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22 October 2015

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

**Bathurst Resources Limited – Notice of Annual General Meeting and 209 Notice**

The enclosed Notice of Annual General Meeting is being mailed to shareholders today.

Yours sincerely  
Bathurst Resources Limited

A handwritten signature in black ink, appearing to read "Bill Lyne", with a horizontal line underneath.

Bill Lyne  
Company Secretary

For personal use only

For personal use only

# **BATHURST RESOURCES LIMITED**

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**NZCN 4382538**

## **Notice of Annual General Meeting Explanatory Statement and Proxy Form**

**Date of Meeting**

Monday 23 November 2015

**Time of Meeting**

9:00 a.m. (NZST)

**Place of Meeting**

Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor  
or other professional adviser without delay.*

## Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF BATHURST RESOURCES LIMITED CN 4382538 ("Bathurst"/ "Company") WILL BE HELD AT MINTER ELLISON RUDD WATTS, LEVEL 18, 125 THE TERRACE, WELLINGTON, NEW ZEALAND ON MONDAY 23 NOVEMBER 2015, AT 9:00 A.M. (NZST).

### AGENDA

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

#### ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the Directors and the Auditors for the financial year ended 30 June 2015.

Note: A copy of the Company's 2015 Annual Report will be available at <http://www.bathurstresources.co.nz> on and after 30 October, 2015.

#### RESOLUTIONS

1. **Resolution 1 – Election of Mr Russell Middleton as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That Mr Russell Middleton, who was appointed during the year by the Board to fill a casual vacancy and retires in accordance with Listing Rule 14.4, being eligible, offers himself for re-election, be re-elected as a Director."*

**Voting Exclusion Statement:** none required

2. **Resolution 2 – Election of Mr Peter Westerhuis as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That Mr Peter Westerhuis, who was appointed during the year by the Board to fill a casual vacancy and retires in accordance with Listing Rule 14.4, being eligible, offers himself for re-election, be re-elected as a Director."*

**Voting Exclusion Statement:** none required

3. **Resolution 3 – Ratification of issue of 7,154,321 shares to current and former employees**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That for the purposes of Listing Rule 7.4, Listing Rule 10.14 and all other purposes, the issue of 7,154,321 Shares to current and former employees, as more fully described in the Explanatory Statement accompanying this Notice of Meeting be approved."*

**Voting Exclusion Statement** - The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue of Shares referred to in Resolution 3 and their associates. However, the Company will not disregard a vote if:-

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

4. **Resolution 4 – Adoption of Bathurst Resources Limited Long Term Incentive Plan**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That, for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders approve the employee incentive scheme for employees and Directors of the Company known as the "Bathurst Resources Limited Long Term Incentive Plan", a copy of the terms and conditions of which accompanies this Notice of Annual General Meeting in Appendices 1 and 2, and the issue of securities thereunder until the day immediately preceding the third anniversary of the date upon which this Resolution is passed, as an exception to Listing Rule 7.1.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 4 by a Director (other than a Director who is eligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chairman acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

5. **Resolution 5 – Approval to Issue Shares to Mr Richard Tacon**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to the Executive Director of the Company, Mr Richard Tacon (or his nominee), of up to 5,000,000 Shares, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 5 by Mr Tacon and any person associated with Mr Tacon. However, the Company will not disregard any votes cast on Resolution 5 if it is cast by:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

6. **Resolution 6 – Approval to Issue Performance Rights to Mr Richard Tacon**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That, subject to the approval of Resolution 4 in accordance with its terms as stated in this Notice of General Meeting, and for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue to the Executive Director of the Company, Mr Richard Tacon (or his nominee), of up to 5,000,000 Performance Rights under the Bathurst Resources Limited Long Term Incentive Plan, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Performance Rights.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 6 by a Director who is eligible to participate in the employee incentive scheme in respect of the Plan and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 6 if it is cast by:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

**7. Resolution 7 – Approval to Issue Performance Rights to Mr Toko Kapea**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That, subject to the approval of Resolution 4 in accordance with its terms as stated in this Notice of General Meeting, and for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue to the Chairman and Non-executive Director the Company, Mr Toko Kapea (or his nominee), of up to 1,500,000 Performance Rights under the Bathurst Resources Limited Long Term Incentive Plan, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Performance Rights.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 7 by a Director who is eligible to participate in the employee incentive scheme in respect of the Plan and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 7 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

**8. Resolution 8 – Approval to Issue Performance Rights to Mr Russell Middleton**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That, subject to the approval of Resolution 4 in accordance with its terms as stated in this Notice of General Meeting, and for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue to the Non-executive Director of the Company, Mr Russell Middleton (or his nominee), of up to 1,500,000 Performance Rights under the Bathurst Resources Limited Long Term Incentive Plan, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Performance Rights.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 8 by a Director who is eligible to participate in the employee incentive scheme in respect of the Plan and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 8 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

**9. Resolution 9 – Approval to Issue Performance Rights to Mr Peter Westerhuis**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*That, subject to the approval of Resolution 4 in accordance with its terms as stated in this Notice of General Meeting, and for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders*

approve the issue to the Non-executive Director of the Company, Mr Peter Westerhuis (or his nominee), of up to 1,500,000 Performance Rights under the Bathurst Resources Limited Long Term Incentive Plan, on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting and for the issue of Shares upon the exercise of those Performance Rights.

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 9 by a Director who is eligible to participate in the employee incentive scheme in respect of the Plan and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 9 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out below.

**10. Resolution 10 – Approval of Potential Termination Benefits under Bathurst Resources Limited Long Term Incentive Plan**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*That, for the purpose of Sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of benefits under the "Bathurst Resources Limited Long Term Incentive Plan", to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company (or any of its related bodies corporate), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 10 by a Shareholder who is an employee or Director, or potential employee or Director, of the Company or any of its related bodies corporate, or an associate of any of those persons. However, a person may cast a vote on Resolution 10 and will not lose the benefit of the approvals being sought if the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

Also see the Additional Voting Exclusion for Resolutions 3 to 10 (inclusive) set out immediately below.

**ADDITIONAL VOTING EXCLUSION STATEMENTS FOR RESOLUTIONS 3 TO 10 (INCLUSIVE)**

The Company will disregard any votes cast on each of Resolutions 3 to 10 (inclusive) by any member of the Key Management Personnel (each a **KMP Member**), or a closely related party of a KMP Member, acting as proxy, if their appointment does not expressly specify in the Proxy Form the way in which that proxy is to vote on any of the Resolutions.

However, the Company will not disregard any votes cast on any or all of the Resolutions by such person if:

- (a) the person is acting as proxy and the Proxy Form expressly specifies how that proxy is to vote in respect of the applicable Resolution or Resolutions, and the vote is not cast on behalf of a person who is otherwise excluded from voting on the applicable Resolution or Resolutions, as the case may be; or
- (b) the person is the Chairman voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though the applicable Resolution or Resolutions is connected with the remuneration of a KMP Member.

If you are a KMP Member or a closely related party of a KMP Member (or are acting on behalf of a KMP Member) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breaching, or attempting to breach, voting restrictions that apply under the Corporations Act.

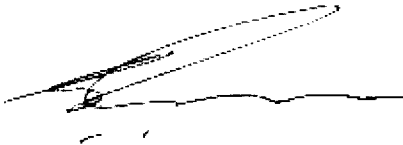
11. **Resolution 11 – Auditor’s Remuneration**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“That, the directors be authorised to fix the remuneration of PricewaterhouseCoopers as auditor for the ensuing year.”*

**Voting Exclusion Statement:** none required

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Bill Lyne', with a horizontal line underneath it.

Bill Lyne  
Company Secretary  
Dated: 20 October 2015

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## ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 5:00 p.m. (NZST) on Friday 20 November 2015. This is because the Board has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## HOW TO VOTE

### *Voting in person*

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

### *Corporate Representatives*

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting. Any Letter of Corporate Representation must be provided to the Company's share registry no later than 48 hours prior to the date and time for the convening of the Meeting.

### *Voting by proxy*

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative to exercise its powers as proxy at the Meeting (see above).

In order to appoint a proxy, a Shareholder will need to complete and return the Proxy/Voting Form attached to this Notice of Meeting.

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed Proxy/Voting Form or obtain a form from the Company's share registry.

To be effective for the Meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at the address or fax number below no later than 5.00pm (NZST) Friday, 20 November 2015, being not later than 48 hours before the time of the Meeting. Any proxy appointment received after that time will not be valid for the Meeting.

The Chairman of the meeting or any other Director who is appointed as proxy intends to vote discretionary proxies in favour of the relevant resolution.

### *Share Registry*

On-line	<a href="http://www.investorvote.co.nz">www.investorvote.co.nz</a>
By mail	Computershare Investor Services Limited Private Bag 92119 Auckland 1142 New Zealand
By fax	+64 9 488 8787

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed Proxy/Voting Form.

### *Voting by attorney*

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at the address listed above for the receipt of proxy appointments no later than 5.00pm (NZST) Friday, 20 November 2015.



## Explanatory Statement

This Explanatory Statement is for the information of Shareholders of Bathurst Resources Limited (the 'Company') in connection with Resolutions to be considered at the Annual General Meeting of the Company to be held on Monday, 23 November 2015 at 9:00 a.m. (NZST). If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

### Ordinary Business

#### Annual Financial Report

The Annual Report 2015 (including the financial statement, Directors' report and Auditor's report for the financial year ended 30 June 2015) is available for review by Shareholders at [www.bathurstresources.co.nz](http://www.bathurstresources.co.nz) and will be tabled at the Meeting.

Whilst there is no requirement for Shareholders to approve the Annual Report, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

#### Resolution 1 - To elect Mr Russell Middleton as a Director

Listing Rule 14.4 requires that any person who is appointed as a director by the Board to fill a casual vacancy or as an additional director shall retire from office at the next general meeting of the Company but shall be eligible for election at that meeting.

Mr Russell Middleton therefore retires at the forthcoming Annual General Meeting in accordance with Listing Rule 14.4 and being eligible, has offered himself for election at the meeting.

Mr Middleton was appointed to the Board on 29 April 2015 as an Independent Director. He is also Chairman of the Audit & Risk Committee of the Board.

Mr Middleton has over 25 years involvement with the mining and construction sector with significant experience in mine project evaluations and the construction of new mines.

Based in Sydney, he was until recently Chief Financial Officer with Hillgrove Resources Limited, an ASX-listed resources company focused on developing base and precious metals projects. He was also Director and Company Secretary for the Hillgrove Group's main operating subsidiary companies.

Starting his career as a public accountant, Mr Middleton has held senior management positions in accounting, commercial and planning roles. He undertook various roles with BHP before joining Shell where he was Commercial Manager for the construction, development and production of a major underground mine.

The Board, with Mr Middleton abstaining, recommend that Shareholders vote in favour of Resolution 1.

#### Resolution 2 - To elect Mr Peter Westerhuis as a Director

Mr Peter Westerhuis was also appointed as a director by the Board to fill a casual vacancy. Pursuant to Listing Rule 14.4, he also is required to retire from office at the next general meeting of the Company but is eligible for election at that meeting and has offered himself for election at that meeting.

Mr Westerhuis was appointed to the Board on 29 April 2015 as an Independent Director. He is Chairman of the Health, Safety, Environment & Community Committee and a member of the Remuneration & Nomination Committee of the Board.

Mr Westerhuis is a professional engineer with post-graduate business qualifications and more than 30 years of Australian and international resources experience in the iron ore, gold and coal industries; the last 7 years at CEO and MD level. He has successfully developed and managed large mining and processing operations including overseeing the transition from explorer to producer.

Mr Westerhuis has undertaken many complex commercial negotiations for joint ventures, capital funding, contracts, litigation, product marketing and off-take agreements.

He is particularly passionate about health & safety, people relations, operational effectiveness, business improvement and project delivery.

Based in Brisbane, Mr Westerhuis is currently consulting to resources companies in Africa and South America. More recently he was the Group Managing Director of Guildford Coal, developer of a coking coal business in Mongolia, and

the CEO of the Ensham Joint Venture developing and operating large open cut and underground coal reserves in Queensland.

Mr Westerhuis has been a Director of the Queensland Resources Council and a Director of the Australian Coal Association.

The Board, with Mr Westerhuis abstaining, recommend that Shareholders vote in favour of Resolution 2.

### **Resolution 3 – Ratification of issue of 7,154,321 Shares to current and former employees**

Listing Rule 7.1 imposes limits on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Under the Listing Rules, generally a company must not, without prior shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

Listing Rule 7.4 states that an issue by a company of equity securities made without shareholder approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1, if the issue did not breach Listing Rule 7.1 when made and the company's shareholders subsequently approve it.

Under Resolution 3 the Company seeks Shareholder approval under Listing Rule 7.4 to the issue of 7,154,321 Shares to current and former employees of the Company on 16 September 2015. A total of:

- 154,321 Shares were issued to current employees on exercise of vested performance rights which were granted on 13 June, 2013 and vested on 1 July 2015; and
- 7,000,000 Shares were issued to Marshall Maine, the former Chief Financial Officer of the Company, as part of his redundancy package.

The Company is seeking this approval in order to provide the Company with the maximum flexibility to undertake equity raisings without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of the opportunities that may arise. Notwithstanding an approval by Shareholders of Resolution 3, any future equity raisings will remain subject to the 15% limit under Listing Rule 7.1.

No decision has been made by the Board to undertake any further issue of equity securities in the event that approval is received from Shareholders in respect of Resolution 3. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so.

If this Resolution 3 is not approved by Shareholders, the Company will not be able to issue more Shares than it is currently permitted to under the Listing Rules, which is currently just over 14% of the total number of equity securities on issue.

Listing Rule 7.5 requires that the following information be provided to Shareholders when seeking an approval for the purposes of Listing Rule 7.4:

- (a) Number of Shares allotted and issued - 7,154,321;
- (b) Issue price for the 154,321 Shares - nil under the terms and conditions of the Company's Long Term Incentive Plan, and were issued to:
  - (i) Richard Tacon - 95,532 Shares; and
  - (ii) Sam Aarons – 58,789 Shares;At the time of the allocation of those Shares, Mr Tacon was Chief Operating Officer of the Company and Ms Aarons was General Manager Corporate Relations of the Company.
- (c) Issue price for the 7,000,000 Shares - nil based on the terms of an agreement reached with the Marshall Maine, the former Chief Financial Officer at the time of his agreed redundancy. At the time of the allocation to Mr Maine of those Shares, their the closing price as quoted on ASX was A\$0.017;
- (d) Shares are fully paid ordinary shares in the Company that rank equally with all other Shares then on issue;
- (e) Shares were issued to current and former employees of the Company on 16 September 2015;
- (f) No funds are being raised by the issues of the Shares the subject of this Resolution 3;
- (g) No loans will be made by the Company in respect of the acquisition of any of the Shares referred to in Resolution 3.

The Board, with Mr Tacon abstaining, recommends that Shareholders vote in favour of Resolution 3.

## Resolution 4 – Adoption of Bathurst Resources Limited Long Term Incentive Plan

### 4.1 Background

At the Company's Annual General Meeting on 20 November 2012 Shareholders approved the Bathurst Resources Long Term Incentive Plan (**Plan**) (which had been adopted by the Board on 19 October 2012), pursuant to which employees may be offered the opportunity to be granted Performance Rights (**Performance Rights**) to acquire Shares.

As set out in the Company's Notice of Annual General Meeting and Explanatory Statement dated 19 October 2012, the purpose of the Plan was to:

- (a) reinforce a performance focused culture by providing a long term performance based element to the total remuneration packages of certain employees;
- (b) align and link the interests of Bathurst's Board, executive leadership team and Shareholders;
- (c) encourage teamwork and co-operation among the members of the executive leadership team;
- (d) attract executives with the requisite capability; and
- (e) maintain a stable leadership team by helping retain key talent.

The Plan forms a key part of the Company's remuneration policy and provides the Company with a mechanism for driving long term performance for Shareholders and retention of key executives. It is targeted at Bathurst's senior management, being those executives and selected senior managers (as determined by the Board from time to time) whose responsibilities provide them with the opportunity to significantly influence long term Shareholder value.

### 4.2 Proposed Amendments

In accordance with the provisions of clause 19 of the Plan, the Board is entitled to amend the terms or conditions of the Plan at any time and by written instrument. Any such amendment is not conditional upon approval by Shareholders. However, if and to the extent that the terms or conditions of the Plan are amended in accordance with the requirements of that clause 19, but not approved of by a simple majority of eligible Shareholders, any subsequent issue of Performance Rights (or Shares upon the vesting and exercise of those Performance Rights) will be treated as a reduction of the 15% limit for future issues of equity securities under Listing 7.1.

- (a) **2013 Amendment:** On 1 May 2013, the Board resolved to amend the Plan to provide that unvested Performance Rights will no longer automatically vest upon the retirement or death of a Participant (**2013 Amendment**). Rather, upon the retirement, death or total and permanent disablement of a Participant, the Board now has the discretion to determine, as soon as reasonably practical after that occurrence, how many (if any) of that Participant's unvested Performance Rights will vest. The 2013 Amendment does not affect the vesting of any Performance Rights issued before the date of the 2013 Amendment. The 2013 Amendment was approved by Shareholders at the Company's Extraordinary General Meeting on 13 June 2013

Following the approval of the 2013 Amendment the following Performance Rights were issued:

- 3,108,464 (of which 1,554,232 lapsed (as a result of failing to satisfy the applicable Performance Conditions)) that were issued to members of the Executive Management team as follows:
  - to Mr Hamish Bohannon – 1,388,889 (of which 462,963 have vested);
  - to Sam Aarons – 352,733 (of which 176,366 have vested),
  - to Simon Doig – 440,917 (of which 146,972 have vested),
  - to Marshall Maine – 352,733 (of which 117,577 have vested), and
  - to Richard Tacon – 573,192 (of which 286,596 have vested); and
- 5,400,522 on or about 18 November, 2014 (all of which have lapsed (as a result of failing to satisfy the applicable Performance Conditions)) that were issued to members of the Executive Management team as follow:
  - to Mr Hamish Bohannon – 1,845,992;
  - to Sam Aarons – 738,064,
  - to Simon Doig – 923,254,
  - to Marshall Maine – 692,441, and

- o to Richard Tacon – 1,200,231,  
(together **Issued Performance Rights**)

Other than the issue of the Issued Performance Rights, no other Performance Rights have been issued under the Plan since the date upon which the 2013 Amendment was first brought into effect.

- (b) **2015 Amendments:** The Board has resolved on 30 September 2015 that further amendments are required to be made to the Plan (each a **2015 Amendment**). The purpose and nature of the 2015 Amendments are to:
- (i) enable non-executive Directors to participate in the Plan. This will be effected by expanding the definition of a "Participant" in the Plan Rules to include non-executive Directors; and
  - (ii) clarify certain terms of the prevailing Performance Conditions by replacing the performance index of Comparator Group companies that has been used to determine the relative performance of the Company when calculating Total Shareholder Return (**TSR**) with an alternate index – namely the S&P/ASX Small Resources Index.

These amendments have been included in the terms and conditions of the Plan Rules and Plan Policy set out in Appendix 2 and Appendix 3 (respectively) of the Explanatory Statement.

#### 4.3 Regulatory Requirements

Specifically, under an employee share incentive scheme approved by eligible shareholders, any issue of securities issued within three years of the date of that shareholder approval of that scheme are excluded from the application of Listing Rule 7.1. As a result, those securities will not be included in the 15% threshold limit referred to in that Listing Rule. In the absence of such shareholder approval, the issue may still occur if there is sufficient capacity, as the equity securities so issued will be counted as part of the 15% limit under Listing Rule 7.1, which would otherwise apply during a 12 month period.

Accordingly, due to the 2013 Amendment and the 2015 Amendments, Shareholders are required to re-approve the Plan for the purpose of ensuring that, in accordance with the terms of Listing Rule 7.2 (Exception 9(b)), future issues of Performance Rights under the Plan, as amended by the 2013 Amendment and the 2015 Amendments, will be exempted from the application of Listing Rule 7.1.

The following information is provided to Shareholders for the purpose of ensuring that they are fully informed when being asked to approve Resolution 4:

- (a) since the 2013 Amendment no securities have been issued under the Plan other than the Issued Performance Rights;
- (b) complete copies of the terms and conditions of the Plan Rules and Plan Policy are set out in Appendices 2 and 3 (respectively) of this Explanatory Statement; and
- (c) a voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

#### 4.4 No Board Recommendation

The requirements of Listing Rule 14, insofar as they relate to voting exclusion statements relevant to any resolution made pursuant Listing Rule 10.14, prohibit any Director, who by definition is eligible to participate in the Plan, from voting in respect of Resolution 4.

Whilst technically, at the time of voting on Resolution 4 at the Meeting, non-executive directors are not eligible to participate in the Plan and accordingly are eligible to vote their Shares in respect of Resolution 4, the Board feels that, in light of the nature and substance of all Resolutions, it is most appropriate that no Director – whether executive or non-executive:

- votes in respect of Resolution 4; or
- makes any recommendation as to how any Shareholder should vote in respect of Resolution 4.

### Resolution 5 – Approval to Issue Shares to Mr Richard Tacon

#### 5.1 Background

On 29 April 2015 the Company agreed to issue to Richard Tacon, subject to obtaining prior shareholder approval for the purposes of Listing Rule 10.11, 5,000,000 fully paid Shares (**Sign On Shares**) in consideration for Mr Tacon assuming the role of Chief Executive Officer of the Company at an overall salary that was reduced from NZ \$520,000 in his role as the Company's Chief Operations Officer to NZ \$400,000 per annum in his role as the Company's Chief Executive Officer.

Assuming Resolution 5 is approved of by Shareholders at the Meeting, all Sign On Shares, will be when issued, fully paid ordinary shares in the Company that rank equally with all other Shares then on issue. However, no such Shareholder approval of this proposed issue of the Sign On Shares, has been obtained prior to the Meeting.

Listing Rule 10.13 requires that the following information be provided to Shareholders when seeking an approval for the purposes of Listing Rule 10.11:

- (a) All Sign On Shares are to be issued to Richard Tacon;
- (b) Maximum Number of the Sign On Shares to be issued – 5,000,000;
- (c) All Sign On Shares will be issued and allotted to Mr Tacon within 1 month after the date of the Meeting;
- (d) Issue price for the Sign On Shares – nil cash consideration;

The Board, with Mr Tacon abstaining, recommends that Shareholders vote in favour of Resolution 5.

## **Resolution 6 – Approval to Issue Performance Rights to Mr Richard Tacon**

### **6.1 Background**

Subject to the approval of Resolution 4, Shareholders are being asked to approve Resolution 6 to allow Performance Rights (and Shares that may be issued upon the vesting and exercise of those Performance Rights issued under the Plan) to be issued to the Company's Executive Director, Mr Richard Tacon up to the maximum amount of 5,000,000 as set out below.

The Board has determined that the grant of Performance Rights under the Plan to Mr Richard Tacon is fair and an appropriate form of long term incentive for one of the Company's Key Management Personnel. The Board considers that Mr Richard Tacon is essential to the successful future operation of Bathurst's ongoing business.

In determining Mr Richard Tacon's remuneration package, including the proposed issue of Performance Rights under the Plan, the Board considered and will continue to consider the scope of the role of Mr Tacon, the business challenges facing the Company and market practice for the remuneration of executive officers in positions of similar responsibility. Accordingly, the Board has determined that this proposed maximum grant of Performance Rights as stated in Resolution 6 is, in its opinion, appropriate.

The Performance Rights will be issued subject to the Performance Conditions outlined in the Plan Rules and Plan Policy and which are summarised in Appendixes 2 and 3 of this Explanatory Statement.

### **6.2 Regulatory Requirements**

Resolution 6 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

### **6.3 Listing Rules**

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of that company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If that approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Under Resolution 6, the Company seeks approval from Shareholders for the issue of Performance Rights to Mr Richard Tacon, who by virtue of his position as a Director of the Company is by definition, a "related party" of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

#### **(a) *Nature of relationship between proposed allottee and the Company***

The Performance Rights are proposed to be issued to Mr Richard Tacon (or his Permitted Nominee), who is the Executive Director of the Company and, as such, is a related party of the Company.

#### **(b) *Details of the maximum number of securities that may be issued***

The maximum number of Performance Rights (and Shares when and if those Performance Rights are vested and exercised) that may be acquired by Mr Richard Tacon under Resolution 6 is 5,000,000.

Subject to the \*\* comments immediately below the table set out in this page, the formula used to calculate the number of Performance Rights securities to be issued to Mr Richard Tacon, subject to the passing of Resolutions 4, is set out below:

$$N = \frac{\text{TFR} \times Y\%}{V}$$

V

**Where:**

- N the number of Performance Rights to be offered;
- TFR total fixed remuneration at the commencement date of the Performance Period;
- Y the percentage of total fixed remuneration awarded in Performance Rights, as determined by the Board;
- V the market value of a Share at the commencement of the Performance Period. This valuation will be based on the 5 day VWAP prior to the commencement of the Performance Period (see Glossary in Appendix 1 of this Explanatory Statement); and
- Y the percentage of total fixed remuneration awarded in Performance Rights, as determined by the Board.

Set out below are the variables for the formula used to calculate the number of Performance Rights that may be issued to Mr Richard Tacon (pursuant to Resolution 6) and for which approval is sought:

Director	Total Fixed Remuneration ("TFR")	Percentage of TFR awarded in Performance Rights	5 day VWAP*	Maximum Number of Performance Rights to be offered
Richard Tacon	\$400,000	25%	\$0.01415	5,000,000**

\* The Performance Period for the Performance Rights to be offered to Mr Tacon, (or his Permitted Nominee) subject to shareholder approval at the Meeting, commenced on 25 September 2015 and the 5 day VWAP has been calculated as at that date.

\*\* The number of Performance Rights has been capped by the Board, with Mr Tacon's agreement, at 5,000,000 despite an application of the formula referred to above producing a slightly higher number of Performance Rights.

If the Performance Conditions are achieved to the greatest extent possible (i.e. Bathurst's TSR is at or above 75th percentile ranking to the Comparator Group at each test date), then 100% of the 5,000,000 Performance Rights that are the subject of this Resolution 6, will, if that Resolution is approved, be awarded to Mr Tacon and will vest and convert into an equal number of Shares on vesting. In other words, for every percentile ranking above 50% that is achieved in satisfaction of the Performance Conditions applicable to the Performance Rights awarded to Mr Tacon under the Plan, an additional 4% in number of those Performance Rights will vest in Mr Tacon (or his Permitted Nominee) and convert into an equal number of Shares.

(c) **Issue price**

There is no issue price for the Performance Rights that are the subject of Resolution 6.

(d) **Previous issues under the Plan**

At the date of this Notice of Meeting no Performance Rights (other than the Issued Performance Rights) have been granted or Shares issued to Mr Richard Tacon or any other person referred to in Listing Rule 10.14 or otherwise under the Plan.

(e) **Eligible Participants under the Plan**

The following persons are currently entitled to participate in the Plan:

- (i) an executive Director; and
- (ii) any employee of Bathurst or of any subsidiary of Bathurst (other than a non-executive Director) that takes part in the management of the Company and that the Board determines, at its absolute discretion, should participate in the Plan.

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On the assumption that the 2015 Amendments become effective as a result of the approval of Resolution 4 at the Meeting, the names of the persons referred to in Listing Rule 10.15.4A who are currently entitled to participate in the Plan are:

- Toko Thomas Kapea;
- Richard Tacon;
- Russell Middleton; and
- Peter Westerhuis

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 6 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) **Terms of any loan**

The Company will not be providing any loan in connection with Mr Tacon's allocation or exercise of any Performance Rights under the Plan.

(h) **Issue date**

The latest date that the Company will issue Performance Rights under Resolution 6, will be no later than 12 months after the date of the Meeting, assuming that Resolution 6 is approved by Shareholders at the Meeting.

## **Resolution 7 – Approval to Issue Performance Rights to Mr Toko Kapea**

### **7.1 Background**

Subject to the approval of Resolution 4, Shareholders are being asked to approve Resolution 7 to allow Performance Rights (and Shares that may be issued upon the vesting and exercise of those Performance Rights issued under the Plan) to be issued to the Company's Chairman, Mr Toko Kapea (or his Permitted Nominee) up to the maximum amount of 1,500,000 as set out below.

The Board has determined that the grant of Performance Rights under the Plan to Mr Kapea is fair and an appropriate form of long term incentive for one of the Company's Key Management Personnel.

In determining Mr Kapea's remuneration package, including the proposed issue of Performance Rights under the Plan, the Board considered and will continue to consider the scope of the role of Mr Kapea, the business challenges facing the Company and market practice for the remuneration of a non-executive chairman in positions of similar responsibility. Accordingly, the Board has determined that the proposed maximum grant of Performance Rights as stated in Resolution 7 is, in its opinion, appropriate.

The Performance Rights will be issued subject to the Performance Conditions outlined in the Plan Rules and Plan Policy.

### **7.2 Regulatory Requirements**

Resolution 7 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

### **7.3 Listing Rules**

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of that company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If that approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Under Resolution 7, the Company seeks approval from Shareholders for the issue of Performance Rights to Mr Kapea, who by virtue of his position as the non-executive Chairman of the Company is by definition, a "related party" of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) **Nature of relationship between proposed allottee and the Company**

Mr Kapea is the Chairman and a non-executive Director of the Company and, as such, is a related party of the Company.

(b) **Details of the maximum number of securities that may be issued**

The maximum number of Performance Rights (and Shares when and if those Performance Rights are vested and exercised) that may be acquired by Mr Kapea (or his Permitted Nominee) under Resolution 7 is 1,500,000.

The formula used to calculate the number of Performance Rights to be issued to Mr Kapea, subject to the passing of Resolution 7, is identical to the formula referred to in Paragraph 5.3(b) above.

Set out below are the variables for the formula used to calculate the number of Performance Rights that may be issued to Mr Kapea (pursuant to the approval of Resolution 4) and for which approval is sought:

Director	Director's Fee	5 day VWAP*	Maximum Number of Performance Rights to be offered
Toko Kapea	\$120,000	\$0.01415	1,500,000

\* The Performance Period for the Performance Rights to be offered to Mr Kapea, (or his Permitted Nominee) subject to shareholder approval at the Meeting, commenced on 25 September, 2015 and the 5 day VWAP has been calculated as at that date.

If the Performance Conditions are achieved to the greatest extent possible (i.e. Bathurst's TSR is at or above 75th percentile ranking to the appropriate index at each test date), then 100% of the 1,500,000 Performance Rights that are the subject of Resolution 7, will, if that Resolution is approved, be awarded to Mr Kapea and will vest and convert into an equal number of Shares. In other words, for every percentile ranking above 50% that is achieved in satisfaction of the Performance Conditions applicable to the Performance Rights awarded to Mr Kapea (or his Permitted Nominee) under the Plan, an additional 4% in number of those Performance Rights will vest and convert into an equal number of Shares.

(c) **Issue price**

There is no issue price for the Performance Rights that are the subject of Resolution 7.

(d) **Previous issues under the Plan**

At the date of this Notice of Meeting, no Performance Rights (other than the Issued Performance Rights) have been granted or Shares issued to Mr Kapea (or his Permitted Nominee) or any other person referred to in Listing Rule 10.14 or otherwise under the Plan.

(e) **Eligible Participants under the Plan**

Please refer to Paragraph 6.3(e) above.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 7 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) **Terms of any loan**

Please refer to Paragraph 6.3(g) above.

(h) **Issue date**

The latest date that the Company will issue Performance Rights under Resolution 7, will be no later than 12 months after the date of the Meeting, assuming that that Resolution 7 is approved by Shareholders at the Meeting.

## Resolution 8 – Approval to Issue Performance Rights to Mr Russell Middleton

### 8.1 Background

Subject to the approval of Resolution 4, Shareholders are being asked to approve Resolution 8 to allow Performance Rights (and Shares that may be issued upon the vesting and exercise of those Performance Rights issued under the Plan) to be issued to one of the Company's non-executive Directors, Mr Russell Middleton (or his Permitted Nominee), up to the maximum amount of 1,500,000 as set out below.

The Board has determined that the grant of Performance Rights under the Plan to Mr Middleton is fair and an appropriate form of long term incentive for one of the Company's Key Management Personnel.



In determining Mr Middleton's remuneration package, including the proposed issue of Performance Rights under the Plan, the Board considered and will continue to consider the scope of the role of Mr Middleton, the business challenges facing the Company and market practice for the remuneration of a non-executive director in positions of similar responsibility. Accordingly, the Board has determined that the proposed maximum grant of Performance Rights as stated in Resolution 8 is, in its opinion, appropriate.

The Performance Rights will be issued subject to the Performance Conditions outlined in the Plan Rules and Plan Policy.

## 8.2 Regulatory Requirements

Resolution 8 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

## 8.3 Listing Rules

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of that company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If that approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Under Resolution 8, the Company seeks approval from Shareholders for the issue of Performance Rights to Mr Middleton (or his Permitted Nominee), who by virtue of his position as a non-executive Director, is by definition, a "related party" of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) ***Nature of relationship between proposed allottee and the Company***

Mr Middleton is a non-executive Director of the Company and, as such, is a related party of the Company.

(b) ***Details of the maximum number of securities that may be issued***

The maximum number of Performance Rights (and Shares when and if those Performance Rights are vested and exercised) that may be acquired by Mr Middleton (or his Permitted Nominee) under Resolution 8 is 1,500,000.

The formula used to calculate the number of Performance Rights to be issued to Mr Middleton, subject to the passing of Resolution 8, is identical to the formula referred to in Paragraph 6.3(b) above.

Set out below are the variables for the formula used to calculate the number of Performance Rights that may be issued to Mr Middleton (pursuant to Resolution 8) and for which approval is sought:

Director	Director's Fee	5 day VWAP*	Maximum Number of Performance Rights to be offered
Russell Middleton	\$60,000	\$0.01415	1,500,000

\* *The Performance Period for the Performance Rights to be offered to Mr Middleton (or his Permitted Nominee), subject to shareholder approval at the Meeting, commenced on 25 September, 2015 and the 5 day VWAP has been calculated as at that date.*

If the Performance Conditions are achieved to the greatest extent possible (i.e. Bathurst's TSR is at or above 75th percentile ranking to the appropriate index at each test date), then 100% of the 1,500,000 Performance Rights that are the subject of Resolution 8, will, if that Resolution is approved, be awarded to Mr Middleton (or his Permitted Nominee) and will vest and convert into an equal number of Shares. In other words, for every percentile ranking above 50% that is achieved in satisfaction of the Performance Conditions applicable to the Performance Rights awarded to Mr Middleton (or his Permitted Nominee) under the Plan, an additional 4% in number of those Performance Rights will vest and convert into an equal number of Shares.

(c) ***Issue price***

There is no issue price for the Performance Rights that are the subject of Resolution 8.

(d) ***Previous issues under the Plan***

At the date of this Notice of Meeting, no Performance Rights (other than the Issued Performance Rights) have been granted or Shares issued to Mr Middleton or any other person referred to in Listing Rule 10.14 or otherwise under the Plan.

(e) **Eligible Participants under the Plan**

Please refer to Paragraph 6.3(e) above.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 8 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) **Terms of any loan**

Please refer to Paragraph 6.3(g) above.

(h) **Issue date**

The latest date that the Company will issue Performance Rights under Resolution 8, will be no later than 12 months after the date of the Meeting, assuming that Resolution 8 is approved by Shareholders at the Meeting.

## **Resolution 9 – Approval to Issue Performance Rights to Mr Peter Westerhuis**

### **9.1 Background**

Subject to the approval of Resolution 4, Shareholders are being asked to approve Resolution 9 to allow Performance Rights (and Shares that may be issued upon the vesting and exercise of those Performance Rights issued under the Plan) to be issued to one of the Company's non-executive Directors, Mr Peter Westerhuis (or his Permitted Nominee), up to the maximum amount of 1,500,000 as set out below.

The Board has determined that the grant of Performance Rights under the Plan to Mr Westerhuis (or his Permitted Nominee) is fair and an appropriate form of long term incentive for one of the Company's Key Management Personnel.

In determining Mr Westerhuis's remuneration package, including the proposed issue of Performance Rights under the Plan, the Board considered and will continue to consider the scope of the role of Mr Westerhuis, the business challenges facing the Company and market practice for the remuneration of a non-executive director in positions of similar responsibility. Accordingly, the Board has determined that the proposed maximum grant of Performance Rights as stated in Resolution 9 is, in its opinion, appropriate.

The Performance Rights will be issued subject to the Performance Conditions outlined in the Plan Rules and Plan Policy.

### **9.2 Regulatory Requirements**

Resolution 9 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

### **9.3 Listing Rules**

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of that company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If that approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Under Resolution 9, the Company seeks approval from Shareholders for the issue of Performance Rights to Mr Westerhuis (or his Permitted Nominee), who by virtue of his position as a non-executive Director, is by definition, a "related party" of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) **Nature of relationship between proposed allottee and the Company**

Mr Westerhuis is a non-executive Director of the Company and, as such, is a related party of the Company.

(b) **Details of the maximum number of securities that may be issued**

The maximum number of Performance Rights (and Shares when and if those Performance Rights are vested and exercised) that may be acquired by Mr Westerhuis under Resolution 9 is 1,500,000. The formula used to calculate the number of Performance Rights to be issued to Mr Westerhuis (or his

Permitted Nominee), subject to the passing of Resolution 9, is identical to the formula referred to in Paragraph 6.3(b) above.

Set out below are the variables for the formula used to calculate the number of Performance Rights that may be issued to Mr Middleton (or his Permitted Nominee) (pursuant to Resolution 9) and for which approval is sought:

<b>Director</b>	<b>Director's Fee</b>	<b>5 day VWAP*</b>	<b>Maximum Number of Performance Rights to be offered</b>
<b>Peter Westerhuis</b>	\$60,000	\$0.01415	1,500,000

\* *The Performance Period for the Performance Rights to be offered to Mr Westerhuis, subject to shareholder approval at the Meeting, commenced on 25 September, 2015 and the 5 day VWAP has been calculated as at that date.*

If the Performance Conditions are achieved to the greatest extent possible (i.e. Bathurst's TSR is at or above 75th percentile ranking to the appropriate index at each test date), then 100% of the 1,500,000 Performance Rights that are the subject of Resolution 9, will, if that Resolution is approved, be awarded to Mr Westerhuis (or his Permitted Nominee) and will vest and convert into an equal number of Shares. In other words, for every percentile ranking above 50% that is achieved in satisfaction of the Performance Conditions applicable to the Performance Rights awarded to Mr Westerhuis (or his Permitted Nominee) under the Plan, an additional 4% in number of those Performance Rights will vest and convert into an equal number of Shares.

(c) **Issue price**

There is no issue price for the Performance Rights that are the subject of Resolution 9.

(d) **Previous issues under the Plan**

At the date of this Notice of Meeting, no Performance Rights (other than the Issued Performance Rights) have been granted or Shares issued to Mr Westerhuis (or his Permitted Nominee) or any other person referred to in Listing Rule 10.14 or otherwise under the Plan.

(e) **Eligible Participants under the Plan**

Please refer to Paragraph 6.3(e) above.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 9 is included in the Notice of General Meeting preceding this Explanatory Statement.

(g) **Terms of any loan**

Please refer to Paragraph 6.3(g) above.

(h) **Issue date**

The latest date that the Company will issue Performance Rights under Resolution 9, will be no later than 12 months after the date of the Meeting, assuming that Resolution 9 is approved by Shareholders at the Meeting.

**Resolution 10 – Approval of Potential Termination Benefits under Bathurst Resources Limited Long Term Incentive Plan**

**10.1 Background**

The terms and conditions of the Plan are repeated in detail in Appendixes 2 and 3 of this Explanatory Statement.

The purpose of Resolution 10 is for Shareholders to approve the potential provision of termination benefits to participants under the Plan as amended (see section 4.2 of this Explanatory Statement). At the Company's Annual General Meeting on 20 November 2012, Shareholders approved the potential provision of termination benefits to participants under the original Plan and prior to the 2013 Amendment coming into effect.

**10.2 Regulatory Requirements**

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The Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate. Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office, if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and narrowed the range of termination benefits that do not require shareholder approval. The term “benefit” now has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the Plan.

If Shareholder approval is given under this Resolution 10, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a limit on the value of termination benefits that can be paid to officers of the Company.

### **10.3 Details of the proposed Termination Benefits**

As described in Paragraph 10.2, if Resolution 10 is passed in accordance with its stated terms, then upon the retirement, death or total and permanent disablement of a Participant, the Board will have the discretion to determine, as soon as reasonably practical after such occurrence, how many (if any) of that Participant’s unvested Performance Rights will vest. This permission to vest may constitute a “benefit” for the purposes of Section 200B of the Corporations Act (**Vesting Benefit**).

The Company is therefore seeking Shareholder approval to exclude any Vesting Benefit from being included in any current or future Participant’s termination benefits, in respect of a Participant who holds:

- (a) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving that office or at any time in the three years prior to their leaving that office; and
- (b) Performance Rights under the Plan at the time of their leaving that office.

If Shareholder approval is given to Resolution 10, the value of the Vesting Benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved Vesting Benefit will not count towards the statutory limitation under that legislation).

The Board’s current intention is to only exercise their discretion to determine the vesting of Performance Rights:

- (a) where a Participant leaves employment of a Bathurst Group member without fault on that Participant’s part; and
- (b) so as only to preserve that number of unvested Performance Rights as are pro-rated to the date of leaving.

### **10.4 Value of the Termination Benefits**

The value of the termination benefits that a Participant may receive or the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value between the date of their issue and the date of their vesting. In particular, the value of a particular Vesting Benefit will depend on several factors including the Company’s Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of a Vesting Benefit:

- (a) the Participant’s term of employment,
- (b) the term of the Performance Period at the time the Participant ceases employment;
- (c) the status of the Performance Conditions attaching to the Performance Rights at the time when the Participant’s employment ceases; and
- (d) the number of unvested Performance Rights that the Participant holds at the time when the Participant’s employment ceases.

### **10.5 No Board Recommendation**

The requirements of Listing Rule 14, insofar as they relate to voting exclusion statements relevant to any resolution made pursuant Listing Rule 10.14, prohibit any Director, who by definition is eligible to participate in the Plan, from voting in respect of Resolution 10.

On the assumption that by the time Shareholders are asked to vote upon Resolution 10, Resolution 4 will have been approved and be effective, no Director – whether executive or non-executive, is permitted to:

- vote in respect of Resolution 10; or

- make any recommendation as to how any Shareholder should vote in respect of Resolution 10.

**Resolution 11 – Auditor’s Remuneration**

PricewaterhouseCoopers is the existing auditor of the Company and has indicated its willingness to continue in office. Pursuant to section 207T of the Companies Act, PricewaterhouseCoopers is automatically reappointed at the annual meeting as auditor of the Company. The proposed resolution is to authorise the directors to fix the auditor’s remuneration for the following year for the purposes of section 207S of the Companies Act.

The Board unanimously recommend that Shareholders vote in favour of Resolution 11.

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## APPENDIX 1 – GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

<b>2013 Amendment</b>	has the meaning given to that term in Paragraph 1.2(a) of the Explanatory Statement.
<b>ASX</b>	ASX Limited.
<b>Bathurst Group</b>	the Company and each body corporate that is a subsidiary of Company as determined in accordance with Division 6 of Part 1.2 of the Corporations Act.
<b>Board</b>	board of Directors.
<b>Chairman</b>	chairman of the Board of Directors.
<b>closely related party</b>	each of : <ul style="list-style-type: none"><li>• a company controlled by Key Management Personnel; and</li><li>• a spouse, child or dependant (or a child or dependant of that spouse), or anyone else who a member of the family of a Key Management Personnel and may be expected to be influenced by that Key Management Personnel in dealings with the Company by that person or that Key Management Personnel.</li></ul>
<b>Company or Bathurst</b>	Bathurst Resources Limited NZCN 43825381.
<b>Constitution</b>	constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	director of the Company.
<b>Equity Securities</b>	has the meaning given to that term in the Listing Rules.
<b>Explanatory Statement</b>	the explanatory statement that accompanies this Notice of General Meeting.
<b>2015 Amendment</b>	has the meaning given to that term in Paragraph 4.2(b) of the Explanatory Statement.
<b>Key Management Personnel</b>	those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
<b>Listing Rules</b>	listing rules of the ASX.
<b>Meeting or General Meeting</b>	the General Meeting convened by this Notice of General Meeting.
<b>Notice of General Meeting or Notice of Meeting</b>	this notice of General Meeting.
<b>NZST</b>	New Zealand Standard time
<b>Participant</b>	has the meaning given to that term in the Plan.

<b>Performance Condition</b>	has the meaning given to that term in the Plan.
<b>Performance Right</b>	has the meaning given to that term in the Plan.
<b>Permitted Nominee</b>	<p>A person or entity to whom:</p> <ul style="list-style-type: none"> <li>• a person proposed to be issued with Shares or other securities in the capital of the Company as stated in a Resolution, upon or after Shareholder approval of that Resolution, nominates to the Company by delivering a written nomination of that first mentioned person prior to such issue occurring; and</li> <li>• upon receipt of that delivery by the Company, the Company is to issue those Shares or other securities as stated in that nomination, after Shareholder approval of that Resolution.</li> </ul>
<b>Plan</b>	the Bathurst Resources Limited Long Term Incentive Plan, as evidenced by the Plan Rules and Plan Policy.
<b>Plan Rules</b>	the rules set out in Appendix 2 of the Explanatory Statement.
<b>Plan Policy</b>	the policy set out in Appendix 3 of the Explanatory Statement.
<b>Policy</b>	The Bathurst Resources Limited Long Term Incentive Plan Policy.
<b>Proxy Form</b>	the proxy form enclosed with this Notice of General Meeting.
<b>Resolution</b>	any of the resolutions that are the subject of the Notice of Meeting.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	holder of a Share in the Company.
<b>TSR or Total Shareholder Return</b>	has the meaning given to that term in the Plan Rules.
<b>VWAP</b>	volume weighted average price of the Shares.
<b>WST</b>	Western Standard Time.

**Bathurst Resources Limited**

**Long Term Incentive Plan Rules**

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## 1. Definitions

In these Rules, and any invitation, notice or document issued or given in connection with the Plan by Bathurst, unless the contrary intention appears:

Term	Definition
Application Form	means a duly completed and executed application for the issue of Performance Rights made by an Eligible Executive or Permitted Nominee in respect of an Offer, in the form approved by the Board from time to time.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the official listing rules of the ASX as they apply to the Company from time to time.
Bathurst or Company	means Bathurst Resources Limited NZCN 4382538.
Bathurst Group	means Bathurst and each body corporate that is a subsidiary of Bathurst as the term "subsidiary" is defined in section 5 of the Companies Act.
Board	means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.
Business Day	means a day on which banks are open for business in Wellington, New Zealand, excluding a Saturday, Sunday or public holiday.

Change of Control Event	<p>occurs where:</p> <ul style="list-style-type: none"> <li>(a) an offer is made pursuant to a takeover offer under the Takeovers Code Approval Order 2000 for such number of Shares as will confer upon the Offeror, when aggregated with Shares already held by the Offeror and its associates, not less than fifty per cent. (50%) of the total voting rights of the Company and is, or is declared, unconditional; or</li> <li>(b) the Court sanctions under Part XV of the Companies Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or</li> <li>(c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to fifty per cent. (50%) or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</li> <li>(d) any member of the Bathurst Group enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a member of the Bathurst Group) of the Bathurst Group to a person, or a number of persons, none of which are Bathurst Group companies; or</li> <li>(e) notice is duly given to Shareholders of a proposed resolution for the voluntary winding up of the Company; or</li> <li>(f) an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of substantially all of the assets of the Company; or</li> <li>(g) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are members of the Bathurst Group.</li> </ul>
Companies Act	means the <i>Companies Act 1993</i> (NZ).
Company Secretary	means the Company Secretary of Bathurst.
Constitution	means the constitution of Bathurst, as amended or replaced from time to time.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director.

Dispose	<p>means to, or agree to:</p> <p>(a) sell, assign, offer, dispose of, transfer or deal in any way with any right, title or interest in any Share (whether legal or beneficial and whether for valuable consideration or not); or</p> <p>(b) create, declare or allow to be created or declared any trust over any share or other security in any member of the Bathurst Group, but does not include a buy-back or transfer of Shares undertaken pursuant to a Share buyback by Bathurst under the Companies Act,</p> <p>and Disposed, Disposal and Disposing will be construed accordingly.</p>
Eligible Executive	<p>means:</p> <p>(a) a Director; or</p> <p>(b) any person classified by the Board in its absolute discretion, as an Eligible Executive, that should be allowed to participate in the Plan and providing that person is an Employee and takes part in the management of the Bathurst Group.</p>
Employee	<p>means any person who is employed by any member of the Bathurst Group.</p>
Exercise Period	<p>in relation to a Performance Right, means:</p> <p>(a) a 12 month period;</p> <p>(b) the period otherwise determined by the Board and set out in the Offer made in respect of that Performance Right; or</p> <p>(c) the period otherwise determined by the Board to be the Exercise Period under clause 14 of these Rules from time to time, starting on the date on which the Performance Right becomes a Vested Performance Right or the date as set out in the Offer.</p>
Exercise Price	<p>means the amount (if any) which is payable on the exercise of a Vested Performance Right, as determined by the Board and set out in the Offer, or if no determination is made, the applicable Exercise Price is nil.</p>
Expiry Date	<p>means, in relation to a Performance Right, the date determined by the Board prior to the Offer of the relevant Performance Rights and specified in the certificate or statement issued under clause 7.3(b) of these Rules, subject to any restriction in the Companies Act from time to time but in any event no longer than the seventh anniversary of the Issue Date.</p>
Holder	<p>means, in relation to a Performance Right, the person (whether an Eligible Executive, a Permitted Nominee or their Legal Personal Representative) entered in the Company's register of Performance Rights as the holder of that Performance Right.</p>
Issue Date	<p>means, in relation to a Performance Right, the date on which the Company grants that Performance Right to a Participant.</p>
Legal Personal Representative	<p>means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person.</p>

Offer	means an invitation to an Eligible Executive made by the Company under clause 6 to apply for an issue of Performance Rights.
Offer Period	means the period of time in which an Offer may be accepted.
Participant	means an Eligible Executive, or a person who was formerly an Eligible Executive, who holds a Performance Right issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant, and includes any Permitted Nominee of an Eligible Executive.
Performance Condition	means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to these Rules, required to be satisfied, reached or met before a Performance Right that was the subject of that Offer can vest.
Performance Period	means, in relation to a Performance Right, the financial year of Bathurst or such other period determined by the Board in respect of which the Board will assess the performance of the Participant or the Bathurst Group, or both (as applicable) against the Performance Condition specified as applicable in an Offer, to that Performance Right.
Performance Right	means a Performance Right issued under the Plan to a Participant.
Permitted Nominee	has the meaning given to it by clause 7 of the Rules.
Plan	means the Bathurst Resources Limited Long Term Incentive Plan established and operated in accordance with these Rules and the Plan Policy
Plan Policy	means the Bathurst Resources Limited Long Term Incentive Plan Policy
Record Date	has the meaning given to that term in the ASX Listing Rules.
Remuneration Committee	comprises the independent non-executive Directors of the Company as defined by the Constitution .
Retirement	means, in relation to an Eligible Executive, retirement by that Eligible Executive from the Company at age 60 or such other age as is considered appropriate by the Board.
Rules	means these rules for the Plan, as adopted by the Board and as amended from time to time.
Shares	means fully paid ordinary shares in the capital of the Company.
Shareholder	means the registered holder of a Share.
Takeover Offer	has the meaning given to "offer" in section 3 of the <i>Takeovers Code Approval Order 2000</i> .
Total and Permanent Disability	means, in relation to an Eligible Executive, that the Eligible Executive has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Executive unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

<p>Total Shareholder Return or TSR</p>	<p>during a Performance Period is expressed as a percentage and is calculated according to the following calculation:</p> $\text{TSR}\% = (\text{SPE} - \text{SPS} + \text{D}) / \text{SPS}$ <p>where:</p> <p>TSR% = Total Shareholder Return</p> <p>SPE = Share price at the end of the Performance Period</p> <p>SPS = Share price at the start of the Performance Period</p> <p>D = Any dividend which the shareholder received or became entitled to receive during the Performance Period (regardless of whether the Dividend has been paid) and any other cash payments made to shareholders pursuant to share buyback programs or capital reductions.</p>
<p>Unvested Performance Right</p>	<p>means a Performance Right that has not vested in accordance with these Rules and which is not a Vested Performance Right.</p>
<p>Vested Performance Right</p>	<p>means a Performance Right that has vested in accordance with these Rules and which is exercisable under these Rules.</p>

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## 2. Interpretation

In these Rules, unless a contrary intention appears:

- a) a reference to these Rules or another instrument includes any variations or replacement of either of them;
- b) a statute or other law includes regulations and other instruments under it and consolidations, amendment, re-enactments or replacement of any of them;
- c) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- d) the singular includes the plural and vice versa;
- e) a reference to a gender includes all genders; and
- f) where any calculation or adjustment made under these Rules produces a fraction of a cent or a fraction of a Share, the fraction will be eliminated by rounding to the nearest whole number favourable to the Participant; and
- g) an expression defined in, or given a meaning for the purposes of the Companies Act, the Corporations Act or ASX Listing Rules has the same meaning where used in these Rules, but in the event and to the extent of any inconsistency between the Companies Act, the Corporations Act or the ASX Listing Rules, the Companies Act will prevail.

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## 3. Purpose

### 3.1 Introduction

The Plan forms part of the Bathurst Resources Limited Remuneration Policy. The Plan is aimed specifically at driving long term performance for Shareholders and the retention of executives. The Plan is targeted at Bathurst's senior management, being those executives and selected key management personnel (as determined by the Remuneration Committee from time to time) whose responsibilities provide them with the opportunity to significantly influence long term Shareholder value.

### 3.2 Objectives

The objectives of the Plan are to:

- a) reinforce a performance focused culture by providing a long term performance based element to the total remuneration packages of Eligible Executives;
  - b) explicitly align and link the interests of Bathurst's leadership team and Shareholders;
  - c) encourage teamwork and co-operation among the members of the Bathurst leadership team;
  - d) attract executives with the requisite capability; and
  - e) maintain a stable leadership team by helping retain key talent.
- 

#### **4. Application of Rules**

##### **4.1 Performance Rights subject to Rules**

Performance Rights may be granted by Bathurst from time to time under the Plan in accordance with, and subject to, these Rules.

##### **4.2 Performance Rights do not affect certain relationships**

Noting in these Rules:

- a) confers on any person any right, entitlement or expectation to become a Participant;
  - b) confers on any person the right, entitlement or expectation to be invited to apply for, to be offered or to receive, any Performance Rights;
  - c) confers on any person the right to continue as an Employee of any member in the Bathurst Group;
  - d) affects any termination rights which any member in the Bathurst Group may otherwise have in respect of the employment of any person employed by a member of the Bathurst Group; or
  - e) may be used to increase damages in any action brought against any member in the Bathurst Group in respect of any termination or variation of the terms of employment.
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#### **5. Administration**

##### **5.1 Administration of Plan by the Board**

- a) The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.
- b) The Board may make further rules for the operation of the Plan which are consistent with these Rules, and may make amendments to these Rules in accordance with these Rules.
- c) The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- d) The Board will not be permitted to issue any further Performance Rights under this Plan after the Plan has been terminated or during such time as its operation is suspended. However, these Rules will continue to apply to Performance Rights on issue at the date of such termination or during such period of suspension, until the last of those Performance Rights lapses or is exercised.

##### **5.2 Board's power and discretion**

Except as expressly provided by these Rules, where the Rules provide for a power, determination, interpretation, decision, approval or opinion of Bathurst or the Board in relation to any matter under or in connection to these Rules, the Board is the sole and final arbiter in relation to such matters. The Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any Participant or any other person.

##### **5.3 Delegation by the Board**

The Board may delegate any power or discretion which is conferred on the Board by these Rules to:

- a) a committee consisting of such Directors, other officers or Employees of Bathurst, or any combination of such persons as the Board determines, and which may include one or more
-



- Participants;
- b) a member of the Bathurst Group; or
  - c) a third party;

for such periods and on such terms as the Board determines.

#### 5.4 Request to complete documents

The Board may from time to time require a person invited to participate in the Plan or a Participant to complete and return such documents as may be required by law to be completed by that person or Participant, or such other documents which the Board considers should be completed. If so requested, such person or Participant must complete and return such documents within the time period specified by the Board.

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## 6. Invitation to apply for Performance Rights

### 6.1 Invitation to Eligible Executives

The Board may, subject to any Shareholder approvals required by law or the ASX Listing Rules, at any time, invite an Eligible Executive to apply for Performance Rights by making an Eligible Executive an Offer. An Offer may be on such terms and conditions as the Board determines in its absolute discretion.

An Offer must be in writing, attach a copy of these Rules, the Plan Policy and an Application Form, and state:

- a) the date of the Offer;
- b) the name and address of the Eligible Executive to whom the Offer is made;
- c) the number of Performance Rights that the relevant Eligible Executive may apply for;
- d) that the Eligible Executive may accept the whole or any lesser number of Performance Rights offered;
- e) the method of calculation of the number of Performance Rights offered;
- f) the applicable period within which the Offer is able to be accepted by the relevant Eligible Executive in the prescribed manner;
- g) the applicable Exercise Period;
- h) the applicable Exercise Price (if any);
- i) the Performance Conditions required to be satisfied before the Performance Right may become a Vested Performance Right;
- j) the Performance Period during which the Performance Conditions must be satisfied; and
- k) any other matters the Board may determine.

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## 7. Invitation to apply for Performance Rights

### 7.1 Form of application

Upon receipt of an Offer, an Eligible Executive may, within the period for acceptance specified in the Offer:

- a) accept the whole or any lesser number of Performance Rights offered by giving to the Company a duly completed Application Form; or
- b) nominate a nominee in whose favour the Eligible Executive wishes to renounce the Offer by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow such renunciation of an Offer in favour of a nominee and without being obliged to give any reason for such decision.

Upon receipt of the duly completed Application Form or the Board resolving to allow a renunciation of an Offer in favour of a nominee (**Permitted Nominee**) and the Permitted Nominee accepting the whole or any lesser number of Performance Rights offered by giving the Company a duly completed Application Form, then the Eligible Executive or the Permitted Nominee, will be taken to have agreed to be bound by these Rules and will be granted the Performance Rights that were the subject of the Application Form submitted, and subject to these Rules and the Plan Policy.

On the issue of Performance Rights following receipt by the Company of a duly completed Application Form, an Eligible Executive or the Permitted Nominee, as the case may be, becomes a Participant.

#### **7.2 Agreement to be bound by Rules and Constitution**

In making an application for Performance Rights, the relevant Eligible Executive or Permitted Nominee agrees, and is taken to have agreed, to be bound by these Rules, the Plan Policy and the Constitution.

#### **7.3 Grant of Performance Rights**

Subject to clause 7.4, where the relevant Eligible Executive makes a valid application for Performance Rights in accordance with clause 7.1, Bathurst:

- a) will grant the Performance Rights to the Participant or the Permitted Nominee; and
- b) will give the Participant or the Permitted Nominee a certificate or statement in respect of those Performance Rights.

#### **7.4 Applications not accepted**

An Eligible Executive's or a Permitted Nominee's Application Form will not be accepted, and no Performance Rights will be granted to the Eligible Executive or the Permitted Nominee in respect of that Application Form if, at the date the Performance Rights would otherwise be granted had that Application Form been accepted, the relevant Eligible Executive:

- a) is not an Eligible Executive;
- b) has given their employer within the Bathurst Group notice of his or her resignation as an Eligible Executive; or
- c) has been given notice of dismissal from employment as an Eligible Executive or if, in the opinion of the Board, he or she has tendered his or her resignation to avoid such dismissal.

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### **8. Invitation to apply for Performance Rights**

#### **8.1 Right to acquire**

Each Performance Right is a right of a Participant to acquire one Share, subject to these Rules and the Plan Policy.

#### **8.2 Rights generally**

A Participant:

- a) does not have a legal or beneficial interest in any Shares by virtue of acquiring or holding a Performance Right, and a Participant is not entitled to participate in or receive any dividends or any other Shareholder rights or benefits in respect of a Performance Right he or she holds until a Share has been issued to the Participant as a result of the Performance Right becoming a Vested Performance Right, and the subsequent exercise of that Vested Performance Right, each under these Rules; and
- b) only has, as a result of acquiring or holding a Performance Right, purely contractual and personal rights, which cannot be Disposed of unless otherwise specifically provided under these Rules.

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### **9. Lapse of Performance Rights**

#### **9.1 Lapse of Performance Rights**

Subject to clause 14:

- a) any Unvested Performance Right and any Vested Performance Right that has not been exercised within the applicable Exercise Period (as may be revised in accordance with these Rules) will automatically lapse at the end of the relevant Exercise Period; and
- b) any Performance Right that is Disposed of or purported to have been Disposed of without

the Board's prior written consent will automatically lapse at the time of Disposal or purported Disposal (as applicable).

**9.2 Effect of lapse**

Upon the lapse of a Performance Right under these Rules, the Participant will have no further rights or entitlements in relation to that Performance Right.

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**10. Waiver of Performance Rights**

Without limitation to clause 8.2(b) or clause 11.1, a Participant may at any time surrender to the Company any or all of their Performance Rights by deed.

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**11. Disposal restrictions on Performance Rights**

**11.1 Board consent**

Subject to clause 9.2, Performance Rights may only be Disposed of with the Board's prior written consent.

**11.2 Death or mental incapacity**

The Board may recognise a Legal Personal Representative of a Participant as a holder of the Participant's Performance Rights in circumstances where either the Participant has died or the Participant's estate is liable to be dealt with under the laws relating to mental health, on the production to the Board of documents or other evidence which the Board may require to establish to its satisfaction the entitlement of the Legal Personal Representative.

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**12. Determination of Performance Conditions**

**12.1 Performance Conditions**

- a) The Board shall set the Performance Conditions applicable to a Performance Right in respect of a Performance Period.
- b) In determining the Performance Conditions applicable to a Performance Right the Board may have regard to the Plan Policy.
- c) For the avoidance of doubt this clause 12.1 does not affect the Board's unfettered discretion to determine any Performance Conditions applicable to Performance Rights.
- d) The timing and nature of the satisfaction of the Performance Conditions shall determine the proportion of Performance Rights held by the Participant which will vest in that Participant.

**12.2 Satisfaction of Performance Condition**

At the end of each Performance Period for a Participant, the Board will:

- a) determine whether and, if so, the extent to which, the Performance Conditions applicable to that Performance Period have been satisfied and the proportion (if any) of the Performance Rights that vest in that Participant; and
  - b) advise that Participant in writing:
    - i. whether and the extent to which the Performance Conditions for the Performance Period have been met;
    - ii. the proportion (if any) of the Performance Rights held by that Participant which vest to the Participant; and
    - iii. the corresponding number of Shares (if any) to be issued to that Participant (subject to clause 14.3).
- 

**13. Vesting of Performance Rights**

A Performance Right that has not lapsed under these Rules vests, and otherwise becomes a Vested Performance Right, if:

- a) the Participant dies;
  - b) the Participant Retires;
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- c) the Performance Conditions in relation to that Performance Right specified in the Offer have been met within the Performance Period;
- d) a Change of Control Event occurs; or
- e) the Board determines that a Performance Right becomes a Vested Performance Right, and the Board gives the Participant who holds that Performance Right written notice that that Performance Right has vested and become a Vested Performance Right, and that it may be exercised on and from the date the Participant receives such notice.

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## **14. Exercise of Vested Performance Rights**

### **14.1 Entitlement to a Share on exercise**

Each Vested Performance Right entitles the Participant to acquire one Share (subject to any adjustment under clause 15) when exercised in accordance with this clause 14.

### **14.2 Exercise of Vested Performance Rights**

Vested Performance Rights may be exercised at any time during the Exercise Period applicable to that Performance Right, or as otherwise permitted by the Board under these Rules, by the relevant Participant:

- a) lodging a notice exercising the Vested Performance Right (in a form determined by and acceptable to the Board) with the Company Secretary or such other person as the Board may designate; and
- b) making payment of the applicable Exercise Price (if any) to Bathurst.

### **14.3 Minimum number**

A Participant may only exercise their Vested Performance Rights in multiples of 1,000, with a minimum of 1,000 (or such number as is a minimum holding as defined under the ASX Listing Rules), unless the Participant exercises all of the Vested Performance Rights he or she holds. The exercise of only some Vested Performance Rights does not affect the Participant's right to exercise other Vested Performance Rights at a later time, subject to these Rules.

### **14.4 Issues of shares**

Upon the valid exercise of Vested Performance Rights and subject to the Companies Act and the ASX Listing Rules, Bathurst must procure the issue of the Shares the subject of the exercised Vested Performance Rights, directly to the relevant Participant or their Permitted Nominee.

### **14.5 Shares rank equally**

Shares issued on the exercise of Vested Performance Rights will rank equally with all other Shares from the date of issue of the Shares to the relevant Participant or their Permitted Nominee, and that Participant or Permitted Nominee will be entitled to receive any entitlements that have a Record Date for determining entitlements on and from the date of issue of the Shares to that Participant or Permitted Nominee.

### **14.6 Application for Quotation**

Bathurst will apply as soon as reasonably convenient for the quotation of Shares that are issued to the Participant on the exercise of Vested Performance Rights, promptly after the date of that issue, with the ASX.

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## **15. Future Issues**

### **15.1 Participation only if Performance Rights exercised**

A Performance Right does not entitle the holder to participate in new issues of securities, unless that Performance Right has become a Vested Performance Right and has been exercised and a Share has been issued or transferred to the Participant in respect of that Performance Right, before the Record Date for determining entitlements to securities under that new issue.

## 15.2 Notice

Bathurst must give to Participants who hold Vested Performance Rights notice of any new issue of securities in which Shareholders are entitled to participate, which notice must be given not less than 10 Business Days before the Record Date for determining entitlements to securities under the proposed new issue.

## 15.3 Bonus Issues

If:

- a) Bathurst makes a bonus issue of Shares or other securities pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment); and
- b) a Performance Right has not been exercised and a Share has not been issued in respect of that Performance Right before the Record Date for determining entitlements under the bonus issue,

then, subject to the ASX Listing Rules, the terms of that Performance Right will be altered as follows:

- c) the number of Shares to which the Participant who holds the Performance Right is entitled on exercise of the Performance Right will be increased by the number of Shares that the Participant would have received if the Participant had exercised the Performance Right and acquired a Share in respect of that Performance Right before the Record Date for the bonus issue; and
- d) the Exercise Price (if any) of the Performance Right will not be altered.

## 15.4 Reconstruction

If there is any reconstruction or re-organisation of the issued share capital of Bathurst, the number of Shares to which a Participant is entitled on the exercise of a Performance Right will be reconstructed or re-organised as required by the ASX Listing Rules in force at the time of the reconstruction or re-organisation and in a manner that will not result in any benefits being conferred on the Participant that are not conferred on other Shareholders (subject to the provisions with respect to rounding of entitlements as sanctioned by any meeting of Shareholders approving the reconstruction or re-organisation of capital), but in all other respects the terms for the exercise of the Performance Rights will remain unchanged.

## 15.5 Rounding

Before a Performance Right is exercised, all adjustment calculations are to be carried out inclusive of all fractions (in relation to the Shares and the Exercise Price (if any)). On the exercise by a person of a number of Performance Rights, the aggregate number of Shares acquired by that person as a result of that exercise will be rounded up to the nearest whole number and the Exercise Price (if any) will be rounded to the next higher cent.

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## 16. Termination of employment

### 16.1 Termination for misconduct

Any Vested Performance Rights and Unvested Performance Rights will lapse immediately on termination of the Participant's employment by any member of the Bathurst Group as a result of the Participant's misconduct or for any other reason justifying termination without notice.

### 16.2 Resignation

Any Vested Performance Rights and Unvested Performance Rights will lapse upon notice of resignation being given by the Participant in respect of the Participant's employment by a member of the Bathurst Group.

### 16.3 Termination for other reasons

Subject to clause 16.4, if the Participant ceases to be an Employee for any reason other than a reason set out in clauses 16.1 and 16.2, then:

- a) a Vested Performance Right will lapse at the end of 30 days following such cessation; and
- b) an Unvested Performance Right will lapse immediately following such cessation, unless the Board determines otherwise.

#### **16.4 Retirement, Death or Total Permanent Disablement**

If a Participant ceases employment with a member of the Bathurst Group as a result of Retirement, death or Total and Permanent Disablement:

- a) clauses 16.1 and 16.2 above will not apply to that Participant's Performance Rights;
- b) that Participant's Vested Performance Rights will remain exercisable by that Participant, or that Participant's estate or Legal Personal Representative who has been recognised by the Board as the holder of that Participant's Performance Rights in accordance with clause 11.2 until the end of the Exercise Period applicable to those Performance Rights;
- c) the Board will determine as soon as reasonably practicable after the date of that Participant's Retirement, death or Total and Permanent Disablement (as applicable) how many (if any) of that Participant's Unvested Performance Rights will become Vested Performance Rights and, if any become Vested Performance Rights, the Exercise Period applicable to those Performance Rights commences after the date of that Participant's Retirement, death or Total and Permanent Disablement (as applicable) and notify that Participant, or that Participant's estate or Legal Personal Representative of that determination; and
- d) the balance of that Participant's Unvested Performance Rights will lapse immediately after the determination in clause 16.4 (c) is made.

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### **17. Calculation and determinations**

#### **17.1 Force of calculations and determinations**

All calculations and determinations made by the Board for the purpose of determining whether Performance Rights have become Vested Performance Rights will be final, conclusive and binding on all Participants, in the absence of manifest error.

#### **17.2 Fractions**

If a calculation performed in calculating Performance Rights results in a fractional number, the fraction will be eliminated by rounding the fraction up to the nearest whole number.

#### **17.3 Notice of determination**

If the Board determines that particular Performance Rights are Vested Performance Rights, that determination will take effect on the date that the Participant who holds those Performance Rights is given notice that the Performance Rights are Vested Performance Rights, and the first day on which the Vested Performance Rights can be exercised will be the first day immediately after the date upon which notice is given by the Board under this Rule.

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### **18. Performance Rights register**

Bathurst must open and maintain a register in respect of each Eligible Executive or Participant, as the case may be, which contains at least the following information:

- a) the full name and address of the Eligible Executive;
  - b) details of each Offer made under the Plan to that Eligible Executive;
  - c) the date on which the relevant Eligible Executive became a Participant;
  - d) the Performance Conditions and Performance Periods applicable to the Performance Rights issued to the relevant Participant;
  - e) the number of Performance Rights that the relevant Eligible Executive may become entitled to apply for;
  - f) the number of Performance Rights (if any) which the relevant Eligible Executive has been granted and the date of each grant (if more than one);
  - g) the Exercise Period applicable to each issued Performance Right (as may be revised in accordance with these Rules);
  - h) the Exercise Price (if any) applicable to each issued Performance Right; and
  - i) any other related information which the Board considers appropriate to include
-

in the register.

Each Participant may request a summary of his or her record with respect to the Plan as recorded in the register by sending a notice to the Company Secretary during normal business hours. That summary will be provided to the requesting Participant free of charge within a reasonable time of receiving that request.

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## **19. Amendment of the Rules**

The Board may at any time by written instrument, or by resolution of the Board, amend all or any of the provisions of the Rules (including this clause 19). However, no amendment to the Rules that would reduce the existing rights of any Participant in respect of any Performance Rights granted to that Participant prior to the date of the amendment, is permitted without the prior written consent of the Participant or where the amendment is introduced primarily:

- a) for the purpose of complying with or conforming to present or future legal requirements governing, regulating or effecting the maintenance or operation of the Plan or like plans;
- b) to correct any manifest error or mistake;
- c) to address possible adverse tax implications for Participants generally or any member of the Bathurst Group arising from:
  - i. a ruling of any relevant taxation authority;
  - ii. a change to tax legislation (including an official announcement by any relevant taxation or government authority); or
  - iii. a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
- d) to enable Bathurst or any member in the Bathurst Group to comply with the Companies Act and ASX Listing Rules or any other relevant Act, regulation or other rule or law.

**Bathurst Resources Limited**

**Long Term Incentive Plan Policy**

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**1. Policy**

This Policy is known as the Bathurst Resources Limited Long Term Incentive Plan (LTIP) Policy.

**2. Dictionary**

In this Policy, unless a contrary intention appears:

Term	Definition
Bathurst or Company	means Bathurst Resources Limited NZCN 4382538.
Companies Act	means the <i>Companies Act 1993</i> (NZ).
Director	means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director
Eligible Executive	has the meaning given to that term in clause 9 below.
Incentive Plan Review Period	means the period of time each year during which the Board determined entitlements under the LTIP as set out in schedule 6.
Issue Date	means, in relation to a Performance Right, the date on which the Company grants that Performance Right.
LTIP or Plan	means the Company's Long Term Incentive Plan.
Market Value	means: a) the weighted average closing sale price of the Shares recorded on the securities market of ASX over the 5 trading days immediately preceding the day on which the Board resolves to offer a Performance Right; or b) in circumstances where there has been no trading in the Shares during the 5 trading days immediately preceding the day on which the Board resolves to offer a Performance Right, the last sale price of a Share as recorded on the securities market of ASX.
Offer	means an invitation to an Eligible Executive made by the Company under the Rules to apply for an issue of Performance Rights.
Performance Conditions	means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to the Rules, required to be satisfied, reached or met before a Performance Right can vest.
Performance Period	means, in relation to a Performance Right, the financial year of Bathurst or other period determined by the Board in respect of which the Board will assess the performance of the Eligible Executive or the Bathurst Group, or both (as applicable) against the Performance Conditions specified in the Offer.
Performance Right	means a Performance Right issued under the LTIP to subscribe for a Share.
Professional Advisor	means a consultant or consulting group with skills and capability to advise the Company on staff remuneration matters and/or LTIP calculations and criteria whose appointment has been agreed by the Remuneration Committee.
Rules	means the Bathurst Resources Limited LTIP Rules, as adopted by the Board and as amended from time to time.
Shares	means fully paid ordinary shares in the capital of the Company.

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Total Shareholder Return	<p>during a Performance Period is expressed as a percentage and is calculated according to the following calculation:</p> $\text{TSR}\% = (\text{SPE} - \text{SPS} + \text{D}) / \text{SPS}$ <p>where:            TSR% = Total Shareholder Return            SPE = Share price at the end of the Performance Period            SPS = Share price at the start of the Performance Period            D = any dividend which the shareholder received or became entitled to receive during the Performance Period (regardless of whether the Dividend has been paid) and any other cash payments made to shareholders pursuant to share buyback programs or capital reductions.</p>
Vested Performance Rights	means a Performance Right that has vested in accordance with the Rules and which is exercisable under the Rules.

### 3. Interpretation

In this Policy, unless a contrary intention appears:

- a) a reference to this Policy or another instrument includes any variations or replacement of any of them;
- b) a statute or other law includes regulations and other instruments under it and consolidations, amendment, re-enactments or replacement of any of them;
- c) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- d) the singular includes the plural and vice versa;
- e) a reference to a gender includes all genders;
- f) where any calculation or adjustment made under this Policy produces a fraction of a cent or a fraction of a Share, the fraction will be eliminated by rounding to the nearest whole number favourable to the Participant; and
- g) an expression defined in, or given a meaning for the purposes of the Rules, the Companies Act, Corporations Act or ASX Listing Rules has the same meaning where used in this Policy, but in the event of inconsistency between the Rules, the Companies Act, the Corporations Act or the ASX Listing Rules, the Companies Act will prevail.

### 4. Scope

This Policy applies only to the Company's Eligible Executives (refer to clause 9 below).

### 5. Long Term Incentive Plan

The LTIP is a performance rights plan.

### 6. Purpose

The purpose of the LTIP is to achieve long term performance for Shareholders and the retention of executive and senior management personnel whose roles and responsibilities mean they are able to significantly influence the Company's continued success and, accordingly, create lasting shareholder value.

### 7. Operation of Plan

The LTIP operates in the following way:

- a) the Board makes Offers under the LTIP to the Eligible Executives which, if duly accepted in the manner prescribed in the Rules, entitle the Eligible Executives (or their Permitted Nominee) to receive Performance Rights if they (or the Company) achieve certain Performance Conditions during a Performance Period, all of which have been specified in the terms of the Offers;

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- b) during the Incentive Plan Review Period, the Board will meet and determine whether the Performance Conditions were met during the Performance Period; and
- c) if the Board determines that:
- (i) the Performance Conditions have been met during the Performance Period, the Performance Rights will vest in the Eligible Executive and the Eligible Executive will be able to convert the Performance Rights to Shares (subject to the Rules or any applicable law or regulation);
  - (ii) if the Performance Conditions have not been met during the Performance Period, the Performance Rights will lapse and the Eligible Executive will not be able to convert the Performance Rights to Shares; and
  - (iii) if the Performance Conditions have been partially met during the Performance Period, the Board will determine what percentage of the Performance Rights will vest to the Eligible Executive and what percentage of the Performance Rights will lapse. The Eligible Executive will be able to convert only those Performance Rights which have vested into Shares.

---

#### 8. Relationship between Policy & LTIP

The LTIP is governed by the Rules which give the Board discretion to administer the LTIP. The purpose of this Plan Policy is to provide a guide for the Board to assist in determining:

- a) who will be classified as Eligible Executives;
- b) how the number of Performance Rights offered to each Eligible Executive will be calculated;
- c) when Offers will be made;
- d) what the Performance Periods of each Offer will be;
- e) what the Performance Conditions of each Offer will be; and
- f) what percentage of Performance Conditions should vest in the event that Performance Conditions are only partially satisfied.

For the avoidance of doubt this Policy serves as a guide to the Board only and does not in any way fetter the discretion of the Board to administer the LTIP pursuant to the Rules.

---

#### 9. Eligible Executives

For the purposes of this Policy, an "Eligible Executive" means:

- a Director; or
- any person classified by the Board in its absolute discretion, as an Eligible Executive, who should be allowed to participate in the Plan, providing that person is an Employee and takes part in the management of the Bathurst Group.

---

#### 10. Timing of Offers

The Board will make Offers annually before the last day of the Incentive Plan Review Period and may make additional Offers at any other time that the Board, in its absolute discretion, sees fit. The timing of the making of any Offer may vary where Shareholder approval is required for the Offer.

---

#### 11. Operation of Plan and Performance Period

After the LTIP has become effective, and whilst it remains effective and in operation, each Eligible Executive will receive one Offer per annum.

The Performance Rights that are the subject of the Offer will have a Performance Period of one (1) year and, providing the Performance Conditions are satisfied during that Performance Period, will become Vested Performance Rights in three equal tranches of one third on each of the next three anniversaries of the Issue Date of those Performance Rights.

A table illustrating the operation of the LTIP is attached as **Schedule 1**.

For the avoidance of doubt **Schedule 1** and all clauses of this Policy act as a guide only and do not prevent the Board (in its absolute discretion) from making further Offers with varying Performance Periods.

---

## 12. Number of Performance Rights Offered

The number of Performance Rights to be offered to each Eligible Executive in an Offer, subject to Board approval will be calculated as follows:

$$N = \frac{TFR \times Y\%}{V}$$

V

Where:

- N = the number of Performance Rights offered in each Offer;
- TFR = the Total Fixed Remuneration of the Eligible Executive at the commencement date of the Performance Period;
- V = the Market Value of a Share prior to the commencement date of the Performance Period; and
- Y = the percentage TFR awarded in Performance Rights as determined by the Board with regard to Schedule 2.

For the avoidance of doubt, the content and terms of **Schedule 2** are a guide only and do not prevent the Board (in its absolute discretion) using different percentages to determine the Y variable of the calculation set out above.

**Schedule 2** has been drafted to ensure that the LTIP, in conjunction with an Eligible Executive's annual salary and short term incentives, positions the Eligible Executive in a competitive position relative to the appropriate index in respect of their total remuneration arrangements with the Company.

---

## 13. Performance Conditions

The Performance Condition for each Offer will be for the Company to achieve a Total Shareholder Return which places the Company in the 75th percentile for Total Shareholder Return relative to the ASX Small Resources Index (XSR:ASX) with a pro-rata for performance above the 50th percentile.

In other words, for every percentile ranking above 50% that is achieved in satisfaction of the Performance Conditions applicable to the Performance Rights awarded to an eligible Executive under the Plan, an additional 4% of those Performance Rights will vest and convert into an equal number of Shares.

During the Incentive Plan Review Period, the Board will meet and determine whether the Performance Conditions were met during the applicable Performance Period. Whether or not the Performance Conditions have been met, either wholly or in part, during the applicable Performance Period (and what percentage of Performance Rights will vest) will be determined by the Board with regard to Bathurst's Total Shareholder Return relative to that of the appropriate index during the Performance Period.

A table setting potential performance outcomes by Bathurst and what percentage of Performance Rights will vest in each case is set out in **Schedule 3**.

For the avoidance of doubt **Schedule 3** is a guide only and does not prevent the Board (in its absolute discretion) determining what percentage of Performance Rights vest.

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## 14. Vesting of Performance Rights

Prior to the last day of the Incentive Plan Review Period, the approved consolidated list of all Vested Performance Rights will be forwarded by the Chief Executive Officer to the Company Secretary. The Company Secretary will inform each Eligible Executive in writing as to which how many of their Performance Rights have vested.

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## 15. Conversion of Performance Rights

Each Eligible Executive may convert their Vested Performance Rights into Shares in accordance with the Rules.

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## 16. Taxation Liability

Any taxation incurred by any Eligible Executive as a consequence of that Eligible Executive participating in the Plan, including the acceptance of any Offer, the receipt and holding of any Performance Rights and the conversion of any Performance rights into Shares, is and will remain the responsibility of the Eligible Executive and not the Company.

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**Schedule 1**

2015	2016	2017	2018	2019	2020
<b>Offer 1</b> and start of the first year Performance Period	<b>Offer 1</b> - first equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on first anniversary of issue date	<b>Offer 1</b> - second equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on second anniversary of issue date	<b>Offer 1</b> – third equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on third anniversary of issue date		
	<b>Offer 2</b> and start of the first year Performance Period	<b>Offer 2</b> - first equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on first anniversary of issue date	<b>Offer 2</b> - second equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on second anniversary of issue date	<b>Offer 2</b> third equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on third anniversary of issue date	
		<b>Offer 3</b> and start of the first year Performance Period Offer	<b>Offer 3</b> - first equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on first anniversary of issue date	<b>Offer 3</b> - second equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on second anniversary of issue date	<b>Offer 3</b> - third equal tranche of the Performance Rights vest if Performance Conditions are satisfied during Performance Period, on third anniversary of issue date

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**Schedule 2**

Position Category	Maximum Percentage of Total Fixed Remuneration
Chief Executive Officer	25%
Eligible Executives	15%

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**Schedule 3**

Bathurst's Relative Total Shareholder Return Performance	Percentage of Performance Rights that Vest
Less than 50 <sup>th</sup> percentile	Nil
50 <sup>th</sup> percentile	50%
Between 50 <sup>th</sup> and 75 <sup>th</sup> percentile	50% plus 4% for every single percentile above 50%
At or above 75 <sup>th</sup> percentile	100%

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#### Schedule 4 – Estimated Timeline for LTIP Review

Date	Events
1 December	Offers are made to Eligible Executives under the LTIP.
Before 15 December	Chief Financial Officer determines through an independent and qualified professional remuneration consultant, as agreed by the Remuneration Committee, the percentile for Total Shareholder Return of the Company relative to the appropriate index for the preceding year and provides this information to the Chief Executive Officer and the Remuneration Committee.
Before 21 December	The Remuneration Committee considers the information provided and determines which Performance Rights will vest in accordance with the Rules.
21 December	Company Secretary notifies Eligible Executives in writing which and how many of their Performance Rights have vested.



**Lodge your proxy**



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www.investorvote.co.nz



**By Mail**  
Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand



**By Fax**  
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**For all enquiries contact**



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**Control Number:**

**CSN/Securityholder Number:**

**PLEASE NOTE:** You will need your CSN/Securityholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote and then follow the prompts to appoint your proxy and exercise your vote online.



**For your proxy to be effective it must be received by 5.00pm Friday, 20 November 2015**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

A Shareholder who is entitled to attend and cast a vote at the meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative to exercise its powers as proxy at the meeting.

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's share registry. The Chairman of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him or her for that purpose. The Chairman of the meeting or any other director appointed as proxy intends to vote discretionary proxies in favour of the relevant resolution. To do this, enter 'the Chairman' or the name of your proxy in the space allocated in 'Step 1' of this form. Alternatively you can appoint a proxy online at www.investorvote.co.nz. The Chairman will vote all undirected proxies in favour of the resolutions.

**Voting of your Holding**

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Attending the Meeting**

Shareholders who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded. Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

**Signing Instructions for Postal Forms**

**Individual**

Where the holding is in one name, the securityholder must sign.

**Joint Holding**

Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney**

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

**Companies**

This form must be signed by a Director jointly with either another Director or a Company Secretary, or a Sole Director can also sign alone. Please sign in the appropriate place and indicate the office held.

**Corporate Representatives**

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the meeting. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's share registry.

**Comments & Questions**

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Go online to lodge your proxy, or turn over to complete the form**


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# Proxy/Corporate Representative Form

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a shareholder/s of Bathurst Resources Limited hereby appoint

the Chairman of the Meeting **OR**

 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions at the **Annual General Meeting of Bathurst Resources Limited to be held at the offices of Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand on Monday 23 November 2015 at 9.00am** and at any adjournment of that meeting.

## STEP 2 Items of Business - Voting Instructions/Ballot Paper (if a Poll is called)

**Please note:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business	For	Against	Proxy Discretion	Abstain
<b>Resolution 1</b> Election of Mr Russell Middleton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Election of Mr Peter Westerhuis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Ratification of issue of 7,154,321 shares to current and former employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Adoption of Bathurst Resources Limited Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Approval to issue 5,000,000 shares to Mr Richard Tacon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> Approval to issue 5,000,000 Performance Rights to Mr Richard Tacon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> Approval to issue 1,500,000 Performance Rights to Mr Toko Kapea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b> Approval to issue 1,500,000 Performance Rights to Mr Russell Middleton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b> Approval to issue 1,500,000 Performance Rights to Mr Peter Westerhuis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b> Approval of Potential Termination Benefits under Bathurst Resources Limited Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 11</b> Auditor's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SIGN Signature of Securityholder(s) This section must be completed.

<b>Securityholder 1</b> <input style="width: 95%; height: 25px;" type="text"/> or Sole Director and Sole Company Secretary	<b>Securityholder 2</b> <input style="width: 95%; height: 25px;" type="text"/> or Director	<b>Securityholder 3</b> <input style="width: 95%; height: 25px;" type="text"/> or Director/Company Secretary
--	--	--

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_\_

## ATTENDANCE SLIP



Annual General Meeting of Bathurst Resources Limited to be held at the offices of Minter Ellison Rudd Watts, Level 18, 125 The Terrace, Wellington, New Zealand on Monday 23 November 2015 at 9.00am

**Update your information:**



**Online:**

[www.investorcentre.com/nz](http://www.investorcentre.com/nz)



**By Mail:**

Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142

**Enquiries:**



Phone: +64 9 488 8777

Fax: +64 9 488 8787

Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

## RECEIVING SHAREHOLDER COMMUNICATIONS (209 Notice)

As a **Bathurst Resources Limited** shareholder you receive a number of communications from us. However, in accordance with changes to the New Zealand Companies Act (June 2007), we will no longer automatically be mailing to you printed copies of the Annual Report or Half Year Report.

This year the Company has decided not to take up the option to prepare a Concise Annual Report.

**Bathurst Resources Limited's** Annual Report for the year ended 30 June 2015 is available on our website from 30 October 2015, and **Bathurst Resources Limited's** Half Year Report for the six months ended 31 December 2015 will be available on our website around 29 February 2016. You can obtain copies of these reports at [www.bathurstresources.co.nz](http://www.bathurstresources.co.nz)

You can choose to receive email notification of when the reports are available to view online (and other shareholder communication) by entering your email address below and returning this form.

Please mark this box if you wish to receive all Bathurst Resources Limited communications electronically. This may include annual and interim reports, transaction statements, payment advices, meeting documentation and any other company related information which we think are appropriate to be sent electronically.

Provide your email address here

Alternatively you can elect your preferences for shareholder communications online, by visiting Visit [www.investorcentre.com/nz](http://www.investorcentre.com/nz) and log in. Select 'My profile' and click on the 'update' button on the communication preferences tile. You will need your CSN or Holder Number and FIN to access Investor Centre and register your account. On-going you will access this service with your own User ID and Password.

Notwithstanding that these reports are available electronically, you have the right to receive, upon request, a copy free of charge of the Annual Report and the next Half Year Report (when available) prepared under the NZSX Listing Rules.

If you wish to receive a copy of these reports, please mark the box below and return this form within 15 working days of receiving this form to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

**I Would Like To Receive A Copy Of The Annual And Half Year Reports**

Please mark this box with an 'X' if you wish to receive copies of **Bathurst Resources Limited's** Annual Report and Half Year Report (when available) each year.

If you have any questions about changing how you receive shareholder communications, please contact Computershare on (09) 488 8777.