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

Suspension of Operations at Escarpment Mine

The Board of Bathurst Resources Limited (ASX: BRL "Bathurst") wish to announce that a review of operations at the Escarpment Mine could lead to operations being suspended from May 2016.

The main market for the Escarpment coal has been the local cement works which is planning to close in June 2016. The search for a replacement for this market is ongoing, with the biggest issue being getting the coal to the markets at the right cost. At present the existing markets for this high quality product are around 35,000 tonnes per annum.

Detailed planning and feasibility work has shown that the mine cannot be profitable at these levels of production. The costs inherent in operating on the plateau and the overhead required to support even small scale mining is onerous.

It is envisaged that the mine would be placed in suspension at the beginning of May. Between now and that time the mine will continue to supply the local cement works. Site works will also centre on forming stable slopes and water control structures to allow the mine to meet all of the resource consent conditions in a safe and cost effective manner.

The intent of the company is to continue to compete for other markets for this high quality coal. The resource is still available to mine and there is a scale where it is profitable.

Bathurst plans to maintain the value of the resource and the consents that allow access to that resource as part of the normal planning process.

The remaining Bathurst business is strong, with positive cashflow. This hiatus in operations strengthens that position in these difficult market conditions.

Yours sincerely
Bathurst Resources Limited

A handwritten signature in blue ink, appearing to read "Toko Kapea".

Toko Kapea
Chairman

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