

June Quarter 2016 – FY2016 Strategy Delivers

HIGHLIGHTS

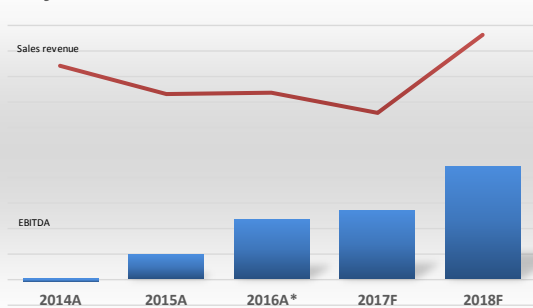
- Record full year ROM coal production of 431kt, up 10% on previous corresponding period
- Cashflow positive - Full Year (Cash and restricted deposits, \$6.0m at year end)
- Shareholder approval of convertible note issue

RESULTS FOR FY2016 AND GUIDANCE FOR FY2017

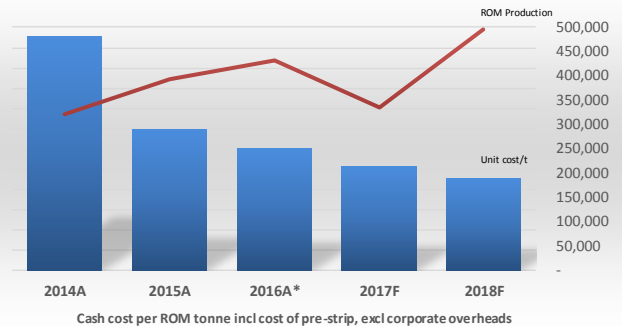
*All forecasts are based on the current operations of Bathurst Resources Limited

	Guidance for FY2016	Actual Outcome	Guidance for FY2017
Production	450kt ROM	431kt ROM	330kt ROM
Cash cost (av)	\$NZ70/tonne	Lower by NZ\$5/tonne	NZ\$55 to NZ\$60/tonne
EBITDA	NA	NZ\$11 to 12M	NZ\$12 to 13M
O/head cost	17% lower than FY14	35% lower than FY14	
Productivity	increase over FY2015	6,246 t/FTE/year (34%)	

Adjusted EBITDA v Sales Revenue



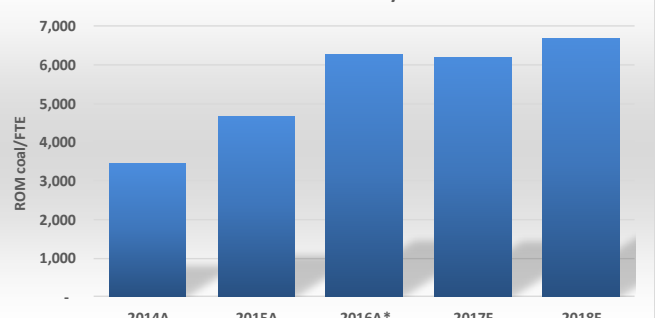
Unit Costs v Production



Corporate overheads (incl HSEC)



Productivity



* Unaudited results for 2016

SAFETY

Bathurst's operating mines, project works and exploration activities recorded one lost time injury for the quarter, and for the full financial year. The injury was to an employee's finger and occurred in the workshop at the Takitimu mine.

Training continues across the company to ensure that the company meets its obligations under the new health and safety act and revised mining regulations which came into effect on 4 April 2016.

OPERATIONS REPORT

Bathurst concludes quarter four with a **cash positive result across the financial year**. Operating efficiency initiatives and lean financial management have delivered, and continue to deliver, real benefits to the company.

The Escarpment mine was placed on care and maintenance in the quarter as previously advised. Work continues to ensure all resource consents are maintained and the site is positioned to expand when the conditions allow.

June Quarter Production

	Production (ROM tonnes)	Overburden (BCM's)
Escarpment	1,105	14,712
Takitimu	59,201	582,460
Canterbury	14,580	198,186
Total	74,886	795,358

Buller Operations

As advised previously, the Escarpment mine was placed on care and maintenance during the quarter.

The main market for Escarpment coal has been the local cement works which ceased offtake in April 2016.

Site works continue with the formation of stable slopes and water control structures to allow the mine to meet conditions of its environmental approvals in a safe and effective manner.

The intent of the company is to continue to compete for other markets for this high quality coal.

The resource remains available to mine and can be brought on-line with minimal cost or delay when conditions allow.

Takitimu mine

Coal production for Takitimu was 59,201 tonnes which was ahead of forecast for the quarter and brings total production to 303,000 tonnes for the full year.

Changes to the equipment selection at Takitimu in the quarter are showing positive results as part of the ongoing drive to reduce operating costs at all sites.

Mining continued to progress to the North of the Coaldale pit, concentrating on both the Morley and Beaumont seams. Overburden removal has been enhanced with the purchase and installation of a Komatsu PC2000. This machine replaces two hired excavators. Coal production tapered off towards the end of the quarter in line with seasonal demand from the dairy industry. The mine is developing into an extension block to the north of the existing work area.

Overseas Investment Office approval was granted to allow the finalisation of the purchase of the Black Diamond land. This contains reserves of 1.5Mt and will form the main mining area in approximately 12 months time.

Rehabilitation of the Takitimu pit has progressed through the quarter with an area formed and shaped ready for seeding over the winter months.

Canterbury mine

Production for Canterbury was 14,580 tonnes for the quarter and results in total production in excess of 61,000 tonnes for the full year in line with forecast.

Production capacity at Canterbury is planned to increase in FY2017 with ROM production forecast to exceed 100,000 tonnes. This is in response to strong demand for Canterbury Coal in nearby markets.

Exploration and planning continue for this development where the increased scale will drive production efficiencies and position the company well for supply into South Canterbury markets.

Exploration and permits

Exploration during the quarter was limited to that required to meet short term operational planning and permit requirements.

This primarily relates to development and validation of the geologic models at both Canterbury and Takitimu.

FINANCIAL

The company has had a strong fourth quarter as the results of operational productivity improvements continue to be realised. Significant changes to the company's equipment setup and a move to heavy vehicle ownership are delivering tangible results to the bottom line. Sales volumes were marginally below expectation for the quarter driven primarily by the food processing sector.

Cash and restricted deposits totaled \$6.0M at 30 June 2016. This is a slight decrease of \$0.2M since the quarter ended 31 March 2016 reflecting the closure cost of the Buller Operations and the increased overburden at Takitimu as the extension block is prestriped. Overall, the company was cash positive for the year ended 30 June 2016.

CORPORATE MATTERS

A special meeting of shareholders was held on 23 June 2016 to approve the issue of shares on conversion of a convertible note to be issued by the company. All resolutions were supported and the notes will be issued in quarter one of financial year FY2017.

ABOUT BATHURST RESOURCES LTD

Bathurst is an ASX listed resources company. Its operations are in the South Island of New Zealand where it is established as a leading coal producer, providing energy for local industrial users and, ultimately, positioning to become an exporter of high quality metallurgical coal for steel production in Japan, India and China.

Whilst listed on the ASX, Bathurst is a New Zealand registered company, employing approximately 80

staff across its operations in the South Island. The company's head office is in Wellington. Bathurst has no operations outside New Zealand.

Domestic operations

Bathurst currently has two operating mines – Takitimu in Southland, and the Canterbury mine, west of Christchurch. Takitimu and Canterbury produce sub-bituminous (thermal) coal to supply cost effective energy to the agri-sector in the South Island where other options for power and energy infrastructure are either not available or not commercially viable.

The company also has two mines - Escarpment and Cascade, located on the west coast. These mines contain bituminous (coking) coal which has previously sold as feedstock for the local cement industry. Due to closure of the main customer in April 2016, both mines have suspended operations.

The company holds exploration permits at Ohai and New Brighton in Southland, and at Albury, near Timaru. The Southland permits are adjacent to the Takitimu mine and will be the next blocks to be developed as an extension of the current mining operations.

Bathurst also operates a coal handling and distribution centre in Timaru where it stockpiles and blends coal from its South Island operations for distribution to local industrial customers.

The domestic sales provide a sound revenue stream to underpin the company's operations. The key focus is to drive lower costs from the business and to increase the productivity rates. Bathurst is exploring all opportunities to increase market share.

Export Coking Coal

The Buller coalfield is situated on the west coast of the South Island of New Zealand. It is regarded as one of the country's most significant fields and is particularly well known for its production of high quality, low ash and high fluidity coking coals which are highly sought after by international steelmakers.

The first development area within the Bathurst holdings is the Escarpment mine. This has been developed to a stage where it has the initial water control structures and dams in place and infrastructure areas formed. The main objective at this time is to design the operations to ensure a margin in today's market conditions and to explore routes to markets that are cost effective in terms of capital outlay and logistics. Export operations can then commence. Studies completed to date indicate a mine life of 20 years at an average output of 750ktpa.

BATHURST RESOURCES LIMITED

Level 12
1 Willeston Street
Wellington 6011 New Zealand
Tel: +64 4 499 6830

ASX Code: BRL

WEBSITE & EMAIL

www.bathurstresources.co.nz
wellington@bathurstresources.co.nz

CHIEF EXECUTIVE OFFICER

Richard Tacon

DIRECTORS

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

JOINT COMPANY SECRETARY

Jason Hungerford
jhungerford@bathurstresources.co.nz
Bill Lyne
blyne@bathurstresources.co.nz

ISSUED CAPITAL

964,482,755 Ordinary Shares

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