Deferred consideration: foreign exchange gain	21	-	21,258
Total finance income		**196**	**21,748**
Interest expense		(950)	(815)
Foreign exchange loss		(50)	(278)
Provisions: unwinding of discount	22	(262)	(167)
Deferred consideration: unwinding of discount	21	(194)	(9,123)
Total finance costs		**(1,456)**	**(10,383)**
Finance (cost)/income - net		**(1,260)**	**11,365**

9. Income tax benefit

	Group 2015 $'000	Group 2014 $'000
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	(95,331)
Income tax benefit	**-**	**(95,331)**
(b) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss before income tax	(16,406)	(284,234)
Tax at the standard New Zealand rate of 28%	(4,594)	(79,586)
Tax effect of amounts that are not deductible / (assessable) in calculating taxable income:		
Share based payment expense	271	(781)
Fair value gain on deferred consideration	244	(47,415)
Deferred consideration: foreign exchange gain	-	2,539
Deferred consideration: unwinding of discount	(17)	(5,952)
Tax losses not recognised	1,728	7,090
Deferred tax not recognised *	2,596	22,536
Previous recognised losses unrecognised	-	8,316
Impairment losses recognised	(304)	14,640
Prior period adjustments	-	(2,214)
Sundry items	76	(14,504)
Income tax benefit	**-**	**(95,331)**

* Further information relating to deferred tax is set out in note 18.

Imputation credits

	Group 2015 $'000	Group 2014 $'000
New Zealand imputation credit account		
Closing balance	**1,061**	**1,072**

10. Impairment losses

	Notes	Group 2015 $'000	Group 2014 $'000
Impairment of exploration and evaluation assets	16	287	8,825
Impairment of mining assets	16	2,622	414,427
Impairment of plant, property and equipment		853	26,867
Reversal of impairment		(6,015)	(135)
Impairment of other financial assets		3,424	-
Total impairment losses		**1,171**	**449,984**

Management has assessed the cash generating units for the Group as follows:

- Eastern Coal, as the coal yard cannot generate its own cash flows independent of the mine. Eastern Coal includes Canterbury Coal, Takitimu mine and the Timaru coal yard.
- Buller Coal Project, as there is a large amount of shared infrastructure between the proposed mines, necessary blending of the pit products at the same site, and the similar geographical location of the pits.
- Cascade mine, as the mine has established domestic markets which allow a profitable operation without relying on the infrastructure to be built for the Buller Coal Project.

Management have prepared detailed impairment models for each of the above cash generating units to determine the recoverable amount which is the higher of the value in use or fair value less cost to sell. The model is a discounted cash flow based on the Board approved operating plans for each CGU.

Eastern Coal

The recoverable amount of the Eastern Coal CGU future cash flows has been assessed as higher than the carrying value therefore no impairment has been recorded as at 30 June 2015.

Buller Coal Project

The Buller Coal Project is subject to movements in the international coking coal market. Coking coal prices have experienced a reduction in recent years which has impacted on the potential value of the Buller Coal Project. The Buller Coal Project was fully impaired in the year ended 30 June 2014 and remains fully impaired with the exception of one block of land (see below) at 30 June 2015 with further deterioration in the global price of coking coal.

$6m impairment previously recognised was reversed during the year. This primarily relates to land, buildings and other minor plant and equipment which has been disposed of. The disposal of land occurred subsequent to the year end and is discussed further in note 31.

Cascade Mine

Cascade mine has recorded a partial impairment in the year ended 30 June 2015, due to a major commercial sales contract expiring in 2016 which impacts upon production forecasts. The partial impairment results in the mine assets being held at fair value (fair value hierarchy level 3).

Assumptions

The sales price per tonne used in the valuation models has been based on current contractual arrangements. Production levels have been based on the Board approved operating plan which, for Cascade, sees production wind down in the last quarter of 2016. As the majority of all production is matched to contracted sales, the sensitivity of pricing movements for non-contracted volumes is immaterial.

The discount rate is required to reflect the time value of money as well as the asset risk profile. The model assumes a post-tax rate of 11.19% (2014: 11:07%). The recoverable value has been determined using discounted cash flows under the fair value less costs to sell methodology.

11. Cash and short term deposits

	Group	
	2015	**2014**
	$'000	**$'000**
Cash at bank and on hand	2,465	5,565
Cash and cash equivalents	**2,465**	**5,565**
Short term deposits *	2,770	3,290
Total cash and short term deposits	**5,235**	**8,855**

* Short term deposits include restricted term deposits held with ANZ and Westpac in relation to security held against performance bonds.

12. Trade and other receivables

	Group	
	2015	**2014**
	$'000	**$'000**
Trade receivables	4,667	2,816
Less: provision for impairment of receivables	(785)	-
	3,882	**2,816**
Loans to key management personnel *	-	510
Interest receivable	27	356
Prepayments	93	78
Other receivables **	112	583
Total trade and other receivables	**4,114**	**4,343**

* Further information relating to loans to key management personnel is set out in note 29.

** Other receivables in 2014 included a receivable from Mr Bohannan relating to the exercise of 5,000,000 options in October 2013.

13. Inventories

	Group	
	2015	**2014**
	$'000	**$'000**
Raw materials and stores	332	425
Finished goods*	824	773
Other	123	85
Total inventories	**1,279**	**1,283**

* Finished goods are recorded at the lower of cost and net realisable value as per note 1(i).

14. Other financial assets

	Group	
	2015	**2014**
	$'000	**$'000**
Current		
Advances to third parties	20	82
Other	-	50
	20	**132**
Non-current		
Security bonds and deposits	147	2,182
Advances to third parties	-	3,826
Other	-	1,554
Total financial assets	**167**	**7,694**

Security bonds and deposits have been provided to third parties in relation to rental properties and mine / permit access arrangements.

15. Property, plant and equipment

Group - 30 June 2015	Freehold Land	Buildings	Mine Infrastructure	Plant & Machinery	Furniture, fittings and equipment	Other	Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening cost	22,528	6,478	3,561	14,330	2,060	508	11,435	**60,900**
Additions	327	165	-	310	105	50	288	**1,245**
Disposals	(4,447)	-	-	(6)	-	-	(178)	**(4,631)**
Closing cost	**18,408**	**6,643**	**3,561**	**14,634**	**2,165**	**558**	**11,545**	**57,514**
Opening accumulated depreciation	(10,553)	(5,660)	(931)	(7,377)	(1,424)	(231)	(11,338)	**(37,514)**
Depreciation	(4,800)	(73)	(44)	(2,423)	(163)	(40)		**(7,543)**
Impairment	5,048	(18)	(75)	(361)	(10)	(62)	178	**4,700**
Disposals	-	-	-	(5)	-	-	-	**(5)**
Closing accumulated depreciation	**(10,305)**	**(5,751)**	**(1,050)**	**(10,166)**	**(1,597)**	**(333)**	**(11,160)**	**(40,362)**
Closing net book value	8,103	892	2,511	4,468	568	225	385	**17,152**

Group - 30 June 2014	Freehold Land	Buildings	Mine Infrastructure	Plant & Machinery	Furniture, fittings and equipment	Other	Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening cost	16,745	6,477	3,423	13,670	1,969	575	10,188	53,046
Additions	5,783	2	138	716	105	65	3,915	10,723
Disposals	-	-	-	(55)	(14)	(131)	(2,668)	(2,869)
Closing cost	**22,528**	**6,478**	**3,561**	**14,330**	**2,060**	**508**	**11,435**	**60,900**
Opening accumulated depreciation	(759)	(257)	(647)	(5,345)	(830)	(293)	-	(8,131)
Depreciation	(80)	(69)	(284)	(1,551)	(624)	62	-	(2,546)
Impairment	(9,714)	(5,334)	-	(481)	-	-	(11,338)	(26,867)
Disposals	-	-	-	-	30	-	-	30
Closing accumulated depreciation	(10,553)	(5,660)	(931)	(7,377)	(1,424)	(231)	(11,338)	(37,514)
Closing net book value	11,975	818	2,630	6,953	636	277	97	**23,386**

16. Mining licences, properties, exploration, and evaluation assets

	Group	
	2015	2014
Exploration and evaluation assets	**$'000**	**$'000**
Opening balance	589	31,377
Expenditure capitalised	348	3,521
Written off exploration and evaluation assets	-	(21)
Impairment recognised	(287)	(8,825)
Transfer to mining licences and property assets	-	(25,463)
Total exploration and evaluation assets	**650**	**589**
Mining licences and property assets		
Opening balance	15,577	393,636
Expenditure capitalised	13,941	6,091
Amortisation	(7,125)	(9,064)
Abandonment provision movement	594	194
Waste moved in advance capitalised	1,483	13,684
Impairment recognised	(2,622)	(414,427)
Transfer from exploration and evaluation assets	-	25,463
Total mining licences and property assets	**21,848**	**15,577**
Total mining licences, property, exploration and evaluation assets	**22,498**	**16,166**

17. Investment in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of incorporation	Class of Shares	Equity holding	
			2015	2014
			%	%
BR Coal Pty Limited	Australia	Ordinary	100	100
Bathurst New Zealand Limited	New Zealand	Ordinary	100	100
Bathurst Coal Holdings Limited[(1)]	New Zealand	Ordinary	100	100
Buller Coal Limited	New Zealand	Ordinary	100	100
Bathurst Coal Limited[(2)]	New Zealand	Ordinary	100	100
Cascade Coal Limited	New Zealand	Ordinary	-	100
Sommervilles Land Holdings Limited	New Zealand	Ordinary	-	100
Canterbury Coal Limited	New Zealand	Ordinary	-	100
Cascade East Limited	New Zealand	Ordinary	-	100
Takitimu Coal Limited	New Zealand	Ordinary	-	100
Rochfort Coal Limited	New Zealand	Ordinary	-	100
Eastern Coal Supplies Limited	New Zealand	Ordinary	-	100
New Brighton Collieries Limited	New Zealand	Ordinary	100	-

All subsidiary companies have a balance date of 30 June, are predominantly involved in the coal industry and have a functional currency of New Zealand dollars with the exception of BR Coal Pty Ltd. BR Coal Pty Ltd has a functional currency of Australian dollars

(1) During the period, Bathurst Coal Limited changed its name to Bathurst Coal Holdings Limited
(2) During the period Eastern Coal Limited changed its name to Bathurst Coal Limited and amalgamated with Cascade Coal limited, Sommervilles Land Holdings Limited, Canterbury Coal Limited, Cascade East Lmited, Takitimu Coal Limited, Rochfort Coal Limited and Eastern Coal Supplies Limited.

During the period, the company acquired 100% of the ordinary shares in New Brighton Collieries Limited.

18. Deferred tax asset/(liabilities)

	Group	
	2015	**2014**
	$'000	**$'000**
The balance comprises temporary differences attributable to:		
Tax losses	15,791	15,406
Employee benefits	244	200
Provisions	1,311	1,156
Mining licences	16,195	15,545
Exploration and evaluation expenditure	1,614	1,630
Property, plant and equipment	7,442	7,288
Total deferred tax assets	**42,597**	**41,225**
Waste moved in advance	(1,654)	(3,283)
Total deferred tax liabilities	**(1,654)**	**(3,283)**
Net deferred tax asset not recognised	(40,943)	(37,942)
Net deferred tax asset/(liability)	-	-

	Group	
	2015	**2014**
	$'000	**$'000**
Movement		
Opening balance	-	(95,331)
Deferred tax benefit	-	95,331
Net deferred tax asset/(liability)	-	-

The Group has not recognised a net deferred tax asset of $40.9m (2014: $37.9m) on the basis that it is not probable these losses will be utilised in the foreseeable future.

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19. Trade and other payables

	Group	
	2015	**2014**
	$'000	**$'000**
Current		
Trade payables	2,597	3,827
Accruals	1,580	2,987
Employee benefit payable	1,070	857
Other payables	325	293
	5,572	**7,964**
Non-Current		
Other payables	430	-
Total trade and other payables	**6,002**	**7,964**

20. Borrowings

	Group	
	2015	**2014**
	$'000	**$'000**
Current		
Secured		
Bank loans	2,471	5,771
Property loans	5,865	1,290
Lease liabilities	213	279
	8,549	**7,340**
Non-current		
Secured		
Bank loans	363	484
Property loans	-	5,625
Lease liabilities	98	132
	461	**6,241**
Total borrowings	**9,010**	**13,581**

Included above is a finance facility with Westpac New Zealand Limited for the acquisition of a new mining fleet. The total amount available and drawn on that facility as at 30 June 2015 was $2 million (2014:$3 million). The current term of the facility is five years which is reviewed annually by Westpac New Zealand Limited and may be terminated at any time.

The facility is a fixed rate, New Zealand dollar denominated loan which is carried at amortised cost. The facility does not impact on the entity's exposure to foreign exchange and interest rate risk.

The Group also has with Westpac New Zealand Limited a term loan of $0.7 million (2014:$1.1 million), finance lease facilities $0.3 million (2014:$0.2 million), and bank overdraft facilities which were unused at 30 June

2015 and 2014. These facilities have various covenants in place. A portion of finance leases and bank loans with Westpac New Zealand Limited have been classified as non-current.

(a) Security

The bank loans are secured by an all obligations General Security Agreement given by Bathurst Coal Limited under which the company grants to the bank a first ranking security interest over all its present and future acquired property (including proceeds) and a first ranking security interest over any of the company's assets. In addition to this, the bank has a registered first and exclusive mortgage over the property and coal handling facility at Timaru.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

	Group	
	2015	**2014**
	$'000	**$'000**
Current		
General Security Agreement		
Cash and cash equivalents	54	3,674
Receivables	72	3,348
Inventories	1,215	1,283
Total current assets pledged as security	**1,341**	**8,305**
Non-current		
First and exclusive mortgage		
Freehold land and buildings	1,133	1,097
Finance lease		
Plant and equipment	426	132
General Security Agreement		
Plant and equipment	9,941	21,352
Total non-current assets pledged as security	**11,500**	**22,581**
Total assets pledged as security	**12,841**	**30,886**

(b) Fair value

The carrying value of borrowings has been assessed as the fair value.

(c) Finance leases liabilities

Finance lease liabilities are payable as follows.

Group	Future minimum lease payments 2015 $'000	Interest 2015 $'000	Present value of minimum lease payments 2015 $'000	Future minimum lease payments 2014 $'000	Interest 2014 $'000	Present value of minimum lease payments 2014 $'000
Less than one year	231	18	213	310	31	279
Between one and five years	112	14	98	141	9	132
More than five years	-	-	-	-	-	-
	343	**32**	**311**	**451**	**40**	**411**

21. Deferred consideration

	Group 2015 $'000	Group 2014 $'000
Current		
Acquisition of subsidiary deferred consideration	1,730	917
Non-current		
Acquisition of subsidiary deferred consideration	10,883	1,974
Total deferred consideration	**12,613**	**2,891**
Movement		
Opening balance	2,891	183,856
Unwinding of discount	194	9,123
Foreign exchange (gain)/loss	-	(21,258)
Fair value adjustment to deferred consideration	615	(169,396)
Addition upon acquisition of Canterbury Coal Limited	-	566
Addition upon acquisition of New Brighton Collieries Limited	9,103	-
Consideration paid during the period	(190)	-
Closing balance	**12,613**	**2,891**

(a) Details on deferred consideration – Buller Coal Project

Model inputs

The fair value of the future royalty payments is estimated using a discount rate, as deferred consideration is payable in US$ for export sales, the discount rate is comprised of the 10 year US Government Bond rate plus a risk premium – 1% for performance payments and 4.5% for royalties. The Board approved production profile is applied and consensus coal prices used. Any royalties payable in USD for export sales are then converted to NZD using the latest spot rate. Royalties for sales made in NZD are payable in NZD.

Unwinding of discount

The unwinding of discount adjustment relates to the fair value impact on the deferred consideration calculation of the time value of money.

Deferred consideration
The acquisition of Buller Coal Limited (formerly L&M Coal Limited) in November 2010 contained two components of deferred consideration, cash and royalties.

Deferred cash consideration
The deferred cash consideration is made up of two payments of US$40,000,000 (performance payments), the first being payable upon 25,000 tonnes of coal being shipped from the Buller Coal Project and the second payable upon 1 million tonnes of coal being shipped from the Buller Coal Project.

The potential undiscounted amount of all future cash payments that the Group could be required to make under these arrangements is between US$nil and US$80,000,000. The deferred cash consideration is valued at each reporting date based on expected timing of the cash payment and an appropriate discount rate. Revaluations are recognised in the income statement.

Bathurst has the option to defer the cash payment of the performance payments. If the performance payments are deferred by Bathurst a higher royalty rate is payable by Bathurst on coal sold from the respective permit areas, until such time the performance payments are made. The option to pay a higher royalty rate has been assumed.

Royalties
As part of the consideration Bathurst was party to a royalty agreement with L&M Coal Holdings Limited. The amounts that are payable in the future under this royalty agreement are recognised as part of the consideration paid for Buller Coal Limited.

The fair value of the future royalty payments is estimated using an appropriate discount rate, production profile, and forecasted US dollar coal prices (estimated using forecasts from leading investment banks). Revaluations are recognised in the income statement.

Foreign exchange
Both elements of the deferred consideration are denominated in US dollars and as such are exposed to movements in foreign exchange rates (notably New Zealand dollar / US dollar rates) with the effect of changes in the foreign exchange rates being recognised in the income statement in the period the change occurs. Refer to note 28 for discussion on the sensitivity of the income statement to fluctuations in the New Zealand dollar / US dollar exchange rate.

The deferred consideration only becomes payable upon sales targets being achieved and as such is considered to be naturally hedged against US dollar sales receipts expected at the time the deferred consideration falls due.

Payment timing
The construction coal being mined has triggered the performance payments and royalties are now being paid, as such a component of deferred consideration is classified as current at 30 June 2015.

Security
Pursuant to a deed of guarantee and security the two performance payments of US$40 million included in the deferred consideration above are secured by way of a first-ranking security interest in all of Buller Coal Limited's present and future assets (and present and future rights, title and interest in any assets). In addition

to this, Buller Coal Limited has guaranteed the payment of all amounts under the Sale and Purchase Agreement with L&M Coal Holdings Limited.

(b) Details on deferred consideration – Canterbury Coal Limited

The acquisition of Canterbury Coal Limited in November 2013 contained a royalty agreement. The amounts that are payable in the future under this royalty agreement are required, to be recognised as part of the consideration paid for Canterbury Coal Limited. The fair value of the future royalty payments is estimated using a discount rate based upon the latest New Zealand 10 year government bond rate, production profile, and forecasted domestic coal prices.

(c) Details on deferred consideration – New Brighton Collieries Limited

On 10 March 2015, the company announced that it had completed the acquisition of New Brighton Collieries Limited under amended terms. The acquisition was initially announced on 28 February 2012 with the principal asset of New Brighton Collieries Limited being coal exploration permit 40625. Under the amended terms the balance due on settlement is to be satisfied by an ongoing royalty based on mine gate sales revenue. The fair value of the future royalty payments is estimated using a discount rate based upon the latest New Zealand 10 year government bond rate, projected production profile, and forecast domestic coal prices.

A 1% increase or decrease in the discount rate used would decrease or increase the deferred consideration balance by $0.5m and $0.6m, respectively.

Security
Pursuant to a deed of guarantee and security the deferred consideration is secured by way of a first-ranking security interest in all of New Brighton Collieries Limited's present and future assets (and present and future rights, title and interest in any assets).

Deferred consideration liabilities have been categorised as level 3 under the fair value hierarchy.

22. Provisions

	Group	
	2015	**2014**
	$'000	**$'000**
Current		
Rehabilitation	247	259
Restructuring provision	380	-
	627	**259**
Non-current		
Rehabilitation	3,274	2,870
Total provisions	**3,901**	**3,129**
Rehabilitation provision movement		
Opening balance	3,129	2,784
Change recognised in the mining and property asset	594	194
Change due to passage of time (unwinding of discount)	262	167
Other changes recognised in the income statement	(464)	(16)
Closing balance	**3,521**	**3,129**

Rehabilitation provision
Provision is made for the future rehabilitation of areas disturbed in the mining process. Management estimates the provision based on expected levels of rehabilitation, areas disturbed and an appropriate discount rate.

Restructuring provision
Provision has been made for planned changes to the company's management structure. A detailed formal plan is in place and an announcement has been made to those affected.

23. Contributed equity

	Group	
	2015	**2014**
	Number of Shares 000s	**Number of Shares 000s**
Ordinary fully paid shares	947,828	944,932
	947,828	**944,932**
Movement		
Opening balance	944,932	699,248
Issue of shares *	2,146	232,397
Exercise of options and conversion of performance rights * *	750	13,287
Closing balance	**947,828**	**944,932**

* In July 2014 the Company completed a non-renounceable rights issue resulting in the issue of 2,146,913 shares. The rights issue followed a share placement to institutional, sophisticated and professional investors, in April 2014.
** Further information is set out in note 26.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. Every ordinary share is entitled to one vote.

24. Reserves

	Group	
	2015	**2014**
	$'000	**$'000**
Share based payment reserve	2,028	1,233
Foreign exchange translation reserve	(140)	(198)
Re-organisation reserve	(32,760)	(32,760)
Total reserves	**(30,872)**	**(31,725)**

Nature and purpose of reserves
Share based payment reserve
The share based payment reserve is used to recognise the fair value of performance rights issued.

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Foreign exchange translation reserve
Exchange differences arising on translation of companies within the Group with a different functional currency to New Zealand dollars are taken to the foreign currency translation reserve. The reserve is recognised in the income statement when the investment is disposed of.
Reorganisation reserve
Bathurst Resources Limited was incorporated on 27 March 2013. A scheme of arrangement between Bathurst Resources Limited and its shareholders resulted in Bathurst Resources (New Zealand) Limited becoming the new ultimate parent company of the Group on 28th June 2013. In accordance with the Financial Reporting Act 1993, these Group financial statements can only include subsidiary companies results from the date of reorganisation, and therefore in arriving at a closing consolidated Balance Sheet, a reorganisation reserve has been created which reflects the previous retained losses of subsidiaries.

25. Earnings per share

	Group	
	2015	**2014**
(a) Basic earnings per share	**Cents**	**Cents**
Total basic earnings per share attributable to the ordinary equity holders of the company	(1.73)	(23.07)
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the company	(1.73)	(23.07)
(c) Reconciliation of earnings used in calculating earnings per share	**$'000**	**$'000**
Earnings used in the calculation of basic and dilutive Earnings per share:		
Earnings from continued operations	(16,406)	(188,903)
Total earnings	**(16,406)**	**(188,903)**
(d) Weighted average number of shares used as the denominator	**Number of Shares 000s**	**Number of Shares 000s**
Weighted average number of ordinary shares during the period used in the calculation of basic and dilutive earnings per share	947,657	818,913
Adjustments for calculation of diluted earnings per share:		
Options and performance rights	154	12,222
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**947,812**	**831,135**

26. Share-based payments

(a) Employee share option plan

The Bathurst Resources Limited Employee Share Option Plan ("ESOP") was approved by shareholders at the 2010 AGM. The ESOP was designed to provide directors, senior executives, employees, and consultants with an opportunity to participate in the company's future growth and gives them an incentive to contribute to that growth.

Under the plan, participants were granted units in the ESOP Trust, some of which only vest upon the shipment of the first 25,000 tonnes from the Buller Coal Project. Participation in the ESOP was at the Board's discretion.

A number of senior executives were granted units in the Bathurst Resources Limited Employee Share Option Plan. The remaining options were forfeited in August and December 2014.

Options (ESOP)

Grant date	Expiry date	Exercise price	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercisable at the end of the period
		AUD cents	000s	000s	000s	000s
26-Aug-12	29-Aug-14	38.0	1,000	-	(1,000)	-
1-Sep-12	29-Aug-14	38.0	1,000	-	(1,000)	-
20-Dec-12	19-Dec-14	38.0	2,000	-	(2,000)	-
			4,000	**-**	**(4,000)**	**-**
Weighted average exercise price (cents)			AUD38.00	-	AUD 38.00	

* share options were issued with an Australian dollar exercise price.

(b) Employee long term incentive plan

The Bathurst Resources Limited Long Term Incentive Plan (LTIP) was approved by Shareholders at the 2012 AGM. The purpose of the plan is to reinforce a performance focused culture by providing a long term performance based element to the total remuneration packages of certain employees, by aligning and linking the interests of Bathurst's leadership team and Shareholders, and to attract and retain executives and key management.

The plan forms part of the Company's remuneration policy and provides the Company with a mechanism for driving long term performance for Shareholders and retention of executives.

Performance rights granted under the plan carry no dividend or voting rights. When exercised each performance right converts into one fully paid ordinary share.

Share based payments are recognised based on the fair value of Performance Share Rights ("PSRs") offered to eligible participants at the grant date.

The fair value at issue date is determined using the following methodology; the price path of Bathurst shares is modelled using the Monte Carlo simulation, the total number of Bathurst PSRs that will vest to participants is calculated then the payoff to participants is calculated and discounted back to present value today.

The assessed fair value (for NZ IFRS 2 purposes) at issue date of share options issued during the year ended 30 June 2013 is summarised in the table below. No performance rights were granted in 2014 or 2015.

Performance Rights (LTIP)

Grant date	Vesting date	Outstanding at the beginning of the period	Forfeited during the period	Exercised during the period	Outstanding at the end of the period	Exercisable at the end of the period
		000s	000s	000s	000s	000s
8-Feb-13	30-Jun-15	294	(235)	(59)	-	-
27-Mar-13	30-Jun-15	309	-	(155)	154	154
31-Mar-13	30-Jun-15	367	(294)	(73)	-	-
13-Jun-13	30-Jun-15	1,389	(926)	(463)	-	-
22-Nov-13	30-Jun-16	692	(692)	-	-	-
29-Nov-13	30-Jun-16	1,846	(1,846)	-	-	-
3-Dec-13	30-Jun-16	1,200	(1,200)	-	-	-
5-Dec-13	30-Jun-16	1,662	(1,662)	-	-	-
		7,759	**(6,855)**	**(750)**	**154**	**154**

No options were granted during the period.

27. Reconciliation of loss before income tax to net cash flow from operating activities

	Group	
	2015	**2014**
	$'000	**$'000**
Loss before taxation	(16,406)	(284,234)
Depreciation and amortisation expense	14,668	13,776
Loss on disposal of property, plant and equipment	1,160	-
Share based payments expense	968	881
Gain from reversal of share based payments expense	-	(3,672)
Fair value adjustment to deferred consideration	615	(169,396)
Foreign exchange (gain) on deferred consideration	-	(21,258)
Impairment losses	1,171	449,984
Unwinding of discount	194	9,123
Waste moved in advance capitalised	(1,483)	(13,684)
Unwinding of rehabilitation asset	262	167
Other non-cash items	164	685
Change in working capital assets	(337)	911
Cash flow from operating activities	**976**	**(16,717)**

28. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk.

Risk management is carried out by the management team under policies approved by the Board of directors. Management identifies and evaluates financial risks on a regular basis.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not New Zealand dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

Once the Group commences export sales, it becomes exposed to foreign exchange movements, this primarily relates to deferred consideration which is denominated in USD for export coal sales of coal sourced from the permits acquired from L&M Coal Holdings Limited.

The Group had no exposure to foreign currency risk at the end of the reporting period.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate as a means of minimising the risk of financial defaults.

Financial instruments which potentially subject the Group to credit risk consist primarily of cash and cash equivalents as well as credit exposures to our customers, including outstanding receivables.

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings of AA-, with funds required to be invested with a range of separate counterparties.

The Group's maximum exposure to credit risk for trade and other receivables is its carrying value.

(c) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of the Group's non-derivative financial liabilities were as follows:

	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying value
Group - 30 June 2015	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	5,429	143	143	287	-	**6,002**	**6,002**
Borrowings (excl finance leases)	6,927	713	1,375	109	-	**9,124**	**8,699**
Finance leases	182	49	105	7	-	**343**	**311**
Deferred consideration	969	761	1,518	4,722	10,461	**18,431**	**12,613**
Total	**13,507**	**1,666**	**3,141**	**5,125**	**10,461**	**33,900**	**27,625**
Group - 30 June 2014	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	7,964	-	-	-	-	**7,964**	**7,964**
Borrowings (excl finance leases)	6,808	835	6,302	-	-	**13,945**	**13,170**
Finance leases	176	134	141	-	-	**451**	**411**
Deferred consideration	-	917	2,377	-	-	**3,294**	**2,891**
Total	**14,948**	**1,886**	**8,820**	-	-	**25,654**	**24,436**

At 30 June 2015 the Group had no derivatives to settle (2014: nil).

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain the future development of the business. Given the stage of the company's development there are no formal targets set for return on capital. There were no changes to the company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

(e) Fair value measurements

The fair value of assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Group's only financial asset or liability measured at a fair value hierarchy of level 3 is deferred consideration. This is discussed further in note 21.

(f) Financial instruments by category

	Group 2015 $'000	Group 2014 $'000
Financial Assets		
Loans and receivables		
Cash and short term deposits	5,235	8,855
Trade and other receivables	4,021	4,343
Other financial assets	167	7,694
Total	**9,423**	**20,892**
Financial Liabilities		
Amortised cost		
Trade and other payables	6,002	7,964
Borrowings	9,010	13,581
Fair value		
Deferred consideration	12,613	2,891
Total	**27,625**	**24,436**

29. Related party transactions

(a) Parent entity

The parent entity within the Group is Bathurst Resources Limited.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries listed in note 17.

(c) Key management personnel

Key personnel are all the management and directors (executive and non-executive) of the Group.

Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2015 is set out below

Group	Short term benefits $000's	Share based payments $000's	Termination benefits $000's	Total $000's
30 June 2015				
Management	1,696	303	1,485	3,484
Directors	259	-	-	259
Total	**1,955**	**303**	**1,485**	**3,743**

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Group	Short term benefits $000's	Share based payments $000's	Post-employment benefits $000's	Total $000's
30 June 2014				
Management	2,890	748	4	3,642
Directors	501	-	-	501
Total	**3,391**	**748**	**4**	**4,143**

Other transactions or loans with key management personnel

Details of loans made to directors of Bathurst Resources Limited and other key management personnel of the Group, including their personally related parties are set out below.

	Group 2015 $'000	Group 2014 $'000
Aggregates of loans to key management personnel		
Opening Balance	510	451
Interest charged	20	-
Loan (settled)/advanced	(530)	59
Closing balance	-	**510**
Individuals with loans above $100,000 at the end of the period		
H Bohannan	-	510
Total	-	**510**

Mr Bohannan resigned from the company on 24th March 2015. Loans and other receivables due from Mr Bohannan were settled via termination arrangements.

The Group entered into a joint venture in August 2013 with Johnson Bros Transport to operate a coal yard in Rolleston. These financial statements include coal sales to the joint venture totalling $2.1m (2014: $2.5m).

30. Commitments and contingent liabilities

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Group 2015 $'000	Group 2014 $'000
Within one year	-	410
Later than one year but not later than five years	-	-
Later than five years	-	-
Property, plant and equipment	-	410
Within one year	-	4,328
Later than one year but not later than five years	-	3,059
Later than five years	-	-
Mining licences and properties	-	7,387
Total capital commitments	-	**7,797**

(b) Lease commitments

(i) Non-cancellable operating leases

The Group leases various offices, accommodations, and equipment under non-cancellable operating leases expiring within one to six years. The leases have varying terms, escalation clauses and renewal rights.

Lease commitments

	Group	
	2015	**2014**
	$'000	**$'000**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	240	316
Later than one year but not later than five years	263	333
Later than five years	-	-
Total lease commitments	**503**	**649**

During the year ended 30 June 2015 $0.2m (2014: $0.4m) was recognised as an expense in the income statement in respect of operating leases.

(ii) Finance leases

The Group leases various plant and equipment expiring within one to four years.

	Group	
	2015	**2014**
	$'000	**$'000**
Commitments in relation to finance leases are payable as follows:		
Within one year	234	310
Later than one year but not later than five years	109	141
Later than five years	-	-
Minimum lease payments	**343**	**451**
Future finance charges	(32)	(40)
Finance lease liability	**311**	**411**
The present value of finance lease liabilities is as follows:		
Within one year	213	279
Later than one year but not later than five years	98	132
Later than five years	-	-
Minimum lease payments	**311**	**411**

(c) Exploration expenditure commitments

In order to maintain the various permits in which the Group is involved the Group has ongoing operational expenditure as part of its normal operations. The actual costs will be dependent on a number of factors including final scope and timing of operations.

(d) Contingent assets and liabilities

As at 30 June 2015 the Group had no contingent assets or liabilities (2014: nil).

31. Events occurring after the reporting period

Subsequent to the period end, a parcel of land was disposed for $5.375m. The asset was disposed with proceeds used in settlement of a loan held over the original purchase totalling $5.375m. The loan is included within current borrowings in these financial statements.

There are no other material events that occurred subsequent to reporting date, that require recognition of, or additional disclosure in these financial statements.

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Independent Auditors' Report

to the shareholders of Bathurst Resources Limited

Report on the Financial Statements

We have audited the Group financial statements of Bathurst Resources Limited ("the Company") on pages 3 to 44, which comprise the balance sheet as at 30 June 2015, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 30 June 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Group. Other than in our capacity as auditors and providers of other related assurance services we have no relationship with, or interests in, the Group.

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Independent Auditors' Report

Bathurst Resources Limited

Opinion

In our opinion, the financial statements on pages 3 to 44 present fairly, in all material respects, the financial position of the Group as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements which states that there are uncertainties in achieving the future cash flow forecasts. This indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
25 September 2015

Wellington